

MSL DRIVELINE SYSTEMS LIMITED

(Corporate Identification Number: U30007MH1994PLC081637)

Reg. Office: Unit No. 1506, 15th Floor, ONE BKC, 'B' Wing, Bandra-Kurla Complex, Bandra (E), Mumbai-400051

Website: www.msldriveline.com email: mgs@msldriveline.com

Phone: 022-67411604

NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTIETH ANNUAL GENERAL MEETING ('AGM') OF THE MEMBERS OF MSL DRIVELINE SYSTEMS LIMITED ('THE COMPANY') WILL BE HELD THROUGH VIDEO CONFERENCING (VC) / OTHER AUDIO VISUAL MEANS ("OAVM") ON MONDAY, 30th SEPTEMBER 2024 AT 11:00 A.M. IST TO TRANSACT THE FOLLOWING BUSIENSSES:

Ordinary Business:

1. To receive, consider and adopt (a) the Audited Standalone Financial Statements of the Company for the financial year ended 31st March 2024, and the reports of the Board of Directors ('the Board') and the Auditors thereon and (b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2024 and the report of the Auditors thereon.
2. To appoint a director in place of Mr. Satpal Khattar (DIN: 00307293) who retires by rotation and being eligible, offer himself for reappointment.

Special Business:

3. **REVISION IN REMUNERATION PAYABLE TO MR. GAURAV MOTWANE (DIN 00746165), CHAIRMAN, MANAGING DIRECTOR AND CEO OF THE COMPANY AND IN THIS REGARD PASS THE FOLLOWING RESOLUTION AS SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, read with Schedule V to the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof), applicable clauses of the Articles of Association of the Company and in accordance with the recommendation of Nomination and Remuneration Committee and Audit Committee, approval of the Company be and is hereby accorded for revision in the remuneration of Mr. Gaurav Motwane, (DIN: 00746165), Chairman, Managing Director and CEO of the Company by way of increase in the basic salary from Rs. 23,37,500/- (Rupees Twenty Three Lakh Thirty Seven Thousand Five Hundred only) to Rs. 25,71,250/- (Rupees Twenty Five Lakh Seventy One Thousand Two Hundred Fifty only) per month w.e.f. 1 April, 2024 till unexpired term of his tenure.

"RESOLVED FURTHER THAT other terms & conditions of appointment and remuneration including commission and perquisite/benefits as set out in the explanatory statement to the resolution for appointment and remuneration of Mr. Gaurav Motwane, remains the same and continue to be in full force as approved by the Members at the Annual General Meeting of the Company held on 10th August 2021.

“RESOLVED FURTHER THAT where in any financial year comprised by the period of appointment, the Company has no profits or its profits are inadequate, the foregoing amount of basic salary, commission and
perquisite/benefits shall be paid or given to Mr. Gaurav Motwane, CEO & Managing Director as minimum remuneration.

“RESOLVED FURTHER THAT anyone of the Directors of the Company and/or Company Secretary of the Company be and is hereby authorized to do all such acts, deeds and things which may be necessary or expedient to give effect to the aforesaid resolutions.”

4. REVISION IN THE REMUNERATION PAYABLE TO MR. BHUSHAN PATWARDHAN (DIN 09252080), EXECUTIVE DIRECTOR OF THE COMPANY AND IN THIS REGARD PASS THE FOLLOWING RESOLUTION AS SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, read with Schedule V to the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof), applicable clauses of the Articles of Association of the Company and in accordance with the recommendation of Nomination and Remuneration Committee and Audit Committee, approval of the Company be and is hereby accorded for revision in the remuneration of Mr. Bhushan Patwardhan, (DIN : 09252080), Executive Director of the Company by way of increase in the basic salary from Rs. 1,58,750/- (Rupees One Lakh Fifty Eight Thousand Seven Hundred Fifty only) to Rs. 1,74,630/- (Rupees One Lakh Seventy Four Thousand Six hundred Thirty only) per month, (b) Personal pay from Rs. 77,620/- (Rupees Seventy Seven Thousand Six Hundred Twenty only) to Rs. 87,920/- (Rupees Eighty Seven Thousand Nine Hundred Twenty only) per month and (c) Other Allowance from Rs. 1,66,503/ (Rupees One Lakh Sixty Six Thousand Five Hundred Three only) - to Rs. 1,84,413/- (Rupees One Lakh Eighty Four Thousand Four Hundred Thirteen only) per month w.e.f. 1 April 2024 till unexpired term of his tenure.

