

NOTICE

FOR THE YEAR 2019-20

NOTICE

Notice is hereby given that the 14th Annual General Meeting of the Members of **Reliance Asset Reconstruction Company Limited** will be held on Thursday, September 10, 2020 at 10.30 A.M. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt:
 - (a) the audited financial statement of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon, and
 - (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2020 and the reports of Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Lav Chaturvedi (DIN: 02859336), who retires by rotation under the provisions of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. Appointment of Mr. Mehlul Gandhi as an Executive Director

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

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') read with the Rules made thereunder, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Mehlul Gandhi (DIN: 08584229), who was appointed by the Board of Directors and holds office as an Additional Director of the Company with effect from December 18, 2019 and who holds office upto to the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the

Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to such sanctions, as may be necessary, approval of the Company be and is hereby accorded to the appointment of Mr. Mehlul Gandhi as a Whole-time Director designated as an Executive Director & CEO of the Company, for a period of 3 (three) years with effect from December 18, 2019, on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Mehlul Gandhi, subject to the same not exceeding the limits specified under Schedule V to the Act or any statutory modification(s) or re-enactment(s) thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. Private Placement of Non-Convertible Debentures and / or other Debt Securities

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 all other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') read with the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the provisions of the Memorandum and Articles of Association of the Company, the Securities and Exchange Board of India (SEBI) (Issue and Listing of Debt Securities) Regulations, 2008, as amended and other applicable SEBI regulations and guidelines and subject to such other applicable laws, rules and regulations and guidelines, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute to exercise its powers,



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including the powers conferred by this Resolution) for making offer(s) or invitation(s) to subscribe to Secured / Unsecured / Redeemable Non- Convertible Debentures (NCDs) including but not limited to subordinated Debentures, bond, and / or other debt securities, etc., on a private placement basis, in one or more tranches, within the overall borrowing limits of the Company, as may be 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 authorised to determine the terms of issue including the class of investors to whom NCDs are to be issued, time of issue, securities to be offered, the number of NCDs, tranches, issue price, tenor, interest rate, premium / discount, listing 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."

By **Order of the Board of Directors**

Preeti K. Chhapru
Company Secretary

Registered Office:
Reliance Centre, North Wing, 6th Floor,
Off Western Express Highway,
Santacruz (East), Mumbai 400055
CIN: U45200MH2006PLC161190
Website: www.rarcl.com

Date: July 22, 2020

NOTES:

1. Statement pursuant to Section 102(1) of the Companies Act, 2013 ("Act"), relating to special business to be transacted at the Annual General Meeting (the "AGM") is annexed hereto.
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") vide its circular dated May 5, 2020, read with circulars dated April 18, 2020, April 13, 2020 and June 15, 2020 ("collectively referred to as MCA Circulars") permitted the holding of the AGM through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. Accordingly, in compliance with the provisions of the Act and MCA Circulars, the AGM of the Company is being held through VC/ OAVM.
3. Since the AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. **Accordingly, the facility for appointment of proxies will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**
4. Corporate Members are required to send a scanned copy (PDF / JPG Format) of its Board or governing body Resolution/Authorisation, etc., authorising its representative to attend the AGM through VC / OAVM on its behalf, by email through its registered email address to Preeti.chhapru@relianceada.com.
5. In compliance with the aforesaid MCA Circulars, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company or CDSL / NSDL ("Depositories"). Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.rarcl.com.
6. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
8. Relevant documents referred to in the accompanying Notice calling the AGM are available for inspection electronically upto the date of AGM. Members can send an email to preeti.chhapru@relianceada.com
9. In case of joint holders, the Member whose name appears as the first holder in the order of names as

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per the Register of Members of the Company shall be entitled to vote at the AGM.

10. Kindly register your email address and contact details with us, by writing to us addressed to the Secretarial department at our email ID Preeti.chhapru@relianceada.com. This will help us in sending of notice, Annual Reports and other Shareholder communication in electronic form.
11. The dividend on equity shares, as recommended by the Board of Directors, if declared at the AGM, will be paid after the AGM.
12. Members may please note that for shares in electronic form, bank particulars registered against their depository accounts will be used by the Company for payment of dividend. Members are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. The Company or its Registrar and Transfer Agent cannot change bank particulars or bank mandates for shares held in electronic form.
13. Shareholders may note that the Income Tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 01, 2020 shall be taxable in the hands of shareholders. The Company shall therefore be required to deduct tax at source ("TDS") at the time of making the payment of final dividend. In order to enable us to determine the appropriate TDS rate as applicable, shareholders are requested to submit the following documents in accordance with the provisions of the IT Act.

