

## Notice

The **TWENTIETH ANNUAL GENERAL MEETING** of the Members of **MAHINDRA CIE AUTOMOTIVE LIMITED** will be held on Monday, the 6<sup>th</sup> day of May, 2019 at 3:30 p.m. at Rama & Sundri Watumull Auditorium, Kishinchand Chellaram College, 124, Dinshaw Wacha Road, Churchgate, Mumbai - 400 020 to transact the following businesses:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (along-with Audited Consolidated Financial Statements) of the Company for the Financial Year ended 31<sup>st</sup> December, 2018 together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Jesus Maria Herrera Barandiaran (DIN: 06705854) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Ander Arenaza Alvarez (DIN: 07591785) who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

#### 4. Ratification of Remuneration to Cost Auditor

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

“**RESOLVED THAT** pursuant to the provisions of section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force] and pursuant to the recommendation of the Audit Committee, the Company hereby ratifies the remuneration payable to Messrs. Dhananjay V. Joshi & Associates, Cost Accountants, (Firm Registration Number 000030), appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending 31<sup>st</sup> December, 2019, amounting to ₹ 12,00,000/- (Rupees Twelve Lakh 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 (including any Committee thereof) 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.”

#### 5. Approval of remuneration by way of commission to Independent Directors of the Company

To consider and, if thought fit, pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of sections 149, 197, 198, other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 17 and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,

2015, (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of members of the Company be and is hereby accorded to pay remuneration by way of commission to the Independent Directors of the Company, of such sum as the Board of Directors may from time to time determine (to be divided amongst the Independent Directors in such proportion as may be determined by the Board of Directors from time to time and equally in default of such determination) provided that such commission in aggregate shall not exceed, one per cent of the net profits of the Company for each Financial Year as computed in the manner laid down in section 198 of the Companies Act, 2013, or any statutory modification(s) or re-enactment thereof or ₹ 15 million, whichever is lower; provided further that none of the Independent Directors shall, in any Financial Year, individually receive an aggregate remuneration including sitting fees exceeding ₹ 2.5 million.

**RESOLVED FURTHER THAT** approval of the Company be accorded to the Board of Directors of the Company (including any Committee thereof) 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.”

#### 6. Approval of revision in the aggregate value of Material Related Party Transactions

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

“**RESOLVED THAT** pursuant to Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendment, modification or re-enactment thereof and in modification of the resolution passed by the members at 19<sup>th</sup> Annual General Meeting of the Company, approval of the members of the Company be and is hereby accorded to the Material Related Party Transactions, in the nature of sale, purchase or supply of goods or materials, availing or rendering of services, leasing/renting of property of any kind and paying/receiving the lease or rent for such property, selling or otherwise disposing off or buying property of any kind including plant and equipment, reimbursements to be made or received or any other transaction which will be in the Ordinary Course of Company's business and on Arm's Length basis (“Transactions”), entered into or to be entered into with Mahindra and Mahindra Limited, for Financial Year starting from 1<sup>st</sup> January, 2019 and every Financial Year thereafter, provided that aggregate amount of all such Transactions during any one Financial Year shall not exceed ₹ 18,000,000,000 (Rupee Eighteen Thousand Million).

**RESOLVED FURTHER THAT** approval of the Company be accorded to the Board of Directors of the Company (including any Committee thereof) 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. Approval of Annual Remuneration of Mr. Hemant Luthra as Non-executive Chairman of the Company**

To consider and if thought fit, pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Regulation 17(6)(ca) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, approval of the members of the Company be and is hereby accorded for payment of Annual Remuneration of ₹ 28,000,000 by way of a monthly payment to Mr. Hemant Luthra (DIN:00231420) as the Non-Executive Chairman of the Company, along-with other benefits as detailed in the explanatory statement annexed herewith, to which Mr. Hemant Luthra would be entitled to as Non-Executive Chairman of the Company.”

**8. Appointment of Mr. Romesh Kaul as Director**

To consider and if thought fit, pass the following resolution as an **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. Romesh Kaul (DIN: 00209261), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 17<sup>th</sup> October, 2018 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

**9. Approval of appointment and remuneration of Mr. Romesh Kaul as Whole-time Director of the Company;**

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

“**RESOLVED THAT** pursuant to provisions of the Section 2(51), 203, 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 to the appointment of Mr. Romesh Kaul (DIN: 00209261), as a Whole-time Director (designated as Executive Director) of the Company, for a period of 1 (one) year from 17<sup>th</sup> October, 2018, on the terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice.

**RESOLVED FURTHER THAT** approval of the Company be accorded to the Board of Directors of the Company (including any Committee thereof) 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.”

By Order of the Board  
**Mahindra CIE Automotive Limited**

**Krishnan Shankar**  
**Company Secretary & Head – Legal**  
Membership No.: F 3482

Mumbai, 20<sup>th</sup> February, 2019

**Registered Office:**

Mahindra Towers, P. K. Kurne Chowk,  
Worli, Mumbai - 400 018.

