

# BOARDS' REPORT

## TO THE MEMBERS,

The Board of Directors ("Board") have pleasure in presenting the 40<sup>th</sup> Annual Report on the business and operations together with Audited Financial Accounts of the Company ("the Company") for the Financial Year ended 31 March 2021.

### 1. FINANCIAL PERFORMANCE- STANDALONE & CONSOLIDATED

The highlights of standalone and consolidated financial performance of the Company are as follows:

Particulars	(₹ in Lakhs unless otherwise stated)			
	Standalone		Consolidated	
	For the Financial Year 31 March		For the Financial Year 31 March	
	2021	2020	2021	2020
Revenue from Operations	1,42,598.07	1,60,158.72	1,42,598.07	1,60,158.72
Other Income	2,523.38	966.19	2,523.38	735.27
<b>Total Revenue</b>	<b>1,45,121.45</b>	<b>1,61,124.91</b>	<b>1,45,121.45</b>	<b>1,60,893.99</b>
<b>Total Expenses</b>	<b>1,41,969.47</b>	<b>1,52,929.65</b>	<b>1,41,969.47</b>	<b>1,52,929.65</b>
<b>Profit before exceptional items, income tax and share in profit/(loss) of associate</b>	<b>3,151.98</b>	<b>8,195.26</b>	<b>3,151.98</b>	<b>7,964.34</b>
Profit of Associate	-	-	154.09	1,208.76
<b>Profit Before Tax (PBT)</b>	<b>3,151.98</b>	<b>8,195.26</b>	<b>3,306.07</b>	<b>9,173.10</b>
Tax Expenses	1,448.13	964.57	1,490.84	1,983.42
<b>Profit After Tax (PAT)</b>	<b>1,703.85</b>	<b>7,230.69</b>	<b>1,815.23</b>	<b>7,189.68</b>
Other Comprehensive Income/(Loss) Items that will not be re-classified to profit or loss				
- Remeasurement of defined benefit liability/asset	126.54	(94.38)	142.12	(68.79)
- Income Tax relating to above	-	-	-	-
Net other Comprehensive Income/(Loss)	126.54	(94.38)	142.12	(68.79)
<b>Total Comprehensive Income</b>	<b>1,830.39</b>	<b>7,136.31</b>	<b>1,957.35</b>	<b>7,120.89</b>
Paid-up Equity Share Capital	934.77	934.77	934.77	934.77
Earnings Per Share Basic/Diluted EPS (In ₹)	18.23	77.35	19.42	76.91

#### a. COMPANY PERFORMANCE

##### Standalone:

The year under review was a challenging year on account of Pandemic COVID-19. First quarter of the year was almost washed out with negligible revenue. Second quarter registered slight recovery. However, during the third quarter and fourth quarter, there was a 'V' Shaped recovery which compensated majority of the losses suffered during the first half of the financial year. During the year under review, the Company achieved revenue from operations of ₹ 1,42,598.07 Lakhs which was lower by 10.96% from the last financial year.

For the FY 2020-21, the profit before tax (PBT) stood at ₹ 3,151.98 Lakhs as compared to ₹ 8,195.26 Lakhs in the last year. The Profit after Tax (PAT) stood at ₹ 1,703.85 Lakhs as compared to ₹ 7,230.69 Lakhs in the last year. The Total Comprehensive Income declined to ₹ 1,830.39 Lakhs from ₹ 7,136.31 Lakhs in the last year.

##### Consolidated:

At the consolidated level, the Revenue from Operations declined by 10.96% whereas the Profit before tax (PBT) and Profit after tax (PAT) for the Period stood at ₹ 3,306.07 Lakhs and ₹ 1,815.23 Lakhs respectively. The Total Comprehensive Income stood at ₹ 1,957.35 Lakhs.

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### b. SHARE CAPITAL

The paid-up Equity Share Capital as on 31 March 2021 was ₹ 934.77 Lakhs. During the year under review, the Company has not issued shares or granted stock options or sweat equity.

### c. DIVIDEND

Your Board have recommended a Dividend @ ₹ 7/- per equity share (i.e. 70%) having face value of ₹ 10/- each for the FY 2020-21 in its meeting held on 11 June 2021 subject to approval of Shareholders in the ensuing AGM ("AGM"). The Total Dividend paid for the last financial year was ₹ 23.50/- per Equity Share (i.e. 235%) having face value of ₹ 10/- each.

The total dividend pay-out for the FY 2020-21 would work out to ₹ 654.34 Lakhs, which is equivalent to 38.40% of the net profits of the Company during the year as against the pay-out of ₹ 2,532.97 Lakhs (including Corporate Dividend Tax of ₹ 336.25 Lakhs) in last FY 2019-20. The Register of Members and Share Transfer Books shall remain closed from Tuesday, 24 August 2021 to Tuesday, 31 August 2021 (both days inclusive).

The dividend as recommended by the Board, if approved by the shareholders at the ensuing AGM shall be paid to the eligible Shareholders, whose names appear in the Register of Members as on Monday, 23 August 2021 within the stipulated time period.

### d. AMOUNT TRANSFERRED TO RESERVES

The Board of the Company do not propose to transfer any amount to reserve other than transfer of undistributed profits to surplus in statement of profit & loss.

