

NOTICE

NOTICE is hereby given that the 44th Annual General Meeting (AGM) of members of M/s. Pennar Industries Limited will be held on Wednesday, the 30th September, 2020 at 11:00 A.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statement (including audited consolidated financial statements) of the company for the financial year ended 31st March, 2020 together with the reports of the Board of directors and the auditors thereon and in this regard, pass the following resolutions as Ordinary Resolutions:
 - (a) "RESOLVED THAT the audited financial statement of the Company for the financial year ended 31st March, 2020 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."
 - (b) "RESOLVED THAT the audited consolidated financial statement of the Company for the financial year ended 31st March, 2020 and the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted."
2. To appoint a Director in the place of Mr. Vishal Sood (DIN: 01780814) who retires by rotation and being eligible offers himself for re-appointment as a Director and in this regard, pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Vishal Sood (DIN: 01780814), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."
3. To appoint a Director in the place of Mr. K Lavanya Kumar (DIN: 01710629) who retires by rotation and being eligible offers himself for re-appointment as a Director and in this regard, pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. K Lavanya Kumar (DIN: 01710629), who retires by rotation at this meeting and being eligible has offered herself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

4. To re-appoint Mr. Nrupender Rao (DIN: 00089922) as Chairman and in this regard to consider and if thought fit, to pass, with or without modifications, 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 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to all necessary approvals, the consent of the members of the company be is hereby accorded to appoint Mr. Nrupender Rao (DIN: 00089922) as Chairman of the Company for a period of one year with effect from 1st April, 2020 to 31st March, 2021, on such remuneration and terms & conditions as approved by the Remuneration Committee at its meeting held on 11th February, 2020, the particulars of which are annexed hereunder:

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Particulars of Remuneration:

- i. Salary (including dearness and all other allowances) shall be ₹ 72,00,000/- per annum.
- ii. Special salary shall be ₹ 48,00,000/- per annum.
- iii. Perquisites and Allowances shall be ₹ 46,80,000/- per annum.
- iv. In addition to the above, company maintained vehicle(s) with driver and fuel and also communication facilities will be provided to Mr. Nrupender Rao. These will be treated as perquisites but will be taxed as per the perquisite tax rules.

Perquisites and Allowances include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; House Maintenance allowance, together with the reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings, repairs, servants' salaries, society charges and property tax; medical reimbursement, medical/accident insurance, leave travel concession for self and family; club fees; contribution to any statutory fund including provident fund, superannuation fund, gratuity fund etc., and such other perquisites and allowances in accordance with the Rules of the company or as may be agreed to by the Board of Directors and Mr. Nrupender Rao.

"RESOLVED FURTHER THAT so long as Mr. Nrupender Rao (DIN: 00089922) functions as the Chairman of the Company, he will not be paid any fees for attending the meetings of the Board of Directors or any Committee thereof."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Section 197, read with Schedule V of the Companies Act, 2013 and do all acts deeds and things to give effect to this appointment."

5. To re-appoint Mr. Aditya Rao (DIN: 01307343) as Vice-Chairman and Managing Director and in this regard to consider and if thought fit, to pass, with or without modifications, 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 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to all necessary approvals, the consent of the members of the company be is hereby accorded to appoint Mr. Aditya Rao (DIN: 01307343) as Vice-Chairman and Managing Director of the Company for a period of one year with effect from 1st April, 2020 to 31st March, 2021, on such remuneration and terms & conditions as approved by the Remuneration Committee at its meeting held on 11th February, 2020, the particulars of which are annexed hereunder:

Particulars of Remuneration:

- i. Salary (including dearness and all other allowances) shall be ₹ 72,00,000/- per annum.
- ii. Special salary shall be ₹ 30,00,000/- per annum.
- iii. Perquisites and Allowances shall be ₹ 17,16,000/- per annum.
- iv. In addition to the above, company maintained vehicle(s) with driver and fuel and also communication facilities will be provided to Mr. Aditya Rao. These will be treated as perquisites and will be taxed as per the perquisite tax rules.

