

## Notice of Annual General Meeting

**NOTICE** is hereby given that the 36<sup>th</sup> Annual General Meeting of the Members of Prime Securities Limited will be held on Friday, September 27, 2019 at 10.00 a.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, 2019 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, 2019 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 at this Annual General Meeting and, being eligible, offers himself for re-appointment.

#### 3. Appointment of Statutory Auditors and fix their Remuneration:

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 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendations of the Board of Directors, the approval of the Members of the Company be and is hereby accorded to appoint M/s. Walker Chandio & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 001076N/N500013), as an Independent Auditors of the Company, in place

of retiring Auditors M/s. Gandhi & Associates LLP, Chartered Accountants (Firm Registration No. 102965W/W100192), to hold office for a term of 5 (Five) consecutive years from the conclusion of this Annual General Meeting until the conclusion of the 41<sup>st</sup> Annual General Meeting of the Company to be held in the year 2024.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) be and is hereby authorised to fix their remuneration (excluding applicable taxes) during their tenure of appointment and reimburse their out-of-pocket expenses.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof), be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution.”

### SPECIAL BUSINESS

#### 4. Appointment of Ms. Smita Cawas Affinwalla (DIN: 07106628) as an Independent Director:

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), as amended from time to time and the Articles of Association of the Company, Ms. Smita Cawas Affinwalla (DIN: 07106628), who was appointed as an Additional Director, categorised as an Independent Director, of the Company effective February 14, 2019 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Act and who has given her consent

for appointment as an Independent Director of the Company and submitted a declaration that she meets the criteria of Independence under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, signifying the intention to propose her candidature for the office of Director and whose appointment has been recommended by the Nomination & Remuneration Committee and by the Board of Directors for consideration by the Members, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 (Five) consecutive years commencing from February 14, 2019 to February 13, 2024."

**5. Appointment of Ms. Namrata Kaul (DIN: 00994532) as an Independent Director:**

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time and the Articles of Association of the Company, Ms. Namrata Kaul (DIN: 00994532), who was appointed as an Additional Director, categorised as an Independent Director, of the Company effective February 14, 2019 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Act and who has given her consent for appointment as an Independent Director of the Company and submitted a declaration that she meets the criteria of Independence under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations and who is eligible

for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, signifying the intention to propose her candidature for the office of Director and whose appointment has been recommended by the Nomination & Remuneration Committee and by the Board of Directors for consideration by the Members, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 (Five) consecutive years commencing from February 14, 2019 to February 13, 2024."

**6. Appointment of Mr. Akshay Gupta (DIN: 01272080) as Non-Executive Director and Non-Independent Director:**

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule V to the Act (including any statutory modifications or re-enactment(s) thereof for the time being in force), the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time and the Articles of Association of the Company, Mr. Akshay Gupta (DIN: 01272080), who was appointed by the Board of Directors as an Additional Director of the Company effective August 14, 2019 and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive and Non-Independent Director of the Company, liable to retire by rotation, for a term of 5 (Five) consecutive years commencing from August 14, 2019 to August 13, 2024."

**7. Revision in Remuneration payable 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-re-enactment(s) 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, 2019, 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** 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.

#### 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.
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. 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

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.

- from Saturday, September 21, 2019 to Friday, September 27, 2019 (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 (prime@primsec.com) and on the website of the Stock Exchanges.
18. Route map showing directions to reach to the venue of the 36<sup>th</sup> 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:

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system**

**Details on Step 1 to Log-in to NSDL e-Voting system is given below:**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical		Your User ID is:
a)	For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b)	For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c)	For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the “initial password” which was communicated to you. Once you retrieve your “initial password”, you need to enter the “initial password” and the system will force you to change your password.
- c) How to retrieve your “initial password”?
  - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a pdf file. Open the pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your “User ID” and your “initial password”.
  - (ii) If your email ID is not registered, your “initial password” is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the “initial password” or have forgotten your password:
  - a) Click on **“Forgot User Details / Password?”** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
    - b) **“Physical User Reset Password?”** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
    - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number / folio number, your PAN, your name and your registered address.
    - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**Details on Step 2 to cast your vote electronically on NSDL e-Voting system is given below:**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
  6. Upon confirmation, the message "Vote Cast Successfully" will be displayed.
  7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
  8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- d) General guidelines for the Shareholders:**
- 1) 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.
  - 2) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details / Password" or "Physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- e) 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](http://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 Tuesday, September 24, 2019 and will end at 5.00 p.m. on Thursday, September 26, 2019. 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. Friday, September 20, 2019, 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. Friday, September 20, 2019.
  - 5) Any 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. Friday, September 20, 2019, 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. Friday, September 20, 2019, may obtain the login ID and password by sending an email to [prime@primesec.com](mailto:prime@primesec.com) or [evoting@nsdl.co.in](mailto: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](mailto:evoting@nsdl.co.in) or "Physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following Toll Free No.: 1800-222-990.
  - 3) 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.
  - 4) 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

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those Members who are present but have not cast their vote electronically using the remote e-voting facility.

- 5) 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.

- 6) The Chairman or a person authorised by him in writing shall declare the result of voting forthwith.
- 7) The results declared along with the Report of the Scrutiniser shall be placed on the website of the Company ([www.primesec.com](http://www.primesec.com)) and on the website of NSDL ([evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)) 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 Chamber V,  
Nariman Point, Mumbai 400021  
CIN: L67120MH1982PLC026724  
Email: [prime@primesec.com](mailto:prime@primesec.com)  
Website: [www.primesec.com](http://www.primesec.com)  
August 14, 2019

By Order of the Board of Directors

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

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## Explanatory Statement Pursuant Section 102 of the Companies Act, 2013

The following Explanatory Statement sets out all the material facts relating to the business proposed to be transacted under item nos. 3 to 7 of the accompanying notice.

### Item No. 3

This explanatory statement for this item is provided though strictly not required as per Section 102 of the Act

Pursuant to provisions of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the term of existing Independent Auditors, M/s. Gandhi & Associates LLP, Chartered Accountants (Firm Registration No. 102965W/W100192), will end at the conclusion of the 36th Annual General Meeting of the Company and the Company is required to appoint new Independent Auditors to conduct the Statutory Audit of the books of accounts of the Company in place of the retiring Auditors.

Pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any, of the Act and the rules made thereunder, approval of the Members of the Company be and is hereby sought to appoint M/s. Walker Chandiook & Co. LLP, Chartered Accountants (Firm Registration No. 001076N/N500013), as an Independent Auditors of the Company, in place of the retiring auditors M/s. Gandhi & Associates LLP, Chartered Accountants (Firm Registration No. 102965W/W100192), to hold office for a period of 5 (Five) consecutive years from the conclusion of this 36<sup>th</sup> Annual General Meeting till the conclusion of 41<sup>st</sup> Annual General Meeting of the Company to be held in the year 2024.

The Audit Committee proposed the appointment of M/s. Walker Chandiook & Co. LLP as an Independent Auditors after assessing M/s. Walker Chandiook & Co. LLP and another audit firms based on certain parameters which included past audit experience of



the audit firms particularly in auditing Companies is Financial Services Sector, strength & experience of key members proposed in the audit team, independence of the audit firms, etc. The Board of Directors after considering the recommendations of the Audit Committee has recommended the said appointment for approval by the Members of the Company.

M/s. Walker Chandio & Co. LLP have consented to act as Independent Auditors and have confirmed that their appointment, if made, would be within the limits specified under Section 143(3)(g) of the Act. They have also confirmed that they are not disqualified to be appointed as Auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014 and that they hold a valid certificate issued by the peer review Board of the Institute of Chartered Accountants of India.

