

NOTICE OF 16TH ANNUAL GENERAL MEETING

Notice is hereby given that the 16th Annual General Meeting of the Members of India SME Asset Reconstruction Company Limited will be held through Video Conference (VC) on Wednesday, September 25, 2024 at 03:00 p.m. to transact the business stated herein:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statement of the Company for the Financial Year ended March 31, 2024 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Dinesh Kumar Namdeo (DIN No. 07738940), who retires by rotation and being eligible, has offered himself for reappointment. (As per Article 138, 158 and proviso to 187(iii) of AOA of the Company).
3. The Board of Directors, as approved by the members in the 12th AGM held on September 30, 2020, is hereby authorized to decide and fix the remuneration of Statutory Auditors of the Company, appointed by the Comptroller & Auditor General of India (C&AG) for the Financial Year 2024-25.

Special Business:

4. Re-appointment of Smt Rachna Dikshit as an Independent Director of the Company

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 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules made thereunder, read with Schedule IV to the Companies Act, 2013, the Articles of Association of the Company and pursuant to the recommendation of the Nomination & Remuneration Committee and the approval of the Board of Directors of the Company, and an approval / no-objection received from Reserve Bank of India (RBI), Smt Rachna Dikshit (DIN: 08759332), who holds office of Independent Director, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing her candidature for the office of a Director of the Company, and who has submitted a declaration that she meets the criteria of independence as provided in Section 149(6) of the Act and being eligible, be and is hereby re-appointed as an Independent Director of the Company for a second consecutive term of 3 (three) years commencing from October 09, 2023, whose office shall not be liable to retire by rotation.”

“RESOLVED FURTHER THAT MD&CEO / CFO / CS be and are hereby authorized to severally digitally sign and submit the necessary form(s) with the Ministry of Corporate Affairs and to do all such acts, deeds, matters and things as may be necessary and expedient to give effect to the aforesaid resolution.”

5. Appointment of Shri Amitabh Misra as Managing Director and Chief Executive Officer of the Company

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, 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 Amitabh Misra (DIN No. 10370703) as Managing Director and Chief Executive Officer (MD&CEO) of the Company for the period of 3 (three) years with effect from December 06, 2023, 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 Misra 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.”

Place: Mumbai

Date: September 03, 2024

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

**Sd/-
(Ketki Muzumdar)
Company Secretary
M.No.A30638**

Notes:-

1. An explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 (Act) relating to special business set out in the Notice is annexed herewith.
2. As required under Secretarial Standard on General Meetings (SS-2), additional information of Shri Dinesh Kumar Namdeo, Smt Rachna Dikshit and Shri Amitabh Misra seeking appointment / re-appointment at the Annual General Meeting (AGM), is detailed as Annexure A.

3. In accordance with the Ministry of Corporate Affairs (MCA), General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 02/2021 dated January 13, 2021, 21/2021 dated December 14, 2021, 2/2022 dated May 5, 2022, 10/2022 dated December 28, 2022 and 09/2023 dated September 25, 2023, respectively (the MCA Circulars) the AGM will be held without the physical presence of the Members at a common venue and Members can attend and participate in the AGM through VC. In terms of the MCA circulars, the Members are requested to take note of the following:
- Notice convening the AGM of the Company and the Annual Report for the financial year 2023-24, have been uploaded on the website of the Company, viz., www.isarc.in. Notice and annual report are being sent only by email to those Members who have registered their email address with the Company.
 - Since the AGM 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.
 - Pursuant to the relevant Circular, representatives of the Members may be appointed for the purpose of participation and voting in AGM. Corporate Members intending to authorize their representatives to attend the AGM are requested to email the same to 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 AGM, on their behalf.
 - Members are requested to send their queries, if any, on the Annual Report, to the Company Secretary at the designated email address i.e. cs@isarc.in not less than 5 working days before the date of Meeting, so that the requisite information / explanations can be provided in time.
 - Link for attending the AGM through VC will be shared with the members separately.
 - Attendance of Members at the AGM 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.
 - 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
 - Since the AGM is being held through VC, the route map for the AGM venue is not attached.
 - Members may contact the Company to convey grievances, if any, relating to the conduct of the AGM, at the registered office address or at the designated email address i.e. cs@isarc.in

