

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 35th Annual General Meeting of the Members of Prime Securities Limited will be held on Monday, September 24, 2018 at 2.00 p.m. at Victoria Memorial School for the Blind, Tardeo Road, Opp. Film Centre, Near Hindustan Petroleum Petrol Pump, Mumbai 400034 to transact the following business:

ORDINARY BUSINESS

1. Adoption of Audited Financial Statements:

To consider and adopt:

- a) The Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2018 and the Reports of the Board of Directors and Independent Auditors thereon; and
- b) The Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2018 and the Reports of the Independent Auditors thereon;

2. Re-appointment of Director:

To appoint a Director in place of Mr. S. R. Sharma (DIN: 03096740), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. Revision in Remuneration to Mr. N. Jayakumar, Managing Director and Group CEO:

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and any other applicable provision(s) read with Schedule V of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s), amendment(s) or re-enactment thereof for the time being in force), the Articles of Association of the Company, the recommendation of the Nomination and Remuneration Committee and subject to such other approvals as may be necessary, the approval of the Members be and is hereby accorded to the revision in the Payment of the Remuneration to Mr. N. Jayakumar (DIN: 00046048) w.e.f. April 1, 2018, for the remainder of his term as Managing Director and Group CEO of the Company, on the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the remainder of his term, with liberty and power to the Board of Directors (hereinafter referred to as the "Board", which term shall include the Nomination and Remuneration Committee of the Board), in the exercise of its discretion, to alter and vary the terms and conditions of the said appointment and payment of remuneration in such manner as may be agreed to between the Board of Directors and Mr. N. Jayakumar.

RESOLVED FURTHER THAT where in any financial year during the continuance of his tenure as a Managing Director, the Company is required to obtain the approval of the Central Government under the provisions of the Companies Act, 2013 for the payment of remuneration, the maximum remuneration permissible for payment to Mr. N. Jayakumar under the provisions of Sections 196

and 197 of the Companies Act, 2013 read with Schedule V to the said Act or the maximum limit as may be notified from time to time, be paid till the receipt of the approval of the Central Government.

RESOLVED FURTHER THAT on receipt of the approval of the Central Government, the amount of remuneration on the terms as approved by the Central Government, as reduced by such amount of the Remuneration already paid for the period for which the Central Government's approval is sought, be paid to Mr. N. Jayakumar, Managing Director and Group CEO, in lump sum and that after the date of the approval, Mr. N. Jayakumar be paid the remuneration as per the terms and conditions approved by the Central Government.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.

4. Appointment of Mr. Vineet Suri as Executive Director and Payment of Remuneration:

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and any other applicable provision(s) read with Schedule V of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s), amendment(s) or re-enactment thereof for the time being in force), the Articles of Association of the Company, the recommendation of the Nomination and Remuneration Committee and subject to such other approvals as may be necessary, the approval of the Members be and is hereby accorded to the Appointment and Payment of Remuneration to Mr. Vineet Suri (DIN: 07995566) as Executive Director for a period of 5 (Five) years commencing from May 29, 2018 to May 28, 2023, on the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during his term as Executive Director, with liberty and power to the Board of Directors (hereinafter referred to as the "Board", which term shall include the Nomination and Remuneration Committee of the Board), in the exercise of its discretion, to alter and vary the terms and conditions of the said appointment and payment of remuneration in such manner as may be agreed to between the Board of Directors and Mr. Vineet Suri.

RESOLVED FURTHER THAT where in any financial year during the continuance of his tenure as a Executive Director, the Company is required to obtain the approval of the Central Government under the provisions of the Companies Act, 2013 for the payment of remuneration, the maximum remuneration permissible for payment to Mr. Vineet Suri under the provisions of Sections 196 and 197 of the Companies Act, 2013 read with Schedule V to the said Act or the maximum limit as may be notified from time to time, be paid till the receipt of the approval of the Central Government.

RESOLVED FURTHER THAT on receipt of the approval of the Central Government, the amount of remuneration on the terms as approved by the Central Government, as reduced by such amount of the Remuneration already paid for the period for which the Central Government's approval is sought, be paid to Mr. Vineet Suri, Executive Director, in lump sum and that after the date of the approval, Mr. Vineet Suri be paid the remuneration as per the terms and conditions approved by the Central Government.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.

5. Alteration and Adoption of Memorandum and Articles of Association:

- a) **Approval for alteration of the Object Clause and alignment of Memorandum of Association of the Company with the provisions of the Companies Act, 2013 by adoption of Table A of Schedule I of the Companies Act, 2013**

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

"RESOLVED THAT pursuant to the provisions of Section 13 and any other applicable provisions of the Companies Act, 2013 (including any statutory modification(s), amendment(s) or re-enactment thereof for the time being in force), the Rules made thereunder and the approval of the Registrar of Companies, the consent of the Members be and is hereby accorded to alter the Object Clause of the Memorandum of Association of the Company and to adopt Table A of Schedule I of the Companies Act, 2013.

RESOLVED FURTHER THAT the Members be and do hereby authorize the Board to accept any addition / alteration in the proposed draft of Memorandum of Association mentioned above, as may be required by the concerned authorities and as agreed by the Board.

RESOLVED FURTHER THAT the Members be and do hereby authorise the Board to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and also to delegate all or any of the above powers to one or more Director of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution.

RESOLVED FURTHER THAT the Members be and do hereby authorize any Director of the Company to sign and file any forms, e-forms, returns, documents which may be required to be filed with the Registrar of Companies, Ministry of Corporate Affairs or any other concerned authority in this regard.

RESOLVED FURTHER THAT a certified true copy of the resolution certified by a Director of the Company be provided to any regulatory authority or any stakeholder in the manner as may be deemed appropriate by the Board."

- b) **Approval for adoption of Table F of Schedule I of the Companies Act, 2013 for alignment of Articles of Association of the Company with the provisions of the Companies Act, 2013**

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

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force), the consent of the Members be and is hereby accorded to alter and amend the existing set of Articles of Association to remove the redundant clauses of Companies Act, 1956 and to align it with Companies Act, 2013 & Table F of Schedule I of Companies Act, 2013, in inclusion of the existing non-redundant clauses of Articles of Association of the Company.

RESOLVED FURTHER THAT any of the Directors of the company be and is hereby jointly / severally authorized to take all such steps and actions for the purpose of making all such

filings (including e-filings with ROC) and registrations as may be required in relation to the aforesaid amendment to the Articles of Association and further to do all such acts and deeds, matters and things as may be deemed necessary to give effect to this resolution.

RESOLVED FURTHER THAT any of the Directors of the Company, be and are hereby severally authorised to issue / provide certified true copies of these resolutions."

