



## NOTICE

NOTICE is hereby given that 4<sup>th</sup> Annual General Meeting of the members of Suraksha Asset Reconstruction Limited ('Company') will be held on Monday September 9, 2019 at 11.00 a.m. at Naman Midtown, "A" Wing, 20<sup>th</sup> Floor, Senapati Bapat Marg, Elphinstone Road, Mumbai 400 013 to transact the following business:-

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019 together with the Director's Report and Auditor's Report thereon;
2. To appoint a Director in the place of Mr. Sudhir Valia (DIN: 00005561), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, seeks re-appointment;

### SPECIAL BUSINESS

3. To consider the appointment of Mr. Sudhendranath Mudalageeri as a director of the Company:

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

"RESOLVED THAT Mr. Sudhendranath Mudalageeri (holding DIN:00016222) who was appointed as an Additional Director pursuant to Section 161 of the Companies Act, 2013 and who holds office up to the date of the next Annual General Meeting, be and is hereby appointed as the Director of the Company."

4. To approve the re-appointment of Mr. Aalok Dave as the Managing Director & CEO of the Company:

To consider and if thought fit, to pass with or without modification/s, the following resolutions as **Ordinary Resolution**:



“RESOLVED THAT pursuant to the provisions of Section 117(3), 170, 196, 197, 198, 203 and Schedule V and any other provisions, if any of the Companies Act, 2013 ('Act') read with rules made thereunder as applicable, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in terms of the provisions of the Company's Articles of Association and subject to such approvals, consent, sanctions and permissions as may be necessary in this regard, the consent of the Shareholders of the Company be and is hereby accorded for the re-appointment of Mr. Aalok Dave (DIN:06645714) as the Managing Director and CEO of the Company for a period of three years from the date of approval of Reserve Bank of India on the terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company as set out in the explanatory statement forming a part of this resolution.

RESOLVED FURTHER THAT the Board of Directors (on the recommendation of the Nomination and Remuneration Committee) be and are hereby authorised to revise, alter and vary the remuneration and other terms and conditions of Mr. Aalok Dave, Managing Director and CEO in such manner as may be permissible in accordance with the provisions of the Act and subject to such approvals as may be required in this regard, if any and as may be agreed to by and between the Board of Directors and Mr. Aalok Dave, without any further reference to the Shareholders of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to take all actions and steps expedient or desirable to give effect to this resolution in conformity with the provisions of the Act and also to settle any question, difficulty or doubt that may arise in this regard without requiring to secure any further consent or approval of the Shareholders of the Company.”

**5. To approve the remuneration payable to Mr. Aalok Dave, Managing Director & CEO of the Company:**

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



“RESOLVED THAT in accordance with the provisions of Section 197 of the Companies Act, 2013 and any other provisions, if any of the Companies Act, 2013 (‘Act’) read with rules made thereunder as applicable, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), in terms of the provisions of the Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee of the Companies Act, 2013, approval of the Shareholders of the Company be and is hereby accorded to increase the overall limit of managerial remuneration payable to Mr. Aalok Dave (DIN:06645714) Managing Director and CEO of the Company in respect of any financial year in excess of five percent of the net profits of the Company computed in accordance with the provisions of Section 198 of the Act.

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

**6. To increase the total managerial remuneration payable by the Company:**

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

“RESOLVED THAT in accordance with the provisions of Section 197 of the Companies Act, 2013 and other applicable provisions, if any of the Companies Act, 2013 read with Schedule V (including any statutory re-enactment(s), modification(s) or amendment(s) thereof for the time being in force) and pursuant to the approval of the Board of Directors and the Nomination and Remuneration Committee of the Company, the consent of shareholders be and is hereby given to increase the total managerial remuneration payable by the Company in excess limits prescribed under Section 197(1) of the Companies Act, 2013 (‘Act, 2013).

RESOLVED FURTHER THAT in case of no profit or inadequate profits in a financial year the total managerial remuneration payable by the Company may exceed the thresholds prescribed under



Section II of Schedule V of the Act, 2013 subject to total managerial remuneration payable not exceeding INR. 2,15,00,000 (Two Crores Fifteen Lacs Only) in any financial year.”

