

BSS Microfinance Limited
Registered Office: No. 11, 2nd Block, 2nd Stage
Outer Ring Road, Near BDA Complex
Nagarabhavi Layout, Bangalore – 560072
Corporate Identity Number (CIN): U74899KA1994PLC049746
Tel: 080-2318-8389, 080-2977-8389 Fax: +91-80-2318-8350
E-mail: bss@bssmfi.com Website: www.bssmfi.com

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extra-Ordinary General Meeting ("EGM") of the members of BSS Microfinance Limited ("Company") will be held on Tuesday, 18th November, 2025 at 12:00 noon through video conferencing (VC) to consider and transact the following business:

SPECIAL BUSINESS:

ITEM NO. 1:

TO APPOINT MR. ANUP KUMAR SINGH (DIN:00173413) AS THE MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER OF THE COMPANY AND PAYMENT OF REMUNERATION TO HIM

To consider and if thought fit, to pass the following resolution either with or without modification as a **Special Resolution**:

"RESOLVED THAT pursuant to Sections 196, 197 and other applicable provisions of the Companies Act, 2013 ("Act") read with Schedule V thereto, the provisions of the Articles of Association of the Company and based on the recommendation of Nomination and Remuneration Committee and the approval of the Board of Directors of the Company and subject to the approvals, as may be necessary from any authority or regulatory body and subject to such conditions as may be prescribed by such authority or regulatory body while granting such approvals, the consent of the members be and is hereby accorded for the appointment of Mr. Anup Kumar Singh (DIN: 00173413) as a Managing Director and the Chief Executive Officer of the Company, liable to retire by rotation, effective from October 18, 2025 till March 31, 2029, on the following terms and conditions of remuneration:

- a) Fixed Salary: Rs. 19.80 Lakh per annum
- b) Variable Pay: For the FY 2025-26 minimum bonus of Rs. 1 Crore shall be paid;
Further from FY 2026-27 the payment of variable pay shall be as per the recommendation of the Nomination & Remuneration committee and the Board on the basis of annual performance of the Company.
- c) Other Allowances: Rs. 150.20 Lakh per annum
- d) Perquisites: Rs. 10.47 Lakh per annum
- e) Other terms and conditions:
 - Exclusive use of company car for travel;
 - PF Admin charges;
 - Medical and Personal Accident insurance premiums, wherever applicable.

"RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any committee which the Board may have constituted or may hereafter constitute and delegate with the powers necessary in this regard), be and is hereby authorised to fix the actual amount of remuneration (including perquisites), payable or to be provided to Mr. Anup Kumar Singh and vary or increase the same from time to time."

"RESOLVED FURTHER THAT in case of absence or inadequacy of profits in any financial year, the aforesaid remuneration shall be paid to Mr. Anup Kumar Singh, as minimum remuneration, for a period not exceeding 3 (three) years subject to approvals, if any, required in this regard from any other authority or regulatory body."

"RESOLVED FURTHER THAT the Directors of the Company be and are hereby authorised to do all such acts, deeds and things as may be necessary, proper and expedient for the purpose of giving effect to this resolution."

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ITEM NO. 2:

RATIFICATION OF REMUNERATION PAID TO MR. SANKARANARAYANAN KUMAR (DIN: 06603865), EXECUTIVE DIRECTOR & CHIEF EXECUTIVE OFFICER OF THE COMPANY

To consider and if thought fit, to pass the following resolution either with or without modification as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule V thereto (including any statutory modification(s) or re-enactment thereof for the time being in force), and such other approvals, permissions and sanctions as may be required, the consent of the members be and is hereby accorded to ratify and approve the remuneration paid to Mr. Sankaranarayanan Kumar (DIN: 06603865), who served as the Executive Director & Chief Executive Officer of the Company from June 21, 2024 to October 18, 2025, which exceeded the limits prescribed under Schedule V to the Act, due to inadequacy of profits during the financial year 2024–25, as detailed in the explanatory statement annexed hereto.”

