



# Lumax Industries Limited

Registered Office: 2nd Floor, Harbans Bhawan-II,  
Commercial Complex, Nangal Raya, New Delhi- 110046  
Website: www.lumaxindustries.com, Tel: 011 49857832  
Email: lumaxshare@lumaxmail.com, CIN: L74899DL1981PLC012804



## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty- Seventh (37<sup>th</sup>) Annual General Meeting (AGM) of Lumax Industries Limited will be held as under:

Day : **Wednesday**  
Date : **18<sup>th</sup> July 2018**  
Time : **10.30 A.M.**  
Venue : **Air Force Auditorium,  
Subroto Park, New Delhi-110010**

to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including Consolidated Financial Statements) of the Company for the Financial Year ended 31<sup>st</sup> March 2018, Audited Balance Sheet as at 31<sup>st</sup> March 2018 and the Statement of Profit and Loss for the Financial Year ended on that date together with the reports of the Board of Directors and Auditors thereon.
2. To declare the Dividend of ₹ 23.00 per Equity Shares as recommended by the Board of Directors for the Financial Year ended 31<sup>st</sup> March 2018.
3. To appoint a Director in place of Mr. Koji Sawada (DIN: 07582189), who retires by rotation and being eligible offers himself for re-appointment.

### SPECIAL BUSINESS:

To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

#### 4. Ratification of Remuneration of Cost Auditors' for the Financial Year 2018-19.

**“Resolved that** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, and The Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the Financial Year ending 31<sup>st</sup> March 2019, be paid the remuneration amounting to ₹ 1.50 Lakhs and also the payment of applicable tax and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit.

**Resolved further that** the Board of Directors and/or the Company Secretary of the Company be and are hereby authorized to settle any question, difficulty or doubt that may arise in giving effect to this Resolution and to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

#### 5. Approval of Material Related Party Transactions with Lumax Auto Technologies Limited

To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

**“Resolved** pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as Listing Regulations, 2015) and Section 188 of the Companies Act, 2013 or any other applicable law, rules, regulation for the time being in force or any re-enactment thereof and also pursuant to consent of Audit Committee and Board of Directors (hereinafter referred to as the “Board”), **that** the consent and approval of the Shareholders, be and is hereby accorded to the Board of Directors, for Material Related Party Transactions entered with Lumax Auto Technologies Limited (LATL) for 2017-18 and for a further period of Three (3) years including transactions of purchase / sale of raw material, finished goods etc. and any other transactions, exceeding the threshold limits, which are material in nature in terms of Listing Regulations, 2015 or other applicable laws, rules and regulations for the time being in force”.

**Resolved further that** the Board of Directors and/or the Company Secretary of the Company be and are hereby authorized to settle any question, difficulty or doubt that may arise in giving effect to this Resolution and to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

#### 6. Approval of Material Related Party Transactions with Stanley Electric Co. Ltd

To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

**“Resolved** pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as Listing Regulations, 2015) and Section 188 of the Companies Act, 2013 or any other applicable law, rules, regulation for the time being in force or any re-enactment thereof and also pursuant to consent of Audit Committee and

Board of Directors (hereinafter referred to as the "Board"), that the consent and approval of the Shareholders, be and is hereby accorded to the Board of Directors, for Material Related Party Transactions entered with Stanley Electric Co. Ltd. (Stanley) for 2017-18 and for a further period of Three (3) years including transactions of purchase/ sale of raw material, finished goods etc. and any other transactions, exceeding the threshold limits, which are material in nature in terms of Listing Regulations, 2015 or other applicable laws, rules and regulations for the time being in force".

**Resolved further that** the Board of Directors and/or the Company Secretary of the Company be and are hereby authorized to settle any question, difficulty or doubt that may arise in giving effect to this Resolution and to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

#### **7. Appointment of Mr. Tadayoshi Aoki as Senior Executive Director of the Company.**

To consider and, if thought fit, to pass with or without modification(s) the following Resolution as a Special Resolution:

**"Resolved that** Mr. Tadayoshi Aoki (DIN: 08053387), a Nominee of Stanley, who was appointed as an Additional Director of the Company by the Board of Directors pursuant to the provisions of Section 161 of the Companies Act, 2013 and Article 120 of the Articles of Association of the Company and on recommendation of Nomination and Remuneration Committee, who holds office upto the date of this Annual General Meeting be and is hereby appointed as Director of the Company, liable to retire by rotation."

