



14th  
Annual Report  
2013-14

A large, stylized graphic of a globe occupies the left and center of the page. It features a grid of white lines representing latitude and longitude. The globe is filled with a pattern of small white dots of varying density, creating a sense of depth and texture. The background is a dark gray gradient.

**Lumax Automotive Systems Limited**

#### BOARD OF DIRECTORS

Mr. U. K. Jain- Chairman & Non-Executive Director  
 Mr. Nitin Jain- Managing Director  
 Mr. Milan Jain- Executive Director  
 Mrs. Suman Aggarwal  
 Mr. Vinay Panchamiya  
 Mr. Rajendra Prasad Agrawal

#### VICE PRESIDENT (LEGAL) & COMPANY SECRETARY

Ms. Monika Gupta

#### REGISTRAR & TRANSFER AGENT

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

#### REGISTERED OFFICE

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

#### BANKERS

Syndicate Bank  
 IDBI Bank Ltd.

#### AUDITORS

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

#### CORPORATE OFFICE

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

#### WORKS

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

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## NOTICE

NOTICE is hereby given that the 14th Annual General Meeting of the members of Lumax Automotive Systems Limited will be held on Friday, the 26<sup>th</sup> day of September 2014 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 of the Company as at 31<sup>st</sup> March, 2014 and the Profit & Loss Account for the year ended on that date together with reports of the Directors and the Auditors thereon.
2. To appoint a director in place of Mr. U.K. Jain, who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint M/s. R. Jain & Sanjay Associates, Chartered Accountants, New Delhi, the retiring Auditors of the Company, as the Statutory Auditors of the Company having firm registration no.012377N on remuneration as may be fixed by the Board of Directors.

### SPECIAL BUSINESS

4. To appoint Mrs. Suman Agarwal as an Independent 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** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act, Mrs. Suman Agarwal, who was appointed as an Additional Director pursuant to the provisions of section 161(1) of the Companies Act, 2013 who holds office up to the date of this annual general meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 consecutive years effective from the date of her appointment."

5. To appoint Mr. Rajendra Prasad Agrawal as an Independent 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** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act, Mr. Rajendra Prasad Agrawal, Director of the Company who holds office up to the date of this annual general meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 consecutive years effective from September 26, 2014."

6. To appoint Mr. Vinay Mansukhlal Panchamiya as an Independent 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** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act, Mr. Vinay Mansukhlal Panchamiya, Director of the Company who holds office up to the date of this annual general meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 consecutive years effective from September 26, 2014."

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

Place: New Delhi  
Date: 26/08/2014

**Monika Gupta  
Company Secretary**

## NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HERSELF/HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**  
The instrument appointing proxy should, however, be deposited at the Registered Office of the Company duly completed and signed not less than forty eight (48) hours before the commencement of the Meeting. Proxies submitted on behalf of limited companies, societies, etc. must be supported by appropriate resolutions / authority as applicable. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case, a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or member.
3. Shareholders are requested to bring their copy of Annual Report to the meeting, as no separate copy would be provided at the venue of the Annual General Meeting.
4. Corporate Members are requested to send a board resolution duly certified, authorising their representative to attend and vote on their behalf at the Annual General Meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from September 19, 2014 to September 26, 2014 (both days inclusive).
6. Brief resume of Directors including those proposed to be appointed / re-appointed, giving relevant details are provided in the Corporate Governance Report forming part of the Annual Report
7. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
8. Members who hold shares in dematerialized form are requested to bring their Client ID and DPID numbers for easy identification of attendance at the meeting.
9. Members holding shares in dematerialized form are requested to intimate any change in their address, bank details, ECS details etc. to their respective Depositories Participants and those holding shares in physical form are requested to intimate the above mentioned changes to the Secretarial Department at the Registered Office of the Company.
10. Equity Shares of the Company are under compulsory demat trading by all investors. Those Members who have not dematerialized their shareholding are advised to dematerialize their shareholding to avoid any inconvenience in future.
11. Members are requested to bring their Attendance Slip along with the copy of Annual Report to the Meeting.
12. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names in the Register of Members of the Company will be entitled to vote.
13. Non-Resident Indian Shareholders are requested to inform M/s Skyline Financial Services Pvt. Limited immediately:
  - The change in the residential status on return to India for permanent settlement.
  - The particulars of the Bank Account maintained in India with complete name, branch, account type, account number, and address of the Bank, if not furnished earlier.

14. As mandated by the Securities and Exchange Board of India (SEBI), members are requested to send copy of the PAN card along with other documents while sending their request for transfer of shares in physical form, deletion of name of the deceased shareholders, transmission or transposition of shares etc., to the Registrar & Share Transfer Agent of the Company.

