

## NOTICE

NOTICE is hereby given that the 19<sup>th</sup> Annual General Meeting ('AGM') of the Members of Assets Care & Reconstruction Enterprise Ltd. will be held on Thursday, September 30, 2021 at 11:00 A.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt:
  - a) the Audited Standalone Financial Statement for the financial year ended March 31, 2021 together with the Reports of the Board and Auditors thereon; and
  - b) the Audited Consolidated Financial Statement for the financial year ended March 31, 2021 together with the Report of the Auditors thereon.
2. To appoint Mr. Manish Jain (DIN: 02578269), who retires by rotation and being eligible, offers himself for re-appointment.
3. To declare final dividend on equity shares.
4. To appoint M/s S.S. Kothari Mehta & Co., Chartered Accountants (Firm Registration No. 000756N) as Statutory Auditors of the Company and fix their remuneration.

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

"RESOLVED THAT pursuant to the relevant provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, as amended, and the relevant rules made thereunder (the "Act") and the guidelines and circulars issued by the Reserve Bank of India ("RBI"), in this regard, from time to time, and any other applicable laws (including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereof, for the time being in force), approval of the Company be and is hereby accorded for the appointment of M/s S.S. Kothari Mehta & Co., Chartered Accountants, having Firm Registration Number 000756N, issued by the Institute of Chartered Accountants of India, as Statutory Auditors of the Company, and to hold office as such from the conclusion of the Nineteenth Annual General Meeting until the conclusion of the Twenty Second Annual General Meeting, at such remuneration to be decided by the Board of Directors of the Company, in addition to reimbursement of out-of-pocket expenses, if any, incurred by the auditor in connection with audit of the Company."

### SPECIAL BUSINESS

5. Appointment of Ms. Neeta Mukerji (DIN: 00056010), as a Whole Time Director of the Company and 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 152 and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as 'the Act') and

the relevant Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the applicable Regulations, the provisions of the Articles of Association of the Company, Ms. Neeta Mukerji (DIN: 00056010), who was appointed as an Additional Director and Whole-Time Director w.e.f. September 06, 2021 pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as Whole Time Director of the Company to hold office for a term of 3 years w.e.f. September 6, 2021.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197, 198 and 203 of the Act, read with Schedule V to the Act, and other applicable provisions, if any, of the Act and the rules made thereunder, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Articles of Association of the Company, consent of the Members be and is hereby accorded for the appointment of Ms. Neeta Mukerji (DIN: 00056010) as a Whole-Time Director of the Company for a period of 3 years w.e.f. September 06, 2021 on below terms and conditions:

1. All-inclusive fixed component of Rs.1.20 Crore p.a. (Rupees One Crore Twenty Lakh only) on a Cost to Company (CTC) basis;
2. Annual Performance Linked Incentive in the range of 50-100% of the fixed component (CTC) to be decided by the Board of Directors;
3. Employee Stock Options upto 1% of the paid-up equity share capital of the Company.

RESOLVED FURTHER that in the event of absence or inadequacy of profit in any financial year, the aforesaid remuneration be paid as minimum remuneration subject to compliance of provisions of Schedule V of the Act.

RESOLVED FURTHER that the Board of Directors, be and is hereby authorised to alter/ vary the terms and conditions of said appointment and/or her Managerial Remuneration including annual increment in accordance with Schedule V of the Act as in force from time to time.

RESOLVED FURTHER that the Company shall have the right to terminate the term of office of the Whole Time Director at any time before the expiry of the term by giving a three-month notice in writing. The Whole Time Director shall also have the right to relinquish office at any time before the expiry of the term by giving to the Company a three-month notice in writing.

RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to perform all such acts, deeds and things as may be deemed necessary or desirable or to settle any question or difficulty that may arise, in such manner as it may deem fit.”

