



FIVE-STAR BUSINESS FINANCE LIMITED

Regd. Office: New No.27, Old No.4, Taylor's Road, Kilpauk,
Chennai – 600010; **Phone:** 044 4610 6200

CIN: L65991TN1984PLC010844

Website: www.fivestargroup.in **Email ID:** secretary@fivestargroup.in

NOTICE TO MEMBERS – ANNUAL GENERAL MEETING

NOTICE is hereby given that the 40th Annual General Meeting (“AGM”) of the Members of Five-Star Business Finance Limited (the “Company”) will be held on Friday, September 13, 2024, at 11:00 am IST through Video Conferencing (VC) Other Audio-Visual Means (OAVM), 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 March 31, 2024, together with the reports of the Directors’ and Auditor’s thereon.

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

“RESOLVED THAT the audited financial statements of the Company for the financial year ended March 31, 2024 together with the reports of the Directors and the Auditors thereon as circulated, be and are hereby received, considered and adopted.”

2. To appoint a director in place of Mr Thirulokchand Vasam (holding DIN: 07679930) who retires by rotation and being eligible, has offered himself for re-appointment.

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

“RESOLVED THAT Mr Thirulokchand Vasam (holding DIN: 07679930), who retires by rotation and being eligible for re-appointment, be re-appointed as a Director of the Company.”

3. **Appointment of Statutory Auditors**

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

“RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) thereto or re-enactment for the time being in force), appointment procedure and eligibility criteria as prescribed under the RBI Guidelines (Ref.No.DoS.CO.ARG/SEC.01/08.91.001/ 2021-22) dated April 27, 2021 (including any statutory modification(s) thereto and re-enactment thereof for the time being in force, based on the recommendations of the Audit Committee and the Board of Directors, M/s Deloitte Haskins & Sells, Chennai, Chartered Accountants (FRN: 008072S), be and are hereby appointed as the Statutory Auditors of the Company for a period of 3 consecutive financial years namely, 2024-25, 2025-26 and 2026-27 to hold office from the date of passing of this resolution until the conclusion of the 43rd Annual General Meeting, subject to their satisfaction of the eligibility criteria every year.

RESOLVED FURTHER THAT the Board of Directors of the Company (including the Audit Committee) be and is hereby authorized to fix the remuneration payable to the Statutory Auditors of the Company, from time to time including the actual travelling and out of pocket expenses incurred in connection with the Audit, in addition to taxes as applicable, during the appointed period.

RESOLVED FURTHER THAT any of the Directors and/or the Company Secretary of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary and expedient to give effect to this resolution.”

SPECIAL BUSINESS

4. Approval of remuneration of Mr Lakshmipathy Deenadayalan (holding DIN: 01723269), Chairman & Managing Director along with approval for overall maximum managerial remuneration

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 & Remuneration Committee and the Board of Directors and subject to the provisions of Sections 196, 197, 198 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, if any (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the Articles of Association of the Company, consent be and is hereby given to revise the terms of remuneration of Mr Lakshmipathy Deenadayalan, (holding DIN: 01723269) Chairman & Managing Director (CMD) with effect from April 01, 2024 till the end of his tenure, as set out in the explanatory statement under Section 102 of the Act annexed hereto, which shall be deemed to form part hereof.

RESOLVED FURTHER THAT the Board of Directors (which includes the Nomination & Remuneration committee thereof) be and is hereby authorised to alter, vary and revise the terms and conditions of appointment and/or remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that any such variation is within the overall limits approved herein.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and settle any/or all questions/ matters arising with respect to the above matter, and to execute all such deeds, documents, agreements and writings as may be necessary for the purpose of giving effect to this Resolution, take such further steps in this regard, as may be considered desirable or expedient by the Board in the best interest of the Company.

RESOLVED FURTHER THAT any of the Directors and/or the Company Secretary of the Company are authorised to certify the true copy of the aforesaid resolutions and the same may be forwarded to any concerned authorities for necessary action.”

5. Appointment of Mr Rangarajan Krishnan (holding DIN: 07289972) as Joint Managing Director of the Company and fixing remuneration along with approval for overall maximum managerial remuneration

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

“RESOLVED THAT pursuant to the Reserve Bank of India’s (“RBI”) approval dated August 6, 2024 and recommendations of the Board of Directors and Nomination & Remuneration Committee and subject to provisions of 196, 197, 203 and Schedule V of the Companies Act, 2013, (“the Act”) read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“the Regulations”) and other applicable provisions, if any (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the Articles of Association of the Company, Mr Rangarajan Krishnan (holding DIN: 07289972), who was appointed as Additional Director – Joint Managing Director by the Board at its meeting held on August 17, 2024 be and is hereby appointed as Joint Managing Director of the Company for a period of 5 (Five) consecutive years with effect from August 17, 2024.

RESOLVED FURTHER THAT Mr Rangarajan Krishnan (holding DIN: 07289972) be and is hereby re-designated as Joint Managing Director & CEO of the Company w.e.f August 17, 2024.

RESOLVED FURTHER THAT pursuant to the approval of the Nomination & Remuneration Committee and the Board of Directors and subject to the provisions of Section 197, 198 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, if any (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the Articles of Association of the Company, members hereby approve the terms of remuneration of Mr Rangarajan Krishnan, (holding DIN: 07289972) Joint Managing Director & CEO with effect from August 17, 2024 till end of his tenure, as set out in the explanatory statement under Section 102 of the Act annexed hereto, which shall be deemed to form part hereof.

RESOLVED FURTHER THAT the Board of Directors (which includes the Nomination & Remuneration committee thereof) be and is hereby authorised to alter, vary and revise the terms and conditions of appointment and/or remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that any such variation is within the overall limits approved herein.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and settle any/or all questions/ matters arising with respect to the above matter, and to execute all such deeds, documents, agreements and writings as may be necessary for the purpose of giving effect to this Resolution, take such further steps in this regard, as may be considered desirable or expedient by the Board in the best interest of the Company.

RESOLVED FURTHER THAT any of the Directors and/or the Company Secretary of the Company are authorised to certify the true copy of the aforesaid resolutions and the same may be forwarded to any concerned authorities for necessary action."

6. Appointment of Mr Srikanth Gopalakrishnan (holding DIN: 10636810) as Joint Managing Director of the Company and fixing remuneration along with approval for overall maximum managerial remuneration

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

"RESOLVED THAT pursuant to the Reserve Bank of India's ("RBI") approval dated August 6, 2024 and recommendations of the Board of Directors and Nomination & Remuneration Committee and subject to provisions of 196, 197, 203 and Schedule V of the Companies Act, 2013, ("the Act") read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("the Regulations") and other applicable provisions, if any (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the Articles of Association of the Company, Mr Srikanth Gopalakrishnan (holding DIN: 10636810), who was appointed as Additional Director – Joint Managing Director by the Board at its meeting held on August 17, 2024 be and is hereby appointed as Joint Managing Director of the Company for a period of 5 (Five) consecutive years with effect from August 17, 2024.

RESOLVED FURTHER THAT Mr Srikanth Gopalakrishnan (holding DIN: 10636810) be and is hereby re-designated as Joint Managing Director & CFO of the Company w.e.f August 17, 2024.

RESOLVED THAT pursuant to the approval of the Nomination & Remuneration Committee and the Board of Directors and subject to provisions of Section 197, 198 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, if any (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the Articles of Association of the Company, members hereby approve the terms of remuneration of Mr Srikanth Gopalakrishnan (holding DIN: 10636810) Joint Managing Director & CFO with effect from August 17, 2024 till end of his tenure, as set out in the explanatory statement under Section 102 of the Act annexed hereto, which shall be deemed to form part hereof.

