

# Lumax Automotive Systems Ltd.



## BOARD OF DIRECTORS

Mr. U. K. Jain- Chairman & Managing Director  
Mr. Nitin Jain- Executive Director  
Mr. Milan Jain- Executive Director  
Mr. Parmod Kumar Gupta  
Mr. Prem Das Gandhi  
Mr. Vinay Panchmiya

## REGISTRAR & TRANSFER AGENT

Skyline Financial Services Private Limited  
D-153 A, Okhla Industrial Area,  
Phase - I, New Delhi - 110 020  
Tel. No. : 011-26812682-83-84  
e-mail : admin@skylinerta.com

## AUDITORS

M/s R. Jain & Sanjay Associates  
Chartered Accountants, Delhi

## BANKERS

Syndicate Bank  
IDBI Bank Ltd.

## COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Monika Gupta

## CORPORATE OFFICE

Plot No.99, Phase-IV,  
Udyog Vihar, Gurgaon (Haryana)  
e-mail : cs@lumaxauto.com

## REGISTERED OFFICE

63-64, Gokhale Market,  
Delhi-110054  
Tel. No. : 011-23914320-21  
Fax No. : 011-23916350  
e-mail : cs@lumaxauto.com

## WORKS

- Plot No.78, Sector-6, Faridabad (Haryana)
- 10, Indraprastha Estate, 12/2, Mathura Road, Faridabad (Haryana)
- Plot No.46, Sector-3, IMT, Manesar, Gurgaon (Haryana)
- D-2 Block, Plot No.29/5, MIDC Industrial Area, Chinchwad, Pune (Maharashtra)
- D-2/44, MIDC Industrial Area, Chinchwad, Pune (Maharashtra)
- C-10, MIDC Industrial Area, Waluj, Aurangabad (Maharashtra)

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## NOTICE

NOTICE is hereby given that the 10th Annual General Meeting of the members of Lumax Automotive Systems Limited will be held on Thursday, the 30<sup>th</sup> day of September 2010 at 10.00 A.M. at The Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi- 110 074 to transact the following businesses:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March 2010 and Profit and Loss Account for the year ended on that date together with the Directors' and Auditors' Reports thereon.
2. To appoint a director in place of Mr. Prem Das Gandhi who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of Mr. Vinay Panchmiya who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint auditors and fix their remuneration.

### SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:-  
"RESOLVED THAT Mr. Parmod Kumar Gupta, who was appointed as an additional director of the Company by the board of directors and who ceases to hold office under section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing under section 257 proposing his candidature for the office of the director, be and is hereby appointed as a director of the Company, who will be liable to retire by rotation."
6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:-  
"RESOLVED THAT Mr. Milan Jain, who was appointed as an additional director of the Company by the board of directors and who ceases to hold office under section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing under section 257 proposing his candidature for the office of the director, be and is hereby appointed as a director of the Company, who will be liable to retire by rotation."
7. To appoint Mr. Milan Jain as a Whole-time Director designated as Executive Director and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution: -  
"RESOLVED THAT in accordance with the provisions of section 198, 269 and 309 read with schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, or any statutory modification(s) or re-enactment thereof, approval of the Company be and is hereby accorded to the appointment of Mr. Milan Jain, as Whole-time Director designated as Executive Director of the Company, for a period of 5 (five) years with effect from August 31, 2010 on the terms and conditions including remuneration as set out in the explanatory statement herein, with authority to the remuneration committee/board of directors (herein after referred as "The Board", which term shall deem to include any committee which the board may constitute to exercise its powers conferred by this resolution) to alter and to vary the terms and conditions of the said appointment and/or remuneration not exceeding the limits specified under schedule XIII to the Companies Act, 1956, or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

### NOTES:

1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and on a poll, vote instead of himself and the proxy need not be a member of the Company. Proxies in order to be effective must reach the Company at its registered office at least 48 hours before the time fixed for the meeting. A proxy form is attached herewith.
2. The register of members and the share transfer books of the Company will remain closed from September 21, 2010 to September 30, 2010 (both days inclusive).
3. The explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in respect of Item No. 5, 6 & 7 are annexed hereto.
4. Members/proxies are requested to bring the attendance slips duly filled in for attending the meeting and also their copy of annual report.
5. Members are advised that no gift/gift coupons will be distributed at the annual general meeting of the Company.

