



## LUMAX INDUSTRIES LIMITED

CIN: L74899DL1981PLC012804

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

Phone: 011 49857832, Email: [lumaxshare@lumaxmail.com](mailto:lumaxshare@lumaxmail.com),

Website: [www.lumaxworld.in/lumaxindustries](http://www.lumaxworld.in/lumaxindustries)

### NOTICE OF POSTAL BALLOT

#### [Pursuant to Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014]

Dear Member(s),

NOTICE is hereby given that pursuant to the provisions of Section 110 and all other applicable provisions, if any, of the Companies Act, 2013 ("the **Act**"), read with Rule 20 & 22 of the Companies (Management and Administration) Rules, 2014, as amended ("the **Rules**"), General Circular Nos.14/2020, 17/2020, 22/2020 and 33/2020 dated April 8, 2020, April 13, 2020, June 15, 2020 and September 28, 2020 respectively issued by the Ministry of Corporate Affairs ("**MCA**") (collectively "**MCA Circulars**"), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") including any statutory modification(s) or re-enactment(s) thereof for the time being in force, Secretarial Standards – 2 on General Meeting (**SS-2**) issued by the Institute of Company Secretaries of India (ICSI), and other applicable laws and regulations, if any, the Company is seeking consent / approval of the Member(s) of the Company for the below appended resolutions by means of postal Ballot including an option to vote through electronic means i.e. through remote e-voting system ("**Postal Ballot/E-voting**").

The Board of Directors of your Company, at their Meeting held on November 09, 2020 has appointed Mr. Surinder Vashishtha, Practicing Company Secretary, (ACS 21285), (the "**Scrutinizer**"), to act as the Scrutinizer for conducting the Postal Ballot/ E-voting process in a fair and transparent manner. The consent to act as Scrutinizer has been received on October 30, 2020.

The Member(s) have the option to vote either by physical Postal Ballot or through e-voting. Those Member(s) desiring to exercise their vote by Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and record their assent ('FOR') or dissent ('AGAINST') therein and return the same, duly completed in all respects in the enclosed self-addressed Business Reply Envelope. A Postal ballot Form sent by courier or by registered post/ speed post at the address mentioned on the self-addressed Business Reply Envelope at the expense of the Member(s) will also be accepted. The Postal Ballot Form(s) may also be deposited personally at the address given on the self-addressed envelope.

The duly completed Postal Ballot Form should reach the Scrutinizer at 2<sup>nd</sup> Floor, Harbans Bhawan-II, Commercial Complex, Nangal Raya, New Delhi-110046 not later than 05:00 P.M. (IST) on January 13, 2021 to be eligible for being considered, failing which it will be considered that no reply has been received from the Member(s). Pursuant to Section 108 of the Act read with Rule 20 of the Rules, the Company is also providing e-voting facility for voting electronically on the resolutions proposed in this Notice of Postal Ballot. Members desiring to opt for the e-voting facility are requested to read carefully the related instructions as stated in the notes to this Notice of Postal Ballot under the heading "Voting through Electronic Means (E-voting)".

You are requested to peruse the proposed resolutions along with the Explanatory Statements and thereafter accord your assent or dissent by means of remote e-voting facility or by sending the completed Postal Ballot Form as provided by the Company.

#### **PROPOSED RESOLUTIONS:**

##### **SPECIAL BUSINESS**

#### **Item No. 1 - Approval for Reappointment of Mr. Deepak Jain (DIN: 00004972) as Chairman and Managing Director (Key Managerial Personnel) 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** in accordance with the provisions of Sections 196,197, 198, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), Articles of Association of the Company and subject to the approval of Central Government and other authorities, as applicable and on the basis of approval of the Nomination and Remuneration Committee and the Board of Directors of the Company, the consent of the members of the Company be and is hereby accorded to the re-appointment of Mr. Deepak Jain as Chairman and Managing Director (Key Managerial Personnel) of the Company, for a further period of 5 (Five) years with effect from February 01, 2021 on the terms & conditions including remuneration, allowances and perquisites as set out in the explanatory statement annexed to the notice with liberty and authority to the Board of Directors to grant increments and to alter and vary the terms and conditions and/ or remuneration, subject to the provisions of the applicable laws and approvals and/ or as may be directed by the Central Government, if any, and agreed to by the said Chairman and Managing Director.

**Resolved further that** since the period of office of Mr. Deepak Jain as Director is liable to determination by retirement by rotation, he shall continue to hold office of Chairman and Managing Director as soon as he is reappointed as a director immediately post retirement by rotation and such reappointment as director shall not be deemed to constitute a break in his tenure as Chairman and Managing Director.

**Resolved further that** in the event of absence or inadequacy of profit in any of the financial year during the tenure, the above remuneration shall be paid to the Chairman and Managing Director (Key Managerial Personnel) as the minimum remuneration subject to the limits prescribed in Schedule V of the Companies Act, 2013.

**Resolved further that** pursuant to the provisions of Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) and on the basis of approval of the Nomination and Remuneration Committee and the Board of Directors of the Company, the consent of the members of the Company be and is hereby also accorded for the payment of above remuneration to Mr. Deepak Jain, Chairman and Managing Director of the Company who is also a promoter and member of the promoter group, notwithstanding that the remuneration payable to Mr. Deepak Jain in any year during his tenure from 1<sup>st</sup> February, 2021 to 31<sup>st</sup> January, 2026 exceeds the ceilings prescribed in the said Regulation.

**Resolved further that** for the purpose of giving effect to this resolution, the Board of Directors and Company Secretary of the Company be and are hereby severally authorized on behalf of the Company to take all necessary steps in this regard in order to facilitate the legal and / or procedural formalities, sign such documents or papers as may be necessary, file such applications, forms 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.”

**Item No. 2 - Approval for Reappointment of Mr. Anmol Jain (DIN: 00004993) as Joint Managing Director (Key Managerial Personnel) 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** in accordance with the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), Articles of Association of the Company and subject to the approval of Central Government and other authorities, as applicable and on the basis of approval of the Nomination and Remuneration Committee and the Board of Directors of the Company, the consent of the members of the Company be and is hereby accorded to the re-appointment of Mr. Anmol Jain as Joint Managing Director (Key Managerial Personnel) of the Company, for a further period of 5 (Five) years with effect from August 01, 2021 on the terms & conditions including remuneration, allowances and perquisites as set out in the explanatory statement annexed to the notice with liberty and authority to the Board of Directors to grant increments and to alter and vary the terms and conditions and/ or remuneration, subject to the provisions of the applicable laws and approvals and/ or as may be directed by the Central Government, if any, and agreed to by the said Joint Managing Director.

**Resolved further that** since the period of office of Mr. Anmol Jain as Director is liable to determination by retirement by rotation, he shall continue to hold office of Joint Managing Director as soon as he is reappointed as a director immediately post retirement by rotation and such reappointment as director shall not be deemed to constitute a break in his tenure as Joint Managing Director.

