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# Lumax Industries Limited

1998-99  
18th ANNUAL REPORT

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## Lumax Industries Limited

### BOARD OF DIRECTORS

Shri S.C. Jain	(Chairman &Sr. Mg. Director)	
Shri D.K. Jain	(Vice Chairman & Mg. Director)	
Shri Mahesh K. Jain	(Director)	
Shri U.K. Jain	(Executive Director)	
Shri Rajan Jain	(Executive Director)	
Shri P.C. Jain	(Executive Director)	
Shri R.P. Aggarwal	(Executive Director)	
Shri H. Seto	(Executive Director)	} Nominees of Stanley, Japan
Shri A. Nakamura	(Director)	

### SECRETARY

Shri K.V. Vijayan

### AUDITORS

M/s K.S. Gupta & Company  
Chartered Accountants, Delhi

M/s D.R. Barve & Company  
Chartered Accountants, Pune (Branch Auditors)

### BANKERS

Punjab National Bank  
Syndicate Bank  
State Bank of India  
ICICI Banking Corporation Ltd.

### REGISTERED OFFICE & SHARE DEPT.

2nd Floor, Harbans Bhawan-II  
Nangalraya Business Centre, New Delhi-110 046  
Tele : 5500010, 5541975  
Fax : 5501233  
E-mail : lumxshre@ndf.vsnl.net.in

### CORPORATE OFFICE

B-86, Mayapuri Industrial Area,  
New Delhi-110 064

### WORKS

- B-85, Mayapuri Industrial Area, New Delhi
- D-2/43 & D-2/44, MIDC Industrial Area, Chinchwad, Pune
- 29, DLF Industrial Estate-II Faridabad
- Plot No. 16, Sector 18, Maruti Complex, Gurgaon
- Plot No. 78, Sector 6, Faridabad
- C-10, MIDC, Waluj, Aurangabad
- 131, Roz-Ka-Meo Industrial Estate, Sohna
- Plot No. 6, HSIDC. Indl. Area, Dharuhera




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**Lumax Industries Limited**
*Eighteenth*

# **ANNUAL REPORT 1998-99**

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ANNUAL GENERAL MEETING ON 22ND SEPT., 1999



## Lumax Industries Limited

### SHAREHOLDER INFORMATION

#### 1. Share Transfer and related matters :

The Company has got in-house share transfer facilities. Shares are transferred on 15th and 30th of every month. The average time taken for share transfer is 15-20 days. All the correspondence related to share transfers, transmission, splitting, consolidation, change of address, nomination, dividend etc. should be addressed to :-

K.V. Vijayan - G.M. (Legal) & Company Secretary  
Lumax Industries Limited  
IInd Floor, Harbans Bhawan - II  
Nangalraya Business Centre  
New Delhi - 110046.  
Tel. : 5500010, 5541975  
Fax : 011-5501233  
E-mail : lumxshre@ndf.vsnl.net.in

#### 2. Nomination Facility :

Every individual shareholder can now nominate a person to whom all the rights in his shares shall vest, in the event of his death as per the provisions of section 109(A) of the Companies Act, 1956. For further details, shareholders are requested to contact the share department of the company.

#### 3. Exchange of Laser Lamps (Haryana) Ltd. share certificates :

A large number of shareholders of erstwhile Laser Lamps (Haryana) Ltd. (LLHL) have not yet surrendered their share certificates even after repeated reminders. They are once again requested to send the LLHL share certificates to the share department of the company, without any further delay, so that the corresponding share certificates of Lumax may be despatched to them.

#### 4. Dividend Payment :

A dividend of 22% has been recommended for declaration in the AGM. If declared, Dividend Warrants will be despatched in the last week of October, 1999. Shareholders are requested to inform their Bank A/c No., Bank Name & Branch, so that, the same can be printed on the dividend warrant.

#### 5. Share Transfer Book Closure :

The Register of Members and Share Transfer Books of the Company will remain closed from 13-09-99 to 22-09-99 (both days inclusive) for the purpose of payment of Dividend.

#### 6. Consolidation of Shares in single Ledger Folios :

Shareholders who hold shares in multiple folios with identical names are requested to intimate their Ledger folios of such accounts and send the share certificates so that these shares can be consolidated into one account. The Share certificates will be returned after making necessary endorsement.

#### 7. Transfer of Unclaimed / Unpaid Dividend :

Shareholders who have not encashed their last 3 years' Dividend Warrants are requested to write to the company for the issue of duplicate Dividend Warrants. Unpaid dividend amount for the years 1995-96, 1996-97 & 1997-98 shall be transferred to the Investor Education and Protection Fund (to be set up by Central Govt.) after the expiry of 7 years from the date of transfer to Unpaid Dividend A/c.

#### 8. Stock Exchanges in which company's shares are listed :

Delhi, Mumbai and National Stock Exchange. No dues are pending towards Listing Fee.

