



B. N. RATHI
SECURITIES LIMITED

36th Annual Report
2021-2022

CORPORATE INFORMATION**BOARD OF DIRECTORS**

Mr. Laxminiwas Sharma	Non-Executive& Independent Director, Chairman (DIN: 00010899)
Mr. K. Harishchandra Prasad	Non-Executive& Independent Director (DIN: 00012564)
Mrs. Shanti Sree Bolleni	Non-Executive& Independent Director (DIN:07092258)
Mr. Hari Narayan Rathi	Managing Director (DIN: 00010968)
Mr. Chetan Rathi	Executive Director cum CFO (DIN: 00536441)

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Gadila Sabitha Reddy

REGISTERED OFFICE

6-3-652, IV Floor, Kautilya,
Amrutha Estates, Somajiguda,
Hyderabad, Telangana - 500 082.
Ph. No. 040-40527777,
Fax : 40526283

STATUTORY AUDITORS

M/s. Seshachalam & Co.,
Chartered Accountants
1-11-256, Street No.1,
Wall Street Plaza, 6th Floor,
Lane Adjacent to Begumpet Airport
Begumpet, Hyderabad - 500016.

SECRETARIAL AUDITORS

M/s. S.S. Reddy & Associates
Practicing Company Secretaries
Plot No.8-2-603/23/3 & 8-2-603/23, 15,
2nd Floor, HSR Summit, Banjara Hills, Road No. 10, Hyderabad-500 034.

BANKERS

ICICI Bank Ltd.
HDFC Bank Ltd.
State Bank of India
IndusInd Bank Ltd.
AXIS Bank

AUDIT COMMITTEE

Mr. Laxminiwas Sharma	-	Chairman
Mr. K. Harishchandra Prasad	-	Member
Mrs. Shanti Sree Bolleni	-	Member
Mr. Hari Narayan Rathi	-	Member

NOMINATION & REMUNERATION COMMITTEE

Mr. K. Harishchandra Prasad	-	Chairman
Mr. Laxminiwas Sharma	-	Member
Mrs. Shanti Sree Bolleni	-	Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mrs. Shanti Sree Bolleni	-	Chairperson
Mr. Laxminiwas Sharma	-	Member
Mr. K. Harishchandra Prasad	-	Member
Mr. Chetan Rathi	-	Member

RISK MANAGEMENT COMMITTEE

Mr. K. Harishchandra Prasad	-	Chairman
Mrs. Shanti Sree Bolleni	-	Member
Mr. Chetan Rathi	-	Member

INDEPENDENT DIRECTORS

Mr. Laxminiwas Sharma
Mr. K. Harishchandra Prasad
Mrs. Shanti Sree Bolleni

REGISTRAR & SHARE TRANSFER AGENTS

M/s. KFIN Technologies Limited,
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad - 500 032.
Toll free No. 1800 309 4001

LISTED AT	: BSE Limited
DEMAT ISIN NUMBER IN NSDL & CDSL	: INE710D01010
WEBSITE	: www.bnrsecurities.com
INVESTOR E-MAIL ID	: investorgrievances@bnrsecurities.com
CORPORATE IDENTITY NUMBER	: L65993TG1985PLC005838

NOTICE

Notice is hereby given that the 36th Annual General Meeting of the members of B.N. Rathi Securities Limited will be held on Friday 22nd July, 2022 at 10.00 A.M. through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31st, 2022, the Statement of Profit & Loss and Cash Flow Statement (including the consolidated financial statements) for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To declare dividend of 10% i.e, Re.1.00/- on equity shares for the financial year ended 31st March 2022.
3. To appoint a director in place of Mr. Chetan Rathi (DIN: 00536441) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. TO APPROVE CONTINUATION OF MR.HARI NARAYAN RATHI (DIN:00010968) AS A MANAGING DIRECTOR:

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

"RESOLVED THAT pursuant to Regulation 196(3) of the Companies Act 2013 and other applicable provisions and relevant Rules made there under, including any statutory modification(s) or re-enactment thereof, for the time being in force and Articles of Association of the Company, consent of the Members be and is hereby accorded for continuation of holding of office by Mr. Hari Narayan Rathi, Managing Director who shall attain the age of 70 years in the year 2023.