**Resolved further that** in the event of absence or inadequacy of profit in any of the financial year during the tenure, the above remuneration shall be paid to the Joint Managing Director (Key Managerial Personnel) as minimum remuneration subject to the limits prescribed in Schedule V of the Companies Act, 2013.

**Resolved further that** pursuant to the provisions of Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) and on the basis of approval of the Nomination and Remuneration Committee and the Board of Directors of the Company, the consent of the members of the Company be and is hereby also accorded for the payment of above remuneration to Mr. Anmol Jain, Joint Managing Director of the Company who is also a promoter and member of the promoter group, notwithstanding that the remuneration payable to Mr. Anmol Jain in any year during his tenure from 1<sup>st</sup> August, 2021 to 31<sup>st</sup> July, 2026 exceeds the ceilings prescribed in the said Regulation.

**Resolved further that** for the purpose of giving effect to this resolution, the Board of Director and Company Secretary of the Company be and are hereby severally authorized on behalf of the Company to take all necessary steps in this regard in order to facilitate the legal and / or procedural formalities including filing of necessary forms/returns in respect of the re-appointment of Mr. Anmol Jain with the Registrar of Companies/ Ministry of Corporate Affairs 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.”

**Item No. 3 - Approval for Reappointment of Mr. Tadayoshi Aoki (DIN: 08053387) as Senior Executive Director - Whole Time Director (Key Managerial Personnel) 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** in accordance with the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), Articles of Association of the Company and subject to the approval of Central Government and other authorities, as applicable and on the basis of approval of the Nomination and Remuneration Committee and the Board of Directors of the Company, the consent of the members of the Company be and is hereby

accorded to the re-appointment of Mr. Tadayoshi Aoki as Senior Executive Director, Whole Time Director (Key Managerial Personnel) of the Company, for a period of 3 (three) years with effect from February 03, 2021 on the remuneration and terms and conditions including allowances and perquisites, as set out in the explanatory statement annexed to the notice with liberty and authority to the Board of Directors to grant increments and to alter and vary the terms and conditions and/ or remuneration, subject to the provisions of the 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 post retirement by rotation and such reappointment as director shall not be deemed to constitute a break in his tenure as Senior Executive Director.

**Resolved further that** in the event of absence or inadequacy of profit in any of the financial year during the tenure, the above remuneration shall be paid as minimum remuneration to the Senior Executive Director, Whole Time Director (Key Managerial Personnel) of the Company subject to the limits prescribed in Schedule V of the Companies Act, 2013.

**Resolved further that** for the purpose of giving effect to this resolution, the Board of Directors and Company Secretary of the Company be and are hereby severally authorized on behalf of the Company to take all necessary steps in this regard in order to facilitate the legal and / or procedural formalities, sign such documents or papers as may be necessary, file such applications, forms 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.”

**Item No. 4 - Approval for the payment of minimum remuneration to Mr. Deepak Jain (DIN: 00004972) Chairman and Managing Director (Key Managerial Personnel) for the Financial Year 2020-21**

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

“**Resolved that** pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule V thereto (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force), Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 and on the basis of the approval of the Nomination and Remuneration Committee and the Board of Directors of the Company, the consent of the members of the Company be and is hereby accorded to the payment of the remuneration to Mr. Deepak Jain (DIN: 00004972), Chairman and Managing Director of the Company during the Financial Year 2020-21 as per the terms of his appointment approved by the Shareholders in their 35<sup>th</sup> Annual General Meeting (AGM) as minimum remuneration.

**Resolved further that** for the purpose of giving effect to this resolution, the Board of Directors and Company Secretary of the Company be and are hereby severally authorized on behalf of the Company to take all necessary steps in this regard in order to facilitate the legal and / or procedural formalities, sign such documents or papers as may be necessary, file such applications, forms 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.”

**Item No. 5 - Approval for the payment of minimum remuneration to Mr. Anmol Jain (DIN: 00004993) Joint Managing Director (Key Managerial Personnel) for the Financial Year 2020-21**

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

“**Resolved that** pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule V thereto (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force), Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, and on the basis of the approval of the Nomination and Remuneration Committee and the Board of Directors of the Company, the consent of the members of the Company be and is hereby accorded to the payment of remuneration to Mr. Anmol Jain (DIN: 00004993), Joint Managing Director of the Company during the Financial Year 2020-21 as per the terms of his appointment approved by the Shareholders in their 35<sup>th</sup> Annual General Meeting (AGM) as minimum remuneration.

**Resolved further that** for the purpose of giving effect to this resolution, the Board of Directors and Company Secretary of the Company be and are hereby severally authorized on behalf of the Company to take all necessary steps in this regard in order to facilitate the legal and / or procedural formalities, sign such documents or papers as may be necessary, file such applications, forms 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.”

**Item No. 6 - Approval for the payment of minimum remuneration to Mr. Vineet Sahni (DIN: 03616096) Senior Executive Director – Whole Time Director and CEO (Key Managerial Personnel) for the Financial Year 2020-21**

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

“**Resolved that** pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule V thereto (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force), Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, and on the basis of the approval of the Nomination and Remuneration Committee along with the approval of the Board of Directors of the Company, the consent of

the members of the Company be and is hereby accorded to the payment of remuneration to Mr. Vineet Sahni (DIN: 03616096), Senior Executive Director – Whole Time Director and CEO (Key Managerial Personnel) of the Company during the Financial Year 2020-21 as per the terms of his appointment approved by the Shareholders in their 37<sup>th</sup> and 38<sup>th</sup> Annual General Meeting (AGM) of the Company as minimum remuneration.

**Resolved further that** for the purpose of giving effect to this resolution, the Board of Directors and Company Secretary of the Company be and are hereby severally authorized on behalf of the Company to take all necessary steps in this regard in order to facilitate the legal and / or procedural formalities, sign such documents or papers as may be necessary, file such applications, forms 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.”

**Item No. 7 - Approval for the payment of minimum remuneration to Mr. Tadayoshi Aoki (DIN: 08053387) Senior Executive Director - Whole Time Director (Key Managerial Personnel) for the Financial Year 2020-21**

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

“**Resolved that** pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule V thereto (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force), Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, and on the basis of the approval of the Nomination and Remuneration Committee and the Board of Directors of the Company, the consent of the members of the Company be and is hereby accorded to the payment of remuneration to Mr. Tadayoshi Aoki (DIN: 08053387), Senior Executive Director – Whole Time Director (Key Managerial Personnel) of the Company during the Financial Year 2020-21, as per the terms of his appointment approved by the Shareholders in their 37<sup>th</sup> Annual General Meeting (AGM) as minimum remuneration .

**Resolved further that** for the purpose of giving effect to this resolution, the Board of Directors and Company Secretary of the Company be and are hereby severally authorized on behalf of the Company to take all necessary steps in this regard in order to facilitate the legal and / or procedural formalities, sign such documents or papers as may be necessary, file such applications, forms 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.”

