MINUTES OF THE MEETING OF DEBENTURE HOLDERS OF RATED, LISTED, SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES ISSUED BY STAR HOUSING FINANCE LIMITED BEARING ISIN INE526R07017 AGGREGATING TO INR 20 Cr HELD ON AUGUST 13, 2026 AT 4:00 PM, CONVENED BY VARDHMAN TRUSTEESHIP PRIVATE LIMITED, ACTING IN ITS CAPACITY AS DEBENTURE TRUSTEE.

PRESENT

- Representatives of Vardhman Trusteeship Private Limited.
- Representatives / participants connected with Star Housing Finance Limited and its stakeholders, as applicable.
- Debenture Holders / Authorized Representatives as per attendance records maintained by the Debenture Trustee.

CHAIRPERSON

Mr. Yogesh Limbachiya, Compliance Officer and authorized representative of Vardhman Trusteeship Private Limited, Debenture Trustee, took the Chair.

The Chairperson welcomed the participants and informed them that the meeting had been convened to discuss the continuing payment defaults by Star Housing Finance Limited ("Issuer"), the steps being taken by the Debenture Trustee for protection of the interests of the Debenture Holders, the status of the proposed proceedings under the Insolvency and Bankruptcy Code, 2016 ("IBC"), and developments relating to the National Housing Bank ("NHB") supervisory / fraud classification proceedings.

BACKGROUND & CONTINUING DEFAULTS

The Trustee updated the Debenture Holders that the Issuer had continued to remain in default in respect of its payment obligations, with defaults having occurred during May, June and July 2026.

The Trustee informed the participants that steps towards initiation of proceedings under the IBC had been undertaken and that the Record of Default ("ROD") from National E-Governance Services Limited ("NESL") was awaited. The Trustee stated that, upon receipt of the ROD and completion of the requisite formalities, the Section 7 application would be filed before the National Company Law Tribunal ("NCLT").

The matter has been examined in consultation with Vardhman's legal counsel appointed for this matter and, based on the legal advice received, both possible courses of action have been evaluated and the requisite drafts have been prepared, namely:

a. a proposed reference/application to the Reserve Bank of India ("RBI"), being the appropriate regulator under the applicable Financial Service Provider ("FSP") framework, for consideration of initiation of insolvency proceedings; and
b. a proposed application under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("IBC"), which has also been kept ready, subject to determination of the applicable legal and regulatory framework at the time of initiation.

Accordingly, both courses of action have been consciously kept open by Vardhman and neither course has been ruled out.

Rationale for keeping both courses open

The above approach has been consciously adopted after considering the Company's financial position and the statutory framework applicable to Financial Service Providers ("FSPs"). The applicability of the notified FSP framework is, inter alia, linked to the prescribed asset-size threshold of Rs. 500 Crores. Accordingly, the latest audited financial statements of the Company assume significance in determining whether the Company falls within the said framework.

However, the Company has not published its financial results subsequent to the quarter ended December 31, 2025, including its financial results for the financial year ended March 31, 2026. Further, despite requests, the Company has not provided the updated financial statements or relevant financial information to Vardhman. Consequently, Vardhman is presently unable to ascertain the Company's current asset size on the basis of its latest financial statements.

As per the financial information available for the quarter ended December 31, 2025, the Company's asset size was approximately Rs. 550 crore. It is also relevant that, as of that period, the Company had not committed the defaults which subsequently occurred during the quarter ended March 31, 2026. In view of the subsequent defaults and the absence of updated financial information, the possibility that the Company's asset size may have fallen below the threshold of Rs. 500 crore cannot presently be ruled out. If, upon examination of the relevant financial statements, the Company's asset size is found to be below Rs. 500 crore for the relevant period, the applicability of the FSP framework would require reconsideration and the maintainability of proceedings under Section 7 of the IBC may accordingly be examined.

Accordingly, Vardhman has deliberately kept both courses of action open rather than prematurely restricting itself to one route based on historical financial information, particularly when updated financial information from the Company is presently unavailable.

NHB ORDER CLASSIFYING STAR HOUSING FINANCE LIMITED AS FRAUD

The Trustee informed the participants that it had received the NHB communication through the Nominee Director on August 12, 2026. A copy of the NHB communication dated August 07, 2026, bearing reference HO/ROD/DOC/2026/07123 and titled "Order classifying the account of M/s Star Housing Finance Limited as Fraud", is attached to these Minutes as Annexure 1.

