

# Notice

**NOTICE IS HEREBY GIVEN THAT THE 23RD ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF MTAR TECHNOLOGIES LIMITED WILL BE HELD ON FRIDAY, 23<sup>RD</sup> DAY OF SEPTEMBER, 2022 AT 03:00 P.M. THROUGH VIDEO CONFERENCING ("VC") / OTHER AUDIO-VISUAL MEANS ("OAVM") TO TRANSACT THE FOLLOWING BUSINESS:**

## ORDINARY BUSINESS:

**1. To receive, consider and adopt the Standalone and Consolidated Audited Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Report of Auditors and Directors thereon.**

**2. To appoint a director in place of Mr. P. Srinivas Reddy (DIN: 00359139) who retires by rotation and being eligible, offers himself for re-appointment. (Brief Profile: Annexure A to this Notice).**

## SPECIAL BUSINESS:

### 3. RATIFICATION OF PAYMENT OF REMUNERATION TO THE COST AUDITOR FOR THE FINANCIAL YEAR 2022-2023:

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

**"RESOLVED THAT** pursuant to the provisions of Section 148(3) and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactments thereof, for the time being in force), and on recommendations of the Audit Committee and as approved by the Board of Directors, consent of the Members be and is hereby accorded for payment of remuneration of Rs. 3,00,000/- per annum plus out of pocket expenses and applicable taxes. to M/s. Sagar & Associates, (Registration No. 000118) Cost Accountants to conduct the audit of the cost records of the Company for the Financial Year ending 31st March 2023.

**RESOLVED FURTHER THAT** Managing Director or the Chief Financial Officer of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary to give full effect to the foregoing resolution.

**RESOLVED FURTHER THAT** Company Secretary of the Company be and is hereby authorised to file the above

resolution in necessary forms with the Statutory Authorities as may be required."

### 4. APPOINTMENT OF MR. ANUSHMAN REDDY (DIN: 08104131) AS THE DIRECTOR AND WHOLE-TIME DIRECTOR OF THE Company (BRIEF PROFILE: ANNEXURE A TO THIS NOTICE).

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 161 and any other applicable provisions of the Companies Act, 2013, provisions of SEBI (LODR) Regulations, 2015 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Anushman Reddy (DIN:08104131), who was appointed by the Board of Directors as an Additional Director (category-Executive) of the Company on recommendation of Nomination and Remuneration Committee with effect from 09.08.2022, who holds office upto the date of this Annual General Meeting or the last date on which the annual general meeting should have been held, whichever is earlier and who is eligible for appointment and has consented to act as Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and the Rules made thereunder and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") (including any statutory modification(s) or re-enactment thereof for the time being in force) and Articles of Association of the Company, as amended from time to time, approval of the members be and is hereby accorded for the appointment of Mr. Anushman Reddy (DIN:08104131), as the Whole Time Director of the Company for a period of 3 years with effect from 09th August 2022 to 8th August 2025 at a remuneration of Rs. 4.5 Lakhs per month plus 30% performance linked variable pay.

**RESOLVED FURTHER THAT** in the event of losses or inadequacy of profits in any financial year during his tenure the Company shall pay to Mr. Anushman Reddy (DIN:08104131), remuneration by way of salaries and allowances as specified above as minimum remuneration

and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V to the Companies Act 2013, or such other limit as may be prescribed by the Government from time to time.

**RESOLVED FURTHER THAT** Managing Director or the Chief Financial Officer of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary to give full effect to the foregoing resolution.

**RESOLVED FURTHER THAT** Company Secretary of the Company be and is hereby authorised to file the above resolution in necessary forms with the Statutory Authorities as may be required."

**5. APPOINTMENT OF MR. A. PRAVEEN KUMAR REDDY (DIN: 08987107) AS WHOLE-TIME DIRECTOR OF THE Company (BRIEF PROFILE: ANNEXURE A TO THIS NOTICE):**

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

**"RESOLVED FURTHER THAT** pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and the Rules made thereunder and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") (including any statutory modification(s) or re-enactment thereof for the time being in force) and Articles of Association of the Company, as amended from time to time, approval of the members be and is hereby accorded for the appointment of Mr. A. Praveen Kumar Reddy (DIN: 08987107), as the Whole Time Director of the Company for a period of 3 years with effect from 09th August 2022 to 08th August 2025 at a remuneration of Rs. 4.5 Lakhs per month plus 30% performance linked variable pay and who is liable to retire by rotation.