**Item No. 8 - Approval for the payment of minimum remuneration to Mr. Kenjiro Nakazono (DIN: 08753913) Executive Director – Whole Time Director (Key Managerial Personnel) for the Financial Year 2020-21**

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

“**Resolved that** pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule V thereto (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force), Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, on the basis of the approval of the Nomination and Remuneration Committee and the Board of Directors of the Company, the consent of the members of the Company be and is hereby accorded to the payment of remuneration to Mr. Kenjiro Nakazono (DIN: 08753913), Executive Director – Whole Time Director (Key Managerial Personnel) of the Company during the Financial Year 2020-21 as per the terms of his appointment approved by the Shareholders in their 39<sup>th</sup> Annual General Meeting (AGM) as minimum remuneration.

**Resolved further that** for the purpose of giving effect to this resolution, the Board of Directors and Company Secretary of the Company be and are hereby severally authorized on behalf of the Company to take all necessary steps in this regard in order to facilitate the legal and / or procedural formalities, sign such documents or papers as may be necessary, file such applications, forms 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.”

**Item No. 9 - Approval for remuneration payable to Mr. Deepak Jain (DIN: 00004972) Chairman and Managing Director (Key Managerial Personnel) who is also promoter of the Company in excess of threshold limits under Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

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

“**Resolved that** pursuant to the provisions of sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), (including any amendment, modification or re-enactment thereof) and rules made there under and Schedule V thereto and Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force) and on the basis of the approval of the Nomination and Remuneration Committee and the Board of Directors and such other approvals, permissions or sanctions as may be necessary, the consent of the Members of the Company be and is hereby accorded for the payment of remuneration to Mr. Deepak Jain (DIN:00004972), Chairman and Managing Director of the Company, who is also a promoter and member of the promoter group, on the terms and conditions as approved by the Shareholders in the 35<sup>th</sup> Annual General Meeting (AGM) of the Company held on August 08, 2016, notwithstanding that the remuneration payable to Mr. Deepak Jain exceeds the ceilings prescribed under the said Regulation, during the period from April 01, 2020 to January 31, 2021.

**Resolved further that** for the purpose of giving effect to this resolution, the Board of Directors and Company Secretary of the Company be and are hereby severally authorized on behalf of the Company to take all necessary steps in this regard in order to

facilitate the legal and / or procedural formalities, sign such documents or papers as may be necessary, file such applications, forms 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.”

**Item No. 10 - Approval for remuneration payable to Mr. Anmol Jain (DIN: 00004993) Joint Managing Director (Key Managerial Personnel) who is also promoter of the Company in excess of threshold limits under Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

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

“**Resolved that** pursuant to the provisions of sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), (including any amendment, modification or re-enactment thereof) and rules made there under and Schedule V thereto and Regulation 17(6)(e) by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force) and on the basis of the approval of the Nomination and Remuneration Committee and the Board of Directors and such other approvals, permissions or sanctions as may be necessary, the consent of the Members of the Company be and is hereby accorded for the payment of remuneration to Mr. Anmol Jain (DIN:00004993), Joint Managing Director of the Company, who is also a promoter and member of the promoter group, on the terms and conditions as approved by the Shareholders in the 35<sup>th</sup> Annual General Meeting (AGM) of the Company held on August 08, 2016, notwithstanding that the remuneration payable to Mr. Anmol Jain in any year exceeds the ceilings prescribed under the said Regulation, during his tenure up to July 31, 2021.

**Resolved further that** for the purpose of giving effect to this resolution, the Board of Directors and Company Secretary of the Company be and are hereby severally authorized on behalf of the Company to take all necessary steps in this regard in order to facilitate the legal and / or procedural formalities, sign such documents or papers as may be necessary, file such applications, forms 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.”

**Item No. 11 - Approval of Material Related Party Transactions with Lumax Auto Technologies Limited**

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

“**Resolved that** pursuant to the provisions of Section 188 of the Companies Act, 2013 (“the Act”), read with the Companies (Meetings of Board and its Powers) Rules, 2014, Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable provisions of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and also pursuant to approval of Audit Committee and Board of Directors (hereinafter referred to as the “Board”), subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, the consent of the Member(s) be and is hereby accorded to enter into/continue the contracts, agreements, arrangements and material related party transactions (including transactions already entered) with Lumax Auto Technologies Limited (“LATL”), a related party of the Company within the meaning of Section 2(76) of the Act for sale, purchase, transfer or receipt of products, goods, materials, assets or availing or rendering of services, Rent/Leasing Transactions & Rent Deposits, Reimbursement of Expenses, etc. and such other transactions as may be approved by Audit Committee and Board for an estimated amount of up to Rs. 225 Crores (Rupees Two Hundred Twenty Five Crores only) for the Financial Year 2020-21 on such terms and conditions as may be mutually agreed upon between the Company and LATL.

**Resolved further that** the Board of Directors of the company be and is hereby authorized to decide upon the nature and value of the products, goods, materials, assets or services to be transacted with LATL within the aforesaid limits.

**Resolved further that** the Board of Directors of the Company be and is hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts and things as may be considered necessary and expedient for the purpose of giving effect to this resolution.

**Resolved further that** the Board of Directors of the Company be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any one or more Directors of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution.”