The following key aspects of the NHB order were noted during the discussion:

- NHB stated that it had extended refinance facilities to Star Housing Finance Limited aggregating to INR 125 crore across various sanction letters / facilities.
- The NHB order records that, due to default in repayment of dues which were due on July 01, 2026, the loan account of Star Housing Finance Limited had been classified under stressed account.
- NHB referred to its snap audit and the forensic audit report of Ravi Rajan & Co. LLP and recorded concerns including creation of phantom / ghost loan accounts, transfer or siphoning of funds through such accounts, use of loan funds for share market manipulation, disbursement of unsecured

loans to employees and others, adjustment of receipts towards closure of phantom loan accounts, recognition of income on phantom loan accounts, suspected bogus expense vouchers, suspected ghost fixed assets and the same underlying loan pool being hypothecated to multiple lenders.

- The NHB order records that, after considering the submissions of Star Housing Finance Limited and the findings of the forensic auditor, the competent authority found the response unsatisfactory and observed elements of fraud in the activities / operations of the Company.
- The NHB order states that the competent authority declared / classified the account of Star Housing Finance Limited as "fraud" on July 24, 2026 and that the same would be reported to the Reserve Bank of India and law-enforcement agencies, as applicable.

WHISTLEBLOWER / FORENSIC AUDIT UPDATE

Mr. Kalpesh Dave informed the participants that he had been involved in the forensic audit process and had acted as a whistleblower in relation to the matters under investigation. He stated that he had provided information to the forensic auditors concerning, inter alia, phantom / ghost loan accounts, misuse of disbursements and unsecured loans to employees and others.

Mr. Dave requested that his role as whistleblower and key witness be specifically recorded in the Minutes. The participants noted the statement made by Mr. Dave and his request.

It was further discussed that the forensic audit had commenced with a physical visit to the Company's office on May 04, 2026 and that the forensic audit report had not, as discussed in the meeting, been shared with the Company. The meeting also noted the concerns recorded in the NHB order regarding non-responsiveness of the promoters and the representative of the largest controlling shareholder to stakeholders.

Note: However, it is stated that neither the NHB Order gives reference to Mr. Dave / or any whistle blower complaint nor Mr. Dave provided the specific details of his role as a whistle blower.

UPDATE ON PROPOSED INVESTOR / RESOLUTION

The participants were informed by Mr. Dave that the Company had received a Letter of Intent from a prospective new investor and that the required signatures had been completed. The related documentation was being shared with the compliance team and the Company Secretary for the proposed exchange filing.

It was noted that bankers were reportedly positive regarding the proposed investor; however, a formal moratorium agreement had not yet been finalized and discussions in this regard were continuing.

The participants discussed the proposed transaction in the context of the continuing defaults and the NHB fraud classification, and noted that any proposed resolution would need to be evaluated having regard to the interests and protection of the Debenture Holders.

DEBENTURE PAYMENT DISCREPANCIES & COMMUNICATION

Mr. Ankit raised concerns regarding apparent discrepancies / selective payments to Debenture Holders and the absence of detailed communication regarding payment status. The Trustee acknowledged that detailed emails regarding payment status had not been sent to all Debenture Holders.

The discussion also covered the proposed transfer of the ENSCH UPI mandate from Star Holding to the trust account. The Trustee explained that the transfer could not be completed due to lack of cooperation from the Company.

The Trustee confirmed that legal action was being pursued through the NCLT / IBC route and that costs incurred in connection with legal proceedings, including professional fees and filing expenses, would be disclosed to the Debenture Holders and appropriately recorded.

SECURITY ENFORCEMENT & RECOVERY ACTIONS

1. The Trustee shall follow up with NESL for obtaining the Record of Default certificate and, upon receipt of the same and completion of requisite formalities, proceed with filing the Section 7 application under the IBC.
2. The Trustee shall refer the matter to the RBI in view of the Issuer's asset size being above INR 500 crore as at December 31, 2025 and shall keep the Debenture Holders informed of the response / directions received.
3. The Trustee shall continue to pursue appropriate legal remedies, including proceedings for invocation / enforcement of personal guarantees, as considered appropriate on legal advice and in coordination with the IBC process.
4. The Trustee shall maintain and disclose to the Debenture Holders a record / ledger of costs incurred in connection with the enforcement and legal proceedings, including legal counsel fees and filing expenses.
5. The Trustee shall continue to evaluate enforcement of the available security and other recovery mechanisms in the best interests of the Debenture Holders.
   The Trustee mentioned that there shall be no cost required to be contributed by the Debenture Holders towards the current legal actions and that such costs shall be borne by the Trustee. It was further stated that, upon realization of any recoveries, the Debenture Holders shall be repaid after deduction of the actual expenses incurred towards legal and enforcement costs.