**RESOLVED FURTHER THAT** in the event of losses or inadequacy of profits in any financial year during his tenure, the Company shall pay to Mr. A. Praveen Kumar Reddy (DIN: 08987107), remuneration by way of salaries and allowances as specified above as minimum remuneration and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V to the Companies Act 2013, or such other limit as may be prescribed by the Government from time to time.

**RESOLVED FURTHER THAT** Managing Director or the Chief Financial Officer of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary to give full effect to the foregoing resolution.

**RESOLVED FURTHER THAT** Company Secretary of the Company be and is hereby authorised to file the above resolution in necessary forms with the Statutory Authorities as may be required."

**6. TO PAY REMUNERATION BY WAY OF COMMISSION UP TO 1% OF THE NET PROFITS OF THE Company OR A SUM OF RS. 90,00,000/- WHICH EVER IS LESS TO INDEPENDENT DIRECTORS**

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

**"RESOLVED THAT** pursuant to the provisions of Section 197, 198 and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and based on the recommendation of Nomination and Remuneration Committee and the Board of Directors, consent of the members of the Company be and is hereby accorded to pay remuneration by way of commission or otherwise to the Independent Directors of the Company for a period of 5 years commencing from the financial year 2022-23 an amount not exceeding 1% of the net profits of the Company computed in accordance with the provisions of Section 198 of the Companies Act, 2013 or Rs.15,00,000/- per independent director (aggregating to Rs.90.00 lakhs since the Company has 6 Independent Directors as on date), whichever is lower and the said remuneration is in addition to sitting fees and reimbursement of expenses for attending the meetings of the Board of Directors or Committees thereof and the said remuneration be paid in such amount, proportion and manner as may be decided by the Board of Directors of the Company from time to time;

**RESOLVED FURTHER THAT** the total overall managerial remuneration payable to all the directors of the Company in any financial year shall not exceed the limits prescribed under Section 197 and other applicable provisions of the Act;

**RESOLVED FURTHER THAT** Managing Director or the Chief Financial Officer of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary to give full effect to the foregoing resolution.

**RESOLVED FURTHER THAT** Company Secretary of the Company be and is hereby authorised to file the above resolution in necessary forms with the Statutory Authorities as may be required."

By and on behalf of  
The Board of Directors of  
**MTAR Technologies Limited**

Sd/  
**P. Srinivas Reddy**  
Managing Director  
(DIN: 00359139)

Place: Hyderabad  
Date: 09-08-2022

# Explanatory Statement

## PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

### Item No. 3: Ratification Of Payment Of Remuneration To The Cost Auditor For The Financial Year 2022-2023:

Based on the recommendation of the Audit Committee, the Board of Directors in its meeting held on 10th May 2022 has approved the appointment of M/s. Sagar & Associates, (Registration No.000118), Cost Accountants as Cost Auditors of the Company for the year ending 31st March 2023 to conduct the audit of cost records and has fixed their remuneration at Rs. 3,00,000/- per annum plus out of pocket expenses and applicable taxes etc.

As per the provisions of Section 148 of the Act read with the Companies Act, 2013 and as per the Rule 14 of Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be subsequently approved by the shareholders of the Company.

Accordingly, the Board of Directors recommends the passing of the above Resolution as an Ordinary Resolution set out in the item no. 3 of the notice.

None of the Directors/ Key Managerial Personnel and their relatives of the Company is in any way, concerned or interested, financially or otherwise, in the Resolution.

