

BHARAT FINANCIAL INCLUSION LIMITED
(Formerly known as 'INDUSIND FINANCIAL INCLUSION LIMITED')
CIN: U65999MH2018PLC312539

**Registered Office: One Indiabulls Centre, Tower 1, Floor 8, 841,
Senapati Bapat Marg, Elphinstone, Mumbai 400013.**
Tel: (022) 6641 2487 / 2359; E-mail: companysecretary@indusind.com;

NOTICE is hereby given that the Second Annual General Meeting (AGM) of the Members of Bharat Financial Inclusion Limited (formerly known as IndusInd Financial Inclusion Limited) will be held at a shorter notice, through Video Conferencing, on Thursday, September 24, 2020, at 10.00 a.m., in accordance with the applicable provisions of the Companies Act, 2013 read with MCA General Circular Nos. 20/2020, 14/2020, and 17/2020 dated May 5, 2020, April 8, 2020 and April 13, 2020 respectively, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (Standalone) for the Financial Year ended March 31, 2020, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. M. R. Rao (DIN: 03276291), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **Appointment of Mr. Sumant Kathpalia (DIN: 01054434) as a Non-Executive Non-Independent Director**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions of the Companies Act, 2013 or any amendments thereto or modifications thereof, Mr. Sumant Kathpalia (DIN: 01054434) who was appointed as ‘Additional Director’ of the Company with effect from April 14, 2020, and who holds office up to the date of this Annual General Meeting, and in respect of whom under Article 79 of the Articles of Association, the Company has received a Notice in writing from IndusInd Bank Ltd. (Holding Company), for his appointment, be and is hereby appointed as a ‘Non-Executive Non- Independent Director’ of the company with effect from April 14, 2020, till the date of withdrawal of his Directorship by IndusInd Bank Ltd., in terms of Article 79 of the Article of Association.

RESOLVED FURTHER THAT the Directors and the Company Secretary be and are hereby severally authorized to take necessary steps to give effect to the above Resolution.”

4. **Appointment of Mrs. Akila Krishnakumar (DIN: 06629992) as a Non-Executive Non-Independent Woman Director**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions of the Companies Act, 2013 or any amendments thereto or modifications thereof, and subject to the approval of the Members of the company, Mrs. Akila Krishnakumar (DIN: 06629992) who was appointed as ‘Additional Director’ of the Company with effect from September 15, 2020, and who holds office up to the date of this Annual General Meeting, and in respect of whom under Article 79 of the Articles of Association, the company has received a Notice in writing from IndusInd Bank Ltd. (Holding Company) for her appointment, be and is hereby appointed as a ‘Non-Executive Non- Independent Woman Director’ of the company with effect from September 15, 2020 till the date of withdrawal of her Directorship by IndusInd Bank Ltd., in terms of Article 79 of the Article of Association.

RESOLVED FURTHER THAT the Directors and the Company Secretary be and are hereby severally authorized to take necessary steps to give effect to the above Resolution.”

5. **Appointment of Mr. M. R. Rao (DIN: 03276291) as Executive Vice Chairman.**

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, 203 read with Schedule V and any other applicable provisions of the Companies Act, 2013 and rules made thereunder as amended from time to time, approval of the members be and hereby is accorded for the appointment of Mr. M. R. Rao (DIN: 03276291) as the Executive Vice Chairman of the Company.

RESOLVED FURTHER THAT the term of office of Mr. M. R. Rao shall continue for a period of three years from July 4, 2019, as approved by the Members at their Extraordinary General Meeting held on August 16, 2019, for Mr. M.R.Rao, as Managing Director & CEO of the Company.

RESOLVED FURTHER THAT Mr. M. R. Rao shall be eligible for the following Remuneration for Financial Year 2020-21:

Fixed Salary: Rs.4,33,97,640/-

Variable Pay- Rs.2,02,32,000 /-

RESOLVED FURTHER THAT the terms and conditions of the appointment may be altered or varied from time to time by the Board, as it deems fit with the prior acceptance of Mr. M. R. Rao.

If at any time Mr. M. R. Rao ceases to be a Director of the company for any cause whatsoever, he shall also cease to be the Executive Vice Chairman of the company;

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds, matters, and things and to execute any agreements, documents, instruments and writings as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the said appointment as it may in its sole discretion deem fit and to delegate all or any of its powers conferred herein to any Director(s) and / or Officer(s) of the Company to give effect to this Resolution.”

