



FIVE-STAR BUSINESS FINANCE LIMITED

CIN: U65991TN1984PLC010844

Regd. Office: New No.27, Old No.4, Taylor's Road, Kilpauk, Chennai - 600010

Website: www.fivestargroup.in *Email ID:* secretary@fivestargroup.in *Phone:* 044-46106200

NOTICE TO MEMBERS

NOTICE is hereby given that the 37th Annual General Meeting of the Members of Five-Star Business Finance Limited ("the Company") will be held on Friday, 6th August, 2021 at 10:30 AM at the registered office of the Company situated at New No.27, Old No.4, Taylor's Road, Kilpauk, Chennai - 600010, to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2021, including the Audited Balance Sheet as at 31st March, 2021, the Audited Profit and Loss Account, Audited Cash Flow Statement for the year ended on that date together with the reports of the Directors' and Auditor's thereon.
2. To re-appoint Mr Thirulokchand Vasam (holding DIN: 07679930) who retires by rotation and being eligible, has offered himself for re-appointment.
3. To re-appoint Mr G V Ravishankar (holding DIN: 02604007) who retires by rotation and being eligible, has offered himself for re-appointment.

SPECIAL BUSINESS

4. **To re-appoint Mr R Anand (holding DIN: 00243485) as Independent Director**

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

"RESOLVED THAT pursuant to Sections 149, 152, 160 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), and based on the recommendation of the Nomination and Remuneration Committee of the Company and approval of the Board of Directors of the Company, Mr R Anand (holding DIN: 00243485), who is eligible for being re-appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of director, be and is hereby re-appointed as an Independent Director of the Company for a second term of 5 years with effect from 28th July 2021 and Mr R Anand (holding DIN: 00243485) may receive remuneration by way of sitting fees, reimbursement of expenses for participation in the meetings of the Board and / or Committees thereof and profit related commission, if any, in terms of applicable provisions of the Companies Act, 2013 and as determined by the Board from time to time.

RESOLVED FURTHER THAT Mr D Lakshmipathy, Chairman and Managing Director (holding DIN: 01723269), Mr K Rangarajan, Chief Executive Officer, Mr G Srikanth, Chief of Strategy and Finance, Ms Roopa Sampath Kumar, Chief Financial Officer and Ms Shalini B, Company Secretary be and are hereby severally authorized to execute, sign and file necessary documents and e-forms with Ministry of Corporate Affairs / Registrar of Companies, Reserve Bank of India and to take all such steps as may be necessary, proper or expedient to give effect to this Resolution.

RESOLVED FURTHER THAT Mr D Lakshmipathy, Chairman and Managing Director (holding DIN: 01723269), Mr K Rangarajan, Chief Executive Officer, Mr G Srikanth, Chief of Strategy and Finance, Ms Roopa Sampath Kumar, Chief Financial Officer and Ms Shalini B, Company Secretary be and are hereby severally authorized to certify a copy of this resolution and issue the same to all concerned parties."

5. To appoint Mr Gaurav Trehan (holding DIN: 03467781) as a Non-Executive Director

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

"RESOLVED THAT pursuant to Sections 149, 152, 160 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), Mr Gaurav Trehan (holding DIN: 03467781) who was nominated by M/s Sirius II Pte. Ltd. and appointed as an Additional Director of the Company by the Board of Directors with effect from 26th April 2021 in terms of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and whose term of office expires at the 37th Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Non-Executive Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation.

RESOLVED FURTHER THAT Mr D Lakshmipathy, Chairman and Managing Director (holding DIN: 01723269), Mr K Rangarajan, Chief Executive Officer, Mr G Srikanth, Chief of Strategy and Finance, Ms Roopa Sampath Kumar, Chief Financial Officer and Ms Shalini B, Company Secretary be and are hereby severally authorized to execute, sign and file necessary documents and e-forms with Ministry of Corporate Affairs / Registrar of Companies, Reserve Bank of India and to take all such steps as may be necessary, proper or expedient to give effect to this Resolution.

RESOLVED FURTHER THAT Mr D Lakshmipathy, Chairman and Managing Director (holding DIN: 01723269), Mr K Rangarajan, Chief Executive Officer, Mr G Srikanth, Chief of Strategy and Finance, Ms Roopa Sampath Kumar, Chief Financial Officer and Ms Shalini B, Company Secretary be and are hereby severally authorized to certify a copy of this resolution and issue the same to all concerned parties."

6. To consider revision in remuneration of Mr D Lakshmipathy, Chairman and Managing Director with effect from 1st April 2021

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

"RESOLVED THAT pursuant to the approval of the Nomination and Remuneration Committee and the Board of Directors at their meetings held on 26th May 2021 and 28th May 2021 respectively, subject to the provisions of Section 197 and the provisions of Schedule V to the Companies Act, 2013, ("the Act") read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and other applicable provisions (including any statutory modification or re-enactment thereof for the time being in force), if any, and pursuant to the Articles of Association of the company, consent be and is hereby given to revise the terms of remuneration of Mr D Lakshmipathy, Chairman and Managing Director (CMD) with effect from 1st April, 2021 as follows:

- (a) Salary: Rs. 33.75 lakhs per month
- (b) Commission: Commission & Perquisites not exceeding 1.5 times of the annual salary
- (c) (a) and (b) together not exceeding 5% of the net profits of the company, calculated as per the provisions of Section 198 of the Companies Act, 2013.