Perquisites and Allowances include accommodation (furnished or otherwise) or house rent allowance in lieu thereof, House Maintenance allowance, together with the reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings, repairs, servants' salaries, society charges and property tax; medical reimbursement, medical/accident insurance, leave travel concession for self and family; club

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fees; contribution to any statutory fund including provident fund, superannuation fund, gratuity fund etc. and such other perquisites and allowances in accordance with the Rules of the company or as may be agreed to by the Board of Directors and Mr. Aditya Rao.

All future remuneration growth be determined by the accomplishment of market cap growth and PAT growth. The remuneration of Mr. Aditya Rao will be reviewed annually.

50% of remuneration growth should be linked to the market cap and 50% to the accomplishment of PAT growth.

Consequently if the average market cap for a year grows x% from the average the previous year, the remuneration should be increased by 1/6th of x%. So a 30% increase in market cap should result in an increment of 5%. A decrease in share price should leave his remuneration flat. The increase should be capped at 5% with any increase above that being given as a one-time bonus.

If the PAT of the company in the year grows by y% over the previous year, then the remuneration should be increased by 1/6th of y%. So a 30% increase in PAT should result in an increment of 5%. A decrease in PAT for the year should result in no remuneration increase for the year. The increase should be capped at 5% with any increase above that being given as a one-time bonus.

Combined if the market cap of the company and the PAT increase by 30% then Mr. Aditya Rao's remuneration should increase by $5\% + 5\% = 10\%$.

Under this mechanism the following would be the remuneration growth:

1. Scenario 1: 30% growth in average market cap and 30% growth in PAT = remuneration growth of 10%.
2. Scenario 2: 15% growth in average market cap and 15% growth in PAT = remuneration growth of 5%.
3. Scenario 3: 0% growth in average market cap and 0% growth in PAT = remuneration remains the same.
4. Scenario 4: -15% growth in average market cap and -15% growth in PAT = remuneration remains the same.
5. Scenario 5: -15% growth in average market cap and 30% growth in PAT = remuneration growth by 5%
6. Scenario 6: -15% growth in average market cap and 60% growth in PAT = remuneration growth by 5% and one time bonus of 5%
7. Scenario 7: 60% growth in average market cap and 60% growth in PAT = remuneration growth of 10% and one time bonus of 10%.

"RESOLVED FURTHER THAT so long as Mr. Aditya Rao (DIN: 01307343) functions as the Vice-Chairman and Managing Director of the Company, he will not be paid any fees for attending the meetings of the Board of Directors or any Committee thereof."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Section 197, read with Schedule V of the Companies Act, 2013 and do all acts deeds and things to give effect to this appointment."

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6. To appoint Mr. P V Rao (DIN: 03157581) as Joint Managing Director, liable to retire by rotation and in this regard to consider and if thought fit, to pass, with or without modifications, 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 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to all necessary approvals, the consent of the members of the company be is hereby accorded to appoint Mr. P V Rao (DIN: 03157581) as Joint Managing Director of the Company for a period of one year with effect from 1st April, 2020 to 31st March, 2021, on such remuneration and terms & conditions as approved by the Remuneration Committee at its meeting held on 11th February, 2020, the particulars of which are annexed hereunder:

Particulars of Remuneration:

- i. Salary (including dearness and all other allowances) shall be ₹ 97,90,000/- per annum.
- ii. Special salary shall be ₹ 48,38,280/- per annum.
- iii. Perquisites and Allowances shall be ₹ 40,88,000/- per annum.

In addition to the above, company-maintained vehicle(s) with driver and fuel and also communication facilities will be provided to Mr. P V Rao. These will be treated as perquisites and will be taxed as per the perquisite tax rules.

