

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 No.: 044-46106200

NOTICE - EXTRA ORDINARY GENERAL MEETING

NOTICE is hereby given that an Extra Ordinary General Meeting ("EGM") Numbered EGM 01/FY 2021-22 of Five-Star Business Finance Limited (the "Company") will be held on Thursday, 22nd day of April, 2021 at 11:00 AM, through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following **special businesses**:

Item No. 1: Issue and offer upto 14,71,771 (Fourteen Lakhs Seventy-One Thousand Seven Hundred and Seventy-One) 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, the provisions of the Foreign Exchange Management Act, 1999 (as amended or restated), the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, (as amended or restated), the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 (as amended or restated), 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 14,71,771 (Fourteen Lakhs Seventy-One Thousand Seven Hundred and Seventy-One) fully paid up equity shares of Rs 10/- (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 517,87,35,335.41 (Rupees Five Hundred and Seventeen Crores, Eighty Seven Lakhs, Thirty Five Thousand, Three Hundred and Thirty Five and Paise Forty One only), to the following investors and in the proportions, as given in the table below, (the "Investors"), 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 and the definitive transaction agreement(s)/documents proposed to be executed, inter-alia amongst, the Company, the Investors, and the Promoters, namely, D Lakshmi pathy, Mrs. L Hema, Mr. R Deenadayalan, and Mrs. D Varalakshmi.

Name of the Investors	No of equity shares to be offered	Subscription amount (Rs)
<i>Sequoia Capital Global Growth Fund III - Endurance Partners L.P.</i>	<i>Upto 10,15,729</i>	<i>Upto 357,40,55,789.59</i>
<i>Norwest Venture Partners X - Mauritius</i>	<i>Upto 26,741</i>	<i>Upto 9,40,93,824.11</i>
<i>Sirius II Pte. Ltd.</i>	<i>Upto 1,45,104</i>	<i>Upto 51,05,78,895.84</i>
<i>TVS Shriram Growth Fund 3</i>	<i>Upto 2,84,197</i>	<i>Upto 100,00,06,825.87</i>
Total	Upto 14,71,771	Upto 5,17,87,35,335.41

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, under the Companies (Prospectus and Allotment of Securities) Rules, 2014 along with the draft of serially numbered application forms, placed before the meeting, be and is 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 Investors 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 monies shall be received by the Company from Investors 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 entering into or execution of all such agreements/ arrangement(s)/ subscription agreement/ any other agreement(s) or document(s), as the Board may in its absolute discretion deem fit, authorizing any director(s) or any officer(s) of the Company, severally, to sign for and on behalf of the Company the agreement(s), arrangement(s), application(s), authority letter(s), or any other related paper(s)/ document(s), give any undertaking(s), affidavit(s), certification(s), declaration(s) as he or she may in his or her absolute discretion deem fit including the authority to amend or modify such document(s), making requisite filings with the Registrar of Companies, authorized dealer and Reserve Bank of India and any other government or 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 Mr D Lakshmipathy, Chairman and Managing Director (DIN: 01723269), Mr K Rangarajan, Chief Executive Officer, Mr G Srikanth, 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."

Item No. 2: Adoption of the restated Articles of Association

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 5, 14 and other applicable provisions, if any, of the Companies Act, 2013, read with rules, circulars and notifications prescribed thereunder (including any statutory modification or re-enactment thereof for the time being in force), the current Articles of Association of the Company ("**Current Articles**"), be altered and replaced with the amended and restated Articles of Association of the Company ("**Restated Articles**") with effect from the "Closing Date" referred to in the Restated Articles, a draft copy of which is available for inspection at the registered office of the Company at New No.27, Old No.4, Taylor's Road, Kilpauk, Chennai - 600 010 between 09:00 am and 05:00 pm and is placed before the meeting of the members, which incorporates the provisions of (i) the amended and restated shareholders' agreement proposed to be executed between the Company, M/s Matrix Partners India Investment Holdings II LLC, M/s Matrix Partners India Investments II Extension, LLC, M/s Norwest Venture Partners X - Mauritius, M/s SCI Investments V, M/s SCI Growth Investments III, M/s SCHF PV Mauritius, Ltd, M/s EGCS Investment Holdings, M/s Sequoia Capital Global Growth Fund III - Endurance Partners, L.P., M/s TPG Asia VII SF Pte. Ltd., M/s Sirius II Pte. Ltd., and the Promoters, namely, D Lakshmipathy, Mrs. L Hema, Mr. R Deenadayalan, Mrs. D Varalakshmi, and (ii) deed of adherence ("**DoA**") proposed to be executed between the Company and M/s TVS Shriram Growth Fund 3 and that the Restated Articles be and is hereby approved in substitution for, and to the entire exclusion, of the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the aforesaid alteration of the Articles of Association shall come into effect on such date as mentioned under "Closing Date" clause of the Restated Articles.

RESOLVED FURTHER THAT prior to the “Closing Date” referred to in the Restated Articles, the Current Articles of the Company shall continue to be in force and effect.

RESOLVED FURTHER THAT Mr D Lakshmipathy, Chairman and Managing Director (DIN: 01723269), Mr K Rangarajan, Chief Executive Officer, Mr G Srikanth, 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 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 (DIN: 01723269), Mr K Rangarajan, Chief Executive Officer, Mr G Srikanth, 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.”