6. Implementation of Employee Stock Option Scheme 2018:

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

"RESOLVED THAT pursuant to the provisions of Section 62 and any other applicable provisions of the Companies Act, 2013 read with the Rules framed there under, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations") (including any statutory modification(s), amendment(s) or re-enactment thereof for the time being in force) and in accordance with circulars / guidelines issued by Securities and Exchange Board of India ("SEBI"), the Articles of Association of the Company and other applicable regulations, rules and circulars / guidelines in force, from time to time and subject to such other approvals, permissions and sanctions as may be necessary from time to time and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval of the Members be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, which the Board has constituted to exercise its powers, including the powers, conferred by this resolution) to introduce and implement the "Employees Stock Option Scheme 2018" (hereinafter referred to as the "ESOS 2018") as detailed in the explanatory statement to the Notice convening this Meeting and to create, grant, offer, issue and allot from time to time upto 45,00,000 (Forty Five Lacs) Options, to or to the benefit of such person(s) who are permanent employees of the Company, whether working in India or outside India, and / or to the Directors of the Company, whether whole-time or not but excluding Independent Director(s) and to such other persons as may be decided by the Board and / or permitted under SEBI SBEB Regulations (hereinafter referred to as "Eligible Employees") but does not include an employee who is a promoter or a person belonging to the promoter group or a director(s) who either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company, each Option giving right to purchase or subscribe One Equity Share of face value of ₹5/- each of the Company for cash and at such price or prices, and on such terms and conditions, as may be determined by the Board in accordance with the provisions of ESOS 2018 and in due compliance with the SBEB Regulations and other applicable laws, rules and regulations.

RESOLVED FURTHER THAT the Board and any Committee formed for this purpose be and is hereby authorised to issue and allot Equity Shares upon exercise of Options from time to time in accordance with the ESOS 2018 and other applicable laws in force and such Equity shares shall rank pari passu in all respects with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issue, bonus issue, merger, restructuring or such other similar event, the Board be and is hereby authorized to do all such acts, deeds and things as may be necessary and which are within the provisions of the applicable laws & regulations, so as to ensure that fair and equitable benefits under ESOS 2018 are passed on to the Eligible Employees.

RESOLVED FURTHER THAT in case the Equity Shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the options Grantees under the schemes shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹5/- per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.

RESOLVED FURTHER THAT the Board be and is hereby authorised to devise, formulate, evolve, decide upon and bring into effect ESOS 2018 as per the terms approved in this resolution read with the explanatory statement annexed to the Notice convening this Meeting and at any time to modify, alter or amend the said terms or suspend, withdraw or terminate ESOS 2018, subject to compliance with the SEBI SBEB Regulations and other applicable laws, rules and regulations, as may be prevailing at that time.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the ESOS 2018.

RESOLVED FURTHER THAT any of the Directors of the Company or Company Secretary of the Company be and is hereby authorized to take necessary steps for listing of the Equity Shares allotted under the ESOS 2018 on the Stock Exchanges, where the Equity Shares of the Company are listed, as per the provisions of SEBI LODR Regulations and other applicable laws and regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem fit, for the aforesaid purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard at any stage, without being required to seek any further consent or approval of the Members of the Company to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution and further to execute all such deeds, documents, writings and to give such directions and / or instructions as may be necessary, proper or expedient to give effect to any modification, alteration, amendment, suspension, withdrawal or termination of ESOS 2018 and to take all such steps and do all acts as may be incidental or ancillary thereto."

7. Extension of benefits of Employee Stock Option Scheme 2018 to the Eligible Employees / Directors of the Subsidiaries:

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

"RESOLVED THAT pursuant to the provisions of Section 62 and any other applicable provisions of the Companies Act, 2013 read with the Rules framed there under, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations") (including any statutory modification(s), amendment(s) or re-enactment thereof for the time being in force) and in accordance with circulars / guidelines issued by Securities and Exchange Board of India ("SEBI"), the Articles of Association of the Company and other applicable regulations, rules and circulars / guidelines in force, from time to time and subject to such other approvals, permissions and sanctions as may be necessary from time to time and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval of the Members be and is hereby accorded to the Board of Directors (hereinafter referred to as the

"Board", which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, which the Board has constituted to exercise its powers, including the powers, conferred by this resolution) to extend the benefits of the Employees Stock Option Scheme 2018 ("ESOS 2018"), referred to in the Special Resolution under Item No. 6 of the Notice convening this Meeting, for the benefit of such person(s) who are permanent employees of Subsidiaries of the Company, whether working in India or outside India, and / or to the Directors of the Subsidiaries, whether whole-time or not but excluding Independent Director(s) of Subsidiaries and to such other persons as may be decided by the Board and / or permitted under SEBI SBEB Regulations (hereinafter referred to as "Eligible Employees of Subsidiaries") but does not include an employee who is a promoter or a person belonging to the promoter group or a director(s) who either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company, to the intent that the number of Options offered under ESOS 2018 to the Eligible Employees of the Subsidiaries shall be subsumed in the aggregate limit of 45,00,000 Options, each Option giving right to purchase or subscribe One Equity Share of face value of ₹5/- each of the Company for cash and at such price or prices, and on such terms and conditions set out in the Special Resolution under Item No. 6 of the Notice convening this Meeting.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem fit, for the aforesaid purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard at any stage, without being required to seek any further consent or approval of the members of the Company to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution, and further to execute all such deeds, documents, writings and to give such directions and / or instructions as may be necessary, proper or expedient to give effect to any modification, alteration, amendment, suspension, withdrawal or termination of ESOS 2018 and to take all such steps and do all acts as may be incidental or ancillary thereto."

8. Granting of Options exceeding 1% of Issued Capital to identified Employees under Employee Stock Option Scheme 2018:

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

"RESOLVED THAT pursuant to the provisions of Section 62 and any other applicable provisions of the Companies Act, 2013 read with the Rules framed there under, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations") (including any statutory modification(s), amendment(s) or re-enactment thereof for the time being in force) and in accordance with circulars / guidelines issued by Securities and Exchange Board of India ("SEBI"), the Articles of Association of the Company and other applicable regulations, rules and circulars / guidelines in force, from time to time and subject to such other approvals, permissions and sanctions as may be necessary from time to time and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval of the Members be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, which the Board has constituted to exercise its powers, including the powers, conferred by this resolution) to create, grant, offer, issue and allot from time to time the Options exceeding 1% of the Issued Capital to identified Employees (including Employees of

Subsidiaries of the Company) under the Employees Stock Option Scheme 2018 ("ESOS 2018"), referred to in the Special Resolution under Item No. 6 of the Notice convening this Meeting, as may be decided by the Board and / or permitted under SEBI SBEB Regulations, to the intent that the number of Options offered under ESOS 2018 shall be subsumed in the aggregate limit of 45,00,000 Options, each Option giving right to purchase or subscribe One Equity Share of face value of ₹5/- each of the Company for cash and at such price or prices, and on such terms and conditions set out in the Special Resolution under Item No. 6 of the Notice convening this Meeting.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem fit, for the aforesaid purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard at any stage, without being required to seek any further consent or approval of the members of the Company to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution, and further to execute all such deeds, documents, writings and to give such directions and / or instructions as may be necessary, proper or expedient to give effect to any modification, alteration, amendment, suspension, withdrawal or termination of ESOS 2018 and to take all such steps and do all acts as may be incidental or ancillary thereto."