Perquisites and Allowances include accommodation (furnished or otherwise) or house rent allowance in lieu thereof, House Maintenance allowance, together with the reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings, repairs, servants' salaries, society charges and property tax; medical reimbursement, medical/accident insurance, leave travel concession for self and family; club fees; contribution to any statutory fund including provident fund, superannuation fund, gratuity fund etc. and such other perquisites and allowances in accordance with the Rules of the company or as may be agreed to by the Board of Directors and Mr. P V Rao.

The remuneration of Mr. P V Rao will be reviewed annually.

Performance Incentive

Mr. P.V. Rao will also be eligible for an annual performance incentive up to a maximum of ₹20,00,000/- per annum basis the below metrics. This payout will be made within the 1st quarter of the next financial year i.e 2021-22.

50% of performance incentive should be linked to the average market cap growth for the year and 50% to the accomplishment of average PAT growth for the year.

Performance Incentive payout grid:

Market Cap growth compared to previous FY 2019-20

Sl. No.	Performance Incentive Weightage	Average Performance growth over previous financial year	Payout (₹ per annum)
1.	50% of eligibility i.e. ₹10,00,000 per annum	< 15%	Nil
		15.01% to 22.5%	4,00,000
		22.51% to 27%	7,50,000
		> 27%	10,00,000

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PAT growth compared to previous FY 2019-20

Sl. No.	Performance Incentive Weightage	Performance growth over previous financial year	Payout (₹ per annum)
1.	50% of eligibility i.e. ₹10,00,000 per annum	< 15%	Nil
		15.01% to 22.5%	5,00,000
		22.51% to 27%	7,50,000
		> 27%	10,00,000

Consequently if the average market cap for the year grows 20% from the average of the previous year, the performance incentive paid should be ₹5,00,000. So a 30% increase in market cap should result in performance incentive payment of ₹10,00,000/-. A growth of less than 15% or a decrease in share prices will result in 'Nil' payout of performance incentive.

If the PAT for the year grows 20% from the previous year, the performance incentive paid should be ₹5,00,000. So a 30% increase in PAT should result in performance incentive payment of ₹10,00,000/-. A growth of less than 15% or a decrease in PAT will result in 'Nil' payout of performance incentive.

"RESOLVED FURTHER THAT so long as Mr. P V Rao (DIN: 03157581) functions as the Joint Managing Director of the Company, he will not be paid any fees for attending the meetings of the Board of Directors or any Committee thereof."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Section 197, read with Schedule V of the Companies Act, 2013 and do all acts deeds and things to give effect to this appointment."

7. To re-appoint Mr. K Lavanya Kumar (DIN: 01710629) as Executive Director, liable to retire by rotation and in this regard to consider and if thought fit, to pass, with or without modifications, 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 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to all necessary approvals, the consent of the members of the company be is hereby accorded to appoint Mr. K Lavanya Kumar (DIN: 01710629) as Executive Director of the Company for a period of one year with effect from 1st April, 2020 to 31st March, 2021, on such remuneration and terms & conditions as approved by the Remuneration Committee at its meeting held on 11th February, 2020, the particulars of which are annexed hereunder:

Particulars of Remuneration:

- i. Salary (including dearness and all other allowances) shall be ₹ 40,00,000/- per annum.
- ii. Special salary shall be ₹ 39,00,000/- per annum.
- iii. Perquisites and Allowances shall be ₹ 21,00,000/- per annum.

Perquisites and Allowances include accommodation (furnished or otherwise) or house rent allowance in lieu thereof, House Maintenance allowance, together with the reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings, repairs, society charges and property tax, medical reimbursement, contribution to any statutory fund including superannuation fund etc and such other

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perquisites and allowances in accordance with the Rules of the company or as may be agreed to by the Board of Directors and Mr. K Lavanya Kumar.

In addition to the above, company maintained vehicle(s) with driver, fuel and maintenance, company's contribution to Provident Fund and Gratuity, communication facilities, medical and accident insurance, club fees, servants' salaries, leave travel concession for self and family will be treated as perquisites but will be taxed as per the perquisite tax rules.

