

## **NOTICE OF 4<sup>TH</sup> EXTRA-ORDINARY GENERAL MEETING**

Notice is hereby given that the 4<sup>th</sup> Extra-Ordinary General Meeting of the Members of India SME Asset Reconstruction Company Limited will be held through Video Conference (VC) on Monday, February 27, 2023 at 11.30 a.m. to transact the business stated herein:

### **Special Business:**

#### **Item No.1**

### **Appointment of Shri Sunil S. Mirashi as Managing Director and Chief Executive Officer of the Company**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203, Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (Act) read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force) or any other applicable laws, rules, regulations etc. for the time being in force, approval of Reserve Bank of India (RBI) as per the provisions of Section 3(6) of SARFAESI Act, 2002, in accordance with the Articles of Association of the Company and approval of Board of Directors of the Company, consent of the members be and is hereby accorded to appoint Shri Sunil S. Mirashi (DIN No.09732178) as Managing Director and Chief Executive Officer (CEO) of the Company for the period of 1 (one) year with effect from December 02, 2022, on the terms and conditions including remuneration set out in the explanatory statement annexed to the Notice convening this Meeting.”

“**RESOLVED FURTHER THAT** the Board of Directors (hereinafter referred to as “Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers including powers conferred by this resolution) be and is hereby authorized to alter and vary the terms and conditions including remuneration of the said appointment as may be agreed to between the Board and Shri Mirashi provided that such variation, as the case may be, is within the overall limits as specified under the relevant provisions of the Companies Act, 2013 or any amendments thereto.”

“**RESOLVED FURTHER THAT** any one of the Directors or CFO or CS of the Company be and are hereby severally authorized to file necessary e-forms with Ministry of Corporate Affairs and to do all such act, deed, things as may be necessary on behalf of the Board and to give effect to aforesaid resolution.”

**Item No.2****Amendment in the Articles of Association of the Company**

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

“**RESOLVED THAT** pursuant to the section 5 and 14 read with the Companies (Incorporation) Rules 2014 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification (s) or re-enactment thereof, for the time being in force) and as approved by the Board of Directors, the amendments/ substitutions/ revisions set out below and as submitted to this meeting for the purpose of identification, be and are hereby approved and adopted.”

<b>Article No.</b>	<b>Existing Clause</b>	<b>Proposed substitution/revision</b>
138(ii)(c)	The Chairperson of the Board of SIDBI or in his / her absence any Whole Time Director / any Senior Executive authorized by SIDBI will be Chairperson of the company and its Board of Directors.	The Chairperson of the Board shall be an Independent Director elected by the Board.

**RESOLVED FURTHER THAT** MD&CEO or CFO or CS of the Company be and are hereby severally authorized to file necessary e-forms with Ministry of Corporate Affairs and to do all such act, deed, things as may be necessary to give effect to aforesaid resolution.”

**By order of the Board of Directors  
India SME Asset Reconstruction Company Limited**

**(Ketki Muzumdar)  
Company Secretary  
M.No.A30638**

**Place: Mumbai**

**Date: February 03, 2023**

**Registered Office:**

Swavalamban Bhavan, C – 11, G Block  
Bandra Kurla Complex, Bandra (East),  
Mumbai - 400051