NOTES:

1. An Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Annual General Meeting forms part of this Notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than 50 Members and holding in the aggregate not more than 10% of the total Share Capital of the Company. Members holding more than 10% of the total Share Capital of the Company may appoint a single person as Proxy, who shall not act as a Proxy for any other Members. Proxies in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the time of commencement of the Annual General Meeting. Proxies submitted on behalf of Limited Companies, Societies, etc., must be supported by an appropriate Resolution / Authority, as applicable. A Proxy Form forms part of this Annual Report.
3. Corporate Members intending to send their Authorised Representatives to attend the Annual General Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution authorising their representative to attend and vote in their behalf at the Annual General Meeting along with the specimen signatures of the authorised representatives.
4. In case of joint holders attending the Annual General Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. In terms of Section 152 of the Companies Act, 2013, Mr. S. R. Sharma (DIN: 03096740) retires by rotation at the meeting and being eligible, offer himself for re-appointment. The Board of Directors of the Company recommends his re-appointment. A brief resume of Directors proposed to be appointed / re-appointed at this Annual General Meeting, nature of their expertise in specific functional areas, names of Companies in which they hold Directorship and Membership / Chairmanships of Board Committees, shareholding and relationship between Directors inter-se, stipulated under Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other requisite information as per Clause 1.2.5 of Secretarial Standards - 2 on General Meeting, issued by the Institute of Company Secretaries of India, are provided as annexure to this Notice.
6. The Register of Members and share Transfer Books of the Company will remain closed from Wednesday, September 19, 2018 to Monday, September 24, 2018 (both days inclusive).
7. Relevant documents referred to in the accompanying Notice and the Explanatory Statement will be available for inspection by the Members at the Registered Office of the Company on all working days (except Saturdays, Sundays and public holidays) between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting and also at the Annual General Meeting venue.
8. Members / Proxies should bring the enclosed Attendance Slip duly filled in, for attending the Annual General Meeting, along with the Annual Report. Members who hold shares in electronic form are requested to write their DP ID and Client ID numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Annual General Meeting to facilitate identification of Membership at the Annual General Meeting. Duplicate Attendance Slip or copies of the Annual Report will not be made available at the Annual General Meeting venue.

9. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Registrar and Shares Transfer Agent of the Company.
10. Members holding shares in physical form are requested to consider converting their holding in dematerialised form. The Members are requested to contact the Registrar and Share Transfer Agent of the Company for assistance in this regard.
11. For all matters relating to the Change in Address, ECS mandates, Bank details, Nomination, Power of Attorney, etc., the Members are requested to approach the Registrar and Shares Transfer Agent of the Company in case of shares held in physical form and to their respective Depository Participants in case of shares held in electronic form.
12. Members holding shares in physical form may obtain the Nomination Form from the Registrar and Share Transfer Agent of the Company and the Members holding shares in the electronic form may obtain the Nomination Form from their respective Depository Participants.
13. Pursuant to the provisions of Section 20, 101 and Section 136 of the Companies Act, 2013 read with the relevant Rules made thereunder, Companies are permitted to serve Annual Report and other communication through electronic mode to those Members who have registered their email address with either the Company or the Depository Participants. Members, who have not registered their email address so far, are requested to do so immediately to support Green initiative, so that they can receive the Annual Report and other communications from the Company electronically, by registering their email address with the Registrar and Share Transfer Agent of the Company in case shares are held in physical form and with their respective Depository Participants in case shares are held in electronic form. Members, who have registered their email address, are entitled to receive such communications in physical form upon request.
14. The Company has designated an exclusive e-mail id (prime@primsec.com) for redressal of Investor Complaints / Grievances. In case you have any queries / complaints or grievances, then please write to us at email id (prime@primsec.com).
15. Members desirous of asking any questions at the Annual General Meeting, are requested to send in their questions so as to reach the Company at least seven days before the Annual General Meeting so that the same can be suitably replied.
16. Pursuant to the provisions of Section 124 of the Companies Act, 2013 (Section 205A of the Companies Act, 1956) read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") including any statutory modification(s) or re-enactment thereof for the time being in force, dividend which remains unpaid or unclaimed for a period of seven (7) years from the date of its transfer to the unpaid dividend account of the Company would be transferred to Investor Education and Protection Fund ("IEPF"). Accordingly, the Company has transferred to the IEPF all Unclaimed Dividend upto Final Dividend 2007-08 and no Dividend has been declared thereafter, which has remained unclaimed for a period of Seven Years.

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 read with IEPF Rules including any statutory modification(s) or re-enactment thereof for the time being in force, the Company is required to transfer all equity shares in respect of which dividend has not been paid or claimed for a period of seven consecutive years to the demat account of the IEPF Authority in such manner as may be prescribed under the IEPF Rules. The Shareholders may please note that the Company shall transfer the concerned shares held by them in physical or demat form to the demat account of the IEPF Authority by the due date, as may be applicable, as per the procedure prescribed under the IEPF Rules.