**Date: 9<sup>th</sup> November, 2020**

**Place: New Delhi**

**By Order of the Board of Directors**

**For LUMAX INDUSTRIES LIMITED**

**PANKAJ MAHENDRU  
COMPANY SECRETARY  
Membership No: ACS28161**

## **Notes:**

1. An Explanatory Statement pursuant to Section 102(1) of the Act setting out all material facts relating to the proposed resolutions in this Postal Ballot Notice is attached and forms part of this notice.
2. The Postal Ballot Notice along with the Postal Ballot Form is being sent in electronic form to the Member(s) as on Cut-off date, who have registered their e-mail addresses with the Company /Registrars and Transfer Agents of the Company (in case of physical/non-demat shareholding) / with their Depository Participants (in case of electronic/demat shareholding) and the Physical copies of the Postal Ballot Notice along with Postal Ballot Form are being sent to Member(s) whose e-mail addresses are not registered, by permitted mode along with a self-addressed postage pre-paid Business Reply Envelope. The self-addressed envelope bears the address to which duly completed Postal Ballot Form is to be sent. Members may note that this Notice will also be available on the Company's Website viz. [www.lumaxworld.in/lumaxindustries/postal-ballot.html](http://www.lumaxworld.in/lumaxindustries/postal-ballot.html).
3. Members are requested to intimate changes, if any, pertaining to their name, postal address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, to their Depository Participants ("DPs") in case the shares are held by them in dematerialized form and to the Registrar and Share Transfer Agents of the Company i.e. KFin Technologies Pvt. Ltd. in case the shares are held by them in physical form.
4. The Postal Ballot Notice is being sent to the Members whose names appear on the Register of Members/List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on **Friday, 04<sup>th</sup> December, 2020 ("Cut-off date")**.
5. Voting rights shall be reckoned on the paid-up value of shares registered in the name of Member / Beneficial Owner (in case of electronic shareholding) as on the Cut-off date.
6. The Resolutions, if passed by the members with requisite majority through Postal Ballot (including e-voting) shall be deemed to have been passed on the last date of voting, that is, January 13, 2021 as if these have been passed at a general meeting of the members.
7. Pursuant to the provisions of Sections 108 & 110 of the Act read with Rules 20 and 22 of the Rules, Regulation 44 of Listing Regulations and the MCA Circulars, the Company is providing facility of remote e-voting to all its Members in respect of the businesses to be transacted through Postal Ballot. The Company has engaged the services of KFin Technologies Pvt. Ltd. ("KFintech") to provide remote e-voting facility to its Members. Instructions for remote e-voting are provided herein below at point no. 18. Members whose email ids are not registered with the Company/ KFin Technologies Pvt. Ltd. /Depositories, for obtaining Postal Ballot Notice and login credentials for remote e-voting for the resolutions are requested to refer the instructions provided herein the notes.
8. During the e-voting period, Members can login to <https://evoting.kfintech.com> any number of times till they have voted on all the resolutions. Once the vote on a resolution is cast by a Member, whether partially or otherwise, the Member shall not be allowed to change it subsequently or cast the vote again.
9. The member(s) of the Company can opt for only one mode of voting, that is, either by physical Postal Ballot Form or e-voting. In case Members cast their votes through both the modes, voting done by valid e-voting shall prevail and votes cast through physical Postal Ballot will be treated as "INVALID".
10. The e-voting period shall commence on Tuesday, December 15, 2020 at 09:00 a.m. and up to 5.00 p.m. on Wednesday, January 13, 2021. During this period, Members of the Company, holding shares either in physical or dematerialised form, as on the Cut-off date, may cast their vote electronically. The e-voting module shall be disabled by KFintech thereafter.
11. The details of Postal Ballot/ voting by e-voting shall be under safe custody of the scrutinizer till the Chairman consider, approve and sign the results of the voting.
12. The Scrutinizer will submit his report to the Chairman of the Company or in his absence, to the person authorised by him in writing, after the completion of the scrutiny of the Postal Ballots including E-Voting. The results of the Postal ballot would be announced by the Chairman or any other Director / authorized person of the Company on or before Friday, the January 15, 2021 and shall be displayed on the notice board of the Company at its Registered Office besides being communicated to Stock Exchanges. The results will also be displayed on the website of the Company at [www.lumaxworld.in/lumaxindustries/postal-ballot.html](http://www.lumaxworld.in/lumaxindustries/postal-ballot.html) for the information of the member(s).
13. Relevant documents referred to in this Postal Ballot Notice and the Statement are available for inspection by the Members at the Company's Registered Office during business hours on all working days from the date of dispatch of this Postal Ballot Notice until the last date for receipt of votes by Postal Ballot/ E-voting i.e. Wednesday, the January 13, 2021.
14. In case of any queries, the shareholder(s) may refer to the Frequently Asked Questions (FAQs) for Members at <https://evoting.kfintech.com/public/Faq.aspx> or call KFintech on 1800 345 4001 (toll free) or may send an e-mail request to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or call at 040-67161524
15. The Scrutinizer's decision on the validity of the Postal Ballot shall be final.
16. A Member cannot exercise his vote by proxy on postal ballot.
17. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently or cast vote again.

## **18. Voting Through Electronic Means:**

**The 'Step by Step' procedure, Instructions and other information for casting your vote electronically through e-voting are as under:**

### **A. In case a Member receives Notice through an e-mail:**

- i. Use the following URL for e-voting: <https://evoting.kfintech.com>.
- ii. Enter the login credentials, i.e., user id and password mentioned in your email. Your Folio No./DP ID Client ID will be your user ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and Password for casting your votes.
- iii. After entering the details appropriately, click on LOGIN.
- iv. You will reach the Password change menu, wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the EVENT, i.e., Lumax Industries Limited.
- vii. On the voting page, the number of shares (which represents the number of votes) as held by the Member as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, then enter all shares and click 'FOR'/AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in FOR'/AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- ix. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- x. Corporate/Institutional Members (i.e., other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPEG Format) of the relevant Board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory (ies) who are authorised to vote, to the scrutinizer through email @ [svacslegal@gmail.com](mailto:svacslegal@gmail.com). They may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'Corporate Name\_EVENT No.'

### **B. In case a Member receives physical copy of the Postal Ballot Notice [for Members whose email IDs are not registered with the Company / Depository Participant(s)]:**

- i. User ID and initial password as provided in Postal Ballot Form.
- ii. Please follow all steps from Sr. No. (i) to (x) as mentioned in (A) above, to cast your vote.

## **19. Information and instructions relating to voting through physical Postal Ballot Form**

- i. Members are requested to carefully read the instructions printed in the Postal Ballot Form and return the Postal Ballot Form duly completed with the Assent (FOR) or Dissent (AGAINST), in the enclosed self-addressed postage pre-paid envelope, so as to reach the Scrutinizer, not later than close of working hours that is, **05:00 p.m. (IST) on January 13, 2021** to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member.
- ii. Members are requested to exercise their voting rights by using the attached Postal Ballot Form only. No other form or photocopy of the form is permitted.
- iii. Corporate / Institutional Members (that is, other than Individuals, HUF, NRI, etc.) opting for physical ballot are also required to send certified true copy of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer along with the Postal Ballot Form.
- iv. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on <https://evoting.kfintech.com> to reset the password.

## **EXPLANATORY STATEMENT**

**(Pursuant to the Provisions of Section 102 (1) of the Companies Act, 2013)**

### **Item No. 1 & 2**

Mr. Deepak Jain was re-appointed as Managing Director of the Company for a period of 5 Years w.e.f. February 01, 2016 by the shareholders in the Annual General Meeting held on August 08, 2016, in accordance with the provisions of Sections 196,197, 203

read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013. The current tenure of Mr. Deepak Jain, Chairman and Managing Director is expiring on January 31, 2021.

Mr. Deepak Jain has undergone extensive training at I. I. Stanley Co., Inc U.S.A. and Stanley Electric Co., Limited Japan after qualifying his MBA from Illinois Institute of Technologies USA with specialization in operational management & international business. Mr. Deepak Jain, aged 45 years, has more than 25 years of work experience in the manufacturing Automotive Components. Currently he is President of Automotive Component Manufacturers Association of India (ACMA) and Vice President of Toyota Kirloskar Suppliers Association.

His rich experience and continued valuable guidance to the management, strong Board performance, has been instrumental in providing expert guidance in the area of marketing, business development and customer relationship.

Considering his vast experience in the automotive lighting industry and contribution in the progress of the Company, present business performance and future growth plans, it is proposed to re-appoint Mr. Deepak Jain as Chairman and Managing Director for a further period of 5 years w.e.f. February 01, 2021, on the terms & conditions including remuneration, allowances and perquisites as mentioned below.

Mr. Anmol Jain was re-appointed as Joint Managing Director of the Company for a period of 5 Years w.e.f. August 01, 2016 by the shareholders in the Annual General Meeting held on August 08, 2016, in accordance with the provisions of Sections 196,197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013. The tenure of Mr. Anmol Jain, Joint Managing Director is expiring on July 31, 2021.

