



BELSTAR MICROFINANCE LIMITED

(Formerly known as Belstar Investment and Finance Private Limited)

A Subsidiary of Muthoot Finance Limited

+91-44-43414567 / 43414511 www.belstar.in bml@belstar.in CIN:U06599TN1988PLC081652

Registered Office :No 33, 48th Street,
9th Avenue , Ashok Nagar,
Chennai- 600083

Corporate office : M V Square, No 4/14,
Soundarapandian Street , Ashok Nagar,
Chennai- 600083

EXTRAORDINARY GENERAL MEETING

SHORTER NOTICE OF THE 1ST EXTRAORDINARY GENERAL MEETING OF THE MEMBERS OF BELSTAR MICROFINANCE LIMITED (Formerly known as Belstar Investment and Finance Private Limited) FOR FY 2021-22 SCHEDULED TO BE HELD ON WEDNESDAY DECEMBER 29, 2021 AT 3.00 P.M. AT THE CORPORATE OFFICE OF THE COMPANY SITUATED AT M V SQUARE, NO. 4/14, SOUNDARAPANDIAN STREET, ASHOK NAGAR, CHENNAI- 600083 THROUGH VIDEO CONFERENCE (VC)/ OTHER AUDIO-VISUAL MEANS (OAVM) TO TRANSACT THE BUSINESSES MENTIONED BELOW:

SPECIAL BUSINESS:

ITEM NO. 1

Appointment of M/s. Varma & Varma, Chartered Accountants (FRN. 004532S), as Statutory Auditors of the Company.

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

“RESOLVED THAT in supersession to the ordinary resolution passed by the Members at the 31ST Annual General Meeting of the Company held on September 29, 2019 and pursuant to Circular no. RBI/2021-22/25 - Ref.No.DoS.CO.ARG/ SEC.01/ 08.91.001/2021-22 dated 27 April 2021 [(Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs)] issued by the Reserve Bank of India (‘RBI Guidelines’) and pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’), and the relevant rules made thereunder; (including any amendment, modification, variation or re-enactment thereof), on the basis of recommendation of the Audit Committee and the Board of Directors of the Company, **M/s. Varma & Varma, Chartered Accountants (FRN. 004532S)** who have offered themselves for appointment and have confirmed their eligibility to be appointed as Statutory Auditors in terms of Section 141 of the Act and applicable rules and the RBI Guidelines, be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Extra Ordinary General Meeting(“EGM”) till conclusion of the 34th Annual General Meeting of the Company to conduct audit of accounts of the Company for the financial year ending March 31, 2022, on a remuneration as may be decided by the Board of Directors in consultation with the Audit Committee as well as Statutory Auditors, plus applicable taxes and reimbursement of travelling and other out of pocket expenses incurred by them for the purpose of audit.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors of the Company (hereinafter referred to as Board, which term shall be deemed to include any Committee constituted or to be constituted by the Board or any person(s) authorised by the Board in this regard) be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to implementation of the aforesaid resolution including but not limited to determination of roles and responsibilities/scope of work of the Statutory Auditors, negotiating, finalising, amending, signing, delivering, executing, the terms of appointment including any contracts or documents in this regard, without being required to seek any further consent or approval of the Members of the Company.”



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ITEM NO. 2

To Appoint Mr. Balasubramanian Balakumaran as a Wholetime Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, approval of members of the Company be and is hereby accorded for appointment of Mr. Balasubramanian Balakumaran (holding DIN:09099182) as a Whole time Director of the Company, not liable to retire by rotation, for period of three years with effect from December 01, 2021 to November 30, 2024.”

“RESOLVED FURTHER THAT Mr. Balasubramanian Balakumaran (holding DIN:09099182) in his capacity as Wholetime Director of the Company be entitled to remuneration with effect from December 01, 2021, on the terms and conditions specified herein:

Particulars	Amounts (Rs) p.m.
Basic Salary	1,23,700
Other Perquisites and allowances	1,26,300
Total	2,50,000

“RESOLVED FURTHER THAT the above remuneration shall be subject to modification, as may be deemed fit by the Board from time to time and subject to the limits and stipulations prescribed by the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time.”