**"Resolved further that** in accordance with the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Articles of Association of the Company and subject to the approval of Member(s) and the Central Government and other authorities, as applicable, the consent of the Members of the Company be and is hereby accorded to the appointment of Mr. Tadayoshi Aoki as Senior Executive Director of the Company, for a period of Three (3) Years with effect from 3<sup>rd</sup> February 2018 on the terms and conditions including Remuneration as set out in the Explanatory Statement as annexed to the Notice convening this meeting, with liberty and authority to the Board of Directors (hereinafter referred to as the "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions and/ or remuneration, subject to the provisions of applicable laws and approvals and/ or as may be directed by the Central Government, if any, and agreed to by the said Senior Executive Director."

**"Resolved further that** since the period of office of Mr. Tadayoshi Aoki as Director is liable to determination by retirement by rotation, he shall continue to hold office of Senior Executive Director as soon as he is reappointed as a director immediately on retirement by rotation and such reappointment as Director shall not be deemed to constitute

a break in his appointment as Senior Executive Director."

**"Resolved further that** in the event of absence of or inadequacy of net profit during any of the Financial Year, the remuneration to the Senior Executive Director shall be further restricted within the ceiling specified in Section II of Part II of Schedule V of the Companies Act, 2013."

**"Resolved further that** for the purpose of giving effect to this Resolution, the Board be and is hereby authorised on behalf of the Company to take all necessary steps in this regard in order to facilitate the legal and / or procedural formalities and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with powers on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Members of the Company."

#### **8. Appointment of Mr. Vineet Sahni as Senior Executive Director of the Company.**

To consider and if thought fit, to pass with or without modification(s) the following Resolution as an Ordinary Resolution:

**"Resolved that** Mr. Vineet Sahni (DIN: 03616096), who was appointed as an Additional Director of the Company by the Board of Directors pursuant to the provisions of Section 161 of the Companies Act, 2013 and Article 120 of the Articles of Association of the Company and on recommendation of Nomination and Remuneration Committee, who holds office upto the date of this Annual General Meeting be and is hereby appointed as Director of the Company, liable to retire by rotation."

**"Resolved further that** in accordance with the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Articles of Association of the Company and subject to the approval of Member(s) and the Central Government and other authorities, as applicable, the consent of the Members of the Company be and is hereby accorded to the appointment of Mr. Vineet Sahni as Senior Executive Director to be designated as CEO & Senior Executive Director of the Company, for a period of Five (5) Years with effect from 1<sup>st</sup> April 2018 on the terms and conditions including remuneration as set out in the Explanatory Statement as annexed to the Notice convening this Meeting, with liberty and authority to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions and/ or remuneration, subject to the provisions of applicable laws and approvals and/ or as may be directed by the Central Government, if any, and agreed to by the said Senior Executive Director."

**"Resolved further that** since the period of office of Mr. Vineet Sahni as Director is liable to determination by retirement by rotation, he shall continue to hold office of Senior Executive Director as soon as he is reappointed as a director immediately on retirement by rotation and such reappointment

as director shall not be deemed to constitute a break in his appointment as Senior Executive Director.”

“**Resolved further that** in the event of absence of or inadequacy of net profit during any of the Financial Year, the remuneration to the Senior Executive Director shall be further restricted within the ceiling specified in Section II of Part II of Schedule V of the Companies Act, 2013.”

“**Resolved further that** for the purpose of giving effect to this Resolution, the Board be and is hereby authorised on behalf of the Company to take all necessary steps in this regard in order to facilitate the legal and / or procedural formalities and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with powers on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Members of the Company.”