CIN: L27100MH1999PLC121285

E-mail: [mcie.investors@mahindracie.com](mailto:mcie.investors@mahindracie.com)

Website: [www.mahindracie.com](http://www.mahindracie.com)

Tel: +91 22 24931449

Fax: +91 22 24915890

**Notes:**

1. In terms of Section 102 of the Companies Act, 2013, an explanatory statement setting out the material facts relating to special businesses to be transacted at the Annual General Meeting is annexed and forms part of this Notice. Further additional information with respect to Item No. 2 and 3 is also annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED IN THE ENCLOSED PROXY FORM AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE TIME FIXED FOR THE MEETING.**

A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other Member. Proxies submitted on behalf of Bodies Corporates (whether company or not) should be supported by appropriate resolution / authority letter as may be applicable. Proxy holder shall prove his/her identity at the time of attending the meeting.

A proxy shall not have a right to speak at the Annual General Meeting. However, in case a Member has not voted through the remote e-voting facility, the proxy may be entitled to vote through Ballot at the 20<sup>th</sup> Annual General Meeting (“AGM”/“The Meeting”).

3. In the case of joint holders, the signature of any one holder on proxy form will be sufficient, but names of all the joint holders should be stated.
4. Bodies Corporates whether Company or not, which are Members may attend through their authorized representatives appointed under Section 113 of the Companies Act, 2013. A copy of authority letter/resolution authorizing the same should be deposited with the Company/ RTA/ Scrutinizer.

5. Members/ Proxies/Authorised Representatives are requested to bring a copy of Annual Report along with the attendance slip duly filled in for attending the Meeting. Members who hold shares in dematerialised form are requested to write their client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
6. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) are Karvy Fintech Private Limited (Karvy) having their office at Karvy Selenium Tower B, Plot number 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500032.
7. Members can avail the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014. Members desiring to avail this facility may send their nomination in the prescribed Form No. SH. 13 duly filled in to Karvy on address mentioned in Note No. 6. Members holding shares in demat form may contact their Depository Participant for availing this facility.
8. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company/Karvy.
9. The Register of Members and Transfer Books of the Company will be closed from 30<sup>th</sup> April, 2019 to 6<sup>th</sup> May, 2019 (both days inclusive).
10. During the period beginning 24 hours before the time fixed for the commencement of the AGM and ending with the conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged at any time during the business hours of the Company. All documents referred to in the Notice and accompanying explanatory statement are open for inspection at the Registered Office of the Company on all working days of the Company between 11:00 a.m. and 1:00 p.m. upto the date of the Annual General Meeting and at the venue of the Meeting for the duration of the Meeting.
11. Members desiring any information with regard to Accounts/ Annual Reports are requested to write to the Company Secretary at least 10 days before the date of the AGM so as to enable the Management to keep the information ready.
12. Pursuant to Sections 101 and 136 of the Companies Act, 2013 read with Rule 18(1) of the Companies (Management and Administration) Rules, 2014, the Notice calling the AGM along with the Annual Report for the Financial Year ended 31<sup>st</sup> December, 2018, would be sent by electronic mode on the e-mail addresses as registered with Depositories/ Registrar and Share Transfer Agent, unless the Members have requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies would be sent by the permitted mode.  
Members are requested to support this Green Initiative by registering/updating their e-mail addresses with the Depository Participant (in case of Shares held in dematerialised form) or with Karvy Fintech Private Limited (in case of Shares held in physical form) in the prescribed form which can be down loaded from the Company's website at <http://www.mahindrachie.com/investors/downloads/documents.html#form-for-updation-and-registration-of-e-mail-id>.  
Even after registering for e-communication, Members are entitled to receive such communication in printed form, upon making a request for the same. For any communication, the Members may also send requests to the Company's investor email id: [mcie.investors@mahindrachie.com](mailto:mcie.investors@mahindrachie.com).  
Members may also note that, the Notice of 20<sup>th</sup> Annual General Meeting and the Annual Report for the Financial Year ended 31<sup>st</sup> December, 2018 will also be hosted on the Company's website at <http://www.mahindrachie.com/investors/downloads/notices.html#annual-general-meeting> and <http://www.mahindrachie.com/investors/investor-relations/annual-report.html>, respectively for download.
13. The Company has fixed Monday, 29<sup>th</sup> April, 2019 as the cut-off date for identifying the Members for determining the eligibility to vote by remote e-voting facility or at the Meeting by Ballot. Instructions for exercising voting rights by remote e-voting are provided herewith at Note No. 16 and forms part of this Notice. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off only shall be entitled to vote on the resolutions through the facility of remote e-voting or by voting through Ballot at the Annual General Meeting.
14. The Company has not declared any dividend so far however, pursuant to the Integrated scheme and the Composites scheme of Amalgamation Mahindra UGINE Steel Company Limited (MUSCO) and Mahindra Composites Limited (MCL) merged with the Company, both MUSCO and MCL had unclaimed dividends which were transferred in the Books of the Company.  
During the year, pursuant to the provisions of section 124 of the Companies Act, 2013 and Companies (Declaration and Payment of Dividend) Rules, 2014, the Company has transferred ₹ 269,170/- to Investor Education and Protection Fund (IEPF) in respect of the dividend declared by MCL (Transferor Company amalgamated with MCIE) for Financial Year ended on 31<sup>st</sup> March, 2011. With this, the Company has transferred the entire unclaimed dividend pertaining to MUSCO and MCL which was transferred in the books of the Company to IEPF. No claim lies against the Company in respect of these dividends. Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as may be amended from time to time, the Company has uploaded the details of said unpaid and unclaimed amounts transferred to IEPF by the Company on its website at <http://www.mahindrachie.com/investors/downloads/documents.html#unclaimed-amounts> and also on the website of IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in).  
The Members whose dividend is transferred to the IEPF Authority can claim the same from the IEPF Authority by following the procedure as detailed on the website of IEPF Authority <http://iepf.gov.in/IEPFA/refund.html>.
15. Further, pursuant to the Integrated scheme and the Composites scheme, the fractional entitlement of the member(s) of the Transferor Companies were consolidated and equity shares arising out of such consolidation were allotted to an Trustee who in turn had sold said shares in the open market at the prevailing market prices and transferred the net sale proceeds thereof to the Company and the Company had in turn distributed the