RESOLVED FURTHER THAT the Board of Directors (which includes the Nomination & Remuneration committee thereof) be and is hereby authorised to alter, vary and revise the terms and conditions of appointment and/or remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that any such variation is within the overall limits approved herein.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and settle any/or all questions/ matters arising with respect to the above matter, and to execute all such deeds, documents, agreements and writings as may be necessary for the purpose of giving effect to this Resolution, take such further steps in this regard, as may be considered desirable or expedient by the Board in the best interest of the Company.

RESOLVED FURTHER THAT any of the Directors and/or the Company Secretary of the Company is authorised to certify the true copy of the aforesaid resolutions and the same may be forwarded to any concerned authorities for necessary action."

7. Fixing of borrowing limits for 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)(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 (apart from temporary loans from the Company’s Bankers), from time to time, including the sums already borrowed by the Company, up to a sum of INR 10,000 Crores (Indian Rupees Ten Thousand Crores only) outstanding at any point of time on account of principal, for and on behalf of the Company or the aggregate of the paid up capital and, free reserves of the Company and securities premium, whichever is higher at any time, 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.”

8. 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 creation of charge, mortgage, hypothecation over 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 by the Company or any other person, or debentures/bonds and other debt instruments issued or to be issued by the Company or any other person 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 and all interests thereon at the agreed rates, further interest, liquidated damages, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the company to the trustees under the trust deed and to the lending agencies under their respective agreements/loan agreements/debenture trust deeds entered/to be entered into by the Company or any other person in respect of the said borrowing of the Company or any other person, as the case may be and provided that the amount of said borrowing of the Company or any other person, as the case may be shall not at any point in time exceed a sum of INR 10,000 Crores (Indian Rupees Ten Thousand Crores only).

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.”

9. 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 the provisions of sections 42 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, 2021 (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 issued and 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 NCDs, in one or more series / tranches, aggregating up to INR 2,500,00,00,000 (Indian Rupees Two Thousand and Five Hundred 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 therewith or incidental thereto.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issuance, 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.

RESOLVED FURTHER THAT any of the Directors and/or the Company Secretary of the Company are authorised to certify the true copy of the aforesaid resolutions and the same may be forwarded to any concerned authorities for necessary action.”

10. Issue of Share warrants on Preferential basis

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

“RESOLVED THAT subject to compliance with the provisions of section 42, 62(1)(c) read with relevant rules made thereunder (as amended from time to time) and other applicable provisions, if any of the Companies Act 2013, SEBI (Issue of Capital and Disclosure Requirements), Regulations, 2018, SEBI (Listing Obligations and Disclosure Requirements), 2015, including circulars, notifications, orders issued by regulatory authorities (including stock exchanges), memorandum and articles of association and subject to approval of regulatory authorities (including stock exchanges), if any required for the issuance of share warrants, including any conditions attached to such consents or approvals, consents, waivers as may be required from any third parties and stakeholders of the Company, consent of the members be and is hereby accorded to create, offer, issue, and allot 4,10,000 (Four Lakhs and Ten Thousand Only) share warrant of INR 1.00 each at a premium of INR 769.00 aggregating up to INR 31,57,00,000.00 to the following persons and in the proportions, as given in the table below, ((hereinafter referred to as “Proposed Allottees”), convertible into 4,10,000 equity shares of INR 1.00 each, which may be exercised in one or more tranches during the period commencing from the date of allotment of the warrants until expiry of 18 (Eighteen) months, by way of preferential issue in accordance with the terms of the warrants as set out in the explanatory statement and on such other terms and conditions as the board may determine and subject to applicable laws and regulations.

<i>Name of the Proposed Allottee</i>	<i>No of warrants</i>
<i>Mr Lakshmipathy Deenadayalan</i>	<i>Upto 2,60,000</i>
<i>Mr Rangarajan Krishnan</i>	<i>Upto 1,00,000</i>
<i>Mr Srikanth Gopalakrishnan</i>	<i>Upto 50,000</i>

RESOLVED FURTHER THAT Company has fixed August 14, 2024 as relevant date, on the basis of which minimum price of the equity shares to be allotted on conversion or exchange of convertible securities shall be calculated.

RESOLVED FURTHER THAT that the equity shares so issued and allotted pursuant to exercise of share warrants shall rank pari passu with the then existing equity shares of the Company.

RESOLVED FURTHER THAT Company hereby takes note that the share warrant is proposed to be issued to the Proposed Allottees and the same is hereby taken on record in Form PAS-5.

RESOLVED FURTHER THAT draft private placement offer letter in Form PAS-4/offer document containing such terms as set out explanatory statement to this notice be and is hereby approved and Company Secretary be and are hereby authorised to sign and issue the same to Proposed Allottees in connection with the issue.

RESOLVED FURTHER THAT Board of Directors (which term shall deemed to included Business & resource Committee or such other committee authorised by Board) hereby authorized to, do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable to give effect to the above resolutions, including without limitation to issue and allot Equity Shares upon exercise of the warrants, to issue certificates/ clarifications on the issue and allotment of Warrants and thereafter allotment of Equity Shares further to exercise of the Warrants, effecting any modifications to the foregoing (including to determine, vary, modify or alter any of the terms and conditions of the Warrants including deciding the size and timing of any tranche of the Warrants), entering into contracts, arrangements, agreements, memoranda, documents to give effect to the resolutions above (including for appointment of agencies, consultants, intermediaries and advisors for managing issuance of Warrants and listing and trading of Equity Shares issued on exercise of Warrants), including making applications to NSE and BSE for obtaining of in-principle approval, filing of requisite documents with the Registrar of Companies, Chennai ("ROC"), National Securities Depository Limited ("NSDL"), Central Depository Services (India) Limited ("CDSL") and/or such other authorities as may be necessary for the purpose, and to take all such steps as may be necessary for the admission of the Warrants and Equity Shares (to be issued on exercise of the Warrants) with the depositories, viz. NSDL and CDSL and for the credit of such Warrants / Shares to the respective dematerialized securities account of the Warrant Holders, and to delegate all or any of the powers conferred on it by this resolution to any director(s) or officer(s) of the Company and to revoke and substitute such delegation from time to time, as deemed fit by the Board, to give effect to the above resolutions and also to initiate all necessary actions for and to settle all questions, difficulties, disputes or doubts whatsoever that may arise, without limitation in connection with the issue and utilization of proceeds thereof, and take all steps and decisions in this regard, without being required to seek any further consent or approval of the members of the Company or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

By Order of the Board of Directors

Place: Chennai
Date: August 17, 2024

Shalini Baskaran
Company Secretary

Notes:

1. Pursuant to the General Circular No. 09/2023 dated September 25, 2023 issued by the Ministry of Corporate Affairs (MCA) and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 issued by the Securities and Exchange Board of India (SEBI) ("the Circulars") and all other relevant circulars issued from time to time, companies are allowed to hold Annual General Meeting (AGM) through video conference (VC) or other audio visual means (OAVM) and physical attendance of the Members to the AGM venue is not required. In compliance with the circulars, the 40th AGM of the company is being held through VC/OAVM. Hence, the members are requested to attend and participate in the ensuing AGM through VC/OAVM facility being provided by the company through National Securities Depository Limited ("NSDL").
2. Quorum of the AGM shall be in accordance with Section 103 of the Companies Act, 2013.
3. A member entitled to attend and vote at the AGM 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 the AGM is being held through VC, the facility to appoint proxy to attend and cast vote for the members will not be available for this AGM. Hence, proxy form and attendance slip are not attached to this notice.
4. Corporate / institutional shareholders who are intending to authorise their representatives to attend the AGM are requested to upload in the e-voting portal, a certified copy of the Board Resolution with attested specimen signature of the duly authorized signatory(ies) authorizing their representative to attend the AGM or alternatively e-mail the same to the scrutinizer at secretarial@sandeep-cs.in with a copy marked to secretary@fivestargroup.in and evoting@nsdl.co.in.
5. The Notice is being sent to all the Members/ Beneficiaries electronically, whose names appear on the Register of Members/Record of Depositories as on August 16, 2024 in accordance with the provisions of the Companies Act, 2013, read with Rules made thereunder and MCA and SEBI Circulars. All correspondence relating to change of address, e-mail ID, transfer / transmission of shares, issue of duplicate share certificates, bank mandates and all other matters relating to the shareholding in the company may be made to KFin Technologies Limited (KFin), the registrar and share transfer agent (RTA). The members holding shares in dematerialized form may send such communication to their respective depository participant/s (DPs).
6. The place of the AGM for statutory purposes shall be the registered office of the Company. The AGM is being held in VC/OAVM; accordingly, the route map of the venue of the meeting is not annexed hereto.
7. A statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Businesses to be transacted at the AGM is annexed hereto.
8. In terms of the Secretarial Standards 2 on "General Meetings" issued by the Institute of the Company Secretaries of India and approved and notified by the Central Government and statement as required by paragraph no. 1.2.5 of SS2 – Secretarial Standards on General Meetings, the necessary disclosures are furnished and forms part of the notice as Annexure A.
9. Information as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) in respect of re-appointment of director is furnished and forms part of the notice as Annexure A.
10. Since shares of the Company are traded on the stock exchanges compulsorily in demat mode, members holding shares in physical mode are advised to get their shares dematerialized. Effective April 01, 2019, SEBI has disallowed listed companies from accepting request for transfer of securities which are held in physical form. The shareholders who continue to hold shares in physical form after this date will not be able to lodge the shares with company / its RTA for further transfer. Shareholders shall mandatorily convert them to demat form if they wish to effect any transfer.
11. Nomination facility is available to individuals holding shares in the Company. Members can nominate a person in respect of shares held by him singly or jointly. Members holding shares in physical form and who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case maybe. The said forms can be downloaded from the website of the Company and RTA. Members holding shares in electronic form may approach their respective DPs to complete the nomination formalities.
12. SEBI has mandated the submission of the permanent account number (PAN) by every participant in the securities market. Members holding shares in electronic form, are therefore, requested to submit their PAN to their respective DPs. Members holding shares in physical form shall submit their details to RTA.

13. SEBI, vide its circular dated November 03, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023) mandated that the security holders (holding securities in physical form), whose folio(s) are not updated with the KYC details (any of the details viz., PAN; Choice of Nomination; Contact Details; Mobile Number and Bank Account Details and signature, if any) shall be eligible to lodge grievance or avail any service request from the RTA or for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from April 01, 2024, only after furnishing PAN, KYC details (as provided above) and Nomination. You may also refer to SEBI FAQs by accessing the link : https://www.sebi.gov.in/sebi_data/faqfiles/jan-2024/1704433843359.pdf (FAQ No 38 & 39). Further, SEBI vide its circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/81 dated June 10, 2024, has relaxed the requirements from submission of choice of nomination. However, all existing investors/ are encouraged, in their own interest, to provide 'choice of nomination' for ensuring smooth transmission of securities held by them as well as to prevent accumulation of unclaimed assets in securities market. In the above regard, the Company has sent an intimation to shareholders holding shares in physical form to furnish the above details to RTA. The shareholders are requested to update the above details with RTA.
14. Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.
15. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under section 189 of the Act and the Certificate for the ASOP Schemes of the Company as required under the SEBI Listing Regulations will be available electronically for inspection by the members during the AGM. All documents referred to in the notice will also be available for electronic inspection by the members up to the date of AGM, i.e. September 13, 2024. Members seeking to inspect such documents can send an email to secretary@fivestargroup.in.
16. The Company has already transferred all shares (in respect of which dividend has not been paid or claimed for seven consecutive years or more) along with unpaid or unclaimed dividend declared for the financial year ended March 31, 2015 and earlier periods to the Investor Education and Protection Fund (IEPF). Members who have so far not claimed or collected their dividends for the said period may claim their dividend and shares from IEPF, by submitting an application in the prescribed form.
17. In line with the Circulars, the Notice calling the AGM has been uploaded on the website of the Company at www.fivestargroup.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
18. In accordance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management & Administration) Rules, 2014 and in compliance with the Circulars, Notice of the AGM along with the Annual Report 2023-24 are being sent only through electronic mode to all those members whose email address are registered with the RTA/DPs. Members may note that the Notice and Annual Report 2023-24 will also be available on the website of the Company at www.fivestargroup.in, website of stock exchanges and on the website of NSDL www.evoting.nsdl.com. Physical / hard copies of the same will be sent, if specifically requested by a member.
19. Mr Thirulokchand Vasan (DIN:07679930), Non-Executive Director is liable to retire by rotation at the AGM pursuant to Section 152(6) of the Companies Act 2013 and being eligible has offered himself for re-appointment at the 40th AGM.
20. **The business set out in the notice will be transacted through remote electronic voting system and the Company is also providing facility for voting by electronic means during the AGM held through VC. Detailed instructions and other information are given below.**

A. Instructions for Voting through electronic means:

- a) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), the Company is providing the facility of remote e-Voting to its Members to exercise their right to vote on the resolutions set forth in the notice convening the AGM scheduled to be held on Friday, September 13, 2024 at 11:00 am IST. The Company has availed the services of National Securities Depository Limited (NSDL) to provide VC facility, remote e-voting and voting in the AGM in a secure manner.

- b) *The remote e-voting period commences on Tuesday, September 10, 2024 (9:00 am IST) and ends on Thursday, September 12, 2024 (5:00 pm IST). During this period, Members holding shares either in physical form or in dematerialized form as on September 6, 2024 ('Cut-Off date') are entitled to avail the facility to cast their vote through remote e-voting.*
- c) *The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by NSDL upon expiry of the aforesaid period. Once the vote on a resolution is cast by the member, he shall not be allowed to change it subsequently or cast the vote again.*
- d) *Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting through electronic voting system and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.*
- e) *The Board has appointed Mr S Sandeep (FCS 5853 /COP 5987), Managing Partner of M/s S Sandeep and Associates, Company Secretaries, as Scrutinizer to scrutinize the remote e-voting and e-voting process during the AGM in a fair and transparent manner in terms of the requirements of the Act and the rules made there under, and he has communicated his eligibility and willingness to be appointed as Scrutinizer and given his consent for the same and will be available for the said purpose.*
- f) *The Scrutiniser shall make a consolidated Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman within a period two working days from the conclusion of the AGM.*
- g) *The results would be declared on or after the date of AGM of the Company by the Chairman or the person authorized by him. The Results of voting declared along with the Scrutinizer's Report will be published on the Company's website at www.fivestargroup.in and on the website of NSDL at www.evoting.nsdl.com within two working days from the conclusion of the AGM and the same shall also be simultaneously communicated to BSE Limited and National Stock Exchange of India Limited.*

B. Other Information and instructions relating to AGM:

- a) *The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large members (i.e., members holding 2% or more shareholding), promoters, institutional investors, Directors, Auditors, etc. who can attend the AGM without any restriction on account of first-come-first-served basis.*
- b) *The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.*
- c) *The members, whose names appear in the register of members / beneficial owners as on the record date (cut-off date) i.e., September 06, 2024, may cast their vote electronically. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. September 06, 2024.*
- d) *Any person who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. August 16, 2024, may obtain the login ID and password by sending a request at evoting@nsdl.co.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" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30.*
- e) *Members are encouraged to join the Meeting through Laptops for better experience. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.*

- f) Members who wish to speak at the AGM may register themselves as a speaker by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number to secretary@fivestargroup.in on or before 5.00 pm IST on September 11, 2024. Only those Members who have registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The facility for registration as a speaker will be open from September 09, 2024 (9.00 a.m. IST) till September 11, 2024 (5.00 p.m. IST). The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- g) Members who would like to express their views/have questions may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number to secretary@fivestargroup.in on or before 5.00 pm IST on September 11, 2024 and the same shall only be considered and responded during the AGM. Please note that questions will be answered only if the member continues to hold the shares as of cut-off date. The facility for emailing the questions will be open from September 09, 2024 (9.00 a.m. IST) till September 11, 2024 (5.00 p.m. IST).