**7. To approve the limits applicable for loan and investments by the Company in terms of Section 186 of the Companies Act, 2013:**

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

“RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013 and any other provisions, if any of the Companies Act, 2013 ('Act') read with rules made thereunder as applicable, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in terms of the Articles and Memorandum of Association of the Company, and subject to such approvals, consent, sanctions and permissions as may be necessary in this regard, consent of the Shareholders be and is hereby accorded to the Board of Directors of the Company (which term shall include any Committee thereof) to give any loan(s) and/or any guarantee(s) and/or provide any security(ies) in connect with any loan(s) to any other body corporate or person and/or to make any further investment/acquisition by way of subscription, purchase or otherwise, the securities (including security receipts) up to an amount of INR. 2000 crores (Rupees Two Thousand Crores Only) over and above the limits available to the Company of 60% (Sixty Percent) of its paid-up share capital, free reserves and securities premium account or 100% (One Hundred Percent) of its free reserves and securities premium account, whichever is more, and remaining outstanding at any point of time.

RESOLVED FURTHER THAT for the purpose of giving effect to above, the Board of Directors of the Company and/or any person authorised by the Board from time to time be and is hereby empowered and authorised to take such steps as may be necessary, proper and expedient to give effect to this resolution.”

By order of the Board  
**For Suraksha Asset Reconstruction Limited**



**Dipanjali Nagpal**  
**Company Secretary**  
**(ACS: 39288)**

**Mumbai,**

**June 27, 2019**

**SURAKSHA ASSET RECONSTRUCTION LIMITED**

**Registered Office: "A" Wing, Naman Midtown,  
20<sup>th</sup> Floor, Senapati Bapat Marg, Elphinstone Road,  
Mumbai, Maharashtra - 400013**

**NOTES:**

1. The Statement pursuant to Section 102 of the Companies Act, 2013 ('Act') setting out material facts in respect of Item nos. 3, 4, 5 & 6 is annexed hereto and forms a part of this Notice.
2. MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. The Register of Directors and their shareholding, maintained under Section 170 of the Companies Act, 2013 read with Rules issued thereunder and Register of Contracts or Arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013 read with Rules issued thereunder will be available for inspection by the members at the Annual General Meeting.



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

#### **Item no. 3**

The Board of Directors of the Company at their meeting held on August 20, 2018 had appointed Mr. Sudhendranath Mudalageeri as an Additional Director under Section 161 of the Companies Act, 2013 subject to prior approval of the Reserve Bank of India. The RBI gave its assent to the said appointment w.e.f October 1, 2018.

Mr. Sudhendranath Mudalageeri, B.Com. LL.B. is Managing Partner of MSR & Associates, a leading Law Firm based in Mumbai. During a successful career spanning over 35 years in the field of finance and corporate laws, his areas of expertise include Banking, Corporate, Shipping, Capital Markets, Recovery Laws, Securitisation & Asset Reconstruction, SARFAESI Laws & Documentation etc.

In the opinion of the Board, Mr. Sudhendranath Mudalageeri who is proposed to be appointed as an Independent Director of the Company fulfils the conditions specified under Section 149(6) and Schedule IV of the Companies Act, 2013 and is Independent of the management. Considering his vast experience his presence on the Board will be of immense value to the Company.

The Company has received from Mr. Sudhendranath Mudalageeri a consent in writing to act as Director in form DIR -2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014 and intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that she is not disqualified under sub-section 2 of Section 164 of the Companies Act, 2013.



A copy of the draft letter of appointment of Mr. Sudhendranath Mudalageeri as an Independent Director setting out the terms and conditions shall be placed at the meeting for inspection by the members and shall also be available for inspection at the registered office of the Company during business hours.