said proceeds to respective members in the ratio of their fractional entitlements by permitted mode. The details of the members whose fractional entitlements are lying unclaimed with the Company is uploaded on the website of the Company at: <http://www.mahindrachie.com/investors/downloads/documents.html#unclaimed-amounts>.

The concerned Members are requested to verify the details of their unclaimed amounts, if any, from the said websites and accordingly lodge their claim before the same is due for transfer to the IEPF. It may be noted that once the unpaid amount of fractional entitlement is transferred to IEPF, no claim shall lie against the Company in respect thereof.

#### 16. Electronic Voting through remote mode:

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically on all resolutions set-forth in this notice through e-voting platform provided by Karvy.

The Members may cast their votes using the electronic voting platform provided by Karvy from a place other than the venue of the Meeting ('remote e-voting'). Members attending the meeting who have not already cast their vote by remote e-Voting shall be able to exercise their voting right at the meeting. Facility of voting through ballot shall also be made available at the meeting.

- i. The remote e-voting facility will be available during the following period:
  - a) Day, date and time of commencement of remote e-voting: Friday, 3<sup>rd</sup> May, 2019 at 9:00 a.m.
  - b) Day, date and time of end of remote e-voting beyond which remote e-voting will not be allowed: Sunday, 5<sup>th</sup> May, 2019 at 5:00 p.m.
- ii. The voting rights of the Members holding shares in physical form or in dematerialized form, in respect of e-voting shall be reckoned in proportion to their share in the paid-up equity share capital as on the cut-off date being Monday, 29<sup>th</sup> April, 2019. A person who is not a Member as on the cut-off date should treat Notice of this Meeting for information purposes only.
- iii. The Company is dispatching the AGM Notice and the Annual Report to the shareholders whose name is recorded as on 31<sup>st</sup> March, 2019 in the Register of Members or in the Register of Beneficial Owners maintained by the depositories. Any person who acquires Shares of the Company and becomes Member of the Company after 31<sup>st</sup> March 2019 being the date reckoned for the dispatch of the AGM Notice & Annual Report and holds shares as on the cut-off date i.e. 29<sup>th</sup> April 2019, may obtain the User Id and password in the manner as mentioned below:
  - a) If the mobile number of the Member is registered against Folio No./ DPID Client ID, the Member may send SMS:  
 MYEPWD<space> E-Voting Event Number  
 +Folio number or DPID Client ID to  
 +91-9212993399

Example for NSDL:  
 MYEPWD<SPACE>IN12345612345678  
 Example for CDSL:  
 MYEPWD<SPACE>1402345612345678  
 Example for Physical: MYEPWD<SPACE>  
 XXXX1234567890

- b) If e-mail address or mobile number of the Member is registered against Folio No./ DPID Client ID, then on the home page of <https://evoting.karvy.com>, the Member may click "Forgot Password" and enter Folio No. or DPID Client ID and PAN to generate a password.
- c) Member may call Karvy's Toll free number 1-800-3454-001.
- d) Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com).
- iv. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Karvy upon expiry of aforesaid period.
- v. Details of Website: <https://evoting.karvy.com>
- vi. Details of persons to be contacted for issues relating to e-voting:  
 Mr. Prem Kumar,  
 Karvy Fintech Private Limited, Unit: Mahindra CIE Automotive Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032.  
 Tel. No.: +91 40 67162222/67161509;  
 Toll Free No.: 18003454001  
 Fax No.: +91 40 23001153;  
 E-mail: [evoting@karvy.com](mailto:evoting@karvy.com).
- vii. Details of Scrutinizer: Mr. Sachin Bhagwat, Practicing Company Secretary (Membership No. ACS 10189) has been appointed as the Scrutinizer to scrutinize the e-voting and ballot process in a fair and transparent manner.
- viii. The procedure and instructions for remote e-Voting facility are as follows:
  - A. In case of Members receiving email from Karvy:
    - i. Open your web browser during the voting period and navigate to '<https://evoting.karvy.com>'.
    - ii. Enter the login credentials (i.e. User ID and password mentioned in the email). Your Folio No. or DP ID /Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
    - iii. After entering these details appropriately, click on "LOGIN".  
 You will now reach password change menu wherein you are required to mandatorily change your login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case