“RESOLVED FURTHER THAT other terms & conditions of appointment and remuneration including perquisites and performance pay as set out in the explanatory statement to the resolution for appointment and remuneration of Mr. Bhushan Patwardhan remains the same and continue to be in full force as approved by the Members at the Annual General Meeting of the Company held on 29th September 2023.

“RESOLVED FURTHER THAT where in any financial year comprised by the period of appointment, the Company has no profits or its profits are inadequate, the foregoing amount of basic salary, personal pay , allowances, perquisites and performance pay shall be paid or given to Mr. Bhushan Patwardhan, Executive Director as minimum remuneration.

“RESOLVED FURTHER THAT anyone of the Directors of the Company and/or Company Secretary of the Company be and is hereby authorized to do all such acts, deeds and things which may be necessary or expedient to give effect to the aforesaid resolutions.”

5. RATIFICATION OF REMUNERATION PAYABLE TO COST AUDITORS OF THE COMPANY AND IN THIS REGARD 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 Rules made thereunder, the remuneration payable to M/s Shilpa & Co.,

Cost Accountants (Firm Registration No. 100558) appointed by the Board of Directors as Cost Auditor to conduct the audit of the applicable cost records of the Company for the financial year 2024 -2025 amounting to Rs. 2,42,000/- (Rupees Two Lakh Forty Two Thousand Only) plus applicable taxes thereon besides reimbursement of out of pocket expenses on actuals in connection with the audit, be and is hereby ratified and confirmed.”

6. APPROVAL FOR BUY-BACK OF EQUITY SHARES AND IN THIS REGARD PASS THE FOLLOWING RESOLUTION AS SPECIAL RESOLUTION:

“**RESOLVED THAT** pursuant to the provisions of Sections 68, 69 and 70 and all other applicable provisions, if any, of the Companies Act, 2013, (the “**Companies Act**”) and in accordance with Article 67 of Articles of Association of the Company, the Companies (Share Capital and Debentures) Rules, 2014 (the “**Share Capital Rules**”) to the extent applicable, including any amendments, statutory modifications or re-enactments, for the time being in force and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions and sanctions, which may be agreed by the Board of Directors of the Company (hereinafter referred to as the “**Board**”, which expression shall include Committee constituted by the Board to exercise its powers, including the powers conferred by this Resolution,) consent of the members be and is hereby accorded for the buyback by the Company of its fully paid-up equity shares of Rs. 10/- (Rupees Ten only) each not exceeding 3,47,667 (Three Lakh Forty Seven Thousand Six Hundred Sixty Seven Only) equity shares (representing 4.76% of the total number of equity shares in the paid-up share capital of the Company) at the price of Rs. 1,093/- (Rupees One Thousand Ninety Three Only) per equity share (“**Buyback Offer Price**”) payable in cash for an aggregate consideration not exceeding Rs. 38,00,00,031/- (Rupees Thirty Eight Crores Thirty One Only) (“**Buyback Offer Size**”) being 16.34 % which is not exceeding 25% of the aggregate of the fully paid up share capital and free reserves as per the audited financial statement of the Company for the financial year ended 31st March, 2024 from the equity shareholders of the Company, on a proportionate basis through the “**Tender Offer**” route as prescribed under the Share Capital Rules.

“**RESOLVED FURTHER THAT** such Buyback may be made out of the Company’s free reserves and / or such other sources as may be permitted by law through “Tender Offer” route and as required by the Share Capital Rules and the Companies Act, the Company may buyback equity shares from all the existing members holding equity shares of the Company on a proportionate basis.