6. **Authorization for issuance and allotment of non-convertible debentures (“NCD’s”)**

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 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed there under, as may be amended from time to time, the Foreign Exchange Management Act, 1999, as amended, rules, regulations, guidelines, notifications, clarifications and circulars, if any, prescribed by the Government of India, Reserve Bank of India or any other regulatory authority, whether in India or abroad, and in accordance with the Memorandum of Association and the Articles of Association of the Company and subject to such conditions as may be prescribed by such regulatory authority while granting such approvals, consents, permissions and sanctions, which the Board of Directors of the Company / any committee(s) constituted/ to be constituted by the Board to exercise its powers including the powers conferred by this resolution may accept, the approval of the Company, be and is hereby accorded to the Board to make offer(s) or invitation(s) to subscribe the Non-Convertible Debentures (‘NCDs’) in one or more series, denominated in Indian rupees or in any foreign currency on private placement basis, in one or more tranches, during the period of one year from the date of passing of this Resolution within the overall borrowing limits of the Company, as approved by the Members, from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board/Committee, be and is hereby authorized to determine and consider terms that are proper and most beneficial to the Company including, without limitation, the terms of issue including the class of investors to whom the NCDs are to be issued, time, securities to be offered, the number of NCDs, tranches, issue price, tenor, interest rate, premium/ discount, utilization of the issue proceeds and to do all such acts and things and deal with all such matters and take all such steps as may be necessary and to sign and execute any deeds/ documents/ undertakings/ agreements/ papers/ writings, as may be required in this regard and matters connected therewith or incidental thereto. “

**By order of the Board of Directors**

**Sd/-  
Mohd. Shariq Malik  
Company Secretary**

**Registered Office:**

2<sup>nd</sup> Floor, Mohan Dev Building,  
13, Tolstoy Marg,  
New Delhi 110001

**Dated: September 07, 2021**

**Place: New Delhi**

## NOTES

1. In view of the prevailing outbreak of COVID-19 Pandemic and the restrictions imposed on gathering of people through social distancing norms, the Ministry of Corporate Affairs (the "MCA") vide General Circular No. 14/ 2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020 and General Circular No. 02/2021 dated January 13, 2021 (collectively referred to as "MCA Circulars") has permitted the holding of the AGM during the year through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Since, the AGM is being conducted through VC/OAVM, there is no provision for appointment of proxies. Accordingly, appointment of proxies by the members will not be available.
3. Corporate members intending to attend the AGM through authorised representatives are requested to send a scanned copy of duly certified copy of the board or governing body resolution authorising the representatives to attend and vote at the Annual General Meeting. The said Resolution/ Authorization shall be sent to the Company Secretary by email through its registered email address to [ms.malik@acreindia.in](mailto:ms.malik@acreindia.in).
4. The explanatory statement in respect to special business as required under section 102 of the Act, is annexed hereto.  
  
Additional Information pertaining to Ordinary Business for Item No. 2 as specified in Secretarial Standard - 2 on 'General Meetings' issued by the Institute of Company Secretaries of India have been given in the Annexure-A, annexed to this notice.
5. The Explanatory statement in respect to Item no. 4 of Ordinary Business is also annexed hereto.
6. Relevant documents referred to in the accompanying Notice and the statements are open for inspection by the members in electronic mode. Members can inspect the same by sending an email to [ms.malik@acreindia.in](mailto:ms.malik@acreindia.in).
7. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Act, will be available for inspection in electronic mode. Members can inspect the same by sending an email to [ms.malik@acreindia.in](mailto:ms.malik@acreindia.in).
8. The members may note that the notice of AGM of the Company will be available on Company's website i.e. [www.acreindia.in](http://www.acreindia.in).

9. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

**10. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

a) Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the "**Blue Jeans application**" by downloading the same in your laptops/IPads/mobile phones. Shareholders may access the same at by using meeting ID: 697892865.

b) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

c) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

d) The Members will only be allowed to express their views/ask questions during the meeting.

e) Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM till 15 minutes thereafter.