DISCUSSION ON NORTHERN ARC / RETAIL INVESTORS

The participants discussed whether Northern Arc could assist in exploring a resolution / recovery avenue, particularly for retail investors. The Debenture Holders agreed to approach Mr. Priyashish of Northern Arc with a request to explore possible assistance and resolution options for the affected retail investors.

RESOLUTIONS / AGREED ACTIONS

6. The Trustee shall obtain the NESL Record of Default and proceed with the Section 7 IBC application as soon as the requisite ROD and supporting documentation are available.
7. The Trustee shall circulate the NHB order classifying the account of Star Housing Finance Limited as fraud to all Debenture Holders.
8. The Trustee shall provide periodic updates to the Debenture Holders regarding the IBC proceedings, security enforcement, invocation of guarantees, regulatory developments and any material resolution proposal.

9. The Trustee shall disclose the costs incurred in the legal / enforcement process and maintain an appropriate expense ledger.
10. The Trustee shall intimate the Debenture Holders of the next course of action and convene the next meeting as may be considered necessary.

VOTE OF THANKS

There being no other business to transact, the meeting concluded with a vote of thanks to the Chair and all participants for their active participation and valuable suggestions.

FOR VARDHMAN TRUSTEESHIP PRIVATE LIMITED

(DEBENTURE TRUSTEE)

YOGESH NARAYANBHAI LIMBACHIYA

Digitally signed by YOGESH NARAYANBHAI LIMBACHIYA
Date: 2026.08.14 18:10:51 +05'30'

MR. YOGESH LIMBACHIYA

COMPLIANCE OFFICER & CHAIRPERSON OF THE MEETING

Debenture Holder Attendance			
	No of DH	No of Debentures	Value of Debentures
Total DH	233	2,000	20,00,00,000
DH in Attendance	9	86	86,00,000
Quorum		4.30	

Sr No	NAME	HOLDING
1	JANARTHANAN NITHYAK	2
2	CHANDRA PRAKASH NIGAM HUF	17
3	Heli Kalpesh Visharia	11
4	BIMAL KUMAR AGRAWAL	2
5	KIRAN AGRAWAL	3
6	ANKIT KUMAR AGRAWAL	6
7	SUMITHA IYER . .	24
8	SAPNA UPENDRA SANGHVI	21

ANNEXURE 1

NATIONAL HOUSING BANK – ORDER CLASSIFYING THE ACCOUNT OF STAR HOUSING FINANCE LIMITED AS FRAUD

Communication dated August 07, 2026, Ref. No. HO/ROD/DOC/2026/07123

The following pages reproduce the NHB communication attached to the Minutes.

HO/ROD/DOC/2026/07123
Date: 07-08-2026

MD & CEO
Star Housing Finance Limited
Western Edge I, 603, above Metro Cash & Carry,
Borivali East, Mumbai,
Maharashtra 400066
India

Dear Sir,

Subject: – Order classifying the account of M/s Star Housing Finance Limited as Fraud

Refer:

(i) Show cause Notice issued vide letter no. HO/ROD/DOC/2026/06768 dated 19-05-2026
(ii) Reply of Star Housing Finance Limited submitted by Mr. Kalpesh Dave, Executive Director vide his e-mail dated 05-06-2026 to the Show Cause Notice

National Housing Bank (NHB) has extended refinance facilities to Star Housing Finance Limited (SHFL) out of which the following refinance limits are having outstanding as on date:

(i) Refinance Limit of Rs. 05 crores vi.de Sanction letter No. NHB (ND)/R&PFD/HFC/OUT03409/2019-20 dated 08-06-2020
(ii) Refinance Limit of Rs. 10 crores vi.de Sanction letter No. NHB (ND)/R&PFD/HFC/01444/2020-21 dated 15-03-2021
(iii) Refinance Limit of Rs. 10 crores vide Sanction letter No. NHB (ND)/ROD/HFC/SL/0931/2022 dated 24-02-2022
(iv) Refinance Limit of Rs. 10 crores vi.de Sanction letter No. NHB (ND)/ROD/HFC/SL/7020/2022 dated 06-10-2022
(v) Refinance Limit of Rs. 10 crores vi.de Sanction letter No. HO/ROD/DAK/2023/1337 dated 25-05-2023
(vi) Refinance Limit of Rs. 40 crores vi.de Sanction letter No. HO/ROD/DAK/2023/2244 dated 09-11-2023
(vii) Refinance Limit of Rs. 40 crores vide Sanction letter No. HO/ROD/DAK/2024/04164 dated 27-12-2024

Due to default in repayment of its dues, which were due on July 01, 2026, the loan account of SHFL have been classified under stressed account.