**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013
setting out all the material facts relating to the Special Business
as set out in Item No. 4 and 5 of this Notice.**

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 September 03, 2024:

Item No.4:

Re-appointment of Smt Rachna Dikshit as an Independent Director of the Company

Smt Rachna Dikshit was appointed as an Independent Director on the Board of Directors of the Company in the Annual General Meeting (AGM) held in the year 2020 to hold office for a period of 3 (Three) years with effect from July 03, 2020.

In terms of Section 149 of the Companies Act, 2013 (Act), an Independent Director is eligible for re-appointment on passing of Special Resolution. The Company, being a Regulated Entity of Reserve Bank of India (RBI), is required to take prior approval from RBI. As Smt. Rachna Dikshit completed her initial term on July 02, 2023, to ensure the continuity of her term as an Independent Director without interruption and being eligible for re-appointment as

Independent Director for 2nd term, Smt. Rachna Dikshit was appointed as a Director by the Board in its meeting held on July 31, 2023, in the capacity of Non-Executive Independent Director, subject to RBI and shareholders approval and the appointment would be with effect from the date of approval from RBI. Approval from RBI thereafter was sought vide letter dated August 01, 2023.

The said re-appointment was informed / disclosed to the shareholders in the Director's Report placed before the Annual General Meeting (AGM) held on September 29, 2023.

RBI vide its letter no.DoR.HGG.GOV.No.S3833/18.03.001/2023-24 dated October 09, 2023 have approved the appointment for a period of three years.

She retired as Regional Director, RBI. During her long experience with RBI, in addition to supervisory functions, she has closely coordinated with other Financial Institutions and Government functionaries. She performed the role of spearheading financial literacy and inclusion for the unbanked and underbanked population which are marginalized and interacted with small, medium and micro enterprises to push banking assistance. During her posting as GM, Department of Banking Regulation, RBI Central Office, she was responsible for Financial Institutions Division and Credit Information Division. She was also part of the Kapoor Committee constituted by the Governor of RBI to study Credit Flow to SSIs in 1998.

She is the Chairperson of the Nomination and Remuneration Committee and a Member of Corporate Social Responsibility Committee of the Board of Directors of the Company.

Considering the knowledge, acumen, expertise and experience of Smt Rachna Dikshit and the substantial contribution made by her during her tenure as an Independent Director, it is felt that her continued association as an Independent Director would be in the interest of the Company.

The Board recommends the resolution as set out at Item No.4 of the accompanying Notice for approval by the Members of the Company. As the appointment of Smt Rachna Dikshit has been made pursuant to the recommendation of NRC, the provision of Section 160 for deposit of requisite amount for proposing candidature of person other than retiring Director will not be applicable.

Smt Rachna Dikshit is interested in the Resolution set out at Item No.4 with respect to her appointment.

Save and except the above, none of the other Directors or Key Managerial Personnel of the Company and their relatives are, concerned or interested, financially or otherwise, in the proposed Special Resolution.

Item No.5:

Appointment of Shri Amitabh Misra as Managing Director and Chief Executive Officer of the Company

The members are informed that the Board in its 81st meeting held on January 08, 2024 has approved the appointment of Shri Amitabh Misra 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 in the Small Industries Development Bank of India (SIDBI) deputation letter no. HRV No. 2024/OCT/L001305310 /Staff 83(B) dated October 20,2023, as detailed below:

1. Period of deputation

The deputation to India SME Asset Reconstruction Company Limited (ISARC) will be initially for a period of 3 years from the date of posting. SIDBI, however, reserves the right to recall the services of the officer from deputation prematurely depending on its organizational requirements. The officer will be deemed to be relieved from ISARC on the date of expiry of the deputation period unless SIDBI and ISARC have decided to extend the deputation period, prior to the date of expiry.

