

# CORPORATE INFORMATION

## Board of Directors

**Mr. D K Jain**

Executive Chairman

**Mr. Anmol Jain**

Managing Director

**Mr. Deepak Jain**

Non-Executive Director

**Mr. Sanjay Mehta**

Non-Executive Director

**Mr. Arun Kumar Malhotra**

Independent Director

**Mr. Avinash Parkash Gandhi**

Independent Director

**Mr. Kanchan Kumar Gandhi**

Independent Director

**Mr. Milap Jain**

Independent Director

**Mr. Roop Salotra**

Independent Director

**Mrs. Diviya Chanana**

Independent Director

## Board Committees

### Audit Committee

**Mr. Arun Kumar Malhotra** – Chairman

**Mr. Roop Salotra** – Member

**Mr. Milap Jain** – Member

**Mr. Avinash Parkash Gandhi** – Member

**Mr. Anmol Jain** – Member

### Nomination & Remuneration Committee

**Mr. Milap Jain** – Chairman

**Mr. Roop Salotra** – Member

**Mr. Deepak Jain** – Member

**Mr. Sanjay Mehta** – Member

### Share Transfer/Stakeholder Relationship Committee

**Mr. Deepak Jain** – Chairman

**Mr. D K Jain** – Member

**Mr. Kanchan Kumar Gandhi** – Member

**Mr. Arun Kumar Malhotra** – Member

## Corporate Social Responsibility Committee

**Mr. Roop Salotra** – Chairman

**Mr. D K Jain** – Member

**Mr. Deepak Jain** – Member

## Chief Executive Officer

**Mr. Vikas Marwah**

## Chief Financial Officer

**Mr. Ashish Dubey**

## Company Secretary

**Mr. Anil Tyagi**

## Registrar & Share Transfer Agent

**Bigshare Services Pvt. Ltd.**

1st Floor, Bharat Tin Works Building,

Opp. Vasant Oasis Apartments,

Makwana Road, Marol Andheri East,

Mumbai - 400059

E-mail: vinod.y@bigshareonline.com

## Registered Office

2nd Floor, Harbans Bhawan-II,

Commercial Complex, Nangal Raya,

New Delhi - 110046

E-mail: shares@lumaxmail.com

Website: www.lumaxworld.in/

lumaxautotech

## Corporate Identity Number

L31909DL1981PLC349793

## Bankers

Citibank NA

HDFC Bank Ltd

HSBC Bank

ICICI Bank Ltd

Kotak Mahindra Bank Ltd

State Bank of India

Syndicate Bank

IDBI Bank Limited

## Auditors

**M/s S.R. Batliboi & Co. LLP**

Chartered Accountants, New Delhi

## Works

❖ Shed No. 1, Plot No. 33/3, D - 2 Block, MIDC, Chinchwad, Pune, Maharashtra

❖ W-230-E, 'S' Block, M.I.D.C. Bhosari, Pune, Maharashtra

❖ Gat No. 156/1, Mahalunge, Chakan, Pune, Maharashtra

❖ K- 76, M.I.D.C., Waluj, Industrial Area Aurangabad, Maharashtra

❖ B - 14/3 , M.I.D.C., Waluj, Industrial Area, Aurangabad, Maharashtra

❖ Sy. No. 334, 366 & 367, Bellur Village, Narsapura Hobli, Kolar, Bengaluru, Karnataka

❖ Plot No. 164-165, Sector-5, IMT Manesar, Gurugram - 122050, Haryana

❖ Plot No. 12, Sector- 10, IIE Pantnagar, District - Udham Singh Nagar, Uttarakhand

❖ Plot No. 9, 10, 23-25, Gat No. 53, Sahajapur, Aurangabad, Maharashtra

## Marketing/ Trading Division

❖ Plot No. 2, Industrial Estate, Udyog Vihar, Phase IV, Gurugram, Haryana

❖ Khashra No. 25/12/2, 18, 23, 19, Revenue Estate, Vill. Khawasapur, Jamalpur, Main Pataudi Road, Gurugram - 122503, Haryana

# Boards' Report

Dear Members,

Your Directors with immense pleasure present the 39<sup>th</sup> Annual Report of Lumax Auto Technologies Limited ("Company") on the business and operations together with Audited Balance Sheet and Statement of Profit & Loss of your Company for the year ended March 31, 2020.

We have established our position in the industry as one of the prominent leaders and are the preferred supplier for all major OEMs. We have a diverse basket of products offering. The below mentioned performance itself speaks volumes of the initiatives Company has taken to strengthen the profitability.

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

## I. FINANCIAL PERFORMANCE

	Standalone		Consolidated	
	For the year ended	For the year ended	For the year ended	For the year ended
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Revenue from Operations	94,236.07	95,764.60	1,14,091.38	1,18,697.87
Other Income	2,717.95	2,317.35	1,810.15	1,395.34
<b>Total Income</b>	<b>96,954.02</b>	<b>98,081.95</b>	<b>1,15,901.53</b>	<b>1,20,093.21</b>
<b>Total Expenses</b>	<b>90,828.97</b>	<b>90,889.51</b>	<b>1,09,403.15</b>	<b>1,10,705.87</b>
<b>Profit before tax, share in net profit/(loss) of associates, exceptional items</b>	<b>6,125.05</b>	<b>7,192.44</b>	<b>6,498.38</b>	<b>9,387.34</b>
Profit / (loss) of associates	-	-	(30.10)	(25.44)
<b>Profit before exceptional items and tax</b>	<b>6,125.05</b>	<b>7,192.44</b>	<b>6,468.28</b>	<b>9,361.90</b>
Exceptional items	-	-	-	(603.11)
<b>Profit before Tax</b>	<b>6,125.05</b>	<b>7,192.44</b>	<b>6,468.28</b>	<b>8,758.79</b>
Tax Expenses	997.67	2,500.97	1,367.84	3,135.74
<b>Profit for the year (Before discontinued operations)</b>	<b>5,127.38</b>	<b>4,691.47</b>	<b>5,100.44</b>	<b>5,623.05</b>
<b>Discontinued operations (PCB Business)</b>				
Profit before tax for the period / year from Discontinued operations	948.58	1,758.42	948.58	1,758.42
Tax expense of Discontinued operations	123.29	492.42	123.29	492.42
<b>Profit for the period / year from Discontinued operations</b>	<b>825.29</b>	<b>1,266.00</b>	<b>825.29</b>	<b>1,266.00</b>
<b>Profit for the year</b>	<b>5,952.67</b>	<b>5,957.47</b>	<b>5,925.73</b>	<b>6,889.05</b>
<b>Profit for the year attributable to -</b>				
a) Owners of Lumax Auto Technologies Limited	5,952.67	5,957.47	5,803.89	6,588.78
b) Non- controlling interests	-	-	121.84	300.27
<b>Other Comprehensive Income</b>	<b>(5,105.30)</b>	<b>(1,743.88)</b>	<b>(5,086.53)</b>	<b>(1,729.89)</b>
<b>Other Comprehensive Income attributable to -</b>				
a) Owners of Lumax Auto Technologies Limited	(5,105.30)	(1,743.88)	(5,093.40)	(1,734.82)
b) Non- controlling interests	-	-	6.87	4.93
<b>Total Comprehensive Income for the year</b>	<b>847.37</b>	<b>4,213.59</b>	<b>839.20</b>	<b>5,159.16</b>
<b>Total Comprehensive Income for the year attributable to -</b>				
a) Owners of Lumax Auto Technologies Limited	847.37	4,213.59	710.49	4,853.96
b) Non- controlling interests	-	-	128.71	305.20
Paid-up Equity Share Capital (Equity shares of ₹ 2 each)	1,363.15	1,363.15	1,363.15	1,363.15
<b>Earnings Per Share Basic &amp; Diluted EPS (in ₹)</b>	<b>8.73</b>	<b>8.74</b>	<b>8.52</b>	<b>9.67</b>

## Boards' Report (Contd.)

### A. COMPANY PERFORMANCE

#### STANDALONE:

On Standalone Basis, the Company achieved Revenue of ₹ 94,236.07 Lakhs for the Financial Year 2019-20 as compared to ₹ 95,764.60 Lakhs (from continued operations) in Financial Year 2018-19, a decline of 2%. The Profit before Tax (PBT) from continued operations stood at ₹ 6,125.05 Lakhs as against ₹ 7,192.44 Lakhs. Similarly, the Profit after Tax (PAT) was recorded at ₹ 5,127.38 Lakhs as against ₹ 4,691.47 Lakhs in previous year.

During the year Lumax DK Auto Industries Limited, a 100% subsidiary of the Company has been merged with the Company with effect from November 9, 2019 pursuant to the order of the Hon'ble National Company Law Tribunal, Principal Bench, New Delhi dated October 30, 2019 with appointed date April 1, 2018.

#### CONSOLIDATED:

On Consolidated Basis, the Company achieved Revenue of ₹ 1,14,091.38 Lakhs for the Financial Year 2019-20 as compared to ₹ 1,18,697.87 Lakhs (from continued operations) in Financial Year 2018-19, a decline of 4%. The Profit before Tax (PBT) and exceptional items from continued operations stood at ₹ 6,468.28 Lakhs as against ₹ 9,361.90 Lakhs. The Profit after Tax (PAT) and minority interest was recorded at ₹ 4,978.60 Lakhs as against ₹ 5,322.78 Lakhs in previous year.

#### DIVIDEND

During the year under review and based on the Company's performance, the Board of Directors at their meeting held on February 19, 2020, declared and paid an interim dividend of ₹ 2 per equity share (i.e. 100%) of face value of ₹ 2/- each and the same is being confirmed at the Annual General Meeting. Further, your Board of Directors have now recommended a Final Dividend @ ₹ 1 per equity share (i.e. 50%) of face value of ₹ 2/- each for the Financial Year 2019-20 which was considered by the Board in its meeting held on June 17, 2020 for the approval of shareholders in the ensuing Annual General Meeting ("AGM").

The Interim Dividend and proposed Final Dividend for Financial Year 2019-20, would result in appropriation of ₹ 2,285.58 Lakhs (including Corporate Dividend Tax of ₹ 240.85 Lakhs) as against ₹ 2,406.00 Lakhs (including Corporate Dividend Tax of ₹ 361.27 Lakhs) in previous Financial Year 2018-19.

The Register of Members and Share Transfer Books shall remain closed from Friday, the August 21, 2020 to Friday, the August 28, 2020 (both days inclusive). The Final Dividend as recommended by the Board of Directors, 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 Thursday, the August 20, 2020 within the stipulated time period. The Dividend pay-out ratio comes to 44.58 %.

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

As per Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations"), applicable provisions of the Companies Act, 2013 and Ind AS 110, the Audited Consolidated Financial Statements are provided in the Annual Report of the Company.

As on March 31, 2020, the Company has Ten (10) Subsidiaries (including 2 step down subsidiaries) and Two (2) Associate Companies. The performance highlights of these Companies are follows:

#### SUBSIDIARIES:

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

LMS, a 100% subsidiary of the Company is a full-time service provider in form of Corporate Services to its Group Companies. The Revenue of the Company stood at ₹ 2,589.15 Lakhs for the Financial Year 2019-20.

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

LIVE, a 100% subsidiary of the Company was established for manufacturing of Non-Automotive Parts. LIVE has Two (2) Subsidiaries Lumax Energy Solutions Private Limited and Velomax Mobility Private Limited. The Consolidated turnover of the LIVE for the Financial Year 2019-20 stands for ₹ 33.20 Lakhs.

##### 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 the Company stood at ₹ 12,510.20 Lakhs for the Financial Year 2019-20.

## Boards' Report (Contd.)

### **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 as well as other plastics injection blow moulded parts. The revenue of the Company stood at ₹ 4,716.35 Lakhs for the Financial Year 2019-20. The Pune Plant has started commercial production of urea tank in Q1 FY-2021 & Pantnagar plant is in process of commissioning.

### **Lumax Gill – Austem Auto Technologies Private Limited (LGAT)**

LGAT, 50% subsidiary formed in collaboration with Gill-Austem LLP, USA, for manufacturing of seat structures. The current year revenue stood at ₹ 2,546.01 Lakhs. The Board of Directors in its meeting held on February 11, 2020 has approved for the termination of the Joint Venture Agreement with Gill Austem, LLP, USA. Accordingly, the Company is negotiating with Gill Austem, LLP, USA for acquiring balance stake in LGAT.

### **Lumax FAE Technologies Private Limited (Lumax FAE)**

Lumax FAE, a 51% subsidiary between Lumax Auto Technologies Limited and FAE, Spain to manufacture Oxygen Sensors. The plant is under commissioning and the revised plan for start commercial production is expected in Q3 FY-2021.

### **Lumax Jopp Allied Technologies Private Limited (Lumax Jopp)**

Lumax Jopp, a 50% subsidiary between Lumax Auto Technologies Limited and JOPP, Germany to manufacture Gear Shift Towers, AMT Kits & AGS. The Company has started the commercial production in Q4 FY-2020.

### **Lumax Yokowo Technologies Private Limited (Lumax Yokowo)**

Lumax Yokowo is a 50:50 Joint Venture between Lumax Auto Technologies Limited and YOKOWO, Japan to manufacture Antennas & other Vehicle Communication Products. The Company was incorporated during the Financial Year as 100% subsidiary. During the year, the Company has generated business enquiries from OEM's for manufacturing of Antennas & other Vehicle Communication Products.

### **ASSOCIATES:**

#### **Lumax Ituran Telematics Private Limited (Lumax Ituran)**

Lumax Ituran is a 50:50 Joint Venture between Lumax Auto Technologies Limited and Ituran Location and Control Limited, Israel. During the year, the Company has generated business enquiries from OEM's to implement track & trace devices with additional features for future models.

#### **Sipal Engineering Private Limited (SEPL)**

SEPL is an Associate Company of Lumax Integrated Ventures Private Limited (LIVE). LIVE holds 45% equity in SEPL.

In accordance with the provisions of Section 129(3) of the Companies Act, 2013 a report on performance and financial position of Subsidiaries, Associate Companies is presented in this Annual Report in the prescribed format Form AOC-1 as a part of Financial Statements.

Further, in accordance with the provisions of Section 136(1) of the Companies Act, 2013, 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. [www.lumaxworld.in/lumaxautotech](http://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**

During the year under review, the Company underwent a series of important developments and changes influencing its operations, business activities, corporate governance practices etc. However, it continued to reinforce its position in the market and derived sustainable benefit due to its strong foundation and its deeper integration with its subsidiaries and joint ventures.

The COVID-19 has impacted the normal business operations of the Group by way of interruption in production, supply chain disruption, unavailability of personnel, closure of production facilities etc. during the lock-down period which started from March 23, 2020. However, production and supply of goods has commenced during the month of April and May 2020

## Boards' Report (Contd.)

on various dates at all the manufacturing locations of the Company. The Company is taking utmost care of its staff and work force by undertaking various precautionary measures to smoothly manage the operations, which also include work from home facility.

The Company has made detailed assessment of its liquidity position and it does not foresee any challenges in meeting its financial obligations. As the business situation is very dynamic, the Company is closely monitoring the same and taking required measures.

### A. CHANGE IN CAPITAL STRUCTURE

During the Financial Year 2019-20, the Authorised Share Capital was increased from 7,50,00,000 equity shares of ₹ 2/- each to 18,05,00,000 equity shares of ₹ 2/- each due to merger of Lumax DK Auto Industries Limited with the Company. As on March 31, 2020, the issued and paid-up share capital of the Company was ₹ 13,63,15,410 divided into 6,81,57,705 equity shares of ₹ 2/- each.

- Your Company has not issued shares with differential voting rights, not granted employee stock options, sweat equity or bonus shares. The Company does not have any Debentures, Preferential Shares as on March 31, 2020.
- Your company has not made any provisions of money for purchase of its own shares by employees or by trustees for the benefit of employees during the year under review.

### B. CAPACITY & FACILITY EXPANSION

During Financial Year 2019-20, the Company has upgraded its manufacturing facilities as per customer requirement.

### C. QUALITY INITIATIVES

Your 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.

The Bengaluru Plant of the Company has won the prestigious TPM Award for excellence in Category

A from Japan Institute of Plant Maintenance (JIPM). In addition, the various plants of the Company have received awards for Quality initiatives in various forums of Quality Circle Forum of India (QCFI) and BAVA / KAIZEN Competition, ACMA Kaizen Competition etc. Quality Control Circle (QCC) is an integral part 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 cutting.

### D. MANAGEMENT DISCUSSION & ANALYSIS REPORT

Pursuant to the provisions of Regulation 34 of the Listing Regulations, Management Discussion & Analysis Report is annexed as part of this report separately as an **Annexure - A**.

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

There is no change in business.

### F. ACQUISITIONS

The Board of Directors of the Company at their meeting held on February 24, 2020 have approved the acquisition of roto moulded plastic Auto Component Business of OK Play Group.

Due to unprecedented pandemic situation and extended lockdowns disrupting business continuity, the proposed acquisition is being put on hold pending further review and appropriate decision in future.

## III. GOVERNANCE AND ETHICS

### A. CORPORATE GOVERNANCE

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

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

#### KEY MANAGERIAL PERSONNEL

As on March 31, 2020, Mr. D.K. Jain, Executive Chairman, Mr. Anmol Jain, Managing Director, Mr. Ashish Dubey, Chief Financial Officer and Mr. Anil Tyagi, Company Secretary are regarded as Key Managerial Personnel

## Boards' Report (Contd.)

(KMPs) as per the provisions of the Companies Act, 2013. Further, Mr. Vikas Marwah was appointed as Chief Executive Officer of the Company w.e.f. May 02, 2020 designated as KMP.

### APPOINTMENTS

On recommendation of the Nomination and Remuneration Committee and Board of Directors, Mr. Avinash Parkash Gandhi (DIN: 00161107) have been appointed as a Non- Executive Independent Director by the shareholders of the Company during the year.

On recommendation of the Nomination and Remuneration Committee, the Company in its Board Meeting held on May 18, 2019 has appointed Mr. Anil Tyagi (Membership No. A16825) as Company Secretary and Compliance Officer of the Company.

On recommendation of the Nomination and Remuneration Committee, the Company in its Board Meeting held on May 02, 2020 has appointed Mr. Vikas Marwah as Chief Executive Officer of the Company.

### RE - APPOINTMENTS

On recommendation of the Nomination and Remuneration Committee and Board of Directors, Mr. Milap Jain (DIN: 06738071) have been re-appointed as a Non-Executive Independent Director by the shareholders of the Company for the period of 5 years during the year.

On recommendation of the Nomination and Remuneration Committee and Board of Directors, Mr. Roop Salotra (DIN: 06650145) have been re-appointed as a Non-Executive Independent Director by the shareholders of the Company for the period of 5 years during the year.

In accordance with the Articles of Association of the Company and Section 152 of the Companies Act, 2013, Mr. Deepak Jain (DIN: 00004972), Director of the Company will retire by rotation at the ensuing AGM and being eligible has offered himself for re-appointment. The Nomination and Remuneration Committee and Board of Directors recommends his reappointment.

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

In compliance with the provisions of Section 149(6) of the Companies Act, 2013 requisite declarations have been

received from the Independent Directors regarding meeting the criteria of Independence.

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

The Board of Directors met six (6) times during the Financial Year under review viz. May 18, 2019, August 10, 2019, November 12, 2019, February 11, 2020, February 19, 2020 and February 24, 2020. The maximum gap between any 2 meetings did not exceed 120 days.

A separate Meeting of Independent Directors was also conducted on February 19, 2020, without the presence of Non-Independent Directors and Management. The details on Attendance during the Board Meetings and other Committee Meetings of the Board of Directors are provided in Corporate Governance Report which forms part of the Boards' Report.

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

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, professional experiences, perspectives and backgrounds 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:

1. Purpose
2. Objectives
3. Applicability & Accountability
4. Responsibility of Nomination & Remuneration Committee
5. Matters relating to appointment and remuneration of Directors
6. Remuneration to Independent Directors
7. Remuneration to other Employees
8. Term & Tenure

The Company's Policy relating to appointment of Directors, payment of managerial remuneration, Directors' qualifications, positive attributes,



## Boards' Report (Contd.)

independence of Directors and other related matters is enclosed to this Boards' Report as an **Annexure - C**.

### F. PERFORMANCE EVALUATION OF BOARD, COMMITTEE 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 Board. 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 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 Members 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 put in place.

The Board as a whole together with each of its Committees was 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 keep the meetings 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.

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. RELATED PARTY TRANSACTION AND POLICY

All contracts/arrangements/transactions entered by the Company with related parties were in ordinary course of business and at arm's length basis.

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

## Boards' Report (Contd.)

Party Transactions are subjected to independent review by a reputed accounting firm to establish compliance with the provisions of the Companies Act, 2013 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. The Company has formulated a policy on Related Party Transactions, which is available on the Company's website at <http://www.lumaxworld.in/lumaxautotech/relatedparty-transaction-policy.pdf>.

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.

Form AOC - 2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out in the **Annexure - D** of Boards' report.

### H. COMPLIANCE MANAGEMENT FRAMEWORK

For monitoring and ensuring compliance with applicable laws by the Company and for establishing adequate management control over the compliances of all acts, laws, rules, regulations and regulatory requirements, the Company has adopted comprehensive Compliance Manual for structured control over applicable compliances by each of the units of the Company.

The Company has a practice of obtaining a Statutory Compliance Report on a monthly basis from various functional heads of respective units for compliance with laws applicable to the respective function. A consolidated report on compliance with applicable laws is presented to the Board every quarter. To take care of the continuously evolving compliance scenario, the Company is constantly striving to strengthen the reporting system.

A separate corporate compliance management team periodically reviews and monitors compliances by units and supports effective implementation of the same in a time bound manner. The Board and Audit Committee along with 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 named 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 policy, in accordance with the provisions of the Companies Act, 2013 and Listing Regulations. The mechanism provides for adequate safeguards against unfair treatment of 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 uploaded on the website of the Company. To further strengthen this mechanism, the Company has launched an Employee App which is available for both android and iOS users to facilitate easy expression of their opinions/ suggestions/ complaints.

### J. SECRETARIAL STANDARDS

The Board of Directors 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 followed by the Company.

### K. DIRECTORS RESPONSIBILITY STATEMENT

As required under Section 134(5) of the Companies Act, 2013, the Directors state:

- (i) that in the preparation of the Annual Accounts for the Financial Year ended March 31, 2020, 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 Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;



## Boards' Report (Contd.)

- (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 EMPLOYEES

Information on Particulars of Employees as required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms an integral part of this report as **Annexure – E**. The information required pursuant to Section 197 of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of your Company is available for inspection by the members at the registered office of the Company during business hours on working days up to the date of ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary, whereupon a copy would be sent.

### M. AUDIT COMMITTEE & COMPOSITION

The composition of the Audit Committee is in alignment with provisions of Section 177 of the Companies Act, 2013 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.

Mr. Anil Tyagi acted as Secretary to the Audit Committee w.e.f. May 18, 2019.

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 processes, financial reporting and vigil mechanism.

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

## IV. INTERNAL FINANCIAL CONTROLS AND ADEQUACY

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

The Company has a comprehensive internal control system to provide reasonable assurance about the achievement of its objective, reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedures, laws and regulations, safeguarding of assets and economical and efficient use of resources. Appropriate review and control mechanisms are built in place to ensure that such control systems are adequate and are operating effectively.

The monitoring and reporting of financial transactions is supported by a web-based system SAP Hana which helps in obtaining accurate and complete accounting records and timely preparation of reliable financial disclosures at all levels of the organization.

### B. RISK MANAGEMENT POLICY

The Company has adopted an enterprise risk management policy and established a risk management framework with an objective of timely identification, mitigation and control of the risks, which may threaten the existence of the Company, in accordance with the provisions of Companies Act, 2013 and Listing Regulations. The Company has also constituted an internal Risk Management Committee to review the risk trend, exposure, potential impact and their mitigation plans, and periodically the key risks are also discussed at the Audit Committee.

### C. CODE OF CONDUCT

In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('the PIT Regulations') on prevention of insider trading, your Company has revised its Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons.

The said Code lays down guidelines, which advise Designated Persons on the procedures to be followed and disclosures to be made in dealing with the shares of the Company and cautions them on consequences of non-compliances. Your Company has also updated its

## Boards' Report (Contd.)

Code of practices and procedures of fair disclosures of unpublished price sensitive information by including a policy for determination of legitimate purposes. Further, your Company has put in place adequate & effective system of internal controls and standard processes have been set to ensure compliance with the requirements given in these regulations to prevent insider trading.

### 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 38<sup>th</sup> Annual General Meeting held on August 23, 2019 to hold office till the conclusion of the 43<sup>rd</sup> Annual General Meeting of the Company to be held in the year 2024.

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

#### COST AUDITORS

The Board has re-appointed M/s Jitender, Navneet & Co., (Firm Registration No. 000119) as the Cost Auditors of the Company in accordance with Section 148 and other applicable provisions, if any, of the Companies Act, 2013, for the audit of the cost accounts of the Company for the Financial Year 2020-21.

The Cost Audit Report for the Financial Year 2018-19 has been filed with the Central Government on September 11, 2019.

#### SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Maneesh Gupta (Membership No. 4982), Practising Company Secretary as the Secretarial Auditor of the Company to undertake the Secretarial Audit for the Financial Year.