Further, as stipulated in Secretarial Standard -2, brief profile of Mr. Sudhendranath Mudalageeri is given below in Table- A:

**Table A**  
**Brief Profile**

Age	68 years
Qualifications	B.Com, LL.B
Experience	<p>Mr. Sudhendranath Mudalageeri, B.Com. LL.B. is Managing Partner of MSR &amp; Associates, a leading Law Firm based in Mumbai. During a successful career spanning over 35 years in the field of finance and corporate laws, his areas of expertise include Banking, Corporate, Shipping, Capital Markets, Recovery Laws, Securitisation &amp; Asset Reconstruction, SARFAESI Laws &amp; Documentation etc.</p> <p>From 1988 to 1997, he was heading the Legal Department of the Shipping Credit &amp; Investment Company of India Limited ('SCICI'), a PFI specialized in shipping finance. He was part of team of structuring of shipping Finance and</p>



**SURAKSHA  
ARC**

	<p>cross-border shipping transactions (including litigation), confined mainly to places/countries like Dubai, Muscat, Singapore, South Korea and China. He was part of Indian delegation (1995), which negotiated with Asian Development Bank, a line of credit for infrastructure finance.</p> <p>From 1997 to 2002, held various positions in ICICI Limited and ICICI Bank including as Legal Head of Major Clients Group and Western Zone. Thereafter, he was entrusted with the responsibility to head the legal team of newly set up Stressed Assets Management Group. Actively associated in setting up of an Asset Reconstruction Company, primarily to deal with non performing assets (NPAs) of Banks/FIs under the SARFAESI Act (The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.</p> <p>During the years 2002 to 2012 was with Asset Reconstruction Company (India) Limited ('ARCIL'), set up jointly by diverse Banks/FIs (including SBI, IDBI Bank, PNB &amp; ICICI Bank), as Executive Vice President &amp; Group Head, Corporate Legal &amp; Strategy. During his tenure with Banks/FIs, he was "Director" on several companies as 'nominee' of Banks/Financial Institutions.</p> <p>During his tenure with Banks/FIs, he was "Director" as 'nominee' of Banks/Financial Institutions on several companies, namely- Daewoo Motors (India) Limited; Spectrum</p>
--	---

	Power Generation Limited; BPL LIMITED; Mercator Limes Limited; Amic Technocons Limited; Baroda Rayon Limited; Western India Shipyard Limited; Sanghi Industries Limited; Core Healthcare Limited; Rama Newsprint Limited; Shreyas Shipping and Logistics Limited.
Terms and conditions of appointment	Appointed as Independent Director on such terms and conditions as mentioned in the draft letter of appointment as placed before the meeting.
Details of remuneration	No remuneration other than sitting fees as permitted under the Companies Act, 2013.
Date of first appointment	October 1, 2018
Shareholding in the Company	NIL
Relationship with other director/manager and other KMPs	None
Number of meetings attended from the date of appointment till the date of Notice of this AGM	Nine Board Meetings
Directorships of other Boards	None
Membership/Chairmanship of Committees of other Board	None

Except Mr. Sudhendranath Mudalageeri, the appointee, none of the Directors, Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the proposed resolution.

The resolutions as set out in Item no. 1 of this Notice are accordingly recommended for your approval.

**Item no. 4**



As per the Certificate of Registration granted by the Reserve Bank of India ('RBI') under Section 3 of the SARFEASI Act, 2002 the present tenure of Mr. Aalok Dave, as the Managing Director and CEO of the Company is due to expire on September 26, 2019.

Mr. Aalok Dave has worked very closely with the management team to bring in operational improvement and strategic growth for the Company. He has been a solid contributor to the business, journeying along various life stages of evolution of the Company. He is responsible for day to day operations and management of the company. Mr. Aalok Dave has previously been associated with Asset Reconstruction Company (India) Limited and Distressed Asset Specialist Private Limited and has more than ten years of experience in the field of asset reconstruction.