By Order of the Board  
For Lumax Automotive Systems Limited

Place: New Delhi  
Date: 31/08/2010

Monika Gupta  
Company Secretary

## Annexure to the Notice

### Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

#### Item No. 5 :

Mr. Parmod Kumar Gupta was appointed as additional director (non-executive and independent) of the Company with effect from August 31, 2010 to hold office up to conclusion of this annual general meeting. Mr. Parmod Kumar Gupta aged about 55 years is a graduate. He is a director in K.K. Spun Pipe Private Limited and has over 35 years of experience in the field of manufacturing of concrete product.

Notice under section 257 of the Companies Act, 1956, has been received from Mr. Parmod Kumar Gupta signifying his intention to propose his appointment as a director of the Company along with a deposit of rupees five hundred.

The board of directors recommends the resolution at item no.5 for the approval of shareholders.

None of the directors, except himself are interested in the resolution.

#### Item No. 6:

Mr. Milan Jain was appointed as additional director (Executive) of the Company with effect from August 31, 2010 to hold office up to conclusion of this annual general meeting.

Mr. Milan Jain aged about 30 years, has over 8 years of experience in automobile industry. Mr. Milan Jain is a business graduate from Roosevelt University, U.S.A. He has been working as "Vice President- New Projects" since 2007.

Notice under Section 257 of the Companies Act, 1956, has been received from Mr. Milan Jain signifying his intention to propose his appointment as a director of the Company along with a deposit of rupees five hundred.

The board of directors recommends the resolution at item no.6 for the approval of shareholders.

None of the directors, except himself in his resolution, are interested in the resolution.

#### Item No. 7:

Mr. Milan Jain was appointed as Executive Director of the Company by the board of directors on August 31, 2010.

The present proposal is to seek the members' approval for the appointment of and remuneration payable to Mr. Milan Jain as a Whole-time Director designated as Executive Director, in terms of the applicable provisions of the Companies Act, 1956.

The board of directors of the Company at its meeting held on August 31, 2010 has, subject to the approval of Members, appointed Mr. Milan Jain for a period of 5 years, on the remuneration determined by the remuneration committee of the board at its meeting held on August 31, 2010. Brief particulars of the terms of appointment of and remuneration payable to Mr. Milan Jain are as under:

#### (a) Salary, Perquisites and Allowances:

Name and Designation	Rs. per month	
	Salary	Perquisites & Allowances
Mr. Milan Jain <i>Executive Director</i>	1,00,000	50,000

The perquisites and allowances, as aforesaid, shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and / or allowances for utilization of gas, electricity, water, furnishing and repairs; medical reimbursement; leave travel concession for self and family including dependents; club fees, medical insurance and such other perquisites and allowance. The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income-Tax Act, 1961 or any rules there under or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost. However, the Company's contribution to provident fund, superannuation or annuity fund, to the extent these singly or together are not taxable under the income-tax law, and gratuity payable and encashment of leave at the end of the tenure, as per the rules of the Company and to the extent not taxable under the Income tax law, shall not be included for the purposed of computation of the overall ceiling of remuneration. Further, employee stock options granted / to be granted, from time to time, are not to be considered as perquisite and not to be included for the purpose of computation of the overall ceiling of remuneration.

#### (b) Reimbursement of Expenses:

Reimbursement of expenses incurred for travelling, boarding and lodging including for their respective spouses and attendant(s) during business trips; provision of car for use on the Company's business and telephone expenses at residence shall be reimbursed and not considered as perquisites.

#### (c) Minimum Remuneration:

Notwithstanding anything hereinabove stated, where in any financial year, the Company has no profits or its profits are inadequate, the remuneration payable to Mr. Milan Jain by way of salary, perquisites and any other allowance shall not exceed the ceiling limits prescribed under schedule XIII to the Companies act, 1956 or any amendments thereto.

#### (d) General:

1. The office of Whole- time Director may be terminated by the Company or the concerned director by giving the 1 month prior notice in writing.
2. The terms and conditions set out for appointment and payment of remuneration herein may be altered and varied by the board as it may, from time to time, deem fit.

3. A Whole-time Director, who is re-appointed as director immediately on retirement by rotation shall continue to hold his office of whole-time director and such re-appointment as director shall not be deemed to constitute a break in his appointment as whole-time director.

Mr. Milan Jain satisfies the conditions set out in part I of schedule XIII to the Companies Act, 1956 for being eligible for the appointment. The salary and other allowances mentioned above shall be within the limit specified under para 1(A) of section II, part II of schedule XIII of the act.