The Secretarial Audit Report of the Company and the Secretarial Auditor Report of Lumax Manno Allied Technologies Limited (Material Subsidiary of the Company) for the Financial Year 2019-20 in the prescribed Form MR-3 is annexed herewith as an **Annexure - F**. There has been no qualification,

reservation, adverse remark or disclaimer given by the Auditors in their Report.

Pursuant to Circular No. CIR/CFD/CMD1/27/2019 issued by Securities and Exchange Board of India dated 8<sup>th</sup> February, 2019 read with Regulation 24(A) 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 in this regard which is further required to be submitted to the Stock Exchanges within 60 days of the end of the Financial Year. Due to the COVID 19 Pandemic Outbreak, SEBI vide its Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated 19<sup>th</sup> March, 2020, had extended the said timeline by one month i.e. Annual Secretarial Compliance Report to be submitted to Stock Exchanges by 30<sup>th</sup> June, 2020.

Accordingly, the Company has complied with the above said provisions

#### INTERNAL AUDITORS

In compliance with the provisions of Section 138 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, your Company has appointed M/s Deloitte Touche Tohmatsu India LLP (Firm Registration No. AAE 8458) as Internal Auditors for the Financial Year 2019-20.

### E. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OF THE COMPANIES ACT, 2013 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

There were no frauds which were reported by Auditors for the year under review.

### V. BUSINESS RESPONSIBILITY REPORT

As stipulated under the Listing Regulations, the Business Responsibility Report ('BRR') has been prepared and forms part of the Annual Report as **Annexure - G**. The Report provides a detailed overview of initiatives taken by your Company from environmental, social and governance perspectives.

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

Your Company is committed to grow and operate in a socially sustainable manner and continue to give back

## Boards' Report (Contd.)

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 your 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 Companies Act, 2013. 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 organising health check-up camps, lending financial support to hospitals for juvenile diabetes, cataract operations.

The Company has constituted a CSR Committee of the Board and also developed & implemented a CSR Policy in accordance with the provisions of Companies Act, 2013. The Committee monitors and oversees various CSR initiatives and activities of the Company.

### CONSTITUTION OF CSR COMMITTEE

The CSR Committee of the Board of Directors comprises of Mr. Roop Salotra as Chairman, Mr. D.K. Jain and Mr. Deepak Jain as Members. Further, the Board of Directors 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 [www.lumaxworld.in/lumaxautotech](http://www.lumaxworld.in/lumaxautotech).

The contents of the said policy are as below:

1. Purpose
2. Policy Guidelines
3. Scope
4. Areas Covered
5. CSR Committee & Responsibility
6. Board Responsibility
7. Budget
8. Implementation
9. Management Commitment

The disclosures as per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as an **Annexure - H** to this Report in the prescribed format.

## VII. OTHER STATUTORY DISCLOSURES AS REQUIRED UNDER SECTION 134 OF THE COMPANIES ACT, 2013

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

During Financial Year 2019-20, Lumax DK Auto Industries Limited, subsidiary of the Company has been Merged with the Company in terms of the Hon'ble National Company Law Tribunal, Principal Bench order dated October 31, 2019.

Lumax Jopp Allied Technologies Private Limited has been incorporated w.e.f. June 25, 2019 and it is a 50% subsidiary of the Company as per the Joint Venture Agreement (50:50) signed between the Company and Jopp, Germany to manufacture Gear Shift Towers, AMT Kits & AGS.

Lumax Yokowo Technologies Private Limited has been incorporated w.e.f. February 20, 2020, and it is a 50% subsidiary of the Company as per the Joint Venture Agreement (50:50) signed between the Company and Yokowo, Japan to manufacture Antennas & other Vehicle Communication Products.

### A. EXTRACT OF ANNUAL RETURN

In accordance with the requirement of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of the annual return in Form MGT - 9 is annexed as an **Annexure - I**.

### INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

#### Transfer of Unpaid Dividend

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, 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. Consequently, your Company has transferred ₹ 1,25,508/- during the year to the Investor Education and Protection Fund, lying with it for a period of seven years pertaining to the year 2011-12.

## Boards' Report (Contd.)

### Transfer of Shares underlying Unpaid Dividend

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013, the shares in respect of which Dividend has not been paid or claimed by the Shareholders for seven (7) consecutive years or more shall also be transferred to the Demat account of IEPF Authority. During the year, your Company had transferred 1,230 shares to the Demat Account of the IEPF Authority on November 28, 2019 as per the requirement of IEPF Rules.

It may be noted that Unclaimed Dividend/Underlying shares for the Financial Year 2012-13 can be claimed by the Members by September 26, 2020. The Notice as stipulated pursuant to the provisions of Section 124 of the Companies Act, 2013 read with IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 will be published in the Newspaper inviting the attention of the Shareholders to claim their Dividends.

### B. FIXED DEPOSITS

During the year under review, the Company has not accepted any Deposit under Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

It is further stated that the Company does not have any deposits.

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

The particulars of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to Financial Statements.

### D. MATERIAL CHANGES AND COMMITMENTS

During the Financial Year under review, there was no material changes and commitments except Merger of Lumax DK Auto Industries Limited with the Company.

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

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 Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is annexed as **Annexure - J**.

### F. 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.

### G. SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In accordance with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has adopted the "Prevention of Sexual Harassment at Workplace Policy" and constituted an Internal Complaints Committee (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.

During the year under review i.e. 2019-20, Fifteen (15) Meetings of ICC across all plant locations were held. Further, as per the applicable provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Company continues to submit Annual Report to the District Officer consisting of details as stipulated under the said Act.

### H. ENVIRONMENT HEALTH & SAFETY

The Company focus on "Safety Culture Building" by maintaining the "Safety Management System" to reduce the risk of incident and Injuries. This system includes safety rules, safety procedures, safety training, hazard identification, correction, incident reporting and investigation, capturing near miss accidents, safety communications and safety suggestions.

Safety Management System contribute, not only to improve the workplace safety, but it also influence the organization Safety Culture.

Apart from the above, your Company has also performed below activities in Financial Year 2019-20 sincerely:

1. ST/ Duct cleaning for locations where paint material & chemicals are being used

## Boards' Report (Contd.)

2. Safety Gemba Audit and monitoring all critical Points
3. Regional Safety Meeting at all regions
4. KYT - Kiken Yochi Training (Identifying hazard and taking corrective measures with the help of actual users)
5. Hazards specific Safety training (Fire Fighting, First Aid, Electrical Safety, Chemical & Machine Safety, Risk Assessment & Evacuation Drill)
6. Prepared Safety manual for Standard Operating Procedures
7. Identified probable emergency and prepared Emergency Response Manual
8. Prepared standard KYT Manual
9. Performed Comprehensive Inspection of all chemical storage areas according to the check point and necessary display system
10. Comprehensive review / surveillance audit done as per ISO 14001 (Environment Management System) and ISO 18001 (Occupational Health & Management system)

From the last two years, the Company also commenced the Fire Risk Assessment Audit for Tier-2 Suppliers to reduce the fire related incident and achieved significant OK result, this year also started the Safety Audit for Tier-2 suppliers to reduce the human injury and also monitoring the injury status. Delivered the awareness program to the suppliers related to Fire and Safety.

By ensuring all the above, zero accident level is maintained for last three years. Induction programme & regular training of employees and the introduction of formal safety management system help the Company to mitigate future incidents.

### I. 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.

### ACKNOWLEDGEMENT

It is our belief that we have a leadership team with the right experience and skills to take us into the next decade 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. Your Directors place on record their 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.

Your 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**

Place: New Delhi  
Dated: June 17, 2020

Chairman  
DIN: 00085848

# Annexure - A

## Management Discussion and Analysis

### Economy

#### Global Economy

Following a robust growth of 3.6% in 2018, the global economy witnessed a tough 2019. Despite tender signs of improvement at the beginning of 2019: stabilization of manufacturing and service sectors, strengthening of financial conditions and improvement of monetary policies, the current expectation of global economic growth is being dragged down. This is due to the carryover of a weak quarter of the last fiscal year in several key economies, along with an unprecedented health crisis caused by Covid-19.

Despite headwinds, the growth in the pre-COVID-19 phase was expected to be 2.9% in 2019. However, the disruption led by the Coronavirus right from supply-chain, dip in commodity prices (specially oil), substantial dip in capital expenditures to decline in travel, automobile industry, hospitality and decline in durable purchase has further dragged the GDP estimates downwards for the near future.

The advanced economies were estimated to grow at 1.7% in 2019. However, along with the virus attack, various other challenges such as geopolitical tensions and significant fiscal challenges in selective economies also continued slowing the trade. Despite these, advanced economies are predicted to stabilize at 4.5% in 2021. Growth of Emerging Markets and Developing Economies (EMDE) are expected to remain subdued at -1.0% in 2020 and grow at 6.6% in 2021. In Emerging economies, China is forecasted to be further impacted by the ongoing Covid-19-related developments, leading to 1.2% growth for 2020 compared to 6.1% in 2019. India's 2020 GDP growth is revised down to 1.8% for 2020 compared to 4.2% in 2019, largely due to ongoing domestic challenges and a worsening external environment.

Factors such as improved global trade relations in combination with fiscal stimulus measures in China, Japan, Italy and other economies, as well as ongoing accommodative monetary policies will support the growth of the economies.

(Source: [cnbc.com](https://www.cnbc.com), Fitch ratings, IMF)

#### Indian Economy

According to IMF, the growth rate of Indian economy has moderated for past three consecutive years. The growth was estimated to be 5% in 2019-20 before coronavirus took over India. However, the growth has been drawn down to 1.8% due the fast spreading of this pandemic. The strong effect of COVID-19 has brought the economic activities to a

standstill and has impacted the major contributors of the GDP – consumption, investments and external trade.

COVID-19 pandemic has become a full-blown credit crisis for India. Corporates are finding difficult to stay afloat, banks are struggling with the balance sheet fallout, rising unemployment and loss of income may even lead to social unrest. On a positive note, RBI and GOI are taking steps for policy easing. Additionally, to revive consumption, Government has lowered the corporate taxes and RBI has reduced repo rate by 75 basis point, reverse repo rate by 25 basis point(bps)-now standing at 3.75% and CRR by 100 bps points.

#### Outlook

India's GDP is expected to contract by 4% in FY2020 before rebounding by 5% in FY2021. The growth would be supported by the reduced corporate tax cuts, implementation of various financial reforms, increase in private consumption, support measures to automobile industry and rise in food prices. This has shifted the terms of trade in favour of agriculture, supporting rural incomes. Further, easing of global trade uncertainties will encourage exports and spur investment activity. It will also help reduce lending rates and financial flows will spur both consumption and investment demand in the country.

(Source: [moneycontrol.com](https://www.moneycontrol.com), [economictimes.com](https://economictimes.com), [business-standard.com](https://business-standard.com), [cnbc.com](https://www.cnbc.com))

#### Automotive Industry Overview

##### Global Perspective

The global automotive industry is on the brink of a major transformation. While the trends suggest that the consumer interests in electric vehicles has accelerated, overall opinion for autonomous vehicles has stalled. Technology is driving this shift, shaped by demographic, regulatory and environmental factors. The market was expected to grow by and reach US\$ 8.75 billion in 2024. But the widespread of the Covid-19 has impacted the growth of the automobile sectors. The impact of Covid-19 has been so swift on this sector that it led to large scale disruption of manufacturing, adding intense pressure on supply chain.

Trends show the vehicle will grow smarter and more efficient, with high-efficiency engines, lighter materials and autonomous driving systems. The industry will evolve, with new competition from tech companies and suppliers capable of producing high-tech parts at low prices. In future, factors such as increase in demand for fuel-efficient, high-performance, technological advancements and low-



## Annexure - A (Contd.)

emission vehicles, along with stringent government rules and regulations toward vehicle emission, will supplement the growth of the electric vehicle market.

(Source : [statista.com](https://www.statista.com), [businesswire.com](https://www.businesswire.com), [prnewswire.com](https://www.prnewswire.com), [alliedmarketresearch.com](https://www.alliedmarketresearch.com))

### Indian Structure and Developments

#### Indian Automobile Industry

The Indian automobile is the pillar of the manufacturing sector. It contributes nearly 7.5% to the Indian GDP. Being an economic multiplier, it provides employment to a large pool of around 8 million people. Festival season was expected to contribute some alleviation, however it failed to attract buyers. New launches in the utility vehicle segment did bring in some buyers, but weaker consumer sentiments due to economic slowdown, liquidity crisis and increased ownership

cost of vehicle contributed to the overall slump. Just when the Government was taking steps to revive the industry demand, Covid-19 outbreak further aggravated the market. The pandemic made the production and dispatches come to a halt. Going forward, the industry players are anticipated to re-strategise the blueprint of their operations and activities related to sourcing of auto-components in future.

According to SIAM data, production of PVs – fell 14.76 % to 34,34,013 units in the year ended March 2020. The hardest blow was felt in March as volumes saw sharp decline of 34 % due to the subdued demand and weak consumer sentiment. This was further aggravated by the Covid-19 outbreak in the country.

Cumulative production across all vehicle types (PVs, CVs, 2W and 3W) declined 14.73 % to 2,63,56,187 units, a stark contrast from driving past the 25-million-vehicle mark for the first time in FY19.

#### Segment-wise automobile production trends in 2019-20

Category	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Passenger vehicles	32,21,419	34,65,045	38,01,670	40,20,267	40,28,471	34,34,013
Commercial vehicles	6,98,298	7,86,692	8,10,253	8,95,448	11,12,405	7,52,022
Three-Wheelers	9,49,019	9,34,104	7,83,721	10,22,181	12,68,833	11,33,858
Two-Wheelers	1,84,89,311	1,88,30,227	1,99,33,739	2,31,54,838	2,44,99,777	2,10,36,294
Grand total	2,33,58,047	2,40,16,068	2,53,29,383	2,90,92,734	3,09,09,486	2,63,56,187

#### Auto-component Industry

The domestic auto-components industry is driven by strategic technological alliance and in-house R&D setup of the industry players. The automobile demand has led to advancement and introduction of innovative solutions enabling industry to grow into a massive one. The industry now contributes 2.3% to the total GDP. Despite weak turnover, the auto-components exports rose by 2.7% to \$7.5 billion in H1 2019-20 from the previous year. Wherein, Europe accounted for 32% of exports followed by the North America and Asia. The H2 2019-20 was expected to be smooth, but it suffered a demand shock both in domestic and overseas market. Majorly, this shock was caused by the Covid-19 outbreak across the globe in the Q4 of 2019-20.

The lockdown led to shutdown of factories and supply chain disruption. Given the current slowdown, auto-components makers are expected to be piled up with inventories for a couple of more quarters. However, in medium-term export opportunities, competencies and policy support is expected to be played in India's favour.

(Source: acma, [economictimes.com](https://economictimes.indiatimes.com/sluggish-demand-in-h1-auto-components-sales-fall-record-10-tors-1-87-lakh-crore/articleshow/72399484.cms?from=mdr) - <https://economictimes.indiatimes.com/sluggish-demand-in-h1-auto-components-sales-fall-record-10-tors-1-87-lakh-crore/articleshow/72399484.cms?from=mdr>)

#### Outlook

Stringent emission and safety standards, coupled with growing digitalization in vehicles will make Electric Vehicles, connected cars and Autonomous Vehicles the key focus areas for automakers post Covid-19. However, demand for auto-components is expected to decline, given the production disruption and muted demand prospects. Volume demand from OEMs is estimated to decline 7% to 15% across asset classes. Export demand is expected to decline 15% in value terms, as over 50% of exports are to Europe and the US, and demand from those markets is expected to decline owing to Covid-19. Replacement demand is expected to log a modest growth of 3% (in value terms), as people refrain from buying new vehicles.

(Source: [business-standard.com](https://www.business-standard.com))

## Annexure - A (Contd.)

### Opportunities

#### Increase in emerging and middle-class segment

This segment is going to open new opportunities for businesses. The Indian Auto industry is likely to benefit from this growth. This is because a majority of the Indian middle-class population aspires to own a car. As the economic prosperity spreads across demographics, mobility will no longer be a luxury but a necessity for people.

#### Shifting industry landscape

As OEMs seek to develop alternative powertrain technologies, suppliers are likely to provide more of the value-added content per car. In addition, OEMs need to ensure that their suppliers' production footprints – especially in emerging markets – match future market demands and their own production plans.

#### Continued Government support

With regulatory updates coming up, India's emission standards will match global markets. The leap from BS IV to BS VI (corresponding to Euro VI) standards, will rapidly push down the acceptable emission limits for NOx and CO<sup>2</sup>. The Corporate Average Fuel Efficiency (CAFE) regulations have already been enforcing fuel efficiency. So far, they have clamped down CO<sup>2</sup> emissions and mandated the acceptable CO<sup>2</sup> limits to be 13% lower than 2017 levels by 2022. Since 2016, the Government has announced various steps to accelerate the adoption of safety features in vehicles. Some examples are pre-installed Fire Detection and Alarm Systems (FDAS) and Fire Detection and Suppression Systems (FDSS) in buses. Goods and passenger vehicles have implemented Electronic Stability Control Systems (ESCS) and Brake Assist Systems.

#### Electrification

Electrification has just started to take off in Indian automotive space. Factors such as declining prices of batteries and supportive policies from the government are stimulating the EV's growth. Reduction in emissions and less dependency on oil imports are clear advantages of electrification. People carriers like buses, two- and three-wheelers, luxury passenger vehicles and light commercial vehicles could see maximum penetration by 2030. This will be followed by other passenger vehicles, medium- and heavy-commercial vehicles and also construction equipment, which will take longer for EVs to penetrate.

### Connected vehicles

Connectivity is still in the early stages of adoption in India. A minuscule share of vehicles sold in India come with factory-fitted connectivity features. However, the mass adoption of smartphones, coupled with low data costs, could aid connectivity features to proliferate. There are several connectivity-linked applications that are picking up in India. Basic in-car entertainment, navigation and in-car connectivity have evolved rapidly over the last decade. More advanced telematics features that utilize car sensor data, driving behavior, and vehicle-health parameters are also evolving, particularly with aftermarket solutions.

### Threats

#### Complexity and cost pressure

The increase in regulations with respect to environmental and safety standards will raise costs and complexity. This is because they need to be managed apart from domestic markets. The growing number of different vehicle segments and markets, based on a single platform, also raise complexity. At the same time, OEMs will have to develop alternative powertrain technologies for lower-emission vehicles. This will require significant investment. Given all these pressures, plus flat net price development due to less budget available for new features, it will be more difficult for OEMs to differentiate themselves.

#### Digital demands

Consumers want more connectivity and are focused on active safety and ease of use. A growing number of consumers are increasingly using digital sources to make their purchase decisions. This might be an opportunity for OEMs, but it also means the potential threat of competition from online retailers. Hence putting pressure on the existing dealership structure. The growing role of digital also applies to the driving experience. Consumers want to combine mobility with communication.

#### Government Initiatives

The Government of India recently undertook initiatives and developments favouring the automotive industry. These initiatives can further boost the potential growth of the industry. Some of the initiatives are listed below:

## Annexure - A (Contd.)

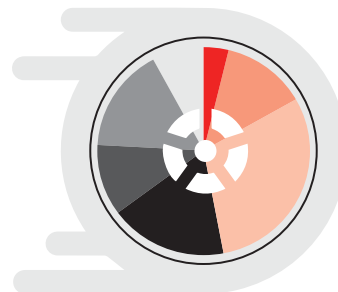
Budget announcement	Likely implication
The Government increased Basic Custom Duty on electric vehicles in commercial and passenger segment for Complete Built Ups, Semi Knock Down and Completely Knock Down.	This will help promote manufacturing in the country. It will also help in checking imports of electric vehicles, something which India is going to adopt in a major way.
The Government had earlier formulated a Partial Credit Guarantee scheme for the NBFCs, further supported by devising a mechanism.	NBFCs are the major source of finance for auto loans. Credit guarantee for NBFCs will further ease liquidity for auto sector.
<ul style="list-style-type: none"> <li>Introduction of BS-VI emission norms is a positive step to reduce emissions significantly, but the initiative would lead to an 8-10% increase in vehicle cost, leading to enhanced GST collections for the Government</li> <li>An incentive-based scrappage policy and an increase in re-registration charges of vehicles to discourage use of old vehicles</li> <li>Scrapping duty on import of lithium-ion battery cells so that battery packs can be manufactured locally and progressively cell manufacturing can also be established in the country</li> </ul>	

(Source: [businessToday.in](https://businessToday.in))

### Business Overview

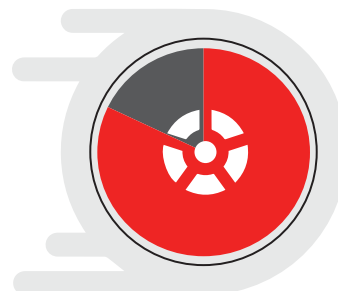
Founded in the year 1981, Lumax Auto Technologies Ltd is a part of the D.K. Jain Group of companies. It has carved a strong position in various automotive parts for two-wheeler and three-wheeler industry. With more than three decades of rich experience, LATL has emerged as a preferred supplier to leading OEMs. The Company's organic expansion has led it to manufacture a diverse range of products catering two-, three- and four-wheeler segments, along with its Subsidiaries and Associates.

### Product-wise revenue mix FY19



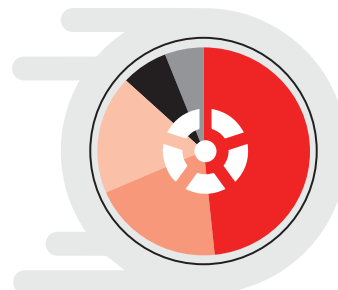
Product	%
● Intake Systems	4
● Lighting	13
● Integrated Plastic Modules	30
● After Market	18
● Gear Shifters	11
● Chasis	16
● Other Misc.	8

### Channel-wise revenue mix FY19



Channel	%
● OEM	82
● After Market	18

### Segment-wise revenue mix FY19



Segment	%
● 2/3-Wheeler	48
● Passenger Car	20
● After Market	18
● CV	7
● Others	7

## Annexure - A (Contd.)

With its 15 state-of-art manufacturing facilities spread across 5 states, the Company excels in faster execution of the deliveries. Strong R&D capabilities, technological prowess, design skills and manufacturing abilities are some of the prime factors behind the Company's established leadership in gear shifters. The Company manufactures and supplies automotive lighting equipment and automotive components. Its product portfolio includes two-wheeler lighting, two-wheeler Chassis, three-wheeler Fabricated Parts, Electrical & Electronics Components, Gear Shift Lever, Gear Shift Tower, Intake System, Integrated Plastic Modules, Oxygen Sensors, Seat Structures, Telematics Products & Services and After Market.

### Financial Performance

The Company, on a consolidated basis and from continued operations, registered a revenue of ₹1140.91 Crores in 2019-20. This was declined by 3.88% against the consolidated revenue of ₹1186.98 Crores in 2018-19. The Company reported EBITDA of ₹108.75 Crores in 2019-20 as against ₹123.86 Crores in 2018-19. The Profit After Tax after Minority Interest stood at ₹49.79 Crores in the 2019-20 as against ₹53.23 Crores in 2018-19. EPS stood at ₹7.30 in 2019-20 as against ₹7.81 in 2018-19 on the face value of ₹2 per equity share.

Debtors Turnover	2018-19*	2019-20	%change
Based on year closing data	5.05	6.98	38%

Reason: Better realization

Inventory Turnover	2018-19*	2019-20	%change
Based on year closing data	13.82	11.99	-13%

Reason: No significant change

Creditors Turnover Ratio	2018-19*	2019-20	%change
Based on year closing data	3.97	5.79	46%

Reason: Early payment to creditors

Interest Coverage Ratio	2018-19*	2019-20	%change
Based on year closing data	30.45	7.76	-75%

Reason: Increase in working capital utilization

Current Ratio	2018-19*	2019-20	%change
Based on year closing data	1.28	1.29	1%

Reason: No significant change

Debt (Long Term) Equity Ratio	2018-19*	2019-20	%change
Based on year closing data	0.03	0.05	85%

Reason: Increase in Term Loan

Operating Profit Margin	2018-19*	2019-20	%change
Based on year closing data	8.15	6.51	-20%

Reason: Lower Profitability in Subsidiaries

Net Profit Margin	2018-19*	2019-20	%change
Based on year closing data	4.48	4.36	-3%

Reason: No significant change

\*From Continued Operations

### Details for Changes in Return on Net Worth:

	2018-19*	2019-20	%change
Based on year closing data	11.09%	11.16%	1%

Reason: No significant change

\*From Continued Operations

### Risks and Mitigation

Lumax recognizes that management of risks is an important process. It empowers the Company with necessary tools for identifying potential risks. It then makes it easier to mitigate such business risks. This helps the Company achieve its strategic objectives and sustainable development. The Company follows a specific and well-defined risk management process. This system is integrated with its operations for identification, categorization and prioritization of operational, financial and strategic business risks.

**Competition risk:** The Company operates in a highly competitive environment. There are risks of pressure on pricing. Today, multinational OEMs are deeply entrenched in the Indian market across all vehicle segments. They have local development centers, a strong local supplier base along with good channel penetration.