RESOLVED FURTHER THAT Mr. Chetan Rathi, Whole-Time Director be and is hereby authorized to do all such deeds necessary and incidental thereto including filing of requisite forms with Registrar of Companies, Telangana, Hyderabad."

5. TO APPROVE 'B.N. RATHI SECURITIES EMPLOYEE STOCK OPTION SCHEME 2022':

To consider, and if thought fit, to pass, with or without modifications, the following resolutions as Special Resolution:

"RESOLVED THAT pursuant to section 62(1)(b) of the Companies Act, 2013 read with rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions of the Companies Act, 2013, including any statutory modification or re-enactment thereof, for the time being in force and subject to Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ["SEBI (SBEBSE) Regulations"], the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [all together referred to as

“Applicable Law”], the Memorandum and Articles of Association of the Company and subject to such approvals, permissions, sanctions and subject to such conditions and modifications as may be prescribed or imposed by the above authorities while granting such approval, permissions and sanctions, and which may be agreed to and accepted by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall include Nomination and Remuneration Committee of the Board herein after referred to as “the Committee”), approval of the members be and is hereby accorded to the Board/Committee of Directors to grant, offer and issue, in one or more tranches, to such permanent employees* as mentioned below (including joining employees) of the Company whether working in India or out of India and directors of the company whether whole-time directors or otherwise excluding Independent Directors (hereinafter collectively referred as the “Employees”) who are eligible to participate as per the Regulations and as may be decided by the Board/ Committee, under a plan titled “B.N. Rathi Securities Employee Stock Option Scheme 2022” (“ESOP 2022”/ “Scheme”) (hereinafter referred to as “the Scheme”) the salient features of which are detailed in the explanatory statement, such number of options which could rise to the issue of equity shares of the Company not exceeding 15,00,000 (Fifteen Lakhs Only) equity shares at such price and on such terms and conditions as may be determined by the Board/Committee in accordance with the SEBI (SBEBSE) Regulations/ Guidelines or any other applicable provisions as may be prevailing at that time, if any.

RESOLVED FURTHER THAT the options or equity shares shall be allotted in accordance with the Scheme directly to eligible employees of B.N. Rathi Securities Limited.

***Employee -**

- (i) a permanent employee as designated by the company, who is exclusively working in India or outside India; or
- (ii) a director of the company, whether a whole time director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director; or
- (iii) an employee as defined in sub-clauses (i) or (ii), of a group company including subsidiary or its associate company, in India or outside India, or of a holding company of the company, but does not include—
 - (a) an employee who is a promoter or a person belonging to the promoter group; or
 - (b) a director who, either himself or through his relative or through anybody corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the company;

RESOLVED FURTHER THAT in case of any corporate action(s) such as sub-division, consolidation of shares, rights issues, bonus issues, reorganisation of capital structure of the Company and others, if there is any change in the total number of paid-up equity shares, then the above ceiling of equity shares and the exercise price payable by the Employees shall be deemed to be increased or decreased in line with such change in total paid-up equity shares and/or face value thereof.

RESOLVED FURTHER THAT the Board of Directors may authorise Nomination & Remuneration Committee (“Committee”), to formulate, evolve, decide upon and bring into

effect ESOP 2022, on such terms and conditions as contained in relevant explanatory statement and to make any change(s), modifications, variations, revisions in the terms and conditions of the ESOP 2022 from time to time.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under Regulation 15 of the SEBI (SBEBSE) Regulations.

RESOLVED FURTHER THAT any new equity shares to be issued and allotted as aforesaid shall rank pari-passu inter-se with the then existing equity shares of the Company in all respects including payment of dividend.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the equity shares allotted under B.N. Rathi Securities Employee Stock Option Scheme 2022 on the Stock Exchanges where the shares of the Company are listed as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, the Guidelines and other applicable laws and regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board/ Committee be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper including to appoint Merchant Bankers, Solicitors, Registrars and other advisors, Consultants or Representatives, being incidental to the effective implementation and administration of B.N. Rathi Securities Employee Stock Option Scheme 2022 and to settle any questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of securities without requiring the Board to secure any further consent or approval of the shareholders of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby also authorized to nominate and appoint one or more persons to represent the Company for carrying out any or all of the activities that the Board / Committee is authorized to do so for the purpose of giving effect to this resolution.”

