

**NOTICE OF EXTRA ORDINARY GENERAL MEETING**

SHORTER NOTICE OF THE 1st EXTRAORDINARY GENERAL MEETING OF THE MEMBERS OF BELSTAR MICROFINANCE LIMITED FOR FY 2022-23 SCHEDULED ON TUESDAY MAY 31,2022 AT 04.30 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 - ISSUE OF EQUITY SHARES ON A PREFERENTIAL BASIS THROUGH PRIVATE PLACEMENT**

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, 62(1)(c) and other applicable provisions, if any of the Companies Act, 2013 (the **“Act”**), read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification thereto or re-enactment thereof for the time being in force), and the Rules framed thereunder including any statutory modification(s) or re-enactment(s) thereof for the time being in force and pursuant to the provisions of Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 as amended from time to time, and any other regulations, master directions and FDI policy formulated by regulatory and governmental authorities and in accordance with the provisions of the Articles of Association of the Company and any other rules / regulations/ guidelines, if any, prescribed by the Reserve Bank of India or any other statutory regulatory authority and subject to such conditions as may be prescribed by any of them while granting any such approvals, consents, permissions, and/or sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the **“Board”** which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise one or more of its power including the powers conferred by this resolution), the consent of the Members be and is hereby accorded to the Board to issue, offer and allot 32,35,295 nos. of Equity shares of the Company of the face value of Rs. 10/- each (**“Equity Shares”**) at a price of Rs. 340/- each (including a Premium of Rs. 330/- per share) aggregating up to Rs. 110,00,00,300/- (Rupees One Hundred and Ten Crores Three Hundred Only) on a preferential basis through private placement (**“Issue”**) at such time or times, in one or more tranches and on such terms and conditions and in such manner as the Board may think fit in its absolute discretion to the following identified persons (collectively known as **“Investors”**):

S. No.	Details of Subscriber	No. of Equity shares	Consideration (Rs)
1	Arum Holdings limited	1029412	35,00,00,080
2	Augusta Investments Zero Pte Ltd	2205883	75,00,00,220
	Total	32,35,295	110,00,00,300



BELSTAR MICROFINANCE LIMITED

A Subsidiary of Muthoot Finance Limited

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

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

CIN:U06599TN1988PLC081652

“RESOLVED FURTHER THAT the Equity Shares proposed to be issued and allotted pursuant to this resolution shall rank pari-passu with the existing equity shares of the Company in all respects.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to proceed for issuance and allotment of the shares and issue necessary Offer Letter (PAS-4), and other necessary papers, documents or letters in accordance with the Companies Act, 2013.”

“RESOLVED FURTHER THAT the Company shall not utilize the proceeds of the Issue until filing of e-form PAS-3 with the Registrars of Companies .”

“RESOLVED FURTHER THAT the Company to record the name of the Investor and maintain such record of private placement offer of the Investors in Form PAS-5 under the Companies (Prospectus and Allotment of Securities) Rules, 2014.”

“RESOLVED FURTHER THAT monies received by the Company from the Investor as application monies to allot Equity Shares, pursuant to the Issue shall be kept by the Company in a separate bank account opened by the Company and shall be utilized by the Company in accordance with section 42 of the Act.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this offer, issue, allotment of the Equity Shares, Managing Director, Chief Financial Officer and the Company Secretary be and are hereby severally authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable, incidental and expedient for such purpose, including without limitation, preparing, signing, executing, and filing applications with the appropriate authorities for obtaining requisite approvals for the issuance of the Equity Shares, as may be required, issuing clarifications on the issue and allotment of the Equity Shares, resolving any difficulties, effecting any modifications changes, variation, alterations, additions and/or deletions to the foregoing conditions as may be required by any regulator, or other authorities or agencies involved in or concerned with the issue of the Equity Shares and as the Board may in its absolute discretion deem fit and proper in the best interest of the Company without being required to seek any further consent or approval of the members or otherwise “.

Place : CHENNAI
Dated : May 30, 2022

By Order of the Board of Directors
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. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15,2020, General Circular No. 33/2020 dated September 28,2020, General Circular No. 39/2020 dated December 31,2020, General Circular No. 10/2021 dated June 23,2021, General Circular No. 20/2021 dated December 08,2021 and General Circular No. 3/2022 dated May 05,2022 (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 10.00 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 : May 30, 2022



Sunil Kumar Sahu
Company Secretary
M. No. A 39022

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 1 Issue of Equity Shares on preferential basis through private placement

In order to meet the growth of the Company and general corporate purpose the Company proposes to raise capital by issuing up to **32,35,295** nos. of Equity shares of the Company of the face value of Rs. 10/- each at a premium of Rs. 330/- per share ("Equity Shares) to the following subscribers:

S. No.	Details of Subscriber	No. of Equity shares	Consideration (Rs)
1	Arum Holdings limited	1029412	35,00,00,080
2	Augusta Investments Zero Pte Ltd	2205883	75,00,00,220
	Total	32,35,295	110,00,00,300

(Collectively known as "**Subscribers**"), on a preferential basis through private placement which has been approved by the Board of Directors of the Company at its meeting held on April 29,2022.

The Equity Shares, if any, allotted in the Offer shall rank pari passu in all respects with the existing equity shares.

The management propose to use the proceeds from the Offer for augmenting the Tier I capital, and for meeting requirements of funds for general corporate purposes of the Company.