### Item No:4 Appointment of Mr. Anushman Reddy (Din: 08104131) as the director and Whole-Time Director of the Company:

The members may note that Mr. Anushman Reddy was inducted into Board as an Additional Director of the Company, with effect from 09th August 2022 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and holds the office as such up to the date of ensuing Annual General Meeting or the last date on which the annual general meeting should have been held, whichever is earlier. As per the provisions of section 160 of the Act, any such proposal ought to be approved by the members in the General Meeting.

The Board of Directors in its meeting held on 09th August 2022, subject to the approval of the Shareholders, and upon the recommendation of Nomination and Remuneration committee, having considered the contribution of Mr. Anushman Reddy in terms of leadership, strategy formulation and execution, financial planning, maintaining relations both with the board and external entities, improving the turnovers and profitability of the Company appointed him as Whole-Time Director of the Company in the promoter category with effect from 09th August 2022 for a period of 3 years at a remuneration of Rs. 4.5 Lakhs p.m. plus 30% performance linked variable pay with liberty to

the Board of directors to fix, alter or vary from time to time the terms and conditions of the said appointment including the remuneration in such manner as it may deem fit within the limits in that behalf contained in Schedule V of the said Act including any Statutory modification(s) in force or that may hereinafter be made thereto and as may be agreed by the Board of Directors and Mr. Anushman Reddy in this regard.

The Board of Directors recommends the passing of the above resolution as a Ordinary Resolution as set out in the item no. 4.

None of the other Directors /Key Managerial Personnel and their relatives except Mr. Anushman Reddy himself and Mr. A. Praveen Reddy who is related to Mr. Anushman Reddy, are in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

### Item No. 5: Appointment Of Mr. A Praveen Kumar Reddy (Din: 08987107) As Whole Time Director Of The Company

The members may note that Mr. A Praveen Kumar Reddy was inducted into Board as Whole Time Director of the Company, with effect from 09th August 2022 pursuant to the provisions of Sections 196, 197, read with Schedule V and other applicable provisions if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force and Articles of Association of the Company.

The Board of Directors in its meeting held on 09th August 2022, subject to the approval of the Shareholders, and upon the recommendation of Nomination and Remuneration committee, having considered the contribution of Mr. A. Praveen Reddy in terms of leadership, strategy formulation and execution, financial planning, maintaining relations both with the board and external entities, improving the turnovers and profitability of the Company appointed him as Whole-Time Director of the Company with effect from 09th August 2022 for a period of 3 years at a remuneration on of Rs. 4.5 Lakhs p.m. plus 30% performance linked variable pay with liberty to the Board of directors to fix, alter or vary from time to time the terms and conditions of the said appointment including the remuneration in such manner as it may deem fit within the limits in that behalf contained in Schedule V of the said Act including any Statutory modification(s) in force or that may herein after be made thereto and as may be agreed by the Board of Directors and Mr. A. Praveen Reddy in this regard.

The Board of Directors recommends the passing of the above resolution as a Ordinary Resolution as set out in the item no. 5.

None of the other Directors /Key Managerial Personnel and their relatives except Mr. A Praveen Kumar Reddy himself and Mr. Anushman Reddy being his relative are interested in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

## Information in accordance with Schedule V of Companies Act, 2013

### I. GENERAL INFORMATION

**1. Nature of Industry:** Precision engineering

**2. Date or expected date of commencement of commercial:** The Company started its commercial operations in the year 11.11.1999

**3. In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects:** Not Applicable

**4. Financial performance based on given indications**

| Particulars          | 2019-20<br>(Rs. in Mn) | 2020-21<br>(Rs. in Mn) | 2021-22<br>(Rs. in Mn) |
|----------------------|------------------------|------------------------|------------------------|
| Turnover             | 2137.74                | 2464.32                | 3220.06                |
| Net profit after Tax | 313.18                 | 460.83                 | 608.81                 |

**5. Foreign investments or collaborations, if any:** Not Applicable

### II. INFORMATION ABOUT THE APPOINTEE

#### A. Mr. Anushman Reddy

##### 1. Background Details:

Mr. Anushman Reddy holds bachelor's degree in mechanical engineering from JNTU, MS global supply chain management from Marshall School of Business (University of Southern California), and Executive post graduate diploma from Narsee Moinjee Institute of Management. He has nearly eight years of experience in manufacturing and worked in global organisations including AeroVironment. Within a short span of time in his career Mr. Anushman Reddy has attained a broad spectrum of experience in operations, supply chain and strategy. He currently heads export division in MTAR and is instrumental in growing export defense vertical in the Company.