C. Instructions / steps for voting through electronic means:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	- Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp - Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on  App Store   Google Play 

Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
- If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- If your email ID is not registered, please follow steps mentioned below in **process** for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc
- Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to secretarial@sandeep-cs.in with cc to secretary@fivestargroup.in with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager at email id - evoting@nsdl.co.in.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice

1. 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 scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to secretary@fivestargroup.in.
2. 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 scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to secretary@fivestargroup.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining VC for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM 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 AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the 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 to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

Statement pursuant to section 102(1) of the Companies Act, 2013 ("the Act") setting out all material facts relating to special businesses to be transacted at the AGM is detailed hereunder. As additional information, the Explanatory Statement also contains material facts pertaining to ordinary business mentioned in Item 2 and Item 3 of the Notice.

Item 2: To appoint a director in place of Mr Thirulokchand Vasan (holding DIN: 07679930) who retires by rotation and being eligible, has offered himself for re-appointment

Mr Thirulokchand Vasan was appointed as Non-Executive Director of the Company by the Board of Directors on December 15, 2016. Considering his corporate experience and long term association with the Company, the Board at its meeting held on April 30, 2024 re-appointed Mr Thirulokchand Vasan (holding DIN: 07679930) as a Director of the Company, who retires by rotation and being eligible for re-appointment.

Mr Thirulokchand Vasan has provided his consent for re-appointment as Director and confirmed that he is not disqualified from being a Director under Section 164(2) read with Schedule V of the Companies Act, 2013.

Brief details of Mr Thirulokchand Vasan (holding DIN: 07679930) as required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and paragraph no. 1.2.5 of SS2 – Secretarial Standards on General Meetings is provided in **Annexure A**.

Mr Thirulokchand Vasan (holding DIN: 07679930) is directly interested in the said 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.

Accordingly, your directors recommend the **Ordinary Resolution** set forth in Item 2 for approval of shareholders.

Item 3: Appointment of Statutory Auditors

This Explanatory Statement is in terms of Regulation 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations")

The members of the Company at the Extra ordinary general meeting held on March 11, 2022, appointed M/s S.R. Batliboi & Associates LLP as Statutory Auditors of the Company to hold office till conclusion of 40th Annual General Meeting of the Company.

As per RBI Guidelines vide ref DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 (RBI Guidelines), as amended, the Statutory Auditors can be appointed for a continuous period of three years, subject to firm meeting eligibility criteria norms each year. Further they would not be eligible for reappointment in the same entity for six years (two tenures) after completion of full or part of one term of the audit tenure.

Accordingly, the Board of Directors of the Company ("Board") based on the recommendation of the Audit Committee proposed the appointment of M/s Deloitte Haskins & Sells (FRN: 0080725) ("Deloitte") as Statutory Auditors for 3 consecutive financials years i.e 2024-25, 2025-26 and 2026-27 to hold office from the date of passing of this resolution until the conclusion of the 43rd Annual General Meeting, subject to their satisfaction of the eligibility criteria every year.

Proposed statutory audit fee payable to auditors	About INR 135 lakhs (inclusive of out-of-pocket expenses of approximately INR 5 lakhs) for FY 2024-25, which will be subject to approval by the Board (including any committee thereof) of the Company.
Terms of appointment	M/s Deloitte Haskins & Sells, Chartered Accountants are recommended for appointment of Statutory Auditors for 3 consecutive financials years i.e 2024-25, 2025-26 and 2026-27 to hold office from the date of passing of this resolution until the conclusion of the 43 rd Annual General Meeting
Material changes in fee payable	No material changes in the fee payable for the proposed auditors. The incumbent auditors were paid a fee of INR 132 Lakhs for FY 2023-24, plus applicable taxes and out-of-pocket expenses.

Basis of recommendation	The recommendations were made after due consideration by the Audit Committee and Board of Directors and on the basis of various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc, and upon fulfilment of the eligibility criteria and provisions prescribed under the Companies Act, 2013 and RBI guidelines.
Auditor credentials	M/s Deloitte Haskins & Sells, Chartered Accountants was constituted in 1998 and is registered with the Institute of Chartered Accountants of India (ICAI) with Registration No. 008072S and is a part of Deloitte Haskins & Sells & Affiliates being the Network of Firms registered with the ICAI. The registered office of DHS is ASV N Ramana Tower, 52 Venkatnarayana Road, T Nagar, Chennai, Tamil Nadu, India, 600017. Deloitte has also confirmed that they have subjected themselves to the peer-review process of the ICAI and hold a valid certificate issued by the 'Peer Review Board of ICAI'. Deloitte has also furnished a declaration confirming its independence in terms of section 141 of the Act and declared that it has not taken up any prohibited non-audit assignments for the Company.

Besides the audit services, the Company would also obtain certifications from the Statutory Auditors under various statutory regulations and certifications required by lenders, statutory authorities, audit related services and other permissible non-audit services as required from time to time, for which they will be remunerated separately on mutually agreed terms, as approved by the Audit Committee.

None of the Directors or key managerial personnel or their relatives are concerned or interested financially or otherwise in this resolution.

The Board, based on recommendations made by the Audit Committee, your directors recommend the **Ordinary Resolution** set forth in Item 3 for approval of shareholders.

Item 4: Approval of remuneration of Mr Lakshmiopathy Deenadayalan (holding DIN: 01723269), Chairman & Managing Director along with approval for overall maximum managerial remuneration

Mr Lakshmiopathy Deenadayalan (holding DIN: 01723269) was appointed as Chairman & Managing Director of the Company for a period of five years from June 1, 2022. The remuneration payable to him from April 1, 2023, was approved by the shareholders at the Annual General Meeting held on September 16, 2023.

The Nomination & Remuneration Committee at its meeting held on August 17, 2024, recommended the remuneration payable to Mr Lakshmiopathy Deenadayalan (holding DIN: 01723269), Chairman & Managing Director from April 1, 2024. Subsequently the Board of Directors at its meeting held on August 17, 2024 approved the remuneration to Mr Lakshmiopathy Deenadayalan (holding DIN: 01723269), Chairman & Managing Director with effect from April 01, 2024, till end of his tenure, on the terms and remuneration set out hereunder, subject to approval of shareholders by way of special resolution, the details of remuneration is provided below:

- a) **Fixed Pay:** INR 51.66 lakhs per month, with such incremental revision up to 20% annually as may be decided by the Nomination & Remuneration Committee and approved by the Board of Directors from time to time. For the purpose of this clause, the term "Fixed Pay" shall mean and include: (i) basic salary payable; (ii) all allowances including but not limited to DA, HRA, medical allowance and other allowances and benefits including but not restricted to reimbursement of expenses on telephones, insurance, etc. and any other allowances and benefits as may be sanctioned by the Board from time to time.
- b) **Variable Pay:** In addition to Fixed Pay, Mr Lakshmiopathy shall also be entitled to annual performance pay not exceeding 50% of the Total Pay (Fixed plus Variable pay), as may be determined by the Nomination & Remuneration Committee and approved by the Board of Directors from time to time.
- c) **Perquisites:** Retirement benefits/perquisites will include provident fund, encashment of unavailed leave, gratuity, medical reimbursement, life insurance, personal accident insurance and perquisites as approved by the Board, as per the policy / rules of the Company.

- d) In the event of inadequacy of profits or loss in any financial year, the remuneration by way of salary, allowances, commission, perquisites and retirement benefits to Mr Lakshmipathy Deenadayalan be paid in accordance with section II of part II of Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force) or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

The proposed remuneration of Mr Lakshmipathy Deenadayalan for FY 2024-25 and thereafter shall be within the limits as prescribed under the Section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force).