Wherein any financial year during the currency of the tenure of the Managing Director and Whole-time Directors, the Company has no profit or its profit is inadequate, the Company will pay the above mentioned salary and other perks as minimum remuneration.

The appointees shall not be entitled to sitting fee for attending the meeting of board or committee thereof.

The above may be treated as an abstract of the terms of appointment of Mr. Milan Jain under Section 302 of the Companies Act, 1956.

Mr. Milan Jain is interested in the resolution set out respectively at item no. 7 of the notice, which pertain to their respective appointment and remuneration payable to him. Further, Mr. U.K. Jain and Mr. Nitin Jain may be deemed to be interested in the resolution to Mr. Milan Jain, as they are related to each other. Save and except the above, none of the other directors of the Company is, in any way, concerned or interested in the resolution.

The board recommends the resolution set out at item no. 7 of the notice for your approval.

**By Order of the Board  
For Lumax Automotive Systems Limited**

Place : New Delhi  
Date : 31/08/2010

**Monika Gupta  
Company Secretary**

**Details of the directors seeking re-appointment/appointment in annual general meeting scheduled on September 30, 2010.**

Name of director	Date of birth	Date of appointment	Qualifications	Expertise in specific functional area	Name of the Companies in which also holds directorship	Name of Companies in the committees of which holds membership/ chairmanship
Mr. Parmod Kumar Gupta	23/09/1955	31/08/2010	B.Com	35 years experience in manufacturing of concrete products	Nil	Nil
Mr. Milan Jain	03/12/1981	31/08/2010	B.B.A.	8 years experience in auto industry.	Nil	Nil
Mr. Prem Das Gandhi	04/03/1938	28/04/2008	M.A.	Wide experience in trading business of computers, office products and Pharmaceuticals	Nil	Nil
Mr. Vinay Panchmiya	26/08/1951	18/05/2004	B.Sc.	Wide experience in trading business of furniture and garments.	Nil	Nil

# Lumax Automotive Systems Ltd.



## DIRECTORS' REPORT

To the members of  
LUMAXAUTOMOTIVE SYSTEMS LIMITED

Your Directors have pleasure in presenting the 10th Annual Report together with audited accounts of the Company for the year ended 31<sup>st</sup> March 2010.

### Financial Results :

The performance of the Company for the financial year is summarized as under:

Rs in million

	2009-2010	2008-2009
SALES (excluding excise duty)	1004.77	1000.45
Profit (before interest, dep. & tax)	87.29	103.57
(-) Interest	66.71	48.94
(-) Depreciation	56.80	39.58
(-) Prior Period Expenses	1.49	-
PROFIT/(LOSS) :	(37.71)	15.05
(-) Tax provision	2.84	6.10
(+) Deferred tax credit	5.56	(0.44)
(+) Balance in the P&L A/c b/f	55.07	46.23
(+) Transfer from revaluation reserve	0.33	0.33
PROFIT - for appropriation	20.42	55.07
<b>Appropriation :</b>		
Proposed equity dividend	-	-
Transfer to general reserve	-	-
Balance retained in P&L A/c	20.42	55.07

### Dividend:

Considering the losses incurred by the Company during the year under review, the board of directors has decided not to recommend the dividend for this financial year.

### Operations:

Your Company's total turnover during the year under review was Rs. 1004.77 million as compared to Rs. 1000.45 million during the previous year, showing a rise of Rs. 4.32 million.

### Directors:

In accordance with the requirement of the Companies Act, 1956 and Articles of Association of the Company, Mr. Vinay Panchmiya and Mr. Prem Das Gandhi are liable to retire by rotation and being eligible offer themselves for reappointment.

Mr. Virender Ganda has been associated with the Company as a director for about 5 years and 5 months. He resigned from the directorship of the Company with effect from October 23, 2009. The directors placed on record their appreciation for the valuable advices given by him during his tenure as an Independent Director of the Company.

Mrs. Kamlesh Jain has been associated with the Company as a director for about 6 years. She resigned from the directorship of the Company with effect from November 2, 2009. The directors placed on record their appreciation for the valuable advices given by her during her tenure as a Non-Executive Director of the Company.

