

## RESOLUTIONS

### ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Audited Balance Sheet as at March 31, 2020 and Statement of Profit & Loss and the Cash Flow Statement for the year ended as on that date together with Report of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Muthukumar Kottarakurichi Rajamani (DIN-07595612), who retires by rotation in the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

**1. RE-APPOINTMENT AND REVISION IN THE REMUNERATION OF MR. DONAKAL SREEPATHI (DIN 00958235) AS A WHOLE-TIME DIRECTOR OF THE COMPANY:**

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

**“RESOLVED THAT**, pursuant to the provisions of section 152, 196, 197 and 198 read with Schedule V and all other applicable provisions if any, of Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, (including any statutory modification(s) or re-enactments thereof for the time being in force) and in terms of Articles of Association of the Company, consent of the Company be and is hereby accorded for re-appointment and revision in the remuneration of Mr. Donakal Sreepathi (DIN - 00958235), as a Whole-time Director of the Company for a further period of 6 months (Retirement on 30-04-2021) with effect from 1<sup>st</sup> November, 2020 on the following terms and conditions as set out herein below:

- I. a) Basic Salary - Rs. 40,841/- per month.  
b) Flexible Benefit Plan of Rs. 1, 21,378/- per month.  
c) Performance based variable pay on the performance achieved as per the individual goals and objective set by the management subject to a maximum of Rs. 5,07,250/-.
- II. Perquisites, benefits etc.:  
a) Provident fund - Companies Contribution to the extent of 12% of Basic Salary and applicable Act.  
b) Gratuity and Leave encashment as per rules of the Company and applicable Act.
- III. General:

- a) The Whole-time Director will perform his duty as such with regards to all work of the Company and he will manage and attend to such business and carry out orders and directions given by the Board from time-to-time in all respects and confirm to and comply with all such directions and regulations as may from time-to-time be given and made by the Board.
- b) The Whole-time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regards to duties of Directors.
- c) The Whole-time Director shall satisfy all the conditions set out in Part I of schedule V to the Act and also conditions set out under Sub-Section (3) of Section 196 of the Act for being eligible for his re-appointment.
- d) Mr. D. Sreepathi shall not be liable to retire by rotation unless any of the provisions of the Act requires his retirement by rotation during his tenure as a Whole-time Director.

He is not disqualified from being appointed as Whole-time Director in terms of Section 164 of the Act.

**RESOLVED FURTHER THAT**, in the absence of or inadequacy of net profit in any financial year remuneration payable to Mr. D. Sreepathi shall be governed by Section - II of the Part – II of Schedule V of the Act or any statutory modification thereof as in force from time to time

**RESOLVED FURTHER THAT** the aforesaid terms shall be deemed to be extract of the terms and conditions of the contract of employment between the Company and Mr. D Sreepathi pursuant to Section 190 of the Companies Act, 2013

**RESOLVED FURTHER THAT** Mr. D Sreepathi shall not be paid any sitting fees for attending the meetings of the Board or Committees, if any as long as he holds the office of Whole-time Director

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (“THE ACT”)**

**ITEM NO. 3: RE-APPOINTMENT AND REVISION IN THE REMUNERATION OF MR. DONAKAL SREEPATHI (DIN00958235) AS A WHOLE-TIME DIRECTOR OF THE COMPANY**

**1. THE NATURE OF CONCERN OR INTEREST, FINANCIAL OR OTHERWISE IN RESPECT OF EACH ITEMS IF ANY OF-**

- a) EVERY DIRECTOR AND MANAGER – The shareholding of the Directors in the equity share capital of the Company is as given under:

Name of the Director- Mr. D Sreepathi  
No. of Shares- 200  
Shareholding percentage- 0.01%

- b) EVERY OTHER KEY MANAGERIAL PERSONNEL –NIL

- c) RELATIVES OF THE PERSON MENTIONED IN (I) & (II) – NIL

**2. ANY OTHER INFORMATION AND FACTS THAT MAY ENABLE MEMBERS TO UNDERSTAND THE MEANING, SCOPE AND IMPLICATIONS OF THE ITEMS OF BUSINESS AND TO TAKE DECISION THEREON.**

Mr. Donakal Sreepathi has been serving as a Whole time Director of the company since 01/11/2004 and has been discharging the responsibilities diligently. Pursuant to the provisions of section 196, 197 and 198 read with Part I and Part II of schedule V and all other applicable provisions, if any, of the Companies Act 2013 (“the Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and in terms of Articles of Association of the Company, consent of the shareholders is sought for reappointment and revision in the remuneration of Mr. D Sreepathi (DIN: 00958235) as Whole- Time Director of the Company for a further period of 6 months (Retirement on 30-04-2021) with effect from 1<sup>st</sup> November, 2020.

In view of the provision of Section 197 and Section II of Part II of Schedule V of the Companies Act, 2013 where in any financial year during the currency of tenure of a managerial person, a Company has no profit or its profit are inadequate the appointment of a person as managerial personnel is to be approved by the members of the Company.

