

AURANGABAD ELECTRICALS LIMITED

(CIN: U31909PN1985PLC037539)

Registered Office: B-7, MIDC Chakan, Village -Mahalunge, Tal-Khed, Dist: -Pune-410501

Website: www.aurangabadelectricals.co.in

E-mail: corporate@ael-cie.com

NOTICE

NOTICE is hereby given that the 37th Annual General Meeting of the members of the company will be held on Tuesday, the 29th day of March, 2022 at 03.00 PM (IST) through Video Conference ("VC")/Other Audit Visual Means (OAVM), to transact the following business:

The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.

Ordinary Business:

1. To receive, consider and adopt the audited financial statements the Company for the year ended 31/12/2021 together with the reports of Board of Directors and Auditors' thereon and in this regard to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT the audited financial statements of the Company for the financial year ended 31/12/2021 (from 01/01/2021 to 31/12/2021) along with reports of the Board of Directors and Auditors thereon as laid before the meeting, be and are hereby received, considered, approved and adopted."

2. To appoint Director in place of Ms. Roxana Meda Inoriza (DIN: 08520545), who retires by rotation and being eligible offers himself for re-appointment and in this regard, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Ms. Roxana Meda Inoriza (DIN: 08520545), who retires by rotation at this annual general meeting

and being eligible offers himself for re-appointment, be and is hereby re-appointed as Director of the Company, liable to retire by rotation."

3. To appoint Director in place of Mr. Vinayak Ambadas Pol (DIN: 07660253), who retires by rotation and being eligible offers himself for re-appointment and in this regard, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Vinayak Ambadas Pol (DIN: 07660253), who retires by rotation at this annual general meeting and being eligible offers himself for re-appointment, be and is hereby re-appointed as Director of the Company, liable to retire by rotation."

4. To appoint M/s. B S R & Co. LLP, Chartered Accountants, Pune as the Statutory Auditor of the Company for a period of 5 years and in this regard, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT, pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any (including any statutory modification or re-enactment thereof for the time being in force) of Companies Act. 2013 read with the Companies (Audit & Auditors) Rules 2014, the approval of the members be and is hereby given for the appointment of M/s. B S R & Co. LLP, Chartered Accountants, (FRN No. 101248W/W-100022), as the Statutory Auditor of the Company to hold office for a consecutive term of 5 years from, effective from the conclusion of 37th Annual

General Meeting till the conclusion of 42nd Annual General Meeting of the Company on such remuneration as may be agreed by the Board of Directors in consultation with the Auditor."

5. To declare dividend for the Financial Year ended 31st December, 2021:

Special Business:

6. Ratification of remuneration payable to Cost Auditor for financial year 2022:

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

"RESOLVED THAT, pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014 (including any statutory modification (s) or re-enactments(s) thereof for the time being in force), the Company hereby ratifies the remuneration payable to Mr. Harshad Deshpande, practicing cost accountant, Pune (M. No. 25054), who has been appointed by the Board as the cost auditor to conduct the audit of the cost records of the Company for the year ending 31/12/2022 at a remuneration of Rs.87,500/- (Rupees Eighty Seven Thousand Five Hundred only), plus taxes as may be applicable and reimbursement of such other out of pocket expenses, as may be incurred by them during the course of Audit."

"RESOLVED FURTHER THAT approval of the Company be accorded to the Board of Directors of the Company to do all such acts, deeds, matters and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this resolution and to settle any questions, difficulties or doubts that may arise in this regard."

7. To consider and approve the revision in remuneration payable to Mr. Vinayak Ambadas Pol (DIN: 07660253) as Executive Director of the Company of the Company and in this regard to

consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT in partial modification of the ordinary resolution passed by shareholders in the 34th Annual General Meeting of the Company held on 26th September, 2019 and pursuant to provisions of the Section 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 read with schedule V to the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force, approval of the members be and is hereby accorded, that the remuneration (excluding the Stock Appreciation Benefit) payable to Vinayak Ambadas Pol (DIN: 07660253), as the Executive Director of the Company shall not exceed Rs 20 million per annum by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

RESOLVED FURTHER THAT Mr. Vinayak Ambadas Pol shall be entitled to Stock Appreciation Benefits in accordance with the Stock Appreciation Benefit Policy of the Company and the amount payable under the Stock Appreciation Benefit Policy shall be over and above the aforesaid limits of 20 million; provided that the aggregate remuneration payable to Mr. Vinayak Pol along-with other Executive Directors of the Company shall be subject to the overall ceiling of 7% of the net profits of the Company in a financial year or such other limits as may be approved by the members of the Company from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company shall decide the manner of payment of remuneration and other benefits and to do all such acts, deeds, matters and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this resolution and to settle any

questions, difficulties or doubts that may arise in this regard.