**Notes:-**

1. In accordance with the Ministry of Corporate Affairs, (“MCA”) General Circulars Nos. 14/2020 dated April 8, 2020, 3/2022 dated May 5, 2022 and 11/2022 dated December 28, 2022, respectively, (“the MCA Circulars”) the EGM will be held without the physical presence of the Members at a common venue and Members can attend and participate in the EGM. Further, in accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India (“ICSI”) read with Guidance/Clarification dated April 15, 2020 issued by ICSI, the proceedings of the EGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the EGM. In terms of the MCA circulars, the Members are requested to take note of the following:
  - a) Notice convening the EGM of the Company is being sent only by email to those Members who have registered their email address with the Company and have also been uploaded on the website of the Company viz [www.isarc.in](http://www.isarc.in)
  - b) Since the EGM is being held through VC, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies by Members is not available and as such the Proxy Form and Attendance Slip are not annexed to this Notice.
  - c) Pursuant to the relevant Circular, representatives of the Members may be appointed for the purpose of participation and voting in EGM. Corporate Members intending to authorize their representatives to attend the EGM are requested to email the same to [cs@isarc.in](mailto:cs@isarc.in), along with certified true copy of the latest Board Resolution or Power of Attorney, authorizing their representative to participate and vote at the EGM, on their behalf.
  - d) All the documents referred to in this Notice and the Statutory Registers, will be made available for inspection by the Company and as such the Members are requested to send an email to [cs@isarc.in](mailto:cs@isarc.in).
  - e) Members are requested to send their queries, if any, to the Company Secretary at the designated email address i.e. [cs@isarc.in](mailto:cs@isarc.in)., not less than 2 days before the date of Meeting, so that the requisite information/ explanations can be provided in time.
  - f) Details for attending the EGM through VC will be shared with the members separately.
  - g) Attendance of Members at the EGM through VC shall be counted for the purpose of reckoning the quorum, under the provisions of Section 103 of the Act read with the relevant Circulars.

- h) Since the EGM is being held through VC, the route map for the EGM venue, is not attached.
- i) Members may contact the Company for conveying grievances, if any, relating to the conduct of the EGM, at the registered office address or at the designated email address i.e. [cs@isarc.in](mailto:cs@isarc.in).

**By order of the Board of Directors  
India SME Asset Reconstruction Company Limited**

**(Ketki Muzumdar)  
Company Secretary  
M.No.A30638**

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**Explanatory Statements  
(As required pursuant to the provisions of Section 102 of the Act)**

The following Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013 (“Act”), sets out all material facts relating to the business mentioned in the accompanying Notice dated February 03, 2023:

**Item No.1**

The members are informed that Board in its 68<sup>th</sup> meeting held on September 05, 2022 approved the appointment of Shri Sunil S. Mirashi as Managing Director and Chief Executive Officer (MD&CEO) subject to approval of RBI and approval of shareholders on the terms and conditions as mentioned below:

**1. Term and Remuneration:**

As per the recommendation of Board, RBI vide letter DoR.HGG.GOV.No./S5589/18-03-001/2022-23 dated December 02, 2022, have approved his appointment for a period of one year effective from the date of letter. The Compensation package on CTC basis would be Rs.45 lakh per annum (fixed salary). The break-up of CTC is furnished below:

<b>Salary Components</b>	<b>Monthly (in Rs.)</b>	<b>Annually (in Rs.)</b>
Basic	1,66,667/-	20,00,000/-
HRA	89,583/-	10,75,000/-
LTA	18,750/-	2,25,000/-
Special Allowance	1,00,000/-	12,00,000/-
<b>Total</b>	<b>3,75,000/-</b>	<b>45,00,000/-</b>

**2. Performance incentive:**

Upto 30% of CTC, subject to target-based performance, as decided by the Board.

**3. Leave & Leave Encashment:**

<b>Type of leave</b>	<b>Entitlement</b>	<b>Accumulation Limit</b>	<b>Whether encashable</b>
Casual	8 days in a calendar year	Nil	No
Earned (Ordinary)	1 calendar month after completion of each year of active service	10 months	Yes
Medical	12 days of each completed year of active service	60 days	No

Leave Encashment	<ol style="list-style-type: none"><li>1. He may encash balance unavailed Earned leave to his credit at the time of leaving the organization.</li><li>2. Only fixed pay component of the salary will be reckoned for computation of leave encashment.</li></ol>
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**4. Traveling Allowance:**

He will be entitled to reimbursement of single fare of the class of accommodation actually used but not exceeding the fare of Economy Class for air journey and highest class for Rail/Steamer for each single journey undertaken for official purpose.

