

BHARAT FINANCIAL INCLUSION LIMITED
CIN: U65999MH2018PLC312539

**Registered Office: One World Centre, Tower 1, Floor 8, 841,
Senapati Bapat Marg, Elphinstone, Mumbai 400013.
Tel: (022) 6641 2487 / 2359; E-mail: info@bfil.co.in**

NOTICE is hereby given that the Fourth Annual General Meeting (AGM) of the Members of Bharat Financial Inclusion Limited will be held at a shorter notice, through Video Conference, on Thursday, August 18, 2022, at 11.30 a.m., 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, 2022, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sumant Kathpalia (DIN: 01054434), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **Appointment of Mr. J Sridharan (DIN: 09420031) as Executive Vice Chairman.**

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

RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and other applicable provisions if any of the Companies Act, 2013 and relevant rules thereunder and Articles of Association of the Company, approval of Members of the Company be and is hereby accorded for appointment of Mr. J Sridharan (DIN: 09420031), as Executive Vice Chairman of the Company with effect from December 2, 2021 on the following terms and conditions:

Tenure: 3 years with effect from December 2, 2021, up to December 1, 2024.

Remuneration: Fixed Pay of Rs.1,28,97,723 per annum (Rupees One crore twenty-eight lakhs and Ninety-Seven Thousand Seven Hundred Twenty -Three only) and Variable Pay (as may be approved by the Board of Directors), for the period from December 2, 2021, until March 31, 2022.

RESOLVED FURTHER THAT pursuant to Section 197 read with Schedule V of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, approval of the Members be and is hereby accorded to the Board to decide on the annual increase in the remuneration of Mr. J Sridharan, for the period April 1, 2022, until December 1, 2024.

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.”

4. **Appointment of Mr. K Subrahmanyam (DIN: 06576376) as Independent Director**

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152, 160 of the Companies Act, 2013, and other applicable provisions of Companies Act, 2013 and relevant rules framed thereunder, (including any amendment or modification thereof), read with Article 84 of the Articles of Association of the Company and pursuant to the approval of the Board of Directors, Mr. K. Subrahmanyam (DIN -06576376) who was appointed as Additional Director in the category of Non-Executive Independent Director on the Board of the Company, with effect from December 2, 2021, and who holds office as such up to the date of the 4th Annual General Meeting, be and is hereby appointed as the ‘Non-Executive Independent Director’ of the Company, for a period of five consecutive years, with effect from December 2, 2021 up to December 1, 2026 (both days inclusive), on such terms and conditions, including remuneration, as may be agreed upon between Mr. Subrahmanyam and the Company AND THAT during the said tenure, Mr. Subrahmanyam shall not be liable to retire by rotation.

RESOLVED FURTHER THAT any of the Directors of the Company , be and are hereby severally 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.”

5. **Remuneration of Mr. Shalabh Saxena (DIN: 08908237) erstwhile Managing Director and Chief Executive Officer.**

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

RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (Act), read with Schedule V to the Act and rules made thereunder, approval of the members be and hereby is accorded for, remuneration of annual fixed salary of Rs.2,75,00,000/- to Mr. Shalabh Saxena, erstwhile Managing Director & CEO for the Financial Year 2021-2022, who had resigned as Managing Director & CEO of the company with effect from March 1, 2022.

RESOLVED FURTHER THAT consent of the members be and is hereby accorded for payment of Variable Salary of Rs.1,15,00,000/- to Mr. Shalabh Saxena, erstwhile Managing Director & CEO for the financial year 2020-21.

RESOLVED FURTHER THAT the Directors of the company be and are hereby severally authorized to do all such act, deeds, matters and things as may be required to give effect to the aforesaid Resolution.

6. **Remuneration of Mr. Ashish Damani, (DIN: 08908129) erstwhile Executive Director & CFO:**

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

RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (Act), read with Schedule V to the Act and rules made thereunder, approval of the members be and is hereby accorded, for remuneration of annual fixed salary of Rs.2,20,00,000/- to Mr. Ashish Damani, erstwhile Executive Director & CFO for the Financial Year 2021-2022, who had resigned as Executive Director & CFO of the company with effect from March 1, 2022.

RESOLVED FURTHER THAT consent of the members be and is hereby accorded for payment of Variable Salary of Rs.70,00,000/- to Mr. Ashish Damani, erstwhile Executive Director & CFO for the financial year 2020-21.

RESOLVED FURTHER THAT the Directors and Company Secretary of the company be and are hereby severally authorized to do all such act, deeds, matters and things as may be required to give effect to the aforesaid resolution.