## Annexure - A (Contd.)

**Mitigation:** The Company aims to maintain its competitive relevance and sustain leadership in the market. It continually invests in: new product development, technology upgrades, increasing channel reach and the focus on delivering customer-centric products, services and brand building.

**Customer concentration risk:** The Company's performance is majorly dependent on its key customers. Any decline in the demand for its final products by customers might adversely affect the Company's performance both, financially and operationally.

**Mitigation:** The Company has been offering a robust range of products while proactively looking for new clients. Additionally, the Company is also planning to gradually increase its client base by offering customised products to its existing customers. There are different customer-relationship-enhancing strategies also in place, to help retain existing clients while trying to gain prospective new ones.

**Economic risk:** Economic slowdown, adversely impacting the Indian economy, can affect the automobile markets as well. The Company's revenue stream may get affected from certain unfavourable macroeconomic slowdown across the globe.

**Mitigation:** With an efficient Government stimuli, India is expected to grow in the coming years. The Company's impressive portfolio with a wide range of products and a firm footprint across the country will help it survive such risks.

**Regulatory risk:** Due to changes in the international and domestic laws, tax regulations, technical standards and trade policies, the Company might face regulatory risk. This risk particularly comprises those related to more stringent vehicle safety and environmental norms.

**Mitigation:** LATL stringently follows all the due policy and regulatory requirements. The Company constantly monitors the changing regulatory scenario and makes necessary modifications as needed.

### Significant Development in Human Resources

At Lumax, people are our key differentiators. It is their determination, dedication and dependability that gives us a competitive advantage. We focus on bringing talented people on-board, sharpen their skills through training and motivate them to collaborate and innovate with experts to upgrade their skills. Our team is dynamic and diverse; and we value the suggestions of every individual.

Last year, we successfully rolled out key HR initiatives and talent management practices. These reinforced the principles to help employees realize their potential.

- Motivating workforce to deliver quality output
- Building a culture of participation that will enable us to relish our customers
- Promoting the culture of innovation and belonging to help make a difference

For the overall development of employees, training and skill development is very important. A comprehensive training structure is laid down for all employees. In addition to the induction training, regular training on job-related modules is also provided to help employees improve continually in the performance of their duties. Such initiatives help attract and retain best talent across the industry. The strength of the group thus lies in working and growing together as a team.

Quality Control Circles constitutes an essential part behind the growth of Lumax. It has helped in the overall development of numerous employees. The practice of Quality Control Circles connects people, processes and products to deliver noteworthy results. Kaizen, Quality Circles, Total Productivity Maintenance, Total Quality Management, 5-S, 6 sigma, 7-W and other international shop floor improvement initiatives are adopted and followed to enhance processes and productivity. In the financial year 2019-20, employee relations remained cordial and the total no. of employees stood at 926.

### Environment, Health, Safety

A safe and healthy workplace has always been one of the highest priorities of Lumax. The Company emphasises on the key factors of Environment, Health & Safety (EHS) and believes all three parameters are crucial for a safe and sound work environment. The 'Safety Management System' of the Company is designed to reduce the risk of incident and injuries. This system includes safety rules, safety procedures, safety training, hazard identification, correction, incident reporting and investigation, capturing near miss accidents, safety communications and safety suggestions.

During the year 2019-20, the Company undertook the following initiatives and activities to main EHS:

1. ST/ Duct cleaning for locations where paint material & chemicals are being used
2. Safety Gemba Audit and monitoring all critical Points
3. Regional Safety Meeting at all regions

## Annexure - A (Contd.)

4. KYT - Kiken Yochi Training (Identifying hazard and taking corrective measures with the help of actual users)
5. Hazards specific Safety training (Fire Fighting, First Aid, Electrical Safety, Chemical & Machine Safety, Risk Assessment & Evacuation Drill)
6. Prepared Safety manual for Standard Operating Procedures
7. Identified probable emergency and prepared Emergency Response Manual
8. Prepared standard KYT Manual
9. Performed Comprehensive Inspection of all chemical storage areas according to the check point and necessary display system
10. Comprehensive review / surveillance audit done as per ISO 14001 (Environment Management System) and ISO 18001 (Occupational Health & Management system)

Regular safety trainings and workshops are conducted by the organisation for all its employees. These trainings aim to educate the employees and raise awareness about the importance of their safety. They also inform the employees about various safety programs and policies of the organisation. Safety audits are carried out at regular intervals across all units.

### Internal Control Systems

The internal control structure is designed to operate as a well-integrated system. It comprises regular risk assessment, mitigation and monitoring. The Company first identifies key

business risks using its analysis and then takes mitigating steps towards the same. The Company's internal team and an independent internal audit firm keep a close eye on business operations. Deviations, if any, are immediately brought to the notice of the Management and Audit Committee for timely action and correction. Well-documented policies and procedures enable the Company to strictly adhere to all applicable procedures, laws, rules and statutes. The Company's robust IT systems safeguard its sensitive data and ease out audit process. Accounting Standards are strictly followed while recording transactions. A host of strategies are devised in addition to robust MIS systems, for real-time reporting, so as to control expenses. Any variance from budgetary allocations are promptly reported and corrected to ensure strict compliance.

### Cautionary statement

Statements in the Management Discussion and Analysis Report describing your Company's projections, estimates and expectations may be interpreted as "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to its operations include economic conditions affecting demand/supply, price conditions in the domestic and international markets in which it operates, changes in Government regulations, tax laws and other statutes. Your Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent development, information or events.



## Annexure - B

### Corporate Governance Report

In terms of Regulation 34(3) read with Section C of Schedule V to Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company strongly believes that establishing good corporate governance practices in each and every function of the organization leads to increased operational efficiencies and sustained long term value creation for all the stakeholders. The Company always endeavours to carry its business operations in a fair, transparent and ethical manner and also holds itself accountable and responsible to the society it belongs.

The Company considers it absolutely essential to abide by the laws and regulations of the land in letter and spirit and is committed to the highest standards of corporate governance and be considered as a good corporate citizen of the Country.

As a corporate citizen, our business fosters a culture of ethical behaviour and disclosures aimed at building trust of our stakeholders. Achieving good governance is an on-going process of the Company.

#### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. It emphasizes wealth creation for society, protection & interest enhancement for all stakeholders, without compromising the environment and health of society at large. This helps the company to perform better thus culminating into higher productivity of the corporate resources.

The Corporate Governance philosophy of the Company is not only to adhere to the statutory requirements but also to enhance and retain investors' trust. The Company adheres to the highest ethical standards which are combined with an unwavering commitment to certain core values – transparency, fairness in all dealings, quality consciousness, customer satisfaction,

and ethical governance practices. All directors and employees are bound by a Code of Conduct that sets forth the Company's policies on important issues.

The Company has complied with the requirements of Corporate Governance as stipulated under the Listing Regulations, as applicable.

#### 2. BOARD OF DIRECTORS

The Board of Directors ("Board") strongly believes that effective and good Corporate Governance practices build strong foundation of trust and confidence which in turn enhances the stakeholder' value.

The Company has established an internal governance structure with defined roles and responsibilities of every constituent within the system. The Board plays a critical role in overseeing how the management serves the short-term and long-term interests of shareholders and other stakeholders.

The responsibility of the management, good governance, general affairs direction and performance of the Company is entrusted with the Board. All statutory and other matters of significance including information as mentioned in the Part A of Schedule II to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") are complied with.

##### (a) Composition and Category of Directors:

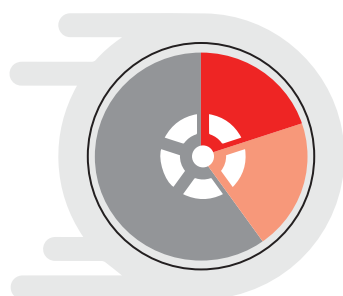
The Board has an optimum combination of Executive Directors, Non-Executive Directors and Independent Directors. The Board consisted of Ten (10) Directors. Out of these Ten (10) Directors, Two (2) Directors are Executive Director(s) including the Chairman, Two (2) Directors are Non- Executive Directors and Six (6) are Non-Executive Independent Director(s) including One (1) Woman Director. The Managing Director is assisted by Senior Managerial Personnel in overseeing the functional matters of the Company.

## Annexure - B (Contd.)

Above information as on March 31, 2020 is presented as below:

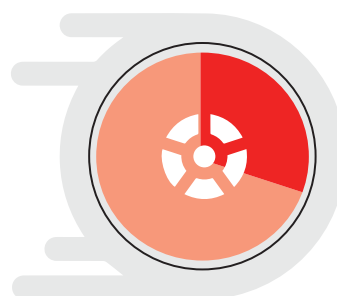
S. No.	Name of Director	Category
<b>A. Promoter</b>		
1	Mr. D.K. Jain	Executive Chairman
2	Mr. Anmol Jain	Managing Director
3	Mr. Deepak Jain	Non-Executive Director
<b>B. Non-Promoter</b>		
4	Mr. Sanjay Mehta	Non-Executive Director
5	Mr. Avinash Parkash Gandhi	Independent Director
6	Mr. Arun Kumar Malhotra	Independent Director
7	Mr. Kanchan Kumar Gandhi	Independent Director
8	Mr. Roop Salotra	Independent Director
9	Mr. Milap Jain	Independent Director
10	Mrs. Diviya Chanana	Independent Director

Category of Directors



Category of Directors	Share
● Non-Executive Directors	2
● Executive Directors	2
● Independent Directors	6

Category of Directors



Category of Directors	Share
● Promoters	3
● Non-Promoters	7

### (b) Attendance of Each Directors at Board Meetings & Last Annual General Meeting (AGM)

During the year the Financial Year 2019-20, the Board of Directors have met Six (6) times as tabulated below:

S. No.	Name of the Director	Board Meetings						AGM
		May 18, 2019	August 10, 2019	November 12, 2019	February 11, 2020	February 19, 2020	February 24, 2020	August 23, 2019
1	Mr. D.K. Jain	X	✓	✓	✓	✓	✓	✓
2	Mr. Anmol Jain	✓	✓	✓	✓	✓	✓	✓
3	Mr. Deepak Jain	✓	✓	✓	✓	✓	✓	✓
4	Mr. Sanjay Mehta	✓	✓	✓	✓	✓	✓	✓
5	Mr. Avinash Parkash Gandhi	✓	✓	✓	✓	✓	✓	✓
6	Mr. Arun Kumar Malhotra	✓	✓	✓	✓	✓	X	✓
7	Mr. Kanchan Kumar Gandhi	✓	✓	✓	✓	✓	✓	✓
8	Mr. Roop Salotra	✓	✓	✓	✓	✓	✓	X
9	Mr. Milap Jain	✓	✓	✓	✓	✓	✓	✓
10	Mrs. Diviya Chanana	✓	✓	✓	✓	✓	✓	X

✓ Present X Absent

## Annexure - B (Contd.)

### (c) Selection and Scheduling of Agenda Items for Board Meetings

- i) The dates of Board Meeting are decided in advance for the next financial year and also published in the Annual Report for the information of the Shareholders.
- ii) Every year at least four Board Meetings are held to review the quarterly results and additional Board Meetings are held by whenever necessary.
- iii) The Company Secretary of the Company drafts and finalise the Agenda in consultation with the Chairman of the Company.
- iv) The information required to be placed before the Board includes :
  - General Notices of Interest of Directors.
  - Annual operating plans of business, Capital budgets and any updates.
  - Quarterly results for the Company and its operating divisions or business segments.
  - Dividend Declaration.
  - Minutes of Meetings of Audit Committee and other committees of the Board and resolutions passed by circulation.
  - The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
  - Show cause, demand, prosecution notices and penalty notices which are materially important.
  - Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
  - Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
  - Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.

- Internal Audit findings and Statutory Auditor Reports (through the Audit Committee).
- Details of any joint venture, acquisition of Companies or collaboration agreement, if any.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant Labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if Material.
- Non-compliance of any regulatory, statutory or listing requirements and Shareholders service such as non-payment of dividend, delay in share transfer (if any) etc.
- Brief on statutory developments, changes in Government policies etc. with impact thereof, Directors' responsibilities arising out of any such developments.

#### (i) Board Agenda

Detailed Agenda and notes on Agenda are provided to the Directors in the defined Agenda format. All material information is incorporated in the Agenda papers for facilitating meaningful and focused discussions at the Meeting. Where it is not practicable to attach any document to the Agenda, the same is tabled before the Meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are permitted.

#### (ii) Recording Minutes of proceedings at Board Meetings

The Company Secretary records the Minutes of the proceedings of each Board and Committee

## Annexure - B (Contd.)

Meeting. Draft minutes are circulated to all the members of the Board / Committee for their comments. The final minutes are entered in the Minutes Book within 30 days from conclusion of the Meeting.

### (iii) Post Meeting Follow-up Mechanism

The Guidelines for Board Meetings facilitate an effective post Meeting follow-up, review and reporting process for the decisions taken by the Board. The important decisions taken at the Board Meetings are communicated to the departments / divisions concerned promptly. Action taken report on the decisions/minutes of the previous Meeting(s) is placed at the immediately succeeding Meeting of the Board for noting by the Board.

### (iv) Role of the Company Secretary in Overall Governance Process

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. He ensures that all relevant information, details and documents are made available to the Board and Senior Management for effective decision making. The Company Secretary while preparing the Agenda, Notes on Agenda, Minutes etc. of the Meeting(s), is responsible for and is required to ensure adherence to all the applicable laws and regulations including the Companies Act, 2013 read with the Rules framed there under and the Secretarial Standards recommended by The Institute of Company Secretaries of India.

### (d) Number of other Directorships and Chairmanships/Memberships of Committees of each Director in various Companies for the year ending on March 31, 2020 (Including the Name of the Listed Entities and the Category of Directorship)

S. No.	Name of the Director	Directorships in other Public Companies*	Committee positions held in other Public Companies#		Name of the Listed Entity and Category of Directorship
			Chairman	Member	
1	Mr. D.K. Jain	2	-	-	-
2	Mr. Anmol Jain	2	-	-	• Lumax Industries Limited (Joint Managing Director)
3	Mr. Deepak Jain	5	-	2	• Lumax Industries Limited (Chairman & Managing Director) • RSWM Limited (Independent Director)
4	Mr. Sanjay Mehta	1	-	-	-
5	Mr. Avinash Parkash Gandhi <sup>\$</sup>	9	2	9	• Lumax Industries Limited (Independent Director) • Schaeffler India Limited (Independent Director) • Minda Corporation Limited (Independent Director) • Action Construction Equipment Limited (Independent Director)
6	Mr. Arun Kumar Malhotra	-	-	-	-
7	Mr. Kanchan Kumar Gandhi	-	-	-	-
8	Mr. Roop Salotra	2	-	-	-
9	Mr. Milap Jain	-	-	-	-
10	Mrs. Diviya Chanana	-	-	-	-

Note: <sup>\$</sup>Mr. Avinash Parkash Gandhi resigned from Hyundai Motor India Limited (HMIL) w.e.f. 01.04.2020.

\*Excludes Directorship in Private Companies, Foreign Companies and Companies registered under Section 8 of the Companies Act, 2013.

#Chairmanships/Memberships of Committees are reported as prescribed under the Regulation 26 of the Listing Regulations.

## Annexure - B (Contd.)

### (e) Number of Board Meetings held and the dates on which held

The Board of Directors met Six (6) times during the Financial Year ended March 31, 2020. The intervening period between two Board Meetings was within the maximum time gap of 120 days, as prescribed under Listing Regulations. The details of Board Meetings held during the year are as under:-

S. No.	Date of Board Meeting	Board's Strength	Number of Directors Present
1	May 18, 2019	10	9
2	August 10, 2019	10	10
3	November 12, 2019	10	10
4	February 11, 2020	10	10
5	February 19, 2020	10	10
6	February 24, 2020	10	9

### (f) Disclosure of relationships between Directors inter-se

S. No.	Name of the Directors	Relationship Inter-se
1	Mr. D.K. Jain	Related as Father to Mr. Deepak Jain and Mr. Anmol Jain
2	Mr. Anmol Jain	Related as Son to Mr. D.K. Jain and Brother to Mr. Deepak Jain
3	Mr. Deepak Jain	Related as Son to Mr. D.K. Jain and Brother to Mr. Anmol Jain
4	Mr. Sanjay Mehta	Not related to any Director
5	Mr. Avinash Parkash Gandhi	Not related to any Director
6	Mr. Arun Kumar Malhotra	Not related to any Director
7	Mr. Kanchan Kumar Gandhi	Not related to any Director
8	Mr. Roop Salotra	Not related to any Director
9	Mr. Milap Jain	Not related to any Director
10	Mrs. Diviya Chanana	Not related to any Director

### (g) Number of Shares and Convertible instruments held by Non-Executive Directors as on March 31, 2020

S. No.	Name of the Directors	Number of Shares
1	Mr. Deepak Jain	99,52,315
2	Mr. Sanjay Mehta	1,525

### (h) Separate Meeting of Independent Director

Provisions of Schedule IV of the Companies Act, 2013 and Regulation 25 of the Listing Regulations has mandated that the Independent Directors of the Company shall hold at least one meeting during the financial year without the attendance of Non- Independent Directors.

The Separate Meeting of the Independent Director was held on February 19, 2020 to discuss the performance of Non-Independent Directors and the Board as a whole, performance evaluation of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and the evaluation of the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

## Annexure - B (Contd.)

### (i) Web link where details of Familiarisation Programmes imparted to Independent Directors is disclosed

In accordance with provisions of Regulation 25 of Listing Regulations, the Board has adopted a Familiarization Programme for Independent Directors to familiarize the Independent Directors of the Company with the organization.

In pursuit of this, the Board of Directors of the Company are updated on changes/ developments in the domestic/ global corporate and industry scenario including those pertaining to statutes/ legislations & economic environment and on matters affecting the Company, to enable them to take well informed and timely decisions.

Any Director who joins the Board is presented with a brief background of the Company, its operations and is informed of the important policies of the Company including the Code of Conduct for Directors and Code of Conduct for Prevention of Insider Trading, Policy of the Company. The Independent Directors are also provided with regular updates on relevant statutory changes to ensure that they remain up to date on the Compliance framework.

The details of the Familiarisation Programme imparted to Independent Directors is also made available on the website of the Company at <http://www.lumaxworld.in/lumaxautotech/downloads/familiarisation-program.pdf>

### (j) Skills/ Expertise/ Competence of the Board

The Board comprises qualified members who brings in the required skills, competence and expertise that allow them to make effective contributions to the Board and its committees. The Board Members follows and committed that the Company is in compliance with the highest standards of the Corporate Governance.

The Board has identified the following skills/ expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board:

<b>Industry Knowledge</b>	Understanding of industry and organisations involved in design, development, manufacturing, marketing and selling of automobiles and auto components
<b>Finance &amp; Accounting</b>	Understanding of Financial Statements, transactions, financial reporting process and financial controls and management of assets and liabilities
<b>Understanding of Government legislation/ legislative process</b>	Awareness of general framework of principles within which the Government is expected to act and within which regulations are issued
<b>Corporate Laws and Governance</b>	Ability to understand and interpret the corporate laws, rules and regulations by which businesses are regulated and controlled
<b>Risk Management</b>	Ability to identify, evaluate and prioritize risks followed by coordinated and economical application of resources to minimize, monitor and control the probability or impact of unfortunate events or to maximize the realization of opportunities
<b>Sales and Marketing</b>	Building effective sales and marketing strategies to grow market share and experience of operations and activities in global front across various geographical markets and industry verticals
<b>Human Resource Management</b>	Understands and is familiar with human resource legislation and issues. Experience in the field of performance evaluation and skill set development (For Directors and Senior Management)
<b>Information Technology</b>	Management and strategy of the Information Technology function
<b>Strategy Development and Implementation</b>	Experience in developing corporate strategies for growth. Operates or has relevant industry experience in operating businesses
<b>Stakeholder Relationships</b>	Experience in building and nurturing relationships with key stakeholders viz. shareholders, customers, employees, bankers, government/ semi-government authorities and fulfilment of commitment towards them
<b>Production and Quality Assurance</b>	Familiar with products and services of the Company and understands quality issues of products/services

The Board has identified the names of Directors who possess the skills/ expertise/ competence as required in the context of the business(es) and sector(s) in which the Company perform its functions effectively in form of chart/ matrix:



## Annexure - B (Contd.)

Matrix setting out the Skills/ Expertise/ Competence of the Board of Directors

Directors	Mr. D.K. Jain	Mr. Anmol Jain	Mr. Deepak Jain	Mr. Sanjay Mehta	Mr. Avinash Parkash Gandhi	Mr. Arun Kumar Malhotra	Mr. Kanchan Kumar Gandhi	Mr. Roop Salotra	Mr. Milap Jain	Mrs. Diviya Chanana
Industry Knowledge	✓	✓	✓	✓	✓	✓	✓	✓	X	✓
Finance & Accounting	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Understanding of Government legislation/ legislative process	✓	✓	✓	✓	✓	✓	✓	✓	✓	X
Corporate Laws and Governance	✓	✓	✓	✓	✓	✓	✓	✓	✓	X
Risk Management	✓	✓	✓	✓	✓	✓	✓	✓	X	X
Sales and Marketing	✓	✓	✓	✓	✓	✓	✓	✓	X	✓
Human Resource Management	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Information Technology	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Strategy Development and Implementation	✓	✓	✓	✓	✓	✓	✓	✓	X	X
Stakeholder Relationships	✓	✓	✓	✓	✓	✓	✓	✓	✓	X
Production and Quality Assurance	✓	✓	✓	X	✓	✓	✓	X	X	✓
									Yes	✓
									No	X

### (k) Confirmation from the Board

Based on the declarations received from the Independent Directors, the Board hereby certify that the Independent Directors fulfil the conditions as specified in the Companies Act, 2013 and Listing Regulations.

### (l) Detailed reasons for Resignation of Independent Directors who resigns before the expiry of his tenure along with a confirmation by such Director

During the year under review, no Independent Director resigned before expiry of tenure.

## 3. COMMITTEES OF THE BOARD

The Board of Directors has constituted Four (4) Committees i.e. Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Share Transfer/ Stakeholder Relationship Committee. Every Committee has an important role to play within terms of its reference. The Committee Meetings are duly convened and held as considered appropriate from time to time. The process and procedure related to the Board Meetings are also applicable and followed in the Committee Meetings. The Committees' Chairperson provides a brief committee update during the Board Meetings.

### A. Audit Committee

The Company has duly constituted Audit Committee as per Section 177 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, with the powers and roles in accordance with the prevailing regulatory requirements. The Committee acts as a link amongst the Management, Auditors and the Board of Directors. The Company Secretary of the Company acts as Secretary to the Audit Committee.

#### i) Brief Description of Terms of Reference

The Terms of reference of the Audit Committee includes matters specified in the Companies Act, 2013 and Listing Regulations and those specified by the Board in writing.

## Annexure - B (Contd.)

The role of Audit Committee as mentioned in Part C of Schedule II of Listing Regulations is as follows:

- (i) to oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the Financial Statements are correct, sufficient and credible;
- (ii) to recommend the appointment, remuneration and terms of appointment of Statutory Auditors;
- (iii) approval of payment to statutory auditors for any other services rendered by the Statutory Auditors;
- (iv) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - matters required to be included in the Director's responsibility statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit findings;
  - compliance with listing and other legal requirements relating to financial statements;
  - disclosure of any related party transactions;
  - modified opinion(s) in the draft audit report;
- (v) reviewing, with the management, the quarterly Financial Statements before submission to the Board for approval;
- (vi) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (vii) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (viii) approval or any subsequent modification of transactions of the listed entity with related parties;
- (ix) scrutiny of inter-corporate loans and investments;
- (x) valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (xi) evaluation of internal financial controls and risk management systems;
- (xii) reviewing, with the management, performance of Statutory and Internal auditors, adequacy of the internal control systems;
- (xiii) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of Internal Audit;
- (xiv) discussion with internal auditors of any significant findings and follow up there on;
- (xv) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (xvi) discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (xvii) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (xviii) to review the functioning of the whistle blower mechanism;
- (xix) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

## Annexure - B (Contd.)

- (xx) carrying out any other function as is mentioned in the terms of reference of the audit committee.
- (xxi) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

In addition, the Audit Committee shall mandatorily review the following information:

- (i) management discussion and analysis of financial condition and results of operations;
- (ii) statement of significant related party transactions (as defined by the audit committee) submitted by management;
- (iii) management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- (iv) internal audit reports relating to internal control weaknesses; and
- (v) the appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the audit committee.
- (vi) statement of deviations:
  - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).
- (vii) Any other matter with the specific permission of the Committee or referred by the Board.