“RESOLVED FURTHER THAT where in any financial year, during the currency of the tenure of the Whole-time Director, the Company has no profits, or its profits are inadequate, the Company shall pay the remuneration by way of salary, perquisites and allowances as specified above as minimum remuneration, subject to the limits and conditions under Schedule V of the Companies Act, 2013 as may be amended from time to time.”

By Order of the Board of Directors

Place : CHENNAI

For **Belstar Microfinance Limited**

Sunil Kumar Sahu
Company Secretary
M. No. A 39022

Notes:

1. In view of the global outbreak of the COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its General Circular No. 20/2020 dated May 5, 2020 read with General Circular No. 14/2020 dated April 8, 2020, the General Circular No. 17/2020 dated April 13, 2020 ,General Circular No.2/2021 dated January 13, 2021and General Circular No.19/2021 dated December 08, 2021 (collectively referred to as “MCA Circulars”), has introduced certain measures enabling companies to convene their Extra ordinary General Meetings(EGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) (hereinafter called as 'e-EGM') and also send notice of the Meeting and other correspondences related thereto, through electronic mode.
2. The members who have not yet registered their e-mail ids with the Company may contact Mr. Sunil Kumar Sahu on cs@belstar.in or Contact No 8428152748 for registering their e-mail ids on or before the EGM. The Company shall send the Notice to such members whose e-mail ids get registered within the aforesaid time enabling them to participate in the meeting and cast their votes. If there is any change in the e-mail ID already registered with the Company, members are requested to immediately notify such change to the Company.
3. A member entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the company. Since this EGM is being held through VC/OAVM, the facility for appointment of proxies by the members will not be available for this EGM. Hence the proxy form, attendance slip and route map are not annexed to this notice.
4. Details of Directors seeking appointment/Re-appointment as per Secretarial Standard on General Meetings, forms part of the explanatory statement annexed with the notice
5. Corporate/Institutional Members are entitled to appoint authorised representatives to attend the EGM through VC/OAVM on their behalf and cast their votes at the EGM. Corporate/Institutional Members (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy of the Board Resolution/Authority Letter, etc., authorising their representative to attend the EGM through VC/OAVM on their behalf and to vote during the EGM.
6. The attendance of the Members attending the EGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. The explanatory statement pursuant to section 102 of the Companies Act, 2013 (“the Act”) in respect of special businesses is annexed herewith and form part of notice.
8. In terms of the aforesaid Circulars, the businesses set out in the Notice will be transacted by the members only through show of hands, during the meeting while participating through VC facility, unless a demand for poll is made by any member.
9. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Sec 170 of the Companies Act 2013 (“the Act”) and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the member during the EGM .

All documents referred to notice, and in the accompanying explanatory statement are open for electronic inspection without any fee by the Members at the registered office of the Company during office hours on all working days between 9:30 a.m. Indian Standard Time and 6:00 p.m. Indian Standard Time, up to the date of the EGM. The same will also be made accessible for

inspection through electronic mode without any fee by the Members from the date of circulation of this Notice up to the date of EGM. Members seeking to inspect such documents can send an email to Company's email id: cs@belstar.in

10. Instructions for Members for attending the EGM through VC/OAVM:

- i. ATTENDING THE EGM: Members will be provided with a facility to attend the EGM through video conferencing platform provided by Microsoft Teams.
- ii. Members can join the EGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM THROUGH VC/OAVM AND VOTING PROCESS:

The members are requested to follow the following instructions in order to participate in the Meeting through VC mechanism:

- a. The login-id and password for joining the meeting shall be provided to the shareholders half an hour before the commencement of the meeting.
- b. The facility for joining the Meeting shall be kept open 15 minutes before the time scheduled to start the meeting .
- c. Members who hold shares in dematerialised form are requested to furnish their Client ID and DP ID Nos. and members who hold shares in physical form are requested to furnish their folio number for easy identification of attendance at the Meeting;
- d. Participation of single member shall only be allowed at a time;
- e. Queries covered under the Notice may be sent to cs@belstar.in at least seven days in advance of the meeting so that the answers may be made readily available at the meeting;
- f. Members are requested to e-mail at cs@belstar.in or call at 8428152748 in case of any technical assistance required at the time of log in/ assessing/ voting at the Meeting through VC.