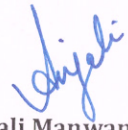
“RESOLVED FURTHER THAT the remuneration so paid to Mr. Sankaranarayanan Kumar, as approved by the Board and in accordance with the terms and conditions of his employment, be and is hereby ratified, confirmed, and approved as the minimum remuneration payable for the aforesaid period, notwithstanding the inadequacy of profits during the said financial year.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters, and things and to file the necessary forms and documents with the Registrar of Companies and other authorities as may be required to give effect to this resolution.”

**By order of the Board of Directors
For and on behalf of BSS Microfinance Limited**

**Date: 18-10-2025
Place: Bangalore**




**Anjali Manwani Siddiqui
Company Secretary
Membership No: F12612**

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NOTES:

1. Pursuant to the General Circulars bearing number 03/2025 dated September 22, 2025, 09/2024 dated September 19, 2024, 09/2023 dated September 25, 2023, 10/2022 dated December 28, 2022; 2/2022 dated May 5, 2022; 21/2021 dated December 14, 2021; 02/2021 dated January 13, 2021; 20/2020 dated May 5, 2020; 17/2020 dated April 13, 2020 and 14/2020 dated April 8, 2020 issued by the Ministry of Corporate Affairs ("MCA") (hereinafter collectively referred to as "the circulars"), companies are allowed to hold EGM through Video Conferencing ("VC")/Other Audio-Visual Means OAVM, without the physical presence of members at a common venue. Hence, in compliance with the circulars, the EGM of the Company is being held through video conferencing (VC).
2. The deemed venue of the meeting shall be the Registered office of the Company, BSS Microfinance Limited, No. 11, 2nd Block, 2nd Stage, Outer Ring Road, Near BDA Complex, Nagarabhavi Layout, Bangalore – 560072.
3. Except Mr. Sankaranarayanan Kumar for item no. 2, none of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the business set out under Item No. 1 & 2 of the Notice. The Directors recommend passing of the Resolutions at Item No. 1 & 2 of the Notice.
4. The explanatory statements pursuant to Section 102 of the Companies Act, 2013 ("the Act") and other applicable provisions, if any, setting out all the material facts relating to business under Item No. 1 & 2 of this notice, is annexed hereto.
5. The members can join the EGM in the VC mode 15 minutes before and after the scheduled time of the commencement of the Meeting.
6. Members attending the EGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. Since the EGM is being held through VC, physical attendance of the members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for this EGM and hence the Proxy Form, Attendance Slip and Route map of EGM are not annexed to this Notice.
8. Corporate Member intending to authorise its representatives pursuant to Sections 112 and 113 of the Companies Act, 2013, to attend the meeting through VC/OAVM is requested to send to the company a certified copy of the Board Resolution authorizing such representative to attend and vote on its behalf at the meeting, not later than 48 hours before the scheduled time of the commencement of the meeting.
9. The Notice of the EGM is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company, unless any member has requested for a physical copy of the same. The Notice of EGM can also be accessed through Company's website viz. www.bssmfi.com.

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10. All documents referred to in the Notice are open for inspection at the Registered Office of the company on all working days of the company between 11:00 a.m. and 1:00 p.m. upto the date of this EGM.
11. The Members are requested to use the following Dial-in details to join the meeting:
- Click on below following link, Meeting ID and password.
Topic: BSS Microfinance Limited_2nd EGM FY 2025-26
Time: Nov 18, 2025 12:00 PM India
Join Zoom Meeting
<https://zoom.us/j/94878639294?pwd=S3ln7dd3lj6cY3bsdsEmgp79aqdvc0.1>
- Meeting ID: 948 7863 9294
Passcode: 212234
12. Members are requested to use Internet with a good speed to avoid any disturbance during the meeting. Please note that Members connecting from mobile devices or tablets or through laptops etc connecting via mobile hotspot, may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
13. Voting:
In case a poll is demanded, Chairman shall follow the procedure provided in Section 109 of the Companies Act, 2013 and rules made thereunder.