For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows:

Shareholders having valid PAN	7.5% or as notified by the Government of India
Shareholders not having PAN / valid PAN	20% or as notified by the Government of India

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during Financial Year 2020-21 does not exceed ₹ 5,000 and also in cases where shareholders provide Form 15G / Form 15H (applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act. Registered shareholders may also submit

any other document as prescribed under the IT Act to claim a lower / Nil withholding tax. PAN is mandatory for shareholders providing Form 15G / Form 15H or any other document as mentioned above.

For non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") between India and the country of tax residence of the member if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA, non-resident shareholders will have to provide the following:

- Copy of the PAN card allotted by the Indian Income Tax authorities duly attested by the member;
- Copy of Tax Residency Certificate ("TRC") for the 2020-21 obtained from the revenue authorities of the country of tax residence,
- Duly attested by member Self-declaration in Form 10F,
- Self-declaration by the shareholder of having no permanent establishment in India in accordance with the applicable tax treaty and Self-declaration of beneficial ownership by the non-resident shareholder,
- Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by member.

In case of Foreign Institutional Investors / Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act @ 20% (plus applicable surcharge and cess).

The aforementioned documents are required to be emailed to the Company by quoting your Folio number / DPID / Client ID, number of shares and PAN details at email address Preeti.chhapru@relianceada.com on or before August 28, 2020, 6:00 PM (IST) in order to enable the Company to determine and deduct appropriate TDS / withholding tax. No communication regarding the tax withholding matters would be entertained after



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August 28, 2020 6:00 PM (IST). The Company shall arrange to email a soft copy of the TDS certificate to you at your registered email address in due course.

Shareholders may note that in case the tax on the said final dividend is deducted at a higher rate in absence of receipt or insufficiency of the aforementioned details / documents from you, an option is available to you to file the return of income as per Income tax Act 1961 and claim appropriate refund, if eligible.

Disclaimer: This Communication is not to be treated as a tax advice from the Company or Kfin Technologies Private Limited. Shareholders should obtain the tax advice related to their tax matters from a tax professional.

14. Re-appointment of Director

At the ensuing AGM, Mr. Lav Chaturvedi, Nominee of Reliance Capital Limited, on the Board of the Company retires by rotation under the provisions of the Companies Act, 2013 and being eligible, offers himself for re-appointment. The details pertaining to Mr. Lav Chaturvedi are furnished hereunder:

Lav Chaturvedi, 44 years, is a Nominee of Reliance Capital Limited on the Board of the Company. Mr. Lav Chaturvedi leads the broking & distribution business for Reliance Capital Limited (Reliance Securities Group). He has been with the Group for over a decade and has made several valuable contributions to the franchise, including obtaining the CIC approvals for Reliance Capital Limited, stake sale in our existing businesses such as Asset Management, incubating and monitoring new initiatives of the Reliance Capital group, both onshore and offshore, strategic mandates for acquisitions, working closely with regulators and Board members for robust policy, risk management framework and governance processes across businesses. He plays a key role in guiding the commodities exchange business, ICEX, which is focused on converting to a universal exchange.

Prior to joining the Reliance Group, Lav Chaturvedi has worked overseas for more than a decade, managing clients, building relationship, implementing technology and financial solutions to enable business growth. He has worked with IPS Sendero, subsidiary of Fiserv (a Fortune 500 company), in Scottsdale, Arizona, USA at the senior management level, providing strategic and tactical consulting on balance sheet management to the clients and assisting in the resolution of advanced

analytical and policy issues. Mr. Lav Chaturvedi has an MBA from Syracuse University, New York. He is also a Chartered Financial Analyst from the CFA Institute, USA.

Mr. Lav Chaturvedi has been appointed as a Nominee of Reliance Capital Limited on the Board of the Company with effect from September 22, 2014. Being eligible for the re-appointment for further term and have also given their confirmations to the effect that he is not disqualified in any manner from such appointment, of the Company, sitting fees has been to Reliance Capital Limited for the meetings attended by him during the financial year 2019-2020. He has attended Five out of Five Board meetings held during the financial year 2019-2020. Terms and Conditions are same as per last appointment. He is member of Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Risk Management Committee of the Company. He is on the Board of Reliance Financial Limited and member of Audit Committee, Nomination and Remuneration Committee, Risk Committee and Corporate Social Responsibility Committee of Reliance Financial Limited. He is also on the Board of Reliance Securities Limited.

He does not himself or for any other person on beneficial basis, hold any share in the Company. He does not hold any relationship with other Director and Key Managerial Personnel of the Company. Mr. Lav Chaturvedi and his relatives are interested in the resolution set out respectively at Item No. 3 of the Notice. None of the other Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

15. Instructions for members for attending the Agm through VC / OAVM are as under:

- a. Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and Members who may like to express their views or ask questions during the AGM may register themselves by writing to us on Preeti.chhapru@relianceada.com. Facility of joining AGM will be closed on expiry of 15 minutes from the schedule time of the AGM. Those Members who register themselves as speaker will only be allowed to express views/ask questions during the AGM. The Company reserves the right to restrict

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the number of speakers and time for each speaker depending upon the availability of time for the AGM.