8. Appointment Mr. Manoj Mullassery Menon as a director:

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Manoj Mullassery Menon who was been appointed as Additional Director of the Company with effect from 14/10/2021 who in terms of section 161 of companies act 2013 holds the office up to the date of this Annual General Meeting; the board have recommended the regularisation of his appointment as Director, be and is hereby appointed as a director of the company liable to retire by rotation.

RESOLVED FURTHER THAT any director of the Company be and is hereby severally authorized to file required return with the Registrar of Companies, to make necessary entries in the Statutory registers of the company and to do all such acts/ deeds/ things as may deem fit to give effect to this resolution."

Encl.: Explanatory Statement, Additional information and notes:

NOTES:

1. In view of the Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 5th May, 2020 read with circulars dated 8th April, 2020, 13th April, 2020 and 14th December 2021 (collectively referred to as "MCA Circulars") permitted holding of the Annual General Meeting of companies through Video Conferencing or Other Audio Visual

Means ("VC / OAVM"), without the physical presence of the Members at a common venue.

2. In compliance with applicable provisions of the Companies Act, 2013 ("the Act") read with the MCA circulars, the 37th Annual General Meeting of the Company is being conducted through Video Conferencing ("VC") (herein referred to as "AGM" or "e-AGM"). In accordance with the Secretarial Standard-2 on General Meeting issued by the Institute of Company Secretaries of India (ICSI) read with Guidance/Clarification dated April 15, 2020, issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the e-AGM.
3. Video Conferencing (VC) facility: The VC facility for the e-AGM will be provided on the "Microsoft Teams" platform through a link provided by the Company. A link to attend the e-AGM will be shared to the members through a separate email.
4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf who may or may not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC, physical attendance of Members has been dispensed with. Further as per the MCA Circulars, the facility for appointment of proxies by the Members will not be available for the e-AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. Corporate Shareholders (i.e., other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the e-AGM on its behalf and to vote at the e-AGM. The said Resolution/Authorization should be sent electronically through their registered email address to gaikwad.shailesh@cie-india.com
6. The pursuant to Section 125 of Companies Act 2013 read with Investor Education & Protection

Fund Authority (Accounting, Audit, Transfer & Refund) Rules 2016 as amended, the Company has already transferred the entire unclaimed dividend amount for the year ended 31/03/2010 and 31/03/2011 to IEPF.

7. The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the notice.
8. **Voting during the AGM:** Members who are present at the e-AGM through VC shall cast their votes by show of hands and the Chairman shall facilitate the same.
9. In compliance with the aforesaid MCA Circulars, Notice of the e-AGM along with the Annual Report for the financial year ended on 31st December, 2021 is being sent only through electronic mode to those Members whose email addresses are registered with the Company.
10. **Instructions to the Members for attending the e-AGM through Video Conference:**
 - i. Members will be provided with a facility to attend the e-AGM through video conferencing platform on "Microsoft Teams" App. Members may access the same by clicking at the link provided by the Company. The link will be shared through separate email.
 - ii. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.
 - iii. Further Members will be required to allow access to the Camera, if any, and are requested to use Internet with good speed to avoid any disturbance during the meeting.
 - iv. Please note that participants using Mobile Devices or Tablets or Laptops and are accessing the internet via "Mobile Hotspot" may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
 - v. Submission of Questions/queries prior to e-AGM: Members desiring any additional information with regard to Accounts/ Annual

Reports or has any question or query are requested to write to Mr. Shailesh Gaikwad, Officer – Legal & Compliance at gaikwad.shailesh@cie-india.com at least 2 days before the date of the e-AGM to enable the Management to keep the information ready. Please note that, members questions will be answered only if they continue to hold the shares as of cut-off date.

- vi. Members who wish to inspect the Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under section 189 of the Companies Act, 2013 and Relevant documents referred to in this Notice of e-AGM and explanatory statement on the date of e-AGM in electronic mode can send an email to gaikwad.shailesh@cie-india.com
- vii. The Company is sending through email, the AGM Notice and the Annual Report to the members whose name is recorded in the register of members as on Wednesday, 16th March, 2022.