-
17. The Annual Report of the Company circulated to the Members of the Company, is also available on the website of the Company (www.primesec.com) and on the website of the Stock Exchanges.
18. Route map showing directions to reach to the venue of the 35th Annual General Meeting is given at the end of this Annual Report, as per the requirement of the Secretarial Standards 2 on "General Meetings".
19. Voting Options:
- a) Pursuant to the provisions of Section 108 of Companies, Act, 2013 read with the Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Company is pleased to provide to its Members the facility to exercise their right to vote on Resolutions proposed to be considered at the Annual General Meeting by electronic means through "Remote e-voting" (i.e. the Members may cast their vote using an electronic voting system from a place other than the venue of the Annual General Meeting). The Company has availed the services of National Securities Depository Limited ("NSDL") for providing e-voting facility to the Members.
 - b) The facility for voting, either through e-voting system or through Ballot Form / Polling Paper shall also be made available at the venue of the Annual General Meeting. The Members attending the Annual General Meeting, who have not already cast their vote through remote e-voting, shall be able to exercise their voting rights at the venue of the Annual General Meeting. The Members, who have already casted their vote through remote e-voting, may attend the Annual General Meeting but shall not be entitled to cast their vote again at the venue of the Annual General Meeting.
 - c) The process and manner for remote e-voting is as under:
 - A) In case a member receives an e-mail from NSDL [for members whose e-mail IDs are registered with the Company / Depository Participants(s)]:
 - (i) Open e-mail and open PDF file viz; "Prime Securities Limited e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password / PIN for e-voting. Please note that this password is an initial password.
 - (ii) Launch internet browser by typing URL: <https://www.evoting.nsdl.com>.
 - (iii) Click on Shareholder – Login
 - (iv) If you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password / PIN for casting your vote.
 - (v) If you are logging in for the first time, please enter your user ID and password provided in the PDF file attached with the email as initial password. Click Login.
 - (vi) Password change menu appears. Change the password / PIN with new password of your choice with minimum 8 digits / characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vii) Home page of remote e-voting opens. Click on remote e-voting > Active voting Cycles.
 - (viii) Select "EVEN (109284)" of "Prime Securities Limited". Now you are ready for remote e-voting as cast vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant board resolution / authority letter, etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the scrutinizer through e-mail to saurabhshah361@gmail.com with a copy marked to evoting@nsdl.co.in.
- B) In case a member receives physical copy of the notice of Annual General Meeting and Attendance Slip [for members whose e-mail IDs are not registered with the Company / Depository Participants(s) or requesting physical copy]:
- (i) Initial password is provided at the bottom of the attendance slip for the annual general meeting:
 "EVEN (109284)" USER ID PASSWORD / PIN
- (ii) Please follow all steps from Sr. No. (ii) to Sr. No. (xii) above, to cast your vote.
- d) Other Instructions:
- 1) In case of any queries, you may refer the frequently asked questions (FAQs) for members and e-voting user manual for members available at the download section of www.evoting.nsdl.com or call on toll free no: 1800-222-990.
 - 2) You can also update your mobile number and email id in the user profile details of the folio, which may be used for sending future communications.
 - 3) The remote e-voting period will commence at 9.00 a.m. on Friday, September 21, 2018 and will end at 5.00 p.m. on Sunday, September 23, 2018. During this period, members of the Company, holding shares either in physical form or in electronic form, as on the Cut-off date, i.e. Monday, September 17, 2018, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
 - 4) The voting rights of Members shall be in proportion to their shares of the paid-up Equity Share Capital of the Company as on the Cut-off date, i.e. Monday, September 17, 2018.
 - 5) A person whose names appear in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date, i.e. Monday, September 17, 2018, shall only be entitled to vote on the Resolutions set forth in this Notice either by way of remote e-voting or through e-voting system / ballot form / polling paper at the venue of the Annual General Meeting.
 - 6) Any person who acquires shares of the Company and becomes Member of the Company after dispatch of this notice and holding shares as on the Cut-off date, i.e. Monday, September 17, 2018, may obtain the login ID and password by sending an email to prime@primesec.com or evoting@nsdl.co.in by mentioning their folio no. / DP ID & Client ID. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you don't remember your password, you can reset your password by using "forget user details / password" option available on evoting@nsdl.co.in or "Physical User Reset Password" option available on www.evoting.nsdl.com or contact NSDL at the following Toll Free No.: 1800-222-990.

-
- 7) Mr. Pramod S. Shah of M/s. Pramod S. Shah & Associates, Practising Company Secretaries (Membership No. FCS 3804), has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.
 - 8) At the Annual General Meeting, at the end of the discussion on the Resolutions on which voting is to be held, the Chairman shall with the assistance of the Scrutiniser, order voting for all those Members who are present but have not cast their vote electronically using the remote e-voting facility.
 - 9) The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the Annual General Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. Scrutiniser shall not later than 48 hours of conclusion of the Annual General Meeting, submit a Consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same.
 - 10) The Chairman or a person authorised by him in writing shall declare the result of voting forthwith.
 - 11) The results declared along with the Report of the Scrutiniser shall be placed on the website of the Company (www.primesec.com) and on the website of NSDL (www.evoting.nsdl.com) immediately after the result declared by Chairman or a person authorized by him in writing and the same shall be communicated to the Stock Exchanges where shares of the Company are listed.

Registered Office:

1109/1110, Maker Chambers V,
Nariman Point, Mumbai - 400 021
CIN: L67120MH1982PLC026724
Email: prime@primesec.com
Website: www.primesec.com
May 29, 2018

By Order of the Board of Directors

Ajay Shah
Vice President Legal
& Company Secretary
(ACS-14359)

EXPLANATORY STATEMENT PURSUANT SECTION 102 OF THE COMPANIES ACT, 2013

The following Explanatory Statement sets out all the material facts relating to the Special Business mentioned at item nos. 3 to 8 of the accompanying notice.

Item No. 3

The Board of Directors of the Company ("the Board"), at their Meeting held on January 14, 2016, had re-appointed Mr. N. Jayakumar as Managing Director of the Company for a further period of Five Years w.e.f. February 11, 2016 in accordance with Article 119 of the Articles of Association of the Company. Mr. N. Jayakumar had refrained from drawing any remuneration from the Company since December 2012 in view of adverse financial situation of the Company then. In light of substantial bettering of Company's prospects in last few quarters and based on the recommendation of the Nomination and Remuneration Committee, Mr. N. Jayakumar, Managing Director, had started drawing remuneration w.e.f. from January 1, 2017 as approved by the Member of the company at their Meeting held on September 21, 2017. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company has, subject to approval of the Members of the Company, revised the remuneration payable to Mr. N. Jayakumar, Managing Director, w.e.f. April 1, 2018 for the remainder of his term as Managing Director. The approval of the Members pursuant to Section 197(1) of the Companies Act, 2013, as amended from time to time, is now sought for the revised remuneration payable to Mr. N. Jayakumar, Managing Director, w.e.f. from April 1, 2018 for the remainder of his term as the Managing Director.

Mr. N. Jayakumar is associated with the Company since 1992 and he was designated as a President of the Company since 2002. He a qualified professional with expertise in Corporate Finance and Investment Management and has vast experience in advising in areas of financial restructuring, evaluation of business plans / joint venture proposals / acquisitions, fund raising and strategic alliances. He is with the Company for more than 26 years handling corporate relationships. Before joining the Company, he had 7 years experience in Citibank, N.A. as Vice President, Head – Merchant Banking Group & Corporate Finance, India.

The main terms of appointment, remuneration, perquisites, etc. as set out in the Memorandum of Understanding entered into between the Company and Mr. N. Jayakumar, which are subject to the approval of the Members of the Company, are as follows:

Term:

Period of Appointment - Five years effective February 11, 2016

Salary:

- a) Salary upto a maximum of ₹40,00,000/- per month for a period from April 1, 2018 to February 10, 2021, with authority to the Board or a Committee thereof to fix the salary within the said maximum amount.