**5. Boarding and lodging expenses**

He will be entitled to accommodation in hotel other than five-star hotels (single room occupancy only) while on tour for official purposes and the expenses for the same shall be borne by the Company. In addition, the company shall pay a sum of ~1800/- per diem in metro cities (Mumbai, New Delhi, Chennai, Kolkata, Bangalore and Hyderabad) and ~1500/- per diem in other cities for boarding expenses. However, as far as possible, he may avail of Visiting Officers Flat facilities of SIDBI wherever available. If he does not stay in a hotel, he will be entitled for ~1800/- per diem for metro cities and ~1500/- for other cities for boarding and lodging expenses.

**6. Perquisites:**

The Company shall also provide car with a driver and the facility would be made available for official purposes only.

**7. Acceptance of Directorship, ex-officio post, honorary post etc –**

He shall not accept any directorship, ex-officio post, honorary post, etc. in any company, association, society, institution, trust or any other organization.

**8. Sitting Fee for attending the meetings of the Board / Committees of the Board:**

No sitting fee will be paid for the Company's Board Meeting / Committees of Board.

**9. Notice Period:**

Notice period from either side is of 2 months or payment of basic pay in lieu thereof.

## Background

SIDBI, vide its letter dated May 01, 2021 deputed Shri Mirashi, Deputy General Manager (DGM), SIDBI to ISARC with effect from May 24, 2021. The Board of Directors vide Circular Resolution dated June 28, 2021, appointed him as Chief Operating Officer (COO) of the Company and delegated the powers of COO / President to him as per the DoP Matrix of the Company. Further, Board at its 63<sup>rd</sup> meeting held on September 07, 2021, appointed him as Chief Executive Officer and designated him as a Key Managerial Personnel of the Company on interim basis. Shri Mirashi superannuated on October 31, 2022 from the services of SIDBI.

Shri Mirashi was the senior most DGM of SIDBI and had varied experience including in Credit, Recovery, Accounts, HR, branch operations etc. He had also worked earlier in ISARC as Vice President for five years (from May 09, 2008 to May 31, 2013) from the formation of the Company and has thorough knowledge of entire operations of the Company including finance & accounts. It is found from the records available with the Company that his performance during his previous tenure in the Company was satisfactory. His performance during the current tenure has also been satisfactory, which is evident from the fact that the Company has booked a Profit After Tax (PAT) of Rs.2.22 Crore for the FY ended March 31, 2022 and has continued to post PAT in the subsequent quarters, despite various constraints.

The Board or the Nomination and Remuneration Committee (NRC), subject to the requisite approval(s), if necessary, is entitled and authorized to revise at any time, the salary and perquisite payable to MD&CEO such that the overall remuneration shall not exceed the limits specified above.

### **Additional Information as per clause 1.2.5 of SS-2 and Schedule V of the Companies Act, 2013**

<b>Particulars</b>	<b>Details</b>
Name	<b>SUNIL SADASHIV MIRASHI</b>
Designation	Managing Director & CEO
Nationality Passport Details	Indian
Date of Birth	31/10/1962 (Age: 60 years)
Educational/Professional Qualifications	DBM, B. Com
Experience	Small Industries Development Bank of India [SIDBI], Last Position - Dy General Manager, from 05/11/1984 till 31/10/2022. Assignments handled 1. Worked as Branch in Charge, SIDBI-Aurangabad- All branch activities – operational and non-operational 2. On deputation with ISARC- Was involved in setting up and initial