ADDITIONAL INFORMATION ON ITEM NO. 2 & 3:

Ms. Roxana Meda Inoriza was appointed as Director of the Company w.e.f. 23/10/2019 and Mr. Vinayak Ambadas Pol, was appointed as Director of the Company w.e.f. 25/06/2018. Both the Directors are liable to retire by rotation at the 37th AGM held on 29/03/2022.

Ms. Roxana Meda Inoriza and Vinayak Ambadas Pol are not disqualified from being appointed as Director in terms of Section 164 of the Act.

None of the Directors and key managerial personnel of the Company is related per-se. None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No.2 & 3 of this Notice.

The Board recommends the ordinary resolution set out at item No.2 & 3 of the notice for the approval of the Members.

Explanatory Statement:

Item no. 6: Ratification of remuneration payable to the Cost Auditor for financial year 2022: -

The board of Directors, at their meeting held on 17/02/2022, has appointed Mr. Harshad Deshpande, practicing cost accountant, Pune (M. No. 25054), as the cost auditor of the Company, for conducting the audit of the cost records of the Company, for the year ending 31/12/2022, at a remuneration of Rs.87,500/- (Rupees Eighty Seven Thousand Five Hundred only), plus taxes as may be applicable and reimbursement of such other out of pocket expenses, as may be incurred by them during the course of Audit.

Pursuant to the Section 148 of the Act 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the cost auditor, as approved by the board, is required to be ratified by the shareholders of the Company.

Accordingly, consent of the Members of the Company is sought for ratification of the remuneration payable to the Cost Auditors for conducting the Audit of Cost records, for the Financial Year ending 31/12/2022.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No.6 of this Notice.

The Board recommends the ordinary resolution set out at item No.4 of the notice for the approval of the Members.

Item no. 7: To consider and approve the revision in remuneration payable to Mr. Vinayak Ambadas Pol (DIN: 07660253) as Executive Director of the Company of the Company and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution 2022: -

The members of the Company at the 33rd Annual General Meeting held on 28th September 2018 had approved the appointment of Mr. Vinayak Pol as Executive Director of the Company and approved payment of annual remuneration of Rs. 6.1 Million to Mr. Vinayak Pol excluding the perquisites given to him. Further the members of the Company at the 34th Annual General Meeting held on 26th September, 2019 increased their remuneration to 7.6 Million excluding the perquisites given to him in the said meeting the members had further authorized the Board of Directors of the Company to decide, from time to time, on the salary, perquisites and other allowances and benefits which shall be paid to Mr. Vinayak Pol.

The Company is a wholly owned subsidiary of Mahindra CIE Automotive Limited (MCIE). The Board of Directors of MCIE has adopted a Stock Appreciation Benefit Policy for its key employees. The purpose of this Stock Appreciation Benefit Policy is to reward the key employee of MCIE by sharing the prosperity of MCIE represented by the rise in Market Price of the Stocks of MCIE and to create wealth for Employees through a reward mechanism.

Recognizing the Company's contribution in overall performance of MCIE Group, it was felt necessary by the Board of Directors adopt the same reward mechanism for the key employee of the Company. Hence the Board of Directors of the Company, at its meeting held on 28th April 2021 approved a Stock Appreciation Benefit Policy.

Mr. Vinayak Pol's knowledge and experience has immense benefit and value to the Company, and he is key asset for the performance of the Company. In view of the forgoing the Board of Directors, at its meeting held on 28th April 2021 decided to grant Incentive in form of Stock Appreciation benefits under

the Stock Appreciation Benefit Policy approved by the Board of Directors of the Company to Mr. Vinayak Pol.