#### 9. Stock Market Quotation :

Company's shares are regularly traded in Mumbai and NSE. NSE monthly quotation for the year 1998-99 are as under :-

Months	High	Low
April 1998	70.50	51.00
May 1998	61.00	47.00
June 1998	50.00	35.40
July 1998	40.00	33.00
Aug. 1998	34.85	30.05
Sept. 1998	46.90	30.10
Oct. 1998	38.80	30.00
Nov. 1998	34.90	29.65
Dec. 1998	32.40	27.05
Jan. 1999	41.60	30.05
Feb. 1999	35.90	28.00
March 1999	49.05	27.25

#### 10. Other information of shareholders' interest.

	98-99	97-98	96-97	95-96	94-95	93-94	92-93	91-92	90-91	89-90
Paid-up Equity (Rs in lacs)	834.77	834.77	594.75	594.75	594.75	189.90	189.90	189.90	94.95	94.95
Net Sales (Rs in lacs)	14026	13020	12421	10250	6865	5308	4090	3559	2866	2111
Net Profit (Rs in lacs)	349	610	855	568	312	203	157	156	143	142
Earning per share (Rs)	4.19	7.31	14.37	9.55	5.24	10.70	8.26	8.25	15.13	15.04
Dividend (in %)	22	22	22	20	18	24	18	18	25	25
Bonus Issue Ratio	-	-	-	-	3:2	-	-	1:1	-	-
Book Value (Rs)	86.83	84.56	80.87	68.97	48.22	78.75	70.49	41.55	70.20	57.58
Market Price (Rs.)										
High	70	124	130	142	310	170	175	130	100	165
Low	27	42	69	95	110	47	50	70	39	74





## Lumax Industries Limited

### NOTICE TO MEMBERS

Notice is hereby given that the 18th Annual General Meeting of the Shareholders of the Company will be held on **WEDNESDAY THE 22ND SEPT. 1999 AT 11.00 A.M. AT FICCI GOLDEN JUBILEE AUDITORIUM, TANSEN MARG, NEW DELHI-110001** to transact the following business:-

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March 1999 and the Directors' and Auditors' Report thereon.
2. To declare the Dividend on Equity Shares.
3. To appoint a Director in place of Sh. P.C. Jain who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Sh. R.P. Aggarwal who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Statutory Auditors M/s K.S. Gupta & Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting.

### SPECIAL BUSINESS :

6. To consider and if thought fit, to pass with or without modification the following as ordinary resolution :-

"Resolved that M/s D.R. Barve and Company, Pune be and is hereby re-appointed as Branch Auditors for the audit of the accounts of Pune, Aurangabad and Chakan branches of the Company, and the Company hereby authorise the Board of Directors to fix the terms and conditions of their appointment including the remuneration payable to them".

7. To consider and if thought fit, to pass with or without modification the following as ordinary resolution :-

"Resolved that Mr. Hiroshi Seto, a nominee of Stanley Electric Co. Ltd., Japan, who was appointed by the Board as an Additional Director of the Company w.e.f. 27-07-99 and who holds the office upto the date of this AGM, and in respect of whom the Company has received a Notice in writing from a member as required under Section 257 of the Companies Act, 1956 proposing his candidature for the Office of the Director, be and is hereby appointed as Director of the Company."

"Resolved further that pursuant to relevant provisions of the Companies Act, 1956, consent of the company is hereby accorded to the appointment of Mr. Hiroshi Seto as Executive Director for a period of 2 years w.e.f. 27-07-99 on a salary of Rs.40,000/- p.m. together with other allowances and perquisites as per the Agreement duly approved by the Board (a copy of which is placed in the meeting) and the brief details of which are set out in the explanatory statement annexed to this notice."

"Resolved further that in the absence of or inadequacy of net profit during any financial year, Mr. Hiroshi Seto shall be paid the salary and other perquisites as detailed in the agreement entered with him, as minimum remuneration which shall further be within the overall ceiling as specified in Section II of Part II of Schedule XIII of the Companies Act, 1956."

8. To consider and if thought fit, to pass with or without modification the following as ordinary resolution :-

"Resolved that re-appointment of Mr. T. Kamoshita, Executive Director and payment of his remuneration for the period from 19-05-99 to 26-07-99 is hereby approved."

BY ORDER OF THE BOARD

K.V. VIJAYAN

Regd. : 2nd Floor, Harbans Bhawan-II, COMPANY SECRETARY  
Office Nangalaya Business Centre  
New Delhi - 110046.  
Dated : 31st July, 1999

### NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his/her behalf and proxy need not be a member of the company. The Proxy Form duly filled up and signed should reach to the Company's Regd. Office atleast 48 hours before the scheduled time of the meeting. Proxy form is attached.
2. Dividend on shares, as recommended by the Directors, if declared at the meeting will be payable to those members whose names stand on the Register of Members of the Company as on 22-09-99.
3. The members are requested to intimate the company immediately, any change in their registered address.
4. Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting.
5. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business is furnished hereunder.