The remuneration of Mr. K Lavanya Kumar will be reviewed annually.

Performance Incentive

Mr. K Lavanya Kumar will also be eligible for an annual performance incentive up to a maximum of ₹20,00,000/- per annum basis the below metrics. This payout will be made within the 1st quarter of the next financial year.

50% of performance incentive should be linked to the average market cap growth for the year and 50% to the accomplishment of average PAT growth for the year.

Performance Incentive payout grid:

Market Cap growth compared to previous FY 2019-20

Sl. No.	Performance Incentive Weightage	Average Performance growth over previous financial year	Payout (₹ per annum)
1.	50% of eligibility i.e. ₹10,00,000 per annum	< 15%	Nil
		15.01% to 22.5%	4,00,000
		22.51% to 27%	7,50,000
		> 27%	10,00,000

PAT growth compared to previous FY 2019-20

Sl. No.	Performance Incentive Weightage	Performance growth over previous financial year	Payout (₹ per annum)
1.	50% of eligibility i.e. ₹10,00,000 per annum	< 15%	Nil
		15.01% to 22.5%	5,00,000
		22.51% to 27%	7,50,000
		> 27%	10,00,000

Consequently if the average market cap for the year grows 20% from the average of the previous year, the performance incentive paid should be ₹5,00,000. So a 30% increase in market cap should result in performance incentive payment of ₹10,00,000/-. A growth of less than 15% or a decrease in share prices will result in 'Nil' payout of performance incentive.

If the PAT for the year grows 20% from the previous year, the performance incentive paid should be ₹5,00,000. So a 30% increase in PAT should result in performance incentive payment of ₹10,00,000/-. A growth of less than 15% or a decrease in PAT will result in 'Nil' payout of performance incentive.

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“RESOLVED FURTHER THAT so long as Mr. K Lavanya Kumar (DIN: 01710629) functions as the Executive Director of the Company, he will not be paid any fees for attending the meetings of the Board of Directors or any Committee thereof.”

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Section 197, read with Schedule V of the Companies Act, 2013 and do all acts deeds and things to give effect to this appointment.”

8. To ratify the remuneration payable to M/s. Shaik & Associates., Cost Auditors for the financial year ending 31st March, 2021 and in this regard 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 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-enactment thereof, for the time being in force), the consent of the members be and is hereby accorded to ratify the appointment of M/s. Shaik & Associates., as Cost Auditors made by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2021, and also to ratify the remuneration of ₹ 80,000/- p.a. as an audit fee including all taxes and duties and out of pocket expenses.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to the aforesaid resolution.”

**By Order of the Board
for Pennar Industries Limited**

Mirza Mohammed Ali Baig

Company Secretary & Compliance Officer

e-CSIN Number: EA029058A000037330

Place : Hyderabad

Date : 12.08.2020

Notes :

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, was appointed as Statutory Auditors of the Company at the 41st Annual General Meeting held on 28th August, 2017. Pursuant to Notification issued by the Ministry of Corporate Affairs on 7th May, 2018 amending section 139 of the Companies Act, 2013 and the Rules framed thereunder, the mandatory requirement for ratification of appointment of Auditors by the Members at every Annual General Meeting (“AGM”) has been omitted, and hence the Company is not proposing an item on ratification of appointment of Auditors at this AGM.

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, 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. 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, 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 to this Notice.