15. Members, who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names, are requested to send the Share Certificate(s) to the Company for consolidation into a single folio.

16. Green initiative in the Corporate Governance:

The Ministry of Corporate Affairs has taken a Green Initiative in the Corporate Governance by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses so far, including change, if any, are requested to register their e-mail addresses, immediately in respect of electronic holdings with the Depository through their concerned Depository Participants and Members who hold shares in physical form with the Company at [cs@lumaxauto.com](mailto:cs@lumaxauto.com) or at its Registered Office at 63-64, Gokhale Markert, Delhi-11005.

The Notice of the AGM along with the Annual Report 2013-14 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/ Depositories, unless any member has requested for the physical copy of the same.

17. Voting through electronic means

I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote at the 14<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business that may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

a. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:

- Open email and open PDF file viz: "lumax-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
- Open the internet browser by typing the following URL: <https://www.evoting.nsdl.com>.
- Click on Member - Login.
- In case you are already registered with NSDL for e-voting then you can use your existing user ID and password else, put user ID and password as initial password/ PIN noted in step (i) above. Click Login.
- Password change menu will appear.  
Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note the new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- Once the e-voting Home page opens, click on e-Voting: Active Voting Cycles.
- Select "EVEN" (e-voting event No.) of Lumax Automotive Systems Ltd.
- Now you are ready for e-voting as Cast Vote page opens.
- Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

x. Upon confirmation, the message "Vote cast successfully" will be displayed.

xi. Once you have voted on the resolution, you will not be allowed to modify your vote.

xii. Institutional members (i.e. Other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of their relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory/(ies) who are authorized to vote, to the Scrutinizer through e-mail to [bindal007@gmail.com](mailto:bindal007@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

b. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy] :

i. Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (E-Voting Event Number)	USER ID	PASSWORD
-	-	-

ii. Please follow all steps from Sr. No. (ii) to Sr. No. (xii) Above, to cast vote.

II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the Downloads Section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)

III. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

IV. The e-voting period commences on September 19, 2014 (9:00 a.m.) and ends on September 21, 2014 (6:00 p.m.). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date August 22, 2014, may cast their vote electronically.

V. The e-voting module shall be disabled by NSDL for e-voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

VI. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of August 22, 2014.

VII. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

VIII. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.lumaxauto.com](http://www.lumaxauto.com) and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

**By order of the Board  
For Lumax Automotive Systems Ltd.**

**Place: New Delhi  
Date: 26/08/2014**

**Monika Gupta  
Company Secretary**

# Lumax Automotive Systems Ltd.

## EXPLANATORY STATEMENT

### Item no. 4

The board of directors of the Company appointed, pursuant to the provisions of section 161(1) of Act, Mrs. Suman Agrawal as an Additional Director of the Company with effect from August 26, 2014.

In terms of the provision of section 161 (1) of the Act, Mrs. Suman Agrawal would hold office up to the date of the ensuing annual general meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under section 160 of the Act proposing the candidature of Mrs. Suman Agrawal for the office of Director of the Company.

The provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors have come into effect. As per the said provisions, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation at every AGM.

Upon the approval of the shareholders to her appointment, as an Independent Director, the appointment of Mrs. Suman Agrawal, as such, shall be formalized by Board by issuing a letter of appointment to him, which shall be open for inspection by the members at the registered office of the Company, in terms of applicable provisions of the Act.

A brief profile of proposed Independent Director is included as a part of Corporate Governance Report.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Director for her respective appointment, are concerned or interested, financially or otherwise, in these Resolutions. The Board recommends the Ordinary Resolution as set out at item no. 4 for approval of the Members.

### Item no. 5 and 6

In accordance with the relevant provisions of the Articles of Association of the Company and the erstwhile provisions of the Companies Act, 1956, Mr. Rajendra Prasad Agrawal and Mr. Vinay Panchamiya, Independent Directors were appointed by the Members of the Company on the basis of retire by rotation. The provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors have come into effect. As per the said provisions, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation at every AGM.