Mr. Anmol Jain worked as a Management Trainee with GHSP, U.S.A. & subsequently, joined Lumax Group after completing Bachelors in Business Administration in Finance & Supply Chain Management (Double major) from Michigan State University, U.S.A. He has over 20 years of experience.

He has held various positions in Industry associations like:

- The National Coordinator of ACMA-YBLF from 2014-16.
- The Chairman CII Haryana State Council in 2012-13.

He is currently:

- President of Honda Cars India Supplier's Club
- MC Member of Bajaj Auto Vendor Association

Considering his vast experience and contribution in the progress of the Company, present business performance and future growth plans, it is proposed to re-appoint Mr. Anmol Jain as Joint Managing Director for a further period of 5 years w.e.f. August 01, 2021, on the terms & conditions including remuneration, allowances and perquisites as mentioned below.

The aforesaid proposals have been approved by Nomination and Remuneration Committee considering financial position of the Company, trend in the Industry, appointee(s) qualification, experience, past performance and past remuneration amongst others and also by the Board of Directors in their meeting held on November 09, 2020.

**Details of Remuneration and perquisites:**

| <b>Particulars</b>                      | <b>Mr. Deepak Jain<br/>Chairman and Managing Director</b>  | <b>Mr. Anmol Jain<br/>Joint Managing Director</b>  |
|---|--|--|
| Effective term & period of remuneration | February 01, 2021 to January 31, 2026  | August 01, 2021 to July 31, 2026   |
| Salary                                  | Rs. 72.00 Lacs per annum   | Rs. 31.20 Lacs per annum   |
| Perquisites & Allowances                | Rs. 48.00 Lacs per annum   | Rs. 19.16 Lacs per annum   |
| <b>Total</b>                            | <b>Rs. 120.00 Lacs per annum</b>   | <b>Rs. 50.36 Lacs per annum</b>  |
| Commission                              | Up to 5% 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 as per Section 197 of the Companies Act, 2013. | Up to 2% 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 as per Section 197 of the Companies Act, 2013. |

Perquisites & Allowances shall include House Rent Allowance, reimbursement of all expenses on Electricity, Security Guards, Club Membership Fees, Leave Travel Concession, Medical, Medclaim and Personal accidental insurance premium, on actual basis, if incurred by him for 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, Superannuation funds, Gratuity, as per the rules of the Company in respect of above remuneration.



The value of perquisites and allowances shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rules, perquisites and allowances shall be evaluated at actual cost. Provided further that the use of company maintained cars, telephones, mobile phone, travelling and hotel expenses incurred for business purposes shall not be included in the computation of perquisites and allowances for the purpose of calculating ceiling of remuneration.

In the event of absence or inadequacy of profit in any of the first three financial years of the tenure, the above remuneration shall be paid to the Chairman and Managing Director and the Joint Managing Director (Key Managerial Personnel) as minimum remuneration subject to the limits prescribed in Schedule V of the Companies Act, 2013.

Relevant details relating to appointment of Mr. Deepak Jain and Mr. Anmol Jain as required by the Act, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard - 2 on General Meetings issued by the ICSI are provided in Annexure - 1 to this Notice.

The statement as required under Section II, Part II of the Schedule V of the Companies Act, 2013 with reference to the Special Resolutions at Item No.1 & 2 is annexed hereto as Annexure - 2.

Pursuant to the provisions of Section 190 of the Companies Act, 2013, the written memorandum setting out the terms and conditions including remuneration and other relevant documents are open for inspection at the Registered Office of the Company during business hours on any working day of the Company without payment of fee.

Except Mr. Deepak Jain and Mr. Anmol Jain being related to each other, none of the Directors and 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 resolutions as set out at Item No. 1 & 2 of the Notice.

Your Directors recommend the resolutions set forth in Item No. 1 & 2 for approval of the members as Special Resolutions.

### **Item No. 3**

Mr. Tadayoshi Aoki, Nominee of Stanley Electric Co. Ltd, Japan, the Financial and Technical Collaborator, was appointed as a Senior Executive Director of the Company for a period of three (3) Years with effect from 3<sup>rd</sup> February 2018 by the shareholders in the 37<sup>th</sup> Annual General Meeting held on July 18, 2018, in accordance with the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013. The current tenure of Mr. Tadayoshi Aoki, Senior Executive Director is expiring on February 02, 2021.

He has done Mechanical Engineering from Tokyo Denki, University, Japan. He is having rich experience of more than 30 Years in the field of Car Electronics, Engineering, Sales of car electronic parts and Sales Planning Division.

Considering his educational background, experience in the Auto lighting business and contribution in the growth of the Company, it is proposed to re-appoint Mr. Tadayoshi Aoki as Senior Executive Director, Whole Time Director (Key Managerial Personnel) for a further period of 3 years w.e.f. February 03, 2021, on the terms & conditions including remuneration, allowances and perquisites as mentioned below.

The aforesaid proposal has been approved by Nomination and Remuneration Committee considering financial position of the company, trend in the Industry, appointee(s) qualification, experience, past performance and past remuneration amongst others and also by the Board of Directors in their meeting held on November 09, 2020.

### **Details of Remuneration and perquisites:**

| <b>S. NO.</b> | <b>PARTICULARS</b>                                      | <b>AMOUNT</b>  |
|---------------|---|--|
| 1.            | Basic Salary  | Rs.24,000 per month  |
| 2.            | House Rent Allowance                                    | Rs.12,000 per month  |
| 3.            | Special/Other Allowance                                 | Rs.1,15,000 per month  |
| 4.            | Family Allowance  | Rs.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/ outfit 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 allowances subject to maximum at the rate of 50% of 2 months' salary and at the rate of 25% in case of children below 12 years. |
| b.            | Medical Aid   | Expenses in connection with the medical check-up twice a year, Air fare from India to Japan and return and other medical expenses etc.   |

|    |                |   |   |
|----|----------------|---|---|
| c. | Other Benefits | 1 | The Company will provide a Chauffeur driven Car to him. The Company shall bear all the expenses in respect of car such as garaging charges, servicing, repairs, fuel, taxes, comprehensive insurance premium etc. including the salary for the Chauffeur. |
|    |                | 2 | The Company will also provide the facilities of Telephone and Gas etc.  |
|    |                | 3 | The Company to pay to and fro traveling 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. Provided further that the use of Company maintained cars, telephones, mobile phone, travelling and hotel expenses incurred for business purposes shall not be included in the computation of perquisites and allowances for the purpose of calculating ceiling of remuneration.

In the event of absence or inadequacy of profit in any of the three financial years of the tenure, the above remuneration shall be paid to the Senior Executive Director, Whole Time Director (Key Managerial Personnel) as minimum remuneration subject to the limits prescribed in Schedule V of the Companies Act, 2013.

Relevant details relating to appointment of Mr. Tadayoshi Aoki as required by the Act, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard - 2 on General Meetings issued by the ICSI are provided in Annexure - 1 to this Notice.

The statement as required under Section II, Part II of the Schedule V of the Companies Act, 2013 with reference to the Special Resolution at Item No. 3 is annexed hereto as Annexure - 2.