Mr. Parmod Kumar Gupta has been appointed as an Independent Director on August 31, 2010. Notice along with the deposit of Rs. 500/- (Rs. Five Hundred Only) as required under section 257 of the Companies Act, 1956 has been received by your Company from Mr. Parmod Kumar Gupta signifying his candidature for the office of the director of the Company liable to retire by rotation.

Mr. Milan Jain was appointed as additional director on August 31, 2010 and has been designated as Executive Director w.e.f. August 31, 2010. His appointment as Executive Director is subject to the approval of members, and the board recommends his appointment for the approval of members. Notice along with the deposit of Rs. 500/- (Rs. Five Hundred Only) as required under section 257 of the Companies Act, 1956 has been received by your Company from Mr. Milan Jain signifying his candidature for the office of the director of the Company liable to retire by rotation.

Brief resume of the directors proposed to be appointed/re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of board committees, shareholding and relationships between directors inter-se, as stipulated under clause 49 of the listing agreements with the stock exchanges, are annexed elsewhere in this report.

### Subsidiary Company:

Lumax Magna Donnelly Automotive Mirrors Private Limited (LMD), a joint venture company with Magna Donnelly Corporation, USA, has become the subsidiary of the Company on 11<sup>th</sup> January 2007.

In compliance with the provisions of section 212 of the Companies Act, 1956, the audited statement of accounts along with Directors' Report of Lumax Magna Donnelly Automotive Mirrors Private Limited for the year ended 31<sup>st</sup> March 2010, are annexed.

### Consolidated Financial Statements:

As the Lumax Magna Donnelly Automotive Mirrors Private Limited (subsidiary company) operates under severe long term restrictions which significantly impair its ability to transfer funds to the Company, the consolidated financial statements are not required to be prepared as per AS -21.

## Auditors and Auditors' report:

M/s R. JAIN & SANJAY ASSOCIATES, Auditors of the Company, are retiring at the conclusion of the ensuing Annual General Meeting of the Company and are eligible for reappointment and have confirmed that their reappointment if made, shall be within the limits of the section 224 (1B) of the Companies Act, 1956. The board recommends the re-appointment of M/s R. JAIN & SANJAY ASSOCIATES as auditors of the Company.

The observations of the Auditors in their report are self-explanatory and do not call for any further comments from the directors.

## Management Discussion and Analysis Report:

A report on Management Discussion and Analysis as required under clause 49 of the listing agreement is annexed elsewhere.

## Corporate Governance:

A separate section on Corporate Governance forming part of the Directors' Report and the certificate from the auditors of the Company confirming the compliance of Clause 49 of listing agreement is included in the annual report.

## Deposits:

During the year, the Company has not accepted or invited any deposit from public within the meaning of section 58A of the Companies Act, 1956 and the rules made there under.

## Particulars of Employees:

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the annexure to the Director's Report.

However, having regard to the provisions of section 219(1) (b) (iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any members interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

## Listing:

The equity shares of your Company are listed with Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Company has been complying with all the clauses of the listing agreement and the Company has paid the requisite listing fees to both the stock exchanges.

## Disclosure u/s 217(1)(e):

Information as per section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Directors) Rule, 1988, details are given below:

## Conservation of energy:

The Company has always been conscious about the need for conservation of energy. Electricity and Fuel consumption per unit of production were monitored regularly at all the manufacturing plants and corrective actions taken as needed. During the period the Company has made additions in the machinery to the extent of Rs. 40.81 Lac.

## Technology absorption:

In filter segment the Company has obtained technical assistance from Toyo-Roki Manufacturing Company Ltd., Japan.

## Foreign Exchange Earning and Outgo:

This information is given in notes to accounts at point No.9 and 10.

## Directors' Responsibility Statement u/s 217(2AA):

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the directors based on the representation received from the operative management, confirm that:

- in the preparation of the annual accounts, all the applicable accounting standards have been followed and there are no material departures (Subject to point no. 4 (d) of the auditors report) ;
- they have, in the selection of the accounting policies, consulted the statutory auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- they have prepared the annual accounts on a going concern basis.

## Industrial Relation:

Your Company has taken significant steps in developing human resource and strengthening human resource systems. During the year under review, industrial relation in the Company continues to be cordial and peaceful.

## Acknowledgement:

The board wishes to thank the Company's esteemed customers, associates, suppliers, its shareholders and investors for their continued support and co-operation.