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is

consistent with the Companies Act, 2013 and the amended Listing Agreement. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company. In the transition to the Companies Act, 2013, which is effective 1st April, 2014, those Independent Directors who have already served for ten or more years will serve for a maximum period of one term of five years. This is consistent with the provisions of Companies Act, 2013. In effect, the transition will be managed by re-appointing such Independent Directors for a period of one more term that does not exceed five years.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Rajendra Prasad Agrawal and Mr. Vinay Panchamiya being eligible, offer themselves for appointment as Independent Directors on the Board of the Company. It is therefore proposed to appoint Mr. Rajendra Prasad Agrawal and Mr. Vinay Panchamiya as Independent Directors on the Board of the Company for a term upto five consecutive years, commencing from 26th September, 2014. A brief profile of proposed Independent Directors is included as a part of Corporate Governance Report.

Upon the approval of the shareholders to their appointments, as an Independent Director, the appointments of Mr. Rajendra Prasad Agrawal and Mr. Vinay Mansukhlal Panchamiya, as such, shall be formalized by Board by issuing a letter of appointment to them, which shall be open for inspection by the members at the registered office of the Company, in terms of applicable provisions of the Act.

Notices have been received from Members proposing candidature of the above Directors for the office of Independent Director of the Company. In the opinion of the Board, Mr. Rajendra Prasad Agrawal and Mr. Vinay Panchamiya, fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder for appointment as Independent Directors of the Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors for their respective appointment, are concerned or interested, financially or otherwise, in these Resolutions. The Board recommends the Ordinary Resolutions as set out at item no. 5 and 6 for approval of the Members.

**By order of the Board  
For Lumax Automotive Systems Ltd.**

**Place: New Delhi  
Date: 26/08/20104**

**Monika Gupta  
Company Secretary**

**Details of the directors seeking re-appointment/appointment in annual general meeting scheduled on September 26, 2014.**

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. U.K. Jain	11/10/1950	15/01/2003	BA	Wide experience in Automobile Industry	1. Lucky Capital Pvt. Ltd. 2. Toray Auto Industries Pvt. Ltd. 3. Lumax Automotive Components Systems Private Ltd.	Nil
Mr. Vinay Panchmiya	26/08/1951	18/05/2004	B.Sc.	Wide experience in trading business of furniture and garments.	Nil	Nil
Mr. Rajender Prasad Agarwal	02/10/1951	26/05/2012	B.Sc	Wide experience in trading business of steel and also provide consultancy in DPS Megacity Kolkata	Nil	Nil
Mrs. Suman Agrawal	02/01/1954	26/08/2014	BA	Wide experience in civil construction line	Nil	Nil

## DIRECTORS' REPORT

To the members of

LUMAXAUTOMOTIVE SYSTEMSLIMITED

Your Directors have pleasure in presenting the 14th Annual Report together with audited accounts of the Company for the year ended 31<sup>st</sup> March 2014.

### Financial Results

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

	Rs in million	
	2013-2014	2012-2013
SALES (excluding excise duty)	7785.62	1119.08
Profit (before interest, dep. & tax)	60.75	161.23
Exceptional Item	2.68	93.38
Interest	11.32	90.41
Depreciation	34.80	(4.41)
Tax provision	36.85	6.86
<b>Profit/Loss after tax</b>	<b>(65.70)</b>	<b>15.79</b>

### Dividend:

No dividend is recommended for this financial year by the Board due to the losses in the Company

### Operations:

Your Company's total turnover during the year under review was Rs.785.62 million as compared to Rs.1119.08 million during the previous year.

### Directors:

In accordance with the requirement of the Companies Act, 2013, Mr. Umesh Kumar Jain is liable to retire by rotation and being eligible offer himself for reappointment.

Mrs. Suman Agrawal was appointed as an additional director designated as an Independent Director w.e.f August 26, 2014 and she shall hold office up to the date of ensuing annual general meeting. The Company has received requisite notice in writing from the member proposing Mrs. Suman Agrawal as an Independent Director.

Mr. Prem Das Gandhi has been associated with the company as a director for about 6 years and 3 months. He resigned from the directorship of the company with effect from August 14, 2014. The directors placed on record their appreciation for the valuable advices given by them during his tenure as an Independent Director of the Company.

The board of directors of the Company has proposed the appointment of Mr. Rajendra Prasad Agrawal and Mr. Vinay Mansukhlal Panchamiya, as independent directors of the Company, for a period of 5 years, effective from the date of their appointment, as such by the board. The Company has received requisite notices in writing from member proposing Mr. Rajendra Prasad Agrawal and Mr. Vinay Mansukhlal Panchamiya for appointment as Independent Director. Upon the approval of the shareholders to their appointment, as an Independent Director, the appointment of Mr. Rajendra Prasad Agrawal, Mr. Vinay Mansukhlal Panchamiya and Mrs. Suman Agrawal, as such, shall be formalized by Board by issuing a letter of appointment to them.