Item No. 3: Grant of options exceeding one percent of the issued capital of the Company pursuant to Five-Star Associate Stock Option Scheme 2018

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

“**RESOLVED THAT** in terms of Section 62 of the Companies Act 2013 read with Rule 12 (4) (b) of the Companies (Share Capital and Debentures) Rules, 2014 and the Rules made thereunder (as may be amended or modified from time to time) and all other applicable provisions, if any, the shareholders do hereby approve the grant of stock options to identified employees / associates pursuant to the Five-Star Associate Stock Option Scheme 2018 equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company during any one year.

RESOLVED FURTHER THAT the Board of Directors, Nomination & Remuneration Committee / Business & Resource Committee and Mr D Lakshmipathy, Chairman and Managing Director (DIN: 01723269) be and are hereby severally authorized to take such steps as may be necessary to give effect to the resolution.

RESOLVED FURTHER THAT all actions taken by the Board of Directors, Nomination & Remuneration Committee / Business & Resource Committee and Mr D Lakshmipathy, Chairman and Managing Director (DIN: 01723269) in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects.”

Item No. 4: To re-appoint Mr Ramanathan Annamalai (holding DIN: 02645247) 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 & Remuneration Committee of the Company and approval of the Board of Directors of the Company, Mr Ramanathan Annamalai (holding DIN: 02645247), 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 under Section 160 of the Act 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 15 months with effect from 26th February 2021 and Mr Ramanathan Annamalai 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 (DIN: 01723269), Mr K Rangarajan, Chief Executive Officer, Mr G Srikanth, 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 Lakshmiopathy, Chairman and Managing Director (DIN: 01723269), Mr K Rangarajan, Chief Executive Officer, Mr G Srikanth, 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.”

Item No. 5: To re-appoint Mrs Bhama Krishnamurthy (holding DIN: 02196839) 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 & Remuneration Committee of the Company and approval of the Board of Directors of the Company, Mrs Bhama Krishnamurthy (holding DIN: 02196839), 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 under Section 160 of the Act proposing her 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 12th April 2021 and Mrs Bhama Krishnamurthy 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 Lakshmiopathy, Chairman and Managing Director (DIN: 01723269), Mr K Rangarajan, Chief Executive Officer, Mr G Srikanth, 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 Lakshmiopathy, Chairman and Managing Director (DIN: 01723269), Mr K Rangarajan, Chief Executive Officer, Mr G Srikanth, 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.”

Item No. 6: Fixing of borrowing limits for the Company

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 section 180(1)(c) of the Companies Act, 2013 and other applicable provisions if any, or any other law for the time being in force (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force) and in terms of Articles of Association of the Company, the Company hereby accords its consent to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Business & Resource Committee or any such committee which the Board may constitute / authorize for this purpose) of the Company to borrow such sum or sums of moneys and for availing all kinds and types of loans, advances and credit / financing / debt facilities including issuance of all kinds of debentures / bonds and other debt instruments, from time to time, upto a sum of Rs 7000 Crores (Rupees Seven Thousand Crores only) outstanding at any point of time on account of principal, for and on behalf of the Company, from its bankers, other banks, Non-Banking Financial Companies (NBFCs), financial institutions, companies, firms, bodies corporate, Cooperative Banks, investment institutions and their subsidiaries, mutual funds, trusts, or from any other person as may be permitted under applicable laws, whether unsecured or secured.

RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to include the Business & Resource Committee and any such Committee which the Board may constitute/authorize for this purpose) be and is hereby authorized and empowered to arrange, negotiate or settle the terms and conditions on

which all such loans, advances, financing and credit facilities including debentures and other debt instruments are to be borrowed / availed / issued from time to time, as to interest, repayment, security or otherwise howsoever as it may think fit and to take all such steps as may be necessary to give effect to this resolution."

Item No. 7: Creation of charges on the assets of the Company

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

"RESOLVED THAT pursuant to the provisions of section 180(1)(a) of the Companies Act, 2013 and all other applicable provisions if any, or any other law for the time being in force (including any statutory modification or amendment(s) thereto or re-enactment(s) thereof for the time being in force) and in terms of Articles of Association of the Company, consent be and is hereby accorded to the Board of Directors of the Company (which term shall be deemed to include the Business & Resource Committee and any such Committee which the Board may constitute / authorize for this purpose) for mortgaging/ charging / hypothecating all or any of the properties and assets of the Company both present and future and the whole or substantially the whole of the undertaking or the undertakings of the Company on such terms and conditions, as may be agreed to between the Board and Lender(s), Debenture holders and providers of credit and debt facilities to secure the loans / borrowings / credit / financing / debt facilities obtained or as may be obtained, or Debentures/Bonds and other debt instruments issued or to be issued by the Company to or in favour of the financial institutions, NBFCs, Co-operative Banks, investment institutions and their subsidiaries, its bankers and other banks, mutual funds, trusts and bodies corporate or trustees for the holders of debentures/bonds and/or other instruments, or any other person, which may exceed the paid-up capital and free reserves provided that the total amount of monies borrowed / credit / debt / financing facilities / monies raised by issuance of debentures / bonds / instruments and through all of the aforesaid means shall not at any time exceed a sum of Rs 7000 Crores (Rupees Seven Thousand Crores) outstanding at any point of time on account of principal.

RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to include the Business & Resource Committee and any such Committee which the Board may constitute/authorize for this purpose) be and is hereby authorized and empowered to arrange, negotiate or settle the terms and conditions on which all such mortgaging / charging / hypothecating / assigning all or any of the immovable and movable properties and assets of the Company, both present and future, and the whole or substantially the whole of the undertaking or the undertakings of the Company, from time to time, howsoever as it may think fit and to take all such steps as may be necessary to give effect to this resolution."

