BHARAT FINANCIAL INCLUSION LIMITED
(Formerly known as 'INDUSIND 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: companysecretary@indusind.com;

NOTICE is hereby given that the Third 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 Conference, on Wednesday, August 25, 2021, at 2.30 p.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, 2021, together with the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Sanjeev Anand (DIN: 07074653), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

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

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

   "RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any of the Companies Act, 2013 and the relevant rules thereunder and the Articles of Association of the Company, approval of the Members of the Company be and is hereby accorded for appointment of Mr. M. R. Rao, (DIN: 03276291) as Non-Executive Vice Chairman of the Company for the period of two years with effect from April 1, 2021, liable to retire by rotation.

   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. Shalabh Saxena (DIN: 08908237) as a Managing Director & CEO**

   To consider and if thought fit, to pass the following resolution as a 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. Shalabh Saxena, as 'Managing Director & CEO' of the Company with effect from November 6, 2020 on the following terms and conditions:

Tenure: 5 years with effect from November 6, 2020.

Remuneration : Total Remuneration of Rs. 1,94,84,000/- per annum (One crore ninety-four lakhs eighty-four thousand only), comprising Fixed Pay (including perquisites) of Rs.1,46,13,000 per annum (Rupees One crore forty six lakhs and thirteen thousand only) and Variable Pay of upto Rs. 48,71,000 per annum (Rupees Forty-eight lakhs seventy-one thousand only), for the period from November 6, 2020 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. Shalabh Saxena, for the period April 1, 2022 until his completion of period of office.

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."

5. **Appointment of Mr. Ashish Damani (DIN: 08908129) as Executive Director and Chief Financial Officer**

To consider and if thought fit, to pass 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 the Articles of Association of the Company, approval of Members of the Company be and is hereby accorded for appointment of Mr. Ashish Damani, as 'Executive Director & Chief Financial Officer' of the Company with effect from November 6, 2020 on the following terms and conditions:

Tenure: 5 years with effect from November 6, 2020.

Remuneration : Total Remuneration of Rs. 1,61,39,000/- (One Crore sixty-one lakhs thirty nine thousand only) per annum, comprising Fixed Pay (including perquisites) of Rs.1,21,04,250 (Rupees One crore twenty-one lakhs, four thousand and two hundred fifty only) per annum, and Variable Pay of upto Rs. 40,34,750 (Rupees Forty lakhs

thirty-four thousand seven hundred fifty only) per annum, for the period from November 6, 2020 to 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. Ashish Damani, for the period April 1, 2022 until his completion of period of office.

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.)

V. Ravi Kumar Reddy
Company Secretary
Membership No. A19245

Place: Mumbai
Date: August 24, 2021

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 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 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, 2021 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 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. 2:15 p.m. and till 15 minutes after the scheduled time i.e. till 2.45 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 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.
(Formerly known as IndusInd Financial Inclusion Ltd.),

V. Ravi Kumar Reddy
Company Secretary
Membership No. A19245

Place: Mumbai
Date: August 24, 2021

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

Item No. 3:

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, for a period of three years.

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

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 Shareholders of the Company at their meeting held on September 24, 2020 approved the appointment of Mr. M. R. Rao as Executive Vice Chairman of the Company for the balance of the period that was approved by the Shareholders at the EGM held on August 16, 2019 at the Remuneration for Financial Year 2020-21:

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

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

Mr. Rao, resigned from the position of Managing Director with effect from the closing hours on March 31, 2021. The Board at its meeting held on March 25, 2021, took note of the resignation and approved the appointment of Mr. M. R. Rao as Non- Executive Vice Chairman of the Company, subject to approval of the Shareholders.

Mr. M. R. Rao, aged 57 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 Ordinary Resolution as set out in Item No. 3 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 Ordinary Resolution as set out in Item No. 3 of this Notice.

Item Nos. 4 & 5:

The Board of Directors of the Company at its meeting held on November 6, 2020 approved the appointment of the following Additional Directors subject to the approval of Shareholders.

1. Mr. Shalabh Saxena (DIN: 08908237), designated as Managing Director & CEO and
2. Mr. Ashish Damani (DIN: 08908129), designated as Executive Director & CFO

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 their candidature for the Office of Director.

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.

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

Mr. Shalabh Saxena (DIN: 08908237):

Mr. Shalabh Saxena, aged 50 years, has a strong retail financial experience of 25+ years in Consumer Banking and in the Life Insurance industry. Through his career he has run large profit centres & SBUs across various business lines in the financial services domain. His core competence & exposure revolves around Distribution & handling sales in large business environment, Marketing, Strategy, Information Technology, Operations, Strategic Planning, Customer Retention, Alliances & Acquisitions, Customer Service, CSR & Corporate Communications.

Prior to appointment as Managing Director & CEO, Mr. Saxena was designated as Chief Executive Officer, and responsible for Operations, Human Resources and Internal Audit. He has been associated with the company since February 2018, as part of erstwhile BFIL prior to merger with the Bank. Mr. Saxena has done MBA in Marketing and has previously worked with Canara HSBC OBC Life Insurance, ING Life Insurance, Standard Chartered Bank, and Anagram Finance.

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 2020-21, an amount of Rs. 62,52,221 was paid to Mr. Saxena as remuneration in the form of Salary, Incentives and Perquisites as Managing Director & CEO of the company.

Mr. Shalabh Saxena 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 Managing Director & CEO, Mr. Shalabh Saxena has attended all the three Board meetings held.

Mr. Ashish Damani (DIN: 08908129):

Mr. Ashish Damani, aged 42 years, has over 20 years of corporate experience and has been associated with the company for the past 14 years. His expertise lies in Business Planning, Fund Raising, Structured Finance & Equity, Risk Management, Accounts and Audit. He was previously associated with Fullerton India. He holds a Post Graduate Diploma in Business Administration and has done Accelerated General Management Program from IIM-Ahmedabad.

Prior to his appointment as Executive Director, Mr. Damani was designated as Chief Financial Officer and Chief Operating Officer and responsible for Finance, Accounts, Risk, Administration, and Cross-Sale Business of the company.

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 2020-21, an amount of Rs. 57,73,275 was paid to Mr. Damani as remuneration in the form of Salary, Incentives and Perquisites as Executive Director and CFO of the company.

Mr. Damani 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 Executive Director and Chief Financial Officer, till the date of the Notice, Mr. Ashish Damani has attended all the three Board meetings held.

The Board recommends passing of the Special Resolution as set out in Item No. 4 & 5 of this Notice, for the approval of the Members.

Except for Mr. Saxena and Mr. Damani on their respective 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 Resolutions as set out in Item No. 4 and 5 of this Notice, respectively.

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

V. Ravi Kumar Reddy
Company Secretary
Membership No. A19245

Place: Mumbai
Date: August 24, 2021