Perquisites:

- a) Use of the Company's car with a driver or alternatively the Company will maintain at its expense a car belonging to the Managing Director and will also reimburse the salary of the driver as per the rules of the Company.
- b) Reimbursement of Company car running and maintenance expenses reasonably incurred by Mr. N. Jayakumar exclusively for the business of the Company;

-
- c) Reimbursement of Medical expenses actually incurred by Mr. N. Jayakumar and his family;
 - d) Company's Contribution to Provident Fund as per the rules;
 - e) Benefit of a Company Group Mediciclaim Policy;
 - f) Gratuity as per the Gratuity Scheme of the Company;
 - g) Reimbursement of Travelling and Entertainment expenses reasonably incurred by him exclusively for the business of the Company;
 - h) Leave on full remuneration as per the rules of the Company for the time being in force but not exceeding one month's privilege leave for every 12 months service;

Perquisite shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual cost.

Performance Bonus:

Performance Bonus as may be recommended by Nomination and Remuneration Committee and decided by the Board of Directors based on the Net Profits of the Company in a particular year subject to the overall ceiling limit laid down under Section 196, 197, 203 of the Companies Act, 2013.

The perquisites namely contribution to Provident Fund, Gratuity and encashment of leave shall not be included in the computation of the ceiling on remuneration.

Notwithstanding anything hereinabove, where in any Financial Year during the currency of his tenure as Managing Director, the Company has no Profits or its Profits are inadequate, the Company will pay remuneration by way of salary and perquisite as above subject to the ceiling specified under Schedule V to the Companies Act, 2013.

The following additional information as required by Schedule V to the Companies Act, 2013 is given below:

1) General Information:

a) Nature of Industry:

The Company is in the business of Corporate Advisory and Investment Banking.

b) Date or expected date of commencement of commercial production:

Not applicable as the Company is an existing Company and is in operations since 1982.

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

Not applicable.

d) **Financial performance based on given indicators:**

Audited Standalone Financial Statements for the Year ended March 31, 2018:

(₹ in lacs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Income from Operations and other Income	899.42	676.60
Operating Profit (before interest, depreciation & tax)	616.96	907.55
Profit / (Loss) before Tax	325.61	(690.97)
Profit / (Loss) after Tax	332.16	(723.86)

Audited Consolidated Financial Statements for the Year ended March 31, 2018:

(₹ in lacs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Income from Operations and other Income	2,402.47	1,957.65
Operating Profit (before interest, depreciation & tax)	809.02	1,087.36
Profit / (Loss) before Tax	1,715.00	1,934.84
Profit / (Loss) after Tax	1,414.80	1,301.87

e) **Foreign investments or collaborations, if any:**

Not applicable.

2) **Information about the Appointee:**a) **Background details:**

Mr. N. Jayakumar, aged 57 years, is Bachelor of Technology, Mechanical Engineering (I.I.T. Delhi) (1978-1983) & P.G.D.M. (MBA), IIM Ahmedabad (1983-1985). He is associated with the Company since 1992 and he was designated as a President of the Company since 2002. He is a qualified professional with expertise in Corporate Finance and Investment Management and has vast experience in advising in areas of financial restructuring, evaluation of business plans / joint venture proposals / acquisitions, fund raising and strategic alliances. He is with the Company for more than 26 years handling corporate relationships. Before joining the Company, he had 7 years experience in Citibank, N.A. as Vice President, Head - Merchant Banking Group & Corporate Finance, India. As a Managing Director, he shall carry out such functions, exercise such powers and perform such duties as the Board shall from time to time in its absolute discretion determine and entrust to him. Subject to the superintendence, control and direction of the Board, he shall have the general control of the business of the Company and be vested with the management and day-to-day affairs of the Company.

b) **Past Remuneration:**

Mr. N. Jayakumar has been appointed as Managing Director of the Company w.e.f. February 12, 2011. In view of adverse financial situation of the Company in the earlier years, Mr. N. Jayakumar had refrained from drawing any remuneration from the Company since December 2012 till December 31, 2016. For the Financial Year ended on March 31, 2018 and March 31, 2017, the Company has paid ₹133.18 lacs and ₹34.23 lacs respectively as remuneration to Mr. N. Jayakumar.

c) **Recognition or Awards:**

Nil

d) **Job profile and his suitability:**

Same as above in item no a) hereinabove.

e) **Remuneration proposed:**

The Company proposes to pay the remuneration to Mr. N. Jayakumar as per the resolutions proposed to be passed by the Members in the Annual General Meeting of the Company.

f) **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:**

Taking into consideration the size of the Company, the profile of Mr. N. Jayakumar, the responsibilities shouldered by him and industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterparts in the companies.

g) **Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:**

Besides the remuneration proposed to be paid to him, Mr. N. Jayakumar does not have any other pecuniary relationship with the Company.

3) **Other Information:**

a) **Reasons for loss or inadequate profits:**

The Company is mainly involved in the Corporate Advisory and Investment Banking. The business of the Company and its performance is linked to capital market conditions and successful closure of deals.

b) **Steps taken or proposed to be taken for improvement:**

The Company has been continuously enhancing its client list. The Company has made significant strides in establishing stronger client relationships. The Company is focusing on providing innovative business solutions to its clients in the area of fund raising and merger and acquisitions.

c) **Expected increase in productivity and profits in measurable terms:**

With better capital market conditions and increased client relationships, the Company is expected to step up the revenues and profits substantially in future.

4) **Disclosures:**

a) **Remuneration package of the managerial person:**

Fully described in the explanatory statement as stated above.

b) **Disclosures in the Board of Directors' Report under the heading "Corporate Governance" included in Annual Report 2017-18:**

The requisite details of remuneration etc. of Directors are included in the Corporate Governance Report, forming part of the Annual Report of F.Y. 2017-18 of the Company.

The Memorandum of Understanding entered into between the Company and Mr. N.

Jayakumar is available for inspection to the Members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days except Saturdays, Sundays and Public Holidays.

Except Mr. N. Jayakumar, none of the Directors or any Key Managerial Personnel of the Company or relatives of any of them are, in any way, concerned or interested in this resolution.

The Board of Directors recommends this resolution for approval by the Members of the Company by a Special Resolution.

Item No. 4

The Board of Directors of the Company ("the Board") at their Meeting held on May 29, 2018, based on the recommendation of the Nomination and Remuneration Committee, had appointed Mr. Vineet Suri as Executive Director of the Company for a period of Five Years w.e.f. May 29, 2018 in accordance with Article 119 of the Articles of Association of the Company and subject to approval of the Members of the Company. The approval of the Members pursuant to Section 197(1) of the Companies Act, 2013, as amended from time to time, is now sought for the appointment for a period of Five Years w.e.f. May 29, 2018 and for payment of remuneration to Mr. Vineet Suri, Executive Director, w.e.f. from May 29, 2018 for the period of 3 Years.