Keeping in mind the same, the Board of Directors of the Company at their meeting held on August 31, 2019 have on the recommendation of the Nomination and Remuneration Committee, and subject to the approval of the shareholders by way of special resolution and such other approvals as may be required, re-appointed Mr. Aalok Dave as the Managing Director and CEO for the further tenure of three years w.e.f. date of approval of the RBI on the following terms:-

- 1) Salary to comprise of fixed and variable components. The fixed component shall not exceed INR. 1.2 crores p.a. and the variable component shall be in accordance with the Nomination and Remuneration Policy of the Company and review of performance;
- 2) Contribution to Provident Fund, Superannuation Fund and payment of gratuity as per Company rules;
- 3) Encashment of leave at the end of the tenure;
- 4) He shall be entitled to re-imbursement of expenses incurred for the business of the Company;
- 5) As long as he functions as the Managing Director and CEO he shall not be entitled to sitting fee to attend any meeting of the Board and/or Committee thereof;
- 6) He shall not be liable to retire by rotation;
- 7) Subject to the superintendence, control and direction of the Board of Directors of the Company, he shall perform such duties and functions as would be commensurate with his position as the Managing Director of the Company and as may be delegated to him from time to time;



Further, pursuant to the provisions of Sections 117(3), 197, Schedule V as applicable and other applicable provisions, if any, of the Companies Act, 2013, the said terms & conditions of appointment shall be placed for the approval of the Shareholders in the Annual General Meeting.

Therefore, the Board of Directors of your Company recommends the passing of Special Resolution as set out at Item No. 4 of the Notice.

Except Mr. Aalok Dave himself as Director of the Company, no other Director or Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the proposed resolution.

**Item no. 5**

The Board of Directors at their meeting held on August 31, 2019 approved the payment of remuneration to Mr. Aalok Dave as the Managing Director and CEO of the Company for a further period of three years w.e.f date of approval of the Reserve Bank of India, for which approval of the members is required.

Keeping in mind the contribution to the Board of the Company, the Nomination and Remuneration Committee of the Company has recommended remuneration in excess of five percent of the net profits of the Company computed in accordance with the provisions of Section 198 of the Companies Act, 2013.

Therefore, the Board of Directors of your Company recommends the passing of Special Resolution as set out at Item No. 5 of the Notice.

Except Mr. Aalok Dave himself as Director of the Company, no other Director or Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the proposed resolution.

**Item no. 6**

Taking into consideration the contribution of Mr. Aalok Dave as the Managing Director & CEO in driving the growth of the Company and pursuant to the recommendation of the Nomination and



Remuneration Committee, and approval of the Board of Directors of the Company at their meeting held on 29.3.2019. It is submitted that based on the projections, the overall managerial remuneration may exceed the limits specified under Section 197 read with Schedule V in case of no or inadequate profits in a financial year.

Accordingly, the Board recommends the passing of the special resolution set out in Item no. 6 for the approval of the members.

It is hereby confirmed the Company has not defaulted in repayment of its dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditors, as the case may be.

Except Mr. Aalok Dave, no other Director or Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the proposed resolution.

In terms of the requirements as per sub-clause (iv) of the proviso to Sub paragraph (B) of Paragraph (1) of Section II of Part II of Schedule V to the Act, the following statement is given:-

I. GENERAL INFORMATION		
1.	Nature of Industry	Securitisation and asset reconstruction
2.	Date or expected date of commencement of commercial production/business	29.9.2016
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N/A

4.	Financial performance based on given indicators	<p>Financial performance for FY 18-19 (Rupees in Lacs):-</p> <p>TOTAL INCOME = INR. 10749.56          PROFIT BEFORE TAX =INR. 1,393.26          PROFIT AFTER TAX = INR. 985.70</p>
5.	Foreign investments or collaborations, if any	NIL
<b>II. INFORMATION ABOUT THE APPOINTEE</b>		
1.	Background details	<p>Aalok Dave is a Chartered Accountant &amp; LLB (Gen.) with extensive experience in Stressed Assets Management space. He is associated with the ARC sector almost since its inception. He has working experience in all functional areas of ARC – Business Development, Asset Acquisition and Resolution, Monitoring of Restructured Assets, sell down of NPA Portfolios, Fund Raising, Rating of Security Receipts etc.</p> <p>Mr. Dave started his career in 2002, with Price Waterhouse Coopers where he was involved in Audit of Banking and Financial Services Companies.</p> <p>In 2003, Mr. Dave joined ARCIL, India's first Asset Reconstruction Company, formed pursuant to the enactment of SARFAESI Act. Mr. Dave has immense experience in resolving NPAs including cases with complex litigations. During his tenure, he grew from being a Management Trainee to Vice President in a span of 10 years.</p>