Item No. 8: Offer / invitation to subscribe to Non-Convertible Debentures (NCDs) on private placement basis

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

"RESOLVED THAT pursuant to sections 42, 71, 179 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules under the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the provisions of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (as amended from time to time), the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (as amended from time to time), and in accordance with the Memorandum of Association and Articles of Association of the Company, and listing agreements to be entered into with BSE Limited and / or National Stock Exchange of India Limited ("Stock Exchanges"), where the non-convertible debentures of the Company are proposed to be listed, and subject to approvals, consents, sanctions, permissions as may be necessary from the Securities and Exchange Board of India (SEBI), Stock Exchanges, all other appropriate statutory and regulatory authorities, approval of the members be and is hereby accorded to authorize the Board of Directors of the Company (which term shall be deemed to include the Business & Resource Committee and any such Committee which the Board may constitute/authorize for this purpose) to issue, offer or invite subscriptions for all kinds and types of Non-Convertible Debentures (NCDs), in one or more series / tranches, aggregating up to Rs 4000 Crores (Rupees Four Thousand Crores only), on private placement basis, on such terms and conditions as the Board of Directors of the Company may, from time to time, determine and consider proper and

most beneficial to the Company including as to when the said NCDs are to be issued, the consideration for the issue, utilization of the issue proceeds and all matters connected with or incidental thereto.

RESOLVED FURTHER THAT *the Board of Directors (which term shall be deemed to include the Business & Resource Committee and any such Committee which the Board may constitute/authorize for this purpose) be and is hereby instructed to act upon the resolution within a period of 12 months from the date of passing this resolution.*

RESOLVED FURTHER THAT *for the purpose of giving effect to any offer or allotment of NCDs, the Board (which term shall be deemed to include the Business & Resource Committee and any such Committee which the Board may constitute/authorize for this purpose) be and is hereby authorized on behalf of the Company to take all such actions and do all such deeds, matters, and things as it may, in its absolute discretion, deem necessary, desirable or expedient and to settle any question, difficulties or doubts that may arise in this regard including but not limited to the offering and allotment of NCDs as it may in its absolute discretion deem fit and proper.*

RESOLVED FURTHER THAT *the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to the Business & Resource Committee or any Committee of Directors or any Director or Directors or to any officer or officers of the Company to give effect to this resolution."*

**By order of the Board
For Five-Star Business Finance Limited**

**D Lakshmipathy
Chairman & Managing Director
DIN: 01723269**

**Place: Chennai
Date: 29th March 2021**

NOTES:

1. In view of the global outbreak of the COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 followed by Circular No. 20/2020 dated May 05, 2020, Circular No. 22/2020 dated June 15, 2020, Circular No. 33/2020 dated September 28, 2020 and Circular No. 39/2020 dated December 31, 2020 and the rules made thereunder on account of the threat posed by COVID-19" (collectively referred to as "MCA Circulars"), permitted the holding of the Extraordinary General Meeting ("EGM") through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), and MCA Circulars, the EGM of the Company is being held through VC/OAVM on Thursday, 22nd April 2021 at 11:00 a.m. (IST). The deemed venue for the EGM will be the Registered office of the Company.
2. Pursuant to the provisions of the Act, a member entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the company. Since this EGM is being held pursuant to the MCA circulars through VC/OAVM, the requirement of physical attendance of members has been dispensed, 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.
3. Corporate Members intending to appoint their authorized representatives pursuant to Sections 112 and 113 of the Act, as the case maybe, to attend the EGM through VC/OAVM or to vote through remote e-voting are requested to send a copy of the Board Resolution to the Scrutinizer by e-mail at evoting.fivestar@sandeep-cs.in with a copy marked to evoting@nsdl.co.in.
4. Members attending the EGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. In case of joint holders attending the meeting through VC/OAVM, only such joint holder who is higher in the order of names will be entitled to vote.

6. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business under Item Nos. 1 to 8 of the Notice is annexed hereto. The relevant details, pursuant to Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking re-appointment at this EGM are enclosed as Annexure B. Requisite declarations/disclosures have been received from Director/s who are seeking re- appointment.
7. 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, during business hours up to the date of the Meeting. Members who wish to inspect the relevant documents referred to in the Notice can send an email to secretary@fivestargroup.in up to the date of this Meeting.
8. **Members who have not registered their email address are requested to register their email address with respective depository participant(s) and members holding shares in physical mode are requested to update their email addresses with the Company by sending a request to secretary@fivestargroup.in**
9. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, etc., with respective depository participant(s) and members holding shares in physical mode are requested to intimate the Company by sending a request at secretary@fivestargroup.in quoting your folio no.
10. As per Ministry of Corporate Affairs (MCA) notification dated 10th September, 2018, all unlisted Public Companies should have its shares in demat form only. Request shareholders who are holding shares in physical form to convert shares from physical to demat immediately.
11. In line with the MCA Circulars, the Notice of the EGM is being sent through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the EGM Notice will also be made available on the Company's website www.fivestargroup.in and NSDL's website www.evoting.nsdl.com.