Brief details of Mr Lakshmipathy Deenadayalan (holding DIN: 01723269), Chairman & Managing Director, as required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and paragraph no. 1.2.5 of SS2 – Secretarial Standards on General Meetings is provided in **Annexure A**.

The Company has not defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holders or other secured creditor, if any.

Mr Lakshmipathy Deenadayalan (holding DIN: 01723269), Chairman & Managing Director is directly interested in the said 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.

Accordingly, your directors recommend the **Special Resolution** set forth in Item 4 for approval of shareholders pursuant to Sections 197 read with Schedule V to the Companies Act, 2013 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

Item 5: Appointment of Mr Rangarajan Krishnan (holding DIN: 07289972) as Joint Managing Director of the Company and fixing remuneration along with approval for overall maximum managerial remuneration

Mr Rangarajan Krishnan is currently the Chief Executive Officer (CEO) of the Company and has been associated in the same capacity for almost the last 9 years. Considering his vast experience in various segments of the finance industry including commercial banking, private equity amongst others and having been associated with the Company for the last 9 years and made significant contributions to the growth of the Company, the Board on recommendation of Nomination & Remuneration Committee, at its meeting held on August 17, 2024 appointed Mr Rangarajan Krishnan (holding DIN: 07289972) as an Additional Director – Joint Managing Director for a period of 5 (Five) consecutive years w.e.f August 17, 2024.

Mr Rangarajan Krishnan has provided his consent for appointment as Joint Managing Director and confirmed that he is not disqualified from being a Director under Section 164(2) read with Schedule V of the Companies Act 2013 and is not debarred to hold the office of a Director by virtue of any order passed by SEBI or any other authority.

Pursuant to RBI Circular RBI/2015-16/122 DNBR (PD) CC.No. 065/03.10.001/2015-16 dated July 09, 2015, prior approval of the Reserve Bank is required for any change in the management of the NBFC which would result in change in more than 30 per cent of the directors, excluding independent directors.

Based on application made by the Company seeking approval for appointment, the Reserve Bank of India Vide its letter dated August 6, 2024 had granted approval for appointment of Mr Rangarajan Krishnan (holding DIN: 07289972) as Joint Managing Director of the Company.

Brief profile of Mr Rangarajan Krishnan (holding DIN: 07289972) is as follows:

Mr Rangarajan Krishnan is a Commerce Graduate and holds two Master's in Business Administration, one each from Sri Sathya Sai Institute of Higher Education and the Indian School of Business. Prior to his employment in the Company, Mr Rangarajan Krishnan had about 15 years of experience working across various segments of the finance industry including commercial banking, private equity and project finance and advisory. He has been instrumental in managing the Initial Public Offering of the Company.

The Nomination & Remuneration Committee and the Board is of opinion that the elevation of Mr Rangarajan Krishnan as Joint Managing Director on the Board will be desirable, beneficial and in the best interest of the Company and hence recommends resolution set out in Item 5 of the accompanying Notice for approval of the Members.

Mr Rangarajan Krishnan (holding DIN: 07289972) will be re-designated as Joint Managing Director & CEO upon approval of the shareholders.

The Board of Directors based on recommendations of Nomination & Remuneration Committee, subject to approval of shareholders by way of special resolution, approved the remuneration payable to Mr Rangarajan Krishnan (holding DIN: 07289972) w.e.f August 17, 2024, till end of his tenure, details of the same are provided below:

- a) **Fixed Pay:** INR 18.62 lakhs per month, with such incremental revision up to 20% annually as may be decided by the Nomination & Remuneration Committee and approved by the Board of Directors from time to time. For the purpose of this clause, the term "Fixed Pay" shall mean and include: (i) basic salary payable; (ii) all allowances including but not limited to DA, HRA, medical allowance and other allowances and benefits including but not restricted to reimbursement of expenses on telephones, insurance, etc. and any other allowances and benefits as may be sanctioned by the Board from time to time.
- b) **Variable Pay:** In addition to Fixed Pay, Mr Rangarajan Krishnan shall also be entitled to annual performance pay not exceeding 50% of the Total Pay (Fixed plus Variable pay), as may be determined by the Nomination & Remuneration Committee and approved by the Board of Directors from time to time.
- c) **Perquisites:** Retirement benefits/perquisites will include provident fund, encashment of unavailed leave, gratuity, medical reimbursement, life insurance, personal accident insurance and perquisites as approved by the Board, as per the policy / rules of the Company, including gains arising from exercise of ESOPs. Mr Rangarajan Krishnan has been granted 15,12,775 and 2,25,000 employee stock options on October 31, 2020 and April 22, 2021 respectively under the Five-Star Associate Stock Option Scheme 2018 and 8,00,000 employee stock options on August 17, 2024 under the Five-Star Associate Stock Option Scheme 2023 of the Company which shall vest in current and subsequent years as per the relevant ESOP schemes, grant letters and Company policies as applicable to him. Pursuant to gains arising on his exercise of such ESOPs (which shall form a part of the the proposed remuneration of Mr Rangarajan Krishnan for FY 2024-25 and thereafter), the proposed remuneration of Mr Rangarajan Krishnan may exceed the individual director limit; however this would be within the overall managerial remuneration limits as prescribed under the Section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force), and hence the Company is obtaining the approval of shareholders by way of special resolution. In the event the overall managerial remuneration in any financial year exceeds the limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013, an approval from shareholders by way of special resolution will be obtained separately prior to making any payment.
- d) In the event of inadequacy of profits or loss in any financial year, the remuneration by way of salary, allowances, commission, perquisites and retirement benefits to Mr Rangarajan Krishnan be paid in accordance with section II of part II of Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force) or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

Brief details of Mr Rangarajan Krishnan (holding DIN: 07289972) as required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and paragraph no. 1.2.5 of SS2 – Secretarial Standards on General Meetings is provided in **Annexure A**.

The Company has not defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holders or other secured creditor, if any.

Mr Rangarajan Krishnan (holding DIN: 07289972) is directly interested in the said 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.

Accordingly, your directors recommend the **Special Resolution** set forth in Item 5 for approval of shareholders pursuant to Sections 196, 197 and 203 read with Schedule V to the Companies Act, 2013 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

Item 6: Appointment of Mr Srikanth Gopalakrishnan (holding DIN: 10636810) as Joint Managing Director of the Company and fixing remuneration along with approval for overall maximum managerial remuneration

Mr Srikanth Gopalakrishnan is currently holding the position of Chief Financial Officer (CFO) of the Company and has been associated in the same capacity for almost the last 9 years. Considering his vast experience in retail banking, financial planning and analysis amongst others and having been associated with the Company for the last 9 years and made significant contributions to the growth of the Company, the Board of Directors of the Company on the recommendation of the Nomination & Remuneration Committee, at their Meeting held on August 17, 2024 had appointed Mr Srikanth Gopalakrishnan (holding DIN: 10636810) as an Additional Director – Joint Managing Director for a period of 5 (Five) consecutive years w.e.f August 17, 2024.

Mr Srikanth Gopalakrishnan has provided his consent for the appointment as Joint Managing Director and confirmed that he is not disqualified from being a Director under Section 164(2) read with Schedule V of the Companies Act 2013 and is not debarred to hold the office of a Director by virtue of any order passed by SEBI or any other authority.

Pursuant to RBI Circular RBI/2015-16/122 DNBR (PD) CC.No. 065/03.10.001/2015-16 dated July 09, 2015, prior approval of the Reserve Bank is required for any change in the management of the NBFC which would result in change in more than 30 per cent of the directors, excluding independent directors.

Based on application made by the Company seeking approval for appointment, the Reserve Bank of India Vide its letter dated August 6, 2024 had granted approval for appointment of Mr Srikanth Gopalakrishnan (holding DIN: 10636810) as Joint Managing Director of the Company.