M/s. Walker Chandio & Co. LLP would audit the financial statements of the Company on a standalone and consolidated basis under Ind-AS. The aggregate fee proposed to be paid would be around ₹20 lacs plus expenses and taxes, as applicable for the Financial Year 2019-20. There is an increase in the fee that is proposed to be paid to the new auditors from the fee that was paid to existing auditors due to increase in the quantum of work. It is proposed to authorise the Board of Directors, including relevant Committee(s) thereof, to finalise the fee / expenses and to approve incremental fee, from time to time, based on the increase in the quantum of work and vary such other terms in consultation with the Independent Auditors.

None of the Director and Key Managerial Personnel of the Company and their respective relatives are in any way concerned or interested in this resolution mentioned at Item No. 3 of the Notice.

The Board of Directors recommends the resolution set forth at Item No. 3 for approval by the Members of the Company as an Ordinary Resolution.

#### **Item Nos. 4 and 5**

The Board of Directors, upon recommendation of the Nomination and Remuneration Committee,

appointed Ms. Smita Cawas Affinwalla and Ms. Namrata Kaul as an Additional Directors, categorised as Independent Directors, of the Company, not liable to retire by rotation, effective February 14, 2019. Pursuant to the provisions of Section 161 of the Act and the Articles of Association of the Company, Ms. Smita Cawas Affinwalla and Ms. Namrata Kaul holds office up to the date of the 36th Annual General Meeting and are eligible to be appointed as Directors of the Company. The Company has, in terms of Section 160 of the Act, received, in writing, a notice from a Member, along with the requisite deposit of ₹ 1,00,000/-, proposing the candidature of Ms. Smita Cawas Affinwalla and Ms. Namrata Kaul for the office of Director.

The Company has received from Ms. Smita Cawas Affinwalla and Ms. Namrata Kaul (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that they are not disqualified under Section 164(2) of the Act and (iii) a declaration to the effect that they meet the criteria of Independence as provided under Section 149(6) of the Act. The resolution seeks the approval of the Members in terms of Section 149 and other applicable provisions of the Act, read with Schedule IV of the Act and the Rules made thereunder, for appointment of Ms. Smita Cawas Affinwalla and Ms. Namrata Kaul as Independent Directors of the Company for a term of 5 (Five) consecutive years commencing from February 14, 2019 to February 13, 2024. Ms. Smita Cawas Affinwalla and Ms. Namrata Kaul, once appointed, will not be liable to retire by rotation.

In the opinion of the Board, both, Ms. Smita Cawas Affinwalla and Ms. Namrata Kaul, are a person of integrity and fulfill the conditions specified in the Act and the Rules made thereunder and are Independent of the Management of the Company. A copy of the letter of appointment of Ms. Smita Cawas Affinwalla and Ms. Namrata Kaul as Independent Directors setting out the terms and conditions are available for inspection without any fee payable by the Members at the Registered Office of the Company during the normal business hours on working days up to the date of the AGM.

The profile and specific areas of expertise of Ms. Smita Cawas Affinwalla and Ms. Namrata Kaul are provided as annexure to this Notice.

None of the Director, Key Managerial Personnel of the Company or their respective relatives, other than the concerned Independent Directors, are in any way concerned or interested in the resolutions set out at Item No. 4 and 5 of the Notice.

The Board of Directors recommends the resolutions set out at Item Nos. 4 and 5 for approval by the Members of the Company.

### **Item No. 6**

The Board of Directors, upon recommendation of the Nomination and Remuneration Committee, appointed Mr. Akshay Gupta as an Additional Director, categorised as Non-Executive and Non-Independent Director, of the Company, liable to retire by rotation, effective August 14, 2019. Pursuant to the provisions of Section 161 of the Act and the Articles of Association of the Company, Mr. Akshay Gupta holds office up to the date of the 36<sup>th</sup> Annual General Meeting and is eligible to be appointed as a Director of the Company. The Company, in terms of Section 160 of the Act, received, in writing, a notice from a Member, along with the requisite deposit of ₹ 1,00,000/-, proposing the candidature of Mr. Akshay Gupta for the office of Director.