- (a-z), one numeric value (0-9) and a special character (like \*, #, @, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc., on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- iv. You need to login again with the new credentials.
  - v. On successful login, the system will prompt you to select the E-Voting Event Number for Mahindra CIE Automotive Limited.
  - vi. If you are holding shares in Demat form and had logged on to [https:// evoting.karvy.com](https://evoting.karvy.com) and casted your vote earlier for any other Company, then your existing login id and password are to be used.
  - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date i.e. 29<sup>th</sup> April, 2019 under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut- off date.
  - viii. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
  - ix. Members holding multiple folios/ demat accounts shall choose the voting process separately for each of the folios/ demat accounts.
  - x. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
  - xi. You may then cast your vote by selecting an appropriate option and click on "Submit". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote.
  - xii. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
  - xiii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRIs, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at e-mail ID: [sbhagwatcs@yahoo.co.in](mailto:sbhagwatcs@yahoo.co.in) with a copy to [evoting@karvy.com](mailto:evoting@karvy.com). They may also upload the same in the e-voting module in their login. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name\_ EVENT NO."
- B. **In case of Members receiving Notice by post:**
    - i. Initial password is provided at the bottom of the Attendance Slip
    - ii. Please follow all steps from Sl. No. (i) to Sl. No. (xiii) above, to cast vote.
  - C. 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 download section of <https://evoting.karvy.com> or contact Mr. Prem Kumar of Karvy Fintech Private Limited at 040- 6716 1509 or at 1800-3454-001 (toll free).
  - D. The Scrutinizer's decision on the validity of the vote shall be final.
  - E. Once the vote on a resolution stated in this notice is cast by Member through remote e-voting, the Member shall not be allowed to change it subsequently and such e-vote shall be treated as final. The Members who have cast their vote by remote e-voting may also attend the Meeting, however such Member shall not be allowed to vote again.
  - F. The Scrutinizer after scrutinising the votes cast at the Meeting by Ballot and through remote e-voting, will make a consolidated Scrutinizer's Report and submit the same forthwith not later than 48 hours of conclusion of the meeting to the Chairman of the Company or a person authorised by him in writing, who shall countersign the same.
  - G. The Results declared along with the consolidated Scrutinizer's Report shall be hosted on the website of the Company i.e. [www.mahindracie.com](http://www.mahindracie.com) and on the website of Karvy i.e. <https://evoting.karvy.com>. The results shall simultaneously be communicated to BSE Limited and the National Stock Exchange of India Limited. The result shall also be displayed on the Notice Board at the Registered Office of the Company.
  - H. The Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 6<sup>th</sup> May, 2019, subject to receipt of the requisite number of votes in favour of the Resolutions.
- 17. Updation of Members' Details:**
- The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Companies Act, 2013 requires the Company/ Registrar and Transfer Agents to record additional details of Members, including their PAN details, e-mail address, etc. Members holding

shares in physical form are requested to submit these additional details to Karvy in the prescribed form. Members holding shares in electronic form are requested to submit the details to their respective Depository Participants.

Members are requested to:

- a) Intimate to Karvy at the address mentioned at Note No. 6 above, changes, if any, in their registered addresses at an early date, in case of Shares held in physical form;
  - b) Intimate to the respective Depository Participant, changes, if any, in their registered addresses, mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s) at an early date, in case of Shares held in dematerialised form;
  - c) Quote their folio numbers/Client ID/DP ID in all correspondence; and
  - d) Consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names.
18. Non-Resident Indian Members are requested to inform Registrar and Share Transfer Agent of the Company immediately of:
- a) Change in their residential status on return to India for permanent settlement.
  - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number, IFSC code and address of the bank with pin code number, if not furnished earlier.

19. Pursuant to the Integrated scheme and the Composites scheme of Amalgamation Mahindra UGINE Steel Company Limited (MUSCO) and Mahindra Composites Limited (MCL) merged with the Company, the share certificates in respect of aforesaid issue and allotment of shares were dispatched to eligible members at the addresses registered with the respective Transferor Companies. While majority of the members have received the share certificates, a few of the share certificates were returned to the Company as "returned undelivered" and are lying with Karvy. These share certificates were 'undelivered' due to various reasons including 'incomplete address', 'persons left the address' etc. and postal authorities returned these to the RTA.