**BY ORDER OF THE BOARD  
FOR LUMAX INDUSTRIES LIMITED**

**ANKITA GUPTA**

**COMPANY SECRETARY**

**M.NO. A50166**

**Place: New Delhi**

**Date: 28<sup>th</sup> May 2018**

**NOTES:**

- 1. Proxies:** *A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/ herself and such a proxy need not be a Member of the Company. Proxy Form duly filled up and signed in order to be effective should reach to the Company's Registered Office not less than 48 hours before the scheduled time of the meeting. Proxy form is enclosed.*

*A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Shareholder.*

- 2. The E-Voting Instructions forms an integral part of this Notice and is attached to this Notice.**
- 3. Book Closure:** The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 11<sup>th</sup> July 2018 to Wednesday, the 18<sup>th</sup> July 2018 (both days inclusive).
- 4. Dividend Entitlement:** Dividend on Equity Shares, as recommended by the Directors, if approved at the Meeting will be payable to those Members whose names appear on the Register of Members of the Company, in the case of beneficial owners as at the close of 10<sup>th</sup> July 2018 as per the beneficial ownership data furnished by NSDL/CDSL for the purpose and in respect of Shares held in physical form after giving effect to all valid Shares Transfers in physical form, which are lodged with the Company before 10<sup>th</sup> July 2018.

Dividend Amount of Members holding shares in Electronic Form and to those Members holding in Physical Form,

who have given their Bank details, will be credited to their respective Bank Account through Electronic Clearing Service (ECS), wherever such facilities are available, soon after the declaration of the Dividend in the AGM.

Dividend Warrants in respect of Members holding in Physical Form will be sent through post by 14<sup>th</sup> August 2018 (tentative date).

In order to avoid any fraudulent encashment, such Members are requested to furnish their Bank Account Number and Bank's name so as to incorporate the same in the Dividend Warrant, immediately, if not submitted earlier. If there is any change in the Bank Account of Demat Members, they are requested to intimate the same to their respective Depository Participants for their further action.

Members are requested to note that pursuant to the provisions of Section 124 the Companies Act, 2013 (Section 205A of the erstwhile Companies Act, 1956), the amount of Dividend unclaimed or unpaid for a period of 7 Years from the date of transfer to Unpaid Dividend Account, shall be transferred to the Investor Education & Protection Fund set up by Government of India and no claim shall lie against the Fund or the Company after the transfer of Unpaid or Unclaimed Dividend amount to the Government. The amount lying in the Unpaid Dividend Account for the Year ended 2009-10 has been transferred to the Investor Education & Protection Fund on 26<sup>th</sup> September 2017. The Unpaid Dividend Amount for the Year ended 2010-11 is due for transfer to the Investor Education & Protection Fund in the month of October, 2018. Members who have not encashed their Dividend for the Year ended 2010-2011 and onwards are therefore, requested to make their claims to the Company immediately.

The Members are also requested to note that all shares on which Dividend remains unclaimed for seven consecutive Years or more shall be transferred to the IEPF account in compliance with Section 124 of the Companies Act, 2013 and the applicable Rules.

- 5. Change of Address:** The Members holding shares in physical mode are requested to intimate to the Registrar and Share Transfer Agent- M/s Karvy Computershare Private Limited immediately, if there is any change in their registered address. Demat Members should inform the change of address to their respective Depository Participants.
- 6. Corporate Member:** Corporate Member intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the AGM.
- 7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agent.**