The login details for joining the AGM will be sent separately to the members through electronic mode.

- b. Members who need technical assistance before or during the AGM, can contact on Preeti.chhapru@relianceada.com.
- c. Pursuant to Section 108 of the Companies Act, 2013 and rule 20 of the Companies (Management and Administration) Rules, 2014 and amended thereafter. The Company is not required to provide e-voting facility to the members, to cast and record their vote for the AGM.
- d. In Compliance with the MCA Circulars and applicable provisions of the Act and rules made

thereunder, the Members will have facility to vote on the proposed agenda matters of the Notice convening the AGM, through "Show of Hands", as per Section 107 of the Act, unless a demand for poll is made by any Member in accordance with Section 109 of the Act.

- e. During the meeting, held through VC/ OAVM facility, where a Poll on any items is demanded, the Members shall cast their vote on the resolutions only by email through its registered email address on which they have received the AGM notice to Preeti.chhapru@relianceada.com.
- f. Members holding shares in physical form are requested to advise any change of address or bank mandates immediately to the Company / Registrar and Transfer Agent, Kfin Technologies Private Limited



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Statement pursuant to Section 102 (1) of the Companies Act, 2013 to the accompanying Notice dated July 22, 2020

Item No. 4 Appointment of Mr. Mehl Gandhi as an Executive Director

Mr. Mehl Gandhi was appointed as an Additional Director of the Company by the Board with the recommendation of the Nomination and Remuneration Committee (hereinafter referred to as the 'NR Committee') in their meetings held on October 22, 2019 and subject to approval of the Reserve Bank of India, in accordance with the provisions of Section 161 of the Companies Act, 2013 (the "Act") and pursuant to the Articles of Association of the Company. The Reserve Bank of India approved his appointment on December 18, 2019. Pursuant to Section 161 of the Act, Mr. Mehl Gandhi, holds office upto the date of the ensuing Annual General Meeting.

As required under Section 160 of the Act, the Company has received a notice in writing from a member proposing the candidature of Mr. Mehl Gandhi for appointment as a Director of the Company, liable to retire by rotation.

Mr. Mehl Gandhi is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Director.

Mr. Mehl Gandhi fulfils the Fit and Proper Criteria of Directors as per the requirements of the Reserve Bank of India and has given his declaration in this regard.

The NR Committee and the Board of Directors of the Company at their meetings held on October 22, 2019, have, subject to the approval of the Central Government, if necessary, proposed to obtain the approval of members for the appointment of Mr. Mehl Gandhi as Whole-time Director of the Company, liable to retire by rotation and designated as an Executive Director & CEO for a period of 3 (three) years commencing from December 18, 2019 at remuneration recommended by the NR Committee of the Board and approved by the Board.

It is proposed to seek the members' approval for the appointment of and remuneration payable to Mr. Mehl Gandhi as a Whole-time Director, designated as an Executive Director & CEO, in terms of the applicable provisions of the Act and the relevant Rules made thereunder.

Broad particulars of the terms of appointment and remuneration payable to Mr. Mehl Gandhi are as under:

The remuneration payable to and the terms of appointment of Mr. Mehl Gandhi as an Executive Director & CEO of the Company during the tenure of his appointment will comprise

salary, allowances and other perquisites, the aggregate monetary value of such salary, allowances and perquisites being limited to ₹ 1.04 crore per annum, plus discretionary Bonus not exceeding in any year the annual remuneration for that year and stock options / phantom options as may be decided by the NR Committee / Board from time to time.

The perquisites and allowances payable to Mr. Mehl Gandhi will include House Rent allowance, medical reimbursements, leave travel concession for self and his family including dependants, medical insurance and such other perquisites and / or allowances within the amount specified above. The said perquisites and allowances shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 or any Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force). However, Company's contribution to Provident Fund, Superannuation or Annuity Fund to the extent these singly or together are not taxable under the Income Tax Act, 1961 and Gratuity payable and encashment of leave at the end of the tenure, as per the rules of the Company, shall not be included in the computation of limits for the remuneration.

In the event of loss or inadequacy of profits in any financial year during the currency of the tenure of Mr. Mehl Gandhi as an Executive Director of the Company, the remuneration and perquisite to be paid shall not exceed the amount as may be approved by the Board from time to time subject to the provisions of Schedule V to the Act, as amended.

The Whole-time Director will perform duties with regard to all work of the Company and he will manage and attend to such business and carry out the directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board.

The Whole-time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.