### ii) Composition

The Audit Committee comprises of Four (4) Non-Executive Independent Directors and Managing Director. The Composition of the Audit Committee as on March 31, 2020 was as follows:

S. No.	Name	Status	Category of Membership
1	Mr. Arun Kumar Malhotra	Chairman	Non-Executive Independent Director
2	Mr. Roop Salotra	Member	Non-Executive Independent Director
3	Mr. Avinash Parkash Gandhi	Member	Non-Executive Independent Director
4	Mr. Milap Jain	Member	Non-Executive Independent Director
5	Mr. Anmol Jain	Member	Managing Director

### iii) Meetings and Attendance

During the Financial Year 2019-20, Seven (7) Audit Committee Meetings were held and the details of the Meetings are as follows:

S. No.	Name of the Director	Details of Audit Committee Meetings							Number of Meetings Attended
		May 18, 2019	August 10, 2019	October 22, 2019	November 12, 2019	February 11, 2020	February 19, 2020	February 24, 2020	
1	Mr. Arun Kumar Malhotra	✓	✓	✓	✓	✓	✓	x	6
2	Mr. Avinash Parkash Gandhi	✓	✓	✓	✓	✓	✓	✓	7
3	Mr. Anmol Jain	✓	✓	✓	✓	✓	✓	✓	7
4	Mr. Roop Salotra	✓	✓	✓	✓	✓	✓	✓	7
5	Mr. Milap Jain	✓	✓	✓	✓	✓	✓	✓	7

✓ Present X Absent

The meeting with Internal Auditors of the Company are held and the findings of internal audits are reported directly to the Audit Committee. The Statutory Auditors, Finance Head are invitees to the Audit Committee Meetings as and when required.

## Annexure - B (Contd.)

### iv) Subsidiary Company

Lumax Mannoh Allied Technologies Limited (LMAT) is a material non-listed Subsidiary Company in terms of Regulation 16(1)(c) of Listing Regulations. Further, as per Regulation 24 of the Listing Regulations, Mr. Avinash Parkash Gandhi and Mr. Roop Salotra, Directors of the Company are also on the Board of LMAT.

The Company monitors performance of LMAT, inter alia, by the following means:

- Financial Statements, in particular the investments made by LMAT are reviewed quarterly by the Audit Committee of the Company.
- Minutes of the Meetings of the Board of Directors of LMAT are placed before the Company's Board regularly.
- A statement containing all the significant transactions and arrangements entered into by the LMAT is placed before the Company's Board / Audit Committee.

The Company has formulated a policy for determining 'Material' subsidiaries and such policy has been disclosed on the Company's website [www.lumaxworld.in/lumaxautotech](http://www.lumaxworld.in/lumaxautotech) and the web link of the same is <https://www.lumaxworld.in/lumaxautotech/downloads/Material%20Subsidiary%20Policy-%20LATL.pdf>

### B. Nomination and Remuneration Committee

The Company has a Nomination and Remuneration Committee constituted pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

#### i) Brief Description of Terms of Reference

The brief description of the terms of reference of the Committee are given below:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- Devising a policy on diversity of Board of Directors;
- Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.
- Any other matters as may be prescribed by Board from time to time.

#### ii) Composition, Name of Members and Chairperson

The Nomination and Remuneration Committee (NRC) comprises of Four (4) Members, all being Non- Executive Directors and half of them are Independent Directors. The Chairman of the Committee is a Non- Executive Independent Director.

The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

The Composition of the Nomination and Remuneration Committee Meeting during the Financial Year 2019-20 is as under:

S. No.	Name	Status	Category of Membership
1	Mr. Milap Jain	Chairman	Non-Executive Independent Director
2	Mr. Roop Salotra	Member	Non-Executive Independent Director
3	Mr. Deepak Jain	Member	Non-Executive Director
4	Mr. Sanjay Mehta	Member	Non-Executive Director

## Annexure - B (Contd.)

### iii) Meetings and Attendance

During the Financial Year under review, the Committee has met Three (3) times and the Attendance Record of Directors of the Committee for the Financial Year are tabulated below:

S. No.	Name of the Directors	Details of Nomination and Remuneration Committee Meetings			Number of Meetings Attended
		May 18, 2019	August 10, 2019	February 11, 2020	
1	Mr. Milap Jain	✓	✓	✓	3
2	Mr. Roop Salotra	✓	✓	✓	3
3	Mr. Deepak Jain	✓	✓	✓	3
4	Mr. Sanjay Mehta	✓	✓	✓	3

✓ Present X Absent

The Company Secretary of the Company acts as Secretary to the Committee.

### iv) Performance Evaluation Criteria for Independent Directors

Pursuant to the applicable provisions of the Companies Act, 2013 and Listing Regulations, the Board in consultation with its Nomination and Remuneration Committee, has formulated a framework containing, inter-alia, the criteria for performance evaluation of the Independent Directors, Board of Directors, Committees of the Board, Individual Directors including Managing Director, Non- Executive Directors and Chairman of the Board.

Performance Evaluation of Independent Directors, Board of Directors, Committees of the Board, Individual Directors including Managing Director, Non-Executive Directors and Chairman of the Board shall be done on annual basis. The evaluation is performed by the Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

The Directors were requested to give the following ratings for each criteria:

1. Could do more to meet expectations;
2. Meets expectations; and
3. Exceeds expectations.

## C. Share Transfer/Stakeholders Relationship Committee

In line with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of Listing Regulations, the Company has constituted a Share Transfer/Stakeholder Relationship Committee to oversee Investors grievances and redressal mechanism and recommends measures to improve the level of Investors' services and to look into and decide matters pertaining to share transfers, duplicate share certificates and related matters.

### i. Composition:

The Composition of Share Transfer/ Stakeholder Relationship Committee during the Financial Year 2019-20 is as under:

S. No.	Name of Directors	Status	Category of Membership
1	Mr. Deepak Jain	Chairman	Non-Executive Director
2	Mr. D.K. Jain	Member	Executive Chairman
3	Mr. Arun Kumar Malhotra	Member	Non-Executive Independent Director
4	Mr. Kanchan Kumar Gandhi	Member	Non-Executive Independent Director

### ii. Name of Non-Executive Director heading the Committee:

The Committee is headed by Mr. Deepak Jain being the Non- Executive Director.

## Annexure - B (Contd.)

### iii. Name and Designation of Compliance Officer:

Mr. Anil Tyagi, Company Secretary was appointed as the Compliance Officer of the Company w.e.f. May 18, 2019. He acts as Secretary to the said Committee.

### iv. Terms of Reference

The terms of reference of Share Transfer/Shareholder Relationship Committee are as follows:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared Dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed Dividends and ensuring timely receipt of Dividend warrants/annual reports/statutory notices by the Shareholders of the Company.

### v. SEBI Complaints Redress System (SCORES)

The Investors can also raise complaints in a centralized web based complaints redress system called "Scores". The Company uploads the action taken report on the complaints raised by the Shareholders on "Scores", which can be viewed by the Shareholder. The complaints are closed to the satisfaction of the shareholders and SEBI.

### vi. Status of Investor Complaints received, pending and resolved during the Financial Year 2019-20

S. No.	Particulars	Status
1	Number of Complaints Received	5
2	Number of Complaints Resolved	5
3	Number of Complaints Pending	0

### vii. Meetings and Attendance

During the Financial Year under review, the Committee has met Four (4) times and the details of meetings held and attendances of Directors in those meetings are tabulated as follows:

S. No.	Name of the Directors	Details of Share Transfer/Stakeholders Relationship Committee				Number of Meetings Attended
		May 18, 2019	August 10, 2019	November 12, 2019	February 11, 2020	
1	Mr. Deepak Jain	✓	✓	✓	✓	4
2	Mr. D.K. Jain	x	✓	✓	✓	3
3	Mr. Arun Kumar Malhotra	✓	✓	✓	✓	4
4	Mr. Kanchan Kumar Gandhi	✓	✓	✓	✓	4

✓ Present X Absent

## D. Corporate Social Responsibility Committee (CSR)

The CSR Committee of the Board has been constituted pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Committee shall:

- (i) formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Act.
- (ii) to recommend the amount of expenditure to be incurred on such activities.
- (iii) to monitor the Corporate Social Responsibility Policy of the Company from time to time.



## Annexure - B (Contd.)

### i. Composition

The Committee comprises of Three (3) Directors including One Independent Directors which is as follows:

S. No.	Name of Directors	Status	Category of Membership
1	Mr. Roop Salotra	Chairman	Non-Executive Independent Director
2	Mr. D.K. Jain	Member	Executive Chairman
3	Mr. Deepak Jain	Member	Non-Executive Director

### ii. Meetings and Attendance

During the Financial Year 2019-20, One (1) Corporate Social Responsibility Committee Meeting was held on the following date:

S. No.	Name of the Directors	Details of Corporate Social Responsibility Committee Meetings	Number of Meetings Attended
		May 18, 2019	
1	Mr. Roop Salotra	✓	1
2	Mr. D.K. Jain	x	0
3	Mr. Deepak Jain	✓	1

✓ Present X Absent

## 4. REMUNERATION OF DIRECTORS

### A. All pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company:

The Company did not have any pecuniary relationship or transactions with the Non-Executive Directors and Independent Directors during the Financial Year 2019-20 except for the Commission and Sitting Fees payable to them respectively as approved by the Board of Directors from time to time.

### B. Criteria of making payments to Non-Executive Directors:

The Criteria of making payments to Non-Executive Directors has been given on the Company's Website i.e. [www.lumaxworld.in/lumaxautotech](http://www.lumaxworld.in/lumaxautotech).

While deciding the payments to be made to Non-Executive Directors various factors such as Director's participation in Board and Committee meeting during the year, other responsibilities undertaken, such as Membership or Chairmanship of Committees, etc. were taken into consideration.

The Quantum of the said Commission will be apportioned amongst the Non- Executive Director(s) commensurate with their respective performance, which will be adjudged by the Remuneration Committee and Board of Directors.

The Non-Executive Directors are entitled to sitting fees for attending meetings of the Board or Committees thereof as may be decided by the Board from time to time. Provided that the amount of such fees shall not exceed ₹ 1 Lakh per Meeting of the Board or Committee.

Apart from sitting fees and commission referred to above and reimbursement of traveling expenses for attending the Board and Committee meetings, no payment by way of bonus, pension, incentives etc. is paid to any of the Non- Executive Directors.

### C. Details of Remuneration to Directors:

#### 1. Remuneration paid to Executive Directors for the Financial Year 2019-20:

(₹ in Lakhs)						
S. No.	Name of the Directors	Designation	Salary	Perquisites & Allowances	Commission	Total
1	Mr. D.K. Jain	Executive Chairman	120.00	46.12	72.15	238.27
2	Mr. Anmol Jain	Managing Director	120.00	32.70	110.02	262.72

## Annexure - B (Contd.)

### 2. Remuneration paid to Non – Executive Directors for the Financial Year 2019-20:

(₹ in Lakhs)

S. No.	Name of the Directors	Designation	Commission	Sitting Fees
1	Mr. Deepak Jain	Non – Executive Director	59.73	-
2	Mr. Sanjay Mehta	Non – Executive Director	-	-
3	Mr. Avinash Parkash Gandhi	Non – Executive Independent Director	-	4.20
4	Mr. Arun Kumar Malhotra	Non – Executive Independent Director	-	3.60
5	Mr. Roop Salotra	Non – Executive Independent Director	-	5.00
6	Mr. Kanchan Kumar Gandhi	Non – Executive Independent Director	-	2.80
7	Mr. Milap Jain	Non – Executive Independent Director	-	4.80
8	Mrs. Diviya Chanana	Non – Executive Independent Director	-	2.80

#### D. Service Contracts, Notice Periods, Severance Fees

The service contracts, notice period and severance fees are not applicable to Executive Directors, Non-Executive or Independent Directors. The term and tenure of appointment of all the Directors are governed through Board Resolutions which are subject to Shareholders Approval in the Annual General Meetings of the Company.

#### E. Stock Options Details, if any:

No Stock Options have been granted to any Directors during the Financial Year 2019-20.

#### F. There are no Security/Instruments of the Company pending for conversion into Equity Shares.

### 5. GENERAL BODY MEETINGS

#### A. The details of Annual General Meeting (AGMs) held in the last three years are as follows:

Financial Year	Date	Time	Location
2016-17	August 18, 2017	03:00 P.M.	Citrus Hotels, Opposite PCMC, Old Mumbai - Pune Highway Road, Pimpri, Pune – 411 018, Maharashtra
2017-18	August 21, 2018	03:00 P.M.	Citrus Hotels, Opposite PCMC, Old Mumbai - Pune Highway Road, Pimpri, Pune – 411 018, Maharashtra
2018-19	August 23, 2019	03:00 P.M.	Air Force Auditorium, Subroto Park, New Delhi-110010

#### B. Details of Special Resolutions passed in previous three Annual General Meetings (AGM):

##### I. AGM held on August 18, 2017

- There is no any Special Resolution proposed and passed in this AGM.

##### II. AGM held on August 21, 2018

- Re-appointment of Mr. D.K. Jain as an Executive Chairman of the Company for a period of 5 years.

##### III. AGM held on August 23, 2019

- No Special Resolution was passed.

## Annexure - B (Contd.)

### C. Special Resolution passed last year through Postal Ballot:

The details of Special Resolution passed last year through Postal Ballot:

I. Date of Notice of Postal Ballot: May 18, 2019

Voting Period: July 22, 2019 to August 20, 2019

Date of Approval: August 20, 2019

Date of Declaration of Results: August 21, 2019

#### Item No. 1: Re-appointment of Mr. Roop Salotra as Independent Director of the Company for a period of five years.

Number of Votes Polled	Number of Votes in favour	Number of Votes against	% of Votes in favour on Votes Polled	% of Votes against on Votes Polled
51077575	50746297	331278	99.351	0.649

#### Item No. 2: Re-appointment of Mr. Milap Jain as Independent Director of the Company for a period of five years.

Number of Votes Polled	Number of Votes in favour	Number of Votes against	% of Votes in favour on Votes Polled	% of Votes against on Votes Polled
51077575	51077533	42	99.999	0.001

#### Item No. 3: Continuation of directorship of Mr. Avinash Parkash Gandhi (Non-Executive Independent Director) for the Present Term.

Number of Votes Polled	Number of Votes in favour	Number of Votes against	% of Votes in favour on Votes Polled	% of Votes against on Votes Polled
51077575	51077550	25	99.999	0.001

#### Item No. 4: Ratification/Approval of Remuneration being paid to Mr. Deepak Jain, Non-Executive Director\*.

Number of Votes Polled	Number of Votes in favour	Number of Votes against	% of Votes in favour on Votes Polled	% of Votes against on Votes Polled
12992348	12661087	331261	97.450	2.550

\*The promoters being interested in the resolution, the voting by the Promoters were not considered.

II. Date of Notice of Postal Ballot: November 12, 2019

Voting Period: February 24, 2020 to March 24, 2020

Date of Approval: March 24, 2020

Date of Declaration of Results: March 25, 2020

#### Item No. 1: Approval of Material Related Party Transactions with Lumax Industries Limited\*

Number of Votes Polled	Number of Votes in favour	Number of Votes against	% of Votes in favour on Votes Polled	% of Votes against on Votes Polled
12958006	12958006	-	100.00	-

\*The promoters being interested in the resolution, the voting by the Promoters were not considered.

### D. Person who conducted both the Postal Ballot exercises:

Mr. Maneesh Gupta, Practicing Company Secretary, (FCS No. 4982 & C.P. No. 2945) was appointed as the Scrutinizer for conducting the Postal Ballot/ remote e-voting process in accordance with the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014 made thereunder in a fair and transparent manner.

### E. Special Resolution proposed to be conducted through Postal Ballot:

There are no Special Resolutions proposed to be conducted through Postal Ballot.

## Annexure - B (Contd.)

### F. Procedure of Postal Ballot:

In Compliance with the provisions of Section 110 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 made thereunder, the Company has completed the dispatch of Postal Ballot Notice along with the Postal Ballot Forms and self-addressed postage pre-paid Business Reply Envelopes to the Shareholders. The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable rules.

The Company also provided the facility of remote e-voting to the Shareholders to cast their votes electronically, in accordance with Section 108 of the Act and Rule 20 of the Rules, and Regulation 44 of the Listing Regulations. The Company engaged the services of KFin Technologies Private Limited for the purpose of providing remote e-voting facility. The Shareholders had the option to vote either by physical ballot or e-voting.

The Scrutinizer submitted his report to the Chairman of the Company after completion of the scrutiny, and the results of the voting by means of Postal Ballot (including voting through electronic means) were announced at the Registered Office of the Company. The said results of postal ballot/ e-voting was published in the newspapers within 48 hours of the declaration and was also placed on the website of the Company at [www.lumaxworld.in/lumaxautotech](http://www.lumaxworld.in/lumaxautotech), besides being communicated to Stock Exchanges, Depository and its Registrar and Share Transfer Agent.

For further details on the above the Shareholders may visit <http://www.lumaxworld.in/lumaxautotech/postal-ballot.html>.

### 8. CODE OF CONDUCT

The Company has adopted a Code of Conduct for all Board Members and Senior Employees of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct on annual basis. The Annual Report contains a declaration to this effect signed by the Chief Executive Officer of the Company. The Code of Conduct is also available on the website of Company under the web link <https://www.lumaxworld.in/lumaxautotech/corporate-governance.html>.

### 9. MEANS OF COMMUNICATION

#### A. Quarterly Results

- Results: The Quarterly/ Half Yearly / Yearly Results of the Company are published in leading and widely circulated English dailies viz. (1) The Financial Express - All Editions (English) (2) Jansatta – New Delhi Edition (Hindi).
- Website: The Company's results are displayed on the Company's website at [www.lumaxworld.in/lumaxautotech](http://www.lumaxworld.in/lumaxautotech) and the websites of BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE).

#### B. Investor Presentations / Press Releases

Detailed presentations are made to the investors of Company and the same is hosted on the Company's website at [www.lumaxworld.in/lumaxautotech](http://www.lumaxworld.in/lumaxautotech) and are disseminated on the Stock Exchanges where Company's equity is listed.

#### C. Official News Releases/ Conference Calls

All official news releases, invitations and transcript of the Analyst/ Investor conference call is posted on the website of the Company at [www.lumaxworld.in/lumaxautotech](http://www.lumaxworld.in/lumaxautotech) under Investors Tab.

#### D. Website

The Company's website is a comprehensive reference on Lumax's Management, Vision, Mission, Policies, Corporate Governance, updates and news.

#### E. Stock Exchange

The Company makes timely disclosure of necessary information to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) in terms of the Listing Regulations and other rules and regulations issued by the SEBI.

## Annexure - B (Contd.)

### BSE Corporate Compliance & Listing Centre (the Listing Centre)

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

### NSE Electronic Application System (NEAPS)

The NEAPS is a web based application designed by NSE for corporates. All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Media Releases, among others are filed electronically on NEAPS.

### F. Reminders/Correspondences with Investors

The periodical reminders to Shareholders regarding unclaimed shares/dividend, e-mail registrations, Notice of General Meetings or any other information required to be disseminated under applicable Statutes is regularly communicated and dispatched.

## 10. MANAGEMENT DISCUSSION AND ANALYSIS REPORT FORMS PART OF THE DIRECTORS REPORT

## 11. GENERAL SHAREHOLDERS INFORMATION

<b>A. Annual General Meeting</b>	: The 39 <sup>th</sup> Annual General Meeting is scheduled as under Day : Friday Date : August 28, 2020 Time : 03:00 P.M. Venue/ Mode: The Company is conducting meeting through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') pursuant to the MCA Circulars. For details please refer to the Notice of AGM.
<b>B. Date of Book Closure</b>	: Friday, August 21, 2020 to Friday, August 28, 2020
<b>C. Registered Office*</b>	: Lumax Auto Technologies Limited 2 <sup>nd</sup> Floor, Harbans Bhawan-II, Commercial Complex, Nangal Raya, New Delhi- 110046

*\*The Registered Office of the Company has been changed from Pune (Maharashtra) to New Delhi w.e.f. May 8, 2019.*

<b>D. Financial Year</b>	: April 01 to March 31
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### E. For the Financial Year 2019-20 results were announced on:

Adoption of Quarterly Results Ended	Date
June 30, 2019	August 10, 2019
September 30, 2019	November 12, 2019
December 31, 2019	February 11, 2020
March 31, 2020 (Audited Annual Accounts)*	June 17, 2020

*\*Board Meeting held as per relaxation given by SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated March 19, 2020*

### F. Provisional Calendar for Financial Year 2020-21

Adoption of Quarterly Results Ended	Tentative Calendar*
June 30, 2020	On or before August 14, 2020
September 30, 2020	On or before November 14, 2020
December 31, 2020	On or before February 14, 2021
March 31, 2021 (Audited Annual Accounts)	On or before May 30, 2021

*\*Within 45/60 days of the end of the Quarter/year, as per the Listing Regulations.*

## Annexure - B (Contd.)

### G. Dividend & Dividend Payment Date

A Final Dividend @150% which is ₹ 3/- per equity share of ₹ 2/- has been recommended by the Board in their Meeting held on June 17, 2020 for the Financial Year 2019-20 (including an Interim Dividend @100% which is ₹ 2/- per equity share of ₹ 2/- each, declared by the Board in their meeting held on February 19, 2020), which is subject to the approval of the Shareholders at the ensuing Annual General Meeting.

For Demat Shareholders and Physical Shareholders who have opted for NECS/ ECS, Dividend Amount of Re. 1/- per share will be credited directly to their respective bank accounts through NECS/ ECS, wherever such facilities are available, soon after the declaration of dividend in the AGM. For others, Dividend Warrants/Demand Drafts will be posted on or before September 14, 2020 (tentative).

### H. Name and Address of Stock Exchange where Company's Equity are listed:

Stock Exchange	Scrip Code
<b>BSE Limited (BSE)</b> Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.	532796
<b>National Stock Exchange of India Limited (NSE)</b> Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.	LUMAXTECH

The ISIN of the Company is INE872H01027.

### I. Listing Fees

The Listing Fees for the Financial Year 2019-20 has been paid to both BSE Limited and National Stock Exchange of India Limited within the prescribed time limits.

### J. Market price data – High and Low during each month in last Financial Year :

The monthly High and Low Prices of the Shares of the Company Listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) are as follows:

Month	BSE		NSE	
	Share Price		Share Price	
	High	Low	High	Low
	(₹)	(₹)	(₹)	(₹)
April 2019	143.40	122.45	144.60	122.50
May 2019	128.70	103.75	130.00	103.30
June 2019	128.05	106.55	126.00	107.50
July 2019	114.00	73.00	114.40	72.80
August 2019	93.50	72.70	94.00	72.05
September 2019	96.50	80.50	98.85	80.00
October 2019	101.00	80.10	101.40	80.70
November 2019	105.65	94.85	106.35	94.70
December 2019	111.00	90.80	109.50	91.35
January 2020	121.80	97.70	122.00	96.95
February 2020	116.30	91.90	118.10	91.50
March 2020	100.05	48.00	100.00	47.90

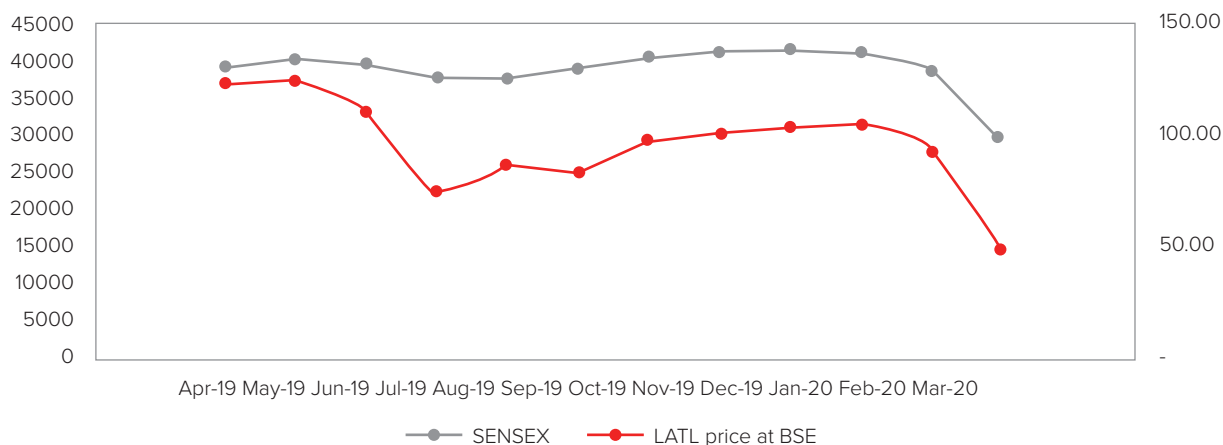


## Annexure - B (Contd.)

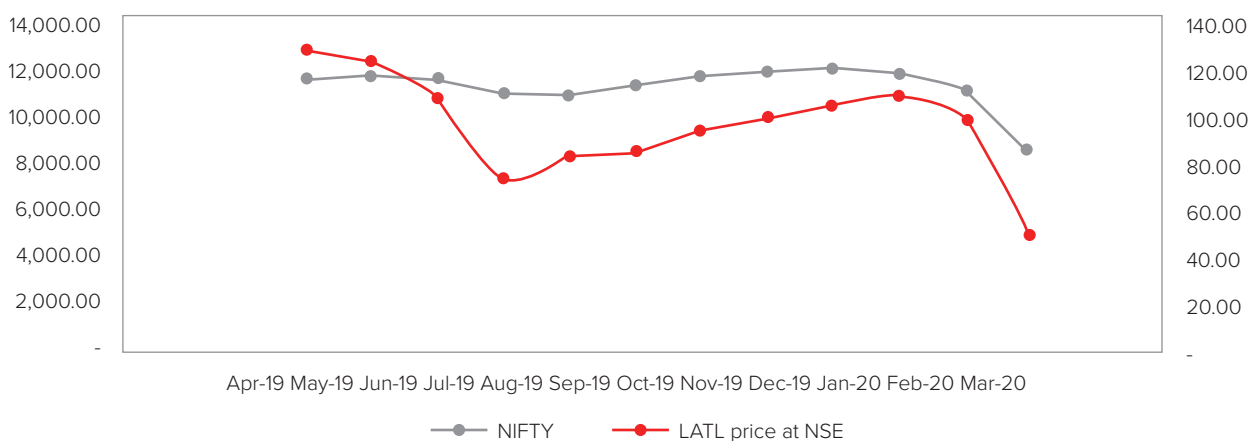
K. The details of the Stock Performance vis – a – vis S&P CNX Nifty in graphical manner and Monthly Closing Share Price on BSE & NSE from April 2019 to March 2020 is given below:

MONTH	LATL price at BSE	SENSEX	LATL price at NSE	NIFTY
April 2019	122.60	39031.55	130.25	11748.15
May 2019	123.75	39714.20	125.00	11922.80
June 2019	109.15	39394.64	108.75	11788.85
July 2019	74.75	37481.12	74.00	11118.00
August 2019	85.90	37332.79	83.25	11023.25
September 2019	82.85	38667.33	86.10	11474.45
October 2019	96.45	40129.05	94.65	11877.45
November 2019	100.15	40793.81	100.85	12056.05
December 2019	102.55	41253.74	105.55	12168.45
January 2020	104.75	40723.49	110.75	11962.10
February 2020	92.25	38297.29	99.45	11201.75
March 2020	49.90	29468.49	50.05	8597.75

**LATL Price at BSE and SENSEX Movement**



**LATL Price at NSE and NIFTY Movement**



## Annexure - B (Contd.)

**L. In case the securities are suspended from trading, the Boards' Report shall explain the reason thereof:**

The trading in the equity shares of the Company was never suspended.