**By Order of the Board
For Bharat Financial Inclusion Ltd.**

Sd/-

**Place: Mumbai
Date: August 12, 2022**

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

NOTES:

1. Explanatory Statement setting out the material facts concerning Item Nos. 3, 4, 5 & 6, 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 outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 (Applicable Circulars) and Circular No. 2/2022 & Circular No. 3/2022 dated May 5, 2022 and all other relevant Circulars issued from time to time, physical attendance of the Shareholders to the venue of the Annual General Meeting (AGM) is not required and the AGM may be held through Video Conference / Other Audio Visual Means (VC / OAVM). Hence, Shareholders can attend and participate in the ensuing AGM through VC / OAVM.
3. In compliance with MCA Circulars, electronic copy of the Notice along with the Annual Report for the Financial Year March 31, 2022 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.
4. 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.
5. The Members who desire to change their e-mail IDs may send their request by e-mail to: ravikumar.reddy@bfil.co.in.
6. 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.
7. 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.
8. Members are requested to follow the below instructions in order to participate in the meeting through video-conference (VC):
 - a. The link 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. 11:15 p.m. and till 15 minutes after the scheduled time i.e. till 11.45 p.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;
9. 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;
10. 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 read with MCA Circular 10/2021 dated June 23, 2021, and Circular No. 2/2022 & Circular No. 3/2022 dated May 5, 2022 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.
11. 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.
12. 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.
13. 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.
14. 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.
15. 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.**

Sd/-

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

**Place: Mumbai
Date: August 12, 2022**

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

Item No. 3

The Board of Directors of the Company at its meeting held on December 2, 2021 approved the appointment of Mr. J Sridharan as an Additional Director in the category of Executive Vice Chairman of the Company on deputation from IndusInd Bank Ltd., subject to the approval of Shareholders on following conditions:

Tenure: 3 years with effect from December 2, 2021, up to December 1, 2024.

Remuneration: Fixed Pay of Rs.1,28,97,723 per annum (Rupees One crore twenty-eight lakhs and Ninety-Seven thousand Seven Hundred Twenty -Three only) and Variable Pay (as may be approved by the Board), for the period from December 2, 2021, until March 31, 2022.

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 Special Resolution.

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

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

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

Mr. J Sridharan (DIN: 09420031):

Mr. J Sridharan, prior to the deputation, was holding the position of Head – Finance & Accounts and MIS of the Bank.

Mr. J Sridharan is a financial professional with more than three decades of professional experience. He holds a Bachelor degree in Commerce from Madras University and is an Associate Member of the Institute of Cost Accountants of India. He has also completed the final examination of the Institute of Company Secretaries of India and a diploma from the Institute of Chartered Financial Analysis of India. He is an Associate Member of the Indian Institute of Bankers.

He had more than a decade of experience in the fields of finance, control, business planning and strategy in engineering, electronics, and software development industries, including nurturing two start up enterprises. He joined the erstwhile Ashok Leyland Finance Limited in 2003 to head the Credit and Business Process Management team taking charge of back-

office operational functions including finance, accounting and control, credit administration and product development. He successfully led the project of developing the integrated loan origination and loan management system for e-ALFL and consolidating 17 applications and databases through which the CV business was then managed. Since 2008, he has been heading the Finance function of the Bank reporting to the Chief Financial Officer of the Bank, and has played a critical role in all strategic initiatives of the Bank such as acquisitions, merger, strategic transactions, debt and equity capital raise etc. He was also actively associated in the merger of the erstwhile BFIL with the Bank through a Comprehensive Scheme of Arrangement which was approved by the Board of Directors in 2017 and got completed in July 2019.

Mr. J Sridharan, holds one share of the company as nominee of IndusInd Bank Ltd.

Mr. J Sridharan does not hold any other Directorships.

The details of Remuneration to Mr. J Sridharan are mentioned in the proposed Resolution.

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

During the Financial Year 2021-22, from the date of appointment as an Executive Vice Chairman, Mr. J Sridharan has attended all the Board meetings held.

The Board recommends passing of the Special Resolution as set out in Item No. 3 of this Notice, for the approval of the Members.

Except for Mr. J Sridharan on his appointment, 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. 3 of this Notice.

Item No. 4:

The Board of Directors of the Company at its meeting held on December 2, 2021 approved the appointment of the Mr. K Subrahmanyam as an Additional Director in the category of Non-Executive -Independent Director of the Company subject to the approval of Shareholders.

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 Special Resolution.

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

Mr. Subrahmanyam is a senior banker with over 4 decades of experience at both National and International level. He has served not only in major business processes but also involved in reengineering of the same thus guiding direction in one of the major public sector banks i.e. Union Bank of India and Indian Overseas Bank and also served as a member of other boards - NPCI and SUDLife.

Post retirement Mr. Subrahmanyam has helped in setting up a capacity building initiative for IMT -a premier B-School thus sharing his immense knowledge & experience for the future banking professionals.