“**RESOLVED FURTHER THAT** the Buy-Back Committee, constituted by the Board of Directors in their meeting held on 30th July 2024, comprising Mr. Gaurav Motwane, Managing Director & CEO and Mr. Nikhilesh Panchal, Non-Executive Director, be and is hereby authorized to do all such acts, deeds and things as may be necessary, expedient or proper with regard to the implementation of the buyback:

- (a) To determine and fix at the appropriate time, the price, not being a price higher than the maximum price specified hereinabove for the proposed buy-back of shares from the existing shareholders on a proportionate basis through the letter of offer;
- (b) To take all appropriate steps under Rules and Regulations laid down by the Ministry of Corporate Affairs and all other applicable laws and regulations including opening of an escrow and special bank accounts.

- (c) Finalizing the terms of the Buyback such as finalizing the Letter of Offer, the date of opening and closing of the Buyback.
- (d) Extinguishment of share certificates including giving instructions to Depositories in case of electronic shares, filing of certificates of extinguishment in connection with the Buyback on behalf of the Board and issue of new share certificates.
- (e) To address any queries that may arise in relation to the implementation of the Buyback.
- (f) To sign, execute and deliver such documents as may be necessary or desirable in connection with or incidental to the Buyback including, but not limited to, certified copies of all resolutions passed by the Board in connection with the Buyback; and
- (g) To do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary, expedient, usual or proper.

“RESOLVED FURTHER THAT nothing contained herein shall confer any right on the part of any Shareholder to offer or any obligation on the part of the Company or the Board to purchase/buy back any share except, as provided under the Rules and Regulations laid down by the Central Government and in the manner and during the period prescribed therein.

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things which may be necessary, usual, expedient and proper to give effect to this resolution.”

By order of the Board of Directors

Sd/-

30th July, 2024
Mumbai

Mahendra Salunke
Company Secretary

NOTES FOR MEMBERS' ATTENTION:

1. **THE MINISTRY OF CORPORATE AFFAIRS ("MCA") INTERALIA, VIDE ITS GENERAL CIRCULAR NO(S). 14/2020 DATED APRIL 8, 2020, 17/2020 DATED APRIL 13, 2020 , 20/2020 DATED MAY 5, 2020 AND SUBSEQUENT CIRCULARS ISSUED IN THIS REGARD, THE LATEST BEING GENERAL CIRCULAR NO. 09/2023 DATED SEPTEMBER 25, 2023, (COLLECTIVELY REFERRED TO AS 'MCA CIRCULARS') HAS PERMITTED THE HOLDING OF THE ANNUAL GENERAL MEETING ("AGM"/"MEETING") THROUGH VIDEO CONFERENCING ("VC/OAVM") OR OTHER AUDIO-VISUAL MEANS ("OAVM"), WITHOUT THE PHYSICAL PRESENCE OF THE MEMBERS AT A COMMON VENUE. IN ACCORDANCE WITH THE MCA CIRCULARS, PROVISIONS OF THE COMPANIES ACT, 2013 ('THE ACT'), THE AGM OF THE COMPANY IS BEING HELD THROUGH VC / OAVM. THE DEEMED VENUE FOR THE AGM SHALL BE THE REGISTERED OFFICE OF THE COMPANY.**
2. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.
3. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of Item No. 3 to 6 (both inclusive) of the Notice set out above is annexed hereto.
4. The Special business to be transacted in the meeting are unavoidable as per Company Law and Meeting is in compliance with General Circular No. 20/2020 of Ministry of Corporate Affairs.
5. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) are KFin Technologies Limited (earlier known as KFin Technologies Private Limited) having their office at Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032.
6. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
7. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
8. At the 28th Annual General Meeting of the Company held on 27 September, 2022, the members approved appointment of SRBC & Co, LLP, Chartered Accountants, (ICAI Registration Number 324982E/E300003) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that Annual General Meeting till the conclusion of the 33rd Annual General Meeting..
9. Members may note that the Notice and Annual Report 2023-24 will also be available on the Company's website www.msldrivelin.com.

- (a) Shareholders are requested to forward their e-mail addresses to the Company at mgs@msldriveline.com, if they haven't done so in order for them to receive the Annual Report & other communication from the Company.
- (b) In case of joint holders attending the meeting, the member whose name appears first as per Register of Members of the Company will be entitled to vote.