**M. Registrars and Share Transfer Agent** (For Physical as well as for Demat Segment)

Address	Bigshare Services Private Limited 1st Floor, Bharat Tin works building, Opp. Vasant Oasis Apartments, Makwana Road, Marol, Andheri East, Mumbai -400059.
Tel	+91-22-62638200
Fax	+91-22-62638299
Email	vinod.y@bigshareonline.com
Website	www.bigshareonline.com

**N. Share Transfer System**

All work related to Share Registry, both in physical form and electronic form, is handled by the Company's Registrar and Share Transfer Agent. The Company has appointed M/s Bigshare Services Private Limited as the Registrar & Share Transfer Agent.

There were no shares transferred/transmitted during the Financial Year 2019-20.

**O. Reconciliation of Share Capital Audit**

As stipulated by SEBI, Reconciliation of Share Capital Audit was carried out by the Practicing Company Secretary to reconcile the total admitted capital with NSDL and CDSL. The reports for the same were submitted to BSE and NSE by the Company in every quarter. The audit confirms that the total issued / paid-up and listed capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL).

**P. Distribution of Shareholding as on March 31, 2020**

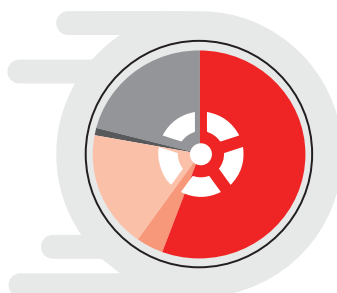
Range of Shares		No. of Shareholders	% of Shareholders	Amount	% of total
1	5,000	13,279	94.74	83,71,578	6.14
5,001	10,000	344	2.45	25,99,832	1.91
10,001	20,000	185	1.32	27,98,136	2.05
20,001	30,000	66	0.47	16,62,708	1.22
30,001	40,000	40	0.29	13,98,634	1.03
40,001	50,000	24	0.17	11,16,384	0.82
50,001	1,00,000	38	0.27	27,15,356	1.99
1,00,001	& above	41	0.29	11,56,52,782	84.84
<b>Total</b>		<b>14,017</b>	<b>100.00</b>	<b>13,63,15,410</b>	<b>100.00</b>

## Annexure - B (Contd.)

### Q. Shareholding Pattern of the Company as on March 31, 2020

Category	Number of shares held	% age of shareholding
<b>A. Promoters' holding</b>		
<b>1. Promoters</b>		
i Indian Promoters	3,81,47,830	55.97
ii Foreign Promoters	-	-
<b>2. Persons acting in concert</b>	-	-
<b>SUB – TOTAL (A)</b>	<b>3,81,47,830</b>	<b>55.97</b>
<b>B. Non-Promoters Holding</b>		
<b>3. Institutional Investors</b>		
i Mutual Funds	26,15,078	3.84
ii Banks, Financial Institutions, Insurance Companies, Central/State Govt. Institutions/ Non-Government Institutions.	39,179	0.06
iii FIIs / FPIs	1,22,35,221	17.95
iv Alternate Investment Funds	9,51,724	1.40
<b>SUB – TOTAL (B3)</b>	<b>1,58,41,202</b>	<b>23.25</b>
<b>4. Others</b>		
i Bodies Corporate & Clearing Member	19,81,482	2.90
ii Indian Public	1,06,03,269	15.55
iii NRIs	9,30,699	1.37
iv IEPF	7,235	0.01
v HUF	645,988	0.95
<b>SUB – TOTAL (B4)</b>	<b>1,41,68,673</b>	<b>20.78</b>
<b>SUB – TOTAL (B) [B3 + B4]</b>	<b>3,00,09,875</b>	<b>44.03</b>
<b>GRAND TOTAL (A+B)</b>	<b>6,81,57,705</b>	<b>100.00</b>

### Shareholding Pattern as on March 31, 2020



Category of Directors	Share
● Indian Promoters	56%
● Mutual Funds	4%
● FIIs / FPIs	18%
● Alternative Investment Funds	1%
● Others	21%

## Annexure - B (Contd.)

### R. Dematerialization of Shares

The Company's shares of the Company are available for trading in the Dematerialised Form under both the Depository Systems in India - with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company's shares are liquid and are actively traded on Stock Exchanges.

The Shareholders who continue to hold shares in physical form are requested to dematerialize their shares at the earliest and avail the benefits of dealing in shares in Dematerialised form.

For convenience of shareholders, the process of getting the shares dematerialized is given hereunder:

- Demat account should be opened with a Depository Participant (DP).
- Shareholders should submit the Dematerialization Request Form (DRF) along with share certificates in original, to their DP.
- DP will process the DRF and will generate a Dematerialization Request Number (DRN).
- DP will submit the DRF and original share certificates to the Registrar & Share Transfer Agents.
- Registrar & Share Transfer Agents will process the DRF and confirm or reject the request to DP.
- Upon confirmation of request, the Shareholder will get credit of the equivalent number of shares in his demat account maintained with the DP.

#### Status of Dematerialization and Liquidity as on March 31, 2020

##### Dematerialization:

Category	Number of Shares
Shares in Demat mode with NSDL	6,21,63,039
Shares in Demat mode with CDSL	59,94,651
Shares in Physical mode	15
<b>Total</b>	<b>6,81,57,705</b>

##### Liquidity:

The Number of Shares of the Company traded in the Stock Exchanges for the Financial Year 2019-2020 is given below:

Particulars	BSE	NSE	Total
Number of Shares Traded	7,75,517	85,69,823	93,45,340
% of Total Equity	1.14	12.57	13.71

### S. Outstanding GDR's/ADR's/Warrants or any convertible Instrument, Conversion Date and Likely impact on Equity

There are no convertible instruments which could result in increasing the equity capital of the Company and the Company has not issued any GDR/ADR/FCCB etc.

### T. Commodity price risk or foreign exchange risk and hedging activities:

In order to manage the Company's Foreign Exchange Exposure, the Company has in place an appropriate mechanism for management of Corporate Foreign Exchange Risk by defining its exposures, measuring them and defining appropriate actions to control this risk. The same is reviewed by the management during the year at appropriate time and placed before Board of Directors. The intent of this mechanism is to minimise the Financial Statement impact of fluctuating Foreign Currency Exchange Rates. During the COVID-19 period, it deliberated across the team to mitigate the forex loss and cope with commodity price risk.

## Annexure - B (Contd.)

### U. Plant Locations of the Company as on March 31, 2020

The Company has following manufacturing units:

S. No.	Plant Locations
1	Shed No. 1, Plot No. 33/3, D - 2 Block, MIDC, Chinchwad, Pune, Maharashtra
2	W-230-E, 'S' Block, M.I.D.C. Bhosari, Pune, Maharashtra
3	Gat No. 156/1, Mahalunge, Chakan, Pune, Maharashtra
4	K- 76, M.I.D.C., Waluj, Industrial Area Aurangabad, Maharashtra
5	B - 14/3 , M.I.D.C., Waluj, Industrial Area, Aurangabad, Maharashtra
6	Sy. No. 334, 366 & 367, Bellur Village, Narsapura Hobli, Kolar, Bengaluru, Karnataka
7	Plot No. 164-165, Sector-5, IMT Manesar, Gurugram- 122050, Haryana
8	Plot No. 12, Sector- 10, IIE Pantnagar, Distt.- Udham Singh Nagar, Uttarakhand
9	Plot No. 9, 10, 23-25, Gat No. 53, Sahajapur, Aurangabad, Maharashtra
<b>Marketing/ Trading Division</b>	
10	Plot No. 2, Industrial Estate, Udyog Vihar, Phase IV, Gurugram, Haryana
11	Khashra No. 25/12/2,18,23,19, Revenue Estate , Vill. Khawaspur, Jamalpur, Main Pataudi Road, Gurugram- 122503, Haryana

### V. Address for Investors Correspondence

All queries of investors regarding the Company's shares in Physical / Demat form may be sent either to the Registrar & Share Transfer Agent or to the Secretarial Department of the Company at the following address:

#### The Registrar and Share Transfer Agent

Address	Bigshare Services Private Limited 1 <sup>st</sup> Floor, Bharat Tin works building, Opp. Vasant Oasis Apartments, Makwana Road, Marol, Andheri East, Mumbai -400059.
Tel	+91-22-62638200
Fax	+91-22-62638299
Email	vinod.y@bigshareonline.com
Website	www.bigshareonline.com

#### The Company

Address	Lumax Auto Technologies Limited 2 <sup>nd</sup> Floor, Harbans Bhawan- II, Commercial Complex, Nangal Raya, New Delhi- 110046
Tel	+91-11-49857832
Email	shares@lumaxmail.com
Website	www.lumaxworld.in/lumaxautotech

## Annexure - B (Contd.)

**W. List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad:**

During the year under review, the Company had obtained the Credit Ratings from CRISIL which is as follows:

1. Long Term Rating - CRISIL A+/Positive
2. Commercial Paper - CRISIL A1+

The Company does not have any fixed deposit programme or any scheme or proposal involving mobilisation of Funds in India or abroad. There were no revision / changes in the aforesaid ratings issued by CRISIL.

**X. Unclaimed/Unpaid Dividends and Shares:**

Pursuant to the provisions of Section 124 & 125 of Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 the Dividend which remains unclaimed/unpaid for a period of Seven (7) years from the date of transfer shall be transferred to Investor Education and Protection Fund (IEPF) Authority. Further, all corresponding shares in respect of above-mentioned shares shall also be transferred to the demat account of IEPF Authority. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form IEPF – 5 after complying with the procedure prescribed under the IEPF Rules.

The Company had sent notices to all Shareholders whose shares were due to be transferred to IEPF and the newspaper advertisement with respect to same was also published. During the Financial Year 2019-20, ₹ 1,25,508/- of unpaid/unclaimed dividend and 1,230 shares were transferred to the IEPF Authority.

Further, the Unclaimed Dividend for the Financial Year 2012-13 shall become transferable to the Investor Education and Protection Fund (IEPF) by September 27, 2020. The Company has been writing periodical reminders to all the shareholders as a part of sending Notice of the Annual General Meeting, who's Dividends are lying unpaid in the Unpaid Dividend Account. Details of shares/shareholders in respect of which dividend has not been claimed, are provided on the website. The shareholders are requested to verify their records and claim their unclaimed dividends for the past years, if not claimed.

The Company has appointed Mr. Anil Tyagi as Nodal Officer under the provisions of IEPF, the details of which are available on the website of the Company.

### 12. OTHER DISCLOSURES:

**A. Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large:**

- There were no transaction of significant material nature by Company that have a potential conflict with the interest of Company at large.
- During the Financial Year 2019-20, all the transactions entered into were in the normal course of business and at arms' length basis. The said transactions are reported as the Related Party Transactions in the Annual Accounts.
- However, as per Regulation 23 of Listing Regulations, the Related Party Transactions which fall under the definition of 'Materiality' have been disclosed in the **Annexure - D i.e. AOC-2**.

The Audit Committee is briefed with all Related Party Transactions (material & non-material) undertaken by the Company on quarterly basis.

**B. Details of non-compliance by the Company, penalties, strictures imposed on the Company by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;**

There has been no Non-Compliance penalties/strictures imposed on the Company by Stock Exchange(s) or SEBI or any other statutory authority, on any matter related to capital markets, during the last three years.



## Annexure - B (Contd.)

### **C. Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the Audit Committee**

Under the Vigil Mechanism, the Company has provided a platform to Directors and employees to raise concerns regarding any irregularity, misconduct or unethical matters / dealings within the Group which have a negative bearing on the organization either financially or otherwise.

The Company has a robust Whistle Blower Policy to enable its Directors and Employees to report to the Management their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Company promotes a favourable environment for employees to have an open access to the respective functional Heads, Executive Directors, Chairman and Managing Director, so as to ensure ethical and fair conduct of the business of the Company.

During the year, the Vigil Mechanism/ Whistle Blower Policy was amended in line with Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and the same has been updated on the website of the Company at [www.lumaxworld.in/lumaxautotech](http://www.lumaxworld.in/lumaxautotech).

### **D. Details of compliance with mandatory requirements under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

The Company has fully complied with all the mandatory requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **E. Web link where policy for determining 'material' subsidiaries is disclosed**

The web link for policy determining 'material' subsidiaries is disclosed on the website of the Company at the web link [https:// www.lumaxworld.in/lumaxautotech/policies.html](https://www.lumaxworld.in/lumaxautotech/policies.html).

### **F. Web link where policy on dealing with related party transactions**

The Board approved policy on related party transactions can be accessed on [www.lumaxworld.in/lumaxautotech/pdf/related-party-transaction-policy.pdf](http://www.lumaxworld.in/lumaxautotech/pdf/related-party-transaction-policy.pdf).

### **G. Commodity price risk or foreign exchange risk and hedging activities:**

The Company has in place an appropriate mechanism for management of Corporate Foreign Exchange Risk by defining its exposures, measuring them and defining appropriate actions to control this risk. The intent of this mechanism is to minimise the Financial Statement impact of fluctuating Foreign Currency Exchange Rates.

### **H. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)**

The Company has not raised any funds through Preferential Allotment or Qualified Institutions Placement during the Financial Year ended March 31, 2020.

### **I. A Certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by the Board/Ministry of Corporate Affairs or any such statutory authority is enclosed with this report.**

### **J. Where the Board had not accepted any recommendation of any Committee of the Board which is mandatorily required, in the relevant Financial Year, the same to be disclosed along with reasons thereof**

There has been no such incidence where the Board has not accepted the recommendation of any Committees of the Company during the year under review.

## Annexure - B (Contd.)

- K.** Details of all the Fees for all the services paid to M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, the Statutory Auditors of the Company i.e. LATL and Lumax Cornaglia Auto Technologies Private Limited ("LCAT") i.e. Subsidiary of the Company on a Consolidated basis during the Financial Year ended March 31, 2020

(₹ in Lakhs)

S. No.	Particulars	Fees Paid		
		LATL	LCAT	Total
1	Statutory Audit	35.75	2.50	38.25
2	Limited Review	9.00	-	9.00
3	Tax Audit	1.75	1.00	2.75
4	Out of Pocket Expenses	2.18	-	2.18
5	Other Services	-	-	-
	<b>Total</b>	<b>48.68</b>	<b>3.50</b>	<b>52.18</b>

- L.** Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

S. No.	Particulars	Number of Complaints
1	Number of Complaints filed during the Financial Year	Nil
2	Number of Complaints disposed of during the Financial Year	Nil
3	Number of Complaints pending as on end of the Financial Year	Nil

- 13. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT OF SUB PARAS (2) TO (10) ABOVE, WITH REASONS THEREOF SHALL BE DISCLOSED:**

The Company is fully compliant with all the requirements of Corporate Governance Report as stated in sub paras (2) to (10) of Schedule V of Listing Regulations.

- 14. DISCLOSURE OF THE EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II HAVE BEEN ADOPTED**

- (i) **The Board:** The Chairperson of the Company is of Executive category, hence the requirement of maintaining a Chairperson's office at the Company's expense and reimbursement of expenses incurred in performance of his duties does not apply.
- (ii) **Shareholder Rights:** Quarterly Financial Statements are published in newspapers (except 4th Quarter FY20, due to exemption) and uploaded on Company's website to be accessible by Shareholders.
- (iii) **Modified opinion(s) in audit report:** During the year under review, there is no Audit qualifications on the Company's Financial Results. The Company continues to adopt best practices to ensure regime of Unmodified Opinion.
- (iv) **Reporting of Internal Auditor:** M/s Deloitte Touche Tohmatsu India LLP are the Internal Auditors of the Company. The Internal Auditors have direct access to the Audit Committee and separate meeting of Audit Committee are held wherein Internal Auditors presents their Audit Observations to the Audit Committee of Board.

- 15. DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46**

The Company has complied with all the requirements of Corporate Governance as follows:

- Regulations 17 to 20 and 22 to 27;
- Clauses (b) to (i) of sub-regulation (2) of Regulation 46; and
- Para C, D and E of Schedule V

## Annexure - B (Contd.)

### 16. DECLARATION SIGNED BY THE CHIEF EXECUTIVE OFFICER STATING THAT THE MEMBERS OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL HAVE AFFIRMED COMPLIANCE WITH THE CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The Company has a Code of Conduct for its Board and Senior Employees as per Listing Regulations and the same is available at the Company's website. The Company has obtained a compliance certificate from all concerned.

A declaration to that effect, signed by the Chief Executive Officer is attached and forms part of this Report.

The Company has formulated a Code of Conduct for prevention of Insider Trading in the Shares of the Company in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015.

### 17. COMPLIANCE CERTIFICATE FROM EITHER THE AUDITORS OR PRACTICING COMPANY SECRETARIES REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

The Compliance Certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance forms an integral part of this Report.

### 18. CEO AND CFO CERTIFICATE

The Chief Executive Officer and the Chief Financial Officer have furnished the requisite certificate to the Board of Directors pursuant to Regulation 17(8) of the Listing Regulations which forms part of this Report.

### 19. UNCLAIMED SUSPENSE ACCOUNT

Pursuant to Regulation 34(3) read with Schedule V of the Listing Regulations, the Company reports the following details in respect of the equity shares lying in the suspense account:

Particulars	Number of Shareholders	Number of Shares
Aggregate number of shareholders and outstanding shares at the beginning of the year i.e. as on April 1, 2019	Nil	Nil
Number of shareholders who approached for issue/transfer of Shares during the year 2019-20	Nil	Nil
Number of shareholders to whom shares were issued/ transferred	Nil	Nil
Transfer to IEPF	Nil	Nil
Aggregate number of shareholders and the Outstanding shares lying at the end of the year i.e. March 31, 2020	Nil	Nil

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

### 20. IMPORTANT INFORMATION FOR SHAREHOLDERS

#### A. Nomination Facility

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2015 are requested to submit to the Company nomination in the prescribed Form SH-13 for this purpose.

#### B. Updation of Shareholders Information

Shareholders holding shares in physical form are requested to notify the changes to the Company/ its RTA, promptly by a written and duly signed request and Shareholders holding shares in electronic form are requested to send their instructions directly to their Depository Participants (DPs).

## Annexure - B (Contd.)

### C. Mandatory Requirement for Dematerialisation of Shares

As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, the requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the Dematerialised Form with the depositories. Therefore, the Shareholders are requested to immediately take action to dematerialize their Equity Shares of the Company.

### D. Permanent Account Number (PAN)

Attention is drawn that the Shareholders holding shares in the physical form are mandatorily required to furnish copy of PAN Card in the following cases:

- i) Legal heirs' / Nominees' PAN Cards for transmission of shares,
- ii) Surviving joint holders' PAN Cards for deletion of name of deceased Shareholder, and
- iii) Joint holders' PAN Cards for transposition of shares

### E. Mandatory transfer/transmission/transposition of shares in dematerialized mode

Pursuant to amended Regulation 40 of Listing Regulations, transfer of securities would not be processed unless the securities are held in the dematerialized form with a depository with effect from April 1, 2019. Any investor who is desirous of transferring shares (which are held in physical form) after April 1, 2019 can do so only after the shares are dematerialized. However, the said amendment is not applicable for transmission (i.e. transfer of title of shares by way of inheritance / succession) and transposition (i.e. re-arrangement / interchanging of the order of name of shareholders) cases.

The above said information about transfer of shares in demat mode was intimated to the Shareholders who are holding shares of the Company in physical mode.

**Procedure for obtaining the Annual Report, e-AGM notice and e-voting instructions by the shareholders whose email addresses are not registered with the depositories or with RTA on physical folios:**

Due to the spread of pandemic COVID-19 and in terms of the MCA and SEBI Circulars, the Company has sent the Annual Report, Notice of e-AGM and e-Voting instructions only in electronic form to the registered email addresses of the shareholders. Therefore, those shareholders who have not yet registered their email address are requested to get their email addresses registered by following the procedure given below:

1. Those shareholders who have registered/not registered their mail address and mobile no.s including address and bank details may please contact and validate/update their details with the Depository Participant in case of shares held in electronic form and with the Company's Registrar and Share Transfer Agent, Bigshare Services Private Limited in case the shares held in physical form.
2. Shareholders who have not registered their mail address and in consequence the Annual Report, Notice of e-AGM and e-voting notice could not be serviced may temporarily get their email address and mobile number registered with the Company's Registrar and Share Transfer Agent, Bigshare Services Private Limited, by sending the email at [vinod.y@bigshareonline.com](mailto:vinod.y@bigshareonline.com).
3. Shareholders may also requested to visit the website of the company [www.lumaxworld.in/lumaxautotech](http://www.lumaxworld.in/lumaxautotech) for downloading the Annual Report and Notice of the e-AGM.
4. Alternatively member may send an e-mail request at the email id [vinod.y@bigshareonline.com](mailto:vinod.y@bigshareonline.com) or [shares@lumaxmail.com](mailto:shares@lumaxmail.com) along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of e-AGM and the e-voting instructions.

## Annexure - B (Contd.)

### **CERTIFICATE OF COMPLIANCE OF CODE OF CONDUCT BY BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL**

I, Vikas Marwah, Chief Executive Officer of the Company hereby certify that the Board of Directors and the Senior Management Personnel have affirmed compliance of the Code of Conduct of the Company for the Financial Year 2019-20.

Place: New Delhi  
Date: June 17, 2020

**Vikas Marwah**  
Chief Executive Officer

### **CEO AND CFO CERTIFICATE UNDER REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.**

- a. We certify to the Board that we have reviewed Financial Statements and Cash Flow Statement for the year ended March 31, 2020 and that to the best of our knowledge and belief;
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies, if any.
- d. We have indicated to the Auditors and the Audit Committee
  - (i) significant changes in internal control over financial reporting during the year, if any;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any; and
  - (iii) There were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**(ASHISH DUBEY)**  
CHIEF FINANCIAL OFFICER

Place: New Delhi  
Date: June 17, 2020

**(VIKAS MARWAH)**  
CHIEF EXECUTIVE OFFICER

## Annexure - B (Contd.)

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to clause 10 of Part C of Schedule V read with Regulation 34(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

#### Lumax Auto Technologies Limited

2<sup>nd</sup> Floor, Harbans Bhawan-II, Commercial Complex,  
Nangal Raya, New Delhi-110046

I/We have examined the relevant records, forms, returns and disclosures received from the Directors of Lumax Auto Technologies Limited having CIN L31909DL1981PLC349793 and having Registered Office at 2<sup>nd</sup> Floor, Harbans Bhawan-II, Commercial Complex, Nangal Raya, New Delhi-110046 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Ensuring the eligibility of the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: New Delhi  
Date: June 16, 2020  
UDIN: F004982B000347192

Signature  
**Maneesh Gupta**  
FCS No.: 4982  
CP No.: 2945



## Annexure - B (Contd.)

### Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The Members of  
Lumax Auto Technologies Limited  
2<sup>nd</sup> Floor, Harbans Bhawan- II,  
Commercial Complex, Nangal Raya,  
New Delhi- 110046.

1. The Corporate Governance Report prepared by Lumax Auto Technologies Limited (hereinafter the "the Company"), contains details as specified in regulation 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2020 as required by the Company for annual submission to the Stock Exchange.

#### Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

#### Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the Auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
  - i. Read and understand the information prepared by the Company and included in its Corporate Governance Report;
  - ii. Obtained and verified that the composition of the Board of Directors w.r.t Executive and Non- Executive Directors has been met throughout the reporting period;
  - iii. Obtained and read the Directors Register as on March 31, 2020 and verified that atleast one Women Director was on the Board during the year;
  - iv. Obtained and read the minutes of the following Meetings held April 01, 2019 to March 31, 2020:
    - (a) Board of Directors Meeting;
    - (b) Audit committee;

## Annexure - B (Contd.)

- (c) Annual General meeting;
  - (d) Nomination and Remuneration Committee;
  - (e) Stakeholders Relationship Committee;
  - (f) Independent Directors Meeting; and
  - (g) Corporate Social Responsibility Committee
- v. Verified the fee disclosures as required by Clause 10(k), Part C, Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - vi. Obtained necessary declarations from Directors of the Company.
  - vii. Obtained and read the policy adopted by the Company for related party transactions.
  - viii. Obtained the Schedule of related party transactions during the year and balances at the year end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.
  - ix. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the Financial Statements of the Company taken as a whole.

### Opinion

9. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable as at March 31, 2020, referred to in paragraph 4 above.

### Other matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to Corporate Governance Report accompanied with by a report thereon from the Statutory Auditors and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Vikas Mehra**

Partner

Membership Number: 094421

UDIN: 20094421AAAACT7960

Place: New Delhi

Date: 17<sup>th</sup> June 2020

## Annexure - C

### Nomination and Remuneration Policy of Directors, Key Managerial Personnel and Other Employees

#### 1. INTRODUCTION AND REGULATORY FRAMEWORK

This Nomination and Remuneration Policy ("Policy") of Lumax Auto Technologies Limited ("Lumax" or "Company") has been formulated under the requirements of applicable laws viz. Section 178 of the Companies Act, 2013 ("Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations").

The Company believes that human resources as an asset are invaluable and play an integral part in the growth and success of the Company. The Company also acknowledges that a Board with diversified expertise and experience, adequate mix of Executive and Independent Directors, provides the desired vision, governance structure and mission to the Company in order to enable it to achieve its goals.

This Policy on the appointment and remuneration of Directors including Independent Directors, Key Managerial Personnel (KMP), Senior Management and other employees provides a referendum based on which the Human Resource Management Team plans and strategies their recruitment plans for the strategic growth of the Company.

The Policy has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company.

#### 2. OBJECTIVE

The objective of this Policy are as follows:

- laying down a framework in relation to appointment, remuneration and removal of Directors, KMP and other employees
- creating a transparent system of determining the appropriate level of remuneration throughout all career levels and roles of the Company
- Motivate the Directors, Key Managerial Personnel and other employees, to perform to their maximum potential
- Ensure consistency in remuneration and benefits throughout the Company
- Align the performance of the business with the performance of key individuals and teams within the Company
- Allow the Company to compete in each relevant employment market
- Development and retaining of talent

#### 3. CONSTITUTION OF NOMINATION AND REMUNERATION COMMITTEE

In line with the requirements of the Act and Listing Regulations, the Board of Directors has constituted the "Nomination and Remuneration Committee".

The Committee shall at all times (unless stipulated otherwise by law) have at least 3 non-executive directors, out of which one-half shall be Independent Directors. If the Chairperson of the Company appointed as a member of the Committee, he shall not chair such Committee. The Board has authority to reconstitute this Committee from time to time.

Presently, the Nomination and Remuneration Committee comprises of following Members:

S. No.	Name	Category
1.	Mr. Milap Jain	Chairman (Non- Executive Independent Director)
2.	Mr. Roop Salotra	Member (Non- Executive Independent Director)
3.	Mr. Deepak Jain	Member (Non- Executive Director)
4.	Mr. Sanjay Mehta	Member (Non- Executive Director)

## Annexure - C (Contd.)

### 4. ROLE OF NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee shall endeavor to perform its role as prescribed u/s 178(4) of the Act and Regulation 19 of Listing Regulations read with Para A of Part D of Schedule II of the Listing Regulations which is summarized hereunder:

- formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
- formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- devising a policy on diversity of Board of Directors;
- identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- recommend to the Board, all remuneration, in whatever form, payable to senior management.
- specify the manner for effective evaluation of performance of Board, its committees and individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

In formulation of the Policy as enumerated above, the Nomination and Remuneration Committee shall ensure to take into account the following principles:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks
- remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and performance incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals:

### 5. APPOINTMENT/ NOMINATION OF DIRECTORS

#### General Criteria

- a) The Board shall comprise of optimum number of Directors as is necessary to effectively manage the affairs of the Company. Subject to a minimum of 3 and maximum of 15, the Board shall have an appropriate combination of Executive, Non-Executive, Independent and Woman Directors.
- b) The Nomination and Remuneration Committee shall be responsible for identifying suitable candidate for appointment as Director of the Company. While evaluating a person for appointment / re- appointment as Director, the Committee shall consider and evaluate including but not limited to background and qualifications, knowledge, skills, abilities, professional experience and functional expertise, personal accomplishment, age, experience of automobile/auto component industry, marketing, technology, finance and other disciplines relevant to the business etc. and such other factors that the Committee might consider relevant and applicable from time to time towards achieving a diverse Board.
- c) The proposed candidate shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research and development, technical operations, corporate governance or such other areas related to the Company's business as determined by the Nomination and Remuneration Committee.
- d) The proposed candidate shall not be discriminated against on the basis of race, religion, nationality, sex, disability, or any other basis prohibited by law.

## Annexure - C (Contd.)

- e) The proposed candidate shall understand and endeavor to balance the interests of shareholders and/ or other stakeholders and put the interests of the company or organization above self-interest. He/she has demonstrated a commitment to transparency and disclosure.

### Managing Directors or Whole Time Directors

The Board based on the recommendation of the Nomination and Remuneration Committee shall be responsible for identifying suitable candidate for the position of Managing Director/Whole-time Director. The terms and conditions of the appointment shall be in accordance with the provisions of Act and Listing Regulations.

### Independent Directors

Before recommending a nominee's candidature to the Board for being appointed as an Independent Director, the following criteria set out may be applied as guidelines in considering potential nominees to the Board of Directors:

- a) An Individual should fall within the purview of definition and criteria of "independence" as set out in Section 149 of the Act, the Listing Regulations and other applicable laws.
- b) is a person of integrity and possesses relevant expertise and experience;
- c) who is or was not a promoter of the Company or its holding, subsidiary or associate Company;
- d) who is not related to promoters or Directors in the Company, its holding, subsidiary or associate Company;
- e) Has attained minimum age of 25 years.
- f) Does not hold directorship in more than seven listed entities.
- g) Does not hold directorship in more than three listed entities, if serving as a Whole- time Director in any listed entity.

## 6. REMUNERATION OF DIRECTORS

The Company shall strive to have a remuneration structure which should be reasonable and sufficient in order to justify the position and responsibility and to retain the Directors. The relationship of remuneration to performance should be clear and should meet appropriate performance benchmarks.

The Committee shall be responsible for reviewing and making recommendations to the Board on Remuneration of Executive Directors and Non- Executive/ Independent Directors which shall be done in accordance with applicable law and amendments thereof.

### Managing Directors or Whole Time Directors

- a) The Committee shall determine remuneration structure for Managing Directors/ Whole-time Directors taking into account factors it deems relevant, including but not limited to market scenario, business performance and practices in comparable companies, having due regard to financial and commercial health of the Company as well as prevailing laws and Government/other guidelines.
- b) The remuneration and commission to be paid to the Managing Director/ Whole-time Director shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder.
- c) Any changes to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director/ Whole-time Director.
- d) Where any insurance is taken by the Company on behalf of its Directors for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
- e) If, during any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director/ Executive/ Whole-time Director(s) in accordance with the provisions of Schedule V of the Companies Act, 2013.

## Annexure - C (Contd.)

### Non- Executive Directors/ Independent Director:

The Non- Executive Directors or the Independent Directors may receive remuneration by way of:

- Sitting fees for participation in the Board and other meetings
- Commission as approved by the Shareholders of the Company
- Reimbursement of expenses in connection with participation in the Board and other meetings

The Independent Directors shall not be entitled to any stock options. Based on the recommendation of the Nomination and Remuneration Committee, the Board may decide the sitting fee payable to Independent Directors. Provided that the amount of such fees shall not exceed the maximum permissible under the Companies Act, 2013.

### 7. APPOINTMENT OF KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL (NOT BEING DIRECTOR)

The Executive Management Team (Key Managerial Personnel and Senior Management Personnel) is responsible for managing the Company's core business operations as a whole and management of day to day affairs of the Company.

Pursuant to the provisions of Section 2(51) of the Act, the Key Managerial Personnel (KMP) with reference to the Company means:

- (i) the Chief Executive Officer or the Managing Director or the Manager;
- (ii) the Whole-Time Director;
- (iii) the Chief Financial Officer;
- (iv) the Company Secretary;
- (v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board and
- (vi) such other officer as may be prescribed.

Pursuant to the provisions of Regulation 16(d) of the Listing Regulations, the Senior Management Personnel with reference to the Company means:

"Officers/personnel of the listed entity who are Members of its core management team excluding Board of Directors and normally this shall comprise all members of management one level below the Chief Executive Officer/Managing Director/ Whole-time Director/Manager (including Chief Executive Officer/Manager, in case they are not part of the board) and shall specifically include Company Secretary and Chief Financial Officer."

The nomination and appointment of KMP and Senior Management Personnel (Not being Director) shall be governed in accordance with following guidelines:

- a) The Nomination and Remuneration Committee shall be responsible for identifying suitable candidate for the position of Key Managerial Personnel i.e. Chief Financial Officer, Company Secretary, and other Senior Management Personnel;
- b) The appointment of Key Managerial Personnel and Senior Management Personnel shall be approved by the Board on recommendation of the Nomination and Remuneration Committee;
- c) While evaluating a person for appointment / re-appointment in a senior management position, the management shall considers various factors including individual's background, core competencies, skills, attributes, personal traits (viz. leadership, ability to exercise sound judgement), educational and professional background, personal accomplishment, age, relevant experience and understanding of related field viz. marketing technology, finance or such other discipline relevant to present and prospective operations of the Company;
- d) The KMP or Senior Management Personnel on its appointment shall not hold office or place of office in addition to the Company and shall not engage in business activity which might detrimentally conflict with the interest of the Company.

## Annexure - C (Contd.)

### 8. REMUNERATION OF KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL (NOT BEING DIRECTOR)

The remuneration of Key Managerial Personnel and Senior Management Personnel (Not being Director), at the time of appointment shall be decided by the Committee and recommended to the Board.

The remuneration of Key Managerial Personnel, Senior Management Personnel of the Company (not being director) shall comprise of one or more of the following components which shall be decided by Company's Human Resources Department:

1. Fixed Pay
2. House Rent Allowance
3. Perquisites and Allowances
4. Re-imbursement Medical Expenses
5. Contribution to P.F.
6. Such other allowances, benefits and perquisites as may be decided

The KMP and Senior Management Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the Company. Thereafter, the remuneration shall be determined within the appropriate grade and is based on an individual's experience, skill, competencies and knowledge relevant to the job and an individual's performance and potential contribution to the Company.

The decision on revision in remuneration and annual increments on remuneration of KMP and Senior Management Personnel shall be decided by the Chief Executive Officer and Senior Executive Director in consultation with Human Resources Department within the overall framework of compensation and appraisal policy of the Company.

### 9. APPOINTMENT AND REMUNERATION OF OTHER EMPLOYEES

The appointment of other employees shall be made on the basis of the experience, qualification, expertise of the individual as well as the roles and responsibilities required for the position and shall be approved by the Human Resource Department.

The remuneration for other employees would be as per the appraisal and compensation policy of the Company, as revised through the annual review process from time to time and approved by the Chief Executive Officer & Senior Executive Director in consultation with the Head of Human Resources Department.

### 10. TERM / TENURE

#### a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive/ Whole- time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

#### b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the shareholders of the Company and disclosure of such appointment in Boards Report. The re-appointment / extension of term of the Director shall be on the basis of their performance evaluation.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.



## Annexure - C (Contd.)

### 11. EVALUATION OF THE PERFORMANCE OF THE BOARD OF DIRECTORS

Section 178(2) of the Act casts upon the Nomination and Remuneration Committee, the responsibility to specify the manner for effective evaluation of Performance of Board, its committees and Individual Directors. This evaluation process aims to ensure that individual Directors and the Board of Directors of the Company as a whole work efficiently and effectively towards achieving Company's objectives. This evaluation forms part of this Policy and aims at establishing a procedure for the Board to conduct periodic evaluation of Members and of its committees. In deciding the methodology to be adopted for performance evaluation the Committee/ Board may resort to below mentioned procedures:

Internal Evaluation: In case of internal evaluation, the Committee is responsible for managing both the process as well as the content. The performance may generally be evaluated by a standard questionnaire. The specific issues and questions that should be considered in a performance evaluation of the entire Board, Independent Directors, Non-Independent Directors, Committees can be determined by the Committee from time to time.

External Evaluation: External evaluation may be externally facilitated. Externally facilitated evaluations are undertaken with the assistance of an external expert. However, the Company is not adopting this method at this initial stage of implementation.

### 12. FREQUENCY OF BOARD EVALUATION

Section 134(3)(p) of the Act provides that there has to be a formal annual evaluation of Board of its own performance and that of its committees and individual directors.

The Company may undertake annual evaluation either in accordance with calendar year or financial year, as there is no clarity on this. Ideally, the same should be as per financial year.

### 13. DISCLOSURE

The policy shall be disclosed in the Board Report, Annual Report, website and such other places as may be required by the Act and rules framed thereunder, Equity Listing Agreement entered into with the stock exchanges (including any statutory modification(s) or re-enactment thereof) and such other laws for the time being in force.

### 14. ADMINISTRATION, REVIEW AND AMENDMENT OF THE POLICY

The Nomination & Remuneration Committee shall monitor and periodically review the Policy and recommend the necessary changes to the Board for its approval. The Head of Human resources Department and the Company Secretary are jointly authorized to amend the policy to give effect to any changes/amendments notified by Ministry of Corporate Affairs or the Securities and Exchange Board of India. The amended policy shall be placed before the Board for noting and ratification. The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy.

### 15. CLARIFICATION

In case of any clarification, any person may contact the Chief Compliance Officer & the Company Secretary at the Corporate Office of the Company.

## Annexure - D

### FORM AOC – 2

(Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

#### 1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS:

a. Name(s) of the related party and nature of relationship	NA
b. Nature of contracts/arrangements/transactions	
c. Duration of the contracts/arrangements/transactions	
d. Salient terms of the contracts or arrangements or transactions including the value, if any	
e. Justification for entering into such contracts or arrangements or transactions	
f. Date(s) of approval by the Board	
g. Amount paid as advances, if any	
h. Date on which (a) the requisite resolution was passed in general meeting as required under first proviso to Section 188 of the Companies Act, 2013	

#### 2. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTIONS AT ARM'S LENGTH BASIS:

a. Name(s) of the related party and nature of relationship	Lumax Industries Limited
b. Nature of contracts/arrangements/transactions	Purchase/sale of raw materials, finished goods, components, assets, capital goods; rendering/availing of services among others.
c. Duration of the contracts/arrangements/ transactions	April 01, 2019 to March 31, 2020
d. Salient terms of the contracts or arrangements or transactions including the value, if any	₹ 19,753.00 Lakhs
e. Date(s) of approval by the Board, if any	November 12, 2019
f. Amount paid as advances, if any	Nil

All related party transactions are in the ordinary course of business and on arm's length basis which are approved by Audit Committee of the Company.

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

**D.K. Jain**

Chairman

DIN: 00085848

Place: New Delhi  
Dated: June 17, 2020

## Annexure - E

### Statement of Disclosure of Remuneration pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- A. Ratio of the Remuneration of each Executive Director to the Median Remuneration of the Employees of the Company for the Financial Year 2019-20, the percentage increase in Remuneration of Managing Director, Executive Director, Chief Financial Officer and Company Secretary during the Financial Year 2019-20.

S. No.	Name of Directors & Key Managerial Personnel	Designation	Ratio of Remuneration to Median Remuneration of all employees	% increase/ (decrease) in Remuneration during the Financial Year 2019-20
1	Mr. D. K. Jain	Executive Chairman	63.28	(26.96)
2	Mr. Anmol Jain	Managing Director	69.77	(26.66)
3	Mr. Ashish Dubey	Chief Financial Officer	NA	3.50
4	Mr. Anil Tyagi®	Company Secretary	NA	-

®Mr. Anil Tyagi has been appointed as Company Secretary w.e.f. May 18, 2019.

- B. The percentage increase in the Median Remuneration of Employees for the Financial Year 2019-20 was 3.18%.
- C. The number of Permanent Employees on the rolls of the Company as on March 31, 2020 was 926.
- D. The Average Percentage increase in the salaries of the employees other than the Managerial Personnel for the Financial Year was 5.12% whereas there was decrease in the Managerial Remuneration by 26.80%.
- E. Affirmation that the remuneration is as per the remuneration policy of the Company:  
The remuneration is as per the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and Other Employees of the Company, formulated pursuant to the provisions of Section 178 of the Companies Act, 2013.
- F. The details of Top Ten Employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as an Exhibit to this Annexure.
- G. There were no employees who being employed throughout Financial Year were in receipt of remuneration not less than Rupees One Crore and Two Lakhs except Mr. D.K. Jain, Mr. Anmol Jain, Mr. Sanjay Bhagat and Mr. Vivek Jakhmola and the details are provided in the Exhibit to this Annexure.
- H. There were no employees who being employed for a part of Financial Year were in receipt of remuneration not less than Rupees Eight Lakhs and Fifty Thousand per month except Mrs. Shivani Jain and Mrs. Poysha Goyal Jain and the details are provided in the Exhibit to this Annexure.
- I. The Statement containing particulars of Employees who if employed throughout the year or part thereof, were in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Executive Chairman and Managing Director or CEO or Whole time Director and holds by himself or along with his spouse and dependent children, not less than two percent of the Equity Shares of the company - Not Applicable.

# Annexure - E (Contd.)

Exhibit to Annexure - E

Details of Top Ten Employees in terms of remuneration drawn during the Financial Year 2019-20

S. No.	Name of the Employee	Designation	Remuneration received	Nature of Employment whether Contractual or otherwise	Qualifications and Experience of the Employee	Date of Commencement of Employment	Age	Last employment held by such Employee	The percentage of equity shares held by the employee in the Company	Whether any such employee is a relative of any Director or manager of the Company
1	D. K. Jain	Executive Chairman	2,38,26,615	Permanent	MBA Exp: 55 years	07-08-2013	78	-	Nil	Father of Mr. Anmol Jain
2	Anmol Jain	Managing Director	2,62,72,194	Permanent	MBA (FINANCE) Exp: 20 years	07-08-2013	41	GHSP, U.S.A.	14.60% (99,49,380 shares)	Son of Mr. D. K. Jain
3	Sanjay Bhagat	EVP	1,30,33,842	Permanent	PGDM Exp: 31 years	01-06-2017	54	Minda Automotive Solutions Ltd	Nil	Nil
4	Vivek Jakhmola	SR. VP	1,06,72,104	Permanent	PGDBA Exp: 21 years	04-09-2006	44	Wipe Private Ltd.	0.0012 % (850 shares)	Nil
5	Rajesh Dubbawar	SR. VP	77,34,126	Permanent	DME, MMS Exp: 31 years	02-04-2007	53	Grauer & Weil (I) Ltd.	0.0002 % (125 shares)	Nil
6	Shivani Jain*	SR. EVP	74,02,143	Permanent	MBA Exp: 16 years	10-11-2019	42	Lumax DK Auto Industries Limited	Nil	Spouse of Mr. Anmol Jain
7	Poysha Goyal Jain*	SR. EVP	74,02,143	Permanent	BCOM Exp: 17 years	10-11-2019	40	Lumax DK Auto Industries Limited	Nil	Spouse of Mr. Deepak Jain
8	Ashish Dubey	SR. GM	63,70,404	Permanent	MBA FINANCE Exp: 31 years	01-04-2009	53	Lumax Industries Ltd.	0.0003% (215 shares)	Nil
9	Rakesh Kumar Arora	SR. GM	50,22,192	Permanent	B.SC, PGDBA (MKT. & FOREIGN TRADE) Exp: 28 years	30-04-2016	50	ASK Automotive Private Ltd.	Nil	Nil
10	Amit Sen Makhija	SR. GM	46,46,772	Permanent	AMIE, SMP Exp: 24 years	03-11-2016	47	Minda Automotive Solutions Ltd	Nil	Nil

\* Employed for a part of Financial Year pursuant to Merger of erstwhile Lumax DK Auto Industries Limited with the Company and were in receipt of remuneration more than Rupees Eight Lakh and Fifty Thousand per month.

# Annexure - F

## SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

#### Lumax Auto Technologies Limited

2nd Floor, Harbans Bhawan-II,

Commercial Complex,

Nangal Raya, New Delhi-110 046

We were appointed by the Board of Directors of Lumax Auto Technologies Limited (hereinafter called "the Company") to conduct Secretarial Audit for the financial year of the Company ended March 31, 2020.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the Company. Secretarial Audit was conducted in a manner that provided us with a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

#### Management's Responsibility for Secretarial Compliances

The Company's management is responsible for preparation and maintenance of secretarial records and for devising proper systems to ensure compliance with the provisions of applicable laws and regulations.

#### Auditors Responsibility

Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

The secretarial audit report is neither an assurance to the future viability of the company nor of the efficacy or

effectiveness with which the management has conducted the affairs of the Company.

#### Opinion

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – **Not applicable to the Company during the year under review;**
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 – **Not applicable to the Company during the year under review;**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – **Not applicable to the Company during the year under review;**

## Annexure - F (Contd.)

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – **Not applicable to the Company;**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – **Not applicable to the Company during the year under review;** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – **Not applicable to the Company during the year under review;**
- (i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the financial year ended March 31, 2020, complied with the aforesaid laws, material compliances are listed in the Annexure attached to this report.

Based on information received and records maintained, we further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took

place during the financial year under review were carried out in compliance with the provisions of the Act.

2. Adequate notice is given to all directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. The Company has proper Board processes.

Based on the compliances mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on records by the Board of Directors at their meeting(s), we are of the opinion that the management has:

- a) adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- b) Complied with the following laws applicable to the Company:
  - (i) Factories Act, 1948
  - (ii) Standing Order Act, 1946
  - (iii) The Industries (Development and Regulation) Act, 1951
  - (iv) The Contract Labour (Regulation and Abolition) Act, 1970,
  - (v) The Child Labour (Prohibition and Regulation) Act, 1986,
  - (vi) The Workmen's Compensation Act, 1923,
  - (vii) The Environment (Protection) Act, 1986,

Place: New Delhi  
Date: June 16, 2020  
UDIN: F004982B000347051

Signature  
**Maneesh Gupta**  
FCS No. 4982  
C P No. 2945

## Annexure - F (Contd.)

### ANNEXURE TO SECRETARIAL AUDIT REPORT

In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished and representations made to us by the Company, its officers and agents, we report that the Company has during the financial year under review, complied with the provisions of the Acts, Rules made thereunder and the Memorandum and Articles of Association of the Company with regard to:

1. Maintenance of various statutory registers and documents and making necessary entries therein;
2. Contracts and Registered Office and publication of name of the Company;
3. Forms, returns, documents and resolutions required to be filed with the Registrar of Companies, Regional Director, Central Government, Company Law Board or such other authorities;
4. Service of documents by the Company on its Members, Directors, Stock Exchanges, Auditors and Registrar of Companies;
5. Constitution of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Share Transfer/ Stakeholder Relationship Committee, Corporate Social Responsibility Committee;
6. Appointment, re-appointment and Retirement of Directors including Managing Director and Executive Directors and payment of remuneration to them;
7. Disclosure of interest and concerns in contracts and arrangements, shareholdings and directorships in other companies and interest in other entities by Directors;
8. Disclosure requirements in respect to their eligibility for appointment, declaration of their independence, compliance with code of conduct for Directors and Senior Management Personnel;
9. Established a policy on related party transactions. All transactions with related parties were in the ordinary course of business and on arms-length basis and were placed before the Audit Committee periodically;
10. Established a vigil mechanism and providing to complainants, if any, unhindered access to the Chairman of the Audit Committee.
11. Constituted the Corporate Social Responsibility Committee formulating and adopting Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company;
12. Appointment of persons as Key Managerial Personnel;
13. Appointment and remuneration of Statutory Auditor and Cost Auditor;
14. Appointment of Internal Auditor;
15. Notice of meetings of the Board and Committee thereof;
16. Minutes of meetings of the Board and Committees thereof including passing of resolutions by circulations;
17. Notice convening annual general meeting held on August 23, 2019 and holding of the meeting on that date;
18. Minutes of General meeting;
19. Approval of Members, Board of Directors, Committee of Directors and government authorities, wherever required;
20. Form of Balance Sheet as at March 31, 2019 as prescribed under the Companies Act, 2013;
21. Report of the Board of Directors for the financial year ended March 31, 2019;
22. Borrowings and registration of charges;

Place: New Delhi  
Date: June 16, 2020  
UDIN: F004982B000347051

Signature  
**Maneesh Gupta**  
FCS No. 4982  
C P No. 2945

Corporate Overview

Statutory Reports

Financial Statements



## Annexure - F (Contd.)

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**(For the Financial Year ended March 31, 2020)**

[Pursuant to Section 204(1) of the Companies Act, 2013 and  
Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members

**Lumax Mannoh Allied Technologies Limited**

CIN: U35912DL2013PLC255694

02<sup>nd</sup> Floor, Harbans Bhawan-II, Commercial

Complex, Nangal Raya, New Delhi- 110046.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by **Lumax Mannoh Allied Technologies Limited** (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the financial year ended 31<sup>st</sup> March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

1. The Companies Act, 2013 ('the Act') and the Rules made there under read with notifications, exemptions and clarifications thereto;
  2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
  3. The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
  4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment, External Commercial Borrowings
- [Applicable only to the extent of Foreign Direct Investment and Overseas Direct Investment];**
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (are not applicable as the Company do not have any Equity Share Capital Listed on Stock Exchange(s) during the financial year under the review);
    - (b) The Securities and Exchange Board of India (Prohibitions of Insider Trading) Regulations, 2015 are not applicable as the Company do not have any Equity Share Capital Listed on Stock Exchange(s) during the financial year under the review);
    - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (are not applicable as the Company have not issued any further Share Capital during the financial year under the review);
    - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (are not applicable as the Company have not issued any further Share Capital during the financial year under the review);
    - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 are not applicable as the Company do not have any Equity Share Capital Listed on Stock Exchange(s) during the financial year under the review);
    - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Company and

## Annexure - F (Contd.)

dealing with clients; (are not applicable as the Company is not registered as a Registrar to issue and Share Transfer Agent during the financial year under the review)

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (are not applicable as the Company is not registered as a Registrar to issue and Share Transfer Agent during the financial year under the review) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (are not applicable as the Company is not registered as a Registrar to issue and Share Transfer Agent during the financial year under the review)
- (i) Other laws applicable to the Company as per representations made by the Company.