Place : CHENNAI

By Order of the Board of Directors
For **Belstar Microfinance Limited**



Dated : December 24 , 2021

Sunil Kumar Sahu
Company Secretary
M. No. A 39022

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ANNEXED TO THE NOTICE OF THE 1ST EXTRAORDINARY GENERAL MEETING OF THE MEMBERS OF THE COMPANY FOR THE FINANCIAL YEAR 2021-22
IN RESPECT OF ITEM NO. 1**

M/s. N. Sankaran & Co, (Firm Reg no 003590S), Chartered Accountants (the “Outgoing Auditors”) were appointed by the members for a term of 5 consecutive years at 31st Annual General Meeting held on September 19, 2019 and they were to hold office till the conclusion of 36th Annual General Meeting to be held on held in year 2024.

The Reserve Bank of India vide its circular Ref. No. DoS. CD. ARG/ SEC.01/ 08.91.001/ 2021-22 dated April 27, 2021, issued guidelines for appointment of statutory auditor(s) by Non-Banking Financial Company (NBFC), specifies that an auditor who has completed a period of 3 years (counted as one tenure) as on the date of the Circular shall not be eligible for re-appointment in the same Entity for six years (two tenures) after completion of one tenure of 3 years. Subsequently, the RBI had also released Frequently Asked Questions (FAQs) dated 11 June 2021, inter alia, clarifying that the existing statutory auditors who have completed 3 years with an entity would not be able to continue as auditors with effect from second half of the financial year 2021-22, even though they may not have completed their present tenure as approved by the Members of the said entity. Further flexibility was given to NBFCs to adopt these guidelines from second half of the Financial Year 2021-22 (“H2 FY2021-22”) in order to ensure that there is no disruption. Accordingly, NBFCs shall appoint Statutory Auditors for a continuous period of 3 years from second half of the FY 2021-22.

M/s. N. Sankaran & Co, having conducted Statutory Audit of the Company for seven consecutive financial years as of the year ending March 31, 2021, are not eligible to continue as the Statutory Auditors with effect from the second half of the current financial year 2021-22, in terms of the abovementioned RBI Guidelines and related FAQs. Hence vide their letter dated November 12, 2021, they had tendered their resignation with immediate effect.

The Audit Committee and Board of the Company noted that the Outgoing Auditors have not raised any concern or issue and there is no reason for their resignation other than what has been mentioned in their above said letter. The copy of the said letter which has been filed with stock exchanges is available on the Company’s website at <https://belstar.in>.

The Audit Committee considered various parameters like capability to serve a diverse and complex business landscape as that of the Company, audit experience in the Company’s operating segments, market standing of the firm, clientele served, technical knowledge etc., and found **M/s. Varma & Varma** to be best suited to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company. **M/s. Varma & Varma**, firm was established in 1935 and is led by 31 partners. The firm had empanelled with the Comptroller and Auditor General of India (CAG), the Reserve Bank of India (RBI), World Bank, Securities and Exchange Board of India (SEBI), Audit Bureau of Circulations (ABC) etc. The firm provides a range of services which include audit & assurance, tax representation & advisory services, incorporation & investment advisory services, Business consultancy and valuation services. The firm has significant experience in providing auditing, taxation & advisory services to banks and other financial services clients.

In order to comply with the requirements of the Guidelines and based on the recommendation of the Audit Committee, the Board of Directors at their meeting held on December 11, 2021, had passed resolutions to recommend to the Members of the Company for their approval appointment of **M/s. Varma & Varma, Chartered Accountants (FRN. 004532S)** as Statutory Auditors for a period of 3 years to conduct audit of the financial statements of the Company for the year ended March 31, 2022, March 31, 2023 and March 31, 2024, as under:

First Term	From the conclusion of this Extra ordinary General meeting till the conclusion of 34 th Annual General Meeting of the Company to conduct the audit of accounts of the Company for the financial year ending March 31, 2022.
Second Term	From conclusion of the 34 th Annual General Meeting till the conclusion of 35 th Annual General Meeting of the Company to conduct the audit of accounts of the Company for the financial year ending March 31, 2023.
Third Term:	From conclusion of 35 th Annual General Meeting of the Company till the conclusion of 36 th Annual General Meeting of the Company to conduct the audit of accounts of the Company for the financial year ending March 31, 2024.