10. **PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM**

The members are requested to follow the following instructions in order to participate in the Meeting through VC/OAVM mechanism:

- (a) The login-id and password for joining the meeting has been separately provided along with this Notice;
- (b) The facility for joining the Meeting will be kept open 15 minutes before the time scheduled to start the meeting and 15 minutes after the expiry of the said scheduled time.
- (c) Members who hold shares in dematerialized form are requested to furnish their Client ID and DP ID Nos. and members who hold shares in physical form are requested to furnish their folio number for easy identification of attendance at the Meeting;
- (d) Participation of single member shall only be allowed at a time;

Members are requested to e-mail at mgs@msldriveline.com or call at 9619829537 in case of any technical assistance required at the time of log in/ assessing/ voting at the Meeting through VC/OAVM.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:

Item No. 3 & 4

**REVISION IN REMUNERATION PAYABLE TO MR. GAURAV MOTWANE, CHAIRMAN ,
MANAGING DIRECTOR AND CEO OF THE COMPANY:**

Mr. Gaurav Motwane is entrusted with the management of business of the Company since 2004 and re-appointed as the Managing Director, Chairman & CEO of the Company for the term of five (5) years w.e.f. 1st April 2022. The Board of Directors at their meeting held on 27 May 2024, on the recommendations made by the Nomination and Remuneration Committee and Audit Committee has approved the proposal of annual increment in the basic salary payable to Mr. Gaurav Motwane, Chairman, Managing Director and CEO from Rs. 23,37,500/- (Rupees Twenty Three Lakh Thirty Seven Thousand Five Hundred) only to Rs. 25,71,250/- (Rupees Twenty Five Lakh Seventy One Thousand Two Hundred Fifty only) per month w.e.f. April 1, 2024 till unexpired term of his tenure.

Except for the aforesaid revision in salary, all other terms and conditions of his appointment as the Chairman, Managing Director and CEO of the Company and remuneration as approved earlier, shall remain unchanged. As the terms for revision in remuneration proposed above are well in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the said Act, Central Government approval is not necessary for the above revision in remuneration.

Mr. Gaurav Motwane and his relatives (including Mrs. Superna Motwane, Non-Executive Director and shareholder of the Company) may be deemed to be concerned or interested in the said resolution.

None of the Director, key managerial personnel or their relatives are concerned or interested in the said resolution.

The Board recommends the resolution for your approval.

**REVISION IN REMUNERATION PAYABLE TO MR. BHUSHAN PATWARDHAN ,
EXECUTIVE DIRECTOR OF THE COMPANY:**

Mr. Bhushan Patwardhan has been associated with the Company for the last 40 years. During his long association, Mr. Patwardhan has served in a multifaceted capacity. He has been serving as the head of capital purchase, human resources & ERP system of the Company. He looks after the overall production function of both the plants of the Company. Mr. Patwardhan was appointed as Factory Manager of the Nashik Plant w.e.f. 29 April 2014 and has been continuing in that capacity since then till 30 May, 2023. Mr. Patwardhan has successfully negotiated and concluded agreements with the trade union of the Company. He is successful in maintaining cordial relationships with the trade union, labour officers, and other statutory and non-statutory bodies such as Automotive Component Manufacturers Association of India (ACMA) and Nashik Industries & Manufacturer's Association (NIMA). Mr. Patwardhan is also part of the CSR Team of the Company and is actively engaged in the implementation of CSR projects of the Company in association with implementing agencies approved by the CSR Committee and BOD of the Company. He is Licentiate in Mechanical Engineering from VJTI, Mumbai. He also holds a Diploma in Business Management & Master of Management Science from the University of Pune.

The Board of Directors at their meeting held on 27 May, 2024, considered the proposal of annual increment to Mr. Bhushan Patwardhan. The Board also considered the overall annual increment given to KMPs and senior management of the Company which is in the range of 10% increment. Board further noted that Nomination and Remuneration Committee of the Company has approved and recommended revision of the present remuneration by way of an increase in the (a) basic salary from 1,58,750/- (Rupees One Lakh Fifty Eight Thousand Seven Hundred Fifty only) to Rs. 1,74,630/- (Rupees One Lakh Seventy Four Thousand Six hundred Thirty only) per month, (b) Personal pay from Rs.77,620/- (Rupees Seventy Seven Thousand Six Hundred Twenty only) to Rs. 87,920/- (Rupees Eighty Seven Thousand Nine Hundred Twenty only) per month and (c) Grade Allowance from Rs. 1,66,503/- (Rupees One Lakh Sixty Six Thousand Five Hundred Three only) to Rs. 1,84,413/- (Rupees One Lakh Eighty Four Thousand Four Hundred Thirteen only) per month w.e.f. 1st April, 2024 till unexpired term of his tenure.