6. The Management has identified and confirmed the following laws as specifically applicable to the Company:

- (a) The Motor Vehicles Act, 1988 and rules made thereunder applicable specifically to the Company.
- (b) The Central Motor Vehicles Rules 1989.
- (c) The Maternity Benefits Act, 1961;
- (d) The Payment of Wages Act, 1936, and rules made thereunder;
- (e) The Minimum Wages Act, 1948, and rules made thereunder;
- (f) The Employees' State Insurance Act, 1948, and rules made thereunder;
- (g) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made thereunder;
- (h) The Payment of Bonus Act, 1965, and rules made thereunder;
- (i) The Payment of Gratuity Act, 1972, and rules made thereunder;

- (j) The Contract Labour (Regulation & Abolition) Act, 1970; and
- (k) The Prevention of Money Laundering Act, 2002.

We have also examined compliance with the applicable clauses of the following:

- (a) The Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

### We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All the decisions of the Board and Committees thereof were carried out with requisite majority.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion

## Annexure - F (Contd.)

that there are adequate systems and processes in place in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines: -

- As informed, the Company has responded appropriately to notices received from various statutory /regulatory authorities including initiating

actions for corrective measures, wherever found necessary.

- We further report that during the audit period there were no following specific events/actions having a major bearing on Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For **VAPN & Associates**  
Practicing Company Secretaries  
Firm Registration No.: P2015DE045500

**Prabhakar Kumar**  
Partner  
Membership No.: F5781  
CP. No.: 10630  
UDIN: F005781B000342227

Place: New Delhi  
Date: 15th June, 2020

## Annexure - F (Contd.)

To,

The Members

**Lumax Mannoh Allied Technologies Limited**

CIN: U35912DL2013PLC255694

02<sup>nd</sup> Floor, Harbans Bhawan-II,

Commercial Complex, Nangal Raya,

New Delhi- 110046.

Our Secretarial Audit Report for the Financial Year 2019-20 is to be read along with this letter.

### Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

### Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

### Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
6. We have not verified the correctness and appropriateness of financial records and books of account of the Company.

For **VAPN & Associates**  
Practicing Company Secretaries  
Firm Registration No.: P2015DE045500

**Prabhakar Kumar**  
Partner  
Membership No.: F5781  
CP. No.: 10630  
UDIN: F005781B000342227

Place: New Delhi  
Date: 15th June, 2020

## Annexure - G

### BUSINESS RESPONSIBILITY REPORT

#### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	: L31909DL1981PLC349793
2.	Name of the Company	: LUMAX AUTO TECHNOLOGIES LIMITED
3.	Registered Address	: 2 <sup>nd</sup> Floor, Harbans Bhawan-II, Commercial Complex, Nangal Raya, New Delhi- 110046
4.	Website	: www.lumaxworld.in/lumaxautotech
5.	E-mail id	: shares@lumaxmail.com
6.	Financial Year reported	: 2019-20
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	:

Sr. No.	Name and Description of Main Products & Services	NIC Code of the Product/Service	% to Total Turnover of the Company
1.	Automotive Lamps	2740	26.13%
2.	Plastic Moulded Parts	22207	19.56%
3.	Frame Chassis	29103	13.11%

List three key products/services that the Company manufactures/provides (as in balance sheet) : Automotive Lamps, Moulded Parts and Frame Chassis

8.	Total number of locations where business activity is undertaken by the Company:
	(a) Number of International Locations NIL
	(Provide details of major 5)
	(b) Number of National Locations the Company has 9 manufacturing plants in below locations:
	1 Chinchwad, Pune, Maharashtra
	2 Bhosari, Pune, Maharashtra
	3 Chakan, Pune, Maharashtra
	4 K- 76, Aurangabad, Maharashtra
	5 B - 14, Aurangabad, Maharashtra
	6 Narsapura, Bengaluru, Karnataka
	7 Manesar, Gurugram, Haryana
	8 Pantnagar, Udham Singh Nagar, Uttarakhand
	9 Sahajapur, Aurangabad, Maharashtra
	<b>In addition to above the Company has the following Marketing/Trading Divisions:</b>
	1 Gurugram, Haryana
	2 Jamalpur, Gurugram, Haryana
9.	Markets served by the Company – Local/State/National/International : National & International

#### SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid up Capital : ₹ 1,363.15 Lakhs
- Total Turnover : ₹ 94,236.07 Lakhs
- Total profit after taxes (continued operations) : ₹ 5,127.38 Lakhs
- Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax 2.08 %
- List of activities in which expenditure in 4 above has been incurred :-
  - Education
  - Health

#### SECTION C: OTHER DETAILS

##### 1. Does the Company have any Subsidiary Company/ Companies?

Yes. We have 10 subsidiaries (including 2 step down subsidiary) and 2 Associates. Details of the same have been provided in another section of the Annual Report.

## Annexure - G (Contd.)

### 2. Do the Subsidiary Company/Companies participate in the Business Responsibility Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).

The Subsidiary Companies are not required to comply with the Business Responsibility/Corporate Social Responsibility initiatives as per the laws applicable to them.

### 3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the Business Responsibility initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

The Company actively engages with its suppliers through its Business Responsibility initiatives. However, the Company does not track the actual participation.

## SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION

### 1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

DIN Number : 00004993  
Name : Anmol Jain  
Designation : Managing Director

(b) Details of the BR head

S. No.	Particulars	Details
1.	DIN Number (if applicable)	NA
2.	Name	Vikas Marwah
3.	Designation	Chief Executive Officer (CEO)
4.	Telephone Number	0124-4760000
5.	Email ID	vikas.marwah@lumaxmail.com

### 2. Principle-wise [as per National Voluntary Guidelines (NVGs)] BR Policies

Principle 1 (P1)	: Business should conduct and govern themselves with transparency and accountability
Principle 2 (P2)	: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
Principle 3 (P3)	: Business should promote the wellbeing of all employees
Principle 4 (P4)	: Business should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
Principle 5 (P5)	: Business should respect and promote Human Rights
Principle 6 (P6)	: Business should respect, protect and make Efforts to restore the environment
Principle 7 (P7)	: Business when engaged in influencing Public and Regulatory Policy, should do so in a responsible manner
Principle 8 (P8)	: Business should support inclusive growth and equitable development
Principle 9 (P9)	: Business should engage with and provide value to their customers and consumers in a responsible manner

(a) Details of compliance (Reply in Y/N)

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y

## Annexure - G (Contd.)

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)*	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?**	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	<a href="https://www.lumaxworld.in/lumaxautotech/policies.html">https://www.lumaxworld.in/lumaxautotech/policies.html</a>								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

- The Whistle Blower Policy, Code of Conduct, Prevention of Sexual Harassment Policy and Corporate Social Responsibility Policy are framed as per the requirements of the respective legislations of India. Environment policy conforms to ISO - 14001 which is an international standard released by International Standards Organization (ISO).

\*\* The Whistle Blower Policy and Code of Conduct are overseen by the Audit Committee of the Board of Directors of the Company and Corporate Social Responsibility Policy is overseen by the Corporate Social Responsibility Committee of the Board of Directors of the Company. Prevention of Sexual Harassment Policy is being overseen by Internal Complaints Committee (ICC) constituted under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The grievance, if any, arising out of Whistle Blower Policy, Code of Conduct and Prevention of Sexual Harassment Policy is being redressed by the respective committees which oversee them.

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles	Not Applicable								
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									



## Annexure - G (Contd.)

### 3. Governance related to Business Responsibility

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The management regularly monitors the Business Responsibility initiatives and a complete assessment is done on need based and annually.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This is first Business Responsibility Report and is published annually as part of the annual report. The same can be accessed at our website.

### SECTION E: PRINCIPLE-WISE PERFORMANCE

#### PRINCIPLE 1: ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1. Does the policy relating to ethics, bribery and corruption cover only the company?

Yes/No.

No.

Does it extend to the Group/Joint Ventures/Suppliers/Contractors/ NGOs Others?

Yes, it is applicable to Subsidiaries, Joint Ventures, suppliers and contractors. The company plans to extend the applicability of the same on the other entities going forward.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words.

5 shareholders complaints were received and resolved in Financial Year 2019-20.

#### PRINCIPLE 2: BUSINESS SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company is engaged in the manufacturing of Automotive Lamps, Plastic moulded Parts and Frame Chassis. Although, these products have insignificant social or environmental concern or risk, the Company follows strict adherence processes in compliance with the statutory norms.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain.

Not Applicable.

- b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company always take efforts for optimum utilization of natural resources.

## Annexure - G (Contd.)

### 3. Does the company have procedures in place for sustainable sourcing (including transportation)?

- (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

It is difficult to ascertain the percentage of inputs sourced from these suppliers accounting towards total inputs due to different kind of materials being used by the Company. Our sourcing strategy takes into consideration the environmental, social and ethical factors besides economic factors. The Company has an environment policy and safety policy.

Yes, the Company has a procurement policy in place for purchase of goods and raw material. The Company has identified the regional vendors for different components/materials based on QCDDS (Quality, Cost, Development, Deliver & Services) criteria.

It is difficult to ascertain the percentage of inputs sourced from these suppliers accounting towards total inputs due to different kind of materials being used by the Company. Our sourcing strategy takes into consideration the environmental, social and ethical factors besides economic factors. The Company has an environment policy and safety policy.

### 4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

- (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, the Company has dedicated Supplier Quality Assurance (SQA) and Safety team who hand hold, mentoring to all supplier partners and evaluate their performance periodically. The team visits their facilities, analyze quality related aspects, safety measures and create action plans jointly with the suppliers, for necessary improvement.

### 5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.

The nature of the Company's business is such that there are no significant emissions or process wastes. The Company recycle materials (< 2%) wherever possible else disposed off in compliance with applicable statutory provisions.

### PRINCIPLE 3: BUSINESS SHOULD PROMOTE THE WELLBEING OF ALL EMPLOYEES

- Please indicate the Total number of employees. On roll- 926, Casuals/Contractual- 1590
- Please indicate the Total number of employees hired on temporary/contractual/casual basis. 1590
- Please indicate the Number of permanent women employees. 40
- Please indicate the Number of permanent employees with disabilities. 1
- Do you have an employee association that is recognized by management. Yes
- What percentage of your permanent employees is members of this recognized employee association? 22%
- Please indicate the number of complaints relating to child labour, forced labour, in voluntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S. No.	Category	No. of complaints received during the financial year	No. of complaints pending as on 31 March 2020
1	Child labour/ forced labour/ involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

- What percentage of your under mentioned employees were given safety and skill upgradation training in the last year?

S. No.	Category	% Employees that were given safety training	% Employees that were given skill upgradation training
A	Permanent Employees	29%	30%
B	Permanent Women Employees	30%	40%
C	Casual/Temporary/Contractual Employees	98%	88%
D	Employees with Disabilities	100%	100%

## Annexure - G (Contd.)

### 1. Has the Company mapped its internal and external stakeholders? Yes/ No

Yes.

Our stakeholders both internal and external, play a significant role in expressing our values, carrying out our mission, developing strategies, implementing processes and fostering long-term relationships. Internal and external stakeholders include Employees, Shareholders, Investors, Customers, Regulatory bodies, Supply chain partners, CSR beneficiaries, Governments.

### 2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

Yes.

### 3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Yes, the Company has identified the disadvantaged, vulnerable & Marginalized stakeholders viz. unemployed & unskilled youth, people having limited or no access to basic education. The Company has taken initiatives to engage with the disadvantaged, vulnerable, marginalized stakeholders as per its CSR policy.

## PRINCIPLE 5: BUSINESS SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

### 1. Does the Policy of the Company on human rights cover only the Company or extend to the group/ joint venture/ suppliers/ contractors / NGOs/ others?

The Company respect the dignity of all individuals and communities and adhere to the principles of Human Rights. The Company has adopted Code of Conduct and whistle blower policy. These policies are applicable to employees of Group including the Company and its Subsidiaries & Joint Ventures. The underlining principles are communicated to all the vendors, suppliers and distributors and other key business associates of the Company, which they are expected to adhere to while dealing with the Company.

### 2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Stakeholder	Complaints Received during Financial Year 2019-20	Complaints Resolved during Financial Year 2019-20	Complaints Resolved (%)
Whistle Blower	Nil	NA	NA
Sexual Harassment	Nil	Nil	Nil

## PRINCIPLE 6: BUSINESS SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

### 1. Does the Policy related to Principle 6 covers only the Company or extends to the group/ joint ventures/ suppliers/ contractors / NGOs/ others?

The Environment Policy is applicable to the Company across all its Plants situated in India. The vendors are governed by their respective policies. Adherence to environmental laws and regulations is one of the pre-requisites for awarding a contract to any vendor.

### 2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming etc. Y/N. If yes, please give hyperlink for webpage etc.

The Company has been undertaking various initiatives to address environmental issues. The emissions or waste generated by the Company are within the permissible limits specified by the Central Pollution Control Board (CPCB) and/or specific State Pollution Control Board (SPCB). Company's Certain plants are certified under ISO 14001 Standards for Environment Management Systems (EMS).

### 3. Does the Company identify and assess potential environmental risks

Yes, the Company regularly reviews its environmental risks and undertakes initiatives to mitigate them.

## Annexure - G (Contd.)

- 4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

The Company continues to work towards development and implementation of climate change mitigation mainly through energy saving projects (including generation of power through wind mills and solar) across the Company. However, we do not have any registration of CDM projects.

- 5. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewal energy etc. if yes, please give hyperlink for webpage etc.**

The measures introduced by the Company for conservation of energy at its plant locations are contained in the Report on Conservation of Energy and Technology Absorption which forms part of the Board's Report.

- 6. Are the Emissions/ Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes.

- 7. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

There is no pendency for any show cause/legal notice received.

### PRINCIPLE 7: BUSINESS WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

- 1. Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with:**

The Company is a member of several leading Industry Associations, including:

- ACMA- Automotive Component Manufactures Association
- SIAM- Society of Indian Automobile Manufactures
- CII- Confederation of Indian Industries

- 2. Have you advocated /lobbied through above associations for the advancement or improvement of public good? Yes/ No, if yes specify the broad areas**

The Company is taking up various suggestions / issues related to trade to the relevant authorities through these associations.

### PRINCIPLE 8: BUSINESS SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

- 1. Does the Company have specified programmes/ initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.**

Lumax is committed to support various programs under India's identified Sustainable Development Goals (SDGs). In line with the SDGs, Lumax supports – Quality education & Good Health. Education as a means to uplift the level of the future generation and make them capable citizens of the country. Today, the Group is involved in providing and supporting career counselling, life-skills & soft-skills programs as also provide scholarships to bridge the education gap and limit drop out ration of senior school students. These programs are undertaken in communities and schools in the vicinity of our plants, after assessing the needs in the community as also the schools.

- 2. Are the programmes/projects undertaken through in house team/ own foundation/ external NGO/ government structures/ any other organization**

The Programmes are undertaken through the Corporate Social Responsibility arm of the Company namely Lumax Charitable Foundation team and implementation partners.

- 3. Have you done any impact assessment for your initiative?**

The CSR Committee reviews the progress of the initiatives for all the projects and programmes to assess the desired outcome on the society. Since most of the projects have been done for less than 3 years, the impact study is yet not done.

## Annexure - G (Contd.)

### 4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

For details on Company's contribution to its CSR projects and programmes, please refer 'Annexure – H Annual Report on CSR activities', to the Board's report for FY 2019-20.

### 5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.

Our initiatives are in the schools to bring about changes in the lives of the students and indirectly impacting the communities in terms of social changes and economic improvement in future. Also support preventive and curative health initiatives to ensure good health of the communities, these are able to sensitise and generate awareness amongst communities to take care of their health and make lifestyle changes.

Yes, the Company regularly monitors CSR initiatives to ensure that they are properly implemented and sustain within communities beyond our interactions.

## PRINCIPLE 9: BUSINESS SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

### 1. What percentages of customer complaints/ consumer cases are pending as on the end of the financial year?

The Company caters to two, three, four-wheeler, commercial vehicle and off-road vehicle Original Equipment Manufacturers ("OEMs"). There is a strong mechanism defined in the Company to deal with issues and complaints reported by OEMs. OEMs communicate issues through their quality rating shared via e-mail communications, during their visits to plants or at meetings for which the corrective actions are planned to resolve and eliminate the problem(s) witnessed.

The Company also caters to retail market through its aftermarket division. The Complaints for the products sold in aftermarket can be raised through any or all of the following mode:

- Communicate the complaint at the customer care desk at local representative/ distributor.

There is no complaint which is pending attention and requisite action at Company's end.

### 2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/ NA / Remarks (additional information)?

Yes.

The Company's product are OEM specific and as per OEM requirements, the Company display product requirement of OEM. The typical information displayed on product includes details of manufacturing date, manufacturing shift and customer part number. The details other than above which are mandatory as per applicable motor vehicle law are mentioned at specified locations.

### 3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behavior during the last five years and pending as on end of financial? If so, provide details thereof, in about 50 words or so.

No.

### 4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

Yes. The Company do take the feedback from the customers with the endeavour achieve the highest level of satisfaction and perform their operations accordingly. The Company has received various awards from different customers for meeting and exceeding their targets, which are mentioned in the annual report.

## Annexure - H

### Annual Report on CSR

[Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014]

#### 1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The Company through its CSR initiatives is committed to enhance the social and economic development of communities and geographical areas, particularly in the vicinity of the plants location.

CSR activities of Lumax Auto Technologies Limited are carried out through, Lumax Charitable Foundation.

Lumax Charitable Foundation, the CSR wing of Lumax, has been facilitating social initiatives over the years focusing on Health, Education, Girl child empowerment, and life enrichment programmes. The Vision of the Foundation focusses on its endeavor to transform lives of children, youth and the elderly to have a better future and eternal hope.

The mission translates to - Provide education, life skills and health in communities around our plant locations for a better and healthy life. Some of the major highlights over the years are:

- Transforming youth through Career Counselling.
- Working towards Junior and Senior Life Skills sessions.
- Indulging with children for celebration of Independence Day and sports day.

At a fundamental level, Lumax believes it is important to provide education to ensure that people have the baseline skills – literacy, numeracy - to survive in the world. Education also gives them the ability to communicate, complete tasks and work along with others. It is a powerful tool that empower individuals who in turn build better communities.

Lumax Charitable Foundation has been working with schools in Haryana, Maharashtra and Karnataka catering to the needs of the low-income groups and communities. The foundation has envisioned to upgrade and improve the quality of Education and Infrastructure at schools so as to provide holistic education. Infrastructure support through constructing classrooms, providing DG sets for uninterrupted power supply, water sanitation facilities, providing Smart classes & e-learning opportunities, giving science education a thrust through setting-up Science labs and Computer labs.

In order to further strengthen the education programmes, the foundation has undertaken capacity building for the teachers on teaching methodologies, providing learning aids, school starter kits, material for co-scholastic activities, exposure /excursion trips, facilitating the educational requirements of the children in these schools is an integral part of the foundations scope.

In the area of health, the foundation has several programmes namely, Cataract surgeries, addressing Juvenile Diabetes, health check-up at schools. In continuation with its endeavor to provide good health to the underprivileged, vision and eyesight was the direct extension of its business, therefore the foundation decided to partner with I-Care to help improve the vision of the underprivileged in rural areas who are affected by Cataract. Further, the foundation organizes Health check-up for the children in schools where the foundation is also engaged to create awareness and support underprivileged children with medical support to address their needs on Juvenile Diabetes. Meanwhile, the foundation, through Akshaypatra also provides free nutritious mid-day meals to various children in government schools.

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the web link for the same is <https://www.lumaxworld.in/lumaxautotech/downloads/CSR-policy-latl.pdf>

#### 2. The Composition of the CSR Committee

S. No.	Name	Category	Designation
1	Mr. Roop Salotra	Independent Director	Chairman
2	Mr. D.K. Jain	Executive Chairman	Member
3	Mr. Deepak Jain	Non-Executive Director	Member

## Annexure - H (Contd.)

**3. Average net profit of the Company for last three financial years** : ₹ 5,661.00 Lakhs

**4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)** : ₹ 113.21 Lakhs\*

**5. Details of CSR spent during the financial year**

(a) Total amount spent for the financial year : ₹ 117.49 Lakhs\*

(b) Amount unspent, if any : NIL

(c) Manner in which the amount spent during the financial year is detailed below

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs 1. Local area or Other 2. Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads: 1. Direct expenditure on projects or programs. 2. Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Education and Healthcare to underprivileged	a) Education	Manufacturing sites of the Company	86.97	80.46	308.69	Spent through the CSR arm of the Company namely Lumax Charitable Foundation and implementing agencies managed by Lumax Charitable Foundation.
		b) Health	1. Gurugram, Manesar, Haryana	26.74	37.03		
		c) Overheads	2. Pune, Aurangabad, Maharashtra				
			1. Bengaluru, Karnataka				
			2. Pantnagar				
	<b>Total</b>			<b>113.71</b>	<b>117.49</b>	<b>308.69</b>	

\* Includes corresponding figures of erstwhile Lumax DK Auto Industries Limited since merged with the Company.

**6. The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in Compliance with the CSR objectives and Policy of the Company.**

**Anmol Jain**

Managing Director  
DIN: 00004993

Place: New Delhi  
Date: June 17, 2020

**Roop Salotra**

Chairman-CSR Committee  
DIN: 06650145

Place: New Delhi  
Date: June 17, 2020



# Annexure - I

Form No. MGT- 9

## EXTRACT OF ANNUAL RETURN

For the Financial Year ended on March 31, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS:

i) CIN	L31909DL1981PLC349793
ii) Registration Date	October 30, 1981
iii) Name of the Company	Lumax Auto Technologies Limited
iv) Category/sub-category of the Company	Company Limited by Share / Non-govt. Company
v) Address of the Registered office and contact details	2 <sup>nd</sup> Floor, Harbans Bhawan-II, Commercial Complex, Nangal Raya, New Delhi- 110046 Email : shares@lumaxmail.com Phone : + 91 11 49857832
vi) Whether listed company	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Bigshare Services Private Limited Bharat Tin Works Building, 1 <sup>st</sup> Floor, Opp. Vasant Oasis, Makwana Road, Marol, Andheri- East, Mumbai- 400059, Maharashtra E-mail : vinod.y@bigshareonline.com Phone : 022 – 62638200

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of Main Products & Services	NIC Code of the Product/Service	% to Total Turnover of the Company
1.	Automotive Lamps	2740	26.13%
2.	Plastic Moulded Parts	22207	19.56%
3.	Frame Chassis	29103	13.11%

\*As per National Industrial Classification List 2008- Ministry of Statistics and Programme implementation.