### EXPLANATORY STATEMENT :

#### Item No. 6 :

As per Section 228(3) of the Companies Act, 1956, approval of the Members in the Annual General Meeting is required for the audit of Branch Accounts by an Auditor other than the Statutory Auditor, M/s D.R. Barve & Company, Pune has been the Branch Auditors in respect of Pune, Aurangabad and Chakan Units of the Company since their inception. It is therefore, considered desirable to continue their service as Auditors of the above said units. It is further recommended that the Board of Directors may be authorised to decide the terms and conditions of their appointment including their remuneration.

#### Item No.7 :

The Board of Directors in the meeting held on 21-07-99 co-opted Mr. Hiroshi Seto, a nominee of Stanley Electric Co. Ltd., Japan, our collaborator (Stanley) as Additional Director in the Board w.e.f. 27-07-99 and designated him as Executive Director in accordance with the service agreement entered into between the Company and the said collaborator. Stanley has nominated Mr. Hiroshi Seto in place of Mr. T. Kamoshita. Mr. Seto (47 years) is qualified in Electrical Engineering and is on the roll of Stanley Electric Co. Ltd., Japan since 1970. He was deputed to Lumax two years back in accordance with the service agreement entered into between the Lumax and the collaborator. Mr. Hiroshi Seto is stationed at Gurgaon Unit and looking after the Quality Control Department.

The Board consider that his induction in the board will further the mutual understanding between the company and collaborator in imparting the collaborators' technology in a better way.



## Lumax Industries Limited

As per the provisions of Schedule XIII of the Companies Act, 1956 his appointment and payment of remuneration are subject to the approval of members. Hence, the Board recommend this resolution for the approval of the members. The principal terms and conditions of the appointment of Mr Seto is as follows :

1. The period of appointment of Mr. Hiroshi Seto, Executive Director is for two years w.e.f. 27-07-99 which is extendable.
2. The terms and conditions of the appointment of Mr. Seto, Executive Director is based on the service agreement entered into between the Company and Stanley.
3. He shall be entitled leave with full salary as per the service agreement.
4. He shall not be paid any sitting fees for attending the meetings of the Board of Directors or a committee thereof from the date of his appointment.
5. The company reserves the right to terminate the contract of appointment of Mr. Seto and request Stanley to recall him.
6. Mr. Seto shall be entitled to the salary, allowances and other perquisites as mentioned hereunder. The remuneration payable is subject to the deduction of Income Tax as per the Indian Tax Laws.

### Remuneration :

Subject to the ceiling prescribed under Section-I of Part-II of Schedule-XIII of the Companies Act, 1956, the whole-time Director shall be paid the following remuneration :-

Salary	: Rs. 40000/- per month
Family Allowance	: Rs.20000/- (Payable for the period when the family stay with the appointee)
Increment	: The Board of Directors to fix such increment as may be deemed fit from time to time.

### Perquisites/Allowances :

- a. Proceeding allowance and outfitting allowance to self and his family : The whole-time Director shall be eligible for proceeding/departure allowance at the rate 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 and outfit allowances at the rate of 50% of 2 months salary and at the rate of 25% in case of children below 12 years.
- b. Housing : The company to provide free fully furnished accommodation with the facilities of Telephone, Gas, Electricity and Water etc. The Company also to bear the actual expenses incurred on maintenance, repairs and other facilities as required from time to time. The taxable perquisite value on the free furnished accommodation will be taken as per the Income Tax Rules.

- c. 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. as per the Service Agreement between the company and Stanley.
- d. Other benefits :
  - i) The company will provide to the whole-time Director a chauffeur driven car. The company shall bear all the expenses in respect of the car such as garaging charges, servicing, repairs, fuel, taxes, comprehensive insurance premium etc. including the salary for the driver. Use of Car for personal purpose shall be billed by the Company.
  - ii) The company to pay to and fro travelling expenses to the whole-time Director and to 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.

### Minimum remuneration :

In the event of absence of or inadequacy of net profit during any of the financial year, the remuneration to the whole time Director shall be restricted to the ceiling specified in Section-II of Part-II of Schedule-XIII of the Companies Act, 1956.

None of the Directors except Mr. Seto is interested in this resolution. Copies of the documents mentioned in this resolution are kept in the Regd. Office and are open for inspection of members.

### Item No. 8 :

On the expiry of the one year term of Mr. T. Kamoshita on 18-05-99, the Board of Directors, subject to the approval of the members, re-appointed him for another one year on the existing salary of Rs.40000/- p.m. plus other allowances and perquisites. However Stanley Electric Co. Ltd., Japan withdrew his nomination and therefore he resigned w.e.f. 26-07-99.

Since his appointment and the payment of remuneration for the period from 19-05-99 to 26-07-99 have to be approved by the members, this resolution is put up for the approval of the members.

BY ORDER OF THE BOARD

K.V. VIJAYAN

Regd. : 2nd Floor, Harbans Bhawan-II, COMPANY SECRETARY  
Office Nangalaya Business Centre  
New Delhi - 110046.  
Dated : 31st July, 1999