Brief resume of the directors 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.

### 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 reappointment 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.

### Cost Auditors

The Company has appointed M/s Vipul Bhardwaj & Co. as the cost auditors for conducting the cost audit for the financial year 2013-14

### 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.

### Transfer of amounts to Investor Education and Protection Fund

Pursuant to the provisions of section 205A(5) and 205C of the Companies Act, 1956, relevant amounts which remained unpaid or unclaimed for a period of 7 years have been transferred by the Company to the Investor Education and Protection Fund.

Pursuant to the provision of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amount laying with the Company as on 03/10/13 on the Ministry of Corporate Affairs website.

### Listing:

The equity shares of the 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 have been taken wherever needed.

### 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.7 and 8.

### 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 losses 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, investors and financial institutions for their continued support and co-operation.

Place: New Delhi

Date: 26/08/2014

For & On behalf of the Board of Directors

U. K. Jain  
Chairman

Nitin Jain  
Managing Director

# Lumax Automotive Systems Ltd.

## 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 a non-executive Chairman and one third of the total number of directors comprises of independent director.

During the year under review 10 board meetings were held on April 5, 2013, May 30, 2013, June 21, 2013, July 13, 2013, August 5, 2013, August 14, 2013, September 10, 2013, November 14, 2013, December 5, 2013, February 12, 2014. 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	Non-Executive Chairman, Promoter	10	No	-	-	-	Related as father to Mr. Nitin Jain & Mr. Milan Jain
Nitin Jain	Executive, Promoter	10	Yes	2	-	-	Related as son to Mr. U.K. Jain
Milan Jain	Executive, Promoter	10	Yes	2	-	-	Related as son to Mr. U.K. Jain
Vinay Panchamiya	Non-Executive, Independent	10	Yes	-	-	-	Not related to any Director
Prem Das Gandhi	Non-Executive, Independent	10	Yes	-	-	-	Not related to any Director
Rajendra Prasad Agrawal	Non-Executive, Independent	10	Yes	-	-	-	Not related to any Director

### 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 managing director to this effect is provided elsewhere in the annual report.

### Audit Committee

The Company constituted audit committee in terms of the provisions of Section 292A of the Companies Act, 1956 and clause 49 of the listing agreement.

The audit committee assists the board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence, performance and remuneration of the statutory auditors including the cost auditors, the performance of internal auditors and Company's risk management policies.

The audit committee comprises of four 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
Mr. U. K. Jain - Member	4	4
Mr. Rajendra Prasad Agrawal - Member	4	4

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 May 30, 2013, August 14, 2013 and November 14, 2013 and February 12, 2014.

### The audit committee reviews the following information:

- The management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters/letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of internal auditors.

### 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 August 5, 2013.



**Composition of the Remuneration Committee: -**

Name of the Directors	Meetings held	Meeting attended
Mr. Rajendra Prasas Agrawal- Chairman	1	1
Mr. Prem Das Gandhi	1	1
Mr. Vinay Panchmiya	1	1

• **Remuneration of whole time and Managing Directors:**

Name	Salary (Rs.)	Perquisites & Allowances (Rs.)	Total (Rs.)
Mr. Nitin Jain, Managing Director	4320000	503216	4829897
Mr. Milan Jain, Executive Director	4320000	509897	4823216

The non-executive directors have not drawn any remuneration from the Company, except sitting fees for attending meetings of the board and committees.

Mr. U.K. Jain, non-executive director holding 3523704 equity shares of the Company on March 31, 2014.

The Company has no stock option scheme and hence, no stock options are granted to non-executive directors.

**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, one shareholders' committee meeting was held on August 5, 2013.

**Composition of the Shareholders' Committee: -**

Members	Meetings held	Meeting attended
Mr. Prem Das Gandhi - Chairman	1	1
Mr. U.K. Jain	1	1
Mr. Nitin Jain	1	1

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.

**Compliance officer:**

Ms. Monika Gupta, Vice President (Legal) & Company Secretary is the compliance officer for complying with the requirements of the Securities Laws and the Listing Agreements with the Stock Exchanges.

**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
2012-13	04/09/2013	10.00 A.M.	The Executive Club, New Delhi	N.A.
2011-12	24/09/2012	10.00 A.M.	The Executive Club, New Delhi	N.A.
2010-11	28/09/2011	10.00 A.M.	The Executive Club, New Delhi	N.A.