- 8. Declaration:** Details as per Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards 2 in respect of the Directors seeking appointment/ re-appointment at the AGM, forms integral part of the notice. The Directors have furnished the requisite consents/ declarations for their appointment/ re-appointment.
- 9. Security:** Owing to security concerns, the auditorium authorities do not allow carrying inside brief cases, bags, eatables; therefore, Members attending are requested to make their own arrangement for the safe keeping of their belongings.
- 10. Queries:** Members are requested to send their queries, if any, on the accounts and operations of the Company to the Company Secretary at least 15 days before the ensuing AGM.
- 11. AGM Attendance Slip:** Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting. Under no circumstance Duplicate Attendance Slip will be issued at the venue of the AGM.
- 12. Explanatory Statement:** Pursuant to Section 102(1) of the Companies Act, 2013, Explanatory Statement in respect of Special Business to be transacted at the Meeting is annexed hereto.
- 13.** In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Listing Regulations, the Company has provided a facility for voting by electronic means to all its Members to enable them to cast their vote electronically through the electronic voting facility provided by Karvy Computershare Private Limited.
- The facility for voting through Ballot Paper will also be made available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting. The Members who have cast their vote by remote e-voting prior to the Meeting may attend the AGM but shall not be entitled to cast their vote again.
- 14.** The Notice of AGM, Annual Report, Attendance Slip and instructions for e-voting are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the aforesaid documents are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have still not registered their e-mail addresses are requested to register their e-mail addresses, in respect of shares held in electronic mode, with their depository participant and in respect of the shares held in physical mode, with the Company/Karvy Computershare Pvt. Ltd., the Registrar and Share Transfer Agent.
- 15.** All documents referred in the Notice and Explanatory Statement will be available for inspection by the Members at the registered office of the Company between 11:00 A.M. to 01:00 P.M. on all working days upto the day of the AGM.
- 16.** Notice of this AGM, Audited Financial Statements for Financial Year 2017-18 together with Boards' Report and

Auditors' Report are available on the website of the Company [www.lumaxindustries.com](http://www.lumaxindustries.com).

#### **EXPLANATORY STATEMENT (PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013)**

##### **Item No. 4**

The Board of Directors on the recommendation of the Audit Committee, have approved the appointment and remuneration of M/s Jitender Navneet & Co., Cost Accountants (Firm Regn. No. 000119) as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the Financial Year 2018-19 at a fee of ₹ 1.50 Lakhs plus Service Tax and reimbursement of out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the Shareholders of the Company.

Accordingly, consent of the Shareholders is sought for passing an Ordinary Resolution as set out at Item No.4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending 31<sup>st</sup> March 2019.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, Financial or otherwise, in the agenda as set out at Item No.4 of the Notice.

Your Directors recommend the Resolution set forth in Item No. 4 for approval of the Shareholders as an Ordinary Resolution.

##### **Item No. 5 & 6**

Pursuant to the provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a transaction with a Related Party shall be considered Material if the transaction(s) in a contract to be entered into individually or taken together with previous transactions during a Financial Year, exceeds ten percent of the Annual Consolidated Turnover of the Company as per the last audited Financial statements of the Company.

The Company is engaged in the business of manufacturing of automotive lighting equipments and related products. The Company supplies its products to almost all major Original Equipment Manufacturers (OEMs) in India. These products are to be manufactured as per the needs of the OEMs. The Designs, Specifications, Tools, Material and other Engineering and Testing related matters are finalized in consultation with and advise of the OEM's. Hence, in order to sustain quality standards of the Company, to maintain commercial confidentiality and in the best interest of the Company and its Shareholders, the Company undertakes certain transactions of purchase/ sale of raw material, finished goods etc. and such kind of other transactions with Lumax Auto Technologies Limited (LATL) and Stanley Electric Co. Ltd. (Stanley) respectively, which are Related Parties of the Company.

A summary of transactions carried out with LATL & Stanley during the Financial Year 2017-18 together with projections until 2020-21 are tabulated as under:

S. No.	Particulars of Transactions with Lumax Auto Technologies Limited	₹ In Crores		% to Turnover	Projected Transactions Proposed for Approval		
		2017-18	Cumulative		2018-19	2019-20	2020-21
1.	Purchase of Raw materials, Components and Moulds	124.89					
2.	Purchase of Finished Goods	-					
3.	Purchases of Packing Material	0					
4.	Purchase of Spares & Samples	0.01	207.22	16%	Δ 20% on 2017-18	Δ 20% on 2018-19	Δ 20% on 2019-20
5.	Purchase of Fixed Assets	0.43					
6.	Sale of Raw Materials and components including semi-finished goods	28.87					
7.	Sale of Finished Goods	52.72					
8.	Sale of Services	0.24					