In this regard, pursuant to Regulation 39(4) read with Schedule VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has sent three letters to members for claiming their unclaimed shares on 3<sup>rd</sup> May, 2017, 15<sup>th</sup> July, 2017 and 2<sup>nd</sup> May, 2018. The Company had received many responses from members, but many share certificates still remain unclaimed. The Company will be transferring the said cases in Demat Suspense Account of the Company. To claim the unclaimed share certificates the members can contact the Company or Karvy.

20. Pursuant to SEBI circular SEBI/HO/MIRSD/DOP1/ CIR/P/2018/73 dated 20<sup>th</sup> April, 2018 the Company has sent three letters to such members on 30<sup>th</sup> May, 2018, 2<sup>nd</sup> July, 2018 and 10<sup>th</sup> September, 2018 where folios do not have or have incomplete details of PAN and/or Bank Account to compulsorily furnish these details to the Registrar and Share Transfer Agent (RTA) / the Company for updating the details in the folio. These cases also included shares which were unclaimed. The members who are yet to update their PAN and/or Bank Account details are requested to update the

same by providing the duly filled format for furnishing the PAN and Bank details which is enclosed herewith this Notice, along-with all necessary documents as mentioned therein and send the same to Karvy.

21. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 read with SEBI (Registrars to an Issue and Share Transfer Agents) (Amendment) Regulations 2018 (RTA Regulations) mandated that the transfer of securities would be carried out in dematerialized form only. In accordance with the said circular the members of the Company are requested to note that, with effect from 1<sup>st</sup> April, 2019 (unless extended):
- a. except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository. Accordingly, any shareholder who is desirous of transferring shares (which are held in physical form) after 1<sup>st</sup> April, 2019 can do so only after the shares are dematerialized
  - b. however, the above does not prohibit a shareholder from holding shares in physical form even after 1<sup>st</sup> April, 2019

The Company in this regard has sent three letters on 31<sup>st</sup> August, 2018, 1<sup>st</sup> October, 2018 and 1<sup>st</sup> November, 2018 to the shareholders informing them about the above requirement. We request all the shareholders holding shares in Physical Form to demat their shares at the earliest.

22. The route map of the venue of the Meeting is annexed to this Notice. The prominent landmark for the venue is also depicted as 'near to' in the route map. The same has also been hosted on the website of the Company at <http://www.mahindracie.com/investors/downloads/notices.html#annual-general-meeting>.

By Order of the Board  
**Mahindra CIE Automotive Limited**

**Krishnan Shankar**  
Company Secretary & Head – Legal  
Membership No.: F 3482

Mumbai, 20<sup>th</sup> February, 2019

**Registered Office:**

Mahindra Towers, P. K. Kurne Chowk,  
Worli, Mumbai - 400 018.  
CIN: L27100MH1999PLC121285  
E-mail: [mcie.investors@mahindracie.com](mailto:mcie.investors@mahindracie.com)  
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**Additional information with respect to Item No. 2 and 3**

**ITEM NO. 2**

Mr. Jesus Maria Herrera Barandiaran, Non-Executive Director on the Board of the Company is liable to retire by rotation and being eligible, have offered himself for re-appointment.

Mr. Herrera, 52, received a University Degree in Economics. Mr. Herrera is expert in internationalization. He joined CIE Automotive in 1995. He was Managing Director of the America division and then became CEO of the CIE Automotive Group in 2013.

Mr. Herrera was appointed as Non-Executive Director of the Company with effect from 4<sup>th</sup> October, 2013. Mr. Herrera did not draw any remuneration from the Company. Mr. Herrera did not

hold any Equity Shares of the Company as on the date of this Notice.

The number of Meetings of the Board attended by Mr. Herrera during the year and other Directorships, Membership/ Chairmanship of Committees of other Boards is provided in the Corporate Governance Report.

None of the Directors or Key Managerial Personnel of the Company are inter-se related to each other.

### ITEM NO. 3

Mr. Ander Arenaza Alvarez, the Director of the Company, is liable to retire by rotation and being eligible, have offered himself for re-appointment.

Mr. Arenaza, 50, holds degree in Industrial Engineering (Superior Engineering School of Bilbao), MBA from Deusto University (Bilbao). Mr. Arenaza has extensive experience in the automotive sector and has in the past held important responsibilities within the CIE Automotive Group across several key locations worldwide. He has been working with CIE Automotive Group for 10 years and managed the machining and aluminium divisions. He has developed his professional career in the automotive sector, where he has performed different roles with an international footprint.

Members of the Company had regularized the appointment of Mr. Arenaza as Director of the Company at the 18<sup>th</sup> Annual General Meeting of the Company held on 27<sup>th</sup> April, 2017. Mr. Arenaza was also appointed as Whole-time Director of the Company with effect from 13<sup>th</sup> September, 2016 for a period of three years. His role as an Executive Director of the Company is to oversee the Company's Business in India and Europe. Mr. Arenaza drew remuneration of ₹ 1.54 million as the Executive Director of the Company during the Financial Year 2018. Mr. Arenaza did not hold any Equity Shares of the Company as on the date of this Notice.