A. VOTING THROUGH ELECTRONIC MEANS

1. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended, the Company is pleased to provide Members the facility to exercise their votes by electronic means for all the resolutions detailed in the Notice of the Extra Ordinary General Meeting (EGM) scheduled to be held on Thursday, 22nd April 2021 at 11:00 a.m. (IST). The Company has engaged the services of National Securities Depository Limited (NSDL) as the authorized agency to provide the remote e-voting facilities as per instructions below.
2. Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
3. A member even after exercising his right to vote through Remote e-voting may attend the EGM through VC/OAVM but shall not be allowed to vote again.
4. Instructions to Members for e-voting are as under:
 - a. Date and time of commencement of voting through electronic means: 19th April 2021 at 10:00 am (IST)
 - b. Date and time of end of voting through electronic means: 21st April 2021 at 05:00 pm (IST)
 - c. Details of Website: www.evoting.nsdl.com

The Remote e-voting module shall be disabled for voting on 21st April 2021 at 5.00 pm. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting right of Members shall be in proportion to their share in the paid up Equity Share Capital of the Company as on 15th April 2021 (cut-off date).

5. The process and manner for Remote e-voting are as under:
- i) **In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:**
 - a. Open email and open PDF file viz; “remote e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - b. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - c. Click on Shareholder/Member – Login
 - d. Put user ID and password as initial password/PIN noted in step (i) above. Click Login
 - e. Password change menu appears. Change the password / PIN with new password of your choice with minimum 8 digits / characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential
 - f. Home page of Remote e-voting opens. Click on Remote e-voting: Active Voting Cycles
 - g. Select “EVEN” of “Five-Star Business Finance Limited”
 - h. Now you are ready for Remote e-voting as Cast Vote page opens
 - i. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted
 - j. Upon confirmation, the message “Vote cast successfully” will be displayed
 - k. Once you have voted on the resolution, you will not be allowed to modify your vote
 - l. Institutional/Corporate Shareholders are required to send scanned copy of the Board Resolution/Authority letter with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to evoting.fivestar@sandeep-cs.in with a copy marked to evoting@nsdl.co.in
 - ii) **In case of a Member whose email IDs are not registered with the Company/Depository Participant(s), process for procuring User ID and password and to register the e-mail ids for e-voting:**
 - a. In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the Share Certificate (front and back), PAN (self-attested), Aadhaar (self-attested) by email to secretary@fivestargroup.in
 - b. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested), Aadhaar (self-attested) to evoting@nsdl.co.in
 - c. Please follow all steps from Sl. No. (i) above, to cast vote.
6. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and Remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on Toll Free No.: 1800 1020 990 / 1800 224 430
7. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. 15th April 2021, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or secretary@fivestargroup.in

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following Toll Free No.: 1800 1020 990 / 1800 224 430 or you can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.

8. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of Remote e-voting.
9. The Board of Directors has appointed Mr S Sandeep of M/s S Sandeep & Associates, Practicing Company Secretaries as the Scrutinizer to scrutinize remote e-voting process and voting during the EGM in a fair and transparent manner.
10. The Scrutinizer shall after the conclusion of the EGM, unblock the votes cast through Remote e-voting in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, within 2 days of conclusion of the meeting to the Chairman of the Company who shall countersign the same and declare the results of the voting forthwith.
11. The results declared along with the Scrutinizer's Report shall be available on the Company's website and on the website of NSDL after the declaration of the result by the Chairman or the person authorized in this regard.

B. INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE EGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the EGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members, who will be present in the EGM through VC/OAVM facility and have not casted their vote on the Resolutions through Remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM. However, they will not be eligible to vote at the EGM.
4. For any grievances connected with the facility for e-Voting on the day of the EGM, members can contact NSDL on toll free No.: 1800 1020 990 / 1800 224 430

C. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM THROUGH VC/OAVM ARE ASUNDER:

1. Members will be able to attend the EGM through VC/OAVM can view the live webcast of EGM provided by NSDL at www.evoting.nsdl.com by using their remote e-voting login credentials and selecting the EVEN for Company's EGM.

Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.

2. Facility of joining the EGM through VC/OAVM shall open 30 minutes before the time scheduled for the EGM.

3. Members who need assistance before or during the EGM, can contact NSDL on evoting@nsdl.co.in / Toll Free No.: 1800 1020 990 / 1800 224 430
4. Members desiring any additional information or having any question or query pertaining to the business to be transacted at the EGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/Folio Number, PAN, Mobile Number at secretary@fivestargroup.in before 15th April 2021. Those Members who have registered themselves as a speaker will only be allowed to seek any additional information or questions pertaining to the business during the EGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the EGM.

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

Item No. 1 Issue and offer of upto 14,71,771 (Fourteen Lakhs Seventy-One Thousand Seven Hundred and Seventy-One) equity shares of Rs 10/- (Rupees Ten Only) on preferential basis by way of private placement

As part of its capital raising plans, the Company intends to raise further capital by issuing upto 14,71,771 (Fourteen Lakhs Seventy-One Thousand Seven Hundred and Seventy-One) fully paid up equity shares of Rs 10/- (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 the following investors (the “Investors”) as given in the table below pursuant to the subscription agreement proposed to be executed *inter alia* by the Company and its Promoters with the Investors and amended and restated shareholders agreement proposed to be executed *inter alia* by the Company and its Promoters with the Investors and deed of adherence proposed to be executed between the Company and TVS Shriram Growth Fund 3, for meeting the business and working capital requirements of the Company:

<i>Name of the Investor</i>	<i>No of equity shares to be offered</i>	<i>Subscription amount (Rs)</i>
<i>Sequoia Capital Global Growth Fund III - Endurance Partners L.P.</i>	<i>Upto 10,15,729</i>	<i>Upto 357,40,55,789.59</i>
<i>Norwest Venture Partners X – Mauritius</i>	<i>Upto 26,741</i>	<i>Upto 9,40,93,824.11</i>
<i>Sirius II Pte. Ltd.</i>	<i>Upto 1,45,104</i>	<i>Upto 51,05,78,895.84</i>
<i>TVS Shriram Growth Fund 3</i>	<i>Upto 2,84,197</i>	<i>Upto 100,00,06,825.87</i>
<i>Total</i>	<i>Upto 14,71,771</i>	<i>Upto 5,17,87,35,335.41</i>

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 business and working capital requirements of the Company.
- b. **Total No. of shares to be issued:** upto 14,71,771 (Fourteen Lakhs Seventy-One Thousand Seven Hundred and Seventy-One) fully paid up equity shares of Rs 10/- (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/- (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/- (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 16th March, 2021 issued by a Ms Neena Agarwal, Registered Valuer, having registration no. IBBI/RV/05/2019/11667. 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.
- e. **Relevant date on the basis of which price has been arrived at:** The price has been arrived at as on 28th February 2021 based on the valuation report dated 16th March 2021.

- f. **The class or classes of persons to whom the allotment is proposed to be made is as under:**

Name	Category	No. of shares
Sequoia Capital Global Growth Fund III - Endurance Partners L.P.	Foreign Entity	Upto 10,15,729
Norwest Venture Partners X - Mauritius	Foreign Body Corporate	Upto 26,741
Sirius II Pte. Ltd.	Foreign Body Corporate	Upto 1,45,104
TVS Shriram Growth Fund 3	Body Corporate	Upto 2,84,197

- g. **Intention of promoters/directors, key management persons to subscribe to the offer:** No contribution is being made by the directors, promoter, key management persons and none of them 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.
- 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)
Sequoia Capital Global Growth Fund III - Endurance Partners L.P.	3.47
Norwest Venture Partners X - Mauritius	10.17
Sirius II Pte. Ltd.	5.25
TVS Shriram Growth Fund 3	0.97

- j. **Whether a change in control is intended or expected:** The Directors do not envisage any change in the control of the management by the proposed allotment of 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:** The Company has not made allotments to any persons on preferential basis during the year.
- 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 A.

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 14,71,771 (Fourteen Lakhs Seventy-One Thousand Seven Hundred and Seventy-One) fully paid up equity shares of Rs 10/- (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 22nd March 2021.
- b. **Kinds of securities offered and the price at which security is being offered:** Equity Shares of face value of Rs 10/- 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/- (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 and the value of Rs 3,518/- (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 – 600 010 between 09:00 am and 05:00 pm.
- d. Name and address of valuer who performed valuation:** The valuation of the equity shares has been done by Ms Neena Agarwal, Registered Valuer, having office at 1007, KanakDurgaCghs, Plot No. 26, Sector -12, Dwarka, New Delhi, National Capital, Territory of Delhi – 110075.
- e. Amount which the company intends to raise by way of such securities:** upto Rs 517,87,35,335.41 (Rupees Five Hundred and Seventeen Crores, Eighty-Seven Lakhs, Thirty-Five Thousand, Three Hundred and Thirty-Five and Paise Forty-One 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 /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 517,87,35,335.41 (Rupees Five Hundred and Seventeen Crores, Eighty-Seven Lakhs, Thirty-Five Thousand, Three Hundred and Thirty-Five and Paise Forty-One only). The proceeds of this issue shall be utilized by the Company for capital expenditures, marketing and for general corporate purposes in accordance with the business plan as approved by the Board. 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:** There is no proposed contribution to be made by the promoters or directors either as part of the offer or separately in furtherance of objects.
- 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 22nd March 2021, had approved issue and offer of upto 14,71,771 (Fourteen Lakhs Seventy-One Thousand Seven Hundred and Seventy-One only) equity shares of Rs 10/- (Rupees Ten Only) on preferential basis by way of private placement and recommends the adoption of the resolution as set out in item no. 1 of the Notice as Special Resolution.

None of the 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.

Item No. 2: Adoption of the restated Articles of Association

To give effect to the terms of the (i) Amended and Restated Shareholders' Agreement ("**SHA**") proposed to be executed *interalia* with the Company, M/s Matrix Partners India Investment Holdings II LLC, M/s Matrix Partners India Investments II Extension, LLC, M/s Norwest Venture Partners X - Mauritius, M/s SCI Investments V, M/s SCI Growth Investments III, M/s SCHF PV Mauritius, Ltd, M/s EGCS Investment Holdings, M/s Sequoia Capital Global Growth Fund III - Endurance Partners, L.P., M/s TPG Asia VII SF Pte. Ltd., M/s Sirius II Pte. Ltd., and the Promoters, namely, D Lakshmipathy, Mrs. L Hema, Mr. R Deenadayalan and Mrs. D Varalakshmi, and (ii) deed of adherence ("**DoA**") proposed to be executed between the Company and M/s TVS Shriram Growth Fund 3, certain amendments are required to be made to the existing Articles of Association of the Company to incorporate the provisions of the SHA and DOA.

Mr D Lakshmipathy, Managing Director & Promoter being a party to the SHA and his relatives are deemed to be interested in the resolution. 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.

Copies of the SHA, DOA, the existing Articles of Association and draft of the amended Articles of Association are 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 up to the date of the meeting. A copy of the same would be provided on request to any member.