### e. PERFORMANCE OF ASSOCIATE COMPANY & CONSOLIDATED FINANCIAL STATEMENTS

The Company has one Associate Company viz. SL Lumax Limited, which was incorporated in the year 1997. The Company holds 21.28% in equity share capital of SL Lumax. SL Lumax is based in Chennai and primarily engaged in manufacturing of automotive components which includes lamp assemblies, chassis, mirror and front-end modules (FEM).

During FY 2020-21, the Associates profit attributable to the Company was ₹ 154.09 Lakhs as compared to the ₹ 1,208.76 Lakhs in the last year.

In accordance with the provisions of the Act ("the Act") and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and applicable Accounting Standards, the Audited Consolidated Financial Statements of the Company for the FY 2020-21, together with the Auditors' Report form part of this Annual Report.

A report on performance and financial position of Associate Company included in the Consolidated Financial Statement (CFS) is presented in a separate section in this Annual Report in the prescribed format AOC-1 as a part of financial statements.

In accordance with Section 136 of the Act, the electronic copy of Financial Statements of the Associate Company shall be available for inspection in the investor section of website of the Company at [www.lumaxworld.in/lumaxindustries](http://www.lumaxworld.in/lumaxindustries). Any Member desirous of obtaining a copy of the said Financial Statements may write to the Company Secretary at the Registered Office of the Company. The Financial Statements including the CFS, and all other documents required to be attached to this report have been uploaded on the website of the Company at [www.lumaxworld.in/lumaxindustries](http://www.lumaxworld.in/lumaxindustries).

## 2. STATE OF COMPANY'S AFFAIRS

FY 2020-21 was a tough year for the automotive sector as a whole. According to Society of Indian Automobile Manufacturers (SIAM) report, the industry produced a total 2,26,52,108 vehicles including Passenger Vehicles, Commercial Vehicles, Three wheelers, Two wheelers and Quadricycle during the FY 2020-21 as against 2,63,53,293 produced during last FY 2019-20 showing a degrowth of 14%, but the more severely hit segments were the Commercial Vehicle Segment showing a decline of 17% and 3 Wheeler segment the worst impacted showing a decline of 46%. The automotive sector saw both ups and down during this period, witnessing the longest sustained downfall in automotive industry. During this turbulent and unprecedented time, the Company with its strong order book and products in development, remained the market leader and a preferred supplier for all the Original Equipment Manufacturers (OEMs) in India. The technology has been changing and evolving rapidly, and in order to always be ahead with the competition, Lumax has been focussing on strengthening its R&D capability. With this belief Lumax is in process of opening its R&D Centre in Czech Republic to have international technical competence and globalization of the same. This centre will also help to further enhance the skill of the local staff with exposure to new futuristic technologies.

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

With the introduction and emphasis of localization by OEMs, to avoid the risks associated with the supply chains, Lumax is investing in the upgradation of its

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existing manufacturing facilities alongside setting up a state of art Electronics manufacturing facility. The same will help in successful localization of technologically advanced products thus giving the customers immunity from supply chain risks with best quality products.

The Company has further strengthened its relations with its partner and shall be venturing into new product line: Heater Control Panel to be offered to its OEM customers.

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

- Software for virtual meetings to facilitate management for smooth functioning. This resulted in better collaboration between management and employees and a lot of cost saving particularly, in travelling and other overheads.
- Linking of Moulding machines with SAP and now there is both way communication from SAP to Moulding machines and vice versa. In this, daily production plan data is sent to moulding machines and machines do production accordingly. At the end of the shift, data of actual production is sent from moulding machines to SAP. As a Pilot project, this has been implemented in one plant at Bangalore and plans are in place to rollout in other plants accordingly.
- Digitisation of champions of cost cutting (CCC), project registration and approval process resulting in quick decision, paperless office and escalation in case of any delay.
- SMS based reporting to management for daily sales directly from SAP.

Automotive Lighting is a Safety Critical Automotive Component. Over Years several New Technologies have matured with focus on Aesthetic, Cost, Power Consumption, Improved Visibility etc. New functions are coming to improve safety and also to show the brand signature. Usage of some functions on light markings to improve safety, or brand logos for styling and marketing reasons. Vehicles are embedding more and more sensors (in front, rear or side of Vehicle), which raises the challenges of their integration in the vehicle, their fusion to perceive the environment, and also the management of an increasing quantity of data (local or cloud processing, data annotation and storage). The Company is working towards continuous improvements by adding Core

Engineering Strength. It has restructured the organisation with an Engineering Centre for Competence (COC) & adding Specialists for developing next generation Lighting Systems for Automotive applications. It has Localized LED Projectors, Lighting Electronics, Light Guides etc to bring Value added Technologies at affordable cost to Customers. It will be launching few innovative Technologies in India Like Localised LED Projectors, LED Fog Lamps, Sealed Projector, Sequential Turn Indicator, integrated 3-in-one Signalling Functions, Lamps with 2K-3K Lens/Bezel, Full Decklit Lamps etc. in India for enhanced visibility & Aesthetic at Lower Power Consumption or Cost. The Company is also working on Innovative Technologies of the future (Low cost Projectors, Low Cost AFS/ADB, 3D Holographic Signaling, Homogenous lit appearance, Sensor integration, Logo or Signal Projections etc.).