		<p>In his initial years at ARCIL, he handled business development during the initial years of ARC sector, taking the concept of Securitization of NPAs to banks and evolving transaction structures.</p> <p>In June 2013, Mr. Dave took up entrepreneurial challenge by venturing into NPA Resolution business by setting up Distress Asset Specialist Private Limited. In 2015, Distress Asset Specialist Pvt. Ltd. was acquired by Fortune Financial Services (India) Ltd, a BSE listed company with interests in Investment Banking, Institutional and Retail Broking, Housing Finance, Auto Finance etc.</p>
2.	Past remuneration	Remuneration paid FY 18-19 (Rupees in Lacs):- = INR. 204.93
3.	Recognition or awards	As above
4.	Job profile and suitability	As above
5.	Remuneration proposed	Up to INR. 215 Lacs p.a.
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 his origin)	Taking into consideration the profile, experience, knowledge, skills and responsibilities shouldered by Mr. Aalok Dave in the growth of the Company, the remuneration proposed to be paid is commensurate with the remuneration packages paid to persons falling under the same cadre in other companies.

7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	None
III. OTHER INFORMATION		
1.	Reasons of loss or inadequate profits	The company is in it's the initial stages years of commencement of business.
2.	Steps taken or proposed to be taken for improvement	The company shall endeavor to increase its profitability with increase in size and operations.
3.	Expected increase in productivity and profits in measurable terms	The company is expected to improve its profitability with time, and increase the profitability to ensure that the managerial remuneration is within the limits prescribed under Section 198 of the Companies Act, 2013 in the next 3 years.

**Item no. 7**

Pursuant to the provisions of Section 186 of the Companies Act, 2013, a company can give any loan, guarantee, provide security or make investment up to an amount of 60% of its paid up capital, free reserves and securities premium account or 100% of free reserves and securities premium account, whichever is higher. A company may give loan, guarantee, provide security or make investments exceeding the above limits with the prior approval of shareholders by means of a special resolution.

For the purpose of business and investment, the Board of Directors of the Company proposes to obtain approval of the Shareholders by way of special resolution for an amount not exceeding INR. 2000 crores (Rupees Two Thousand Crores Only) outstanding at any time notwithstanding that such



that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013.

None of the Directors, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company as contemplated in the provisions of Section 102 of the Companies Act, 2013 is, in any way, financially or otherwise, concerned or interested in the resolution.

**Inspection of Documents:**

All documents relating to the resolutions passed at the meeting are available for inspection by the Members of the Company, at its Registered Office, during the office hours between 11:00 A.M. to 01:00 P.M. except Sundays upto the date of the Annual General Meeting and shall also be available at the venue of the meeting.

By order of the Board  
**For Suraksha Asset Reconstruction Limited**

Sd/-  
**Dipanjali Nagpal**  
**Company Secretary**  
**(ACS: 39288)**

**Mumbai,**

**June 27, 2019**

**SURAKSHA ASSET RECONSTRUCTION LIMITED**

**Registered Office: "A" Wing, Naman Midtown,  
20<sup>th</sup> Floor, Senapati Bapat Marg, Elphinstone Road,  
Mumbai, Maharashtra – 400013**

16

Suraksha Asset Reconstruction Limited CIN : U74120MH2015PLC268857  
(Erstwhile Suraksha Asset Reconstruction Private Limited)  
Naman Midtown, 'A' Wing, 20th Floor, Senapati Bapat Marg, Prabhadevi, Mumbai - 400013  
T : +91 22 4027 3679 F : +91 22 4027 3700 E: admin@surakshaarc.com W: www.surakshaarc.com