Brief profile of Mr Srikanth Gopalakrishnan (holding DIN: 10636810) is as follows:

Mr Srikanth Gopalakrishnan is a Commerce Graduate and holds a Master's in Business Administration from Sri Sathya Sai Institute of Higher Education and is a gold medalist in both UG and PG courses. He has served positions such as Chief Strategy Officer and currently the Chief Financial Officer of the Company. He brings expertise in the area of finance, compliance, Investor relations, IT and treasury. He has been instrumental in managing the Initial Public Offering and investor relations of the Company. Prior to joining the Company, he had a combined 15 years of experience working across various segments of the financial planning and analysis, Securitization and Structuring and Treasury Operations.

The Nomination & Remuneration Committee and the Board is of opinion that elevation of Mr Srikanth Gopalakrishnan as Joint Managing Director on the Board will be desirable, beneficial and in the best interest of the Company and hence recommends resolution set out in Item 6 of the accompanying Notice for approval of the Members.

Mr Srikanth Gopalakrishnan (holding DIN: 10636810) will be re-designated as Joint Managing Director & CFO upon approval of the shareholders.

The Board of Directors based on recommendations of Nomination & Remuneration Committee, subject to approval of shareholders by way of special resolution, approved the remuneration payable to Mr Srikanth Gopalakrishnan (holding DIN: 10636810) w.e.f August 17, 2024, till end of his tenure, details of the same are provided below:

- a) **Fixed Pay:** INR 10.61 lakhs per month, with such incremental revision up to 20% annually as may be decided by the Nomination & Remuneration Committee and approved by the Board of Directors from time to time. For the purpose of this clause, the term "Fixed Pay" shall mean and include: (i) basic salary payable; (ii) all allowances including but not limited to DA, HRA, medical allowance and other allowances and benefits including but not restricted to reimbursement of expenses on telephones, insurance, etc. and any other allowances and benefits as may be sanctioned by the Board from time to time.

- b) **Variable Pay:** In addition to Fixed Pay, Mr Srikanth Gopalakrishnan shall also be entitled to annual performance pay not exceeding 50% of the Total Pay (Fixed plus Variable pay), as may be determined by the Nomination & Remuneration Committee and approved by the Board of Directors from time to time.
- c) **Perquisites:** Retirement benefits/perquisites will include provident fund, encashment of unavailed leave, gratuity, medical reimbursement, life insurance, personal accident insurance and perquisites as approved by the Board, as per the policy / rules of the Company, including gains arising from exercise of ESOPs. Mr Srikanth Gopalakrishnan has been granted 2,00,000 and 2,50,000 employee stock options on October 31, 2020 and June 06, 2022 respectively under the Five-Star Associate Stock Option Scheme 2018 and 4,00,000 employee stock options on August 17, 2024 under the Five-Star Associate Stock Option Scheme 2023 of the Company which shall vest in current and subsequent years as per the relevant ESOP schemes, grant letters and Company policies as applicable to him. The proposed remuneration of Mr Srikanth Gopalakrishnan for FY 2024-25 and thereafter shall be within the limits as prescribed under the Section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force).
- d) In the event of inadequacy of profits or loss in any financial year, the remuneration by way of salary, allowances, commission, perquisites and retirement benefits to Mr Srikanth Gopalakrishnan be paid in accordance with section II of part II of Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force) or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

Brief details of Mr Srikanth Gopalakrishnan (holding DIN: 10636810) as required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and paragraph no. 1.2.5 of SS2 – Secretarial Standards on General Meetings is provided in **Annexure A**.

The Company has not defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holders or other secured creditor, if any.

Mr Srikanth Gopalakrishnan (holding DIN: 10636810) is directly interested in the said 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.

Accordingly, your directors recommend the **Special Resolution** set forth in Item 6 for approval of shareholders pursuant to Sections 196, 197 and 203 read with Schedule V to the Companies Act, 2013 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

The appointments of Mr Rangarajan Krishnan and Mr Srikanth Gopalakrishnan as Joint Managing Directors of the Company shall not, in any manner, affect the current Management setup of the Company. They would continue to report into Mr Lakshmipathy Deenadayalan who would continue to perform his role as the Managing Director of the Company. The proposed appointments are in recognition of their contributions to the Company and also towards providing them a career progression as they continue their association with the Company. As is currently, Mr Lakshmipathy Deenadayalan would continue to be the promoter of the Company and be associated with the Company in his capacity as the Managing Director and be involved in all strategic and operational decisions.

Item 7: 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 members at the Annual General Meeting held on September 16, 2023, had passed resolution authorizing the Board of Directors or any committee authorised by the Board to borrow upto INR 8000 crores which was in excess of the paid up capital and free reserves of the Company as at March 31, 2023.

As part of business expansion & working capital requirement and for catering loan disbursements needs of the Company, the Board of Directors at its meeting held on February 29, 2024, recommended increase in borrowing limits from existing limit of INR 8000 Crores to INR 10,000 Crores (with a sub-limit for borrowings of upto INR 2,500 Crores through non-convertible debentures within this overall limits), subject to approval of members by way of special resolution.

Since the borrowing limit as proposed in Item 7 of this notice, i.e. INR 10,000 crores is in excess of paid-up capital and its free reserves, the Board of Directors recommends the resolution mentioned in item 7 of this notice for 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, your directors recommend the **Special Resolution** set forth in Item 7 for approval of shareholders.

Item 8: 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 in favour of the Banks/financial institutions registered with Reserve Bank of India, 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.

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.

it is proposed to take approval from shareholders under Section 180(1)(a) of the Companies Act 2013 in line with borrowing limits as set forth in the special resolution set forth in item 7 of this notice, enabling the Company 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, your directors recommend the **Special Resolution** set forth in Item 8 for approval of shareholders.

Item 9: Offer / invitation to subscribe to Non-Convertible Debentures (NCDs) on private placement basis

As part of its fundraising plans, the Company proposes to issue NCDs aggregating up to INR 2,500,00,00,000 (Indian Rupees Two Thousand and Five Hundred Crores only), on private placement basis as per the recommendation of the Board of Directors at their meeting held on February 29, 2024, to persons including but not limited to individuals, institutions, and bodies corporate, both domestic and non-domestic as may be identified by the Board of Directors or any Committee of the Board authorised in this behalf from time to time. 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 on such terms and conditions as may be decided by the Board or any Committee of the Board authorised in this behalf from time to time, subject to provisions of and including SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, applicable circulars and notifications as may be issued by SEBI, Stock Exchanges in this regard.

Pursuant to Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, 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 once in a year for all the offers or invitations for such debentures during the year.

This resolution enables 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) 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.

Accordingly, your directors recommend the **Special Resolution** set forth in Item 9 for approval of shareholders.

Item 10: Issue of Share warrants on Preferential basis

To ensure that the Company delivers robust growth, strong asset quality and profitability, the Board of Directors at its meeting held on August 17, 2024 approved the proposal for issuance of 4,10,000 convertible share warrants (*convertible into equity shares of the Company in the ratio of 1:1*), of INR 1.00 each at a premium of INR 769.00 on preferential basis, as an incentive to the Executive Directors of the Company to work towards the same.

The issue of share warrants shall on below terms and conditions:

- a) **Ratio of conversion of warrants into equity shares of the Company:** Each share warrant shall be converted into one equity shares of the Company (subject to payment of full subscription money).
- b) **Proportion of payment of share subscription money:** 25% of total application and allotment money to be paid upfront at the time of issuance/allotment of share warrants and remaining 75% shall be paid at the time of allotment of equity shares pursuant to conversion of share warrant, within a period not exceeding 18 months.
- c) **Lock-in:**
 - 1) The Warrants and Equity Shares issued pursuant to the exercise of the Warrants shall be locked-in as prescribed under the ICDR Regulations from time to time.
 - 2) The pre-preferential allotment shareholding of the Warrant Holders, if any, in the Company shall also be subject to lock-in as per the provisions of the ICDR Regulations.
- d) **Price at which the Company propose to issue:** INR 770.00 per warrant.
- e) **Relevant date for determining the price:** August 14, 2024, i.e., 30 thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue.
- f) **Tenure of warrants:** The share warrant issued on preferential basis is valid for a period upto 18 months from date of allotment of share warrants.
- g) **Other terms and conditions:**
 - 1) **Impact due to non-exercise of warrant:** In case the warrant holder does not exercise the option for equity shares against any of the warrants held by the warrant holder, the consideration paid in respect of such warrant shall be forfeited by the Company.
 - 2) **Time limit for allotment:** Allotment pursuant to the special resolution shall be completed within a period of fifteen days from the date of passing of such resolution.