The Company demonstrated its commitment towards Quality by ensuring that quality processes are adhered to by all through its recently Launched LDR (Lumax Development Rule) Product Development Process. This is an Online Project Management 7 gate tool that has taken program execution towards excellence.

The awards received at the ICQCC- Singapore by its teams are proof. The Company has won accolades and awards not only from the customers but also at various industry conventions like ACMA competition, National Convention of Quality Control Circle (NCQCC), Kaizen. Also Company got International TPM awards from Japan Institute of Plant Maintenance (JIPM) for best manufacturing practices.

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

All in all, the Company made good progress in all areas in FY 20-21, and the management is quite confident that going forward the Company will continue to deliver value to all its customers and stakeholders. The long-term outlook for the Company remains positive and it is poised to outperform the industry.

Having said the above, your directors would like to put a word of caution with respect to spread of pandemic COVID-19 and repetitive countrywide lockdown during March, 2020 and first quarter of the current financial year which has severely hit the industry in general and automotive sector in particular. On account of this, the financial performance of the Company during the FY 20-21 is affected. Though, the management of the Company has taken various initiatives to optimize costs in order to reduce the impact of COVID-19.

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### a. CAPACITY EXPANSION & MODERNIZATION OF FACILITIES

The Company is constantly expanding the boundaries of its existing facilities and during the year under review, the Company has invested towards capacity expansion of its manufacturing facilities as follow:

- Expansion at Bangalore – ₹ 1,470 Lakhs
- Capex for new Projects at other plants – ₹ 2,411 Lakhs
- Capex advance payment for new Projects at Bawal and Sanand (Under Development) – ₹ 348.23 Lakhs and ₹ 372.80 Lakhs respectively

Further, an expenditure on Research and Development facilities of Chakan and Gurugram was done to the tune of ₹ 326.44 Lakhs.

### b. TECHNOLOGY, INNOVATION AND QUALITY

There is a Paradigm shift at the pace at which Technology is updating in the Automotive segment focused on Innovation, Styling, Quality & Cost. Automotive Lighting being the Jewel of the Vehicle has always been a challenging part irrespective of interior or exterior. It's getting complex with more Electronics content getting embedded in Automotive Lighting. India is adapting to higher end Technologies at a very fast pace with Advance Front Lighting System, Full LED Headlamps & Innovative Signalling Functions. The Company is rapidly increasing its Engineering Strength with a vision to be leading global affordable Lighting Supplier focused towards Technologies mapped with Low Cost LED Headlamps, LED Projectors, LED High Beam Boosters, Logo Projections, Diffractive Holographic Signalling Functions, Sensor Integration in lamps etc.

To achieve Technology Roadmap the Company has expanded its Engineering Strength with a pool of experts in Optics, Electronics & Core Engineering. This will expedite pace to catch up with Lighting Technology in west and have it available for OEMs in India at affordable cost. The Company already has tie-up with Stanley Japan which continues to be a Pillar of strength.

The Company will continue to innovate and develop world class products and put thrust and focus on R&D, Global Technology partnerships and development of advanced technological automotive products. As an annual practice, this year as well, the Company will celebrate 15 September as Innovation Day, on the occasion of Engineers Day, showcasing the Company's new products, technologies to the customers.

### c. MANAGEMENT DISCUSSION & ANALYSIS REPORT

As stipulated under the provisions of Regulation 34 of the Listing Regulations, Management Discussion & Analysis Report forms an integral part of this Report as an **Annexure - A** and provides details on overall Industry Structure and Developments, financial and operational performance and other material developments during Financial Year under review.

### d. KEY BUSINESS DEVELOPMENTS

The Company had entered into a revised Technical Assistance Agreement with Stanley Electric Co. Limited, Japan, the existing Foreign Promoter of the Company.

During the year under review, the Board in its meeting held on 26 March 2021, had approved the proposal for establishing an office in Czech Republic to strengthen the Technological Capabilities of the Company.

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

During the Financial Year ended 31 March 2021, there was no change in the nature of business of the Company.

## 3. 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 Listing Regulations is annexed and forms part of this Report as an **Annexure - B**.

### b. DIRECTORS & KEY MANAGERIAL PERSONNEL

#### (i) Directors

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

During the year under review, Mr. Kenjiro Nakazono (DIN: 08753913) was appointed in place of Mr. Koji Sawada, as a "Whole Time Director" (Key managerial personnel) w.e.f. 18 June 2020. Mr. Munish Chandra Gupta (DIN: 01362556) resigned from the position of the "Non-Executive Independent Director" of the Company with effect from 4 December 2020.

The Board places on record its deep gratitude and appreciation for the valuable contribution and support extended by Mr. Koji Sawada and Mr. Munish Chandra Gupta during their term as Wholetime Director and Non-Executive Independent Director respectively of the Company towards Lumax ethos and performance.

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The Board on the recommendation of the Nomination and Remuneration Committee had appointed Mr. Vikrampati Singhania (DIN: 00040659) as an Additional Director designated as Non-Executive Independent Director w.e.f. 11 February 2021 for a period of five (5) years, subject to the approval of shareholders in the AGM.