**By Order of the Board
For Bharat Financial Inclusion Ltd.
(Formerly known as IndusInd Financial Inclusion Ltd.)**

Sd/-

**Place: Hyderabad
Date: September 18, 2020**

**V. Ravi Kumar Reddy
Company Secretary
Membership No. A19245**

NOTES:

1. Explanatory Statement setting out the material facts concerning Item Nos. 3 to 5, under Special Business to be transacted at the Annual General Meeting, pursuant to Section 102 of the Companies Act, 2013, is annexed hereto and forms part of this Notice.
2. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs has vide Circular dated May 5, 2020 read with Circular dated April 8, 2020 and April 13, 2020 (collectively referred as 'Circulars') has introduced certain measures enabling companies to convene their Annual General Meeting ('AGM') through Video-Conference ('VC') or Other Audio Visual Means ('OAVM') and also send Notice of the AGM and other correspondences related thereto, through electronic mode. In compliance with MCA Circulars, electronic copy of the Notice along with the Annual Report for the Financial Year March 31, 2020 consisting of the Financial Statements, including Board's Report, Auditors' Report and other documents required to be attached therewith (collectively referred to as Notice) are being sent to the Members to their respective email-ids registered with the company ('BFIL'), or the Depository Participants, through electronic means and no physical copy of the Notice is being sent to any member.
3. Since the company is a Wholly-Owned Subsidiary of the IndusInd Bank and all the members are Registered Owners to comply with requirement of law, their e-mail IDs are available with the company and the E-mail Ids' have been verified with the respective Member.
4. The Members who desire to change their e-mail IDs may send their request by e-mail to: ravikumar.reddy@bfil.co.in.
5. Members are requested to specify your DP ID and Client ID and attach self- attested KYC documents such as Aadhar, or PAN and Driving License or Passport for identification, for requesting change of email IDs.
6. In accordance with the MCA Circulars, the company has internal mechanism supported by in-house IT for providing the VC facility to the Members for participating in the meeting.
7. Members are requested to follow the below instructions in order to participate in the meeting through video-conference (VC):
 - a. The Login ID and Password for joining the meeting has been sent separately along with this Notice to each member;
 - b. The facility for joining the meeting shall be kept open 15 minutes before the time scheduled for the meeting to commence i.e. **9:45 a.m.** and till 15 minutes after the scheduled time i.e. till **10:15 a.m.**;
 - c. Since all the shares are held in dematerialised form, Members are requested to specify their Name or DP ID and Client ID Numbers for easy identification of attendance at the meeting;
 - d. Members are requested to call at Mobile: 7337057757 or may e-mail at ravikumar.reddy@bfil.co.in in case of any assistance required with at the time of log-in / accessing or voting at the meeting;

8. In view of the MCA Circulars no Proxy shall be appointed by Members. However, in case of Corporate Member, it is requested to send to the company a certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013 for its Authorised Representative to be able to attend and vote at the meeting through VC;
9. Since, the company has only 7 members and falls in category of company not required to provide facility of e-voting as prescribed in sub-paragraph B – XIII para 3 in MCA Circular 14/2020 dated April 8, 2020 the voting on items placed for approval at the meeting shall be conducted by show of hands, unless a demand for Poll is made by any member in accordance with Section 109 of the Companies Act, 2013.
10. The Chairman, shall at the Annual General Meeting, at the end of the discussion on the Resolutions on which voting is to be held, allow the voting to be conducted by show of hands pursuant to Section 107 of the Companies Act, 2013 for all the members, who are present at the meeting.
11. If a Poll is demanded, the Chairman of the meeting shall forthwith allow the members to communicate their vote assent or dissent from their e-mail ids registered with the company to the designated e-mail id ravikumar.reddy@bfil.co.in by members present at the meeting via VC in accordance with Section 109 of the Companies Act, 2013.
12. The result of the voting conducted by show of hands for each item shall be counted by the Company Secretary and declared by the Chairman of the meeting before the meeting is concluded.
13. In accordance with Section 107(2) a declaration by the Chairman of the meeting of the passing of a resolution or otherwise by show of hands and an entry to that effect in the books containing the Minutes of the meeting of the company shall be conclusive evidence of the fact of passing of such resolution or otherwise.
14. All necessary documents with respect to the items placed for approval, Registers and other information would be made available for the inspection of members. The members may write to ravikumar.reddy@bfil.co.in to inspect the necessary documents, which shall be made available online.