2. NHB conducted snap audit as well as forensic audit of your company and observations thereof came serious in nature.

A. NHB's Snap Audit Report

The said Snap Audit Report, *inter alia*, highlights the following major concerns:

- Phantom Loan Book

एचओ/आरओडी/डीओसी/2026/07123

दिनांक: 07-08-2026

MD और CEO
स्टार हाउसिंग फाइनेंस लिमिटेड
वेस्टर्न एज I, 603, मेट्रो कैश एंड कैरी के ऊपर,
बोरीवली ईस्ट, मुंबई,
महाराष्ट्र 400066
भारत

महोदय,

विषय:- स्टार हाउसिंग फाइनेंस लिमिटेड के खाते को धोखाधड़ी के रूप में वर्गीकृत करने का आदेश

कृपया उपर्युक्त विषय पर साथ में संलग्न अंग्रेज़ी पत्र की विषयवस्तु नोट करने का कष्ट करें।

भवदीय,

ह/-

क्षेत्रीय प्रबंधक

- Creation of Phantom Loan Accounts for transfer of funds to non-individual entities
- Disbursements to invest in shares of the Company
- Adjustment of Receipts towards Closure of Phantom Loan Accounts
- EMI receipts through journal entries
- NPA Management
- Overstatement of Revenue through Recognition of Income on Phantom Loan Accounts
- Booking of Suspected Bogus Expense Vouchers
- Creation of Suspected Ghost Fixed Assets
- Same underlying loan pool hypothecated to multiple lenders

B. Forensic Audit Report by Ravi Rajan & Co. LLP:

The Forensic Audit Report, *inter alia*, highlights the following major concerns:

- Ghost / Phantom Loan Accounts
- Siphoning of funds through Phantom loans disbursements
- Loan Funds Used for Share Market Manipulation
- Disbursement of Unsecured Loans to various employees and others through LMS

Considering the seriousness of the issues highlighted in the above-mentioned reports, NHB had issued a Show-Cause Notice dated 19-05-2026 to SHFL providing an opportunity to show cause as to why its account/ name should not be classified and reported as a fraud. SHFL has vide e-mail dated 05-06-2026 submitted its response to the said Show-Cause Notice.

SHFL in its response has stated that the respondent is the Executive Director (appointed in June 2024 and ratified by the RBI in Sep 2024) and CEO (appointed in June 2023), and upon receiving the show cause notice, the same was shared via email/post with the promoters of Star Housing Finance (the Company) with a request to guide the reply. However, the reply from the promoters is still awaited. Following major points, *inter-alia*, were submitted:

- The snap audit was conducted from Mar 28, 2026 to Mar 29, 2026 post which the snap audit report dated Apr 01, 2026 was shared with the Company through email on Apr 02, 2026. The letter was addressed to Mr. Ashish Jain, the Promoter of the Company. Post receipt of the email, the Company filed the Fraud Monitoring Report (FMR-1) on the CRAMIS portal
- Based on the Board's instructions, the Company appointed M/s Parikh & Associates, Chartered Accountants, Ahmadabad as an independent auditor to undertake a comprehensive independent external audit regarding the snap audit report.
- Company received an email from the Department of Supervision on April 29, 2026 authorizing Shri Sachien Agrrawal Partner, Ravi Rajan & Co. LLP, Chartered Accountants, to carry out the Forensic & Transactional Audit of Star Housing Finance Limited. Subsequently M/s Parikh & Associates were informed that the engagement had to be curtailed as the NHB appointed auditor would be carrying out the Forensic & Transactional Audit
- The forensic audit team started the audit on May 04, 2026 by physically visiting the Company's corporate office at Andheri. The exchange of data with the forensic audit team commenced from this date.

- The promoters (Mr. Ashish Jain, Mr. Kavish Jain and Mr. Nirmal Kumar Jain) and the single largest controlling shareholder (Mr. Anil Sachidanand, the chief mentor and provider of corporate guarantee as MD&CEO of ARKFIN) have not been responding to any stakeholders.

3. On examination of the submissions of SHFL, followed by findings of the reports submitted by Forensic Auditor Ravi Rajan & Co. LLP, the Competent Authority has found the reply unsatisfactory and has observed issues as cited in para 2, and has concluded that there exist elements of fraud in the activities/operations of SHFL.

4. Accordingly, the Competent Authority has declared/classified the account of Star Housing Finance Limited as "fraud" on 24-07-2026. This will be accordingly reported to Reserve Bank of India and Law Enforcement Agencies etc., as applicable.

Yours faithfully,

Regional Manager