S. No.	Particulars of Transactions with Stanley Electric Co. Ltd.	₹ In Crores		% to Turnover	Projected Transactions Proposed for Approval		
		2017-18	Cumulative		2018-19	2019-20	2020-21
1.	Sale of Services	0.60					
2.	Purchase of Raw materials, Components and Moulds	95.88					
3.	Purchase of Spares & Samples	0.06	140.09	11%	Δ 20% on 2017-18	Δ 20% on 2018-19	Δ 20% on 2019-20
4.	Purchase of Fixed Assets	0.03					
5.	Technical Charges (Design, Drawing & Testing Charges)	13.70					
6.	Royalty	20.02					
7.	Management Support Fees	9.78					

These transactions as well as the proposed transactions would continue to be in ordinary course of business and at arm's length basis.

The Audit Committee of the Company, from time to time, grants omnibus approval for aforesaid transactions and other type of transactions entered into/ to be entered into with LATL & Stanley respectively. During the Financial Year 2017-18 these transactions has exceeded the Materiality threshold prescribed under Listing Regulations i.e. 10% of the Company's Annual Consolidated Turnover as per the last audited Financial Statements and same is also expected to cross applicable Materiality thresholds in future as well.

The Company proposes to obtain approval of the Shareholders for Financial Year 2017-18 and for a further approval to the Board of Directors for a further period of Three (3) years for entering into transactions with LATL & Stanley. The Board is of the opinion that aforesaid transactions with LATL & Stanley are in the best interests of the Company.

For Resolution proposed in Item No.5, Mr. Deepak Jain and Mr. Anmol Jain, being Director on the Board of the Company as well as Director on the Board & Shareholders of LATL are interested in the said Resolution. Also, Mr. D.D. Gupta being Director of the Company as well as Director on the Board of LATL is interested in the said Resolution.

None of the other Directors, Key Managerial Personnel of the Company and their relatives, other than to the extent of their shareholding are concerned or interested, Financial or otherwise, in the said Resolution.

For Resolution proposed in Item No.6 Mr. Deepak Jain and Mr. Anmol Jain are interested up to the extent of Shareholding in Stanley granted under Stock Options. Also Mr. Tadayoshi Aoki, Mr. Toru Tanabe and Mr. Koji Sawada being Directors on the Board of the Company are interested in the said Resolution being the Representatives of Stanley on the Board of the Company.

None of the other Directors, Key Managerial Personnel of the Company and their relatives, are concerned or interested, Financial or otherwise, in the said Resolution.

Your Directors recommend the Resolution set forth in Item Nos. 5 & 6 for approval of the Shareholders as an Ordinary Resolution.

#### Item No.7

The Board of Directors have appointed Mr. Tadayoshi Aoki, Nominee of Stanley Electric Co. Ltd, Japan, the Financial and Technical Collaborator, as Additional Director for time being, on the Board of the Company at their Meeting held on 3<sup>rd</sup> February 2018, subject to his regular appointment in the ensuing AGM. Accordingly, he shall hold office upto the date of this AGM and is to be appointed as Regular Director in this Meeting.

In accordance with agreement(s) entered into between the Company and Stanley and on the recommendation of the Nomination and Remuneration Committee the Board have appointed Mr. Tadayoshi Aoki as Senior Executive Director of the Company for a period of Three (3) Years with effect from 3<sup>rd</sup> February 2018, on the remuneration and terms as set out in the Resolution and also in this Explanatory Statement, subject to the approval of the shareholders in the AGM and the Central Government.

Mr. Tadayoshi Aoki satisfies all the conditions Part I of Schedule V of the Companies Act, 2013 except the conditions of paragraph (e) i.e. Non-Resident in India, the approval for same has been applied to Central Government as required under the law. The remuneration payable to Mr. Tadayoshi Aoki is commensurate with his educational background, experience in the Auto lighting business and the responsibilities as Senior Executive Director of the Company of this size. His contribution, as Nominee of the Stanley will be significant for the growth of the Company.