**By Order of the Board
For Bharat Financial Inclusion Ltd.
(Formerly known as IndusInd Financial Inclusion Ltd.),**

Sd/-

**V. Ravi Kumar Reddy
Company Secretary
Membership No. A19245**

**Place: Hyderabad
Date: September 18, 2020**

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item Nos. 3 & 4:

The Board of Directors of the Company inducted the following in the Board as ‘Additional Directors’ in the category of Non-Executive Non-Independent Director:

1. Mr. Sumant Kathpalia (DIN: 01054434) (appointed on April 14, 2019); and
2. Mrs. Akila Krishnakumar (DIN: 06629992) (appointed on September 15, 2020)

Mrs. Akila Krishnakumar was also appointed as ‘Woman Director’ of the Company.

Mr. Sumant Kathpalia, was appointed as the Chairman of the Board by the Board at its meeting held on July 27, 2020.

The Company has received Notice in writing from Member under Section 160(1) of the Act, proposing their candidature for the Office of Director.

In terms of Section 161(1) of the Companies Act, 2013 (‘the Act’), an Additional Director can hold office up to the date of AGM, held after the date of his / her appointment. In compliance with Section 152(2) of the Act, approval of the Members is required to be obtained at the general meeting of the Members, for appointment of Director on the Board for the proposed term of appointment, by passing an Ordinary Resolution.

The aforesaid Additional Directors were inducted basis the nomination by IndusInd Bank Ltd., the holding company in pursuance to Article 79 of the Articles of Association of the company.

Article 79 of the Articles of Association of the company, provides that IndusInd Bank shall have the power to remove IndusInd Bank nominated Directors and the Board of Directors of the company shall have no power to remove the IndusInd Bank nominated Directors.

The brief profile of the aforesaid Additional Directors is mentioned below:

Mr. Sumant Kathpalia (DIN: 01054434):

Mr. Sumant Kathpalia, aged 58 years, is currently the Managing Director & CEO of IndusInd Bank Ltd. He is holding the position of Managing Director & CEO of IndusInd Bank Ltd., since March 24, 2020.

Mr. Sumant Kathpalia is a career banker with over three decades of experience in large multinational banks such as Citibank, Bank of America and ABN AMRO, including his stint as Head – Consumer Banking in IndusInd Bank Ltd. in his prior role.

Mr. Kathpalia has successfully held several leadership roles over his career, with a focus on driving business growth and innovation. He has experience across diverse functions, including

Business Strategy, Sales & Distribution, Operations, Systems, Risk & Credit Management, and Financial Management.

Mr. Sumant Kathpalia is a Chartered Accountant, and a Commerce Graduate from Hindu College, Delhi University.

Mr. Sumant Kathpalia, holds one share of the company, as a nominee of IndusInd Bank Ltd.

Mr. Sumant Kathpalia doesn't hold any directorships other than in IndusInd Bank Ltd.(Bank). He is member of the following committees of the Bank- Committee of Directors, Customer Service Committee, CSR Committee, Finance Committee, IT Strategy Committee, Risk Management Committee, Special Committee of the Board (for monitoring large value of Frauds) Committee, Stakeholders Relationship Committee, Vigilance Committee, Review Committee (Non-Cooperative Borrowers & Wilful Defaulters).

Mr.Sumant Kathpalia shall not receive any remuneration as a Director of the Company.

Mr.Sumant Kathpalia is not related to any Director or any Key Managerial Personnel of the Company.

During the Financial Year 2020-21, from the date of appointment as Additional Director, till the date of the Notice, Mr.Sumant Kathpalia has attended all the four Board meetings held.

Mrs. Akila Krishnakumar (DIN: 06629992):

Mrs. Akila Krishnakumar, aged 58 years, holds Master's degree in Management Studies. She was President – Global Technology and Country Head until February 2013 at SunGard – a Fortune 500 Company and a global leader in Financial Services Software. During her career spanning 30 years, she has led Technology-driven companies which were building enterprise-scale solutions across the world. Mrs. Akila Krishnakumar's focus has been on operational excellence, talent engagement and customer relevance, which repeatedly has delivered robust returns for the many businesses she managed. She has been on the Board of IndusInd Bank Limited since August 2018 and was on the Board of State Bank of Mysore from June 1, 2016 to March 31, 2017.

