

NOTICE

NOTICE is hereby given that the 13th Annual General Meeting of the members of BrahMos Aerospace Thiruvananthapuram Limited will be held on Tuesday, 08th, September, 2020, at 11.30 A.M through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') facility to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements including Profit and Loss for the year ended 31st March 2020, the Balance Sheet as at that date , the Reports of the Board of Directors and Auditors thereon.
2. To appoint V Adm N.N.Kumar (rtd) (DIN 02946230), Director, who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
3. To appoint Dr.Dasharath Ram (DIN 07599779) Director, who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. Re-appointment and remuneration of VAdm Raman Prabhath (rtd) (DIN 07041428) as Managing Director

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of sections 196, 197,203 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the “Act”) read with Schedule V to the Act (including any amendment(s), statutory modifications(s), variation (s) and / or re-enactment(s) for the time being in force) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules,2014, as amended from time to time, consent of the members be and is hereby accorded for the re-appointment and remuneration of VAdm Raman Prabhath (rtd) (DIN 07041428) as Managing Director of the company w.e.f 22/12/2019 for a period of ONE year as extended by BAPL, the holding Company pursuant to clause 10 of Articles of Association of the Company and approved by the Nomination and Remuneration Committee and the Board of Directors of the company upon a remuneration by way of salary, allowances, benefits and perquisites, as are applicable and prevailed as per the rules of the Company as set out in the statement annexed to the notice convening this meeting and as may be decided by the Board of Directors of the Company from time to time, without further reference, consent of members, within overall limits specified under section 197 of the Companies Act 2013 read with the schedule V of the Companies Act, 2013, as in force from time to time”.

“RESOLVED FURTHER THAT where in any financial year, during the currency of his tenure, the Company has no profits or its profits are inadequate, it may pay him remuneration by way of salary, allowances, benefits and perquisites as mentioned above not exceeding the limits specified in part II of Section II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time as minimum remuneration”.

“RESOLVED FURTHER THAT the Managing Director so re-appointed above shall responsible for the overall supervision of the functioning and management of the affairs of the Company under the

superintendence and control of the Board of Directors and to perform all other duties that the Board may delegate to the Managing Director from time to time.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to revise the remuneration, alter or modify the different components of the remuneration within the overall limit specified under Section 197 read with Schedule V of the Companies Act, 2013 as may be agreed to by the Board of Directors and Managing Director”.

**By order of the Board of Directors
For BrahMos Aerospace Thiruvananthapuram Limited**

Sd/-

BinuAlex.V

Company Secretary

Date: 07/09/2020

Place: Thiruvananthapuram

NOTES:

1. As per para 3 - B of circular dated 05/05/2020 read with circulars dated 08/04/2020 and 13/04/2020 issued by Ministry of Corporate Affairs, the company is permitted holding of the Annual General Meeting through the facility of VC or OAVM. The deemed venue for 13th Annual General Meeting shall be the Registered Office of the Company at Airport Road, Chackai, Beach P.O, Thiruvananthapuram- 695 007.
2. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM facility, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available and hence the Proxy Form and Attendance Slip are not annexed to this Notice. Since the meeting will be conducted through VC/OAVM facility, the route map is not annexed to this Notice
3. The Board of Directors, at their meeting held on 07/09/2020, has decided that the special business set out under item no.4, being considered unavoidable, be transacted at the 13th Annual general Meeting of the Company. Statement pursuant to section 102 of the Act annexed is forms a part of this Notice.
4. In accordance with the MCA Circulars, the statutory registers will be made accessible for inspection through electronic mode and shall remain open and be accessible to any member during the continuance of the meeting.
5. The meeting link will be sent in advance to the members in their email address registered with the company. Members will be able to attend the meeting through VC/OAVM by clicking in the link available in the email. The facility of joining the meeting will be opened 15 minutes before and will be open upto 15 minutes after the scheduled start time of the AGM, i.e., from 11.15 am to 11.45 am. Members are encouraged to join the meeting through Laptops with Google Chrome for better experience. Further, members will be required to allow camera, if any, and hence use internet with a good speed to avoid any disturbance during the meeting. The persons attending the meeting

through VC are also requested to mute their speakers except when they speak to avoid echo. While all efforts will be made to make the VC/OAVM meeting smooth, participants connecting through mobile devices, tablets, laptops, etc. may, at times, experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches. Members who need technical assistance before or during the Annual General Meeting can contact the company at cs@batl.co.in or helpline -9645694644

EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item No.4 of the accompanying Notice dated 07/09/2020.