The number of Meetings of the Board attended by Mr. Arenaza during the year and other Directorships, Membership/ Chairmanship of Committees of other Boards is provided in the Corporate Governance Report.

None of the Directors or Key Managerial Personnel of the Company are inter-se related to each other.

The Board recommends the Ordinary resolution as set out in item no. 2 and 3 of this Notice for approval of the Members.

### EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

#### ITEM NO. 4

The Board of Directors, at their Meeting held on 20<sup>th</sup> February, 2019, on the recommendation of the Audit Committee, approved the re-appointment of M/s. Dhananjay V. Joshi & Associates, Cost Accountants, as Cost Auditors of the Company for conducting the audit of the cost records of the Company, for the Financial Year ending 31<sup>st</sup> December, 2019, at a remuneration of ₹ 12,00,000 (Rupees Twelve Lakh Only) excluding taxes and reimbursement of out of pocket expenses.

Pursuant to section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Members of a Company are required to ratify the remuneration to be paid to the Cost Auditors of the Company.

Accordingly, consent of the Members of the Company is sought by passing an Ordinary resolution as set out in Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for conducting the Audit of Cost records, for the Financial Year ending 31<sup>st</sup> December, 2019.

None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4. of the Notice.

The Board recommends the Ordinary resolution set out at Item No. 4 of the Notice for approval of the Members.

### ITEM NO. 5

As on 31<sup>st</sup> December, 2018 the Board of Directors of the Company consisted of two Executive and ten Non- Executive Directors including six Independent Directors. The Non-Executive Directors bring relevant knowledge and expertise and provide required diversity in Board's decision making process. The role played by the Directors in Company's governance and performance is very important for sustainable growth of the Company.

Pursuant to Section 149(9), an independent director is entitled to receive (a) sitting fee for Board/Committee meetings as may be prescribed under second proviso in Section 197(5); (b) reimbursement of expenses for attending the Board/Committee meetings; (c) profit related commission as may be approved by the members. Hence the Company may pay profit related commission to the Independent Directors with prior approval of the members.

Pursuant to provisions of Section 197 of the Act read with approval of members at 19<sup>th</sup> AGM held on 19<sup>th</sup> April, 2018 the sub-limits for remuneration payable to Directors of the Company were modified as following:

- (i) total remuneration paid to all the Directors taken together in respect of any Financial Year shall not exceed 11% of the net profits of the Company for that Financial Year.
- (ii) the remuneration paid to all the Non-Executive Directors of the Company taken together in respect of any Financial Year may exceed 1% but shall not exceed 4% of the net profits of the Company for that Financial Year and
- (iii) the remuneration payable to all the Executive Directors [i.e. Managing Director or Whole-time Director] of the Company taken together in respect of any Financial Year shall not exceed 7 % of the net profits of the Company for that Financial Year.

At present, except for the sitting fees paid to the Independent Directors for attending the meetings of the Board and Committees thereof, the Company does not pay any remuneration to the Independent Directors. The Board of Directors, on the recommendation of the Nomination and Remuneration Committee and subject to approval of the members, approved to pay profit linked commission to the Independent Directors of the Company within the permissible limits under the Companies Act, 2013 as mentioned above and subject to such commission in aggregate does not exceed one per cent of the net profits of the Company for each Financial Year or ₹ 15 million, whichever is lower and none of the Independent Directors, in any Financial Year, individually receives an aggregate remuneration including sitting fees exceeding ₹ 2.5 million.

In accordance with Regulations 17(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 all fees or compensation, if any, paid to Non-Executive Directors, including Independent Directors (except sitting fees) requires approval of members of the Company. Article 152(2) of the Articles of Association of the Company requires approval of members by Special Resolution for payment of remuneration by way of commission to Non-Executive Directors.

In view of the above, the resolution at Item No. 5 of the notice is placed before the members for their approval as a Special Resolution.

Except the Independent Directors of the Company none of the Directors, Key Managerial Personnel or their relatives are interested or concerned, financially or otherwise, in the resolution set out at Item No. 5.

The Board recommends the Special resolution set out at Item No. 5 of the Notice for approval of the Members.

#### **ITEM NO. 6**

Regulation 23 of Securities and Exchange Board of India (Listing Regulations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) mandates that all 'material related party transactions' that a Company enters into with its Related Parties should be approved by the Members of the Company by passing a resolution. Regulation 23 further defines a 'material related party transaction' as a transaction(s) to be entered into individually or taken together with previous transactions during a Financial Year, exceeding ten percent of the Annual Consolidated Turnover of the listed entity as per the last Audited Financial Statements of the listed entity.

Mahindra and Mahindra Limited (M&M) is a Related Party of the Company being the Holding Company of the investor in relation to which the Company is an Associate. The Company has Transactions with M&M inter-alia in the nature of sale, purchase or supply of goods or materials, availing or rendering of services, leasing/renting of property of any kind and paying/receiving the lease or rent for such property, selling or otherwise disposing off or buying property of any kind including plant and equipment, reimbursements to be made or to be received ("Transactions"). All the Transactions with M&M are in the Ordinary Course of Company's business and are at Arm's Length basis.