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3. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to subbok@gmail.com with copy to evoting@karvy.com and mirza.baig@pennarindia.com.
4. The Register of Members and the Share Transfer Books of the company will remain closed from 18th September, 2020 to 19st September, 2020, both days inclusive in connection with the Annual General Meeting.
5. An Explanatory Statement pursuant to the provisions of Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the notice is annexed herewith.
6. Shareholders desirous of obtaining any information concerning the accounts and operations of the company are requested to send their queries to the registered office of the company at least seven days before the date of the Annual General Meeting, so that the information requested may be made available.
7. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Registrar and Share Transfer Agent, M/s. KFin Technologies Private Limited (formerly Karvy Fintech Private Limited) in case the shares are held by them in physical form.
8. Relevant documents and registers will be available for inspection by the members at the registered office of the Company.
9. Members are requested to address all correspondence with regard to change of address, dividend matters to the Registrar and Share Transfer Agents, M/s. KFin Technologies Private Limited (formerly Karvy Fintech Private Limited), Selenium Tower B, Plot No. 31 & 32 Gachibowli Financial District Nanakramguda Seriligampalli Hyderabad - 500032 in respect of shares held in physical mode and to their depository participants in respect of shares held in dematerialized form.
10. Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Registrar and Share Transfer Agent, M/s. KFin Technologies Private Limited (formerly Karvy Fintech Private Limited) in case the shares are held by them in physical form. The email IDs of the shareholders registered with the DP and made available to the Company shall be the registered email ID unless communication is received to the contrary.
11. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same.
12. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in. For details, please refer to corporate governance report which is a part of this Annual Report.

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13. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.pennarindia.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.
14. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
15. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company.
17. Members are requested to keep their copy of the Annual Report during meeting.
18. In compliance with the provisions of section 108 of the Act, the Companies (Management and Administration) Rules, 2014 and SEBI (LODR) Regulations, 2015, shareholders are provided with the facility to cast their vote electronically, through the e-voting services provided by M/s. KFin Technologies Private Limited (formerly Karvy Fintech Private Limited), in respect of all resolutions set forth in this Notice. Mr. Subhash Kishan Kandrapu, (Membership No. 32743) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

Notes for e-AGM Notice

1. In view of the prevailing lock down situation across the country due to outbreak of the COVID-19 pandemic and restrictions on the movements apart from social distancing, MCA (Ministry of Corporate Affairs) vide circular Nos. Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 read with Circular No. 20/2020 dated May 05, 2020, companies are permitted to hold their AGM through VC/OVAM for the calendar year 2020.
2. In compliance with applicable provisions of the Companies Act, 2013 read with aforesaid MCA circulars the 44th Annual General Meeting of the company being conducted through Video Conferencing (VC) herein after called as "e-AGM".
3. e-AGM: Company has appointed M/s KFin Technologies Private Limited, Registrars and Transfer Agents, to provide Video Conferencing facility for the Annual General Meeting and the attendant enablers for conducting of the e-AGM.
4. Pursuant to the provisions of the circulars of AMC on the VC/OVAM(e-AGM):
 - a. Members can attend the meeting through log in credentials provided to them to connect to Video conference. Physical attendance of the Members at the Meeting venue is not required
 - b. Appointment of proxy to attend and cast vote on behalf of the member is not available.
 - c. Body Corporates are entitled to appoint authorised representatives to attend the e-AGM through VC/ OAVM and participate thereat and cast their votes through e-voting.

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5. The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
6. Up to 1000 members will be able to join on a FIFO basis to the e-AGM.
7. No restrictions on account of FIFO entry into e-AGM in respect of large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
8. The attendance of the Members (members logins) attending the e-AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
9. Electronic Copy of all the documents referred to in the accompanying Notice of the 44th Annual General Meeting and the Explanatory Statement shall be available for inspection in the Investor Section of the website of the Company.

Instructions for the Members for attending the e-AGM through Video Conference:

1. Attending e-AGM Video conference : Member will be provided with a facility to attend the e-AGM through video conferencing platform provided by M/s KFin Technologies Private Limited. Members may access the same at <https://emeetings.kfintech.com> and click on the "video conference" and access the shareholders/ members login by using the remote e-voting credentials. The link for e-AGM will be available in shareholder/members login where the EVENT and the name of the company can be selected.
2. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice.
3. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.
4. 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.
5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
6. AGM Questions prior to e-AGM: Shareholders who would like to express their views/ask questions during the meeting may log into <https://emeetings.kfintech.com/> and click on "Post your Questions" may post their queries/views/questions in the window provided by mentioning the name, demat account number/ folio number, email id, mobile number. Please note that, members questions will be answered only, the shareholder continue to hold the shares as of cut-off date benpos. The post of the questions shall commence on 26.09.2020 9.00 AM and closed on 29.09.2020 at 5.00 PM.
7. Due to limitations of transmission and coordination during the Q&A session, the company may dispense with the speaker registration during the e-AGM conference.
8. Speaker Registration during e-AGM session: In case of decision to allow the Q&A session in the meeting, meeting may log into <https://emeetings.kfintech.com/> and click on "Speaker Registration" by mentioning the demat account number/folio number, city, email id, mobile number and submit. The speaker registration shall commence on 26.09.2020 9.00 AM and closed on 29.09.2020 at 5.00 PM.

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Instructions for members for e-Voting during the e-AGM session:

1. The e-Voting “Thumb sign” on the left hand corner of the video screen shall be activated upon instructions of the chairman during the e-AGM proceedings. Shareholders shall click on the same to take them to the “instapoll” page
2. Members to click on the “Instapoll” icon to reach the resolution page and follow the instructions to vote on the resolutions.
3. Only those shareholders, who are present in the e-AGM and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the e-AGM.

Remote Voting through electronic means:

In terms of the provisions of section 108 of the Act, read with rule 20 of the Companies (Management and Administration) Rules, 2014 as amended (hereinafter called ‘the Rules’ for the purpose of this section of the Notice) and regulation 44 of the Listing Regulations, the Company is providing facility of remote e-voting facility to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as on 23rd September, 2020 (end of day), being the cut-off date fixed for determining voting rights of members, entitled to participate in the remote e-voting process, through the e-voting platform provided by KFin or to vote at the e-AGM. Person who is not a member as on the cut-off date should treat this Notice for information purposes only.

The details of the process and manner for remote e-voting are given below:

- i. Initial password is provided in the body of the email.
- ii. Launch internet browser and type the URL: <https://evoting.karvy.com> in the address bar.
- iii. Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your votes.
- iv. After entering the details appropriately, click on LOGIN.
- v. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi. You need to login again with the new credentials.
- vii. On successful login, the system will prompt you to select the EVENT i.e. Pennar Industries Limited
- viii. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click ‘FOR’/‘AGAINST’ as the case may be or partially in ‘FOR’ and partially in ‘AGAINST’, but the total number in ‘FOR’ and/or ‘AGAINST’ taken together should not exceed your total shareholding as on the cut-off date. 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 folio/demat account.

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- x. Cast your votes 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 subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- xi. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/JPG format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutinizer through email at subbok@gmail.com and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'BAL_EVENT No.'
- xii. Members can cast their vote online from 26th September 2020 (9.00 a.m.) till 29th September, 2020 (5.00 p.m.). Voting beyond the said date shall not be allowed and the remote e-voting facility shall be blocked.
- xiii. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual available at the 'download' section of <https://evoting.karvy.com> or call KFin on 1800 345 4001 (toll free).

NOTICE

Explanatory Statement

[pursuant to Section 102(1) of the Companies Act, 2013]

Item # 4 Appointment of Mr. Nrupender Rao as Chairman

The Board of Directors upon recommendation of the Nomination and remuneration committee at its meeting held on 11.02.2020 has, subject to the approval of members, unanimously approved that the period of appointment of executive directors be in line with the financial year, in view of the same Mr. Nrupender Rao was appointed as Chairman of the Company for a period of one year commencing from 01.04.2020 to 31.03.2021 including payment of remuneration.

Mr. Nrupender Rao has been guiding the company in its strategic, decision making policies and financial restructuring.

Names of companies in which Mr. Nrupender Rao holds directorship and the membership of the committees of the Board are provided in the additional information on directors seeking appointment/re-appointment at the ensuing Annual General Meeting.