The Company has received from Mr. Akshay Gupta (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, and (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that they are not disqualified under Section 164(2) of the Act. The resolution seeks the approval of the Members in terms of Section 152, 161 and other applicable provisions of the Act, read with Schedule V of the Act and the Rules made thereunder, for appointment of Mr. Akshay Gupta as a Non-Executive and Non-Independent Director of the Company for a term of 5 (Five) consecutive years commencing from August 14, 2019 to August 13, 2024. Mr. Akshay Gupta, once appointed, will be liable to retire by rotation.

Mr. Akshay Gupta is associated with Prime Research & Advisory Limited as Founder, CEO & CIO since August 13, 2018. In the opinion of the Board Mr. Akshay Gupta is a person of integrity and fulfill the conditions specified in the Act and the Rules made thereunder. A copy of the letter of appointment of Mr. Akshay Gupta as Non-Executive and Non-Independent Director setting out the terms and conditions are available for inspection without any fee payable by the Members at the Registered Office of the Company during the normal business hours on working days up to the date of the AGM.

The profile and specific areas of expertise of Mr. Akshay Gupta is provided as annexure to this Notice.

None of the Directors, Key Managerial Personnel of the Company or their respective relatives, other than the concerned Non-Executive and Non-Independent Director, are in any way concerned or interested in the resolutions set out at Item No. 6 of the Notice.

The Board of Directors recommends the resolution set out at Item Nos. 6 for approval by the Members of the Company.

### **Item No. 7**

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, 2019 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, 2019 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, 2019 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 Mediciam 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 of upto ₹260 lacs or such other sum 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, perquisites and performance bonus 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.**

a) Financial performance based on given indicators:

Audited Standalone Financial Statements for the Year ended March 31, 2019:

(₹ in Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Income from Operations and other Income	1,110.60	899.42
Operating Profit (before interest, depreciation & tax)	381.46	313.64
Profit / (Loss) before Tax	274.70	325.61
Profit / (Loss) after Tax (Total Comprehensive Income)	179.69	332.16

(₹ in Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Income from Operations and other Income	4,694.90	2,402.47
Operating Profit (before interest, depreciation & tax)	2,358.91	1,627.12
Profit / (Loss) before Tax	2,165.19	1,715.00
Profit / (Loss) after Tax (Total Comprehensive Income)	1,640.52	1,414.80

b) 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, 2019, March 31, 2018 and March 31, 2017, the Company has paid ₹251.05 lacs, ₹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.

- a) Disclosures in the Board of Directors' Report under the heading "Corporate Governance" included in Annual Report 2018-19:

The requisite details of remuneration etc. of Directors are included in the Corporate Governance Report, forming part of the Annual Report of F.Y. 2018-19 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. 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.

Registered Office:  
1109/1110, Maker Chamber V,  
Nariman Point, Mumbai 400021  
CIN: L67120MH1982PLC026724  
Email: prime@primesec.com  
Website: www.primesec.com  
August 14, 2019