Mr. Vikrampati Singhania aged 55 years is a fourth-generation industrialist belonging to one of the largest industrial groups in India – J.K. Organization. JK Organization is an over 125 years old business house with leadership across multiple sectors. The Group is present in 100 countries apart from all India presence with annual sales revenue of over USD 4.15 billion. The Group manufactures and markets a wide range of products from Paper, Automobile Tyres, Cement, Auto Components, Textiles, Agri Products, etc. Mr. Singhania did his Master's Degree in Commerce from Kanpur University and his MBA from Fuqua School of Business, Duke University, USA. He has Association with following Professional Bodies:

- Member of Fuqua Indian Advisory Board of Duke University, USA
- Member of Managing Committee, The Associated Chambers of Commerce & Industry of India (ASSOCHAM).
- Member of Executive Committee of Automotive Component Manufacturers Association of India (ACMA).

In accordance with the Articles of Association of the Company and the Act, Mr. Vikrampati Singhania shall hold office till the ensuing AGM. The Company has received a notice from a member under Section 160 of the Act proposing the candidature of Mr. Vikrampati Singhania for his appointment as Director of the Company for five consecutive years w.e.f. 11 February 2021, not liable to retire by rotation. Keeping in view the experience and vast knowledge of Mr. Singhania, the Board of the Company recommends the appointment of Mr. Singhania by the Shareholders at the ensuing AGM.

A brief profile of Mr. Vikrampati Singhania is provided in the Notice of the ensuing AGM of the Company.

### Retirement by Rotation and Subsequent Re-Appointment

- In accordance with the Articles of Association of the Company and Section 152 of the Act read with the Companies (Appointment

and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) Mr. Tadayoshi Aoki, Whole Time Director (Key Managerial Personnel) (DIN: 08053387) is due to retire by rotation at the ensuing AGM and being eligible, offers himself for re-appointment.

A brief profile of Mr. Tadayoshi Aoki is provided in the Notice of the ensuing AGM of the Company.

### Independent Directors

The Board has 6 (Six) Independent Directors, including one Woman Independent Director, representing diversified fields and expertise. Details are provided in the relevant section of the Corporate Governance Report.

All Independent Directors have registered themselves with the Indian Institute of Corporate Affairs for the inclusion of their name in the data bank of independent directors, pursuant to the provision of Rule 6 (1) of Companies (Appointment and Qualification of Directors) Rules, 2014. Further, they have confirmed that they shall comply with other requirements, as applicable under the said rule.

Further as stipulated under the Regulation 17(10) of Listing Regulations an evaluation exercise of Independent Directors was conducted by the Board and the all have been satisfactorily evaluated by the Board.

### (ii) Key Managerial Personnel (KMP)

As on 31 March 2021, Mr. Deepak Jain, Chairman & Managing Director, Mr. Anmol Jain, Joint Managing Director, Mr. Vineet Sahni, Whole Time Director (Senior Executive Director & CEO), Mr. Tadayoshi Aoki, Whole Time Director (Senior Executive Director), Mr. Kenjiro Nakazono, Whole Time Director (Executive Director), Mr. Shruti Kant Rustagi, Chief Financial Officer and Mr. Pankaj Mahendru, Company Secretary are regarded as Key Managerial Personnel (KMPs).

During the year under review, following changes have taken place in the Key Managerial Personnel of the Company:

### Cessation

- Mr. Koji Sawada had resigned from the post of Whole Time Director (KMP) (Executive Director) of the Company w.e.f. 18 June 2020.

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### Appointment

- Mr. Kenjiro Nakazono was appointed as a Whole Time Director (KMP) (Executive Director) of the Company w.e.f. 18 June 2020 for a period of 3 years and his appointment was regularised by the Shareholders in the AGM held on 28 August 2020.

### c. NUMBER OF MEETINGS OF BOARD OF DIRECTORS

During the FY 2020-21, the Board met six (6) times on 29 May 2020, 18 June 2020, 12 August 2020, 9 November 2020, 11 February 2021 and 26 March 2021 to review the operations of the Company. It is confirmed that the gap between two consecutive meetings was not more than one hundred and twenty days as provided in Section 173 of the Act.

Pursuant to the requirements of Para VII (1) of Schedule IV of the Act and the Listing Regulations, a separate Meeting of the Independent Directors of the Company was held on 1 March 2021, without the presence of Non-Independent Directors and Members of the management, to review the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairperson of the Company, taking into account the views of Executive Directors, Non-Executive, Non-Independent Directors and also to assess the quality, quantity and timeliness of flow of information between the Company Management and the Board.

### d. DIRECTORS RESPONSIBILITY STATEMENT

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

- (i) that in the preparation of the Annual Accounts for the Financial Year ended 31 March 2021 the applicable Accounting Standards have been followed and there are no material departures;
- (ii) that the Directors have selected such accounting policies and applied 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 as on 31 March 2021 and of the profit and loss of the Company for that period;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (iv) that the Directors have prepared the Annual Accounts on a "going concern" basis;
- (v) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (vi) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

As stipulated under the provisions of Section 149 (6) of the Act and Regulation 25 of Listing Regulations, the requisite declarations have been received from the Independent Directors regarding meeting the criteria of Independence as laid down under those provisions. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties.