Since, Mr. Nrupender Rao has attained the age of 70 years; approval of the members for his re-appointment is sought by a special resolution as required under Section 196(3) of the Companies Act, 2013.

The resolution seeks the approval of the members in terms of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder for the appointment of Mr. Nrupender Rao as an Executive Chairman.

The Nomination and Remuneration Committee recommended the appointment to the Board. The Board recommends the resolution set out at item no. 4 of the notice for your approval. No director, key managerial personnel or their relatives, except Mr. Nrupender Rao and Mr. Aditya Rao (being a relative), to whom the resolution relates, is interested or concerned in the resolution.

Item # 5 Appointment of Mr. Aditya Rao as Vice-Chairman and Managing Director

The Board of Directors upon recommendation of the Nomination and remuneration committee at its meeting held on 11.02.2020 has, subject to the approval of members, unanimously approved that the period of appointment of executive directors be in line with the financial year, in view of the same Mr. Aditya Rao was appointed as Vice-Chairman and Managing of the Company for a period of one year commencing from 01.04.2020 to 31.03.2021 including payment of remuneration.

Mr. Aditya Rao worked on creating and implementing the company's growth strategy, organisation structure, controls and team building. His mandate is to create a perpetual growth company with business units that continually scale revenue and profitability along with rigorous risk management controls.

Names of companies in which Mr. Aditya Rao holds directorship and the membership of the committees of the Board are provided in the additional information on directors seeking appointment/re-appointment at the ensuing Annual General Meeting.

The resolution seeks the approval of the members in terms of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder for the appointment of Mr. Aditya Rao as Vice-Chairman and Managing Director.

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The Nomination and Remuneration Committee recommended the appointment to the Board. The Board recommends the resolution set out at item no. 5 of the notice for your approval. No director, key managerial personnel or their relatives, except Mr. Aditya Rao and Mr. Nrupender Rao (being a relative), to whom the resolution relates, is interested or concerned in the resolution.

Item # 6 Appointment of Mr. P V Rao as Joint Managing Director

The Board of Directors upon recommendation of the Nomination and remuneration committee at its meeting held on 11.02.2020 has, subject to the approval of members, unanimously approved that the period of appointment of executive directors be in line with the financial year, in view of the same Mr. P V Rao was appointed as Joint Managing Director of the Company for a period of one year commencing from 01.04.2020 to 31.03.2021 including payment of remuneration.

The terms and conditions of his appointment are as follows :

1. Remuneration : As provided in the resolution.
2. Period of appointment : from 1st April, 2020 to 31st March, 2021.
3. The appointment may be terminated by either party by giving six months' notice in writing of such termination or as may be mutually agreed between the parties.
4. Mr. P V Rao shall perform such duties as shall from time to time be entrusted to him by the Board of Directors, subject to superintendence, guidance and control of the Board of Directors.

Mr. P V Rao has been handling the day to day operations of the PEBS business unit of the Company.

Names of companies in which Mr. P V Rao holds directorship and the membership of the committees of the Board are provided in the additional information on directors seeking appointment/re-appointment at the ensuing Annual General Meeting.

The resolution seeks the approval of the members in terms of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder for the appointment of Mr. P V Rao as Joint Managing Director.

The Nomination and Remuneration Committee recommended the appointment to the Board. The Board recommends the resolution set out at item no. 6 of the notice for your approval. No director, key managerial personnel or their relatives, except Mr. P V Rao, to whom the resolution relates, is interested or concerned in the resolution.

Item # 7 Appointment of Mr. K Lavanya Kumar as Executive director

The Board of Directors upon recommendation of the Nomination and remuneration committee at its meeting held on 11.02.2020 has, subject to the approval of members, unanimously approved that the period of appointment of executive directors be in line with the financial year, in view of the same Mr. K Lavanya Kumar was appointed as Executive Director of the Company for a period of one year commencing from 01.04.2020 to 31.03.2021 including payment of remuneration.