**By order of the Board of Directors**

**Sd/-  
Mohd. Shariq Malik  
Company Secretary**

**Registered Office:**  
2<sup>nd</sup> Floor, Mohan Dev Building,  
13, Tolstoy Marg,  
New Delhi 110001

**Dated: September 07, 2021**

**Place: New Delhi**

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**

### **Item no. 4**

M/s Walker Chandiok & Co. LLP, Chartered Accountants (Firm Registration Number 001076N/N500013) were appointed as the Statutory Auditors at the 15<sup>th</sup> Annual General Meeting (the "AGM") of the Company, and to hold office as such from the conclusion of the 15<sup>th</sup> AGM until the conclusion of the 20<sup>th</sup> AGM, pursuant to the relevant provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013, as amended, read with the relevant rules made thereunder (the "Act"), Section 30 and all other applicable provisions, if any and the guidelines and circulars issued by the Reserve Bank of India (the "RBI"), in this regard, from time to time. RBI vide its notification no. RBI/2021-22/25 Ref. No. DoS.CO.ARG/SEC.01/08.91.001/2021-22, has issued guidelines on 27 April, 2021 on appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) (the "RBI Guidelines"). The said guidelines are applicable to the Company for Financial Year 2021-22 and onwards in respect of appointment/reappointment of Statutory Auditors. Clause 8 of the RBI Guidelines lays down that Statutory Auditors shall be appointed for a continuous period of three years, subject to the Audit firms satisfying the eligibility norms as stipulated therein, each year. Accordingly, existing tenure of M/s Walker Chandiok & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company will expire on the date of the 19<sup>th</sup> AGM. In the view of the same, the Board of Directors on the recommendation of the Audit Committee, at its meeting held on September 6, 2021 approved and recommended the shareholders for the appointment of M/s S.S. Kothari Mehta & Co., Chartered Accountants, having Firm Registration Number 000756N, as the Statutory Auditors of the Company to hold office as such from the conclusion of the Nineteenth Annual General Meeting until the conclusion of the Twenty Second Annual General Meeting, and on such terms and conditions, including remuneration, as may be approved by the Board of Directors of the Company. M/s S.S. Kothari Mehta & Co., Chartered Accountants, having Firm Registration Number 000756N have conveyed their consent to them being appointed as the Statutory Auditors of the Company, as aforesaid and have confirmed that they meet the eligibility criteria and conditions of Independence of Auditors as laid under the applicable provisions of Section 141 of the Companies Act, 2013 read with the relevant rules made thereunder and the RBI Guidelines.

The Board recommends passing of the Ordinary Resolution, as set out in Item No. 4 of this Notice, for the approval of the Members. None of the Directors and the Key Managerial Personnel of the Company and their relatives are in any way financially or otherwise concerned or interested in passing of the Ordinary Resolution as set out in Item No. 4 of this Notice.

### **Item No. 5**

In terms of Section 203 of the Act, a Company with paid-up capital of Rs. 10 crore or more is required to have a whole time Key Managerial Personnel ('KMP') in the capacity of either

Managing Director or Chief Executive Officer or Manager and in their absence, a Whole Time Director. The present paid-up capital of your company is Rs. 75.06 Crore.

Ms. Neeta Mukerji was appointed as Chief Executive Officer of the Company w.e.f. November 16, 2020 for a period of 5 years on the recommendation of Nomination and Remuneration Committee.

Further, to ensure representation of management on the Board of Directors of the Company after the completion of tenure of Mr. Ramesh Prasad Singh as Managing Director ('MD') of your Company from the close of business hours on March 31, 2021, the Board has appointed Ms. Neeta Mukerji as Whole Time Director of the Company for a period of 3 years subject to the approval of Reserve Bank of India ('RBI') and shareholders of the Company. RBI vide its letter dated August 27, 2021 communicated that it has no objection on the appointment of Ms. Neeta Mukerji as Whole Time Director of the Company.

Further, pursuant to Section 161, 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Act, the Board of Directors at its meeting held on September 06, 2021 has approved the appointment of Ms. Neeta Mukerji as Additional Director and Whole Time Director of the Company w.e.f. September 06, 2021 for a period of 3 years subject to the approval of shareholders at ensuing Annual General meeting of the Company. The Board has designated Ms. Mukerji as Whole Time Director & Chief Executive Officer of the Company.

The brief profile of Ms. Mukerji is given below: Ms. Neeta Mukerji has Post Graduate Diploma in Management from Indian Institute of Management, Calcutta. She is a senior banker with 30 years of experience in premier financial institutions like ICICI Bank, Asset Reconstruction Company of India (ARCIL), GE Capital and RBL Bank. She has wide ranging experience across banking with specific focus on credit, risk management and distressed debt. Her core expertise areas include setting up and managing risk management function, assessing credit risk and structuring complex financial transactions and resolution of distressed debt.

The details of the remuneration of Ms. Neeta Mukerji as Whole Time Director & Chief Executive Officer of the Company as approved by the Board of Directors on the recommendation of Nomination & Remuneration Committee is as follows:

1. All-inclusive fixed component of Rs.1.20 Crore p.a. (Rupees One Crore Twenty Lakh only) on a Cost to Company ('CTC') basis;
2. Annual Performance Linked Incentive in the range of 50-100% of the fixed component ('CTC') to be decided by the Board of Directors of the Company;
3. Employee Stock Options upto 1% of the paid-up equity share capital of the Company.