The Whole-time Director shall adhere to the Company's Code of Conduct & Ethics for Directors and Senior Management. The office of the Whole-time Director may be terminated by the Company or the concerned Director by giving the other 3 (three) months' prior notice in writing.

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Mr. Mehul Gandhi satisfies all the conditions as set out in Part-I of Schedule V to the Act and sub-section (3) of Section 196 of the Act, for being eligible for his appointment.

The Board or any Committee thereof, subject to requisite approval(s), if necessary, is entitled and authorised to revise at any time, the salary, allowances and perquisites payable to the Executive Director of the Company such that the overall remuneration payable to the Executive Director of the Company shall not exceed the limits specified above.

The terms and conditions for appointment including payment of remuneration may be altered and varied from time to time by the Board / NR Committee as it may, at its discretion, deem fit within the overall ceiling fixed herein.

Approval of the members is accordingly sought for the appointment of Mr. Mehul Gandhi as a Director liable to retire by rotation and Whole-time Director of the Company designated as an Executive Director & CEO for a period of 3 (three) years, as set out in the Item No. 4 of the accompanying Notice.

The details pertaining to Mr. Mehul Gandhi are furnished hereunder:

Mr. Mehul Gandhi, 40 years and has more than 14 years of experience diverse experience in Asset Reconstruction Company (ARC) industry handling Financial and Management Reporting, Business Strategy, Formulation of Policies, Operations, Compliance, Internal Controls and System Implementation. He has been working with the Company since April, 2017 as Chief Financial Officer. Prior to joining the Company as Chief Financial Officer, he has worked with organisations like Edelweiss Asset Reconstruction Company India Limited, International Asset Reconstruction Company India (P) Ltd. and Asset Reconstruction Company (India) Limited.

He does not by himself or for any other person on a beneficial basis, hold any share in the Company. He does not hold any relationship with other Directors and Key Managerial Personnel of the Company at any time during last two years before his appointment. He does not hold directorship in any other Company. He is a member of Investment Committee, Risk Management Committee and Review Committee on Wilful Defaulters. During the year, he has attended one Board Meeting of the Company and no sitting fees has been paid to him.

In view of the above, pursuant to the Schedule V of the Act, no approval of Central Government is called for in

respect of the remuneration paid / proposed to be paid to Mr. Mehul Gandhi, during the tenure of this appointment

The above may be treated as a written memorandum setting out the terms of appointment of Mr. Mehul Gandhi under Section 190 of the Act.

Mr. Mehul Gandhi is interested in the resolution set out at Item No. 4 of the Notice.

The relatives of Mr. Mehul Gandhi may be deemed to be interested in the resolution set out at Item No. 4 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors, Key Managerial Personnel and their relatives is concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the accompanying Notice for the approval of the Members.

5. Private Placement of Non - Convertible Debentures and / or other Debt Securities

As per the provisions of Section 42 of the Companies Act, 2013 (the 'Act') and its rules thereunder, a Company offering or making an invitation to subscribe to redeemable secured / unsecured Non-Convertible Debentures (NCD's) on a private placement basis is required to obtain the prior approval of the Members by way of a Special Resolution. Such approval by a Special Resolution can be obtained once a year for all the offers and invitations for such NCD's to be made during the year.

NCD's including subordinated debentures, bonds, and / or other debt securities issued on a private placement basis constitute a significant source of borrowings for the Company and meet the ongoing funding requirements for the Company business activities, for general corporate purposes and refinancing of the existing debt obligations of the Company. It is proposed to obtain an enabling approval of shareholders to offer or invite subscriptions for NCD's including subordinated debentures, bonds, and / or other debt securities, etc., on private placement basis at appropriate time, in one or more tranches / series, within the overall borrowing limits of the Company, as may be approved by the Members from time to time, with authority to the Board to determine the terms and conditions, including the issue price of the NCD's, interest, repayment, security or otherwise, as it may deem expedient and to do all such acts, deeds, matters and things in



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connection therewith and incidental thereto as the Board in its absolute discretion deems fit, without being required to seek any further consent or the Board would act on the basis of the enabling resolution without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of the Resolution. Accordingly, the approval of the members is being sought by way of a Special Resolution under Sections 42, 71 and other

applicable provisions, if any of the Act and its rules thereunder as set out in Item No. 5 appended to this notice.

None of the Directors, Key Managerial Personnel and their relatives is concerned or interested, financially or otherwise, in this resolution.

The Board accordingly recommends the Special Resolution set out at Item No.5 of the accompanying Notice for the approval of the Members.

By **Order of the Board of Directors**

Preeti K. Chhapru
Company Secretary

Registered Office:
Reliance Centre, North Wing, 6th Floor,
Off Western Express Highway,
Santacruz (East), Mumbai 400055
CIN: U45200MH2006PLC161190
Website: www.rarcl.com

Date: July 22, 2020