The terms and conditions of his appointment are as follows :

1. Remuneration : As provided in the resolution.
2. Period of appointment : from 1st April, 2020 to 31st March, 2021.
3. The appointment may be terminated by either party by giving six months' notice in writing of such termination or as may be mutually agreed between the parties.

NOTICE

4. Mr. K Lavanya Kumar shall perform such duties as shall from time to time be entrusted to him by the Board of Directors, subject to superintendence, guidance and control of the Board of Directors.

Mr. K Lavanya Kumar has been handling the day to day operations with respect to Legal, Human Resource, Personnel, Government Relations and Public Relations.

Names of companies in which Mr. K Lavanya Kumar holds directorship and the membership of the committees of the Board are provided in the additional information on directors seeking appointment/re-appointment at the ensuing Annual General Meeting.

The resolution seeks the approval of the members in terms of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder for the appointment of Mr. K Lavanya Kumar as Executive Director.

The Nomination and Remuneration Committee recommended the appointment to the Board. The Board recommends the resolution set out at item no. 7 of the notice for your approval. No director, key managerial personnel or their relatives, except Mr. K Lavanya Kumar, to whom the resolution relates, is interested or concerned in the resolution.

Item # 8 Approval for payment of remuneration to the Cost Auditors for the financial year ending 31st March, 2021

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the M/s. Shaik & Associates., Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2020 at a remuneration of ₹ 80,000/- p.a. as an audit fee including all taxes and duties and out of pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 8 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2021.

The Board recommends the resolution for your approval. None of the Directors, key managerial personnel or their relatives is, in any way, concerned or interested in the said resolution.

**By Order of the Board
for Pennar Industries Limited**

Mirza Mohammed Ali Baig
Company Secretary & Compliance Officer
e-CSIN Number: EA029058A000037330

Place : Hyderabad
Date : 12.08.2020

NOTICE

Additional information on Directors seeking appointment/reappointment at the forthcoming Annual General Meeting

Particulars	Date of Birth	Date of appointment	Qualification	Expertise	List of Companies in which outside directorship held on 31st March, 2020	Chairman of the Committee of other companies on which he/she is a director as on 31st March, 2020	Member of the Committee of other companies on which he/she is a director as on 31st March, 2020	No of Shares held by them in the Company as on 31st March, 2020
Vishal Sood	23.02.1972	31.01.2012	BE in Computer Science from Gujarat University and a MBA from IIM Ahmedabad	Experience in field of Management	M/s. Saif Advisors Private Limited M/s. KDDL Limited M/s. Lightfoot Consulting Private Limited M/s. Light Ray Advisors LLP M/s. Emtex Engineering Private Limited	Nil	Nil	Nil
Joginapally Venkata Nrupender Rao	23.06.1945	23.09.1995	B.Tech IIT Kharagpur, M.S. Operations Research & Industrial Engineering, Purdue University, USA	Experience in the various field of Management	M/s. Pennar Holdings Private Limited	Nil	Nil	60,10,786 Equity Shares of ₹ 5/- each.
Aditya Rao	06.12.1981	30.01.2008	BS and M. Eng. From Cornell University, USA	Experience in Corporate Business Planning	M/s. Pennar Holdings Private Limited M/s. Enertech Pennar Defense and Engineering Systems Private Limited M/s. Oneworks BIM Technologies Private Limited	Nil	Nil	84,27,203 Equity Shares of ₹ 5/- each.
Potluri Venkateswara Rao	15.08.1959	30.03.2016	B. Tech (Civil Engineering)	Experience in the field of management	M/s. Calderys India Refractories Limited	Nil	Nil	5,38,589 Equity Shares of ₹ 5/- each.
Lavanya Kumar Rao Kondapally	19.02.1959	07.05.2014	Graduated in Law from Kakatiya University	Experience in the areas of law, construction, corporate affairs and liaising with statutory authorities	Nil	Nil	Nil	2,34,900 Equity Shares of ₹ 5/- each