The existing remuneration of Ms. Mukerji as approved by the Nomination & Remuneration Committee of Directors of your Company is after taking into consideration the prevailing remuneration levels in the Asset Reconstruction Industry. The said remuneration shall also be

payable in the event that the Company has no profits or has inadequate profits in any financial year.

The Company has also received a notice in writing under Section 160(1) of the Act from Ms. Neeta Mukerji proposing her candidature for the office of Director.

The Board recommends the shareholders to pass the Special Resolution, as set out in the item no. 5 of the accompanying Notice, to approve the proposal. The detailed profile of Ms. Neeta Mukerji is enclosed as Annexure-1.

None of the Promoters, Directors, Key Managerial Personnel of the Company and their relatives except Ms. Neeta Mukerji as Whole Time Director & Chief Executive Officer are in any way concerned or interested in the Resolution.

#### Annexure-1

<b>Name of Director</b>	Ms. Neeta Mukerji
<b>Age</b>	55 years
<b>Qualification</b>	Post Graduation Diploma in Management From Indian Institute of Management Calcutta, 1989 BA Honours in Economics from Lady Shri Ram College, Delhi University, New Delhi, 1986 Wharton/RMA Advanced Risk Management Program from Wharton School University of Pennsylvania, June 2007 Management Development Course at GE's Crotonville Learning Centre, November 2013
<b>Experience</b>	More than 30 years' experience in credit, risk management and distressed debt.
<b>Date of appointment on the Board</b>	September 06, 2021
<b>Terms and conditions of appointment</b>	As per her appointment letter
<b>Details of remuneration to be paid</b>	<ol style="list-style-type: none"> <li>1. All-inclusive fixed component of Rs.1.20 Crore p.a. (Rupees One Crore Twenty Lakh only) on a Cost to Company ('CTC') basis;</li> <li>2. Annual Performance Linked Incentive in the range of 50-100% of the fixed component ('CTC') to be decided by the Board of Directors of the Company;</li> <li>3. Employee Stock Options upto 1% of the paid-up equity share capital of the Company.</li> </ol>
<b>Details of last remuneration drawn</b>	Rs. 40.36 Lakhs was paid to her from the date of her joining i.e. November 16, 2020 upto March 31, 2021 as Chief Executive Officer of the Company and she was paid Rs. 22.50 Lakhs towards performance linked

	incentive for the financial year 2020-21. Apart from this, she was granted Employee Stock Options during financial year 2020-21*.
<b>Number of Board meeting attended during FY 2020-21</b>	She has attended 4 Board meetings since she has joined the Company as Chief Executive Officer of the Company.
<b>No. of Companies in which she holds Directorship</b>	Nil
<b>Shareholding in the Company</b>	Nil
<b>Membership/Chairmanship of committees of the Board</b>	Nil
<b>Relationship with other directors, Manager and Key Managerial Personnel</b>	Nil
<b>List of Public Companies in which she holds directorship</b>	Nil

\*[The details of Employee Stock Options can be obtained by the members in electronic mode by sending email toms.malik@acreindia.in.](mailto:toms.malik@acreindia.in)

### **Information as given in Schedule V of the Companies Act, 2013:**

#### **I. General Information:**

(1) Nature of industry: Asset Reconstruction Company

(2) Date or expected date of commencement of commercial production: Not Applicable

(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: Your Company has an Asset Book of Rs. 8,539.24 Crores at the end of the financial year 2020-21 as against Rs. 10,686.43 Crores at the end of previous financial year 2019-20. Your Company has acquired the Financial Assets amounting Rs. 690.85 Crore during financial year 2020-21 as compared to Rs. 2,548.85 Crore during the previous financial year 2019-20 on cash cum Security receipt basis. Your Company has improved its Networth to Rs. 421.15 Crores as on March 31, 2021 as compared to Rs. 352.08 Crores as on March 31, 2020.

(5) Foreign investments or collaborations, if any: There are no Foreign investments or collaborations made by the Company.

#### **II. Information about the appointee:**

##### **(1) Background details:**

As per Brief Profile mentioned herein above.