The Members of the Company by a resolution passed on 19<sup>th</sup> April, 2018 at the 19<sup>th</sup> Annual General meeting of the Company approved material related party transaction with M&M for an amount not exceeding ₹ 15,000 Million in any Financial Year from 1<sup>st</sup> April, 2018 onwards.

During the Financial Year ended 31<sup>st</sup> December, 2018 the Company had an aggregate transaction with M&M which was more than 10% of the Annual Consolidated Turnover of the Company as per its last Audited Financial Statements, though within the limits approved by the Members.

During FY2018, the Scheme of Amalgamation has been filed for amalgamation of Bill Forge Private Limited (Bill Forge), a wholly owned subsidiary of the Company with the Company, which shall be completed soon. Bill Forge had entered into Transactions with M&M. Upon the amalgamation of Bill Forge with the Company, the Company will continue to execute contracts which Bill Forge had entered into with M&M besides the Transactions, which the Company already has with M&M.

Considering the aggregate transactions of the Company (including that of Bill Forge) and anticipated growth over next three to four years, approval of Members is requested to increase the limits of the Transaction from ₹ 15,000 Million to ₹ 18,000 Million.

Pursuant to Regulation 23 of the Listing Regulations as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, which shall be effective from 1<sup>st</sup> April, 2019, no related party of the Company shall vote to approve the resolution for approving

material related party transactions. Accordingly, no Member of the Company being a related party or having any interest in the Ordinary Resolution as set out at Item No. 6 of the Notice shall vote to approve the said resolution.

None of the Directors, Key Managerial Personnel or their relatives are interested or concerned, financially or otherwise in the Resolution set out at Item No. 6 save and except to the extent of their Directorship /shareholding/employment, if any, in any of the entities mentioned in the resolution.

The Board recommends the Ordinary resolution set out at Item No. 6 of the Notice for approval of the Members.

#### **ITEM NO. 7**

As you are aware, Mr. Hemant Luthra who was the Executive Chairman of the Company upto 31<sup>st</sup> March, 2018, had, in consonance with the spirit of separating the role of the Chairman from the executive function, which had been assumed by the CEO, volunteered to demit executive responsibilities of the Company with effect from 1<sup>st</sup> April, 2018. However, the Board of Directors had, on the recommendation of the Nomination & Remuneration Committee at the Board meeting held on 20<sup>th</sup> February, 2018, decided to take advantage of the continued advice and guidance of Mr. Hemant Luthra in the Company's growth strategy, which inter-alia included managing stakeholders relationship, identifying mergers, acquisition and investment opportunities and leveraging the investments to facilitate the maximizing the value of the Brand and the Company. The Board had also, on the recommendation of the Nomination & Remuneration Committee and subject to the approval of the members of the Company, approved payment of remuneration to Mr. Hemant Luthra in his capacity as Non-executive Chairman.

Subsequently, the Members of the Company had at the 19<sup>th</sup> Annual General Meeting of the Company held on 19<sup>th</sup> April, 2018, approved the following remuneration, payable to Mr. Hemant Luthra for a period of two years commencing from 1<sup>st</sup> April, 2018:

- (a) Remuneration of ₹ 28,000,000 per annum, by way of a monthly payment
- (b) Use of telephone/Mobile for Official and Personal purposes
- (c) Use of Company car for Official and personal use
- (d) Club Membership

In addition to the above, Mr. Hemant Luthra had already been granted Stock Options in February 2016 in accordance with Company's Employee Stock Options Scheme -2015 (ESOP-2015) approved by the Members. In accordance with ESOP-2015, post retirement of his services from the Company w.e.f. 1<sup>st</sup> April, 2018, these options continued to vest and exercised by Mr. Hemant Luthra as per vesting schedule.

Regulation 17(6)(ca) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended with effect from 1<sup>st</sup> April, 2019, mandates a Company to obtain consent of the Members by way of Special Resolution if the remuneration payable to a single Non-Executive Director in a year exceeds fifty per cent of the aggregate remuneration payable to all Non-Executive Directors taken together.

The Company, as part of resolution no. 5 of this notice, proposing to pay maximum aggregate remuneration of ₹ 15 million to Independent Directors by way of commission. Further, other non-independent non-executive directors of the Company, except Mr. Luthra, are not entitled to any remuneration. Approval of Members by way of a Special Resolution is sought, to the



resolution as set out at Agenda Item No 7 of the notice, approving the annual remuneration payable to Mr. Hemant Luthra, as set out above, which will exceed fifty percent of the total annual remuneration payable to all non-executive directors.

None of the Directors, Key Managerial Personnel or their relatives except Mr. Hemant Luthra are interested or concerned, financially or otherwise in the Resolution set out at Item No. 7.

The Board recommends the Special resolution set out at Item No. 7 of the Notice for approval of the Members.