RESOLVED FURTHER THAT the commission payable to Mr D Lakshmipathy in his capacity as CMD shall be linked to the levels of performance of the Company as may be determined by the Board of Directors/ Nomination and Remuneration Committee, from time to time.

RESOLVED FURTHER THAT in any financial year, during the currency of his tenure, if the company has no profits or its profits are inadequate, it may pay remuneration to Mr D Lakshmipathy, CMD by way of salary, allowances, commissions and perquisites not exceeding the limits specified in Part II of Section II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the company including Nomination and Remuneration Committee, be and is hereby authorized to do all such acts, deeds and things as may be deemed necessary, proper, desirable or expedient to give effect to this resolution."

7. To consider issue and offer upto 3,00,000 (Three Lakhs) equity shares of Rs 10/- (Rupees Ten Only) on preferential basis by way of private placement

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 42, 62 and all other applicable provisions, if any of the Companies Act, 2013, read along with the rules framed thereunder, (including any statutory modifications, amendments thereto or re-enactment thereof) (the "**Act and Rules**"), the Memorandum of Association and Articles of Association of the Company as amended, and such other statutes, notifications, circulars, rules and regulations as may be applicable, each as amended or restated and subject to such conditions and modifications as may be considered appropriate by the Board of Directors of the Company, (hereinafter referred to as the Board, which expression shall include the Business & Resource Committee or any other committee constituted / authorized by the Board or any person(s) authorised by the Board to exercise the powers conferred on the Board by this resolution), the consent of the members be and is hereby accorded to the Board to create, offer, issue and allot upto 3,00,000 (Three Lakhs) equity shares of Rs 10.00 (Rupees Ten only) each, for cash, at a premium of Rs 3,508.71 (Rupees Three Thousand Five Hundred and Eight and Paise Seventy One only) per equity share, aggregating upto Rs 1,05,56,13,000.00 (Rupees One Hundred and Five Crores, Fifty Six Lakhs and Thirteen Thousand only) to Mr D Lakshmipathy, Promoter, Chairman and Managing Director (the "**Offeree / Identified Person**"), on a preferential basis by way of private placement, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals (whether contractual or statutory), in such manner and on such terms and conditions as may be deemed appropriate by the Board in its absolute discretion, and in accordance with the Act and Rules.

RESOLVED FURTHER THAT the aforesaid Equity Shares shall rank paripassu with the existing equity shares in the Company and shall be subject to the provisions of the Memorandum of Association and the Articles of Association of the Company.

RESOLVED FURTHER THAT the draft of the offer letter in the prescribed Form PAS-4, as per the Companies (Prospectus and Allotment of Securities) Rules, 2014 along with the draft of serially numbered application form, placed before the meeting with the permission of Chairman and other Directors, be and are hereby approved.

RESOLVED FURTHER THAT pursuant to the provisions of the Act and Rules, the consent of the members is hereby granted to record the name of the offeree and maintain such record of private placement offer of equity shares in the format of Form PAS-5 under the Companies (Prospectus and Allotment of Securities) Rules, 2014.

RESOLVED FURTHER THAT the entire share subscription amount shall be received by the Company from the offeree at the time of application into a separate designated account and shall be utilized in accordance with Section 42 of the Companies Act, 2013.

RESOLVED FURTHER THAT for the purpose of above resolutions, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things, as it may at its discretion, deem necessary or desirable for such purpose and to settle any question, difficulties or doubts that may arise in this regard, including without limitation, finalization of terms and conditions of the aforesaid issue, finalization, approval and signing of the private placement offer letter in the prescribed Form PAS – 4, including any amendments or modifications thereto, authenticating the entries made in PAS 5 and making requisite filings with the Registrar of Companies or any regulatory body.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects.

RESOLVED FURTHER THAT each member of the Business & Resource Committee, Mr K Rangarajan, Chief Executive Officer, Mr G Srikanth, Chief of Strategy and Finance, Ms Roopa Sampath Kumar, Chief Financial Officer and Ms Shalini B, Company Secretary be and are hereby severally authorized to certify a copy of this resolution and issue the same to all concerned parties.”