2. Pay and allowance while on deputation

During the period of deputation the Officer will draw pay and allowance as admissible to him in SIDBI from time to time plus a deputation allowance of 4% of Pay with a maximum of Rs.3,000/- p.m. ISARC will reimburse the same to SIDBI. The deputation allowance will not be reckoned towards the amount payable in respect of encashment of leave. The approximate annual compensation package would be ₹ 70 lakh.

3. Pay and allowances during joining time and on reversion to SIDBI

The pay and allowances of the officer during the period of joining, for taking up his post with ISARC as also reversion to SIDBI, will be paid by ISARC as per SIDBI rules.

4. Residential accommodation

During the period of deputation, the officer will be eligible for residential accommodation provided by SIDBI, on surrender of the entire HRA admissible, as hitherto and subject to the usual terms and conditions of allotment of Bank's flat. ISARC, however, will be required to pay to SIDBI, the cost, on mutually agreed terms, for providing residential accommodation to the officer.

5. Travelling allowance

The expenditure/ allowance for journeys performed by the officer, for taking up his employment with ISARC and on reversion to SIDBI, for self and family, will be paid by ISARC, as per the rules of SIDBI. For journeys, if any, performed by him, while on duty with ISARC, travelling and halting allowance will be paid by ISARC, as per the rules applicable in SIDBI.

6. RVME facility

The officer will be eligible for RVME facility (as applicable to officers in SIDBI) from ISARC at its cost.

7. Medical attention facilities

The officer will continue to receive medical attention and hospitalisation facilities for self and family from SIDBI as per eligibility. ISARC, however, will reimburse to SIDBI the cost / expenditure so incurred.

8. Provident fund / Pension Contribution

ISARC will pay the employers' contribution to SIDBI. Accordingly, ISARC will be required to remit every month to SIDBI, following amounts so as to reach SIDBI before 3rd of the subsequent month to which it relates:

- a) 10% of the officer's pay plus special pay, if any, in SIDBI being the employees subscription to the SIDBI Employees' Provident Fund and voluntary subscription, if any, upto 90% thereof to be recovered from the officer out of his salary.
- b) 10% of the officer's pay plus special pay, if any, in SIDBI being the employer's

contribution.

N.B. In the event of any delay in remitting the above amounts, ISARC will be required to pay interest calculated at the rate in force applicable to the balance in the provident fund of the officer to SIDBI, till the date of payment of the contribution.

9 Leave fare concession

The officer is eligible to avail of leave fare concession once in two years in respect of self and family under SIDBI's rules and ISARC will pay at the end of deputation the cost of concession in proportion to the period of deputation.

10 Annual Performance Appraisal Report (APAR)

The Annual Performance Appraisal Report shall be recorded by the officer on deputation in SIDBI's Human Resource Management System (HRMS).

11 Annual Property Returns (APR)

The Annual Property Returns shall be recorded by the officer on deputation in SIDBI's Human Resource Management System (HRMS).

12 Leave salary

Any leave availed by the officer will be under the rules of SIDBI. SIDBI will also bear the cost of such leave (except casual leave) and ISARC shall make a monthly contribution of 12.5% of the total emoluments of the officer (including deputation allowance) while on deputation towards leave salary.

13 Bonus

The officer will not be entitled to receive any bonus from ISARC.

14. Gratuity

At the end of deputation, ISARC will pay contribution towards gratuity at the admissible amount as per Small Industries Development Bank of India (Payment of Gratuity to Employees) Regulations, 2002 and modifications, if any.

15 Compassionate gratuity

The scheme of compassionate gratuity, as applicable in SIDBI, will also be applicable to the officer on deputation.

16 Insurance Cover

The officer is covered under the Group Personal Accident Insurance Scheme (GPAIS) & Group Term Life Insurance Policy Scheme (GTLIPS). The amount of the policy will be as applicable for that Grade. The annual premium as applicable in respect of the officer and such further premia during the period of his deputation that would be paid by SIDBI in his case would be reimbursed to the bank by ISARC.

17 Other deductions

ISARC will arrange to remit to SIDBI, the amount of principal and interest recovered from the officer's salary towards loans and advances drawn by him from SIDBI.