Disclosure pursuant to Regulation 163 of SEBI (Issue of Capital and Disclosure Requirements), Regulations 2018 and Rule 13 the Companies (Share Capital & Debentures) Rules, 2013 (as amended).

- a) **Objects of the Preferential issue:** To ensure the Company delivers robust growth, strong asset quality and profitability in the years to come, this has been provided as an incentive to the Executive Directors of the Company to work towards the same.
- b) **Maximum number of specified securities to be issued:** 4,10,000 share warrant of INR 1.00 each at a premium of INR 770.00 each, convertible into equity shares equivalent to 4,10,000 of INR 770.00 each is proposed to be issued on preferential basis subject to any corporate actions initiated by the Company.
- c) **Intent of the promoters, directors, key managerial personnel, or senior management of the issuer to subscribe to the offer:** Mr Lakshmipathy Deenadayalan, Promoter and Chairman & Managing Director, Mr Rangarajan Krishnan, Joint Managing Director & CEO and Mr Srikanth Gopalakrishnan, Joint Managing Director & CFO propose to subscribe to the issue on preferential basis.
- d) **Shareholding pattern of the issuer before and after the preferential issue (on a paid-up capital basis):**

S.No	Category of Shareholder(s)	Pre-Issue (as on August 16, 2024)		Post-Issue	
		No. of shares held	% of share holding	No. of shares held	% of share holding
A	Promoters' holding				
1	Indian				
	Individual	5,46,08,028	18.67	5,46,08,028	18.73
	Bodies corporate	-	-	-	-
	Sub-total	5,46,08,028	18.67	5,46,08,028	18.73
2	Foreign promoters	2,29,25,432	7.84	2,29,25,432	7.83
	sub-total (A)	7,75,33,460	26.51	7,77,93,460	26.56
B	Non-promoters' holding				
1	Institutional investors	19,23,18,846	65.76	19,23,18,846	65.67
2	Non-institution	-	-	-	-
3	Private corporate bodies	-	-	-	-
4	Directors and relatives	34,42,689	1.18	35,92,689	1.23
5	Indian public	1,68,13,874	5.75	1,68,13,874	5.74
6	others (including NRIs)	23,53,696	0.80	23,53,696	0.80
	Sub-total (B)	21,49,29,105	73.49	21,50,79,105	73.44
	Grant Total	29,24,62,565	100.00	29,28,72,565	100.00

- e) **The percentage of post preferential issue capital that may be held by the allottee(s) and change in control, if any, in the issuer consequent to the preferential issue:**

1. Paid up capital Basis

Name and Category	Pre Issue % Holding	Number of Equity Shares proposed to be allotted or to be allotted post conversion of Warrants into Equity	Post Issue % Holding*
Mr Lakshmipathy Deenadayalan** Promoter, Chairman & Managing Director	10.49	2,60,000	10.57
Mr Rangarajan Krishnan Joint Managing Director & CEO	0.80	1,00,000	0.84
Mr Srikanth Gopalakrishnan Joint Managing Director & CFO	0.37	50,000	0.39

**This is at an individual level. At a Promoter group level, the pre-issuance holding is 18.67% and the post issuance holding shall be 18.73%

*The post preferential percentage of shareholding has been calculated assuming that all the Warrants allotted will be converted into equity shares, subject to any corporate actions initiated by the Company

2. Fully diluted capital Basis

<i>Name and Category</i>	<i>Pre Issue % Holding</i>	<i>Number of Equity Shares proposed to be allotted or to be allotted post conversion of Warrants into Equity</i>	<i>Post Issue % Holding*</i>
Mr Lakshmipathy Deenadayalan** Promoter, Chairman & Managing Director	10.28	2,60,000	10.35
Mr Rangarajan Krishnan Joint Managing Director & CEO	0.79	1,00,000	0.82
Mr Srikanth Gopalakrishnan Joint Managing Director & CFO	0.37	50,000	0.38

***This is at an individual level. At a Promoter group level, the pre-issuance holding is 18.29% and the post issuance holding shall be 18.35%*

**The post preferential percentage of shareholding has been calculated assuming that all the Warrants allotted will be converted into equity shares, subject to any corporate actions initiated by the Company*

There shall be no change in the management or control of the Company pursuant to the proposed issue and allotment of Warrants including their conversion thereof into Equity Shares of the Company.

- f) **Relevant date and warrant issue price:** In compliance with Regulation 161 of SEBI (Issue of Capital and Disclosure Requirements), Regulation 2018, the relevant date for the purpose of determining issue price is 30 (thirty) days prior to the date on which the meeting of shareholders is held to consider preferential issue, accordingly the Board of Directors has fixed relevant date as **August 14, 2024**.

The Equity shares of the Company are frequently traded and listed on NSE and BSE (Stock Exchanges) for period more than 90 days. As per Regulation 164 of SEBI (Issue of Capital and Disclosure Requirements), Regulation 2018, if the equity shares of the Company are frequently traded and listed on a recognised stock exchange for a period of 90 trading days or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following:

- the 90 trading days volume weighted average price of the equity shares of the Company preceding the relevant date; i.e. INR 765.98 per equity share; or
- the 10 trading days volume weighted average prices of the equity shares of the Company preceding the relevant date; i.e. INR 736.14 per equity share.

Provided that if the articles of association of a Company provide for a method of determination which results in a floor price higher than that determined as above, then the same shall be considered as the floor price for equity shares to be allotted.

As required under the Articles of Association of the Company and in terms of Regulation 164(1) of the SEBI (Issue of Capital and Disclosure Requirements), Regulation 2018, S Sandeep, Independent Registered Valuer (IBBI Registered Valuer No. IBBI/RV/02/2019/11374 having its office at Flat 10, Second Floor, Sucons Padmalaya, No.5, Venkatnarayana Road, T Nagar, Chennai - 600017 has determined the price of Equity Shares of the Company as on June 30, 2024 at INR 747.89 per share as per the valuation report ("Valuation Report").

The Valuation Report shall be available for inspection by the Members at the Meeting and will also be made available on the Company's website and can be accessed at secretary@fivestargroup.in.

Basis the aforesaid, the minimum issue price or floor Price for issue of Warrants as determined in accordance with Regulation 164(1) read with Regulation 161 of Chapter V of the ICDR Regulations is INR 765.98 (Indian Rupees Seven Hundred and Sixty Five and Paise Ninety Eight Only). In view of the above, the Board has approved a Warrant Issue Price of INR 770.00 (Indian Rupees Seven Hundred and Seventy Only) per warrant, which is over and above the minimum price determined under ICDR Regulations.

- g) **Basis or Justification of Warrant issue price:** As per explanation provided in point i above.