By Order of the Board of Directors

D Lakshmiopathy
Chairman & Managing Director
DIN: 01723269

Place: Chennai
Date: 12th July 2021

Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. Provided that a member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder. A blank proxy form is enclosed to this notice as Annexure E.
2. Corporate members intending to send their authorized representatives to attend the annual general meeting are requested to send to the Company a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
3. Mr Thirulokchand Vasan, Non-Executive Director and Mr G V Ravishankar, Non-Executive Director nominated by SCI Investments V are liable to retire by rotation at the 37th Annual General Meeting pursuant to Section 152(6) of the Companies Act 2013 and being eligible have offered themselves for re-appointment at the 37th Annual General Meeting.
4. A statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Businesses to be transacted at the annual general meeting is annexed hereto.
5. In case of joint holders attending the Annual General Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Members who have not registered their e-mail addresses are requested to register their e-mail address for receiving all communication including annual report, notices, circulars, etc. from the Company electronically.

7. *Quorum of the Annual General Meeting shall be in accordance with Section 103 of the Companies Act, 2013.*
8. *In terms of the requirements of the Secretarial Standards -2 on "General Meetings" issued by the Institute of the Company Secretaries of India and approved & notified by the Central Government, the necessary disclosures are enclosed as Annexures A, B and C.*
9. *The Member/Proxies should bring their attendance slip, sent herewith, duly filled in, for attending the meeting as mentioned in Annexure F of this notice.*
10. *Route Map for the location of the aforesaid meeting is enclosed as Annexure G.*

Statement pursuant to section 102(1) of The Companies Act, 2013 (“the Act”) setting out all material facts relating to the special businesses to be transacted at the AGM is detailed hereunder:

Item No. 4: Re-appointment Mr R Anand (holding DIN: 00243485) as Independent Director

Mr R Anand (holding DIN: 00243485) was appointed as Independent Director of the Company with effect from 28th July 2016, for a period of 5 years.

It is proposed to re-appoint Mr Anand as Independent Director of the Company for a second term of 5 years with effect from 28th July 2021. In the opinion of the Board, Mr Anand fulfil the conditions specified in the Companies Act, 2013 and the rules made thereunder and he is independent of the management. Mr R Anand fulfils the terms and conditions specified under the Companies Act, 2013 and rules made thereunder for his appointment as Independent Director. He meets the criteria of independence as prescribed both under Section 149 of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013.

On the basis of the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 28th May 2021 approved the proposal to re-appoint Mr Anand as Independent Director of the Company for a second term of 5 consecutive years with effect from 28th July 2021. The proposal is subject to the approval of the shareholders pursuant to Section 149 read with Schedule IV of the Companies Act, 2013. Both the Nomination and Remuneration Committee and the Board are of the opinion, after evaluating Mr Anand’s performance, appropriate mix of skills, qualifications, experience, value additions, integrity and other attributes, that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as an Independent Director.

Mr R Anand is entitled to receive remuneration by way of sitting fees and reimbursement of expenses for participation in the meetings of the board and / or committees and profit related commission, if any, in terms of Section 197 and other applicable provisions of the Act 2013, and as determined by the Board / Nomination & Remuneration Committee from time to time, within the overall limits specified under the Companies Act, 2013.

The Company has received a notice in accordance with the provisions of Section 160 of the Act proposing the candidature of Mr R Anand for the office of Independent Director. Copies of the draft letter of appointment of Mr R Anand, Independent Director setting out the terms and conditions and notice of candidature and other consents / declarations received from him are available for inspection at the registered office of the Company between 10:00 a.m. and 05:00 p.m. on any working day and also at the meeting.

Further details of Mr R Anand, as required by paragraph no. 1.2.5 of SS2 - Secretarial Standards on General Meetings is provided in Annexure A to this notice.

Except Mr R Anand, Independent Director, being the appointee, none of the other Directors or Key Managerial Personnel or their relatives are concerned or interested financially or otherwise in the special resolution as set out in item no. 4 of this notice.

Accordingly, your Directors recommend the special resolution appearing in item no. 4 for approval by the shareholders.

Item No. 5: Appointment of Mr Gaurav Trehan (holding DIN: 03467781) as a Non-Executive Director

Mr Gaurav Trehan (holding DIN: 03467781) nominated by Sirius II Pte. Ltd., Investor, was appointed as a Non - Executive Additional Director with effect from 26th April 2021. He holds office as an additional director upto the date of the 37th Annual General Meeting. His position as a Director needs to be regularized by appointing him as a Non-Executive Nominee Director at the 37th Annual General Meeting. Mr Gaurav Trehan, being eligible, has offered himself for re-appointment.

The Company has received a notice in writing from a member proposing his candidature for the office of Non-Executive Director in accordance with the provisions of Section 160 of the Companies Act, 2013. The notice of candidature and other consents / declarations received from Mr Gaurav Trehan is available for inspection at the registered office of the Company between 10:00 a.m. and 05:00 p.m. on any working day and also at the meeting.

Further details of Mr Gaurav Trehan, as required by paragraph no. 1.2.5 of SS2 - Secretarial Standards on General Meetings are provided in Annexure B to this notice.

Except Mr Gaurav Trehan, none of the other Directors or Key Managerial Personnel or their relatives are concerned or interested financially or otherwise in this resolution.

Accordingly, your Directors recommend the ordinary resolution as set out in item no. 5 of this notice for your approval.