Except Mr. Tadayoshi Aoki, 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. 3 of the Notice.

Your Directors recommend the resolution set forth in Item No. 3 for approval of the members as a Special Resolution.

#### **Item No. 4 to 8**

The Company presently has following managerial personnel whose terms of appointment including the remuneration has been approved by the Shareholders in their General Meetings from time to time:

- a) Mr. Deepak Jain, Chairman and Managing Director
- b) Mr. Anmol Jain, Joint Managing Director
- c) Mr. Vineet Sahni, Sr. Executive Director and CEO
- d) Mr. Tadayoshi Aoki, Sr. Executive Director
- e) Mr. Kenjiro Nakazono, Executive Director

Pursuant to the provisions of Section 197 read with Schedule V of the Companies Act, 2013, except with the approval of the company in general meeting, the remuneration payable to managing director, whole-time director or manager, if there is more than one, shall not exceed more than 10% of the net profits to all such directors and manager taken together.

The members are well aware that the industrial scenario throughout the globe has been adversely impacted by the outbreak of the COVID-19 pandemic. The Government of India had also announced countrywide lockdown in the first quarter of the current financial year impacting adversely the revenue and profitability of the Company. During the first quarter ended on 30<sup>th</sup> June, 2020 of the current financial year, the Revenue from operations and Profit/(Loss) before tax of the Company was just Rs. 7800.86 Lakhs and Rs. (5347.56 Lakhs) as against Rs. 40,202.35 Lakhs and Rs. 1957.41 Lakhs achieved in the corresponding quarter of the last financial year.

The members may note that in order to contain the adverse impact of the pandemic, the management of the Company had made all sincere efforts leading towards cost controls and reduce the losses. These efforts, inter-alia, included voluntary renunciation of 100% of the fixed salaries by Indian Promoter Directors (Mr. Deepak Jain and Mr. Anmol Jain) and 45% of the salary by Mr. Vineet Sahni, Sr. Executive Director during first half of the financial year and voluntary renunciation of salaries in the range of 5% to 35% by all other employees of the Company. The management had also taken various other measures to contain costs.

Though there has been 'V' shaped recovery in industry in general and automotive sector in particular from September, 2020 onwards, still the negative impact of first five months of the financial year is not likely to be compensated by improved performance during rest of the year. Accordingly, it is expected that even after considering the renunciation of the 100% of the fixed remuneration by Mr. Deepak Jain and Mr. Anmol Jain and 45% by Mr. Vineet Sahni during first half of the current financial year, the balance remuneration to be paid to all the above managerial personnel is likely to exceed the limit of 10% of profits prescribed in Section 197 read with Schedule V of the Companies Act, 2013.

In view of the above, it is proposed to seek approval of the shareholders of the Company in terms of the provisions of second proviso to Section 197 read with Schedule V of the Companies Act, 2013 to enable the Company to make payment of the remuneration to the above managerial personnel of the Company in excess of 10% of the profits of the Company for the financial year ended 31<sup>st</sup> March, 2021.

The terms and conditions including remuneration, allowances and perquisites as already approved by members of the Company are not proposed to be amended in respect of any of the above managerial personnel and the same is in line with the remuneration already approved by the members in their General Meetings.

Based on the approval and recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company have accorded their approval on November 09, 2020 to seek approval of members in this matter.

Except the above managerial personnel none of the Directors and 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 resolutions as set out at Item Nos. 4 to 8 of the Notice.

Your Directors recommend the resolutions set forth in Item Nos. 4 to 8 for approval of the members as Special Resolutions.

**Item Nos. 9 & 10**

Pursuant to Regulation 17(6)(e) inserted in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the shareholders by way of special resolution shall be obtained for fees or compensation payable to executive directors who are promoters or members of the promoter group, if,

- i) the annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 percent of the net profits of the listed entity, whichever is higher; or
- ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 percent of the net profits of the listed entity.

Provided that the approval of the shareholders under this provision shall be valid only till the expiry of the term of such director.

As already explained in the explanatory statement pertaining to item nos. 4 to 8, the profitability of the Company during the financial year ending on 31<sup>st</sup> March, 2021 is likely to remain under stress on account of pandemic COVID-19. Therefore, the total remuneration payable to Mr. Deepak Jain, Chairman and Managing Director and Mr. Anmol Jain is likely to exceed 5% of the net profits of the Company for the financial year 2020-21, despite the fact that both of them had renounced 100% of their fixed remuneration during first half of the financial year.

In order to comply with the requirement of Regulation 17(6)(e) of the Listing Regulations and based on the approval of the Nomination and Remuneration Committee and Board of Directors, approval of the Shareholders is being sought by way of Special Resolutions for the remuneration payable to Mr. Deepak Jain, Chairman and Managing Director and Mr. Anmol Jain, Joint Managing Director of the Company, notwithstanding that the annual remuneration payable to them exceed the limits prescribed under the said Regulation.

Except Mr. Deepak Jain and Mr. Anmol Jain, being relatives to each other, 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. 9 & 10 of the Notice.

Your Directors recommend the Resolutions set forth in Item No. 9 & 10 for approval of the Members as Special Resolutions.

**Item No. 11**

Pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), 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.

Lumax Auto Technologies Limited ("LATL") is a 'Related Party' within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 23 of the Listing Regulations and the Company has entered into certain transactions for sale, purchase, transfer or receipt of products, goods, materials, assets or availing or rendering of services, Rent/Leasing Transactions & Rent Deposits, reimbursement of Expenses, etc. and further also proposes to undertake the transactions as to sale, purchase, transfer or receipt of products, goods, materials, assets or availing or rendering of services, rent/leasing transactions & rent deposits, reimbursement of expenses, etc.

The particulars of transactions carried out with LATL during the Financial Year 2020-21 together with the projections until March 31, 2021 are tabulated as under:

| SI. | Particulars   | Details  |
|-----|---|--|
| 1.  | <b>Name of the Related Party &amp; Nature of Relationship</b>                           | Lumax Auto Technologies Limited (LATL)<br>Mr. D.K. Jain, Mr. Deepak Jain and Mr. Anmol Jain are the Promoters and the Directors of LATL. Also Mr. Deepak Jain and Mr. Anmol Jain holds more than 2% of shareholding of LATL. |
| 2.  | <b>Name of the Director or Key Managerial Personnel who is related and Relationship</b> | Mr. D.K. Jain, Mr. Deepak Jain and Mr. Anmol Jain.<br>Mr. Deepak Jain and Mr. Anmol Jain are themselves the brothers and sons of Mr. D.K. Jain.  |

|    |   |  |
|----|---|--|
| 3. | <b>Nature, duration of the Contract and particulars of Contract or arrangement, Material Terms of the Contracts or Arrangements</b>               | Sale, purchase, transfer or receipt of products, goods, materials, assets or services, Rent/Leasing Transactions & Rent Deposits, Reimbursement of Expenses etc. on arm's length basis. The approval is being taken for the Related Party transactions for the Financial year 2020-2021. |
| 4. | <b>Monetary Value</b>   | The value of transactions to be entered into together with already entered into is likely up to an amount of Rs. 225 Crores.   |
| 5. | <b>Whether the transactions have been approved by Audit Committee and the Board of Directors.</b>   | Approved in the Audit Committee Meeting and Board Meeting held on November 09, 2020.   |
| 6. | <b>Any advance paid or received for the contracts or arrangements, if any</b>   | No   |
| 7. | <b>The manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of contract</b> | The pricing/commercial terms will be determined based on the transactions with unrelated parties for similar nature of transactions, if any.<br>The transactions are in the ordinary course of business and are at an Arm's Length basis.  |
| 8. | <b>Any other information relevant or important for the Board to take the decision on the proposed transaction</b>                                 | N.A.   |

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

During the Financial Year 2020-21 the transactions already entered into and to be entered into would qualify as Material Related Party Transactions i.e. exceeding 10% of the Company's Annual Consolidated Turnover as per the last audited Financial Statements.