**Particulars of Remuneration and Perquisites:**

S. No.	Particulars	Amount
1.	Basic Salary	₹24,000 per month
2.	House Rent Allowance	₹12,000 per month
3.	Special/Other Allowance	₹1,00,000 per month
4.	Family Allowance	₹12,000 per month
5.	Perquisites & Allowances for Mr. Tadayoshi Aoki	
a.	Proceeding/ Outfitting allowance to self and his family.	Mr. Tadayoshi Aoki shall be eligible for proceeding/Outfitting allowance at the rate of maximum of two months salary. Further he will be paid all travelling expenses and incidentals incurred in India. His spouse and each of his children of above 12 Years age are eligible for proceeding/ returning allowance subject to maximum at the rate of 50% of 2 months salary and at the rate of 25% in case of children below 12 year
b.	Medical Aid	Expenses in connection with the medical checkup twice a Year, Air fare from India to Japan and return and other medical expenses etc. as per the Service Agreement between the Company and Stanley.
c.	Other benefits	i) The Company will provide a Chauffeur driven Car to him. The Company shall bear all the expenses in respect of car such as servicing, repairs, fuel, taxes, comprehensive insurance premium etc. including the salary for the Chauffeur. ii) The Company will also provide the facilities of Telephone and Gas etc. iii) The Company to pay to and fro travelling expenses of Mr. Tadayoshi Aoki and his family when he goes on special leave/holiday passage granted to him.

All the perquisites and benefits shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rules perquisites shall be evaluated at actual cost.

The Board considers that the appointment of Mr. Tadayoshi Aoki as Director as well as Senior Executive Director will be beneficial for the Company considering his educational background, experience in the Auto lighting business and he will extend required technical know how support to the Company as Nominee of Stanley which will be in the overall interest and growth of the Company. Therefore, the Board recommends his appointment.

The aforesaid proposal including remuneration has been approved and recommended by Nomination and Remuneration Committee considering Financial position of the Company, trend in the Industry, appointee qualification and experience among others and also by the Board of Directors at their meeting, subject to the approval of Members in the ensuing AGM.

Except Mr. Tadayoshi Aoki, Mr. Koji Sawada and Mr. Toru Tanabe, all being Nominee Directors of Stanley Electric Co., Ltd., none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, Financial or otherwise, in the agenda as set out at Item No. 7 of the Notice.

**Particulars of Remuneration and Perquisites:**

S. No.	Particulars	Amount
1.	Salary	₹ 82,28,400 per annum
2.	Perquisites & Allowances	₹ 1,52,81,400 per annum
3.	Total	₹ 2,35,09,800 per annum
4.	Commission	Up to 1% per annum of the Net Profits of the Company, calculated in accordance with the provisions of the Companies Act, 2013. The commission may be paid quarterly, half Yearly or annually as the Board may determine from time to time subject to overall limits of remuneration prescribed under Section 197 of the Companies Act, 2013.
5.	Other benefits	The Company will provide a Chauffeur driven Car to him. The Company shall bear all the expenses in respect of car such as servicing, repairs, fuel, taxes, comprehensive insurance premium etc. including the salary for the Chauffeur.

Perquisites & Allowances, subject to maximum of the limits as given above, shall include House Rent Allowance and reimbursement of all expenses on Leave Travel Concession, Medical, Medicaclaim, Superannuation fund and National Pension Scheme on actual basis, if incurred by him on self, spouse and dependent parent(s) and dependent children as the case may be. The Company shall make all applicable Statutory Payments viz. Provident Funds, Gratuity, as per the rules of the Company in respect of above remuneration.

Your Directors recommend the Resolution set forth in Item No. 7 for approval of the Shareholders as Special Resolution.

**Item No. 8**

The Board of Directors have appointed Mr. Vineet Sahni, as an Additional Director for the time being, on the Board of the Company at their Meeting held on 31<sup>st</sup> March 2018, subject to his regular appointment in the ensuing AGM. Accordingly, he shall hold office upto the date of this AGM and is to be appointed as Regular Director in this Meeting.