18 Other facilities/ reimbursements

The officer will be eligible for other facilities / reimbursements from ISARC viz, Education Expenses, newspaper, telephone, briefcase, entertainment allowance, etc. as per SIDBI rules, at the cost of ISARC.

19. Arrears in Pay & Allowances

The pay & allowances in SIDBI are presently due for revision. In case the officer opts for pay and allowances of SIDBI on implementation of the revised pay scale, the arrears payable to the officer for the period of his deputation to ISARC, shall be borne by ISARC irrespective of whether the officer at that point of time is on deputation to ISARC or not.

20. Repatriation

On repatriation to the Bank, the officer will be posted in the cadre in which he would have been placed had he not been sent on deputation, irrespective of the post held by him in ISARC.

21. SIDBI (Staff) Regulations, 2001

During the period of deputation to ISARC, the officer will continue to be unconditionally governed by all the existing provisions along with amendments from time to time contained in the Small Industries Development Bank of India (Staff) Regulations, 2001.

22. Goods and Service Tax (GST)

ISARC shall also pay GST applicable on the reimbursements made to SIDBI for onward deposit to the appropriate authority. The amount of GST shall be advised by SIDBI at the time of claiming all such reimbursements.

23. Incentive

Officers on deputation shall be eligible to be considered under any Incentive Scheme as approved by the board of ISARC.

24. Disputes

In case of dispute as to the interpretation of any of the terms and conditions of deputation, the decision of SIDBI shall be final and binding on all parties concerned.

25. Residuary matters

Anything not covered by these terms and conditions shall be referred to SIDBI for decision.

Background

SIDBI vide letter no.L000305484/SIC/ISARC dated October 26, 2023, deputed Shri Amitabh Misra, Deputy General Manager (DGM), SIDBI to ISARC. The Board in its 81st Meeting held on January 08, 2024 has approved the appointment with effect from the date of approval of RBI i.e. December 06, 2023.

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 Schedule V of the Companies Act, 2013

General Information	
Nature of Industry	Asset Reconstruction Company
Date or expected date of commencement of operation	March 5, 2009
Financial performance based on given indicators	As on March 31, 2024 Total Revenue – ₹1808.32 Lakh Net Profit After Tax – ₹936.67 Lakh
Foreign investments or collaborations, if any.	No
Information about the appointee	
Background Details and Job Profile and his suitability	Shri Amitabh Misra is a post-graduate in Economics from JNU. He started his career as an executive in the Stock Holding Corporation of India Ltd. (SHCIL) in 1994 and later moved over to SIDBI as Assistant Manager in 1996. He has cross functional experience of more than 27 years in SIDBI with core domain expertise in NPA Management, Project Financing, Start-up Finance, Microfinance and branch operations, having worked in various operational and policy areas of the Bank like Promotion & Development, Direct Credit to MSMEs, operational Audit, NPA Management & Recovery, Human Resources, Risk Management and various Regional and Branch Offices besides MUDRA Ltd., a Subsidiary of SIDBI.
Details of remuneration last drawn during the Financial Year 2023-24	Nil
Details of remuneration sought to be paid	As per the terms and conditions mentioned above in the explanatory statement.
Recognition or rewards	---
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)	---
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	None
Other Information	
Reasons of loss or inadequate profits	Not applicable as the Company has adequate Net Profit of ₹936.67 Lakh as on March 31, 2024
Steps taken or proposed to be taken for improvement	---
Expected increase in productivity and profits in measurable terms.	---
Disclosures	
All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors,	As stated in the Board of Directors' report under the heading "Corporate Governance", Board comprises of

Details of fixed components and performance linked incentives along with the performance criteria,	Nominee Directors, Independent Directors and MD&CEO. None of the directors are given any remuneration except for MD&CEO. The details of remuneration paid to MD&CEO by SIDBI and reimbursed by ISARC are as stated above.
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 (Act) and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013, the Shareholders may approve the appointment of Shri Misra as 'Managing Director & CEO' at the General Meeting by passing the Special Resolution.