**(2) Past remuneration:**

As mentioned herein above.

**(3) Recognition or awards:**

None

**(4) Job profile and her suitability:**

Ms. Mukerji has joined the Company as Chief Executive Officer ('CEO') w.e.f. November 16, 2020 for a period of 5 years. Further, she is delegated with the powers of the management of the whole, or substantially the whole, of the affairs of the Company, subject to the superintendence, control and direction of the Board of Directors.

She has strengthened the business of the Company since her joining as CEO. She has displayed tremendous resilience, agility and leadership, guided strategy, and took various initiatives which helped the Company in navigating the dynamic market scenario and challenging business landscape.

**(5) Remuneration proposed:**

As mentioned in the proposed resolution.

**(6) 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 her origin):**

Keeping in view the profile and the position of Ms. Neeta Mukerji as Whole Time Director & CEO of the Company, her acumen, vast experience, positive attribute and significant contribution made by her, remuneration given by Companies of similar size and stature, the remuneration is fully justifiable and comparable to that prevailing in the industry.

**(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel or other director, if any.**

Besides the remuneration and employee stocks options granted, as mentioned herein above, Ms. Neeta Mukerji does not have any other pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel or other director.

**III. Other information:**

**(1) Reasons of loss or inadequate profits:** It is apprised that your Company has never incurred loss in any financial years.

**(2) Steps taken or proposed to be taken for improvement:** During financial year 2019-20 and 2020-21, the Company had raised funds by way of issuing structured debt instruments to various foreign/domestic investors. Further, Company is also exploring to raise equity share capital of the Company. Availability of funds shall enable the Company to expand its operation and lead towards growth path.

**(3) Expected increase in productivity and profits in measurable terms:** The Company's endeavour will be to consistently deliver profits and distribute dividends to its shareholders as done in the last few years.

#### **Item No. 6**

As per Section 42 of the Act read with the Rules framed there under, a Company offering or making an invitation to subscribe to Non-Convertible Debentures ("NCDs") on a private placement basis, is required to obtain the prior approval of the Shareholders by way of a Special Resolution. Such an approval by way of Special Resolution can be obtained once a year for all the offers and invitations made for such NCDs during the year. The Company had last obtained the approval of the members of the Company at the AGM of the Company held on September 30, 2020. The approval of the Members is being sought by way of a Special Resolution under Sections 42 and 71 of the Act read with the Rules made there under, to enable the Company to offer or invite subscriptions for NCDs on private placement basis, in one or more tranches, during the period of one year from the date of passing of the Resolution at Item No. 6, within the overall borrowing limits of the Company. Currently, the borrowing limits of the Company is Rs. 4000 Crores as approved by the members of the Company at its Extra-Ordinary General meeting held on January 29, 2019.

The Directors recommend the Resolution in Item No. 6 of the accompanying Notice, for the approval of the Members of the Company as a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in passing of the Resolution at Item No. 6.

**By order of the Board of Directors**

**Sd/-  
Mohd. Shariq Malik  
Company Secretary**

**Registered Office:**  
2<sup>nd</sup> Floor, Mohan Dev Building,  
13, Tolstoy Marg,  
New Delhi 110001

**Dated: September 07, 2021  
Place: New Delhi**

Annexure-A

<b>Name of Director</b>	Mr. Manish Jain
<b>Age</b>	42 years
<b>Qualification</b>	Bachelor's Degree in Business Studies, University of Delhi Post Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad, India
<b>Experience</b>	More than 18 years in Financial Service Advisory
<b>Date of appointment on the Board</b>	August 20, 2020
<b>Terms and conditions of appointment</b>	Terms and conditions as follows: 1. Liable to retire by rotation as per Companies Act, 2013; 2. He is not entitled for any remuneration.
<b>Details of remuneration to be paid</b>	Nil
<b>Details of last remuneration drawn</b>	Nil
<b>Number of Board meeting attended during FY 2020-21</b>	4 out of 5
<b>No. of Companies in which he holds Directorship</b>	2
<b>Shareholding in the Company</b>	Nil
<b>Membership/Chairmanship of committees of the Board</b>	He is a member of Nomination and Remuneration Committee and Risk Management Committee.
<b>Relationship with other directors, Manager and Key Managerial Personnel</b>	Nil
<b>List of Public Companies in which he holds directorship</b>	Nil