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN	Subsidiary/ Associate	% of Shares held	Applicable Section
1	Lumax Integrated Ventures Private Limited	U74899DL1991PTC044328	Subsidiary	100 %	2(87)
2	Lumax Management Services Private Limited	U74140DL2015PTC275088	Subsidiary	100 %	2(87)
3	Lumax Mannoh Allied Technologies Limited	U35912DL2013PLC255694	Subsidiary	55 %	2(87)
4	Lumax Energy Solutions Private Limited	U31401DL2003PTC122446	Step-down Subsidiary	100%	2(87)
5	Velomax Mobility Private Limited	U74999DL2016PTC305208	Step-down Subsidiary	100%	2(87)
6	Lumax Cornaglia Auto Technologies Private Limited	U31908DL2007PTC164757	Subsidiary	50%	2(87)
7	Lumax Gill-Austem Auto Technologies Private Limited	U35999DL2013PTC261221	Subsidiary	50%	2(87)
8	Sipal Engineering Private Limited	U74900DL2016PTC290469	Associate	45%	2(6)
9	Lumax FAE Technologies Private Limited	U35999DL2017PTC321495	Subsidiary	51%	2(87)

## Annexure - I (Contd.)

Sr. No.	Name and Address of the Company	CIN	Subsidiary/ Associate	% of Shares held	Applicable Section
10	Lumax Ituran Telematics Private Limited	U63030DL2017PTC322081	Associate	50%	2(6)
11	Lumax Jopp Allied Technologies Private Limited	U34300DL2019PTC351802	Subsidiary	50%	2(87)
12	Lumax Yokowo Technologies Private Limited	U35990DL2020PTC362151	Subsidiary	100%	2(87)

### IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

#### i) Category-wise Share Holding

S. No.	Category of Shareholder	Number of shares held at the beginning of the year (As on April 1, 2019)				Number of shares held at the end of the year (As on March 31, 2020)				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>(A)</b>	<b>Promoters</b>									
<b>1</b>	<b>Indian</b>									
(a)	Individuals/ Hindu Undivided Family	2,58,13,110	-	2,58,13,110	37.87	2,60,36,510	-	2,60,36,510	38.20	0.33
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
(e)	Any Others (Specify)	1,21,11,320	-	1,21,11,320	17.77	1,21,11,320	-	1,21,11,320	17.77	0.00
	Sub Total(A)(1)	3,79,24,430	-	3,79,24,430	55.64	3,81,47,830	-	3,81,47,830	55.97	0.33
<b>2</b>	<b>Foreign</b>									
(a)	Individuals (Non-Residents Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Any Others (Specify)	-	-	-	-	-	-	-	-	-
	Sub Total (A)(2)	-	-	-	-	-	-	-	-	-
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>3,79,24,430</b>	<b>-</b>	<b>3,79,24,430</b>	<b>55.64</b>	<b>3,81,47,830</b>	<b>-</b>	<b>3,81,47,830</b>	<b>55.97</b>	<b>0.33</b>
<b>(B)</b>	<b>Public shareholding</b>									
<b>1</b>	<b>Institutions</b>									
(a)	Mutual Funds	26,15,078	-	26,15,078	3.84	26,15,078	-	26,15,078	3.84	0.00
(b)	Financial Institutions / Banks	13,491	-	13,491	0.02	39,179	-	39,179	0.06	0.04
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(i)	Alternate Investment Funds	10,11,167	-	10,11,167	1.49	951,724	-	9,51,724	1.40	(0.09)
(j)	Any Other - Foreign Portfolio Investor	1,22,11,813	-	1,22,11,813	17.92	1,22,35,221	-	1,22,35,221	17.95	0.03
	Sub-Total (B)(1)	<b>1,58,51,549</b>	<b>-</b>	<b>1,58,51,549</b>	<b>23.26</b>	<b>1,58,41,202</b>	<b>-</b>	<b>1,58,41,202</b>	<b>23.25</b>	<b>0.02</b>

## Annexure - I (Contd.)

S. No.	Category of Shareholder	Number of shares held at the beginning of the year (As on April 1, 2019)				Number of shares held at the end of the year (As on March 31, 2020)				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
2	<b>Non-institutions</b>									
(a)	Bodies Corporate	21,61,639	-	21,61,639	3.17	15,91,818	-	15,91,818	2.33	(0.84)
(b)	Individuals									
(i)	Individuals - i. Individual shareholders holding nominal share capital up to ₹ 2 lakh	86,71,305	15	86,71,320	12.72	84,94,566	15	84,94,581	12.46	(0.26)
(ii)	ii. Individual shareholders holding nominal share capital in excess of ₹ 2 lakh.	18,23,047	-	18,23,047	2.67	21,08,688	0	21,08,688	3.09	0.42
(d)	Any Other (specify)									
	Clearing Member	3,40,640	-	3,40,640	0.50	3,89,664	-	3,89,664	0.57	0.07
	HUF	4,10,255	-	4,10,255	0.60	6,45,988	-	6,45,988	0.95	0.35
	NRI	9,68,820	-	9,68,820	1.42	9,30,699	-	9,30,699	1.37	(0.05)
	Trusts	-	-	-	-	-	-	-	-	-
	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
	Investor Education and Protection Fund (IEPF) Authority*	6,005	-	6,005	0.01	7,235	-	7,235	0.01	0.00
	<b>Sub-Total (B)(2)</b>	<b>1,43,81,711</b>	<b>15</b>	<b>1,43,81,726</b>	<b>21.10</b>	<b>1,41,68,658</b>	<b>15</b>	<b>1,41,68,673</b>	<b>20.78</b>	<b>(0.31)</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>3,02,33,260</b>	<b>15</b>	<b>3,02,33,275</b>	<b>44.36</b>	<b>3,00,09,860</b>	<b>15</b>	<b>3,00,09,875</b>	<b>44.03</b>	<b>(0.33)</b>
C	Shares held by Custodians for ADR & GDR	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>6,81,57,690</b>	<b>15</b>	<b>6,81,57,705</b>	<b>100.00</b>	<b>6,81,57,690</b>	<b>15</b>	<b>6,81,57,705</b>	<b>100.00</b>	<b>-</b>

\*The voting rights on these shares shall remain frozen till the rightful owner claims the shares.

### ii) Shareholding of Promoters

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year (As on April 1, 2019)			Shareholding at the end of the year (As on March 31, 2020)			% of change in Shareholding during the year
		Number of shares	% of total shares of the Company	% of shares Pledged/ Encumbered to total shares	Number of shares	% of total shares of the Company	% of shares Pledged/ Encumbered to total shares	
1	Lumax Finance Private Limited	1,21,11,320	17.77	-	1,21,11,320	17.77	-	-
2	Mr. D. K. Jain	1,05,94,845	15.54	-	0	-	-	(15.54)
3	D. K. Jain (HUF)	59,04,855	8.66	-	59,30,865	8.70	-	0.04
4	Mr. Deepak Jain	45,73,260	6.71	-	99,52,315	14.60	-	7.89
5	Mr. Anmol Jain	43,11,200	6.33	-	99,49,380	14.60	-	8.27
6	Mrs. Shivani Jain	2,25,000	0.33	-	-	-	-	(0.33)
7	D. K. Jain (Family Trust)	203,950	0.30	-	203,950	0.30	-	-
	<b>TOTAL</b>	<b>3,79,24,430</b>	<b>55.64</b>	<b>-</b>	<b>3,81,47,830</b>	<b>55.97</b>	<b>-</b>	<b>0.33</b>

## Annexure - I (Contd.)

### iii) Change in Promoters Shareholding

S. No.	Particulars	Date	Nature of Transaction	Shareholding at the beginning of the year (As on April 01, 2019)		Cumulative Shareholding during the Financial Year 2019-20	
				Number of Shares	% of Total Shares	Number of Shares	% of Total Shares
<b>1</b>	<b>Mr. D. K. Jain</b>						
	<b>At the beginning of the year</b>	<b>April 01, 2019</b>		<b>1,05,94,845</b>	<b>15.54</b>		
	Increase/Decrease in Shareholding during the year	June 28, 2019	Inter-se Transfer	(1,05,94,845)	(15.54)		
	<b>At the end of the year</b>					<b>0</b>	<b>0.00</b>
<b>2</b>	<b>Mr. Deepak Jain</b>						
	<b>At the beginning of the year</b>	<b>April 01, 2019</b>		<b>45,73,260</b>	<b>6.71</b>		
	Increase/Decrease in Shareholding during the year	June 14, 2019	Buy	54,514	0.08	46,27,774	6.79
		June 21, 2019	Buy	7,004	0.01	46,34,778	6.80
		June 28, 2019	Inter-se Transfer	5,278,892	7.75	99,13,670	14.55
		August 23, 2019	Buy	1,021	0.00	99,14,691	14.55
		September 6, 2019	Buy	2,597	0.00	99,17,288	14.55
		March 13, 2020	Buy	6,853	0.01	99,24,141	14.56
		March 20, 2020	Buy	6,291	0.01	99,30,432	14.57
		March 27, 2020	Buy	21,883	0.03	99,52,315	14.60
	<b>At the end of the year</b>	<b>March 31, 2020</b>				<b>99,52,315</b>	<b>14.60</b>
<b>3</b>	<b>Mr. Anmol Jain</b>						
	<b>At the beginning of the year</b>	<b>April 01, 2019</b>		<b>43,11,200</b>	<b>6.33</b>		
	Increase/Decrease in Shareholding during the year	June 07, 2019	Buy	38,955	0.06	43,50,155	6.38
		June 14, 2019	Buy	34,314	0.05	43,84,469	6.43
		June 28, 2019	Inter-se Transfer	5,540,953	8.13	99,25,422	14.56
		March 27, 2020	Buy	23,914	0.04	99,49,336	14.60
		March 31, 2020	Buy	44	0.00	99,49,380	14.60
	<b>At the end of the year</b>	<b>March 31, 2020</b>				<b>99,49,380</b>	<b>14.60</b>
<b>4</b>	<b>D. K. Jain (HUF)</b>						
	<b>At the beginning of the year</b>	<b>April 01, 2019</b>		<b>59,04,855</b>	<b>8.66</b>		
	Increase/Decrease in Shareholding during the year	June 14, 2019	Buy	26,010	0.04	59,30,865	8.70
	<b>At the end of the year</b>	<b>March 31, 2020</b>				<b>59,30,865</b>	<b>8.70</b>
<b>5</b>	<b>Mrs. Shivani Jain</b>						
	<b>At the beginning of the year</b>	<b>April 01, 2019</b>		<b>2,25,000</b>	<b>0.33</b>		
	Increase/Decrease in Shareholding during the year	June 28, 2019	Sell	(2,25,000)	(0.33)	0	0.00
	<b>At the end of the year</b>	<b>March 31, 2020</b>				<b>0</b>	<b>0.00</b>
<b>6</b>	<b>D. K. Jain (Family Trust)</b>						
	<b>At the beginning of the year</b>	<b>April 01, 2019</b>		<b>2,03,950</b>	<b>0.30</b>		
	Increase/Decrease in Shareholding during the year			0	0	0	0
	<b>At the end of the year</b>	<b>March 31, 2020</b>				<b>2,03,950</b>	<b>0.30</b>
<b>7</b>	<b>Lumax Finance Private Limited</b>						
	<b>At the beginning of the year</b>	<b>April 01, 2019</b>		<b>1,21,11,320</b>	<b>17.77</b>		
	Increase/Decrease in Shareholding during the year			0	0.00	0	0.00
	<b>At the end of the year</b>	<b>March 31, 2020</b>				<b>1,21,11,320</b>	<b>17.77</b>

## Annexure - I (Contd.)

### iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name of the Shareholder	Date	Reason	Shareholding at the beginning of the year (As on April 1, 2019)		Cumulative Shareholding during the F.Y. 2019-20	
				No. of shares	% of total share capital of the Company	No. of Shares	% of total share Capital of the Company
1	<b>Albula Investment Fund Ltd</b>						
	At the beginning of the year	April 01, 2019		61,58,135	9.04		
	Increase/Decrease in Shareholding during the year			0	0		
	At the end of the year	March 31, 2020		61,58,135	9.04	61,58,135	9.04
2	<b>Asia Investment Corporation (Mauritius) Ltd</b>						
	At the beginning of the year	April 01, 2019		32,50,000	4.77		
	Increase/Decrease in Shareholding during the year			0	0		
	At the end of the year	March 31, 2020		32,50,000	4.77	32,50,000	4.77
3	<b>DSP Small Cap Fund*</b>						
	At the beginning of the year	April 01, 2019		26,15,078	3.84		
	Increase/Decrease in Shareholding during the year			0	0		
	At the end of the year	March 31, 2020		26,15,078	3.84	26,15,078	3.84
4	<b>India Acorn Fund Ltd</b>						
	At the beginning of the year	April 01, 2019		10,06,000	1.48		
	Increase/Decrease in Shareholding during the year			0	0		
	At the end of the year	March 31, 2020		10,06,000	1.48	10,06,000	1.48
5	<b>White Oak India Equity Fund</b>						
	At the beginning of the year	April 01, 2019		9,51,724	1.40		
	Increase/Decrease in Shareholding during the year			0	0		
	At the end of the year	March 31, 2020		9,51,724	1.40	9,51,724	1.40
6	<b>AL Mehwar Commercial Investments LLC –(WHITING)</b>						
	At the beginning of the year	April 01, 2019		6,45,862	0.95		
	Increase/Decrease in Shareholding during the year			0	0		
	At the end of the year	March 31, 2020		6,45,862	0.95	6,45,862	0.95
7	<b>First State Indian Subcontinent Fund</b>						
	At the beginning of the year	April 01, 2019		5,19,035	0.76		
	Increase/Decrease in Shareholding during the year	May 17, 2019	Buy	3,965	0.00	5,23,000	0.76
		May 24, 2019	Buy	11,988	0.02	5,34,988	0.78
		July 12, 2019	Buy	73,469	0.11	6,08,457	0.89
		July 19, 2019	Buy	8,988	0.02	6,17,445	0.91
	At the end of the year	March 31, 2020		6,17,445	0.91	6,17,445	0.91
8	<b>Vibgyor Investors &amp; Developers Private Limited</b>						
	At the beginning of the year	April 01, 2019		5,00,000	0.73		

## Annexure - I (Contd.)

Sr. No.	Name of the Shareholder	Date	Reason	Shareholding at the beginning of the year (As on April 1, 2019)		Cumulative Shareholding during the F.Y. 2019-20	
				No. of shares	% of total share capital of the Company	No. of Shares	% of total share Capital of the Company
	Increase/Decrease in Shareholding during the year	March 13, 2020	Sell	(60,004)	(0.08)	4,39,996	0.65
		March 20, 2020	Sell	(39,996)	(0.06)	4,00,000	0.59
	<b>At the end of the year</b>	<b>March 31, 2020</b>		<b>4,00,000</b>	<b>0.59</b>	<b>4,00,000</b>	<b>0.59</b>
9	<b>D Srimathi</b>						
	<b>At the beginning of the year</b>	<b>April 01, 2019</b>		<b>4,58,573</b>	<b>0.67</b>		
	Increase/Decrease in Shareholding during the year			0	0		
	<b>At the end of the year</b>	<b>March 31, 2020</b>		<b>4,58,573</b>	<b>0.67</b>	<b>4,58,573</b>	<b>0.67</b>
10	<b>William Van Buren</b>						
	<b>At the beginning of the year</b>	<b>April 01, 2019</b>		<b>3,71,050</b>	<b>0.54</b>		
	Increase/Decrease in Shareholding during the year			0	0		
	<b>At the end of the year</b>	<b>March 31, 2020</b>		<b>3,71,050</b>	<b>0.54</b>	<b>3,71,050</b>	<b>0.54</b>
11	<b>Caisse De Depot Et Placement Du Quebec-First State Investments International Limited</b>						
	<b>At the beginning of the year</b>	<b>April 01, 2019</b>		<b>2,40,171</b>	<b>0.35</b>		
	Increase/Decrease in Shareholding during the year	May 17, 2019	Buy	1,894	0.00	2,42,065	0.35
		May 24, 2019	Buy	6,446	0.01	2,48,511	0.36
		July 12, 2019	Buy	39,508	0.06	2,88,019	0.42
		July 19, 2019	Buy	4,834	0.01	2,92,853	0.43
	<b>At the end of the year</b>	<b>March 31, 2020</b>		<b>2,92,853</b>	<b>0.43</b>	<b>2,92,853</b>	<b>0.43</b>

### v) Shareholding of Directors and Key Managerial Personnel

S. No.	Name of the Director	Shareholding at the beginning of the year (As on April 01, 2019)		Cumulative Shareholding during the F.Y. 2019-20	
		Number of shares	% of total share capital of the Company	Number of Shares	% of total share Capital of the Company
<b>A</b>	<b>Directors</b>				
1	<b>Mr. D. K. Jain</b>				
	<b>At the beginning of the year</b>	<b>1,05,94,845</b>	<b>15.54</b>		
	Increase/Decrease in Shareholding during the year				
	June 28, 2019	(1,05,94,845)	(15.54)		
	<b>At the end of the year</b>			<b>0</b>	<b>0.00</b>
2	<b>Mr. Deepak Jain</b>				
	<b>At the beginning of the year</b>	<b>45,73,260</b>	<b>6.71</b>		
	<b>Increase/Decrease in Shareholding during the year</b>				
	June 14, 2019	54,514	0.08	46,27,774	6.79
	June 21, 2019	7,004	0.01	46,34,778	6.80
	June 28, 2019	52,78,892	7.75	99,13,670	14.55
	August 23, 2019	1,021	0.00	99,14,691	14.55
	September 06, 2019	2,597	0.00	99,17,288	14.55
	March 13, 2020	6,853	0.01	99,24,141	14.56
	March 20, 2020	6,291	0.01	99,30,432	14.57
	March 27, 2020	21,883	0.03	99,52,315	14.60
	<b>At the end of the year</b>			<b>99,52,315</b>	<b>14.60</b>

## Annexure - I (Contd.)

S. No.	Name of the Director	Shareholding at the beginning of the year (As on April 01, 2019)		Cumulative Shareholding during the F.Y. 2019-20	
		Number of shares	% of total share capital of the Company	Number of Shares	% of total share Capital of the Company
<b>3</b>	<b>Mr. Anmol Jain</b>				
	<b>At the beginning of the year</b>	<b>43,11,200</b>	<b>6.33</b>		
	Increase/Decrease in Shareholding during the year				
	June 07, 2019	38,955	0.06	43,50,155	6.38
	June 14, 2019	34,314	0.05	43,84,469	6.43
	June 28, 2019	55,40,953	8.13	99,25,422	14.56
	March 27, 2020	23,914	0.04	99,49,336	14.60
	March 31, 2020	44	0.00	99,49,380	14.60
	<b>At the end of the year</b>			<b>99,49,380</b>	<b>14.60</b>
<b>4</b>	<b>Mr. Sanjay Mehta</b>				
	<b>At the beginning of the year</b>	<b>1,525</b>	<b>0.00</b>		
	Increase/Decrease in Shareholding during the year				
	<b>At the end of the year</b>			<b>1,525</b>	<b>0.00</b>
<b>B</b>	<b>Key Managerial Personnel</b>				
<b>5</b>	<b>Mr. Ashish Dubey</b>				
	<b>At the beginning of the year</b>	<b>215</b>	<b>0.00</b>		
	Increase/Decrease in Shareholding during the year	0	0.00		
	<b>At the end of the year</b>			<b>215</b>	<b>0.00</b>

Note: Independent Directors - Mr. Avinash Parkash Gandhi, Mr. Arun Kumar Malhotra, Mr. Kanchan Kumar Gandhi, Mr. Milap Jain, Mr. Roop Salotra, Mrs. Diviya Chanana and Mr. Anil Tyagi, Company Secretary did not hold any shares of the Company during the Financial Year 2019-20.

### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5,092.97	-	-	5,092.97
ii) Interest due but not paid	1.38	-	-	1.38
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>5,094.35</b>	<b>-</b>	<b>-</b>	<b>5,094.35</b>
Change in Indebtedness during the financial year				
- Addition	1,74,287.57	-	-	1,74,287.57
- Reduction	1,72,842.15	-	-	1,72,842.15
<b>Net Change</b>	<b>1,445.42</b>	<b>-</b>	<b>-</b>	<b>1,445.42</b>
Indebtedness at the end of the financial year				
i) Principal Amount	6,539.77	-	-	6,539.77
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>6,539.77</b>	<b>-</b>	<b>-</b>	<b>6,539.77</b>



## Annexure - I (Contd.)

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(₹ In Lakhs)

Sr. No	Particulars of Remuneration	Name of Managing Director/ Whole Time Director/ Manager		
		Mr. D. K. Jain (Executive Chairman)	Mr. Anmol Jain (Managing Director)	Total
1.	Gross salary			
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	126.00	126.00	252.00
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	26.12	26.99	53.11
c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	72.15	110.02*	182.17
	- as % of profit			
	- others, specify	-	-	-
5.	Others, please Specify	-	-	-
	<b>Total</b>	<b>224.27</b>	<b>263.01</b>	<b>487.28</b>
	<b>Ceiling as per Act</b>	(Being 10% of the Net Profits of the Company as calculated under Section 198 of the Companies Act, 2013)		

\*Includes commission from erstwhile Lumax DK Auto Industries Limited which has since merged with the Company.

#### B. Remuneration to other Directors

(₹ In Lakhs)

S. No.	Particulars of Remuneration	Name of Directors								Total Amount
		Mr. Deepak Jain	Mr. Sanjay Mehta	Mr. Avinash Parkash Gandhi	Mr. Arun Kumar Malhotra	Mr. Milap Jain	Mr. Roop Salotra	Mr. Kanchan Kumar Gandhi	Mrs. Diviya Chanana	
1	Independent Directors									
	• Fee for attending board / committee meetings	-	-	4.20	3.60	4.80	5.00	2.80	2.80	23.20
	• Commission	-	-	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-	-	-
	<b>Total (1)</b>	-	-	<b>4.20</b>	<b>3.60</b>	<b>4.80</b>	<b>5.00</b>	<b>2.80</b>	<b>2.80</b>	<b>23.20</b>
2	Other Non-Executive Directors									
	• Fee for attending board / committee meetings	-	-	-	-	-	-	-	-	-
	• Commission	59.73*	-	-	-	-	-	-	-	59.73
	• Others, please specify	-	-	-	-	-	-	-	-	-
	<b>Total (2)</b>	<b>59.73</b>	-	-	-	-	-	-	-	<b>59.73</b>
	<b>Total (1+2)</b>	<b>59.73</b>	-	<b>4.20</b>	<b>3.60</b>	<b>4.80</b>	<b>5.00</b>	<b>2.80</b>	<b>2.80</b>	<b>82.93</b>
	<b>Total Managerial Remuneration # (A + B)</b>	-	-	-	-	-	-	-	-	<b>570.21</b>
	<b>Overall ceiling as per Act</b>	(Being 11% of the Net Profits of the Company as calculated under Section 198 of the Companies Act, 2013, Sitting Fees paid to Independent Directors shall not be considered as remuneration while calculating ceiling as per Section 197 of the Companies Act, 2013)								

# Total remuneration to Managing Director, Whole time Director and other Directors (being the Total of A and B).

\*Includes commission from erstwhile Lumax DK Auto Industries Limited which has since merged with the Company.

## Annexure - I (Contd.)

### C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ In Lakhs)

S. No	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Ashish Dubey Chief Financial Officer	Mr. Anil Tyagi* Company Secretary	Total
1.	Gross salary	58.81	15.74	74.55
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0.60	1.57	2.17
c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5.	Others, please Specify	-	-	-
	<b>Total</b>	<b>59.41</b>	<b>17.31</b>	<b>76.72</b>

\*Mr. Anil Tyagi has been appointed as Company Secretary w.e.f. May 18, 2019

**I. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:** against the Company, Directors and other Officers in Default under the Companies Act, 2013: NONE.

## Annexure - J

### Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Information as per Section 134(3)(m) of the Companies Act, 2013 and forming part of Directors' Report  
for the year ended March 31, 2020

#### A. CONSERVATION OF ENERGY

The Company does not come under the category of power intensive unit, adequate measures have been taken for energy conservation and thereby to reduce energy cost.

##### 1) Energy Performance Improvement Action taken and their impact:

###### a. Energy Conservation by improving the operation of Utility.

The company re-worked on the designing of compressor room so that intake air temperature to the compressor decreases thereby resulting in the reduction of energy consumption of compressor. Also, the company has installed air booster at the area of high-pressure requirement thereby decreasing the pressure at the generation point which have resulted the reduction in energy cost.

###### b. Energy cost reduction by improvement of Power Factor at Main Incomer.

The company has modified its Automatic Power Control Panel to increase power factor thereby, directly reducing plants overall energy cost.

###### c. Reduction in energy consumption by installation of low-cost automation in the process

The company has installed AC drives on the motors of blowers of ovens so that they can vary the flow as per the process requirement which results in the reduction of energy consumption.

##### 2) Step taken by the company for utilizing alternate source of energy

The company has already installed 348 kW Roof Top solar plant at Pune and Manesar premises, which will provide around 0.5 million units from renewable energy source. Another Roof Top Solar project of 700 kW is under installation in Narsapura Plant which will provide us around 1 million units at ₹ 4.2 per unit which is very much cheaper than the DISCOM tariff, thereby results in overall reduction in energy cost.

There has been no Capital investment done on these Solar projects as these have been implemented under OPEX Model.

It is difficult to quantify the impact of individual energy reduction measures on the Cost of Production of Goods. The above measures of energy reduction will reduce overall cost of energy.

#### B. TECHNOLOGY ABSORPTION

The Company does not have any imported technology and hence the details required to be given for the imported technology are not applicable.

As a trend in the Auto Industries is changing from import in technology to provide and develop local competency, the Company has taken various initiatives to improve local technical capabilities.

#### RESEARCH & DEVELOPMENT

##### a) Expenditure on Research & Development

	(₹ in Lakhs)
(i) Capital	-
(ii) Recurring	67.12
<b>Total</b>	<b>67.12</b>
(iii) Total R & D Expenditure as a percentage of Total Turnover (Continued Operations)	0.07

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of actual inflows during the year is ₹ 947.06 Lakhs and the Foreign Exchange outgo during the year in terms of actual outflows is ₹ 2,214.19 Lakhs.