The Board also noted that pursuant to Section 177 (4) (iv) of the Companies Act,2013 the Audit Committee at its meeting held on 27th May, 2024 approved the revision in the remuneration as stated above.

Except for the aforesaid revision in salary, all other terms and conditions of his appointment and remuneration as approved earlier, shall remain unchanged. As the terms for revision in remuneration proposed above are well in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the said Act, Central Government approval is not necessary for the above revision in remuneration.

Except Mr. Bhushan Patwardhan himself, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No.4.

The Board recommends the resolution for your approval.

Information required to be given under Section II to Schedule V of the Companies Act, 2013 is as under:

I GENERAL INFORMATION

(1) Nature of Industry:

The Company is inter alia in the business of designing, development and manufacturing of auto ancillary products such as propeller shafts, clutches etc.

(2) Date or expected date of commencement of commercial production:

The Company was incorporated on 30th September 1994 and started its operation in the same year.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not applicable.

(4) Financial performance based on given indicators – as per audited financial results for the year ended 31st March 2024:

Particulars	(Rupees in Million)
Gross Turnover & Other Income	8,292.1
Net profit as per Statement of Profit & Loss (Before Tax)	788.6
Profit as computed under Section 198 of the Companies Act, 2013	874.2
Net Worth	2,325.2

(5) Foreign investments or collaborations, if any.

The Company currently neither have any Technical Collaboration nor have invested in foreign entities abroad, however the Company has received foreign investment in the form of equity shares details of which are as follows:

- a) Khattar Holdings Private Limited (an overseas company) holds 14.33% shares of the Company having face value of Rs. 10 each.
- b) Other Non-Resident Individuals hold 6.37 % shares of the Company having face value of Rs. 10 each.

II. INFORMATION ABOUT THE APPOINTEE:

(1) Background details

Mr. Gaurav Motwane, who has a Bachelor’s Degree in Business Administration, Marketing and Entrepreneurial Management from Wharton School, University of Pennsylvania, USA, has been associated with the Company since May 2004.

Mr. Bhushan Patwardhan, who is a Licentiate in Mechanical Engineering from VJTI, Mumbai, Diploma in Business Management & Master of Management Science from University of Pune., has been associated with the Company for last 39 years

(2) Past Remuneration during the financial year ended 31st March 2024

Sr. No.	Name	(Rupees in Million)
1.	Mr. Gaurav Motwane	110.4
2.	Mr. Bhushan Patwardhan	9.7

(3) Recognition or awards

The information is already covered in the section II. 1 under the heading “Background details” and elsewhere in this explanatory statement.

(4) Job profile and his suitability

Mr. Gaurav Motwane is responsible for the overall operations and the affairs of the Company. Taking into consideration his qualifications, experience and expertise in relevant fields, Mr. Gaurav Motwane is best suited for the responsibilities assigned to him. Mr. Gaurav Motwane was instrumental in setting up Research & Development Centre of the Company and during his tenure Company has achieved various milestones.

Mr. Bhushan Patwardhan is responsible for the overall production function of both the plants of the Company. He has been serving as the head of capital purchase, human resources & ERP system of the Company. Taking into consideration his qualifications, experience and expertise in relevant fields, Mr. Bhushan Patwardhan is best suited for the responsibilities assigned to him. Mr. Bhushan Patwardhan has successfully maintained cordial relationships with the trade union, labor officers, and other statutory and non-statutory bodies. Mr. Patwardhan is also appointed as an Occupier under the Factories Act, 1948, for both the plants of the Company.

(5) Remuneration proposed

Details are given in the explanatory statement to Item no. 3 & 4 of the accompanying notice.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)

Considering the background, competence and experience of Mr. Gaurav G. Motwane and also his association with the Company for the past several years and compared to the remuneration packages of similarly placed personnel of other corporate bodies in the country, the terms of their remuneration as set out in the Resolution are considered to be fair, just and reasonable.