The Board of Directors at its meeting held on 31<sup>st</sup> March 2018, on the recommendation of the Nomination and Remuneration Committee have appointed Mr. Vineet Sahni as Senior Executive Director of the Company for a period of Five (5) years with effect from 1<sup>st</sup> April 2018, on the remuneration and terms as set out in the Resolution and also in this Explanatory Statement, subject to the approval of the Shareholders in the AGM.

Mr. Vineet Sahni satisfies all the conditions Part I of Schedule V of the Companies Act, 2013. The remuneration payable to Mr. Vineet Sahni is commensurate with his educational background, experience in the Auto lighting business and the responsibilities as Senior Executive Director of the Company of this size.

All the perquisites and benefits shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rules perquisites shall be evaluated at actual cost.

The Board considers that the appointment of Mr. Vineet Sahni as Director as well as Senior Executive Director will be beneficial for the Company considering his educational background, experience in the Auto lighting business. Therefore, the Board recommends his appointment.

The aforesaid proposal including remuneration has been approved and recommended by Nomination and Remuneration Committee considering Financial position of the Company, trend in the Industry, appointee qualification and experience among others and also by the Board of Directors at their meeting, subject to the approval of Members in the ensuing AGM. The Annual Increments shall be recommended by Nomination and Remuneration Committee for further approval of Board of

Directors and Shareholders, however shall remain within overall ceiling applicable to whole-time Directors as prescribed under the Companies Act, 2013.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, Financial or otherwise, in the agenda as set out at Item No. 8 of the Notice.

Your Directors recommend the Resolution set forth in Item No. 8 for approval of the Members as an Ordinary Resolution.

**BY ORDER OF THE BOARD  
FOR LUMAX INDUSTRIES LIMITED**

**ANKITA GUPTA  
COMPANY SECRETARY  
M.NO. A50166**

**Place: New Delhi  
Date: 28<sup>th</sup> May 2018**

**Note: As per the requirements of Secretarial Standard-2 (SS-2) issued by Institute of Company Secretaries of India (ICSI) the information required to be mentioned in the Explanatory Statement pertaining to Directors seeking Appointment/Re-appointment have been covered in the Corporate Governance Report which forms the part of Annual Report.**

**INFORMATION AS PER REGULATION 36 (3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), REGULATIONS, 2015 & SECRETARIAL STANDARD (SS-2)**

**PROFILE OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT**

S. No.	Particulars	Mr. Tadayoshi Aoki	Mr. Vineet Sahni	Mr. Koji Sawada
1.	<b>Director Identification Number</b>	08053387	03616096	07582189
2.	<b>Date of Birth</b>	27.07.1966	01.04.1965	21.04.1963
3.	<b>Qualification</b>	Mechanical Engineer from Tokyo Denki, University, Japan	B.E Mechanical from Delhi College of Engineering and PG Diploma in Management from MSPI – Delhi	Graduate from Osaka Institute of Technology, Japan
4.	<b>Nature of Expertise</b>	Having rich experience of around 28 Years in the field of Car Electronics, Engineering, Sales of car electronic parts and Sales Planning Division.	Having vast experience of successful Mergers & Acquisitions, managing overseas partner relationships, setting-up Greenfield projects, rich organizational turnarounds, establishing strong relationships with OEMs across segments - domestic & global	Having over 30 Years of rich experience in Quality Control and Lamp Assembly.
5.	<b>Name of Listed Companies in which Directorship held other than Lumax Industries Limited</b>	Nil	Nil	Nil
6.	<b>Chairman/ Member of the Committee of the Board of Listed Companies other than Lumax Industries Limited</b>	Nil	Nil	Nil
7.	<b>Relationship with other Directors interse</b>	Related to Mr. Koji Sawada and Mr. Toru Tanabe as Nominee Directors of Stanley Electric Co., Ltd.	Not related with any Director/KMP of the Company	Related to Mr. Tadayoshi Aoki and Mr. Toru Tanabe as Nominee Directors of Stanley Electric Co., Ltd.
8.	<b>No. of Shares held in the Company</b>	Nil	1,000	Nil

**ROUTE MAP TO THE VENUE OF THE AGM**

