

NOTICE

Notice is hereby given that the 26th Annual General Meeting of the Shareholders of BOB Financial Solutions Limited will be held on Monday, 28th September, 2020 at 10.30 A.M. at Jeevan Meeting Room, Ground Floor, Baroda Corporate Centre, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051, to transact the following business.

ORDINARY BUSINESS

1. To receive, adopt and consider the Annual Financial Statements for the financial year ended 31st March 2020 and Report of the Board of Directors, Auditors and Comments of the Comptroller and Auditor General of India thereon.
2. To appoint a Director in place of Shri Rajneesh Sharma (DIN 07170440), who is retiring by rotation and being eligible, offers himself for reappointment.
3. To consider and if thought fit, to pass with or without modifications, the following resolution as ORDINARY RESOLUTION:-

"RESOLVED THAT pursuant to Section 142 of the Companies Act 2013, and other applicable provisions, if any, of the Companies Act, 2013, the remuneration of the Statutory Auditors appointed by Comptroller & Auditor General of India (C & AG) under Section 139(5) of the said Act, be and is hereby fixed at Rs.4,50,000/- for the year 2020-21"

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri K. Satyanarayana Raju (DIN 08607009), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 6th December, 2019 and who holds office up to the date of ensuing Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:



“RESOLVED THAT pursuant to the provisions of Section 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof, for the time being in force) and read with Article -99, 117 and 118 of Articles of Association of the Company and the Companies (Appointment and Remuneration of Managerial Personnel), 2014 and subject to the requisite approval of the Central Government and/or any regulatory authority, if any, Shri Shailendra Singh (DIN 08751442), who was appointed as an Additional Director and subsequently appointed as Managing Director (Key Managerial Person) with effect from 6th June, 2020 by the Board of Directors in their meeting dated 4th June, 2020 and who holds office until the date of General Meeting, in respect of whom the company has received a notice from a member (Bank of Baroda) under Section 160 of the Companies Act 2013 vide Letter no.BCC:DOM:SUB:112/120 dt.01.06.2020, signifying its intention to propose Shri Shailendra Singh as a candidate for the office of a Managing Director & CEO of the Company, be and is hereby appointed as a Managing Director and Chief Executive Officer (Key Managerial Person) of the Company with effect from 6th June, 2020 till such date as may be decided by Bank of Baroda or three years, whichever is earlier, at a remuneration of Rs.25,23,812/- (Rupees Twenty Five Lakhs Twenty Three Thousand Eight Hundred & Twelve only) per annum and perquisites payable to Shri Shailendra Singh, which shall be equivalent to his entitlements / pay grade in Bank of Baroda, from time to time, be and is hereby approved on the terms and conditions as set out in the Explanatory Statement annexed to this notice.

RESOLVED FURTHER THAT the Board be and is hereby authorized to alter and vary the terms and conditions of the said appointment and/or remuneration in such a manner as may be agreed between the Board/HR and Nomination & Remuneration Committee and Shri Shailendra Singh, subject to the limits specified under Section 197 of the Companies Act (including any statutory modifications or re-enactment(s) thereof, for the time being in force).

RESOLVED FURTHER THAT in event of no profits or inadequacy of profits, in any financial year, during the tenure of Shri Shailendra Singh, if the Company pays Shri Shailendra Singh, the existing remuneration or any revision thereof as decided by the Board and if the same requires approval from Central Government or shareholders or any other authority as per Schedule V to the Companies Act, 2013, such approvals will be taken as required

RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be considered necessary, proper or expedient to give effect to this resolution.”



BOB Financial
— CREDIT FINANCING —

26th ANNUAL REPORT

BY ORDER OF THE BOARD
For BOB Financial Solutions Limited

Place: Mumbai
Date: 01.09.2020

[Sanjiv Chadha]
Chairman
(DIN : 08368448)

Registered Office :
2nd Floor 'Baroda House'
Behind Dewan Shopping Centre
S.V. Road Jogeshwari (W)
Mumbai - 400 102

NOTES

A MEMBER ENTITLED TO ATTEND AND VOTE IN THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A Proxy form, in order to be effective, must be deposited at the registered office of the Company not less than forty eight hours before the commencement of the aforesaid meeting.

The Explanatory Statement(s) pursuant to section 102 (1) of the Companies Act 2013, in respect of special business as set out above under item No 4 & 5 of the Notice are annexed hereto.