The Board at its meeting held on 22nd March 2021, had approved the Adoption of the Restated Articles and recommends the adoption of the resolution as set out in item no. 2 of the Notice as Special Resolution.

Item No. 3: Grant of option exceeding one percent of the issued capital of the Company pursuant to Five-Star Associate Stock Option Scheme, 2018

The Company has implemented an ASOP scheme for its employees in the name and style of 'Five-Star Associate Stock Option Scheme, 2018' ("**Scheme**"), which was approved by the Board of Directors on 28th February 2018 and the shareholders at the Extra - Ordinary General Meeting held on 26th March 2018.

In terms of Section 62 of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, a separate approval of the shareholders is required to be obtained by the Company in case of grant of options to identified associates, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company.

The grant of options to identified associates under the Scheme, would be, in excess of the aforesaid limit and accordingly, a separate approval of the shareholders is being sought for.

The Directors, Key Managerial Persons of the Company and their relatives are interested in the resolution set out at Item No. 3 of the Notice to the extent of their shareholding in the Company and to the extent they may be covered by the Scheme.

Accordingly, the special resolution appearing under item no. 3 of this notice is placed before the shareholders for approval.

Item No. 4: To re-appoint Mr Ramanathan Annamalai (holding DIN: 02645247) as Independent Director

Mr Ramanathan Annamalai (DIN: 02645247) was appointed as Independent Director of the Company with effect from 26th February 2016, for a period of 5 years.

It is proposed to re-appoint Mr Ramanathan Annamalai as Independent Director of the Company for a second term of 15 months with effect from 26th February 2021. In the opinion of the Board, Mr

Ramanathan Annamalai fulfils the terms and conditions specified in the Companies Act, 2013 and the rules made thereunder for his appointment as Independent Director and he is independent of the management. He meets the criteria of independence as prescribed 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 & Remuneration Committee, the Board of Directors at its meeting held on 18th February 2021 approved the proposal to re-appoint Mr Ramanathan Annamalai as an Independent Director of the Company for a second term with effect from 26th February 2021. The proposal is subject to the approval of the shareholders pursuant to Schedule IV of the Companies Act, 2013. Both the Nomination & Remuneration Committee and the Board are of the opinion, after evaluating Mr Ramanathan Annamalai'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 Ramanathan Annamalai 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 Companies Act, 2013, and as determined by the Board from time to time, within the overall limits specified under the Companies Act, 2013.

The Company has received the notice in accordance with the provisions of Section 160 of the Act proposing the candidature of Mr Ramanathan Annamalai for the office of Independent Director. The Company has also received requisite consents and declarations from Mr Ramanathan Annamalai. Copies of the draft letter of appointment of Mr Ramanathan Annamalai, 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 09:00 am and 05:00 pm on any working day up to the date of the meeting.

The profile of Mr Ramanathan Annamalai, 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 Ramanathan Annamalai, Independent Director, being the appointee, none of the other Directors or Key Managerial Personnel or their relatives is 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: To re-appoint Mrs Bhama Krishnamurthy (holding DIN: 02196839) as Independent Director

Mrs Bhama Krishnamurthy (DIN: 02196839) was appointed as Independent Director of the Company with effect from 12th April 2016, for a period of 5 years.

It is proposed to re-appoint Mrs Bhama Krishnamurthy as Independent Director of the Company for a second term of 5 years with effect from 12th April 2021. In the opinion of the Board, Mrs Bhama Krishnamurthy fulfils the terms and conditions specified in the Companies Act, 2013 and the rules made thereunder for her appointment as Independent Director and she is independent of the management. She meets the criteria of independence as prescribed 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 & Remuneration Committee, the Board of Directors at its meeting held on 18th February 2021 approved the proposal to re-appoint Mrs Bhama Krishnamurthy as an Independent Director of the Company for a second term with effect from 12th April 2021. The proposal is subject to the approval of the shareholders pursuant to Schedule IV of the Companies Act, 2013. Both the Nomination & Remuneration Committee and the Board are of the opinion,

after evaluating Mrs Bhama Krishnamurthy's performance, appropriate mix of skills, qualifications, experience, value additions, integrity and other attributes, that her continued association would be of immense benefit to the Company and it is desirable to continue to avail her services as an Independent Director.

Mrs Bhama Krishnamurthy 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 Companies Act, 2013, and as determined by the Board from time to time, within the overall limits specified under the Companies Act, 2013.

The Company has received the notice in accordance with the provisions of Section 160 of the Act proposing the candidature of Mrs Bhama Krishnamurthy for the office of Independent Director. The Company has also received requisite consents and declarations from Mrs Bhama Krishnamurthy. Copies of the draft letter of appointment of Mrs Bhama Krishnamurthy, Independent Director setting out the terms and conditions and notice of candidature and other consents / declarations received from her are available for inspection at the registered office of the Company between 09:00 am and 05:00 pm on any working day up to the date of the meeting.

The profile of Mrs Bhama Krishnamurthy, as required by paragraph no. 1.2.5 of SS2 – Secretarial Standards on General Meetings are provided in Annexure B to this notice.

Except Mrs Bhama Krishnamurthy, Independent Director, being the appointee, none of the other Directors or Key Managerial Personnel or their relatives is concerned or interested financially or otherwise in the special resolution as set out in item no. 5 of this notice.

Accordingly, your Directors recommend the special resolution appearing in item no. 5 for approval by the shareholders.