Pursuant to the provisions of Section 139(8)(i) of the Act, the Statutory Auditors proposed to be appointed will hold the office till the conclusion of the 34th Annual General Meeting of the Company. In line with the provisions of the said section, the Board has initially proposed the ordinary resolutions for the appointment of the Statutory Auditors proposed to be appointed for the First term ending on conclusion of the 34th Annual General Meeting as set out in this Notice. Subsequently, in the Notice convening the 34th Annual General Meeting, the Board of Directors will recommend to the Members passing of the ordinary resolution for appointment of the proposed the Statutory Auditors for two years ending with the 36th Annual General Meeting to be held in the year 2024, in compliance with the Guidelines.

M/s. Varma & Varma have confirmed that their appointment, if approved, will be within the limit specified under the Act and RBI Guidelines. They have also confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the Section 141 of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014 and the RBI Guidelines.

As per RBI Guidelines, the Board of Directors of Company, on the recommendation of Audit Committee, have approved a Policy for Appointment of Statutory Auditors which can be accessed at <https://www.belstar.in/policy-on-appointment-of-statutoryauditors.pdf>

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolutions, except to the extent of their shareholding, if any, in the Company. The Board recommends the resolutions set forth in Item No. 1 of the notice for approval of the members.

IN RESPECT OF ITEM NO. 2

Based on the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on December 11, 2021, has recommended the appointment of Mr. Balasubramanian Balakumaran as a Whole-time Director of the Company for period of three years w.e.f. December 01, 2021, to November 30, 2024 subject to the approval of members at the Extraordinary General Meeting on the terms & conditions including remuneration as may be decided by the Board of Directors/Nomination and Remuneration Committee of the Board from time to time subject to such necessary sanctions and approvals as may be applicable.

It is proposed to seek Members' approval for appointment of and payment of remuneration to Mr. Balasubramanian Balakumaran, Whole Time Director, in terms of the applicable provisions of the Act

Mr. Balasubramanian Balakumaran, appointed as promotor nominee Director with effect from April 29, 2021 was associated with the Company as Senior mentor and Business Advisor from April 15, 2021 to November 2021.

Accordingly, the Board, recommends the passing of a Special Resolution as set out in the Item no. 2 of the Notice to appoint Mr. Balasubramanian Balakumaran as a Whole Time Director.

Except Mr. Balasubramanian Balakumaran, being the appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution except and to the extent they are member of the Company.

ADDITIONAL INFORMATION OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING AS PER SECRETARIAL STANDARD ON GENERAL MEETINGS (SS-2)

Name of Director	Mr. Balasubramanian Balakumaran
DIN	09099182
Citizenship	Indian
Category	Executive Director
Date of Birth (Age)	17/08/1962 (59 years)
Date of First Appointment on the Board	29/04/2021
Qualification	B.Sc.(Agriculture)
Experience	He has served in Indian Bank, a nationalized bank for 21 years in various capacities such as Rural Development Officer, Officer in-charge of Gramodaya Kendra, Project Manager - IBSUM and Branch Manager. He has independently managed the Agricultural Credit Desk at the Regional Office of Indian Bank. He brings with him a blend of skill and field experience in rural banking, SHG Movement and Microfinance, specifically in the areas of group formation, credit appraisal, credit

	<p>linkage of SHGs, monitoring and portfolio quality. He worked as an Agricultural Officer in the extension wing of the Tamil Nadu State Agricultural Department.</p> <p>He worked at Belstar for more than 12 years in Operation department and retired as Business Head in April 2021.</p>
Shareholdings in the Company as on 31/03/2021	NIL
No of meeting of the Board attended during FY 2020-21	NA
Directorships held in other Companies as on 31/03/2021	NIL
Particulars of Committee Chairmanship/ Membership held in other Companies	NIL
Relationship with other Directors / KMP of the Company	NIL
Terms and Conditions of appointment/ re-appointment	Three years i.e December 01, 2021, to November 30, 2024
Remuneration drawn during FY 2020-21	Rs 33,00,000 (As Business Head)