### f. POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS

Pursuant to the provisions of Section 178(1) of the Act and Regulation 19(4) read with Part D of Schedule II of Listing Regulations, the Board of the Company in their meeting held on 20 March 2019, had approved the revised Nomination and Remuneration Policy of Directors, Key Managerial Personnel (KMP) and Other Employees including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided u/s 178(3), to bring it in line with amendments enforced by statute.

The main features of the Policy are as follows –

- a. Introduction and Regulatory Framework
- b. Objective
- c. Constitution of Nomination and Remuneration Committee
- d. Role of Nomination and Remuneration Committee
- e. Appointment/ Nomination of Directors
- f. Remuneration of Directors
- g. Appointment of Key Managerial Personnel and Senior Management Personnel
- h. Remuneration of Key Managerial Personnel and Senior Management Personnel
- i. Appointment and Remuneration of Other Employees
- j. Term/Tenure



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- k. Evaluation of Performance of Board of Directors
- l. Frequency of Board Evaluation
- m. Disclosure
- n. Administration, Review and Amendment of Policy
- o. Clarification

The Company's Nomination and Remuneration Policy is enclosed to this Report as an **Annexure - C**.

The said policy is also available on the website of the Company at <https://www.lumaxworld.in/lumaxindustries/pdf/nomination-and-remuneration-policy-of-directors.pdf>.

### g. PERFORMANCE EVALUATION OF BOARD, COMMITTEE AND DIRECTORS

One of the key responsibilities and role endowed on the Board is to monitor and evaluate the performance of the Board, Committees and Directors.

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

#### Evaluation Technique

- The evaluation methodology involves discussion on 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 & Managing Director's performance is done by each Board Member on similar qualitative parameters.

#### Evaluation Outcome

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

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

### h. AUDIT COMMITTEE & COMPOSITION

As on 31 March, 2021 the Audit Committee of Board comprised of Six (6) Members viz. Mr. Avinash Parkash Gandhi (Chairman), Mr. Dhiraj Dhar Gupta, Mr. Rattan Kapur, Mr. Rajeev Kapoor (Independent Directors), Mr. Deepak Jain and Mr. Tadayoshi Aoki (Executive Directors).

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During the year under review, Mr. Munish Chandra Gupta who was a member of the Audit Committee resigned with effect from 4 December 2020 and accordingly he ceased to be member of the Committee.

The details regarding category of Members and terms of reference of Audit Committee had been stated in Corporate Governance Report which forms part as an **Annexure - B** to this Report.

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

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

For the FY 2020-21, all the Related Party Transactions entered into by the Company were in ordinary course of business and at arms-length basis. All Related Party Transactions, which are foreseen and repetitive in nature, are placed before the Audit Committee on yearly basis for obtaining prior omnibus approval of the Committee.

The transactions entered into pursuant to the omnibus approval are placed before the Audit Committee for review and approval on quarterly basis. All Related Party Transactions are subjected to independent review by a reputed accounting firm to establish compliance with the provisions of the Act and Listing Regulations.

There were no material 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.

The details of Related Party Transactions undertaken by the Company which fall under the purview of "Materiality" as per Listing Regulations are attached in **Form AOC-2** as an **Annexure - D** to this Report.

Further, the Shareholder approval on such Material Related Party Transactions have been taken by way of Postal Ballot Notice dated 9 November 2020 for which the results were declared by the Company on 15 January 2021. The Company has formulated a policy on Related Party Transactions, which is available on the Company's website at <https://www.lumaxworld.in/lumaxindustries/pdf/related-party-transactions-policy.pdf>

### j. 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, in accordance with the provisions of Section

177 (10) of the Act and Regulation 22 of the Listing Regulations. This 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 available on the website of the Company [www.lumaxworld.in/lumaxindustries](http://www.lumaxworld.in/lumaxindustries). To further strengthen this mechanism, the Company has launched an Employee App which is available for both android and iOS users to report any instances of financial irregularities, breach of Code of Conduct, abuse of authority, unethical/unfair actions concerning Company vendors/suppliers, malafide manipulation of Company records, discrimination among employees in an anonymous manner to provide protection to the employees and who report such unethical practices and irregularities.

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

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

### k. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

The Company has adopted the Code of Conduct for Directors and Senior Management of the Company. The same is available on the website of the Company <https://www.lumaxworld.in/lumaxindustries/pdf/Code%20of%20Conduct%20for%20Directors%20and%20Senior%20Management.pdf>

### l. PARTICULARS OF EMPLOYEES

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

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

### m. COMPLIANCE MANAGEMENT FRAMEWORK

The Company has a robust and effective framework for monitoring compliances with applicable laws. The



## Boards' Report (Contd.)

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

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

### 4. INTERNAL FINANCIAL CONTROLS & ADEQUACY

#### a. ADEQUACY OF INTERNAL FINANCIAL CONTROL WITH REFERENCE TO FINANCIAL STATEMENTS

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

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

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

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

The Company gets its Standalone and Consolidated Financial Statements reviewed every quarter by its Statutory Auditors.