Item No. 6: Fixing of borrowing limits for the Company

In terms of provisions of section 180(1)(c) of the Companies Act, 2013, the Board of Directors of the Company cannot, except with the consent of the Company in a general meeting, borrow monies (together with the monies already borrowed by the Company) apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid-up capital and its free reserves, i.e. to say, reserves not set apart for any specific purpose.

The approval of the shareholders is being sought to retain the limit of outstanding borrowings to Rs. 7000 Crores (with an increase in sub-limit for borrowings through Non-Convertible Debentures within this overall limit of upto Rs 4,000 Crores).

Since the borrowing limit as proposed in the special resolution appearing in item no. 6 of this notice, i.e. Rs. 7000 crores, is in excess of paid up capital and its free reserves, the proposal requires the approval of shareholders by means of a special resolution.

None of the Directors, Key Managerial Persons of the Company and their relatives are concerned or interested financially or otherwise in the resolution.

Accordingly, the Board recommends the adoption of the resolution as set out in item no. 6 of the Notice as special resolution.

Item No. 7: Creation of charges on the assets of the Company

For creation of security through mortgage or pledge / or hypothecation or otherwise or through a combination of the same for securing the limits / credit / debt / financing facilities as may be availed by the Company, or funds raised by issuance of debentures / debt instruments, the Company would be required to secure all or any of the movable and immovable assets of the Company, present and future.

Section 180(1)(a) of the Companies Act, 2013, provides that the Board of Directors of a Company shall not, without the consent of members in general meeting, sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company. Hence, it is necessary for the members to pass a resolution under section 180(1)(a) of the Companies Act, 2013 authorizing the Board of Directors (which term shall be deemed to include the Business & Resource Committee and any such Committee which the Board may constitute/authorize for this purpose) to mortgage/ charge/ hypothecate / assign the assets, properties and/ or the whole or substantially the whole of the undertaking of the Company.

None of the Directors, Key Managerial Persons of the Company and their relatives are concerned or interested financially or otherwise in the above resolution.

Accordingly, the Board recommends the adoption of the resolution as set out in item no. 7 of the Notice as special resolution.

Item No. 8: offer / invitation to subscribe to Non-Convertible Debentures (NCDs) on private placement basis

Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 deal with private placement of securities by a company. Sub-rule (2) of the said Rule 14 states that in case of an offer or invitation to subscribe for Non - Convertible Debentures (“NCDs”) on private placement basis, the company has an option to obtain omnibus approval from its shareholders by means of a special resolution only once in a year for all the offers or invitations for such debentures during the year.

As part of its fundraising plans, your Company proposes to issue NCDs on private placement basis to institutions and bodies corporate, both domestic and non-domestic aggregating upto Rs 4000 crores in line with the approval of the Board of Directors at their meeting held on 22nd March 2021. The Company may offer or invite subscription for all kinds and types of NCDs including secured redeemable NCDs, in one or more series / tranches on private placement basis.

Accordingly, omnibus approval of the members is sought for passing a Special Resolution as set out at item no. 8 of the Notice.

This resolution enables the Board of Directors of the Company to offer or invite subscription for NCDs, as may be required by the Company, from time to time for one year from the conclusion of this General Meeting.

None of the Directors, Key Managerial Persons of the Company and their relatives are concerned or interested financially or otherwise in the above resolution.

**By order of the Board
For Five-Star Business Finance Limited**

**Place: Chennai
Date: 29th March 2021**

**D Lakshmipathy
Chairman & Managing Director
DIN: 01723269**

Annexure A

Pre-issue Shareholding Pattern

S No	Shareholders	Issued capital		Fully Paid-up Capital		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	60,27,801	22.17	45,02,801	17.68	60,27,801	21.70
	<i>Partly paid</i>	15,25,000	5.61	-	-	15,25,000	5.49
	<i>Fully paid</i>	45,02,801	16.56	45,02,801	17.68	45,02,801	16.21
	Sub Total (A)	60,27,801	22.17	45,02,801	17.68	60,27,801	21.70
B	Non Promoters' Holding		-		-		-
1	Investors		-		-		-
	Matrix Partners India Investment Holdings II, LLC - Foreign Body Corporate	41,00,999	15.08	41,00,999	16.10	41,00,999	14.76
	Matrix Partners India Investments II Extension, LLC - Foreign Body Corporate	68,897	0.25	68,897	0.27	68,897	0.25
	NHPEA Chocolate Holding B.V. - Foreign Body Corporate	35,98,051	13.23	35,98,051	14.12	35,98,051	12.95
	Norwest Venture Partners X – Mauritius - Foreign Body Corporate	25,69,650	9.45	25,69,650	10.09	25,69,650	9.25
	SCI Investments V - Foreign Body Corporate	25,69,650	9.45	25,69,650	10.09	25,69,650	9.25
	TPG Asia VII SF Pte. Ltd. - Foreign Body Corporate	61,10,673	22.47	61,10,673	23.99	61,10,673	22.00
	Sub Total (B)(1)	1,90,17,920	69.94	1,90,17,920	74.66	1,90,17,920	68.46
2	Others		-		-		-
	Indian Public	20,11,720	7.40	18,19,123	7.14	20,11,720	7.24
	<i>Partly paid</i>	1,92,597	0.71	-	-	1,92,597	0.69
	<i>Fully paid</i>	18,19,123	6.69	18,19,123	7.14	18,19,123	6.55
	Directors and relatives	1,33,300	0.49	1,33,300	0.52	1,33,300	0.48
	Associate Stock Option 2015	-	-	-	-	91,100	0.33
	Associate Stock Option 2018	-	-	-	-	4,98,200	1.79
	Sub Total (B)(2)	21,45,020	7.89	19,52,423	7.66	27,34,320	9.84
	Sub Total (B)	2,11,62,940	77.83	2,09,70,343	82.32	2,17,52,240	78.30
	GRAND TOTAL	2,71,90,741	100.00	2,54,73,144	100.00	2,77,80,041	100.00