Item No.4

VAdm Raman Prabhath (Rtd) had been appointed as Managing Director of the Company initially for a period of 02 years as decided at the Board meeting held on 24/11/2014 and approved by the 8th Annual general meeting held on 04/09/2015. He has joined w.e.f 22/12/2014 in the scale of pay of Rs.45,000/- to Rs.75,000/- with an initial basic pay of Rs.45,000/- with all other allowances, benefits and perquisites as applicable as per the rules and regulations of the Company and terms communicated vide letter No.BATL/Apptt/Pers/MD/Tvpm/14 dated 11/12/2014. Subsequently at the 10th Annual General Meeting held on 30/08/2017, the term of VAdm Raman Prabhath (rtd) as Managing Director had been further extended and re-appointed as Managing Director for another total period of two years w.e.f 22/12/2016 to 21/12/2018 as per the existing terms and conditions. Further at the 12th Annual General Meeting held on 04/09/2019, the term further extended and re-appointed w.e.f 22/12/2018 to 21/12/2019. He had been given annual increment @ 3% as per the existing rules of the Company.

In pursuant to Clause 10.00.00 of the Articles of Association of the Company, BAPL, the holding Company extended the tenure of Managing Director by ONE more year w.e.f 22/12/2019 vide letter No.BM/MD&CEO /BATL/12/19 dated 18/12/2019 on the existing terms and conditions. The re-appointment and remuneration for the extended tenure for a period of ONE year w.e.f 22/12/2019 as per the existing terms was approved by the Nomination and Remuneration Committee and Board at its meetings held on 18/12/2019. Subsequent to the pay revisions of all employees as approved by the Board, the revised pay scale of MD is Rs.1,05,700 – 1,89,400 w.e.f 01/01/2018 and the Managing Director was drawing a Basic Pay of Rs.1,22,560 from 01/01/2020 and other benefits accrued due to the pay revision. The detail of the monthly remuneration drawn by him as on May 2020 is as under;

| | Amount (Rs) |
|---|------------------------|
| a. Basic Pay | 122560 |
| b. Variable DA at prevailing rate (Presently at 18.7% on basic pay) | 22919 |
| c. HRA (16% on basic pay) | 19610 |
| d. Medical Allowance | 1500 |
| e. Canteen Subsidy (at present) | 791 |
| | 167380 |

The company is also providing the following as per appointment terms communicated vide letter No.BATL/Apptt/Pers/MD/Tvpm/14 dated 11/12/2014 and approved at the earlier meetings.

- a. Provident Fund @ 12% (on the Basic pay and VDA)
- b. Gratuity as per Rules
- c. Leave encashment as per Company Rules
- d. Official Transport
- e. Medical Insurance worth Rs.2 lacs p.a.for self and dependents as per Company Rules

After taking into consideration of his contributions for the growth of the company and recommendations of Nomination and Remuneration Committee, the Board also approved at its meeting held on 12/06/2020

granting of two additional increments i.e 6% (@ 3% per year) in total over the existing Basic Pay of Rs.1,22,560 /- with effect from 01/04/2020, in the pay scale of Rs.1,05,700 -1,89,400 to the Managing Director subject to approval of the shareholders.