Item No. 6: Revision in remuneration of Mr D Lakshmipathy, Chairman and Managing Director of the company

The Board had approved the payment of remuneration to Mr D Lakshmipathy, Chairman and Managing Director with effect from 1st April 2020, consisting of the following components, namely,

- (a) Salary: Rs. 27,00,000/- per month.
- (b) Commission & Perquisites not exceeding 1.5 times of the annual salary.
- (c) (a) and (b) together not exceeding 5% of the net profits of the company, calculated as per the provisions of Section 198 of the Companies Act, 2013.

Pursuant to the approvals of the Nomination & Remuneration Committee at its meeting held on 26th May 2021 and the Board of Directors at its meeting held on 28th May 2021 and pursuant to Section 197 read with Schedule V of the Companies Act, it is proposed to revise the remuneration payable to Mr D Lakshmipathy, Chairman & Managing Director (CMD) with effect from 1st April 2021 as set out in the special resolution appearing under item no. 6 of this notice.

The remuneration payable to Mr D Lakshmipathy is within the conditions and limits as prescribed in Section 1 of Part II of Schedule V of the Companies Act, 2013 read with Section 197 of the Companies Act, 2013.

Mr D Lakshmipathy, Chairman and Managing Director is directly interested in the resolution and his relatives are interested to the extent of their shareholding in the Company.

None of the other Directors or Key Managerial Personnel or their relatives are concerned or interested financially or otherwise in this resolution.

Further details of Mr D Lakshmipathy, Chairman and Managing Director, as required by paragraph no. 1.2.5 of SS2 – Secretarial Standards on General Meetings are provided in Annexure C.

Accordingly, your directors recommend the special resolution in item no. 6 for your approval pursuant to Section 197 read with Schedule V to the Companies Act, 2013.

Item No. 7: Issue and offer of upto 3,00,000 (Three Lakhs) equity shares of Rs 10/- (Rupees Ten Only) on preferential basis by way of private placement

The Company intends to raise further capital by issuing upto 3,00,000 (Three Lakhs) fully paid up equity shares of Rs 10.00 (Rupees Ten only) each, for cash, at a premium of Rs 3,508.71 (Rupees Three Thousand Five Hundred and Eight and Paise Seventy One only) per equity share, on preferential basis by way of private placement by issue of private placement offer letter to Mr D Lakshmipathy, Promoter, Chairman and Managing Director (the “**Offeree / Identified Person**”).

The following disclosures are made in terms of Rule No. 13 (2) of the Companies (Share Capital and Debentures) Rules 2014:

- a. **Object of the issue:** To raise funds through preferential issue for meeting the working capital requirements, marketing and for general corporate purposes of the Company.
- b. **Total No. of shares to be issued:** upto 3,00,000 (Three Lakhs) fully paid up equity shares of Rs 10.00 (Rupees Ten only) each, for cash, at a premium of Rs 3,508.71 (Rupees Three Thousand Five Hundred and Eight and Paise Seventy-One only) per equity share.
- c. **The price at which allotment is proposed:** Equity shares of Rs 10.00 (Rupees Ten only) each are proposed to be issued at a premium of Rs 3,508.71 (Rupees Three Thousand Five Hundred and Eight and Paise Seventy-One only) per share.
- d. **Basis on which the price has been arrived at along with valuation report:** The Board of Directors have considered the issue price of Equity shares of Rs 10.00 (Rupees Ten only) each at a premium of Rs 3,508.71 (Rupees Three Thousand Five Hundred and Eight and Paise Seventy-One only) per share based on an independent valuation report dated 25th June, 2021 issued by Mr S Sandeep, Registered Valuer, having registration no. IBBI/RV/02/2019/11374. The same is available for inspection at the registered office of the Company situated at New No.27, Old No.4, Taylor’s Road, Kilpauk, Chennai – 600 010 between 09:00 am and 05:00 pm and at the meeting.
- e. **Relevant date on the basis of which price has been arrived at:** The price has been arrived at as on 31st March 2021 based on the valuation report dated 25th June 2021.
- f. **The class or classes of persons to whom the allotment is proposed to be made is as under:**

Name	Designation in the Company	No of equity shares to be offered - Upto
Lakshmipathy D	Promoter / Chairman and Managing Director	3,00,000

- g. **Intention of promoters/directors, key management persons to subscribe to the offer:** Mr D Lakshmipathy, Promoter & Chairman and Managing Director is proposing to subscribe upto 3,00,000 equity shares at an issue price of Rs 3,518.71 price share aggregating to Rs 1,05,56,13,000.00 as part of this offer and none of other directors or key managerial personnel intend to participate in the proposed preferential issue of equity shares.