The Board of Directors has granted 1,00,000 Stock Appreciation Units ("SAU") to Mr. Vinayak Pol. These SAUs only represents a numeric multiple for which the 'Stock Appreciation Benefit' shall be paid by the Company to Mr. Vinayak Pol. The Base Price to be considered for Stock Appreciation

Benefit has been fixed at Rs150/-. The Redemption Price for determining the Stock Appreciation Benefit shall be calculated as the volume-weighted average market price of the shares of the MCIE quoted on National Stock Exchange of India Limited for a period of sixty trading days immediately preceding the Pay-out Date. The appreciation in the price per Shares of the Company between the 'Base Price' and the 'Redemption Price' shall be the stock appreciation benefit per SAU, which shall be paid as a cash incentive to Mr. Vinayak Pol for the number of SAUs granted to him. The pay-out shall be made on two dates viz: 19th February 2023 (first pay-out) and 19th February 2025 (final pay-out reduced by the amount already paid in first pay-out). Mr. Vinayak Pol is not entitled to any rights in the Shares of the MCIE nor has any kind of option to receive any Shares of the MCIE in future against the SAUs granted to him. The current approval of the members excludes the perquisite value of the stock options which may be exercised by Mr. Vinayak Pol from the aforesaid limits of 20 million. It is proposed that the Stock Appreciation Benefit Amount as may be payable to Mr. Vinayak Pol as per the Stock Appreciation Benefit Policy shall also be excluded from the limits of 20 million per annum.

The total remuneration of Mr. Vinayak Pol including the Stock Appreciation Benefits shall not exceed the limits prescribed under Section 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the Act and Rules framed thereunder, as may be in force for the time being.

Pursuant to Sections 196, 197, 203 and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V of the Act, the proposal of revision in the remuneration of Mr. Vinayak Pol as Executive Director is now being placed before the Members for their approval. The Members of the Company are requested to consider and approve the maximum limit of remuneration of 20 million (excluding benefits and perquisites under the Stock Appreciation Benefit Policy) and authorise the Board of Directors of the Company, to fix the remuneration payable to Mr. Vinayak Pol within the said limits, in accordance with the Policy of the Company.

In accordance with Section 190 of the Act, Employment Contract of Mr. Vinayak Pol setting out the terms of his appointment including remuneration payable to him, the letter of Grant in respect of the Stock Appreciation Benefit, a copy of Stock Appreciation Benefit Policy shall be available for inspection by the members in electronic form up to the date of Annual General Meeting. The members seeking to inspect these documents may send an email request to gaikwad.shailesh@cie-india.com None of the Directors and Key Managerial Personnel of the Company is related inter-se. Except Mr. Vinayak Pol None of the Directors, Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, financially or otherwise, in the Resolution set out at Item 7 of the Notice. The Board recommends the Ordinary resolution as set out in Item no. 7 of this Notice for approval of the Members.

Item no. 8: Appointment Mr. Manoj Mullassery Menon as a director: -

Mr. Menon, 54, has completed his B. Tech in Production Engineering from National Institute of Technology, Calicut and master's in management studies from Symbiosis Institute of Business Management. Mr. Menon is Executive Director & CEO at Mahindra CIE Automotive Limited i.e. company's holding company.

Mr. Menon has an experience of more than 31 years of setting up green field projects to heading

operations and strategy. In 2017, Mr. Menon was appointed as the CEO of the Foundry and Magnetics products division of the MCIE, in addition to his responsibility in the Gears Division. In 2018, Mr. Menon was charged with additional responsibility of Stampings and Composites Divisions of the MCIE.

Apart from the Company, he holds directorship in Mahindra CIE Automotive Limited, CIE Hosur Limited, Crest Geartech Private Limited, and BF Precision Private Limited. As on the date of this notice, he does not hold directorships and committee position in any other public company. From the date of appointment of Mr. Menon, 2 (Two) Board Meetings of the Company were held during the financial year ended 31st December, 2021 and Mr. Menon attended both the meetings.

Mr. Menon is not disqualified from being appointed as Director in terms of Section 164 of the Act and he is not restrained from holding position of director by virtue of any order of any other authority.

The Board of Directors of the Company had at its meeting held on 14th October 2021, appointed Mr. Menon as additional director by the Board w.e.f.

14/10/2021 holding office till the ensuing annual general meeting of the Company.

The Board is of the view that Mr. Manoj Menon's knowledge and experience will be of immense benefit and value to the Company, recommends his appointment as Director liable to retire by rotation to the Members.

Except Mr. Menon None of the Directors, Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, financially or otherwise, in the Resolution set out at Item 8 of the Notice. The Board recommends the Ordinary resolution as set out in Item no. 8 of this Notice for approval of the Members.

For and on behalf of the Board of Directors,



Mr. Vinayak Pol
Executive Director

Place: Aurangabad
Date: 17/02/2022