The aforesaid proposal has been approved by the Audit Committee and Board of Directors and the same is being recommended to Members for their approval.

Except Mr. Deepak Jain and Mr. Anmol Jain, being Promoter Director on the Board of the Company as well as Promoter Director on the Board of LATL, none 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.

Mr. Deepak Jain, Chairman and Managing Director and Mr. Anmol Jain, Joint Managing Director of the Company being interested, and any other Related Party, whether interested or not to this particular transaction(s), shall not vote on this Resolution No. 11.

The Board of Directors recommends passing of the Ordinary Resolution set out in Item No. 11 of the Postal Ballot Notice by the members of the company.

**Date: 9<sup>th</sup> November, 2020**

**Place: New Delhi**

**By Order of the Board of Directors**

**For LUMAX INDUSTRIES LIMITED**

**PANKAJ MAHENDRU**

**COMPANY SECRETARY**

**Membership No: ACS28161**

**ANNEXURE I**

**PURSUANT TO REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS 2 ISSUED BY ICSI, INFORMATION ABOUT THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AND FIXATION OF REMUNERATION IS FURNISHED BELOW:**

| <b>Names of Directors/DIN</b>       | <b>Date of Birth/ Details of Shareholding</b>       | <b>Qualifications/ Nature of Expertise</b> | <b>Relationship with Directors Inter-se</b>  | <b>Name of Listed Companies in which Directorship held other than Lumax Industries Limited</b> | <b>Chairmanship/ Membership in Committees of Other Public Companies</b>                           | <b>The number of Meetings of the Board attended during the year</b> | <b>Date of first appointment on the Board</b> |
|-------------------------------------|---|--|--|--|---|---|---|
| Mr. Deepak Jain<br>DIN: 00004972    | 06.04.1975<br>Shares held in the Company: 11,72,031 | Please refer Annexure - 2                  | Related as brother of Mr. Anmol Jain, Joint Managing Director of the Company.                          | 1.RSWM Limited<br>2. Lumax Auto Technologies Limited   | Chairman of Share Transfer/ Stakeholder Relationship Committee in Lumax Auto Technologies Limited | 4 (including the last Board Meeting held on 09 November, 2020)      | 01.02.2001                                    |
| Mr. Anmol Jain<br>DIN: 00004993     | 04.04.1979<br>Shares held in the Company: 11,72,031 | Please refer Annexure - 2                  | Related as Brother of Mr. Deepak Jain, Chairman and Managing Director of the Company.                  | Lumax Auto Technologies Limited  | Member of Audit Committee of Lumax Auto Technologies Limited.                                     | 4 (including the last Board Meeting held on 09 November, 2020)      | 23.07.2004                                    |
| Mr. Tadayoshi Aoki<br>DIN: 08053387 | 27.07.1966<br>Shares held in the Company: Nil       | Please refer Annexure - 2                  | Related to Mr. Kenjiro Nakazono and Mr. Toru Tanabe as Nominee Directors of Stanley Electric Co., Ltd. | Nil  | Nil   | 4 (including the last Board Meeting held on 09 November, 2020)      | 03.02.2018                                    |

Notes:

- The Directorships and Chairmanships/Memberships of Section 8 Companies is not included in above table.*
- The Committee Chairmanship and membership is only considered for Audit Committee and Share Transfer/Stakeholders Relationship Committee.*
- For other details such as terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid and the remuneration last drawn in respect of above directors, if applicable, please refer to the Explanatory Statement and Annexure-2 which forms part of this Postal Ballot Notice.*

**Statement containing required information as per Section II of part II of Schedule V of the Companies Act, 2013 for Item No. 1 to 10**

**I. GENERAL INFORMATION:**

|  |  |
|--|--|
| <b>i) Nature of Industry</b>   | Manufacturers of end-to-end Automotive Lighting Solutions such as head lamps, tail lamps, LED Lamps, sundry and auxiliary lamps and other electronic components. |
| <b>ii) Date of commencement of commercial production</b>   | 1981 (Date of Incorporation: 10 <sup>th</sup> December, 1981)  |
| <b>iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.</b> | Not Applicable   |

**(iv) Standalone Financial performance based on given indicators**

(Rs. in lakhs)

| Financial Parameters   | Financial Year |             |             |
|--|----------------|-------------|-------------|
|  | 2017-18        | 2018-19     | 2019-20     |
| Revenue from Operations  | 1,69,119.07    | 1,85,145.00 | 1,60,158.72 |
| Other Income   | 925.43         | 2,551.88    | 966.19      |
| Total Income   | 1,70,044.50    | 1,87,696.88 | 1,61,124.91 |
| Total Expenses   | 1,61,252.22    | 1,77,408.93 | 1,52,929.65 |
| Profit before exceptional items and income tax and share in profit/(loss) of associate | 8,792.28       | 10,287.95   | 8,195.26    |
| Exceptional items  | --             | 3,620.27    | --          |
| Profit Before Tax (PBT)  | 8792.28        | 13,908.22   | 8,195.26    |
| Tax Expenses   | 2468.59        | 3,168.22    | 964.57      |
| Profit After Tax (PAT)   | 6323.69        | 10,740.00   | 7,230.69    |

**(v) Foreign investments or collaborators, if any:**

As on 30<sup>th</sup> September, 2020, the Company has following foreign investments in the Company –

Promoter Category (Foreign) – 37.50%

Public Category (Foreign Portfolio Investors) – 0.64%

The Company has one foreign Technical & Financial Collaborator i.e. Stanley Electric Co. Ltd. Japan.

Also, 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 Auto Parts which includes auto lamp assemblies, chassis, mirror and front-end modules (FEM).

**II. Information about Mr. Deepak Jain, Mr. Anmol Jain and Mr. Tadayoshi Aoki**

**1. Background details:**

**Mr. Deepak Jain**

Mr. Deepak Jain is a Promoter Director of the Company and was re-appointed as Managing Director of the company for a period of 5 Years w.e.f. February 01, 2016.