- h. **Proposed time within which the allotment shall be completed:** within a period of 60 (sixty) days from the date of receiving the subscription amount from the offeree.
- i. **The names of the proposed allottees and the percentage of post preferential offer capital that may be held by them:**

Name of the proposed allottee(s)	% of post preferential offer paid up share capital (on a fully diluted basis)
Lakshmi pathy D	13.58

- j. **Whether a change in control is intended or expected:** The Directors do not envisage any change in the control of the management on account of the proposed preferential issue of equity shares.
- k. **No. of persons to whom allotment on preferential basis have already been made during the year in terms of number of securities as well as price:**

No. of Allottees	Issue Type	Security Type	Issue Size & details
4	Private placement offer dated - 22 nd April, 2021	Equity Shares	Rs 517 Crores (14,71,771 Equity shares @ Rs. 3,518.71 each)

- l. **The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:** No allotment is proposed to be made under this preferential issue for consideration other than cash.
- m. **The pre-issue and post issue shareholding pattern of the Company:** Please refer Annexure D.

The following disclosures are being made pursuant to Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014:

- a. **Particulars of the offer including date of passing of Board resolution:** Issue and offer upto 3,00,000 (Three Lakhs) fully paid up equity shares of Rs 10.00 (Rupees Ten only) each, for cash, at a premium of Rs 3,508.71 (Rupees Three Thousand Five Hundred and Eight and Paise Seventy-One only), on preferential basis by way of private placement as approved by the Board of Directors at their meeting held on 29th June 2021.
- b. **Kinds of securities offered and the price at which security is being offered:** Equity Shares of face value of Rs 10.00 each and the Company is offering each equity share at a price of Rs 3,518.71 (Rupees Three Thousand Five Hundred and Eighteen and Paise Seventy-One only).
- c. **Basis or justification for the price (including premium, if any) at which the offer or invitation is being made:** In terms of Rule 13 (2) (g) of the Companies (Share Capital and Debentures) Rules, 2014, where the shares are offered on a private placement basis, the price of the resultant shares shall be determined beforehand on the basis of valuation report of a registered valuer. The fair value of equity shares of the Company is Rs 3,518.00 (Rupees Three Thousand Five Hundred and Eighteen only) per equity share. The valuation has been arrived at on the basis of discounted free cash flow valuation methodology under the Income Approach and the value of Rs 3,518.00 (Rupees Three Thousand Five Hundred and Eighteen only) per Equity Share is just and fair. The original valuation report is available for inspection at Registered Office of the Company situated at New No.27, Old No.4, Taylor's Road, Kilpauk, Chennai-600010 between 09:00am and 05:00pm and at the meeting.

- d. Name and address of valuer who performed valuation:** The valuation of the equity shares has been done by Mr S Sandeep, Registered Valuer, having office at No. 20, "F" Block, Ground Floor, Gemini Parsn Apts, New No. 448, Old No. 599, Cathedral Garden Road, Anna Salai, Chennai – 600 006.
- e. Amount which the company intends to raise by way of such securities:** The Company intends to raise upto Rs 1,05,56,13,000.00 (Rupees One Hundred and Five Crores Fifty Six Lakhs and Thirteen Thousand only).
- f. Material terms of raising such securities:**
- Duration, if applicable: The offerees shall be required to pay an amount of Rs 3,518.71 (Rupees Three Thousand Five Hundred and Eighteen and Paise Seventy-One only) per Equity Share along with the application.
 - Interest/Rate of dividend: Dividend is payable on equity shares as and when recommended / declared by the Board / Shareholders
 - Mode of Payment: Wire Transfer / Cheque / Demand Draft / through Normal Banking Channels
 - Mode of Repayment: Not applicable
- g. Proposed time schedule:** The offer will remain open for 60 days from the date of issuance of Private Placement Offer Letter.
- h. Purposes or objects of offer:** To issue equity shares aggregating upto Rs 1,05,56,13,000.00 (Rupees One Hundred and Five Crores, Fifty Six Lakhs and Thirteen Thousand only). The proceeds of this issue shall be utilized by the Company for working capital requirements, marketing and for general corporate purposes. The main objects clause of the Memorandum of Association of the Company enables the Company to undertake the activities, which the Company has been carrying out till date and the proposed activities for which funds are proposed to be raised through this Offer.
- i. Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects:** Mr D Lakshmipathy, Promoter & Chairman and Managing Director is proposing to subscribe upto 3,00,000 equity shares at an issue price of Rs 3,518.71 price share aggregating to Rs 1,05,56,13,000.00 as part of this offer.
- j. Principle terms of assets charged as securities:** Being an offer for issuance of equity shares, no assets of the Company are being charged as security.

The Board at its meeting held on 29th June 2021, had approved issue and offer of upto 3,00,000 (Three Lakhs) equity shares of Rs 10.00 (Rupees Ten Only) on preferential basis by way of private placement and recommends the adoption of the resolution as set out in item no. 7 of the Notice as Special Resolution.

Mr Lakshmipathy D, Chairman and Managing Director is directly interested in the said resolution since he intends to subscribe to the equity shares being offered on private placement basis and his relatives are interested to the extent of their shareholding in the Company.

None of the other Directors, Key Managerial Personnel and/or their relatives is concerned or interested in this resolution except, to the extent of their shareholding in the Company.