Mr. Vineet Suri is associated with the Company since December 2016 as Head of Corporate Finance & Investment Banking (including the Restructuring business). He started his career with Citibank in Mumbai and London, and has over 20 years of Banking / Corporate Finance & Investment Banking experience, having worked with leading banks in Mumbai, London, Riyadh & Bahrain. His areas of focus have been Structured Finance, Capital Markets, M&A / Acquisition Financing, ABF, Project Advisory, Telecom Financing, Debt Syndications and Islamic Financing. He has worked on and led numerous transactions for clients spread across India, Europe, Middle East and Africa. He is a Chartered Accountant trained under Price Waterhouse, and a Bachelor of Commerce from Sydenham College of Commerce & Economics, Mumbai.

The main terms of appointment, remuneration, perquisites, etc. as set out in the Memorandum of Understanding entered into between the Company and Mr. Vineet Suri, which are subject to the approval of the Members of the Company, are as follows:

Term:

Period of Appointment - Five years effective May 29, 2018

Salary:

- a) Salary upto a maximum of ₹10,00,000/- per month for a period from May 29, 2018 to May 28, 2021, with authority to the Board or a Committee thereof to fix the salary within the said maximum amount.

Perquisites:

- a) Use of the Company's car with a driver or alternatively the Company will maintain at its expense a car belonging to the Managing Director and will also reimburse the salary of the driver as per the rules of the Company.
- b) Reimbursement of Company car running and maintenance expenses reasonably incurred by Mr. Vineet Suri exclusively for the business of the Company;
- c) Company's Contribution to Provident Fund as per the rules;

- d) Benefit of a Company Group Mediciam Policy;
- e) Gratuity as per the Gratuity Scheme of the Company;
- f) Reimbursement of Travelling and Entertainment expenses reasonably incurred by him exclusively for the business of the Company;
- g) Leave on full remuneration as per the rules of the Company for the time being in force but not exceeding one month's privilege leave for every 12 months service;

Perquisite shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual cost.

Performance Bonus:

Performance Bonus as may be recommended by Nomination and Remuneration Committee and decided by the Board of Directors based on the Net Profits of the Company in a particular year subject to the overall ceiling limit laid down under Section 196, 197, 203 of the Companies Act, 2013.

The perquisites namely contribution to Provident Fund, Gratuity and encashment of leave shall not be included in the computation of the ceiling on remuneration.

Notwithstanding anything hereinabove, where in any Financial Year during the currency of his tenure as Executive Director, the Company has no Profits or its Profits are inadequate, the Company will pay remuneration by way of salary and perquisite as above subject to the ceiling specified under Schedule V to the Companies Act, 2013.

The following additional information as required by Schedule V to the Companies Act, 2013 is given below:

1) General Information:

a) Nature of Industry:

The Company is in the business of Corporate Advisory and Investment Banking.

b) Date or expected date of commencement of commercial production:

Not applicable as the Company is an existing Company and is in operations since 1982.

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

Not applicable.

d) Financial performance based on given indicators:

Audited Standalone Financial Statements for the Year ended March 31, 2018:

(₹ in lacs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Income from Operations and other Income	899.42	676.60
Operating Profit (before interest, depreciation & tax)	616.96	907.55
Profit / (Loss) before Tax	325.61	(690.97)
Profit / (Loss) after Tax	332.16	(723.86)

Audited Consolidated Financial Statements for the Year ended March 31, 2018:

(₹ in lacs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Income from Operations and other Income	2,402.47	1,957.65
Operating Profit (before interest, depreciation & tax)	809.02	1,087.36
Profit / (Loss) before Tax	1,715.00	1,934.84
Profit / (Loss) after Tax	1,414.80	1,301.87

e) **Foreign investments or collaborations, if any:**

Not applicable.

2) **Information about the Appointee:**

a) **Background details:**

Mr. Vineet Suri, aged 52 years, is a He is a Chartered Accountant trained under Price Waterhouse, and a Bachelor of Commerce from Sydenham College of Commerce & Economics, Mumbai. He is associated with the Company since December 2016 as Head of Corporate Finance & Investment Banking (including the Restructuring business). He started his career with Citibank in Mumbai and London, and has over 20 years of Banking / Corporate Finance & Investment Banking experience, having worked with leading banks in Mumbai, London, Riyadh & Bahrain. His areas of focus have been Structured Finance, Capital Markets, M&A / Acquisition Financing, ABF, Project Advisory, Telecom Financing, Debt Syndications and Islamic Financing. He has worked on and led numerous transactions for clients spread across India, Europe, Middle East and Africa. As an Executive Director, he shall carry out such functions, exercise such powers and perform such duties as the Board shall from time to time in its absolute discretion determine and entrust to him. Subject to the superintendence, control and direction of the Board, he shall have the general control of the Investment Banking and Corporate Advisory business of the Company.

b) **Past Remuneration:**

Mr. Vineet Suri has been appointed as Executive Director of the Company w.e.f. May 29, 2018. For the Financial Year ended on March 31, 2018 and March 31, 2017, the Company has paid ₹48 lacs and ₹14.58 lacs respectively as remuneration to Mr. Vineet Suri.

c) **Recognition or Awards:**

Nil

d) **Job profile and his suitability:**

Same as above in item no a) hereinabove.

e) **Remuneration proposed:**

The Company proposes to pay the remuneration to Mr. Vineet Suri as per the resolutions proposed to be passed by the Members in the Annual General Meeting of the Company.

f) **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:**

Taking into consideration the size of the Company, the profile of Mr. Vineet Suri, the responsibilities shouldered by him and industry benchmarks, the remuneration proposed

to be paid is commensurate with the remuneration packages paid to similar senior level counterparts in the companies.

g) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Besides the remuneration proposed to be paid to him, Mr. Vineet Suri does not have any other pecuniary relationship with the Company.

3) Other Information:

a) Reasons for loss or inadequate profits:

The Company is mainly involved in the Corporate Advisory and Investment Banking. The business of the Company and its performance is linked to capital market conditions and successful closure of deals.

b) Steps taken or proposed to be taken for improvement:

The Company has been continuously enhancing its client list. The Company has made significant strides in establishing stronger client relationships. The Company is focusing on providing innovative business solutions to its clients in the area of fund raising and merger and acquisitions.

c) Expected increase in productivity and profits in measurable terms:

With better capital market conditions and increased client relationships, the Company is expected to step up the revenues and profits substantially in future.

4) Disclosures:

a) Remuneration package of the managerial person:

Fully described in the explanatory statement as stated above.

b) Disclosures in the Board of Directors' Report under the heading "Corporate Governance" included in Annual Report 2017-18:

The requisite details of remuneration etc. of Directors are included in the Corporate Governance Report, forming part of the Annual Report of F.Y. 2017-18 of the Company.