Date: 18-10-2025
Place: Bangalore

By order of the Board of Directors
For and on behalf of BSS Microfinance Limited




Anjali Manwani Siddiqui
Company Secretary
Membership No: F12612

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EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

In terms of Section 102(1) of the Companies Act, 2013, the following Explanatory Statement sets out all the material facts relating to the Special Business mentioned in item No. 1 & 2 of this accompanying notice convening the Extraordinary General Meeting (EGM) (02/2025- 26) of the Members of the Company:

Item No. 1

The Members are informed that Mr. Anup Kumar Singh was appointed as the Managing Director and Chief Executive Officer of Sonata Finance Private Limited (Sonata) effective from 28th March, 2024 pursuant to the resolution passed at the Extraordinary General Meeting of Sonata, held on 27th April, 2024, as per the terms and conditions contained in the employment agreement dated 28th March 2024.

The Members are further informed that both Sonata and the Company applied for the merger in compliance with the regulatory directions received by Kotak Mahindra Bank Limited (KMBL) from its sectoral regulator, i.e., the Reserve Bank of India (RBI). After having received the requisite approvals of the respective shareholders and creditors of Sonata and the Company and the approval of the concerned National Company Law Tribunal (NCLT), the above-mentioned merger was made effective on October 11, 2025. Consequently, Sonata has now merged with the Company.

Consequent to the merger, Mr. S. Kumar who was the CEO of the Company, tendered his resignation and the same was approved by the Board of Directors in the meeting held on 18th October 2025. Accordingly, as part of the restructuring of the Company post the merger of Sonata with the Company, the Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee, has appointed Mr. Anup Kumar Singh (DIN: 00173413) as the Managing Director & Chief Executive Officer of the Company, liable to retire by rotation, effective from October 18, 2025 till March 31, 2029, subject to the approval of members of the Company and any authority or regulatory body, on the terms and conditions of remuneration stated in the accompanying resolution.

The Company has received necessary consent to act as Director in Form DIR- 2 and disclosure in Form DIR-8 from Mr. Anup Kumar Singh. Based on the confirmation received from Mr. Anup Kumar Singh, he is not disqualified under Section 164 of the Act to act as a Director and as Managing Director & Chief Executive Officer of the Company.

Brief Profile of the Director along with the terms and conditions of the appointment including remuneration thereof as required under the Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI"), with respect to the Director seeking appointment at this EGM is as under:

S.No.	Particulars	Mr. Anup Kumar Singh
1.	Director Identification Number DIN	00173413
2.	Age	53 years
3.	Qualifications	Master's in Business Administration in Finance Master's degree in Economics & Sociology

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		Postgraduate Diploma in Rural Development and Management
4.	Experience	28+ years
5.	Terms and conditions of appointment (along with details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable)	Appointment for the period of till March 31, 2029. Remuneration to be paid: a) Fixed Salary: Rs. 19.80 Lakh per annum b) Variable Pay: For the FY 2025-26 minimum bonus of Rs. 1 Crore shall be paid; Further from FY 2026-27 the payment of variable pay shall be as per the recommendation of the Nomination & Remuneration committee and the Board on the basis of annual performance of the Company. c) Other Allowances: Rs. 150.20 Lakh per annum d) Perquisites: Rs. 10.47 Lakh per annum e) Other terms and conditions: • Exclusive use of company car for travel; • PF Admin charges; • Medical and Personal Accident insurance premiums, wherever applicable. Remuneration last drawn: Rs. 225 Lakhs (for the FY 24-25) as Managing Director & CEO of Sonata which has merged with the Company on October 11, 2025
6.	Date of First appointment on Board	October 18, 2025
7.	Shareholding in company	NIL
8.	Relationship with another Director and KMP	N.A.
9.	Other Directorship of other Boards	Zayaka Proventures LLP (Designated Partner)

Since the Company has incurred losses during the financial year 2024-25, the proposed appointment and payment of remuneration are being made in accordance with the provisions of Section 197 read with Schedule V of the Companies Act, 2013. In terms of Schedule V, where a company has loss or inadequate profits, the remuneration shall be paid as per the applicable slab prescribed based on the 'Effective Capital' of the Company. Provided, remuneration in excess of the permissible slab may be paid, for the period not exceeding 3 years, if the members pass a Special Resolution for payment of remuneration.