Statement as required by paragraph no. 1.2.5 of SS2 – Secretarial Standards on General Meetings:

Name of Director	Mr R Anand
DIN	00243485
Date of Birth / (Age)	04-Jun-1961 / 60 years
Qualifications	Chartered Accountant
Experience / Expertise in specific functional areas	Mr Anand is a Chartered Accountant with over 30 years of industry experience. He worked in Sundaram Finance for over 20 years occupying several positions in Finance and Audit. He also worked as a Partner in Ernst & Young LLP covering Tax and Regulatory aspects of various industries like Financial Services, Real Estate, Auto and Auto components, Media and Entertainment. His specializations include NBFC Regulations, Corporate Tax and Foreign Investment and Exchange control regulation and Corporate restructuring. He is also on the Board of other NBFCs and brings tremendous expertise on audit, tax, regulatory and compliance related aspects. Mr Anand is also a member of the RBI constituted Committee to undertake a comprehensive review of the working of Asset Reconstruction Companies (ARCs).
Terms and conditions of reappointment	Re-appointment as an Independent Director for a second term of 5 years with effect from 28 th July 2021
Remuneration sought to be paid	Sitting fees, Profit related commission
Remuneration last drawn (for financial year 2020-21)	Sitting fees of Rs 3.15 lakhs Commission of Rs 3.00 lakhs
Date of first appointment on the Board	28 th July 2016
Shareholding in the Company	Nil
Relationship with other Directors, Manager and KMP of the Company	None
Number of Board Meetings attended during the Financial Year 2020-21	Six (6) out of Six (6) meetings held
Other Directorships, Membership/ Chairmanship of Committees of other Boards	Nani Palkhivala Arbitration Centre - Member of the Board Chennai International Centre - Member of the Board MMTC Limited - Member of the Board, Chairman of the Audit Committee and Member of the CSR Committee Sterling Holiday Resorts Limited - Member of the Board and Chairman of the Audit Committee Ess Kay Fincorp Limited - Member of the Board, Chairman of the Audit Committee and Nomination & Remuneration Committee Jasmine Concrete Exports Private Limited - Member of the Board and Chairman of the Audit Committee

Statement as required by paragraph no. 1.2.5 of SS2 – Secretarial Standards on General Meetings:

Name of Director	Mr Gaurav Trehan
DIN	03467781
Date of Birth / (Age)	23-Nov-1975 / 45 years
Qualifications	BS in Mathematics/Applied Science and Economics from UCLA
Experience / Expertise in specific functional areas	Mr Gaurav Trehan is Head of KKR's Private Equity business in India. Prior to joining KKR, he worked in TPG Capital Asia, where he spent more than 15 years and was most recently a Partner in its India office. He has evaluated and executed private equity transactions across a diverse range of sectors in India. Prior to joining TPG, he worked in the Mergers, Acquisitions, and Restructurings Department of Morgan Stanley with a focus on the technology sector.
Terms and conditions of appointment	Non - Executive Director nominated by Sirius II Pte. Ltd., Investor
Remuneration sought to be paid	Nil
Remuneration last drawn (for financial year 2020-21)	Nil
Date of first appointment on the Board	3 rd August 2018
Shareholding in the Company	Nil
Relationship with other Directors, Manager and KMP of the Company	None
Number of Board Meetings attended during the Financial Year 2020-21	Not Applicable
Other Directorships, Membership/ Chairmanship of Committees of other Boards	KKR India Advisors Private Limited - Member of the Board J B Chemicals and Pharmaceuticals Limited - Member of the Board

Statement as required by paragraph no. 1.2.5 of SS2 – Secretarial Standards on General Meetings:

Name of Director	Mr D Lakshmipathy
DIN	01723269
Date of Birth /(Age)	09-Feb-1974 / 47 years
Qualifications	Bachelor of Engineering
Experience / Expertise in specific functional areas	Mr D Lakshmipathy is an Engineering graduate from Madras University. Hailing from an entrepreneurial family, he joined Five-Star in 2002 as an Executive Director. He was responsible for pioneering the current business model of providing secured financial solutions to micro-entrepreneurs and self-employed individuals. He has been instrumental in growing the business across geographies, maintaining a stellar asset quality, inducting professionals into the Company's board and management team. He had also been associated with trade bodies like the Finance Companies Association of India and South India Hire Purchase Association in leadership positions.
Terms and conditions of appointment	Chairman and Managing Director
Remuneration sought to be paid	As set out in the special resolution under item no. 6 of this Notice
Remuneration last drawn (for financial year 2020-21)	Please refer explanatory statement for item no. 6 of this Notice
Date of first appointment on the Board	21 st June 2002
Shareholding in the Company (fully diluted basis)	12.69%
Relationship with other Directors, Manager and KMP of the Company	None
Number of Board Meetings attended during the Financial Year 2020-21	Six (6) out of Six (6) meetings held
Other Directorships, Membership/ Chairmanship of Committees of other Boards	Nil