As the appointment of Shri Misra has been made pursuant to the recommendation of NRC, 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 Misra, 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.5.

The Board of Directors accordingly recommends the special resolution set out at Item No. 5 of the accompanying Notice for the approval of the Members.

Annexure A
**Additional information on Directors seeking appointment / re-appointment at the AGM
[Pursuant to the Secretarial Standard on General Meetings]**

Name	Shri Dinesh Kumar Namdeo
DIN	07738940
Age	57 years
Qualification and Expertise	M.COM, PGDHRM, CAIIB, PGWM, PGD–International Business. He is fellow member of IIBF. He is having vast experience in Asset Management, vigilance and recovery. He is presently the General Manager handling the portfolio of Stress Asset Management of Bank of Baroda
Terms and conditions of appointment	Nominee Director on behalf of Bank of Baroda, liable to retire by rotation as per Articles of Association
Details of remuneration last drawn during the Financial Year 2023-24	Nil
Details of remuneration sought to be paid	Nil
Date of appointment on the Board	March 27, 2023
Shareholding in the Company	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel	None
The number of Meetings of the Board attended / eligible to attend during (FY 2023-24)	8/10
Other Directorships / Membership / Chairmanship of Committees of other Board	Nil

Name	Smt Rachna Dikshit
DIN	08759332
Age	65 years
Qualification and Experience	<p>MA, CAIIB</p> <p>She retired as Regional Director, Reserve Bank of India (RBI). During her long experience with RBI, in addition to supervisory functions, she has closely coordinated with other Financial Institutions and Government functionaries. She performed the role of spearheading financial literacy and inclusion for the unbanked and underbanked population which are marginalized and interacted with small, medium and micro enterprises to push banking assistance. During her posting as GM, Department of Banking Regulation, RBI Central Office, she was responsible for Financial Institutions Division and Credit Information Division. She was also part of the Kapoor Committee constituted by the Governor of RBI to study Credit Flow to SSIs in 1998.</p>
Terms and conditions of appointment	Independent Director not liable to retire by rotation
Details of remuneration last drawn during the Financial Year 2023-24	Sitting Fees
Details of remuneration sought to be paid	Sitting Fees
Date of appointment on the Board	The Board appointed for second consecutive term with effect from October 09, 2023 to October 08, 2026
Shareholding in the Company	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel	None
The number of Meetings of the Board attended / eligible to attend during (FY 2023-24)	7/8
Other Directorships / Membership / Chairmanship of Committees of other Board	<p><u>Directorships</u></p> <p>India Shelter Finance Corporation Limited Arthimpact Digital Loans Private Limited Capital Small Finance Bank Miracle Foundation India</p> <p><u>Memberships / Chairmanships of the Committees of other Board</u></p> <ol style="list-style-type: none"> Capital Small Finance Bank Risk Management Committee – Chairperson Management Committee – Member India Shelter Finance Corporation Limited Audit Committee - Chairperson CSR Committee - Member Wilful Defaulter Committee (Review Committee) - Member Internal Complaints Committee - Board Representative Nomination and Remuneration Committee - Chairperson

Name	Shri Amitabh Misra
DIN	10370703
Age	54 years
Qualification and Expertise	Post Graduation in Economics from JNU Shri Amitabh Misra has vast experience in NPA Management, Project Financing, Start-up Finance and Microfinance.
Terms and conditions of appointment	Terms and conditions of appointment as mentioned in the SIDBI deputation letter no. HRV No.2024/OCT/L001305310/Staff 83(B) dated October 20, 2023, as stated in the above Explanatory Statement.
Details of remuneration last drawn during the Financial Year 2023-24	Nil
Details of remuneration sought to be paid	As per the terms and conditions mentioned above in the explanatory statement.
Date of first appointment on the Board	December 06, 2023
Shareholding in the Company	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel	None
The number of Meetings of the Board attended / eligible to attend during (FY 2023-24)	3/3
Other Directorships / Membership / Chairmanship of Committees of other Board	Nil