

**FIVE-STAR BUSINESS FINANCE LIMITED**

CIN: U65991TN1984PLC010844

New No. 27, Old no 4, Taylors' road, Kilpauk, Chennai 600 010

E-mail: [secretary@fivestargroup.in](mailto:secretary@fivestargroup.in) Website: [www.fivestargroup.com](http://www.fivestargroup.com)

**Disclosure pursuant to Regulation 14 of SEBI (Share Based Employee Benefits) Regulation, 2021  
as on March 31, 2023**

**A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time:**

Please refer the paragraph on Share-based payments disclosed in note no 3.13 forming part of the audited financial statements of the Company for the year ended March 31, 2023.

**B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time:**

Diluted EPS for the Financial Statements for the Financial Year ended March 31, 2023 is Rs. 20.49.

**C. Details related to Employee Stock Option Scheme (ESOS):**

**i) Description of ESOS that existed at any time during the year:**

<b>Particulars</b>	<b>Five Star Associate Stock Option Scheme, 2015 (ASOP 2015)</b>	<b>Five Star Associate Stock Option Scheme, 2018 (ASOP 2018)</b>
<b>Date of shareholders' approval</b>	April 12, 2016	March 26, 2018
<b>Total number of options approved under ESOS</b>	The maximum number of options that may be granted pursuant to Five Star Associate Stock Option Scheme, 2015 shall not exceed 56,30,000 equity shares of face value INR 1 each.	The maximum number of options that may be granted pursuant to Five Star Associate Stock Option Scheme, 2018 shall not exceed 50,00,000 equity shares of face value INR 1 each.
<b>Vesting requirements</b>	The Options shall vest not less than one year from the Date of Grant or not later than 5 years from the Date of Grant, as may be determined by the Nomination & Remuneration Committee.	
<b>Exercise price or pricing formula</b>	The Exercise Price per Option shall be such price not being less than the face value, as may be determined by the Nomination & Remuneration Committee and the Exercise Price shall be in compliance with the accounting standards specified under the SEBI SBEB & SE Regulations, including any 'Guidance Note on Accounting for employee share-based Payments' issued in that regard from time to time. The Exercise Period shall commence from the date of Vesting and expire not later than 60 (Sixty) calendar months from the relevant Vesting date.	
<b>Maximum term of options granted</b>	The tenure of the Scheme was for a maximum of 5 years from the date of the Scheme coming into force. The tenure of the Scheme has been extended by the Board of Directors at their meeting held on September 8, 2021 and the shareholders at the Extra-Ordinary General Meeting held on the October 8, 2021, till the time the Options granted under the Scheme have been either exercised or have lapsed. Further, the Board of Directors shall have the power to pre close the Scheme at it may deem fit.	The tenure of the Scheme was for a maximum of 5 years from the date of the Scheme coming into force. The tenure of the Scheme has been extended by the Board of Directors at their meeting held on February 25, 2023, for a further period not exceeding five years Further, the Board of Directors shall have the power to pre close the Scheme at it may deem fit.

Source of shares (primary, secondary or combination)	Primary
Variation in terms of options	Nil

ii) Method used to account for ESOS - Intrinsic or fair value.

Fair value method determined based on Black-Scholes model.

iii) Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.

Not Applicable

iv) Option movement during the year for each ESOS:

Particulars	ASOP 2015	ASOP 2018
Number of options outstanding at the beginning of the period	1,78,000	37,30,000
Number of options granted during the year	31,830	2,50,000
Number of options forfeited / lapsed during the year	38,000	23,700
Number of options vested during the year	1,17,000	11,87,660
Number of options exercised during the year	4,000	19,000
Number of shares arising as a result of exercise of options	4,000	19,000
Money realized by exercise of options (INR), if scheme is implemented directly by the company	52,000	25,09,368
Loan repaid by the Trust during the year from exercise price received	NA	NA
Number of options outstanding at the end of the year	1,67,830	39,37,300
Number of options exercisable at the end of the year	1,13,000	11,70,660

Weighted Average Exercise Price per option

Particulars	ASOP 2015	ASOP 2018
weighted average exercise price per option	INR 55.38	INR 67.57

v) Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to:

Particulars	ASOP 2015		ASOP 2018	
	Name of the Employee	No. of options granted	Name of the Employee	No. of options granted
Senior/Key Management Personnel	Shalini B, Company secretary	5,300 at exercise price of INR 236.44 per option	Srikanth G, Chief Financial Officer	2,50,000 at exercise price of INR 67.44 per option
Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	Nil	Nil	Nil	Nil
Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	Nil	NA	Nil	NA

**vi) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:**

Details are given in Note no 41 of the Standalone Financial Statements of the Company for the year ended March 31, 2023.

**Disclosures in respect of grants made in three years prior to IPO under each ESOS**

(i) Until all options granted in the three years prior to the IPO have been exercised or have lapsed, disclosures of the information specified above in respect of such options shall also be made:

Details regarding grants made in three years prior to IPO are disclosed above.

**D. Details related to ESPS:** Not Applicable

**E. Details related to SAR:** Not Applicable

**F. Details related to GEBS/RBS:** Not Applicable

**G. Details related to Trust:** Not Applicable