	<p>growth of the ARC promoted by SIDBI during 2008 – 2013</p> <p>3. Was a part of Task Force set for establishing National Bank for Financing Infrastructure and Development (NaBFID)- Drafting various policies, procedures for a new DFI set up under an Act of Parliament (NaBIFD Act, 2021)</p> <p>4. Worked in various functions of SIDBI such as branch operations, credit, monitoring, recovery, audit, HR in various capacity</p>
Terms and Conditions of appointment / remuneration proposed	As stated above
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration proposed as aforesaid is in line with the industry standards having regard to nature of industry, size of the Company, job responsibilities and professional qualifications and experience of Shri Sunil Mirashi
Shareholding in the Company	Nil
Date of first appointment on the Board	Nil
Relationship with other Directors, Managers & KMP / Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	None
Number of meetings of Board attended during the year (FY 2022-2023)	2 (26-12-2022 and 30-01-2023)
List of other Directorship, Membership/ Chairmanship of Committees of the other Companies	Nil
<b>General Information</b>	
Nature of Industry	Asset Reconstruction Company
Date or expected date of commencement of commercial production	March 5, 2009
Financial performance based on given indicators	As on March 31, 2022 (Rs. in Lakh) Total Revenue – Rs.1533.07 Net Profit After Tax – Rs.222.13
Foreign investments or collaborations, if any.	No

<b>Other Information</b>	
Reasons of loss or inadequate profits	Not applicable as the Company has adequate Net Profit of Rs.222.13 Lakhs as on March 31, 2022
Steps taken or proposed to be taken for improvement	Not applicable
Expected increase in productivity and profits in measurable terms	--
<b>Disclosures</b>	
All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;	The same will be disclosed in the Board of Director's Report under the heading "Corporate Governance"
Details of fixed components and performance linked incentives along with the performance criteria;	
Service contracts, notice periods, severance fees; and	
Stock option details, if any, and whether the same had been issued at a discount as well as the period over which accrued and over which exercisable.	

Pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013 ("the Act"), the Shareholders may approve the appointment of Shri Mirashi as 'Managing Director & CEO' at the General Meeting by passing the Special Resolution. As the appointment of Shri Mirashi has been made pursuant to the recommendation of NRC, hence the provision of Section 160 for deposit of requisite amount for proposing candidature of person other than retiring Director will not be applicable.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Act.

Except Shri Mirashi or his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in this resolution set out at item no.1.

The Board of Directors accordingly recommends the special resolution set out at Item No. 1 of the accompanying Notice for the approval of the Members.

**Item No.2**

The members are informed that as per revised framework of RBI vide circular No. DoR.SIG.FIN.REC.75/26.03.001/2022-23 dated October 11, 2022 and advice received from SIDBI, being the promoter sponsor, vide letter No.L000284225/SIC/ISARC dated January 23, 2023, following clauses of the Articles of Association of the Company require amendment:

<b>Article No.</b>	<b>Existing Clause</b>	<b>Proposed substitution/revision</b>
138(ii)(c)	The Chairperson of the Board of SIDBI or in his / her absence any Whole Time Director / any Senior Executive authorized by SIDBI will be Chairperson of the company and its Board of Directors.	The Chairperson of the Board shall be an Independent Director elected by the Board.

The Board in its 34<sup>th</sup> meeting held on August 03, 2015, subject to approval of members, have approved the amendment in Articles of Association of the Company to conform with the provisions of the Companies Act, 2013. Subsequently, the members in 7<sup>th</sup> Annual General Meeting held on September 23, 2015 have approved the said amendment.

The Board in its 45<sup>th</sup> meeting held on July 12, 2017, have approved the amendment in the Articles with respect to designating the chairperson of ISARC based on the SIDBI letter no. No. 2017MAR14/L00129821 dated March 14, 2017. The members in 9<sup>th</sup> Annual General Meeting held on September 29, 2017 have approved the said amendment.

Board in its 72<sup>nd</sup> meeting held on January 30, 2023 have passed a resolution adopting the substitution/revision in the Articles of Association of the Company, subject to approval of the members by way of special resolution.

None of the Directors except SIDBI Nominated Director and Key Managerial Personnel of the Company or their relatives is, in anyway concerned or interested financially or otherwise, in the special resolution set out in Item no. 2.

The Board of Directors accordingly recommends the special resolution set out at Item No. 2 of the accompanying Notice for the approval of the Members.

**By order of the Board of Directors**  
**India SME Asset Reconstruction Company Limited**

(Ketki Muzumdar)  
Company Secretary  
M.No.A30638

**Place: Mumbai**

**Date: February 03, 2023**