Considering the background, competence and experience of Mr. Bhushan Patwardhan and also his association with the Company for the past several years and compared to the remuneration packages of similarly placed personnel of other corporate bodies in the country, the terms of their remuneration as set out in the Resolution are considered to be fair, just and reasonable.

Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Mr. Bhushan Patwardhan, except proposed remuneration in explanatory statement in the notice neither directly nor indirectly have any other pecuniary relationship with the Company, or relationship with the managerial personnel thereto.

SKM Family Trust through Mr. Gaurav Motwane, Trustee holds 37.60% shares in the Company. Mr. Gaurav Motwane holds 0.32% shares in the Company. MSONA Automotive Components Private Limited holds 37.22% shares in the Company. Mr. Gaurav Motwane and Mrs. Superna Motwane, both are members and directors in MSONA Automotive Components Private Limited.

(1) Reasons of loss or inadequate profits:

The Company has posted a net profit after (as per Section 198) of Rs. 874.2 Million during the year ended 31st March 2024.

(2) Steps taken or proposed to be taken for improvement:

Continuous endeavors are made to for improvement in the turnover and profitability of the Company.

(3) Expected increase in productivity and profits in measurable terms

Not applicable, as the Company has adequate profits.

IV. DISCLOSURES

Prescribed disclosures are given in the Board of Director's report attached to the financial statement.

Other details pursuant to Secretarial Standards on General Meeting are provided in 'Annexure 1' attached to this Notice.

Item No. 5

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditor to conduct the audit of applicable cost records of the Company for the financial year 2024-25. In accordance with the provisions of Section 148 of the Act read with the Rules made thereunder, the remuneration payable to the Cost Auditor as recommended by the Audit Committee and approved by the Board, has to be ratified by the members of the Company. Accordingly, consent of the members is sought for ratification of the remuneration payable to the Cost Auditor.

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

The Board commends the resolution at item Nos. 5 for approval of the members.

Item No. 6

As required under Section 102 and 68 of the Companies Act, 2013, the following details are furnished to the members to enable them to take necessary decision for approval of resolution set out at Item No. 6 of the accompanying Notice.

The Companies Act, 2013 allows a Company to buy back its own shares subject to the conditions laid down by the Central Government therein. The proposed buy-back of shares is authorized by Article 67 of the Articles of Association of the Company.

The explanatory features of the buyback proposal are set out hereinunder in pursuance of the rules issued by the Ministry of Corporate Affairs as under:

(a) Approval of the Board: The Board of Directors at their meeting held on 30th July, 2024 has considered and approved the proposal for buyback of its equity shares by the Company.

(b) Necessity for Buyback: The proposed buy back will improve return on capital and Earning Per Share (EPS), rendering of the better service to the remaining shareholders by way of sustained dividend and appreciation of share value in the long run. This buyback offers a reasonably attractive exit option to those shareholders who wish to do so while ensuring that the buyback price is value enhancing to those shareholders who prefer to retain ownership of their stock.

c) Class of shares or securities intended to be purchased under the buyback: The Company intends to purchase its fully paid-up equity shares under the buy back.

(d) Number of securities that the company proposes to buy-back: The Company intends to buy-back around 3,47,667 ((Three Lakh Forty Seven Thousand Six Hundred Sixty Seven Only)) Equity Shares of Rs. 10 (Rupees Ten Only) each fully paid up constituting approximately 4.76% of the paid up Equity Share Capital of the Company.

(e) Method of buy-back: The buyback process shall be initiated through inviting response letter to letter of offer from the existing equity shareholders on a proportionate basis. The special resolution set out in the notice seeks such an approval from shareholders.

(f) Price at which the buy-back of shares or other securities shall be made: Rs. 1,093/- (Rupees One Thousand Ninety Three Only)

(g) Basis of arriving at the buy-back price: While fixing the maximum price of Rs. 1,093/- (Rupees One Thousand Ninety Three Only), the Board of Directors have taken into account various factors such as the current and future earning, return on equity, net worth, provisions of applicable law and other relevant factors.