Post-issue Shareholding Pattern

S No	Shareholders	Issued capital		Fully paid-up Capital		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	60,27,801	21.03	45,02,801	16.71	60,27,801	20.61
	<i>Partly paid</i>	15,25,000	5.32	-	-	15,25,000	5.21
	<i>Fully paid</i>	45,02,801	15.71	45,02,801	16.71	45,02,801	15.39
	Sub Total (A)	60,27,801	21.03	45,02,801	16.71	60,27,801	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	20,11,720	7.02	18,19,123	6.75	20,11,720	6.88
	<i>Partly paid</i>	1,92,597	0.67	-	-	1,92,597	0.66
	<i>Fully paid</i>	18,19,123	6.35	18,19,123	6.75	18,19,123	6.22
	Directors and relatives	1,33,300	0.47	1,33,300	0.49	1,33,300	0.46
	Associate Stock Option 2015	-	-	-	-	91,100	0.31
	Associate Stock Option 2018	-	-	-	-	4,98,200	1.70
	Sub Total (B)(2)	21,45,020	7.48	19,52,423	7.25	27,34,320	9.35
	Sub Total (B)	2,26,34,711	78.97	2,24,42,114	83.29	2,32,24,011	79.39
	GRAND TOTAL	2,86,62,512	100.00	2,69,44,915	100.00	2,92,51,812	100.00

Annexure B

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

Name of Director	Mr Ramanathan Annamalai	Mrs Bhama Krishnamurthy
DIN	02645247	02196839
Date of Birth / (Age)	25-Dec-1948 / 72	19-Dec-1954 / 66
Qualifications	MBA	M.Sc.,
Experience / Expertise in specific functional areas	Mr Ramanathan is retired Chief General Manager from NABARD. His expertise lies in institutional development, organisational development, organisational behaviour, small business development, training need assessment, training techniques etc. He has more than 35 years of rich experience in the banking industry.	Ms Bhama is a Country Head and Chief General Manager of SIDBI. She has closely dealt with Multilateral and Bilateral Agencies in close coordination with the Government of India. Her areas of specialization include, inter-alia, handling of Human Resources Development Division covering recruitment, training and promotion aspects.
Terms and conditions of appointment	Re-appointment as an Independent Director for a second term of 15 months with effect from 26 th February 2021	Re-appointment as an Independent Director for a second term of 5 years with effect from 12 th April 2021
Remuneration sought to be paid	Sitting fees, Profit related commission	Sitting fees, Profit related commission
Remuneration last drawn (for financial year 2019-20)	Sitting fees of Rs 2.4 lakhs Commission of Rs 3.0 lakhs	Sitting fees of Rs 2.25 lakhs Commission of Rs 3.0 lakhs
Date of first appointment on the Board	26 th February 2016	12 th April 2016
Shareholding in the Company	Nil	Nil
Relationship with other Directors, Manager and KMP of the Company	None	None
Number of Board Meetings attended during the Financial Year 2020-21	Six (6) out of Six (6) meetings held	Six (6) out of Six (6) meetings held
Other Directorships, Membership/ Chairmanship of Committees of other Boards	<p><i>Asiroad Micro Finance Limited</i> - Chairman of the CSR Committee and Member of the Board, Audit Committee, Nomination & Remuneration Committee, Management Committee and Borrowing Committee</p> <p><i>Hindusthan Microfinance Private Limited</i> - Member of the Board, Audit Committee and Nomination & Remuneration Committee</p> <p><i>Magalir Micro Capital Private Limited</i> - Chairman of the Audit Committee and Member of the Board</p> <p><i>Mangal Credit and Fincorp Limited</i> - Member of the Board and Audit Committee</p> <p><i>Samasta Microfinance Limited</i> - Chairman of the Nomination & Remuneration Committee and Member of the Board</p> <p><i>South India Finvest Private Limited</i> -</p>	<p><i>Cholamandalam Investment and Finance Company Limited</i> - Member of the Board, Audit Committee, Corporate Social Responsibility Committee and Risk Management Committee</p> <p><i>CSB Bank Limited</i> - Chairman of the Nomination & Remuneration Committee and Management Committee and Member of the Board, Risk Management Committee and Stakeholders' Relationship Committee</p> <p><i>Muthoot Microfin Limited</i> - Member of the Board of Directors, Audit Committee and Nomination & Remuneration Committee.</p> <p><i>Network18 Media & Investments Limited</i> - Member of the Board and Audit Committee</p> <p><i>Reliance Industrial Infrastructure Limited</i> - Member of the Board, Audit Committee, Nomination & Remuneration Committee</p>

	<p>Member of the Board and Audit Committee</p> <p><i>Svasti Microfinance Private Limited</i> - Member of the Board of Directors</p> <p><i>Unnati Microfin Private Limited</i> - Member of the Board and Audit Committee</p> <p><i>Tattoa Fincorp Limited</i> - Member of the Board of Directors</p>	<p>and Corporate Social Responsibility Committee</p> <p><i>Thirumalai Chemicals Limited</i> - Member of the Board, Audit Committee, and Corporate Social Responsibility Committee</p>
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