**2. Past Remuneration:** Rs. 4.30 Mn FY 2021 - 22 and Rs. 1.18 Mn till 8<sup>th</sup> August 22 in capacity of Vice President exports

**3. Recognition or awards:** Not Applicable

##### 4. Job Profile and his suitability:

The Industry in which MTAR operates demands from the top management a great amount of experience in the field of Aerospace, Nuclear Energy, Satellites and other Defense related activities including Missiles Technology etc., involving various government and non-government agencies both in India and Abroad like ISRO etc.

Mr. Anushman Reddy who holds bachelor's degree in mechanical engineering from JNTU, MS global supply chain management from Marshall School of Business (University of Southern California), and Executive post graduate diploma from Narsee Moinjee Institute of Management with an experience of working in a global MNC and handling operations of MTAR for the past 6 years is an appropriate fit to serve on the board of the Company.

##### 5. Remuneration proposed:

As set out in the resolution for the Item No.4 the remuneration to Mr. Anushman Reddy, Whole-Time Director has the approval of the Nomination and Remuneration Committee and Board of Directors.

**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 w.r.t. the country of his origin):**

Taking into consideration of the size of the Company, the profile of Mr. Anushman Reddy and the responsibilities shouldered on him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in other companies.

##### 7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Besides the remuneration proposed, he is holding 2,68,128 Equity Shares of the Company

#### B. Mr. A PRAVEEN KUMAR REDDY:

**1. Background Details:** Mr. A Praveen Kumar Reddy, is an engineering graduate from Andhra University, with experience of over 25 years in the Industry, He has been associated with MTAR from 18+ years and has also given

immense support in the Operations, Strategies and Management.

**2. Past Remuneration:** Rs. 0.38 Mn as sitting fee in FY 2021 - 22, Rs. 0.9 Mn as sitting fee YTD FY 2022- 23; Rs. 1.29 Mn as salary & Rs. 0.38 Mn as sitting fee in FY 2020- 21

**3. Recognition or awards:** Not Applicable

#### 4. Job Profile and his suitability:

The Industry in which MTAR operates demands from the top management a great amount of experience in the field of Aerospace, Nuclear Energy, Satellites and other Defense related activities including Missiles Technology etc., involving various government and non- government agencies both in India and Abroad like ISRO etc. Mr. A Praveen Kumar Reddy, is an engineering graduate from Andhra University, with experience of over 25 years in the Industry, He has been associated with MTAR from 18+ years and has also given immense support in the Operations, Strategies and Management.

#### 5. Remuneration proposed:

As set out in the resolution for the Item No.5 the remuneration to Mr. A Praveen Kumar Reddy, Whole-Time Director has the approval of the Nomination and Remuneration Committee and Board of Directors.

#### 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 w.r.t. the country of his origin):

Taking into consideration of the size of the Company, the profile of Mr. A Praveen Kumar Reddy and the responsibilities shouldered on him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in other companies

**7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:** Besides the remuneration proposed, he is not holding any Equity Shares of the Company.

### III. OTHER INFORMATION:

1. Steps taken or proposed to be taken for improvement: Necessary efforts are being made to increase the production and efficiency which in turn will add to the growth of the business as well as the profitability.

2.Expected increase in productivity and profit in measurable terms: The Company is committed to build the business operations within budget and considering that the

business operates on a going concern basis, it is believed that financial position of the Company will increase considerably in the coming years.

#### Item No.6 To pay Remuneration by way of Commission upto 1% of the Net Profits of the Company a sum of Rs. 90,00,000/- whichever is less to Independent Directors

To ensure good Corporate Governance, in the interest of Investors and other Stakeholders, several changes have been brought in by Regulatory Authorities by making Independent Directors responsible for compliance of good Corporate Governance by the Company. As a result, the responsibilities of the Independent Directors have increased manifold in terms of the provisions of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 etc.