Accordingly, the approval of the Shareholders is required in accordance with Sections 42 and 62 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. Also, an offer or invitation to subscribe securities under the private placement shall not be made to persons more than two hundred in the aggregate in a financial year

The following disclosures for the issue of equity shares on preferential basis are made in accordance with the provisions of Section 42 and 62 of the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debenture) Rules, 2014:

1. The Objects of the issue through preferential offer:

The proceeds of the issue will be utilized for the purpose of augmenting Tier I capital and further growth of the business of the Company in terms of introduction of new products, and scaling up of existing SHJ/JLG on lending to members, so as to leverage such structure to achieve higher growth in terms of revenue and profit and for meeting the requirement of funds for general corporate purposes of the Company

2. The total number of shares or other securities to be issued:

Issue of **32,35,295** Equity shares having face value of Rs. 10/- each

3. The price or price band at/within which the allotment is proposed

The price per share is fixed at Rs. 340/- per share including premium of Rs. 330/- per share as determined by way of Valuation Report.

4. Particulars of the offer including date of passing of board resolution;

The Board has pursuant to its resolution dated April 29, 2022 accorded its approval for raising funds by issuing up to **32,35,295** Equity shares having face value of Rs. 10/- each on a preferential basis through private placement. The Equity shares, if any, allotted in the offer shall rank all respects pari passu with the existing equity shares

5. Kinds of Securities offered and the price at which security is being offered

Equity shares, pari-passu with the existing equity shares, having face value of Rs. 10/- each, are offered at a price of Rs. 340/- each (Including a Premium of Rs. 330/- per share) and proposed to be allotted at the same price.

6. Basis or Justification on which the price has been arrived at (including Premium) at which the offer or invitation is being made along with report of the registered valuer:

Price arrived as per Discounted Cash Flow valuation method. A copy of the valuation report dated April 20,2022 is available for inspection at the registered office of the Company during business hours from 10.00 A.M. to 06.00 P.M.

7. Name and address of valuer who performed valuation:

Mr.Sanka Hari Surya (IBBI REGISTERED VALUER) Registration No: IBBI/RV/07/2019/12576 , having its office at Shree Mahavir Sadhana Chs, D-602, Plot No. 18 EFG, Sector-14, Navi Mumbai, Sanpada- 400705 Maharashtra

8. The Relevant date with reference to which the price has been arrived at:

The price of the shares has been determined as on March 31, 2022

9. Amount which the Company intends to raise by way of to raise of such securities:

Rs. 110,00,00,300/- (Rupees One hundred and ten Crores Three Hundred Only)

10. Class or classes of persons to whom the allotment is proposed to be made:

The Company proposes to allot shares to existing shareholders and to new specific identified investors from whom interests has been received for subscribing to the shares of the Company.

11. The intention of the Promoters/Directors/Key Management Personnel to subscribe to the offer:

The Preferential Issue is not being made to the Promoters, Directors or Key Management Personnel of the Company and the Promoters, Directors or Key Management Personnel of the Company do not intend to subscribe to the offer.

12. The proposed time within which the allotment shall be completed:

The Company shall complete the allotment of equity shares as aforesaid on or before the expiry of 12 months from the date of passing of the special resolution by the shareholders granting consent for preferential issue at General Meeting, as permitted under rule 13 of Companies (Share Capital and Debentures) Rules, 2014.

13. Material terms of raising such securities:

Issue and allotment of **32,35,295** nos. of Equity shares of the Company of the face value of Rs. 10/- each ("Equity Shares) at a price of Rs.340/- each (including a Premium of Rs.330/- per share) at cash may be done in one or multiple tranches, as may be applicable.

14. Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects

NIL

15. The names of the proposed allottees and the percentage of post preferential offer capital that may be held by them:

Name of the Proposed allottees	% of Post-issue shareholding
Arum Holdings limited	15.66
Augusta Investments Zero Pte Ltd	4.52

16. Principal terms of asset charged as securities:

Not Applicable

17. The change in control, if any, in the company that would occur consequent to the preferential offer:

There shall be no change in management or control of the Company pursuant to the issue of the equity shares.

18. 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:

No equity shares allotted during the year.

19. Justification for the allotment proposed to be made for consideration other than cash together with valuation report of the register valuer:

Not relevant as all the shares are proposed to be issued for cash only.

20. The pre-issue and post issue shareholding pattern

Shareholding in respect of Equity Shares of Rs. 10/- each

Sr. No.	Category	Pre-issue		Post Issue	
		No. Of Shares held	% of Share holding	No. Of Shares held	% of Share holding
A	Promoter's holding:				
1	Indian:				
	Individual	44,050	0.09	44,050	0.09
	Bodies Corporate	64,75,458	14.20	64,75,458	13.26

	Sub –Total	65,19,508	14.29	65,19,508	13.35
2	Foreign Promoters	-	-	-	-
	Sub - Total (A)	65,19,508	14.29	65,19,508	13.35
B	Non- Promoter’s holding:				
1	Institution Investors	-	-	-	-
2	Non – Institution:	-	-	-	-
	Private Corporate Bodies	2,76,78,345	60.69	2,76,78,345	56.67
	Directors and relatives	-	-	-	-
	Indian Public	-	-	-	-
	Other (including NRIs/ Non-resident Investor)	1,14,10,907	25.02	1,46,46,202	29.98
	Sub – Total (B)	3,90,89,252	85.71	4,23,24,547	86.65
	GRAND TOTAL	4,56,08,760	100	4,88,44,055	100

The members are, therefore, requested to accord their approval authorizing the Board for the proposed or preferential issue as set out at the item no 1 as a Special Resolution.

Except Mr. Vijay Nallan Chakravarthi, Investor Directors representing Arum Holdings limited, none of the Directors / Key Managerial Personnel or their relatives are concerned or interested in the resolution.