Members are requested to intimate to the Company, changes, if any, in their registered addresses, nomination, power of attorney etc. at an early date, in case of shares held in physical form.

Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company on all working days, between 11.00 a.m. and 1.00 p.m. up to the date of the Meeting.

EXPLANATORY STATEMENT
[PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.]

ITEM NO. 4

Shri K. Satyanarayana Raju was appointed by the Board as an Additional Director with effect from 6th December, 2019 on rotational basis. He shall hold office upto the date of the ensuing Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 ("the Act").

Shri K. Satyanarayana Raju is a B.Sc, CAIIB and MBA (Banking & Finance). He has been serving with Bank of Baroda for almost 32 years and presently he is CGM Retail Operations (Zones). He has held various significant positions in Bank of Baroda during his glorious career spreading over last three decades.

Shri K. Satyanarayana Raju is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent in writing to act as a Director of the Company.

It is the considered view of the Board that Shri K. Satyanarayana Raju's knowledge and experience will be of immense value to the Company. Accordingly, the Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for the approval of the Members.

Except Shri K. Satyanarayana Raju, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in this Resolution.

ITEM NO. 5

Shri Shailendra Singh, age 53 Years, has rich experience spreading over 20 + years of his illustrious career. Shri Shailendra Singh is a BSc, MBA (Marketing) and PGDCA. He has been working with Bank of Baroda in various roles since the last 22 years.

The Board at its meeting dated 4th June 2020 on the recommendation of HR and NRC appointed him as additional director and consequently Managing Director & Chief Executive Officer and designated him as KMP of the Company as per Section 203 of the Companies Act, 2013 with effect from 6th June, 2020 till such date as may be decided by the Bank of Baroda or three years, whichever is earlier at a remuneration of Rs. 25,23,812/- per annum and all other terms and conditions as General Manager, Bank of Baroda and he holds office upto the date of this General Meeting. The Company has received a notice from a member under

Section 160 of the Companies Act 2013 signifying its intention to propose Shri Shailendra Singh as a candidate for the office of a director and consequently as Managing Director & CEO of the Company.

Pursuant to section 197(3) of the Companies Act, 2013, if, in any financial year, a company has no profits or its profits are inadequate, the company may pay to its managing director, by way of remuneration in accordance with the provisions of Schedule V. Further, pursuant to section II of Part II of Schedule V of Companies Act, 2013, where in any financial year during the currency of tenure of a managerial person, a company has no profits or its profits are inadequate, it may, pay remuneration to the managerial person not exceeding the limits determined on the basis of effective capital of the Company. Where the managerial person has been appointed for a period less than one year, the limits shall be prorated.

The effective capital of the Company and the maximum managerial remuneration limits is computed as follows:

(Amount in Rs.)

Projected Profit/(Loss) Before Tax (FY 2020-21)#	50 crores
Managerial Remuneration paid / payable* during the year 20-21:	
(i) Shri Manish Banerjea (01.04.2020 - 05.06.2020)	20,93,894
(ii) Shri Shailendra Singh (06.06.2020 - 31.03.2021) projected	20,73,547
Effective Capital of the Company as on 31 st March 2020	2,16,13,43,709
Limit of remuneration payable under Part II, section II of Schedule V basis above effective capital	1,20,00,000

* Includes performance bonus for period FY 2019-20 paid in FY 2020-21

As required under Schedule V of the Companies Act, 2013, the additional detailed information on the Special Resolution is as follows:

I. General Information:	
(a) Nature of Industry	Financial Service Sector
(b) Date or expected date of commencement of commercial production.	Business commenced in 1994, since the Company is into Financial service sector, hence there is no date of commercial production
(C) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the	Not applicable

prospectus.	
(d) Financial Performance based on given indicators.	Financial Year 2019-20 Gross Revenue. : Rs.327.00 Cr. Profit/(Loss) Before Tax : Rs.(34.95) Cr. Earnings Per share : (1.80)
(e) Foreign investments or collaborators if any	The Company has not made any foreign investments and neither entered into any foreign collaborations.