6. To approve extending benefits of Employee Stock Option Scheme to the employees of Group Company(ies), Subsidiary, Associate and/or Holding Company(ies).

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(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 [“SEBI (SBEBSE) Regulations”], the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred as “Applicable Laws”), the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary from any other authorities, if any, and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall include the Nomination &

Remuneration Committee or any other Committee, to exercise its powers, including the powers conferred by this Resolution and SEBI (SBEBSE) Regulations to grant, offer and issue, in one or more tranches, to such eligible employees of the Group Company(ies), Subsidiary, Associate and/or Holding Company(ies) of the Company, who are eligible to participate as per the Applicable Laws and as may be decided by the Board/ Committee, under a scheme titled B.N. Rathi Securities Employee Stock Option Scheme 2022 (referred to as “ESOP 2022”/ “Scheme”) the salient features of which are detailed in explanatory statement, such number of options which could rise to the grant of equity shares of the Company, not exceeding 15,00,000 (Fifteen Lakhs Only) equity shares (including equity shares allotted to the employees of the Company) in aggregate at such price and on such terms and conditions as may be determined by the Board/Committee in accordance with the Applicable Law as may be prevailing from time to time.”

**For and on behalf of the Board
B.N. Rathi Securities Limited**

**Place : Hyderabad
Date : 18.05.2022**

**Sd/-
Laxminiwas Sharma
Chairman
DIN: 00010899**

ANNEXURE TO NOTICE**EXPLANATORY STATEMENT TO SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****FOR ITEM NO: -4****CONTINUATION OF SHRI HARI NARAYAN RATHI (DIN:00010968) AS MANAGING DIRECTOR UPON ATTAINING AGE OF SEVENTY YEARS**

The Shareholders of the Company at the 35th Annual General Meeting held on 11th August, 2021 approved reappointment of Shri. Hari Narayan Rathi (DIN: 00010968) as a Managing Director of the Company for a period 3 years effective from 01 October, 2021 to 30th September, 2024 under the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof) read with Schedule-V of the Companies Act, 2013 and Articles of Association of the Company.

Shri. Hari Narayan Rathi, Managing Director will attain the age of 70 years on 22nd November, 2023. Based on the recommendations of the Nomination and Remuneration Committee the Board of directors of the Company at their meeting held on May 18th, 2022 approved the continuation of term of Shri Hari Narayan Rathi as Managing Director, upon attaining the age of 70 years subject to the approval of shareholders in the ensuing general meeting. The Company seeks consent of the members by way of special resolution for continuation of their holding of existing office after the age of 70 years during the currency of his term of appointment under the provisions of Section 196 (3) (a) of the Companies Act, 2013.

The Details required under Regulations 36(3) of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard -2 enclosed as an Annexure to the notice

Save and except Mr. Hari Narayan Rathi (DIN: 00010968) Managing Director and Mr. Chetan Rathi, (DIN:00536441) Executive Director being his relative, none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

FOR ITEM NO:- 5&6**TO APPROVE 'B.N. RATHI SECURITIES EMPLOYEE STOCK OPTION SCHEME 2022':**

B.N. Rathi Securities Limited ("the company") acknowledges that its growth may be attributed to the direction and contributions of the employees and would therefore like to provide them the option to participate and share in the wealth created similar to other stakeholders i.e., clients, investors, governments, and society. As a gesture aligned to this objective, an Employee Stock Option Scheme shall be implemented:

- a. To promote success of the Company by rewarding and motivating the employees;
- b. To attract and retain talents;
- c. To link interests of employees with Shareholders;
- d. To foster ownership; and
- e. To reward for loyalty.

Given the objectives, the Company proposes to implement an employee stock option scheme, namely the **‘B.N. Rathi Securities Employee Stock Option Scheme 2022 (“ESOP 2022”/ “Scheme”)**.