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

#### b. RISK MANAGEMENT POLICY

The Company had adopted the Risk Management Policy and voluntarily constituted the Risk Management Committee in order to frame, implement, and monitor the risk management plan for the Company. The Committee is responsible for development and implementation of a Risk management Policy for the Company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company and is responsible for reviewing the risk management plan and its effectiveness. The Company has Risk Management Policy which can be accessed on Company's website [www.lumaxworld.in/lumaxindustries](http://www.lumaxworld.in/lumaxindustries).

#### c. AUDITORS

##### Statutory Auditors

Pursuant to the provisions of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014 the Company in its 36 AGM held on 22 July 2017 approved the appointment of M/s B S R & Associates LLP, Chartered Accountants (Firm Registration No. 116231W/W-100024) as Statutory Auditors of the Company for an initial term of five (5) years from the conclusion of 36 AGM till the conclusion of 41 AGM to be held in the year 2022.

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

##### Statutory Auditors Report

The Report given by M/s B S R & Associates LLP, Chartered Accountants on the Financial Statements of the Company for the FY 2020-21 forms part of the Annual Report. There has been no qualification, reservation, adverse remark, or disclaimer given by the Auditors in their Report.

##### Cost Auditors

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

The Board, on recommendation of Audit Committee, has re-appointed M/s Jitender, Navneet & Co. (Firm Registration No. 000119) as the Cost Auditors of the Company in accordance with Section 148 and other applicable provisions of the Act, for the audit of the cost accounts of the Company for the FY 2021-22.

The remuneration proposed to be paid to the Cost Auditor requires ratification by the shareholders of the Company. In view of this, your approval for payment of remuneration

## Boards' Report (Contd.)

to Cost Auditors is being sought at the ensuing AGM. Accordingly, a resolution, seeking approval by members for the Ratification of the remuneration to be paid to Cost Auditors amounting to ₹ 1.75 Lakhs (Rupees One Lakh Seventy-Five Thousand only) excluding taxes and out of pocket expenses, if any, payable to M/s Jitender, Navneet & Co., is included in the Notice convening 40<sup>th</sup> AGM of the Company.

### Cost Audit Report

The Cost Audit Report for the FY 2019-20 has been filed with the Central Government within the stipulated time.

### Disclosure On Maintenance Of Cost Records As Specified By Central Government Under Sub Section (1) Of Section 148 of the Act

The Company is maintaining cost records as stipulated under law.

### Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed Mr. Maneesh Gupta, Practicing Company Secretary (M. No. F4982) as the Secretarial Auditor of the Company to conduct the Secretarial Audit for the FY 2021-22.

The Company has received consent from Mr. Maneesh Gupta to act as the auditor for conducting audit of the secretarial records for the Financial Year ending 31 March 2022.

### Annual Secretarial Audit Report & Annual Secretarial Compliance Report

The Secretarial Audit Report for the Financial Year ended 31 March 2021 under the Act, read with Rules made thereunder and Regulation 24A (1) of the Listing Regulations is set out in the **Annexure - F** to this Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report. Pursuant to SEBI Circular No. CIR/CFD/CMD1/27/2019 dated 8 February 2019 read with Regulation 24 A (2) of Listing Regulations, all listed entities on annual basis are required to get a check done by Practising Company Secretary (PCS) on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder and get an Annual Secretarial Compliance Report issued in this regard which is further required to be submitted to Stock Exchanges within 60 days of the end of the Financial Year.

The Company has engaged the services of Mr. Maneesh Gupta (CP No. 4982), PCS and Secretarial Auditor of the Company for providing this certification.

Accordingly, the Company has complied with the above said provisions and an Annual Secretarial Compliance Report has been submitted to the Stock Exchanges within stipulated time.

### Internal Auditors

In compliance with the provisions of Section 138 of the Act, read with the Companies (Accounts) Rules, 2014, the Internal Audit, of various units of Company, for the FY 2020-21 was carried out by M/s Grant Thornton Bharat LLP. Further, the Board in their meeting held on 11 June 2021 has appointed M/s Grant Thornton Bharat LLP as Internal Auditors for the FY 2021-22.

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

During the year under review, no frauds were reported by Statutory Auditor and Secretarial Auditor against the Company which need to be mentioned in this Report.

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

The Company's Corporate Social Responsibility (CSR) is to give back to society and contribute to nation's development through its initiatives.

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

During the year, the Company's obligation to spend on CSR activities was ₹ 163.81 Lakhs i.e. 2% of the average net profits during the three immediately preceding Financial Years. Out of this amount, an amount of ₹ 46.54 Lakhs remained unspent. The Company could not spend this money on the projects for which the same was envisaged because of COVID situation and lockdown.