Mr. Deepak Jain has undergone extensive training at I. I. Stanley Co., Inc U.S.A. and Stanley Electric Co., Limited Japan after qualifying his MBA from Illinois Institute of Technologies USA with specialization in operational management & international business. Mr. Deepak Jain, aged 45 years, is associated with various key positions in different Associations and has more than 25 years of work experience in the manufacturing Automotive Components. Currently he is President of Automotive Component Manufacturers Association of India (ACMA) and Vice President of Toyota Kirloskar Suppliers Association.

His rich experience and continued valuable guidance to the management, strong Board performance, has been instrumental in providing expert guidance in the area of marketing, business development and customer relationship.

**Mr. Anmol Jain**

Mr. Anmol Jain is a Promoter Director of the company and was re-appointed as Joint Managing Director of the company for a period of 5 Years w.e.f. August 01, 2016.

Mr. Anmol Jain worked as a Management Trainee with GHSP, U.S.A. & subsequently, joined Lumax Group after completing

Bachelors in Business Administration in Finance & Supply Chain Management (Double major) from Michigan State University, U.S.A. He has over 20 years of experience.

He has held various positions in Industry associations like:

- The National Coordinator of ACMA-YBLF from 2014-16.
- The Chairman CII Haryana State Council in 2012-13.

He is currently:

- President of Honda Cars India Supplier's Club
- MC Member of Bajaj Auto Vendor Association

#### **Mr. Tadayoshi Aoki**

Mr. Tadayoshi Aoki, Nominee of Stanley Electric Co. Ltd, Japan, the Financial and Technical Collaborator is a Senior Executive Director of the Company and was appointed for a period of three (3) Years with effect from 3rd February 2018. He has done Mechanical Engineering from Tokyo Denki, University, Japan. He is having rich experience of more than 30 Years in the field of Car Electronics, Engineering, Sales of car electronic parts and Sales Planning Division.

## **2. Past remuneration**

Details of Remuneration paid to Mr. Deepak Jain, Mr. Anmol Jain and Mr. Tadayoshi Aoki in last three years are as below –

| Financial Years | Amount (Rs. In Lakhs) |                |                    |
|-----------------|-----------------------|----------------|--------------------|
|                 | Mr. Deepak Jain       | Mr. Anmol Jain | Mr. Tadayoshi Aoki |
| 2017-18         | 455.87                | 241.68         | 2.48               |
| 2018-19         | 512.82                | 183.21         | 16.15              |
| 2019-20         | 378.37                | 55.57          | 17.60              |

## **3. Recognition or awards**

| Mr. Deepak Jain   | Mr. Anmol Jain  | Mr. Tadayoshi Aoki |
|---|---|--------------------|
| <p>He has held the following positions in Industry Associations:-</p> <ol style="list-style-type: none"> <li>1. President of Honda Cars India Supplier Club (2010-2011).</li> <li>2. Sr. Vice Chairman, Society of Automotive Engineers (SAE) - NIS (2012-2014)</li> </ol> <p>He is currently:</p> <ol style="list-style-type: none"> <li>1. President of Automotive Component Manufactures Association of India (ACMA).</li> <li>2. Vice President of Toyota Kirloskar Suppliers Association.</li> </ol> | <p>He has held various positions in Industry Associations like:</p> <ol style="list-style-type: none"> <li>1. The National Coordinator of ACMA-YBLF from 2014-16.</li> <li>2. The Chairman CII Haryana State Council in 2012-13.</li> </ol> <p>He is currently:</p> <ol style="list-style-type: none"> <li>1. President of Honda Cars India Supplier's Club.</li> <li>2. MC Member of Bajaj Auto Vendor Association.</li> </ol> | None               |

## **4. Job profile and his suitability**

#### **Mr. Deepak Jain**

Mr. Deepak Jain, the Chairman and Managing Director of the Company presides over the Meetings of the Board and Shareholders of the Company. He is primarily responsible for setting and implementing the Company's direction and strategy under superintendence, direction and control of Board. The CMD actively oversees the functioning of the Company and ensures that all the matters needed to be considered by the Board are in fact brought before it and understands the views of all the Board Members.

#### **Mr. Anmol Jain**

Mr. Anmol Jain is acting as the Joint Managing Director of the Company and owing to the rich experience, he is primarily responsible for monitoring operations management and supply chain systems in the Company. He along with CMD ensures successful implementation of Company's strategy and directions set by the Board for execution by the Management from time to time.

#### **Mr. Tadayoshi Aoki**

Mr. Tadayoshi Aoki, Nominee of Stanley Electric Co. Ltd, Japan, the Financial and Technical Collaborator is a Senior Executive Director of the Company and having rich experience of more than 30 Years in the field of Car Electronics,

Engineering, Sales of car electronic parts and Sales Planning Division. He provides required technical know how support to the Company as Nominee of Stanley.

**5. Remuneration proposed**

The remuneration proposed for the above Directors is as stated in the Explanatory Statement to Item No. 1 to 3 of this Notice.

**6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)**

The proposed remuneration would be commensurate with the size of the Company and nature of the industry. The salary structure of the managerial personnel has undergone a major change in the industry in the past. Keeping in view the type of the industry, size of the Company, the responsibilities and capabilities of Mr. Deepak Jain, Mr. Anmol Jain and Mr. Tadayoshi Aoki, the proposed remuneration is comparative with the remuneration paid by other companies to such similar positions in the same industry.

**7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.**

Mr. Deepak Jain and Mr. Anmol Jain are the Promoter Directors of the Company and both holds 11,72,031 shares each equivalent to 12.54% each in their individual capacity. Apart from receiving remuneration including perquisites, allowances, commission and dividend, they do not receive any emoluments from the Company and are also not related to any managerial personnel of the Company except Mr. Deepak Jain and Mr. Anmol Jain being related as brother of each other.

Mr. Tadayoshi Aoki, a Nominee of Stanley Electric Co. Ltd, Japan, the Financial and Technical Collaborator is a Senior Executive Director of the Company. Apart from receiving remuneration, he does not receive any emoluments from the Company and are also not related to any managerial personnel of the Company.

**III. Other information:**

|     |  |   |
|-----|--|---|
| (1) | <b>Reasons of loss or inadequate profits</b>                             | The industrial scenario in the country may get impacted by internal as well as external factors which may lead to a situation of loss or inadequate profits in the Company during the proposed tenure of Mr. Deepak Jain, Mr. Anmol Jain and Mr. Tadayoshi Aoki |
| (2) | <b>Steps taken or proposed to be taken for improvement</b>               | The management of the Company will take all requisite actions / steps including but not limited to reduction in fixed costs to contain the losses / inadequate profitability situation.   |
| (3) | <b>Expected increase in productivity and profits in measurable terms</b> | N.A.  |

**IV. DISCLOSURES:**

1. Remuneration package of the managerial persons: As detailed in the explanatory statement which forms part of the Postal Ballot Notice.
2. Disclosures in the Board of Director's report under the heading "Corporate Governance" included in Annual Report for FY 2019-20. The requisite details of remuneration of Directors are included in the Corporate Governance Report, forming part of the Annual Report of FY 2019-20 of the Company.