(h) The maximum amount to be paid for the buy-back and the sources of funds from which the buy-back would be financed: An amount of approximately Rs. 38,00,00,031/- (Rupees Thirty Eight Crores Thirty One Only) is required to finance the buy-back of the Equity Shares of the Company and the same is proposed to be financed out of the free reserves of the company.

(i) Time-limit for the completion of buy-back: The buy-back is expected to be completed within 12 months from the date of passing of the Special Resolution as permitted under the Companies Act, 2013 although the Company will endeavor to complete the process at an early date.

(j) (1) the aggregate shareholding of the promoters and of the directors of the promoter, where the promoter is a company and of the directors and key managerial personnel as on the date of the notice convening the general meeting: 58,14,966 (Rupees Fifty Eight Lakh Fourteen Thousand Nine Hundred Sixty Six Only) Equity Shares of Rs. 10/- each constituting 79.58 % of the issued, subscribed and paid up Equity Share Capital of the Company.

(2) the aggregate number of equity shares purchased or sold by persons mentioned in sub-clause (j) during a period of twelve months preceding the date of the board meeting at which the buy-back was approved and from that date till the date of notice convening the general meeting: (a) There was no purchase of Equity Shares. (b) Buy-back of 3,83,064 (Three Lakh eighty Three Thousand Sixty Four Only) Equity Shares of Rs. 10 each constituting 4.98%

(3) the maximum and minimum price at which purchases and sales referred to in sub-clause (2) were made along with the relevant date: (a) & (b) above Rs. 992 (Rupees Nine Hundred Ninety Two Only) per Equity Share.

(k) if the persons mentioned in sub-clause (1) of clause (j) intend to tender their shares for buy-back –

(1) Quantum of shares proposed to be tendered exceeding the proportionate entitlement under this offer.

(2) the details of their transactions and their holdings for the last twelve months prior to the date of the board meeting at which the buy-back was approved including information of number of shares acquired, the price and the date of acquisition: As mentioned in j(1), j(2) and j(3)

(l) a confirmation that there are no defaults subsisting in repayment of deposits, interest payment thereon, redemption of debentures or payment of interest thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company: The Board confirms that there have been no defaults subsisting in repayment.

(m) a confirmation that the Board of directors have made a full enquiry into the affairs and prospects of the company and that they have formed the opinion-

(1) that immediately following the date on which the general meeting is convened there shall be no grounds on which the company could be found unable to pay its debts;

(2) as regards its prospects for the year immediately following that date, that, having regard to their intentions with respect to the management of the company's business during that year and to the amount and character of the financial resources which will in their view be available to the company during that year, the company shall be able to meet its liabilities as and when they fall due and shall not be rendered insolvent within a period of one year from that date; and

(3) the directors have taken into account the liabilities (including prospective and contingent liabilities), as if the company were being wound up under the provisions of the Companies Act, 2013

(n) a report addressed to the Board of directors by the company's auditors stating that-

(1) they have inquired into the company's state of affairs;

(2) the amount of the permissible capital payment for the securities in question is in their view properly determined;

(3) that the audited accounts on the basis of which calculation with reference to buy back is done is not more than six months old from the date of offer document;

(4) the Board of directors have formed the opinion as specified in clause (m) on reasonable grounds and that the company, having regard to its state of affairs, shall not be rendered insolvent within a period of one year from that date.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No 6 of the accompanying Notice except Mr. Gaurav Motwane and Mr. Satpal Khattar, to the extent of their entitlement, if participated in the buy-back.