Place: New Delhi

Date: 31/08/2010

For & On behalf of the Board of Directors

U.K. JAIN  
Chairman & Managing Director

## CORPORATE GOVERNANCE REPORT

### Company's Philosophy

The Company firmly believes that any meaningful policy on the corporate governance must provide empowerment to the executive management of the Company, and simultaneously create a mechanism of checks and balances which ensures that the decision making power vested in the executive management are used with care and responsibilities to meet shareholders and stakeholders aspirations. The Company recognizes the importance of corporate governance for the efficient conduct of business and committed to attain the corporate governance of the high standards and maximize the long-term shareholder value in a legal and ethical manner, ensuring fairness, courtesy and dignity in all transactions of the Company.

### Board of Directors

The board of directors comprises of six directors out of which four are non-executive directors. The Board consists of three promoter directors, being one managing director, one executive director and one non-executive director. The Company has an Executive Chairman and half of the total number of directors comprises of independent directors.

During the year under review, 10 board meetings were held on 24<sup>th</sup> April 2009, 29<sup>th</sup> June 2009, 30<sup>th</sup> July 2009, 24<sup>th</sup> August 2009, 15<sup>th</sup> October 2009, 30<sup>th</sup> October 2009, 16<sup>th</sup> December 2009, 29<sup>th</sup> January 2010, 26<sup>th</sup> February 2010 & 31<sup>st</sup> March 2010. Details of composition and category of the Board, attendance of Directors in the Board Meetings and last AGM, number of directorships and chairmanships/memberships of committee of each director held in other public companies are shown below:

Name of Director	Category	No. of Board Meeting attended	Last AGM attended	No. of Directorship in other public companies	No. of Committee positions held in other Public companies		Relationship, Inter-se
					Chairman	Member	
U.K. Jain	Executive Chairman, Promoter	10	Yes	-	-	-	Related as father to Mr. Nitin Jain
Nitin Jain	Executive, Promoter	10	Yes	-	-	-	Related as son to Mr. U.K. Jain
Vinay Panchmiya	Non-Executive, Independent	10	Yes	-	-	-	Not related to any Director
Prem Das Gandhi	Non-Executive, Independent	10	Yes	-	-	-	Not related to any Director
*Kamlesh Jain	Non-Executive, Promoter	7	Yes	-	-	-	Related as wife to Mr. U.K. Jain and as mother to Mr. Nitin Jain
*Virender Ganda	Non-Executive, Independent	6	Yes	2	-	-	Not related to any Director

\* Mr. Virender Ganda and Mrs. Kamlesh Jain resigned from the board on October 23, 2009 and November 2, 2009 respectively.

### Code of Conduct

The Board has laid down a Code of Conduct for all Board members and senior management of the Company, which is also available on the website of the Company. All Board members and senior management that includes Company executives who report affirmed their compliance with the said Code. A declaration signed by the Chairman and Managing Director to this effect is provided elsewhere in the Annual Report.

### Audit Committee

The Company constituted Audit Committee w.e.f. 18<sup>th</sup> May 2004 in terms of the provisions of Section 292A of the Companies Act, 1956 and clause 49 of the listing agreement.

The terms of reference of the Audit Committee of the Company includes all activities stipulated under Section 292A of the Companies Act, 1956 and Clause 49 of the listing agreement and, inter-alia, includes overseeing the audit functions, review of Company's financial performance, review of critical findings of internal audit, review of financial reporting systems & processes, review of the quarterly, half yearly and annual financial statements and other financial disclosures including their adequacy, correctness and credibility.

The Audit Committee comprises of three non-executive directors with majority of them being independent Directors.

**Composition of the Audit Committee: -**

Name of the Directors	Meetings held	Meeting attended
Mr. Vinay Panchmiya -Chairman	4	4
Mr. Prem Das Gandhi- Member	4	4
Mrs. Kamlesh Jain- Member *	3	3
Mr. U. K. Jain - Member	1	1

\*Mrs Kamlesh Jain resigned from the directorship on 2<sup>nd</sup> November 2009.

Mr. Prem Das Gandhi is having financial and accounting Knowledge. The Company Secretary acts as a Secretary of the Committee. During the year, the Committee met 4 times on 24<sup>th</sup> April 2009, 30<sup>th</sup> July 2009, 30<sup>th</sup> October 2009 and 29<sup>th</sup> January 2010.

## Remuneration Committee

The terms of reference of the Remuneration Committee in brief pertain to determine the Company's policy on and approve specific remuneration packages for Executive Directors after taking into account financial position of the Company, interest of the Company and shareholders etc.