II. Information about the appointee:

(a) Background details	Shri Shailendra Singh, age 53 Years, has rich experience spreading over 20 + years of his illustrious career. Shri Shailendra Singh is a BSc, MBA (Marketing) and PGDCA. He has been working with Bank of Baroda in various roles since the last 22 years.	
(b) Past Remuneration	The Remuneration* drawn by Shri Shailendra Singh during the past two years is as follows:	
	Year	Amount (in Rs.)
	Bank of Baroda 01.04.2019 till 31.03.2020	24,50,545
	Bank of Baroda 01.04.2018 till 31.03.2019	21,54,555
(c) Recognition or awards	-	
(d) Job profile and his suitability	He is the Managing Director & CEO of the Company and devotes whole time attention to management of the Company's affairs and exercises powers under the supervision and superintendence of the Board of the Company.	
(e) Remuneration proposed /Paid	Rs.25,23,812 per annum and shall be equivalent to his entitlements / pay grade in Bank of Baroda, from time to time	

(f) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	Since Mr. Shailendra Singh has been deputed by our parent entity, the proposed remuneration commensurate with his pay / other entitlements applicable to officers of his cadre in Bank of Baroda.
(g) Pecuniary relationship directly or Indirectly with the Company, or relationship with the managerial personnel, if any	He does not have any pecuniary relationship with the Company except remuneration drawn as Managing Director.

III. Other information

(a) Reasons of loss or inadequate profits	The Company may post inadequate profits to cover Managerial Remuneration paid/payable to the Managing Director & CEO for the financial year 2020-21 in terms of Sections 197 and 198 r/w Schedule V of the Companies Act, 2013. This mainly due to increase in sales, marketing and operating expenditure of Credit cards driven by aggressive growth in card issuance during the year.
(b) Steps taken or proposed to be taken for improvement	<p>Following steps taken by the Company for improvement:</p> <ul style="list-style-type: none"> - Increase in issuance of Credit Cards through aggressive sales strategies - Marketing Tie-ups with the reputed brands / institutes to boost the BFSL Card brand. - Enhancement of revenue lines benchmarked to peer group - Initiatives on Technology up-gradation for scaling Credit Card Business
(c) Expected increase in productivity and profit in measurable terms	As per the revised Business plan approved by the Board, the Company aims to increase its credit card base through aggressive sales strategies resulting in increased profitability in the coming years.



Information pursuant to 1.2.5 of the Secretarial Standard on General Meetings (SS-2) regarding Director seeking appointment / re-appointment.

Age	53 years						
Qualification	Shri Shailendra Singh, age 53 Years, has rich experience spreading over 20 + years of his illustrious career. Shri Shailendra Singh is a BSc, MBA (Marketing) and PGDCA. He has been working with Bank of Baroda in various roles since the last 22 years						
Experience	22 Years						
Terms and conditions of appointment or re-appointment	As approved by the Board in its meeting dated 04.06.2020						
Last drawn remuneration	The Remuneration drawn by Shri Shailendra Singh during the past two Years is as follows: <table border="1"> <thead> <tr> <th>Year</th> <th>Amount (in Rs.)</th> </tr> </thead> <tbody> <tr> <td>Bank of Baroda 01.04.2019 till 31.03.2020</td> <td>24,50,545</td> </tr> <tr> <td>Bank of Baroda 01.04.2018 till 31.03.2019</td> <td>21,54,555</td> </tr> </tbody> </table>	Year	Amount (in Rs.)	Bank of Baroda 01.04.2019 till 31.03.2020	24,50,545	Bank of Baroda 01.04.2018 till 31.03.2019	21,54,555
Year	Amount (in Rs.)						
Bank of Baroda 01.04.2019 till 31.03.2020	24,50,545						
Bank of Baroda 01.04.2018 till 31.03.2019	21,54,555						
Date of first appointment on Board	06.06.2020						
No. of Shares held	NIL						
Relationship with Directors, Managers and KMPs	Not Related						
Number of Board Meeting attended during FY 2020-21	-						
Other Directorship	Nil						
Chairman / Member of the Committees of Boards of other companies	Nil						

The Board of Directors recommends the resolution pertaining to Shri Shailendra Singh's appointment and remuneration set out at Item No. 5 of the notice for approval of the members.

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Except, Shri Shailendra Singh, being the appointee himself, no Directors, Key Managerial Personnel or their relatives are interested or concerned in the resolution.

BY ORDER OF THE BOARD
For BOB Financial Solutions Limited

Place: Mumbai
Date: 01.09.2020

[Sanjiv Chadha]
Chairman
(DIN : 08368448)

Registered Office :
2nd Floor, 'Baroda House'
Behind Dewan Shopping Centre,
S.V. Road Jogeshwari (W)
Mumbai - 400 102