Pre-issue Shareholding Pattern

S No	Shareholders	Issued		Fully Paid-up		Fully Diluted	
		No. of shares Held	% of share holding	No. of shares Held	% of share holding	No. of shares Held	% of share holding
A	Promoters Holding						
	Promoter Group	60,30,251	21.04	45,05,251	16.72	60,30,251	20.61
	<i>Partly paid</i>	15,25,000	5.32	-	-	15,25,000	5.21
	<i>Fully paid</i>	45,05,251	15.72	45,05,251	16.72	45,05,251	15.40
	Sub Total (A)	60,30,251	21.04	45,05,251	16.72	60,30,251	20.61
B	Non Promoters' Holding						
1	Investors						
	Matrix Partners India Investment Holdings II, LLC - Foreign Body Corporate	41,00,999	14.31	41,00,999	15.22	41,00,999	14.02
	Matrix Partners India Investments II Extension, LLC - Foreign Body Corporate	68,897	0.24	68,897	0.26	68,897	0.24
	Norwest Venture Partners X - Mauritius - Foreign Body Corporate	29,74,806	10.38	29,74,806	11.04	29,74,806	10.17
	SCI Investments V - Foreign Body Corporate	25,69,650	8.97	25,69,650	9.54	25,69,650	8.78
	Sequoia Capital Global Growth Fund III - Endurance Partners, L.P. - Foreign Entity	10,15,729	3.54	10,15,729	3.77	10,15,729	3.47
	SCI Growth Investments III - Foreign Body Corporate	11,02,616	3.85	11,02,616	4.09	11,02,616	3.77
	SCHF PV Mauritius, Ltd. - Foreign Body Corporate	5,45,794	1.90	5,45,794	2.03	5,45,794	1.87
	EGCS Investment Holdings - Foreign Body Corporate	1,81,931	0.63	1,81,931	0.68	1,81,931	0.62
	TPG Asia VII SF Pte. Ltd. - Foreign Body Corporate	61,10,673	21.32	61,10,673	22.68	61,10,673	20.89
	Sirius II Pte. Ltd. - Foreign Body Corporate	15,34,399	5.35	15,34,399	5.69	15,34,399	5.25
	TVS Shriram Growth Fund 3 - Body Corporate	2,84,197	0.99	2,84,197	1.05	2,84,197	0.97
	Sub Total (B)(1)	2,04,89,691	71.49	2,04,89,691	76.04	2,04,89,691	70.05
2	Others						
	Indian Public	20,11,920	7.02	18,19,323	6.75	20,11,920	6.88
	<i>Partly paid</i>	1,92,597	0.67	-	-	1,92,597	0.66
	<i>Fully paid</i>	18,19,323	6.35	18,19,323	6.75	18,19,323	6.22
	Directors and relatives	1,30,850	0.46	1,30,850	0.49	1,30,850	0.45
	Associate Stock Option 2015	-	-	-	-	90,900	0.31
	Associate Stock Option 2018	-	-	-	-	4,98,200	1.70
	Sub Total (B)(2)	21,42,770	7.48	19,50,173	7.24	27,31,870	9.34
	Sub Total (B)	2,26,32,461	78.96	2,24,39,864	83.28	2,32,21,561	79.39
	GRAND TOTAL	2,86,62,712	100.00	2,69,45,115	100.00	2,92,51,812	100.00

Post-issue Shareholding Pattern

S No	Shareholders	Issued		Fully Paid-up		Fully Diluted	
		No. of shares Held	% of share holding	No. of shares Held	% of share holding	No. of shares Held	% of share holding
A	Promoters Holding						
	Promoter Group	63,30,251	21.86	48,05,251	17.64	63,30,251	21.42
	<i>Partly paid</i>	15,25,000	5.27	-	-	15,25,000	5.16
	<i>Fully paid</i>	48,05,251	16.59	48,05,251	17.64	48,05,251	16.26
	Sub Total (A)	63,30,251	21.86	48,05,251	17.64	63,30,251	21.42
B	Non Promoters' Holding						
1	Investors						
	Matrix Partners India Investment Holdings II, LLC - Foreign Body Corporate	41,00,999	14.16	41,00,999	15.05	41,00,999	13.88
	Matrix Partners India Investments II Extension, LLC - Foreign Body Corporate	68,897	0.24	68,897	0.25	68,897	0.23
	Norwest Venture Partners X - Mauritius - Foreign Body Corporate	29,74,806	10.27	29,74,806	10.92	29,74,806	10.07
	SCI Investments V - Foreign Body Corporate	25,69,650	8.87	25,69,650	9.43	25,69,650	8.70
	Sequoia Capital Global Growth Fund III - Endurance Partners, L.P. - Foreign Entity	10,15,729	3.51	10,15,729	3.73	10,15,729	3.44
	SCI Growth Investments III - Foreign Body Corporate	11,02,616	3.81	11,02,616	4.05	11,02,616	3.73
	SCHF PV Mauritius, Ltd. - Foreign Body Corporate	5,45,794	1.88	5,45,794	2.00	5,45,794	1.85
	EGCS Investment Holdings - Foreign Body Corporate	1,81,931	0.63	1,81,931	0.67	1,81,931	0.62
	TPG Asia VII SF Pte. Ltd. - Foreign Body Corporate	61,10,673	21.10	61,10,673	22.43	61,10,673	20.68
	Sirius II Pte. Ltd. - Foreign Body Corporate	15,34,399	5.30	15,34,399	5.63	15,34,399	5.19
	TVS Shriram Growth Fund 3 - Body Corporate	2,84,197	0.98	2,84,197	1.04	2,84,197	0.96
	Sub Total (B)(1)	2,04,89,691	70.75	2,04,89,691	75.21	2,04,89,691	69.33
2	Others						
	Indian Public	20,11,920	6.95	18,19,323	6.68	20,11,920	6.81
	<i>Partly paid</i>	1,92,597	0.66	-	-	1,92,597	0.65
	<i>Fully paid</i>	18,19,323	6.28	18,19,323	6.68	18,19,323	6.16
	Directors and relatives	1,30,850	0.45	1,30,850	0.48	1,30,850	0.44
	Associate Stock Option 2015	-	-	-	-	90,900	0.31
	Associate Stock Option 2018	-	-	-	-	4,98,200	1.69
	Sub Total (B)(2)	21,42,770	7.40	19,50,173	7.16	27,31,870	9.24
	Sub Total (B)	2,26,32,461	78.14	2,24,39,864	82.36	2,32,21,561	78.58
	GRAND TOTAL	2,89,62,712	100.00	2,72,45,115	100.00	2,95,51,812	100.00