The remuneration fixed above is within the limits specified in the Schedule V to the Companies Act,2013. The Board also approved the provisions for payment of the above remuneration as minimum remuneration subject to the ceiling as set out in the Companies Act, if the Company has no profits or profits are inadequate to pay the said remuneration. Further, the Company has not made any default in the repayment of its dues or interest payments thereon for a continuous period of 30 days in the preceding financial year. The Company has not issued any debentures or not accepted any public deposits.

Information disclosed in terms of Schedule V to the Companies Act, 2013

I. General information

1. Nature of industry: Manufacturing and Integration of high precision components and sub-systems required for Aerospace, Defence and Nuclear sectors
2. Date or expected date of commencement of commercial production: It is an established Company and commercial production commenced in 1994. The Company was handed over by the Govt. of Kerala to BrahMos Aerospace (P) Limited in Dec 2007.
3. In case of new companies, expected date of commencement of activities as per project approved by the financial institutions appearing in the prospectus:- Not Applicable
6. Financial Performance based on given indicators :

| | 2018-19 | 2019-20 |
|------------------------------|---------|---------|
| Net revenue (Rs.Crores) | 51.43 | 62.82 |
| Profit after Tax (Rs.Crores) | 0.37 | 0.37 |

5. Foreign investments or collaborations, if any: The Company does not have any foreign investments or collaborations.

II. Information about the appointee: VAdm Raman Prabhath(rtd) (DIN 07041428)

1. Background details:- VAdm Raman Prabhath (Rtd) AVSM, VSM is a Post Graduate from IIT Delhi and has over 40 years of experience in various Naval / DRDO organizations. In his last appointment as the Program Director of the ATV Program (strategic program under aegis of DRDO), he was responsible for overall coordination of construction of strategic submarines. He had also experience in managing civil engineering projects and had an overall industrial experience of over 09 years in various capacities at the Naval Dockyards, managing work force of over 8000 industrial workers with optimum utilization of resources.
2. Past remuneration: Pay scale HAG+
3. Recognition or awards : VSM in 2010 and AVSM in 2012

4. Job Profile and his suitability: As Managing Director, he shall be responsible for the overall supervision of the functioning and management of the affairs of the Company under the superintendence and control of the Board of Directors and to perform all other duties that the Board may delegate to the "Managing Director" from time to time.
5. Remuneration proposed: As mentioned in the explanatory statement of Item No.4. Considering his vast experience, contributions and services rendered as Managing Director of the Company since 2014, the remuneration payable to VAdm Raman Prabhath (Rtd), Managing Director is very reasonable considering the size of the company.
6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person: The remuneration fixed is within the limits specified in the Schedule V to the Companies Act,2013. Even though Company achieved marginal profits in last six years, net worth of Company is still negative due to accumulated losses and hence continued with the existing package.
7. Pecuniary Relationship: No other pecuniary relationship.

III. Other information:

1. Reasons of loss or inadequate profits: The increase in sales is not commensurate with the cost towards manpower and other resources resulting inadequate profits.
2. Steps taken or proposed to be taken for improvement : Increase in Order Book position, Production of Small Turbo Fan Engine for GTRE, Production of large size tankages for ISRO, steering the export of Barak missile canisters to Israel with the ultimate consignee being the Indian Ministry of Defence
3. Expected increase in productivity and profits in measurable terms: Production turn over expected to increase from Rs 63 Crores to Rs 75 Crores during the current Financial Year. Profits expected to be Rs.1.50 Crores.

VAdm Raman Prabhath(rtd) to the extent of remuneration received / receivable by him is interested in the resolution mentioned in Item No. 4 of the Notice. As per the Companies Act 2013 read with Schedule V of the Act, the remuneration paid was within the limit and an Ordinary resolution of the members is required in this matter.

The Board recommends the Resolution at Item No.4 of the accompanying notice for approval by the Members of the Company. None of other Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolution at Item No 4 of the accompanying Notice.

**By order of the Board of Directors
For BrahMos Aerospace Thiruvananthapuram Limited**

Sd/-
**BinuAlex.V
Company Secretary**

Date: 07/09/2020
Place: Thiruvananthapuram