- h) **Undertaking as to re-computation of price and lock-in of specified securities:** The Company shall re-compute the price of the Warrants and/or the number of Equity Shares to be allotted on exercise of the Warrants, in terms of the provision of Regulation 166 of the ICDR Regulations or any other applicable laws, where it is required to do so. The Company further undertakes that if the amount payable on account of the re-computation of price is not paid within the time stipulated in the ICDR Regulations, the Warrants shall continue to be locked-in till the time such amount is paid by the Warrant Holder
- i) **Time frame within which the preferential issue shall be completed:** Preferential issue is proposed to be completed within fifteen days from the date of passing special resolution, in line with Regulation 170 of SEBI (Issue of Capital and Disclosure Requirements), 2015
- j) **The class or classes of persons to whom the allotment is proposed to be made:** Allotment is proposed to be made on preferential basis to Mr Lakshmipathy Deenadayalan, Promoter and Chairman & Managing Director, Mr Rangarajan Krishnan, Joint Managing Director & CEO and Mr Srikanth Gopalakrishnan, Joint Managing Director & CFO.
- k) **the number 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:** None.
- l) **Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees:** Not Applicable, shares are being issued and proposed to be held by Mr Lakshmipathy Deenadayalan, Promoter and Chairman & Managing Director, Mr Rangarajan Krishnan, Joint Managing Director & CEO and Mr Srikanth Gopalakrishnan, Joint Managing Director & CFO.
- m) **Other Disclosures:** The Proposed Allottees and the promoter and promoter group of the Company have not sold any Equity Shares during the 90 days preceding the Relevant Date.
- n) **Disclosures specified in Schedule VI, if the issuer or any of its promoters or directors is a wilful defaulter or a fraudulent borrower:** Not Applicable.
- o) **Listing:** The Company will make an application to NSE and BSE at which the existing Equity Shares are presently listed, for listing of the Equity Shares that will be issued on conversion of Warrants. Such Equity Shares, once allotted, shall rank pari passu with the then existing Equity Shares of the Company, including voting rights and dividend.
- p) **Certificate from Practicing Company Secretary:** A copy of the certificate issued by M/s S Sandeep & Associates, Practicing Company Secretary of the Company, certifying that the proposed preferential issue of Warrants is being made in accordance with the requirements contained in Chapter V of the ICDR Regulations, will be available electronically for inspection by the members during the Annual General meeting of the Company to be held on September 13, 2024. Relevant documents referred to in the accompanying Notice and the Explanatory Statement will also be available for electronic inspection without any fee by the members from the date of circulation of this notice up to the date of AGM. Members seeking to inspect such documents can send an email to secretary@fivestargroup.in.

Except Mr Lakshmipathy Deenadayalan, Promoter and Chairman & Managing Director, Mr Rangarajan Krishnan, Joint Managing Director & CEO and Mr Srikanth Gopalakrishnan, Joint Managing Director & CFO and their relatives (to the extent of their shareholding in the Company), none of the other Directors or key managerial personnel of the Company including their relatives are in anyway, concerned or interested in the resolution.

In terms of the provisions of Section 42, Section 62(1)(c) of the Companies Act, 2013 as amended including rules notified thereunder ("Act") read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended and other applicable provisions, if any (including any statutory modifications(s) or reenactment thereof, for the time being in force), Regulation 160(b) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"), Chapter V of ICDR Regulations the said Warrant issue requires prior approval of the shareholders of the Company by way of a special resolution.

The Board believes that the proposed Warrant issue is in the best interest of the Company and its shareholders and therefore recommends the **Special Resolution** set forth in Item 10 for approval of shareholders.

DISCLOSURE UNDER REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS ON GENERAL MEETINGS

Name of Director	Mr Lakshmipathy Deenadayalan	Mr Thirulokchand Vasan
<i>DIN</i>	01723269	07679930
<i>Date of Birth / (Age)</i>	09-Feb-1974 / 50	25-01-1976/ 48
<i>Qualifications</i>	Bachelor of Engineering	Bachelor in Hotel Management
<i>Brief resume and Experience</i>	Mr Lakshmipathy Deenadayalan hails from a business family, and joined the Company as a Director in 2002. He pioneered the concept of providing secured loans to Small Business Customers and has been instrumental in building a portfolio of INR 10,000 Crores, without any compromise on the pace or quality of growth over the last 2 decades. He was appointed as the Managing Director of the Company in 2012 and continues to be the Managing Director fully involved in all strategic and operational decisions.	Thirulokchand Vasan is a Hotel Management Graduate with over 17 years of experience in the hospitality business.
<i>Expertise in specific Functional areas</i>	Financial Services, Strategy & Planning, Risk Management, Corporate Governance and Management & Leadership	Team management, Customer satisfaction and process optimization.
<i>Terms and conditions of appointment</i>	As set out in the resolution and the explanatory statement	Not Applicable
<i>Remuneration sought to be paid</i>	As set out in the resolution and the explanatory statement	Not Applicable
<i>Remuneration last drawn (for financial year 2023-24)</i>	a. Salary: INR 48.67 lakhs per month b. Commission: Commission and 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	Not Applicable
<i>Date of first appointment on the Board</i>	June 21, 2002	December 15, 2016
<i>Shareholding in the Company as of March 31, 2024</i>	3,06,90,678 (10.49%)	Nil
<i>Relationship with other Directors, Manager and KMP of the Company</i>	None	None
<i>Number of Board Meetings attended during FY 2023-24</i>	8	8
<i>Other Directorships, Membership/ Chairmanship of Committees of other Boards</i>	Nil	C K Entertainments Private Limited
<i>In the case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements</i>	Not Applicable	Not Applicable

Name of Director	Mr Rangarajan Krishnan	Mr Srikanth Gopalakrishnan
<i>DIN</i>	07289972	10636810
<i>Date of Birth / (Age)</i>	16-Aug-1979/45	31-Oct-1979/44
<i>Qualifications</i>	Master's in Business Administration	Master's in Business Administration
<i>Brief resume and Experience</i>	Mr Rangarajan Krishnan is a Commerce Graduate and holds two Master's in Business Administration, one each from Sri Sathya Sai Institute of Higher Education and the Indian School of Business. Prior to joining the Company, Mr Rangarajan Krishnan had about 15 years of experience working across various segments of the finance industry including commercial banking, private equity and project finance and advisory. He has been instrumental in managing the Initial Public Offering of the Company.	Mr Srikanth Gopalakrishnan is a Commerce Graduate and holds a Master's in Business Administration from Sri Sathya Sai Institute of Higher Education and is a gold medalist in both UG and PG courses. He has served positions such as Chief Strategy Officer and currently the Chief Financial Officer of the Company. He brings expertise in the area of finance, compliance, Investor relations, IT and treasury. He has been instrumental in managing the Initial Public Offering and investor relations of the Company. Prior to joining the Company, he had about a combined 15 years of experience working across various segments of the financial planning and analysis, Securitization and Structuring and Treasury Operations.
<i>Expertise in specific Functional areas</i>	Commercial Banking, Private Equity Investment, Project Finance and Advisory Analytical Finance and Leadership.	Financial planning and analysis, Securitization and Structuring and Treasury Operations, compliance, investor relations.
<i>Terms and conditions of appointment</i>	As set out in the resolution and the explanatory statement	As set out in the resolution and the explanatory statement
<i>Remuneration sought to be paid</i>	As set out in the resolution and the explanatory statement	As set out in the resolution and the explanatory statement
<i>Remuneration last drawn (for financial year 2023-24)</i>	Not Applicable Since first appointment on the Board was made on August 17, 2024	Not Applicable Since first appointment on the Board was made on August 17, 2024
<i>Date of first appointment on the Board</i>	August 17, 2024 Appointed as an additional director in the capacity of Joint Managing Director	August 17, 2024 Appointed as an additional director in the capacity of Joint Managing Director
<i>Shareholding in the Company as of March 31, 2024</i>	23,50,000 (0.80%)	10,92,689 (0.37%)
<i>Relationship with other Directors, Manager and KMP of the Company</i>	Not Applicable	Not Applicable
<i>Number of Board Meetings attended during FY 2023-24</i>	Not Applicable	Not Applicable
<i>Other Directorships, Membership/ Chairmanship of Committees of other Boards</i>	Nil	Nil
<i>In the case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements</i>	Not Applicable	Not Applicable