The details of Directorships of Mrs. Akila Krishnakumar are mentioned below:

Sr. No.	Names of the Companies / bodies corporate /firms/ association of individuals	Nature of interest or concern
1.	Medwell Ventures Private Limited	Director
2.	Heidelberg Cement India Limited	Director
3.	Matrimony.com Limited	Director
4.	ABB Power Products and Systems India Ltd.	Additional Director
5.	IndusInd Bank Ltd.	Independent Director

Particulars of Membership / Chairmanship of Committees of the Other Companies:

Sr. No.	Name of other Company / Firms	Committee Type	Status (Member / Chairman)
1.	Heidelberg Cement India Limited	Board Audit Stakeholder Risk Management CSR Nomination & Remuneration	Chairperson Member Chairperson Member Chairperson Member
2.	Matrimony.com Limited	Board	Member
3.	Medwell Ventures Private Limited	Board	Member
4.	ABB Power Products and Systems India Ltd.		

Mrs. Akila Krishnakumar, doesn't hold any shares of the company.

Mrs. Akila Krishnakumar shall not receive any remuneration as a Director of the Company.

Mrs. Akila Krishnakumar is not related to any Director or any Key Managerial Personnel of the Company.

During the Financial Year 2020-21, from the date of her appointment as Additional Director till the date of the Notice, Mrs. Akila Krishnakumar has not attended a Board meeting held.

The Board recommends passing of the Ordinary Resolution as set out in Item Nos. 3 & 4 of this Notice, for the approval of the Members.

Except for Mr. Sumant Kathpalia and Mrs. Akila Krishnakumar, none of the other Directors or the Key Managerial Personnel of the Company and their relatives are in any way financially or otherwise concerned or interested in the passing of the Ordinary Resolution as set out in Item Nos. 3 & 4, of this Notice, respectively.

Item No.5:

Pursuant to the Composite Scheme of Arrangement amongst erstwhile Bharat Financial Inclusion Ltd., IndusInd Bank Ltd., the Company and its respective Shareholders and Creditors ('the Scheme'), Mr. M. R. Rao (DIN: 03276291) was appointed as the Managing Director & CEO of the Company with effect from July 4, 2019.

The appointment was approved by the Board of Directors at their meeting held on July 4, 2019 and by the members at the Extraordinary General Meeting of the Company held on August 16, 2019 on the following remuneration:

- i) Remuneration: Rs.3,94,52,400.00
- ii) Bonus Special Award Pay for FY 2019-20: Rs.2,02,32,000.00

The remuneration paid to Mr. M.R.Rao, for F.Y. 2019-20, is mentioned in the Directors Report and in the notes to accounts of Annual Accounts for F.Y.2019-2020.

Further, the Board of Directors at its meeting held on April 17, 2020, approved the change in designation of Mr. M. R. Rao from Managing Director & CEO to Executive Vice Chairman of the Company.

The Board at the aforesaid meeting also approved the increase in remuneration of Mr. M. R. Rao, to an amount of Rs.4,33,97,640/- for F.Y. 2020-21 and the Variable Pay amount to be continued at Rs.2,02,32,000/- to Mr. Rao.

Mr. M. R. Rao, aged 56 years, was the Managing Director & CEO of the erstwhile Bharat Financial Inclusion Limited since July 2011 and occupied the same position in the company, post-merger of erstwhile Bharat Financial Inclusion Limited with IndusInd Bank Ltd.

Mr. M. R. Rao has a wide exposure to Banking, Insurance & Microfinance business. His expertise lies in starting and managing operations in large business environment, formulating business strategies, identifying new markets, and scaling up distribution towards enhancing market share.

The erstwhile Bharat Financial Inclusion Ltd. had grown in strength over 12 years since he joined the company and had a dominant market share in the Micro Finance Industry prior to its amalgamation with the Bank.

An alumni of BITS Pilani with a qualification of post - graduation in management, Mr. M. R. Rao in a career span of 34 years has held key senior leadership positions at ING Vysya Life Insurance, American Express, Standard Chartered Bank and Esanda Finanz & Leasing Ltd.

Mr. M. R. Rao does not hold any shares of the company.

Mr. Rao does not hold any other Directorships.

Mr. Rao is not related to any Director or any Key Managerial Personnel of the Company.

The Board recommends passing of the Special Resolution as set out in Item No. 5 of this Notice, for the approval of the Members.

Except for Mr. M. R. Rao, none of the other Directors or the Key Managerial Personnel of the Company and their relatives are in any way financially or otherwise concerned or interested in the passing of the Special Resolution as set out in Item No. 5 of this Notice.

**By Order of the Board
For Bharat Financial Inclusion Ltd.
(Formerly known as IndusInd Financial Inclusion Ltd.),**

Sd/-

**V. Ravi Kumar Reddy
Company Secretary
Membership No. A19245**

**Place: Hyderabad
Date: September 18, 2020**