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

**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 does not have a separate whistle blower policy. However, the code of conduct of the Company reflects the mechanism by which the employees may report to the management their concerns about unethical behaviours, actual or suspected frauds or violation of the Company's code of conduct or ethics policies.
- During the year under review, there are no materially significant related party transactions which have a potential conflict with the interests of the Company at large.
- The Company has laid down a code of conduct for prevention of Insider Trading in the shares of the Company in accordance with SEBI (Prohibition of Insider Trading) Regulation, 1992.
- 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. Please see the para on Remuneration Committee for details.**

**Means of Communication**

- The Company publishes un-audited quarterly financial results normally in "Financial Express" (English) and "Jansatta" (Hindi) newspapers. The results are displayed on the website of the Company at [www.lumaxauto.com](http://www.lumaxauto.com).
- Management discussion and analysis forms the part of the annual report.



## Lumax Automotive Systems Ltd.

- All material information about the Company is promptly sent through facsimile to the stock exchanges where the shares of the Company are listed.
- The NEAPS and listing center of BSE are the web based application designed by NSE and BSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, etc. are filed electronically on NEAPS and listing center of BSE.
- The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are: centralized database of all complaints, online upload of action taken reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

### General information to shareholders:

- **Date and Venue of the AGM** : 26<sup>th</sup> September 2014 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** : 19<sup>th</sup> Sept. to 26<sup>th</sup> Sept. 2014 (both days inclusive)
- **Listing on Stock Exchanges & (Stock Code)** : The Stock Exchange, Mumbai (532537)  
National Stock Exchange (Lumaxauto)  
ISIN No. "INE547G01019"
- **CIN** : L72900DL1999PLC099103
- **Payment of Listing Fees** : Annual listing fee for the year 2014-15 has been paid by the Company to BSE and NSE.
- **Payment of Depository Fees** : Annual custody/issuer fee for the year 2014-15 has been paid by the Company to NSDL.
- **Unclaimed Suspense Account**  
As per clause 5A (II) of the listing agreement amended by Securities and Exchange Board of India (SEBI) vide their circular No. CIR/CFD/DIL/10/2010, the Company has opened an unclaimed suspense account relating to unclaimed shares with the depository participant Elite Wealth Advisors Ltd. Having the DPID / CLID IN301670/10286695 in the Name of Lumax Automotive Systems Ltd- Unclaimed Suspense Account at S-8, Second Floor, DDA Shopping Complex, Mayur Vihar, Phase-I, New Delhi-11009. The company has transferred 41855 equity shares belongs to 1344 shareholders in unclaimed suspense account.

Particulars	No. of Shareholders	No. of Shares
Aggregate number of shareholders and outstanding shares at the beginning of the year	1344	41855
Number of shareholders whose unclaimed shares have been transferred into Unclaimed Suspense Account during the year	NIL	NIL
Number of shareholders who approached for issue/transfer of shares during the year 2013-14	NIL	NIL
Number of shareholders to whom shares were issued/ transferred	NIL	NIL
Aggregate number of shareholders and outstanding shares lying at the end of the year	1344	41855

The voting rights on the shares outstanding in the suspense accounts as on March 31, 2014 shall remain frozen till the rightful owner of such shares claims the shares.

### • Transfer of unpaid/unclaimed amounts to Investors' Education & Protection Fund (IEPF)

During the year under review, the Company has credited Rs.120510/- , lying in the unpaid dividend account, to Investor Education and Protection Fund pursuant to section 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

The Company has uploaded the information regarding unpaid and unclaimed amounts lying with Company as on October 3, 2013 on the website of Ministry of Corporate Affairs.

Unclaimed dividend when due for transfer to Investors' Education & Protection Fund (IEPF) is given below:

Financial Year	Type of Dividend	Date of declaration of dividend	Due date of transfer
2006-2007	Final Dividend	25-09-2006	10-10-2014

Members who have not encashed their dividend for above mentioned financial years are therefore, requested to make their claims to the Company immediately.

### • Stock Market Data

Stock Exchange	Bombay Stock Exchange		National Stock Exchange	
Month	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Mar-14	18.98	13.35	18.00	13.65
Feb-14	17.30	13.56	14.70	13.35
Jan-14	16.20	13.78	15.45	13.35
Dec-13	15.22	13.25	14.90	13.55
Nov-13	15.43	12.80	14.85	13.00
Oct-13	14.19	12.50	13.10	12.00
Sep-13	13.90	11.80	13.00	11.45
Aug-13	14.50	12.30	13.00	12.35
Jul-13	14.00	12.20	13.75	13.10
Jun-13	15.00	13.00	14.50	12.50
May-13	16.80	13.80	16.00	13.00
Apr-13	21.60	15.15	20.25	14.60