#### **ITEM NO. 8 and 9**

Pursuant to Section 161 of the Companies Act, 2013, on recommendation of Nomination and Remuneration Committee the Board at its meeting held on 16<sup>th</sup> October, 2018 has approved appointment of Mr. Romesh Kaul as Additional Director of the Company w.e.f. 17<sup>th</sup> October, 2018. In accordance with the Section 161 Mr. Kaul holds office of the Director up to the date of this Annual General Meeting.

Pursuant to Section 160 of the Companies Act, 2013 provides that, non-retiring director shall be eligible to be appointed at a general meeting, if he or some member intending to propose him as a director, has not less than 14 days before the meeting left at the registered office of the Company, a notice in writing under his hand signifying his candidature as a director or as the case may be the intention of such member to propose him as a candidate for that office.

The Company received required notice from a member of the Company proposing candidature of Mr. Romesh Kaul for appointment as Director of the Company.

Mr. Kaul, 61, was the university topper in Mechanical Engineering from NIT Srinagar, after which he did his post-graduation from IIT, Delhi.

Mr. Kaul joined Mahindra & Mahindra in 2004 as Head of Projects for Systech Sector (then MSAT) and executed several new projects in the Sector that were growing. In 2005 Mr. Kaul was appointed the Director of Mahindra Forgings Limited where one of his key contributions was commissioning the Greenfield Machining Operations at Mahindra Forgings in 2006.

In 2008, Mr. Kaul took over responsibility as Global CEO of the Gears Vertical (India and Italy Operations) in Systech and was the Global Chief Executive Officer, Gears Business. In 2010, he was inducted into the Group Executive Board of the Mahindra Group.

In 2012, Mr. Kaul was also appointed as the Executive Director of Mahindra Composites Limited. In 2016, after successfully establishing the gears business and nurturing the next level of leadership within the business, Mr. Kaul took over the enhanced responsibility of the Stampings Division of Company. He currently heads the Stampings, Forgings and Composites Divisions of Company.

Further, Pursuant the Section 196, 197 read with Schedule V of the Companies Act, 2013, on recommendation of Nomination and Remuneration Committee, the Board at its meeting held on 16<sup>th</sup> October, 2018 appointed Mr. Kaul as Whole-time Director of the Company for a period of one year from 17<sup>th</sup> October, 2018 and also approved the terms and conditions of his appointment including the remuneration. The details of remuneration payable to Mr. Romesh Kaul as given below:

- i. Basic salary of ₹ 345,520 per month
- ii. residential accommodation (furnished or otherwise) or House Rent Allowance in lieu thereof, gas, electricity, water, furnishings, Reimbursement of Medical expenses, Leave Travel Concession, Performance Pay, Flexi Pay,

Other Allowances, Bonus and Incentives, Employees Stock Options, Contribution to Provident Fund, Superannuation Fund, Annuity Fund, Gratuity/Contribution to Gratuity Fund, Encashment of Leave not availed at the end of tenure, provision of a car and telephone at the residence for his use, medical and personal accident insurance and other benefits, amenities and facilities, in accordance with the Rules of Company.

- iii. the value of perquisites would be evaluated as per Income-Tax Rules, 1962 wherever applicable and at cost in the absence of any such Rule.
- iv. Contribution to Provident Fund, Superannuation fund and Gratuity would not be included in the Computation of ceiling on remuneration to the extent these either singly or put together are not taxable under the Income- tax Act, 1961.
- v. Encashment of earned leave at the end of the tenure as per the Rules of the Company shall not be included in the computation of ceiling on remuneration.
- vi. Provision of car for use on Company's business, telephone and other communication facilities at residence would not be considered as perquisites.

Pursuant to provision of Section 196 the appointment of a whole time director including the terms and conditions thereof is required to be approved by the members of the Company in this Annual General Meeting.

The number of Meetings of the Board attended by Mr. Kaul during the year and other Directorships, Membership/ Chairmanship of Committees of other Boards is provided in the Corporate Governance Report.

Mr. Kaul drew remuneration of ₹ 17.57 million prior to his appointment as Whole-time Director of the Company i.e., till 16<sup>th</sup> October, 2018. He holds 44,500 Equity Shares in the Company as on the date of this Notice.

None of the Directors, Key Managerial Personnel or their relatives except Mr. Romesh Kaul and his relatives are interested or concerned, financially or otherwise in the Resolution set out at Item No. 8 and 9.

The Board recommends the Ordinary resolution(s) set out at Item No. 8 and 9 of the Notice for approval of the Members.

By Order of the Board  
**Mahindra CIE Automotive Limited**

**Krishnan Shankar**  
**Company Secretary & Head – Legal**  
Membership No.: F 3482

Mumbai, 20<sup>th</sup> February, 2019

**Registered Office:**

Mahindra Towers, P. K. Kurne Chowk,  
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## Route map for venue of the 20<sup>th</sup> Annual General Meeting:

Date: Monday, 6<sup>th</sup> May, 2019

Time: 3:30 p.m.

(Prominent landmark- Churchgate Railway Station)