By order of the Board of Directors

Sd/-

**Mahendra Salunke
Company Secretary**

30th July, 2024
Mumbai

Annexure-1

Particulars	Re-Appointment	Variation of the terms of remuneration	Variation of the terms of remuneration
	Mr. Sat Pal Khattar	Mr. Gaurav Motwane	Mr. Bhushan Patwardhan
DIN	00307293	00746165	09252080
Date of Birth	November 22, 1942	18 April, 1972	8 May, 1966
Qualification	Masters Degree in Law from Singapore University	Bachelor's in business administration, Marketing & Entrepreneurial Management from Wharton School, University of Pennsylvania, USA.	Licentiate in Mechanical Engineering, Diploma in Business Management & Master of Management Sciences
Experience	Mr. Khattar is a Singapore Citizen and a Leading Lawyer and has varied business interests. He has over 50 years of experience in the legal profession.	Mr. Gaurav Motwane has rich and varied experience in the industry and has been involved in the operations of the Company over more than 23 years. Over the past decade, he has worked closely with world class automotive component companies to develop and roll out cutting edge product and process technologies for driveline systems in India.	He has been serving as the head of capital purchase, human resources & ERP system of the Company. He looks after the overall production function of both the plants of the Company. Mr. Patwardhan was appointed as Factory Manager of the Nashik Plant w.e.f. 29 April 2014 and has been continuing in that capacity since then. He is successful in maintaining cordial relationships with the trade union, labour officers, and other statutory and non-statutory bodies such as Automotive Component Manufacturers Association of India (ACMA) and Nashik Industries & Manufacturer's Association (NIMA). Mr. Patwardhan is also part of the CSR Team of the Company. and is actively engaged in the implementation of CSR projects of the Company.
Date of first appointment on Board	October 26, 2005	01 April, 2006	31 May, 2023

Terms & Conditions of appointment	Director liable to retire by rotation.	Director not liable to retire by rotation. Approved for the term of 5 years w.e.f. 1st April, 2022	Appointment is valid till he attains the age of superannuation i.e. upto 7 May, 2026 and subject to liable to retire by rotation.
Remuneration	Sitting Fees as per policy of the Company.	Remuneration as approved by the Board of Directors of the Company at their Board Meeting held on Friday 25th June, 2021, and approved by Members at their 27 th Annual General Meeting held on 10 August, 2021 and further revised with the approval of members by a resolution passed at the 28 th Annual General Meeting held on 27 September, 2022 & 29 September 2023.	Remuneration as approved by the Board of Directors of the Company on Wednesday 31 May, 2023 and approved by members at Annual General Meeting held on 29 th September, 2023.
Shareholding in the Company	Holds 4.45% shares in the Company.	Holds 0.32 % shares in the Company and 37.60 % shares in capacity of Trustee of SKM Family Trust.	Nil
Relationship with other directors, Manager or KMP	N.A.	Mrs. Superna Motwane, Director of the Company - Spouse	N.A.
No. of Meetings of the Board attended during the year	4 out of 4	4 out of 4	3 out of 4
Directorship of other companies	<u>Public</u> : 3 (Including MSL Driveline Systems Limited) <u>Private</u> : 4 <u>Partnership Firm (including LLP)</u> : NIL	<u>Public</u> : 1 (Including MSL Driveline Systems Limited) <u>Private</u> : 6 <u>Partnership Firm (including LLP)</u> : Nil	<u>Public</u> : 1 (Including MSL Driveline Systems Limited) <u>Private</u> : 1 <u>Partnership Firm (including LLP)</u> : NIL

<p>Membership/ Chairmanship of other Committees of Board (only Audit Committee, Nomination & Remuneration Committee and Stakeholders grievances committee are considered) including MSL Driveline Systems Limited</p>	<p><u>Audit: NIL</u> <u>NRC: NIL</u> <u>Stakeholders Relationship Committee: NIL</u></p>	<p><u>Audit: 1</u> <u>NRC: NIL</u> <u>Stakeholders Relationship Committee: NIL</u></p>	<p><u>Audit: NIL</u> <u>NRC: NIL</u> <u>Stakeholders Relationship Committee: NIL</u></p>
<p>Performance Evaluation of Independent Directors</p>	<p>Independent Directors have reviewed the performance of Mr. Sat Pal Khattar after considering directors duties vis-à-vis his contribution to the Board Meetings, Committee Meetings (wherever applicable) and growth of the company and found satisfactory.</p>	<p>Independent Directors have reviewed the performance of Mr. Gaurav Motwane after considering directors duties vis-à-vis his contribution to the Board Meetings, Committee Meetings (wherever applicable) and growth of the company and found satisfactory.</p>	<p>Independent Directors have reviewed the performance of Mr. Bhushan Patwardhan after considering directors duties vis-à-vis his contribution to the Board Meetings, Committee Meetings (wherever applicable) and growth of the company and found satisfactory.</p>