FIVE-STAR BUSINESS FINANCE LIMITED

Form No. MGT-11

Proxy Form

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

CIN : U65991TN1984PLC010844
Name of the Company : Five-Star Business Finance Limited
Registered Office : New No.27, Old No.4, Taylor's Road, Kilpauk, Chennai 600010
Website : www.fivestargroup.in

Name of the Member (s) :
Registered address :
E-mail id :
Phone :
Folio No. / Client Id :
DP ID :

I / We, being the holders(s) of shares of Five-Star Business Finance Limited, hereby appoint:

1. Name :
Address:

E-mail id:

Signature: , or failing him / her
2. Name :
Address:

E-mail id:

Signature: , or failing him / her
3. Name :
Address:

E-mail id:

Signature: , or failing him / her

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Annual General Meeting of the Company, to be held on Friday, 6th August 2021 at 10:30 AM at New No. 27, Old No. 4, Taylors Road, Kilpauk, Chennai - 600 010 and at any adjournment thereof, in respect of such resolutions set out in the notice convening the meeting, as are indicated below:

S.No.	Resolutions	For	Against
1	To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31 st March, 2021, including the Audited Balance Sheet as at 31 st March, 2021, the Audited Profit and Loss Account, Audited Cash Flow Statement for the year ended on that date together with the reports of the Directors' and Auditor's thereon.		
2	To re-appoint Mr Thirulokchand Vasam (holding DIN: 07679930) who retires by rotation and being eligible, has offered himself for re-appointment.		
3	To re-appoint Mr G V Ravishankar (holding DIN: 02604007) who retires by rotation and being eligible, has offered himself for re-appointment.		
4	To re-appoint Mr R Anand (holding DIN: 00243485) as Independent Director		
5	To appoint Mr Gaurav Trehan (holding DIN: 03467781) as a Non-Executive Director		
6	To consider revision in remuneration of Mr D Lakshmi pathy, Chairman and Managing Director with effect from 1 st April 2021		
7	To consider issue and offer of upto 3,00,000 (Three Lakhs) equity shares of Rs 10/- (Rupees Ten Only) on preferential basis by way of private placement		

Signed this day of, 2021

Affix Revenue Stamp here

Signature of Shareholder

Signature of Proxy Holder (s)

Note:

- This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.**
- A Proxy need not be a member of the Company.
- A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

Attendance Slip

(Please complete this attendance slip and hand it over at the entrance of the Hall)

I hereby record my presence at the 37th Annual General Meeting of the Company, Five-Star Business Finance Limited being held on Friday, 6th August 2021 at 10:30 AM at New No. 27, Old No. 4, Taylors Road, Kilpauk, Chennai - 600 010

Regd. Folio No:

DP Id / Client Id:

Full Name of the Shareholder in Block Letters:

No. of Shares held:

Name of the representative or proxy (if any) in Block Letters:

Signature of the Shareholder/Proxy/Representative*

Note:

1. Please fill this attendance slip and hand it over at the venue of the meeting.
2. Shareholder/Proxy Holder/ Authorised Representatives are requested to show their Photo ID proof for attending the meeting.
3. Authorised Representatives of Corporate members shall produce proper authorisation issued in their favour.
4. Photocopied/torn attendance slip will not be accepted.
5. This attendance slip is valid only in case shares are held as on the date of the Annual General Meeting.

Route Map to the Venue