In terms of Section 62(1)(b) of the Companies Act, 2013 read with Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, [SEBI (SBEB) Regulations, 2021] the Company seeks your approval for implementation of the Scheme and grant options thereunder to the eligible employees.

Features of the proposed Scheme are specified under:

a) Brief description of the Scheme:

The Scheme seeks to reward eligible employees by way of granting options, which when exercisable results in equivalent equity shares of the Company, with a view to reward their association and loyalty which has resulted in corporate growth and value creation over a long period of time. The Scheme shall also be instrumental in making such eligible employees as co-owners with appropriate vesting period, which would motivate them for ensuring higher corporate growth and creation of value for all stakeholders.

The Company shall issue options to the eligible employees, which may be accepted by them within the grant period. Upon acceptance of the offer, the eligible employees shall be required to satisfy the vesting conditions specified in the ESOP 2022 and make payment of the exercise price and applicable taxes within the exercise period

The Nomination and Remuneration Committee or any other empowered committee of the Board of Directors of the Company, as constituted or reconstituted, shall act as the Compensation Committee (“Committee”) for the superintendence and undertaking the general administration of the Scheme. All questions of interpretation of the Scheme shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the Scheme.

b) Total number of Options/ Shares to be granted:

The maximum number of options to be granted shall not exceed 15,00,000 (Fifteen Lakhs) employee stock options.

As per the SEBI (SBEB) Regulations, 2021 in case of any corporate action(s) such as sub division, consolidation of shares, rights issues, bonus issues, reorganisation of capital structure of the Company and others, the Committee shall adjust the number of shares available for offer and purchase price payable by the eligible employees in such a manner that the total value of shares available for offer remain the same after any such corporate action(s).

c) Identification of classes of employees entitled to participate and be Beneficiaries in the Scheme:

The following classes of employees (“Employees”), subject to their selection as per eligibility criteria, as may be decided by the Committee, shall be entitled to participate in the Scheme:

- an employee as designated by the Company, exclusively working in India or out of India; or
- a Director of the Company, whether a whole time Director or not, including a non-executive

director who is not a promoter or member of the promoter group, but excluding an Independent Director; or

- an employee as defined in sub-Clause (a) and (b) above of a group company including subsidiary or its associate company, in India or outside India or of a holding company of the Company, but does not include:
 - i. an employee who is a Promoter or a person belonging to the Promoter Group; or
 - ii. a director who either himself or through his Relative or through anybody corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company.

d) Requirements of vesting and period of vesting:

There would be a minimum vesting period of one year from the date of grant.

The options granted under the Scheme shall vest in one or more tranches commencing from completion of 1st year from the date of grant of options, unless otherwise specified by the Nomination and Remuneration Committee. In any event, the vesting period shall not be less than 1 year and not more than 5 years from the date of grant of options. Vesting may happen in one or more tranches. The Vesting schedule as decided will be stipulated in the Option letter to be issued to Individual employees.

e) Maximum period within which the units shall be vested:

The maximum period within which the vested options shall be exercised is 5 years from the date of grant.

f) Exercise price or pricing formula:

The price payable by the employee for exercising the Option granted under the Scheme is the price as may be decided by the Nomination and Remuneration Committee from time to time. However the Exercise Price shall not be less than the par value of the Equity Share and shall not exceed market price of the equity share of the Company as on date of grant of Option which may be decided by the Committee.

g) Exercise period/offer period, and process of exercise/ acceptance of Shares:

It is the time period after vesting within which an employee can exercise his/her right to apply for shares against the vested option in pursuance of the scheme.

All Vested Options shall be respectively exercised in one or more tranches within a period of 5 years from the respective dates of Vesting, failing which the Options shall lapse.

Provided however, that in case of cessation of employment, the Vested Options shall lapse/ be exercised in accordance with the provisions of the scheme.

Once the offer is made, the eligible Employee who intends to participate in the Scheme shall be required to accept such offer within the offer period or the extended offer period, as the case may be. The offer shall lapse and shall be cancelled in case an eligible Employee fails to submit the acceptance of the offer before the closure of the offer period or extended offer period.

The eligible Employee shall submit the acceptance of the offer along such other documents as may be required under the Scheme to the Company in such form as may be prescribed.