The unspent amount of ₹ 46.54 Lakhs has already been deposited in separate accounts in compliance with the amended provisions of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The same will be spent on the following on-going projects as per the provisions of the Act read with the applicable rules framed thereunder:

Organization / Projects	Allocation (in ₹)
Infrastructure School, Sanand	26.54 Lakhs
Life Skills Monk.e.wise	20.00 Lakhs
<b>Total</b>	<b>46.54 Lakhs</b>

## Boards' Report (Contd.)

The Company has constituted a CSR Committee of the Board and also developed & implemented a CSR Policy in accordance with the provisions of the Act. The Committee monitors and oversees various CSR initiatives and activities of the Company. The details of CSR Policy is available on the Company's website <http://www.lumaxworld.in/lumaxindustries/pdf/corporate-social-responsibility-policy.pdf>.

### Key CSR Activities:

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

### Education:

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

Infrastructure needs of the govt. schools including the construction of toilets, classroom, providing LED lights are also undertaken after a thorough need assessment. The programs are preferably conducted in areas around the Company's plants.

### Health:

Under health, the Foundation has been supporting communities near the plants with preventive Cancer awareness and screening camps and also provide eye care camps for eye-check up and conducting Cataract surgeries. The cancer screening includes blood profiling along with physical examination by a surgeon, ENT specialist and a gynecologist, complete with radiology examination.

The programs also include Juvenile diabetes for the underprivileged children and a mobile path lab for communities donated to the Primary Health Centre (PHC).

### Constitution of CSR Committee

As on 31 March 2021, the CSR Committee of the Company comprised of three (3) Members namely, Mr. Deepak Jain (Chairman), Mr. Avinash Parkash Gandhi and Mr. Anmol Jain. Mr. Munish Chandra Gupta who was

chairman of the CSR Committee resigned with effect from 4 December 2020. Accordingly, the Committee was reconstituted and Mr. Deepak Jain was appointed as a Chairman of the CSR Committee by the Board in its meeting held on 11 February 2021.

The details of the CSR Policy of the Company are also available on the website of the Company at [www.lumaxworld.in/lumaxindustries](http://www.lumaxworld.in/lumaxindustries). The contents of the said policy are as below:

- CSR Philosophy
- Constitution of CSR Committee
- Role of CSR Committee
- Implementation of CSR Projects, Programs and Activities
- Allocation of Budget
- Lumax domains of engagement in accordance with Schedule VII
- Monitoring and Review Mechanism
- Management Commitment

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

## 6. OTHER DISCLOSURES

### Material Changes and Commitments

The Board of the Company in its Meeting held on 26 March 2021 had approved the proposal for Capital Expenditure (CAPEX) amounting up to ₹ 80 Crore for setting up of the Company's new manufacturing unit(s) at Sanand, Gujarat to cater to the orders received from MG Motors and other customers. The total Capex will be funded by mix of Debt and internal accruals and peak annualized turnover is expected to be approximately ₹ 150 Crore post commissioning. The project is expected to be operational by Q3 FY 22.

No material changes and commitments affecting the financial position of the Company have occurred between 1 April 2021 and the date on which this Report has been signed.

### Particulars of Loans, Guarantees and Investments

The particulars of Investments and Loans as on 31 March 2021 as covered under the provisions of Section 186 of the Act is given in the Notes 6 and 7 respectively to Financial Statements of the Company. The Company has not given any guarantees during the year under review.

## Boards' Report (Contd.)

### **Information on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

One of the several commitments that continued to remain in force throughout the Financial Year was developing business along with improvement in environmental performance to maintain a reliable and sustainable future. During the course of the year, the manufacturing units of the Company have continued their efforts to reduce energy consumption in all areas of their operations. These manufacturing units are constantly encouraged to improve operational activities and maximising production volumes and minimizing consumption of natural resources. Systems and processes have been put in place for utilization of alternate sources of energy and monitoring of energy consumption for all the units.

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

### **Extract of Annual Return**

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on 31 March 2021 is available on the Company's website on [www.lumaxworld.in/lumaxindustries/annual-return.html](http://www.lumaxworld.in/lumaxindustries/annual-return.html).

### **Details of Fixed Deposits**

During the year under review, the Company has neither accepted nor renewed any Deposit in terms of Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 and hence any provisions of the said Section are not applicable to the Company.

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

During the FY 2020-21, there were no companies which became Subsidiary or Joint Venture of the Company, neither the Associate Company ceased to be an Associate of the Company.

### **Significant and Material Orders Passed by the Regulators or Courts**

There are 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.

### **Constitution of Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)**

As per MCA notification dated 31 July 2018, a "Statement that the Company has complied with the provisions related to Constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)" has to be included in the Board's Report.

In accordance with the above-mentioned provisions of POSH, the Company is in compliance with and has adopted the "Policy on Prevention of Sexual Harassment of Women at Workplace" and the said policy has been amended by the Board in their meeting held on 18 June 2020 and has also re-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 constitution of ICC is as per the provisions of POSH and includes external Members from NGO or those individuals having relevant experience.

The Committee meets as and when required and provides a platform for female employees for registration of concerns and complaints, if any.

During the year under Review i.e. FY 2020-21, thirty two (32) meetings and twenty seven (27) awareness sessions were held across all manufacturing locations to discuss on strengthening the safety of employees at workplace. In addition, the awareness about the Policy and the provisions of Prevention of Sexual Harassment Act was also carried out in the said meetings. Further, as per the applicable provisions of POSH, the Company continues to submit Annual Report to the District Officer consisting of details as stipulated under the said Act.