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Further, the Company has not committed any default in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor.

The statement containing Additional Information and Disclosures as per Sub-Clause (iv) of the Second Proviso to Clause (B) of Section II of Part- II of Schedule V to the Companies Act, 2013 ("the Act") is as under:

I. General Information:

i. Nature of Industry:

The Company is acting as a business correspondent to Kotak Mahindra Bank Limited for extending microcredit loans to the small ticket size borrowers.

ii. Date of commencement of commercial production:

Not Applicable

iii. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable

iv. Financial performance based on given indicators:

Particulars	Consolidated (BSS + Sonata)		BSS Standalone	
	September, 2025	March, 2025	September, 2025	March, 2025
Revenue	10,656.36	1,02,222.11	5,366.20	77,753.54
Other income	2,801.44	10,201.36	2,093.34	8,074.00
Total income	13,457.80	1,12,423.47	7,459.54	85,827.54
Total Expenses	16,320.46	1,20,630.26	11,073.67	95,761.32
Profit before finance cost and tax	(2,862.67)	(8,206.79)	(3,614.14)	(9,933.78)
Finance cost	-	-	-	-
Profit / (loss) before tax	(2,862.67)	(8,206.79)	(3,614.14)	(9,933.78)
Tax expense	(657.33)	(2,105.71)	(876.37)	(2,567.13)
Profit/(loss) for the year / period	(2,205.34)	(6,101.08)	(2,737.77)	(7,366.65)
Profit/(loss) for the year/ period as per Section 198 of the Act	-	-	-	(1,11,62,19,506)

v. Foreign investments or collaborations:

The Company has not entered into any foreign collaboration and no direct capital investment has been made in the Company.

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II. Information about the Director:

Mr. Anup Kumar Singh, proposed to be appointed as the Managing Director and Chief Executive Officer of the Company:

i. Background details:

Mr. Anup Kumar Singh is one of the pioneers in India's microfinance sector with more than 28 years of experience to his credit. He was serving as the Managing Director and CEO on the Board of Sonata Finance Private Limited which is recently merged with the Company as per the order of Hon'ble National Company Law Tribunal.

Mr. Singh promoted Sonata Finance in 2006 to make microfinance self-sustainable and economically viable. As Managing Director of Sonata, and under his supervision and mentoring, Sonata has excellently executed its goals and created a strong, sustainable and value creating business.

Mr. Singh through his able leadership qualities and mentorship established Sonata as a leading micro-finance institution in Uttar Pradesh.

Master's in Business Administration in Finance and Master's degree in Economics & Sociology. Before starting Sonata, he also underwent training with Grameen Bank in Bangladesh.

ii. Past Remuneration: Rs. 225 Lakhs (*for the FY 24-25*) as Managing Director & CEO of Sonata which has merged with the Company on October 11, 2025

iii. Recognition or Awards: During his leadership as Managing Director and CEO, the Sonata Finance Private Limited won following awards:

- **Kotak award of Excellence (H2 2024-25):** For "Sonata Premier League Project" in the category Access under STARTUP
- **Kotak Infinity Awards 2024:** The company's HR team won the "Breaking the Barrier" award for their work on women's empowerment.
- **Water.Org & Sa-Dhan Awards 2024:** Top performing Microfinance institution in Water and Sanitation Financing
- **Microfinance Process Excellence Awards (MPEA):** The company won the award in the Flame category for the Northern region in November 2008.
- **ADB-MIX Report:** In a report published by MiX Market, Sonata Finance was named the third fastest-growing Microfinance Institution (MFI) in Asia for the financial year 2006-2007.

iv. Job Profile and his suitability:

Mr. Singh has been proposed to be appointed as the Managing Director and Chief Executive Officer of the Company, with overall responsibility for managing the Company across all its businesses and geographies. Mr. Singh brings rich experience in the area of microcredit, which is expected to provide strong leverage in addressing the Company's current strategic and operational challenges.