The Memorandum of Understanding entered into between the Company and Mr. Vineet Suri is available for inspection to the Members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days except Saturdays, Sundays and Public Holidays.

Except Mr. Vineet Suri, none of the Directors or any Key Managerial Personnel of the Company or relatives of any of them are, in any way, concerned or interested in this resolution.

The Board of Directors recommends this resolution for approval by the Members of the Company by a Special Resolution.

Item No. 5

The Memorandum and Articles of Association of the Company currently in force were originally adopted when the Company was incorporated under the Companies Act, 1956 and the same were amended from time to time in accordance with the provisions of the Companies Act, 1956 and the Companies Act, 2013 from time to time. Several regulations in the existing AOA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AOA are no longer in conformity with the Act. With the introduction of the Companies Act, 2013, it is proposed to amend the existing Memorandum and Articles of Association to make it consistent with the provisions of Companies Act, 2013 including the Rules framed thereunder.

A copy of the proposed set of new Memorandum and Articles of Association of the Company would be available for inspection at the registered office of the Company on all working days, except Saturdays, Sundays and Public Holidays, between 11.00 a.m. to 1.00 p.m. upto the date of the 35th Annual General Meeting and during the 35th Annual General Meeting. The proposed draft of Memorandum and Articles of Association is also available on the Company's website at www.primesec.com for perusal by the Shareholders.

None of the Directors and Key Managerial Personnels of the Company or relatives of any of them are, in any way, concerned or interested in this Resolutions.

The Board of Directors recommends this resolution for approval by the Members of the Company by a Special Resolution.

Item No. 6, 7 and 8

The Company operates in the financial services industry and the major services provided by the Company i.e. Investment / Merchant Banking and Corporate Advisory Services are people driven. The Company believes that the growth witnessed by the Company is the result of the efforts put in by its employees. The Board has identified the need to reward the employees by enabling them to participate in the future growth and financial success of the Company. Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through share based compensation scheme. The Board of Directors of the Company at their Meeting held on May 29, 2018 has approved implementation of the Employee Stock Option Scheme 2018 ("ESOS 2018"), with a view to attract and retain key talents working with the Company and its Subsidiary Companies by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability. The Board has authorised the Nomination and Remuneration Committee to administer ESOS 2018 and will formulate its detailed terms and conditions.

Pursuant to provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, ("SEBI SBEB Regulations"), the approval of the Members of the Company is sought to implement ESOS 2018 and grant of options to the eligible Employees / Directors of the Company and that of its Subsidiary Companies as decided by the Nomination and Remuneration Committee from time to time in due compliance of the SEBI SBEB Regulations.

The main features of the ESOS 2018 are as under:

1. Brief Description of the Scheme:

ESOS 2018 is intended to reward the eligible permanent Employees / Directors of the Company and its Subsidiary Companies in India and abroad, for their performance and to motivate them to contribute to the growth and profitability of the Company. Your Company also intends to use ESOS 2018 to retain talent in the organization as it views options as instruments that would enable the employees to share the value they create for the Company and align individual objectives of employees with objectives of the Company in the years to come.

The Company, in terms of the SEBI SBEB Regulations, contemplates to implementation of ESOS 2018 by way of issue of fresh Equity Shares by the Company.

2. Total number of Options to be granted:

A total of upto 45,00,000 (Forty Five Lacs) Options would be available for grant to the eligible permanent Employees / Directors of the Company and its Subsidiary Companies under ESOS 2018, in one or more tranches, detailed terms of which are to be formulated by the Board but subject to the broad parameters of the Scheme to be approved by the Members. Each such Option when exercised would be converted into one new Equity Share of ₹5/-each fully paid-up of the

Company. The Option shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

Vested options lapsed due to non-exercise and / or unvested options that get cancelled due to resignation / termination of the employees or otherwise, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed / cancelled options as per the provisions of ESOS 2018, within overall ceiling.

SEBI SBEB Regulations require that in case of any corporate action(s) such as rights, bonus, merger, de-merger, amalgamation, sale of division or any other form of corporate restructuring, a fair and reasonable adjustment needs to be made to the options granted. Accordingly, if any additional Equity Shares are required to be issued pursuant to any corporate action, the above ceiling 45,00,000 (Forty Five Lacs) Equity Shares shall be deemed to be increased in proportion of such additional Equity Shares issued.

3. Identification of Classes of Employees entitled to participate and be beneficiary in the ESOS 2018:

Following classes of Employees are entitled to participate in ESOS 2018:

- a) Permanent Employees of the Company working in India or out of India;
- b) Directors of the Company; and
- c) Permanent Employees and Directors of the Subsidiary Companies.

Following persons are not eligible to participate in ESOS 2018:

- a) Employee or Director who is a Promoter or belongs to the Promoter Group;
- b) Director who either by himself or through his relatives or through any Body Corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company; and
- c) Independent Director within the meaning of the Companies Act, 2013.

4. Requirements of Vesting and Period of Vesting:

Options granted under ESOS 2018 would vest not less than 1 (One) Year from the date of grant of such Options. Vesting may occur in one or more tranches or otherwise. The vesting dates in respect of the Options granted under ESOS 2018 may vary from Employee to Employee or any class thereof and / or in respect of the number or percentage of Options granted to an Employee. The Nomination and Remuneration Committee may, at its discretion, lay down certain performance metrics on the achievement of which such Options would vest, the detailed terms and conditions relating to such vesting, and the proportion in which Options granted would vest.

Options granted under ESOS 2018 shall vest so long as an Employee continues to be in the employment of the Company / Subsidiary Companies, as the case may be, unless such employment is discontinued on account of death, permanent disablement or on retirement. In the event of death of an employee while in employment, all the Options granted to him till such date shall vest in the legal heirs or nominees of the deceased Employee. In case the Employee suffers a permanent incapacity while in employment, all the Options granted to him as on the date of permanent incapacity shall vest in him on that date.

If the eligible Employee voluntarily terminates employment with the Company / Subsidiary Companies, as the case may be, the Options to the extent not vested shall lapse / expire and be forfeited forthwith. However, this shall not be applicable to eligible Employees who have resigned or who may resign from time to time to join Companies, approved by the Nomination and

Remuneration Committee, that have been established or promoted or set up (whether solely or jointly with any other entity) by the Company.

5. Maximum period within which the Options shall be vested:

Options granted under ESOS 2018 would vest within a maximum period of 5 (Five) Years from the date of grant of such Options.