By Order of the Board of Directors

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

**Details of Director seeking Appointment / Re-appointment at 36<sup>th</sup> 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 (*) (Executive Director)	Ms. Smita Affinwalla (Non-Executive and Independent Director)	Ms. Namrata Kaul (Non-Executive and Independent Director)	Mr. Akshay Gupta (Non-Executive and Non-Independent Director)
Director Identification Number (DIN)	03096740	07106628	00994532	01272080
Date of Birth	August 7, 1959	November 4, 1962	March 15, 1964	August 7, 1959
Date of First Appointment	January 25, 2011	February 14, 2019	February 14 2019	August 14, 2019
Qualifications	B. Tech. (Chemical Engineering), IIT Delhi, PGDM, IIM-Ahmedabad	BA in Economics (Mumbai), MBA (Finance) from Jamnalal Bajaj Institute of Management	Post Graduate from IIM Ahmedabad, Chevening scholarship on Leadership from London School of Economics.	B.E Electronics and Communication from University of Delhi and FMS – Marketing and Finance from FMS Delhi
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.	Ms. Smita Affinwalla is a Founder and Managing Director of Illuminos Consulting Private Limited (business associate of Cerebyte Inc. in India and the Middle East), a consulting firm focused on the areas of Leadership Evaluation and Development, Talent Management, Succession and Strategic HR. Her career of over 30 years has been divided between the Financial Services Industry and HR. She has set up and grown businesses both in the Retail as well as Wholesale sectors and has been helping her clients to structure and raise capital, through both debt and equity instruments. She is a seasoned HR professional and has helped leading organisations build their human capital both as a Consultant and leading the HR function in major organisations. Prior to founding Illuminos, she was Head of Consulting for Development Dimensions International (DDI) India, the Group Director HR for Motilal Oswal Financial Services Group. She was also Director on the Board of SICOM Limited.	Ms. Namrata Kaul has over 30 years of experience in banking and finance, spanning across corporate and investment banking, global markets and treasury functions. She has served as the Managing Director, Corporate and Investment Banking at Deutsche Bank AG, responsible for business management and client coverage. Prior to that she was Head of Asia Business for Deutsche Bank based out of London, engaged in a multi country interface. She has been involved in developing the strategy roadmap for Deutsche Bank India as part of the India Board and was instrumental in defining and executing the Asia Focus strategy for the EMEA business. She had earlier worked with ANZ Grindlays Bank in various leadership roles across Treasury, Corporate Banking, Debt Capital Market and Corporate Finance. She is a Member of the Supervisory Board of CARE International, Switzerland and serves as an Independent Director on the Board of Vivriti Capital and Bhopal Smart City Corporation.	Mr. Akshay Gupta has more than 21 years of experience in Banking, Asset Management and Capital Markets with the last 14 years of experience in the Asset Management Industry in India. Prior to Prime, he was working with Indiabulls as the Group Executive Head & CEO-Asset Management and other fee income businesses. He was associated with Peerless Asset Management as MD & CEO for more than 6 yrs, wherein he led the initiative to setup a new AMC and made it one of the fastest growing new AMCs in India. He worked with ICICI Prudential Asset Management Company from 2002- 2007 as a Business Head and was part of the Senior Management team that made it the largest and most successful AMC at that time. Prior to joining the AMC industry, Mr. Akshay Gupta was a Banker having worked in ABN AMRO Bank and HSBC working in capital markets and assets. He has also written and published thought leadership papers and articles on capital markets and asset management.

Name of Director	Mr. S. R. Sharma (*) (Executive Director)	Ms. Smita Affinwalla (Non-Executive and Independent Director)	Ms. Namrata Kaul (Non-Executive and Independent Director)	Mr. Akshay Gupta (Non-Executive and Non-Independent Director)
Number of Meetings of the Board attended during the year	Three	One #	None #	None \$
Directorship held in other Public Companies (excluding Foreign Companies and Section 8 Companies)	<ul style="list-style-type: none"> <li>• Primesec Investments Limited</li> <li>• Asia Bio Energy (India) Limited</li> <li>• Gateway Entertainment Limited</li> </ul>	<ul style="list-style-type: none"> <li>• HDB Financial Services Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Bhopal Smart City Development Corporation Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Primesec Research &amp; Advisory Limited</li> <li>• Prime Funds Management Limited</li> </ul>
Memberships / Chairmanships of Committees of other Companies (includes only Audit Committee and Stakeholder Relationship Committee)	None	None	None	None
Inter-se relationship with other Directors and Key Managerial Personnel	Nil	Nil	Nil	Nil
Shareholding in the Company	1,000 Shares	Nil	Nil	4,01,990 Equity Shares representing 1.52% of the Total Shareholding

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

# Inducted as Directors w.e.f. February 14, 2019

\$ Inducted as Directors w.e.f. August 14, 2019

For other details such as Number of Board Meetings attended during the Financial Year 2018-19 and the Remuneration drawn by the above Directors, please refer to the Corporate Governance Report forming part of this Annual Report.