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In view of Mr. Singh's background and capabilities, the Board and the Members have found him suitable for this position.

v. Remuneration proposed:

The remuneration proposed to be paid to Mr. Singh, is mentioned hereinabove in the resolution at item No. 1 of the notice.

vi. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

Remuneration of Mr. Singh, has been subjected to peer level benchmarks with the help of review conducted by the Kotak Group Human Resources. The proposed remuneration is commensurate with the prevailing level for position of Business Leaders.

vii. Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel or other Director, if any:

Not applicable.

III. Other information:

i. Reasons of loss or inadequate profits:

The Company has reported a net loss on standalone basis due to various factors including significant write-offs on account of non-performing assets (NPAs), increased loan loss provisions, and elevated operating expenses. The higher operating costs were largely driven by strategic investments in technology upgrades aimed at enhancing operational efficiency and long-term scalability.

ii. Steps taken or proposed to be taken for improvement:

In order to improve the overall performance, the Company has undertaken several initiatives focused on strengthening operational risk management, enhancing recovery and NPA management, and improving operational efficiency through cost optimization measures.

iii. Expected increase in productivity and profits in measurable terms:

As a result of the initiatives undertaken and on merger of the Company with Sonata Finance Private Limited, the Company anticipates a measurable improvement in the profitability in the coming years.

The Board recommends the special resolution set out in Item No. 1 of the Notice for the approval by the members.

None of the Directors, Key Managerial Personnel of the Company, or their relatives are in any way concerned or interested in this resolution.

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Item No. 2

The members are informed that Mr. Sankaranarayanan Kumar (DIN: 06603865) was appointed as the Executive Director & Chief Executive Officer of the Company by the shareholders at the 13th Annual General Meeting held on June 21, 2024, on the terms and conditions as per his employment agreement approved by the Board of Directors.

During the financial year 2024–25, the Company incurred losses, resulting in inadequacy of profits within the meaning of Section 197 of the Companies Act, 2013. Consequently, the remuneration paid to Mr. Kumar, in accordance with his employment terms, exceeded the limits prescribed under Schedule V to the said Act.

Pursuant to Sections 197, 198 and Schedule V, payment of such remuneration requires the approval of the shareholders by way of a special resolution.

The Board of Directors considers that the remuneration paid was reasonable, in line with industry standards, and commensurate with the duties and responsibilities discharged by Mr. Kumar.

Mr. Kumar has however resigned from the position of Executive Director & Chief Executive Officer with effect from the close of the business hours on October 18, 2025. Accordingly, this resolution is placed before the members to ratify and approve the remuneration already paid to him for the financial year 2024–25 and up to the date of cessation, as detailed below.

Details of Remuneration Paid to Mr. Sankaranarayanan Kumar

Period	Fixed pay (Rs.)	Variable pay (Rs.)	Total	Remarks
FY 2023-24	94,93,539	51,50,000 (received in FY 2024-25)	1,46,43,539	For period prior to and leading up to appointment as ED & CEO
FY 2024-25	1,17,50,200	15,00,000 (received in FY 25-26)	1,32,50,200	During FY with inadequate profits
Apr 25 to 18 th Oct 25	66,84,843	-	66,84,843	Up to date of resignation

The above remuneration was paid in accordance with the terms of employment of Mr. Kumar as approved by the Board. The same exceeded the limits prescribed under Schedule V due to inadequacy of profits during FY 2024–25.

None of the Directors, Key Managerial Personnel, or their relatives, except Mr. Sankaranarayanan Kumar, are concerned or interested in the resolution.

The Board of Directors recommends the passing of this resolution as a Special Resolution for the approval of the members.

By order of the Board of Directors
For and on behalf of BSS Microfinance Limited

Date: 18-10-2025
Place: Bangalore



Anjali Manwani Siddiqui
Company Secretary
Membership No: F12612