Mr. Subrahmanyam held the position of the Executive Director, Union Bank of India during the period January 2013 to July 2015. He had joined Indian Overseas Bank as Probationary Officer in February 1975 and served in both Line and Staff Positions at various Centres across the Country for over 37 Years. He also managed Bank's Premier Overseas Operations at Singapore, including Bank's Representative Offices at Kuala Lumpur (Malaysia) and Ho Chi Minh City, Vietnam.

Mr. Subrahmanyam has also served on the Board of National Payments Corporation of India and SUDLife, as Nominee of Union Bank of India during 2013-2015.

Mr. K Subrahmanyam, holds Nil shares of the company.

Mr K Subrahmanyam does not hold any other Directorships.

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

During the Financial Year 2021-22, from the date of appointment as an Independent Director, Mr. K Subrahmanyam has attended all the Board meetings held.

The Board recommends passing of the Special Resolution as set out in Item No. 4 of this Notice, for the approval of the Members.

Except for Mr. K Subrahmanyam on his appointment, 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. 4 of this Notice.

Item No. 5&6

Mr. Shalabh Saxena and Mr. Ashish Damani had submitted their resignation on November 25, 2021. The Board, at its meeting held on November 28, 2021, decided that the consideration of the decision to relieve Mr. Shalabh Saxena, Managing Director & Chief Executive Officer and Mr. Ashish Damani, Executive Director & Chief Financial Officer of the company from the employment of the Company, pursuant to their emails dated November 25, 2021 addressed to the Chairman of the Board, be deferred until the completion of the review of transactions relating to the company and assessment of its outcome by IndusInd Bank Ltd., and advised both of them to forthwith proceed on leave until completion of the aforesaid review; further, leave was also granted from office including attending any meetings of the Board or the committees of the Board, from November 28, 2021 until completion of the aforementioned review and assessment of its outcome by the Bank.

The company had not accepted the resignation of Mr. Saxena and Mr. Damani, pending completion of review of operations by IndusInd Bank Ltd. and Mr. Saxena and Mr. Damani agreed to cooperate in the review of operations. Mr. Saxena and Mr. Damani vide their email

dated March 18, 2022, communicated that their cessation of employment be considered with effect from March 1, 2022.

In terms of provisions of Section 168 of the Companies Act 2013 and the Form DIR 11 filed by Mr. Shalabh Saxena and Mr. Ashish Damani, the Board at its meeting held on July 19, 2022, took note of the resignation of Mr. Saxena and Mr. Damani as Managing Director & CEO and Executive Director & CFO respectively with effect from March 1, 2022.

The Board of Directors of the Company at its meeting held on October 26, 2021, had approved the remuneration of the following Directors subject to the approval of Shareholders:

1. Annual fixed salary of Rs.2,75,00,000/- for the Financial Year 2021-2022 and payment of Variable Salary of Rs.1,15,00,000/- to Mr. Shalabh Saxena, erstwhile Managing Director & CEO for the financial year 2020-21.
2. Annual fixed salary of Rs.2,20,00,000/- for the Financial Year 2021-2022 and payment of Variable Salary of Rs.70,00,000/- to Mr. Ashish Damani, erstwhile Executive Director & CFO for the financial year 2020-21.

Mr. Shalabh Saxena (DIN: 08908237):

Mr. Shalabh Saxena, holds Nil shares of the company.

Mr. Shalabh Saxena does not hold any other Directorships.

The details of Remuneration to be paid to Mr. Saxena are mentioned in the proposed Resolution. During the Financial Year 2021-22, an amount of Rs. 3.67 crore was paid to Mr. Saxena as remuneration in the form of Salary, Incentives and Perquisites as Managing Director & CEO of the company, as approved by the Board of Directors, subject to the approval of the Members.

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

During the Financial Year 2021-22, Mr. Shalabh Saxena has attended five Board meetings.

Mr. Ashish Damani (DIN: 08908129):

As on the date of the Notice, Mr. Damani, holds 1 share of the company as Nominee of IndusInd Bank Ltd.

Mr. Damani does not hold any other Directorships.

The details of Remuneration to be paid to Mr. Ashish Damani are mentioned in the proposed Resolution. During the Financial Year 2021-22, an amount of Rs. 2.94 crore was paid to Mr. Damani as remuneration in the form of Salary, Incentives and Perquisites as Executive Director and CFO of the company, as approved by the Board of Directors, subject to the approval of the Members.

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

During the Financial Year 2021-22, Mr. Ashish Damani has attended Five Board meetings.

Mr. Damani 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 & 6 of this Notice, for the approval of the Members.

Except for Mr. Saxena and Mr. Damani on their respective remuneration, 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 Resolutions as set out in Item No. 5 and 6 of this Notice, respectively.

**By Order of the Board
For Bharat Financial Inclusion Ltd.**

Sd/-

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

**Place: Mumbai
Date: August 12, 2022**