6. Exercise Price or Pricing Formula:

The Exercise Price would be determined by the Nomination and Remuneration Committee on the date of Grant of Options in accordance with the SEBI SESB Regulations, subject to conditions for payment of Exercise Price in the manner prescribed by the Nomination and Remuneration Committee.

7. Exercise Period and Process of Exercise:

The Exercise Period would commence from the date of vesting and will expire at the end of Five Years from the date of Vesting or such period as may be decided by the Nomination and Remuneration Committee.

The Vested Options would be exercisable by the employees by submitting a written application to the Company along with the payment of Exercise Price and on execution of such other documents, as may be prescribed by the Nomination and Remuneration Committee. The options shall lapse if not exercised within the specified exercise period.

8. Appraisal process for determining the eligibility of Employees to ESOS 2018:

The appraisal process for determining the eligibility of the employees will be specified by the Nomination and Remuneration Committee and will be based on criteria such as seniority of the employees, length of service, performance record, merit, contribution and conduct of the employees, future potential and / or any such other criteria that may be determined by the Nomination and Remuneration Committee at its sole discretion.

9. Maximum number of Options to be issued per Employee and in an aggregate

The maximum number of Options granted to any single eligible Employee shall not exceed 15,00,000 Options at the time of Grant of the Option. The aggregate of all such Options shall not exceed 45,00,000 Options.

10. Maximum Quantum of benefits to be provided per employee under the ESOS 2018:

The maximum quantum of benefits underlying the Options issued to an eligible employee shall depend upon the market price of the Equity Shares as on the date of sale of Equity Shares allotted pursuant to the exercise of Options.

11. Whether ESOS 2018 is to be implemented and administered directly by the Company or through Trust:

ESOS 2018 shall be implemented and administered directly by the Company.

12. Whether ESOS 2018 involves new issue of Equity Shares by the Company or Secondary Acquisition by the Trust or both:

ESOS 2018 contemplates new Issue of Equity Shares by the Company.

13. The amount of loan provided for implementation of ESOS 2018 by the Company to the Trust, its tenure, utilisation, repayment terms etc.:

The Company is not providing any loan for ESOS 2018 purpose, as Company is directly implementing the plan.

14. Maximum percentage of Secondary Acquisition (subject to limits specified under the Regulations) that can be made by the Trust for the purchase under the scheme:

Not applicable for implementation of ESOS 2018 as the Company is directly implementing the plan by way of new issue of Equity Shares.

15. Accounting and Disclosure Policies:

The Company shall comply with the "Guidance Note on Accounting for Employee Share Based Payments" and / or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein.

16. Method of Valuation:

The Company shall use the intrinsic value method for computing the compensation cost for the Options granted. The difference between the employee compensation cost so computed and the compensation cost that shall have been recognised if the Company had used the fair value of the Options and also the impact of this difference on the profits and on EPS of the Company shall be disclosed in the Directors' Report.

The benefits of ESOS 2018 shall also be extended to the permanent Employees and Directors of the Subsidiary Companies of the Company, in the same manner and subject to the terms and conditions as mentioned herein. The aggregate Options issued in terms of ESOS 2018 shall not exceed the overall limit as mentioned in the ESOS 2018. SEBI SESB Regulations provide for separate approval of Members to be obtained for extending the benefits of the Scheme to Employees and Directors of Subsidiary Companies of the Company.

In terms of the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and Regulations 6 of the SEBI SESB Regulations, the approval of the Members is being sought by way of Special Resolutions.

A draft copy of ESOS 2018 is available for inspection at the Registered Office of the Company on all working days (excluding Saturday, Sunday and Holidays) till the date of the Annual General Meeting.

The Directors and Key Managerial Personnels of the Company may be deemed to be concerned or interested in these Resolutions only to the extent of any Options that may be granted to them and the resultant equity shares issued, as applicable.

The Board of Directors recommends this resolution for approval by the Members of the Company by a Special Resolution.

Registered Office:

1109/1110, Maker Chambers V,
Nariman Point, Mumbai - 400 021
CIN: L67120MH1982PLC026724
Email: prime@primesec.com
Website: www.primesec.com
May 29, 2018

By Order of the Board of Directors

Ajay Shah
Vice President Legal
& Company Secretary
(ACS-14359)

**Details of Director seeking Appointment / Re-appointment
at 35th Annual General Meeting**

[Pursuant to the Regulation 26 and 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards 2 (SS-2) on General Meetings]

Name of Director	Mr. S. R. Sharma (✦)	Mr. Vineet Suri
Director Identification		
Number (DIN)	03096740	07995566
Date of Birth	August 7, 1959	December 21, 1966
Date of First Appointment	January 25, 2011	May 29, 2018
Qualifications	B. Tech. (Chemical Engineering), IIT Delhi, PGDM, IIM-Ahmedabad	Chartered Accountant
Expertise in Specific Functional Area	Mr. S. R. Sharma is a qualified professional graduated from IIT Delhi as a Chemical Engineer and received his post graduate diploma in management, PGDM from the IIM at Ahmedabad. He has a wide and varied experience across multiple sectors including industrial and speciality chemicals, FMCG and financial services. He was based in Japan for 9 years where he worked for Shinsei Bank, a leading Japanese bank which has set new benchmarks for consumer banking. He has specialized in the transformation of business processes both customer facing and post transaction operations by leveraging the use of IT.	Mr. Vineet Suri is the Head of Corporate Finance & Investment Banking (including the Restructuring business) at Prime. He started his career with Citibank in Mumbai and London, and has over 20 years of Banking / Corporate Finance & Investment Banking experience, having worked with leading banks in Mumbai, London, Riyadh & Bahrain. His areas of focus have been Structured Finance, Capital Markets, M&A / Acquisition Financing, ABF, Project Advisory, Telecom Financing, Debt Syndications and Islamic Financing. He has worked on and led numerous transactions for clients spread across India, Europe, Middle East and Africa. He is a Chartered Accountant trained under Price Waterhouse, and a Bachelor of Commerce from Sydenham College of Commerce & Economics, Mumbai.
Number of Meetings of the Board attended during the year	Six	N.A.

Name of Director	Mr. S. R. Sharma (*)	Mr. Vineet Suri
Directorship held in other Public Companies (excluding Foreign Companies and Section 8 Companies)	Primesec Investments Limited Asia Bio Energy (India) Limited	None
Memberships / Chairmanships of Committees of other Companies (includes only Audit Committee and Stakeholder Relationship Committee)	None	None
Inter-se relationship with other Directors and Key Managerial Personnel	Nil	Nil
Shareholding in the Company	Nil	16,043 Equity Shares

* Mr. S. R. Sharma retires by rotation and being eligible offers himself for re-appointment.

For other details such as Number of Board Meetings attended during the Financial Year 2017-18 and the Remuneration drawn by the above Directors, please refer to the Corporate Governance Report forming part of this Annual Report.