In case of no profit or inadequacy of profit or loss in any of the financial year during the continuation of the terms of appointment of Mr. D Sreepathi, the remuneration payable to him would be deemed to be minimum remuneration and no further approval would be required.

**A Statement as per Schedule V in respect of re-appointment of Mr. D Sreepathi as Whole-time Director of the Company is annexed hereto which forms part of this explanatory statement.**

The Board recommends the special resolution as set forth in item no. 3 for the approval of the members of the Company.

**3. WHERE ANY ITEM OF BUSINESS REFERS TO ANY DOCUMENT WHICH IS TO BE CONSIDERED, TIME AND PLACE WHERE SUCH DOCUMENT CAN BE INSPECTED SHALL BE SPECIFIED.**

Documents relating to this resolution and the approval are maintained at the registered office of the Company and are open for inspection during office hours.

### ANNEXURE TO NOTICE OF AGM

#### **A. Details of the Directors seeking appointment/ re-appointment in forthcoming Annual General Meeting in pursuance to Secretarial Standard 2 issued by the Institute of Company Secretaries of India**

<b>Sl. No.</b>	<b>Particulars/ Name of the Director</b>	<b>Mr. Donakal Sreepathi</b>	<b>Mr. Muthukumar Kottarakurichi Rajamani</b>
1	DIN	00958235	07595612
2	Date of Birth and Age	15/04/1961, 59 years	25/05/1963, 57 years
3	Nationality	Indian	Indian
4	Date of appointment on Board	01/11/2004	29/09/2016
5	Terms & Condition of appointment/ re-appointment	As detailed in the AGM Notice	N.A.
6	Remuneration proposed	As detailed in the AGM Notice	N.A.
7	Remuneration last drawn	Rs. 2,369,760 p.a.	N.A.
8	No. of shares held in the Company	200	Nil
9	Qualification & Expertise in specific functional area	B.Com., F.C.A.	M.Com., ACMA. 15 years of experience in the capital market activities.
10	No. of Board Meetings Attended during the F.Y. 2019-20	6	4
11	List of other Companies in which Directorships held as on 31st March, 2020	Nil	1. MEDIBIMB LIFESCIENCES PRIVATE LIMITED
12	Chairman/ Member of the Committee of the Board of other Companies in which he/she is a Director as on 31st March, 2020	Nil	Nil
13	Disclosure of relationship between Directors, Managers and Key Managerial Personnel interse	Nil	Nil

#### **B. Statement as per Schedule V of the Companies Act, 2013 in respect of**

## remuneration payable by the Company having no profits or in adequate profits

### I. General Information:

- 1) Nature of industry: The Company is a stock broking Company and a corporate member of National Stock Exchange of India Limited, The Bombay Stock Exchange Limited and the Metropolitan Stock Exchange of India Limited
- 2) Date or expected date of commencement of commercial production: Not Applicable as it is an existing Company since 1995.
- 3) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.
- 4) Financial performance based on given indicators:

(Rupees in Lakhs)

	31.03.2020	31.03.2019	31.03.2018
Turnover (Gross) :	56.94	103.40	135.93
Net Profit/(Loss) :	(30.82)	(1.61)	(1.97)

*\*Represent figures calculated under Ind AS provisions.*

- 5) Foreign investments or collaborations, if any: No investment is made by the Company during F.Y.2019-20.

### II. Information about the appointee

<b>Name of the appointee</b>	<b>Mr. D Sreepathi</b>
Background details :	Mr. D Sreepathi, age 59 years, is a B.Com., F.C.A.
Past remuneration (Rs. in Lakhs):	Rs. 23,69,760/- p.a.
Recognition or awards :	Not Applicable
Job profile and his suitability :	Mr. D Sreepathi is a compliance officer and his experience and qualification is suitable for the position.
Remuneration proposed :	As provided in the notice
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person :	The Board is of the opinion that the proposed remuneration is commensurate with his role and responsibility as the Whole-time

	Director of the Company.
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any :	Not Applicable

**III. Other information:**

- i) Reasons of loss or inadequate profits: The current business environment for securities broking is very tough and it does not allow the company to increase profitability that may compensate the large number of shareholders by regular dividend payout or offer capital appreciation.
- ii) Steps taken or proposed to be taken for improvement : The Capital Markets would be volatile and as such may not be favorable to trend traders. This will affect the trading volumes and as such earnings from brokerage on equities in the coming financial year as well. Your Company will strive hard to offer various investment products and ways to improve/preserve the earnings efficiency and performance.
- iii) Expected increase in productivity and profitability in measurable terms : Not applicable for stock broking industry.

**IV. Disclosures :**

The requisite disclosure with respect to Mr. D Sreepathi has been set out in item no. 3 of the Explanatory Statement annexed to the notice convening this meeting.