### **Environment, Health, Safety**

The Company focuses 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, Near miss incident Capturing and investigation, Safety Management System contribute, not only to improve the workplace Safety, but also to influence the organization Safety Culture.

Apart from the above, your Company has also performed below activities in Financial Year 2020-21 sincerely:

## Boards' Report (Contd.)

1. Hazards identification and Risk assessment of Machine
2. Safety Gemba Audit and monitoring all critical Points
3. Fire Risk assessment
4. Regional Safety Meeting at all regions
5. KYT - Kiken Yochi Training (Identifying hazard and taking corrective measures with the help of actual users)
6. Hazards specific Safety training (Fire Fighting, First Aid, Electrical Safety, Chemical & Machine Safety & Evacuation Drill)
7. Prepared Safety manual for Standard Operating Procedures
8. Identified probable emergency and prepared Emergency Response Manual
9. Prepared & Updated KYT Manual
10. Comprehensive review / surveillance audit done as per ISO 14001:2015 (Environment Management System) and ISO 45001:2018 (Occupational Health & Management system)
11. Surface treatment Duct Cleaning for all locations

From the last Four years, the Company also commenced the Fire Risk Assessment Audit for Tier-2 (53 Nos) Suppliers to reduce the fire related incident and achieved significant OK result, and also started the Safety Audit from last year for Tier-2 (9 Nos) suppliers to reduce the human injury and also monitoring the injury status, Delivered the awareness program to the suppliers related to Fire, Electrical and Fire Mock drill.

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

### Transfer of Unpaid Dividend and Shares to Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of Section 124(5), 125 and other applicable provisions of the Act, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), all unpaid or unclaimed Dividends are required to be transferred by the Company to the IEPF established by the Central Government, after the completion of seven (7) years from the date of transfer to Unclaimed/Unpaid Dividend Account of the Company.

Further, pursuant to provisions of Section 124(6) of the Act read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the shares in respect of which Dividend has not been claimed or unpaid by the shareholders for seven (7) consecutive years or more shall also be transferred to the Demat account of IEPF Authority. The said provisions does not apply to shares in respect of which there is a specific Order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

Accordingly, the details relating to amount of Dividend transferred to the IEPF and corresponding shares on which Dividends were unclaimed for seven (7) consecutive years, are provided in the Report on Corporate Governance annexed to this Report

It may be noted that the due date for transfer into IEPF of the Unpaid/Unclaimed Dividend lying in the Unpaid Dividend Account of the Company which was declared on 22 August 2014 for the FY 2013-14 along with the underlying Equity Shares is 20 September 2021. Accordingly, concerned Shareholders are requested to kindly claim the Unpaid/unclaimed Dividend along with the underlying Shares. The Notice pursuant to the provisions of Section 124 of the Act read with IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 has been published in the newspapers on 6 June 2021 in the Financial Express (English- All Edition) and Jansatta (Hindi-Delhi), titled- ***"Transfer Of Unpaid/ Unclaimed Dividend And The Underlying Equity Shares To The Investor Education And Protection Fund (IEPF) Account"*** inviting the attention of the Shareholders to claim their Dividends along with the underlying Equity Shares and in this regard, the Company has also sent individual notices to the concerned Shareholders.

### Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons (Code of Conduct)

In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Company has adopted a Code of Conduct to regulate, monitor and report trading by Designated Persons [Pursuant to Regulation 9 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015]. This Code of Conduct is intended to prevent misuse of Unpublished Price Sensitive Information ("UPSI") by Designated Persons.

The said Code lays down guidelines, which advise Designated Persons and Insiders on the procedures to be followed and disclosures to be made in dealing

## Boards' Report (Contd.)

with the shares of the Company and cautions them on consequences of non-compliances. This Code includes a Policy and Procedure for Inquiry in case of leakage of Unpublished Price Sensitive Information or suspected leakage of Unpublished Price Sensitive Information and is available for reference on the website of the Company i.e. [www.lumaxworld.in/lumaxindustries](http://www.lumaxworld.in/lumaxindustries).

### Business Responsibility Report

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

### Disclosure for Compliance of Secretarial Standards

The Company has complied with the Secretarial Standard-1 (Meetings of Board of Directors) and Secretarial Standard-2 (General Meetings) issued by the Institute of Company Secretaries of India.

### 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 undisputed dues are outstanding for more than six months. The Company generally ensures payment of all dues to exchequer well within time line as applicable.

## 7. ACKNOWLEDGEMENT

The Board of Directors place on record their sincere gratitude and appreciation towards all its Stakeholders viz. shareholders, employees, investors, bankers, customers, suppliers, government agencies, stock exchanges and depositories, auditors, legal advisors, consultants, business associates, service providers, academic partners for their continued commitment and support. The Board conveys their deep sense of appreciation towards contributions made by every member of Lumax Family during the year and express a sincere thanks and gratefulness to its Technical & Financial Collaborator- Stanley Electric Co., Limited for their continued support and patronage throughout the year.

**For and on behalf of the Board of Directors**  
**Lumax Industries Limited**

**Deepak Jain**

Chairman & Managing Director  
DIN:00004972

Place: New Delhi  
Date: 11 June 2021