During the year, the Committee met once on 15<sup>th</sup> October 2009

Composition of the Remuneration Committee: -

Name of the Directors	Meetings held	Meeting attended
Mr. Virender Ganda- Chairman *	1	1
Mr.Prem Das Gandhi	1	1
Mr. Vinay Panchmiya	1	1

\*Mr. Virender Ganda resigned from the directorship on 23<sup>rd</sup> October 2009.

## • Remuneration of whole time and Managing Directors:

Name	Salary (Rs.)	Perquisites & Allowances (Rs.)	Total (Rs.)
Mr. U.K. Jain, Managing Director	1612800	39600	1652400
Mr. Nitin Jain, Executive Director	1334700	28800	1363500

None of the Non-Executive Directors is drawing any remuneration.

## Shareholders' Committee

The objective of the Committee is to monitor the redressal of shareholders and Investors complaints relating to transfer of shares, non-receipt of Annual Report, issue of duplicate shares etc.

During the period under review, 2 Shareholders' Committee meetings were held on 29<sup>th</sup> June 2009 and 29<sup>th</sup> January 2010

Composition of the Shareholders' Committee: -

Members	Meetings held	Meeting attended
Mr. Prem Das Gandhi- Chairman	2	2
Mr. U.K. Jain	2	2
Mr. Nitin Jain	2	2

Ms. Monika Gupta, Company Secretary is the Compliance Officer of the Company.

During the year the Company received one complaint, which has been completely resolved to the satisfaction of stakeholder. As on date, there is no pending complaint of any stakeholder.

## General Body Meeting:

Details of the Annual General Meeting held during the last three years are as follows: -

Year	Date	Time	Venue	Special Resolution Passed
2008-09	24/09/2009	10.00 A.M.	The Executive Club, New Delhi	N.A.
2007-08	26/09/2008	10.00 A.M	The Executive Club, New Delhi	N.A
2006-07	25/09/2007	3.00 P.M	Air Force Auditorium, New Delhi	Appointment of Mr. Milan Jain u/s 314(1B)

The special resolution was not put to vote through postal ballot.

# Lumax Automotive Systems Ltd.



## Subsidiary Companies

The revised clause 49 of the listing agreement defines a "Material Non Listed Indian Subsidiary" as an unlisted subsidiary, incorporated in India whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively of the listed holding Company and its subsidiary in the immediately preceding accounting year.

The Company has only one subsidiary Company which is not listed on any Stock Exchange and fall within the meaning of "Material Non-Listed Indian Subsidiary". However, the following compliances are duly made by the Company;

- The Audit Committee reviews the financial statements made by the subsidiary Company.
- The minutes of the board meetings of the subsidiary Company are placed at the board meeting of the Company.
- A statement of all significant transactions and arrangements made by the subsidiary Company are informed to the Board at periodical intervals.

## Disclosure

- During the year under review, the Company had entered into transactions in the normal course of business with some of the entities in which some of the directors are interested and which have been disclosed adequately in the notes forming part of the accounts. There was no potential conflict of interest with that of the Company.
- The Company has complied with various rules and regulations prescribed by the stock exchanges, Securities and Exchange Board of India (SEBI) or any other statutory authorities on all matters relating to the capital markets, and no penalties or strictures have been imposed on the Company by any of them in this regard during the last three years.
- The Company has followed the accounting standards laid down by the Institute of Chartered Accountants of India.
- The Company is complying with all mandatory requirements of Clause 49 of the Listing Agreement. Non-mandatory requirements relating to Remuneration Committee have been adopted by the Company.