The Company's Independent Directors are leading professionals with high level of expertise and rich experience in functional areas such as business strategy, financial governance, corporate governance, research & innovation amongst others. The Company's Independent Directors have been shaping and steering the long term strategy and making invaluable contributions towards the growth of MTAR, monitoring of risk management and compliances etc.

The Board, therefore, considered that it is necessary to compensate the Independent Directors for their time and efforts for formulating the policies and implementing at the board level in accordance with practices of good Corporate Governance.

Section 197 of the Companies Act, 2013 provides for the payment of the remuneration to the Independent Directors (who are neither Managing Director nor Whole-time Directors) by way of commission on the Net Profits of the Company.

The Board of the Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee, in its meeting held on 09th August 2022 proposes to pay remuneration by way of commission or otherwise to the Independent Directors of the Company for a period of 5 years commencing from the financial year 2022-23 an amount not exceeding 1% of the net profits of the Company computed in accordance with the provisions of Section 198 of the Companies Act, 2013 or Rs.15,00,000/- per independent director (aggregating to Rs.90.00 lakhs since the Company has 6 Independent Directors as on date), whichever is lower and the said remuneration is in addition to sitting fees and reimbursement of expenses for attending the meetings of the Board of Directors or Committees thereof and the said remuneration be paid in such amount, proportion and

manner as may be decided by the Board of Directors of the Company from time to time.

None of the Other Directors, KMPs of the Company/ their relatives except the Independent Directors are in any way concerned or interested financially or otherwise in the said resolution.

The Board accordingly commends the resolution as set out in the item no. 6 of the Notice for your approval.

By and on behalf of  
The Board of Directors of  
**MTAR Technologies Limited**

Place: Hyderabad  
Date: 09-08-2022

Sd/  
**P. Srinivas Reddy**  
Managing Director  
**(DIN: 00359139)**

## ANNEXURE-A: ITEM. 2, 4 & 5 OF THE NOTICE

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting [Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings]

| Name of the Director                                                                                                                                                                                            | Mr. P. Srinivas Reddy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Mr. Anushman Reddy                                                         | Mr. A Praveen Kumar Reddy                                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------|
| Brief Resume                                                                                                                                                                                                    | Mr. P. Srinivas Reddy is the Managing Director of the Company. He has been a director on the Board since March 11, 2015 and was appointed as the Managing Director on September 1, 2020. He has been entrusted with the overall responsibility of management of the Company and its affairs. He holds a bachelor's degree in engineer-ing, specialising in industrial production, from the University of Mysore and a master's degree in science, specialising in industrial engineering from College of Engineering, Louisiana Tech University. He has over 29 years of work experience in manufacturing and construction sectors | As mentioned under item no. 4 of the explanatory statement                 | As mentioned under item no. 5 of the ex-planatory statement                |
| Expertise in specific functional area                                                                                                                                                                           | Manufacturing, overall operations and management                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Export Operations                                                          | Operations & Business Development                                          |
| Relationships between Directors inter-se                                                                                                                                                                        | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Mr. Anushman Reddy and Mr. A Praveen Kumar Reddy are related to each other | Mr. Anushman Reddy and Mr. A Praveen Kumar Reddy are related to each other |
| Names of listed entities in which the person also holds the director-ship and the member-ship of Committees of the board along with listed entities from which the person has resigned in the past three years* | Mr. Reddy is a Non- Executive Director in M/s. Ravileela Granites Limited ("RGL") and is Chairman of the Risk Management Committee of RGL.<br><br>Mr. Reddy has not resigned from any listed Company in the past three years.                                                                                                                                                                                                                                                                                                                                                                                                      | NIL                                                                        | NIL                                                                        |
| Number of shares held in the Company                                                                                                                                                                            | 13,92,903 fully paid-up equity shares of Rs. 10/- each.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 2,68,128 fully paid-up equity shares of Rs. 10/- each.                     | NIL                                                                        |

\*Excluding MTAR Technologies Limited