## Means of Communication

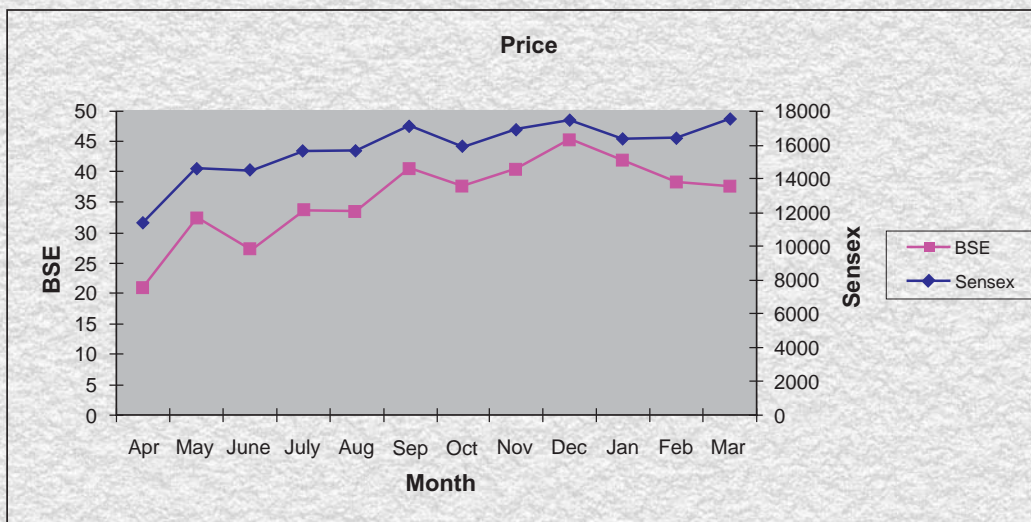
- The Company publishes un-audited quarterly financial results normally in "Financial Express" (English) and "Jansatta" (Hindi) Newspapers. The results are promptly furnished to the Stock Exchanges for display on their respective website.
- Management discussion and analysis forms the part of the Annual Report.

## General information to shareholders:

- **Date and Venue of the AGM** : 30<sup>th</sup> September 2010 at The Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi- 110 074
- **Financial Year** : 1<sup>st</sup> April to 31<sup>st</sup> March.
- **Book Closure Date** : 23<sup>rd</sup> September to 30<sup>th</sup> September 2010 (both days inclusive)
- **Listing on Stock Exchanges & (Stock Code)** : The Stock Exchange, Mumbai (532537)  
National Stock Exchange (Lumaxauto)  
ISIN No. "INE547G01019"  
No dues are pending towards Listing Fee.
- **Stock Market Data** :

Stock Exchange	The Stock Exchange, Mumbai		National Stock Exchange of India Ltd.	
Month	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Mar-10	42.45	36.35	42.00	32.30
Feb-10	45.95	36.70	47.00	37.00
Jan-10	52.00	39.30	52.40	40.00
Dec-09	52.35	39.05	51.95	39.20
Nov-09	46.50	36.10	46.75	35.85
Oct-09	44.00	35.15	42.75	35.00
Sep-09	49.10	32.70	49.40	32.25
Aug-09	36.00	28.80	35.70	29.15
Jul-09	33.60	23.00	33.90	22.75
Jun-09	33.20	24.05	33.30	23.30
May-09	32.45	19.55	31.55	19.05
Apr-09	21.67	13.55	21.50	14.00

## ● Stock Market Data :



- **Registrar and Transfer Agent** : Skyline Financial Services Private Limited  
D-153 A, Okhla Industrial Area,  
Phase - I, New Delhi - 110 020  
Ph: 011-26812682-83-84,

- **Share Transfer System** :  
The Company has appointed M/s Skyline Financial Services Private Limited as the common agency to handle electronic as well as physical transfer of shares. The Company ensures that physical transfers are generally registered in less than 15 days, if documents are clear in all respect.

- **Distribution of Shareholding** : As on 31<sup>st</sup> March, 2010

No. of Shares	No. of Shareholders		Total Shares	
	Number	%	Number	%
Up to 500	19808	98.44	775433	10.47
501 – 1000	171	0.85	130604	1.76
1001 – 2000	62	0.31	87410	1.18
2001 – 3000	17	0.08	43040	0.58
3001 – 4000	16	0.08	56833	0.77
4001 – 5000	8	0.04	35610	0.48
5001 – 10000	8	0.04	59631	0.81
10001 and above	32	0.16	6215545	83.95
<b>Total</b>	<b>20122</b>	<b>100.00</b>	<b>7404106</b>	<b>100.00</b>

- **Shareholding pattern** : As on 31<sup>st</sup> March, 2010

Category	No. of shares held	(%) of shareholding
Promoters/Group Companies	5383714	72.71
Mutual Funds & UTI	1240	0.02
Banks/Financial Institutions	485	0.01
FIs	110	0.00
Private Corporate Bodies	563590	7.61
Indian Public	1449577	19.58
NRIs/OCBs	5390	0.07
Any other (clearing member)	0	0.00
<b>Total</b>	<b>7404106</b>	<b>100</b>