

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

INFORMATION MEMORANDUM**FIVE-STAR BUSINESS FINANCE LIMITED**

A public limited company incorporated under the Companies Act, 1956

Date of Incorporation: May 07, 1984; CIN: U65991TN1984PLC010844

Registered Office: New No. 27, Old No. 4, Taylor's Road, Kilpauk, Chennai - 600 010

Telephone No.: 044-4610 6200 **Website:** www.fivestargroup.in

Disclosure document (“Disclosure Document” / “Information Memorandum”) for issue up to 750 (Seven Hundred and Fifty) Rated, Listed, Senior, Secured, Redeemable, Principal Protected Market-Linked, Non-Convertible Debentures having a face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, of the aggregate nominal value of up to Rs. 75,00,00,000/- (Rupees Seventy Five Crores only), in a single series (“Debentures”/ “NCDs”) on a private placement basis (the “Issue”).

Background

This Information Memorandum is related to the Debentures to be issued by Five-Star Business Finance Limited (the “**Issuer**” or “**Company**”) on a private placement basis and contains relevant information and disclosures required for the purpose of issuing of the Debentures. The issue of the Debentures comprised in the Issue and described under this Information Memorandum has been authorised by the Issuer through resolutions passed by the shareholders of the Issuer on August 31, 2020 and the Board of Directors of the Issuer on June 10, 2020 read together with the resolution passed by Business and Resource Committee of the Board of Directors on December 04, 2020 and the Memorandum and Articles of Association of the Company. Pursuant to the resolution passed by the Company’s shareholders dated August 31, 2020 in accordance with provisions of the Companies Act, 2013, the Company has been authorised to borrow and raise funds, upon such terms and conditions as the Board may think fit for aggregate amounts not exceeding INR 7000,00,00,000/- (Rupees Seven Thousand Crores only). The present issue of Debentures in terms of this Information Memorandum is within the overall powers of the Board as per the above shareholder resolution(s).

General Risks

Investment in debt and debt related securities involve a degree of risk and Investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments and only after reading the information carefully. For taking an investment decision, the Investors must rely on their own examination of the Company and the Issue including the risks involved. The Debentures have not been recommended or approved by Securities and Exchange Board of India (“**SEBI**”) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of Investors is invited to the statement of Risk Factors at set out in **Section 3** of this memorandum of private placement for issue of Debentures on a private placement basis (“**Information Memorandum**” or “**Disclosure Document**”). This Information Memorandum has not been submitted, cleared or approved by SEBI.

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Issuer's Absolute Responsibility

The Issuer, having made all reasonable inquiries, confirms and represents that the information contained in this Information Memorandum/ Disclosure Document is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. The Issuer is solely responsible for the correctness, adequacy and disclosure of all relevant information herein.

Credit Rating

The Debentures proposed to be issued by the Issuer have been rated by ICRA Limited (“**ICRA**”/ “**Rating Agency**”). The Rating Agency has, *vide* its letter dated December 16, 2020 assigned a rating of **Provisional PP-MLD [ICRA] AAA(CE)** with “Stable” outlook in respect of the Debentures. The above rating is not a recommendation to buy, sell or hold securities and Investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the rating agency and should be evaluated independently of any other ratings. Please refer to **Annexure I** of this Information Memorandum for the letter dated December 16, 2020 from the Rating Agency assigning the credit rating above mentioned.

Issue Schedule

Issue Opening on: December 16, 2020
Issue Closing on: December 16, 2020
Deemed Date of Allotment: December 16, 2020

The Issuer reserves the right to change the Issue Schedule including the Deemed Date of Allotment at its sole discretion, without giving any reasons or prior notice. The Issue shall be open for subscription during the banking hours on each day during the period covered by the Issue Schedule.

The Debentures are proposed to be listed on the wholesale debt market of the Bombay Stock Exchange / BSE Limited (“**BSE**”).

| Registrar and Transfer Agent | Debenture Trustee |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p>NSDL Database Management Limited 4th Floor, Trade World, A Wing Kamala Mills Compound Lower Parel, Mumbai - 400 013 Contact person: Mr. Nilesh Bhandare, Manager Tel: 9833515383(M) Tel: +91 22 2499 4200 Email: info_ndml@nsdl.co.in</p> |  <p>Catalyst Trusteeship Limited Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai – 400 098 Tel.: 022- 49220507 Fax: 022-49220505 Email: 022-49220555 Contact Person: Mr. Umesh Salvi</p> |

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SECTION 1: DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Information Memorandum.

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| Allot/Allotment/Allotted | Unless the context otherwise requires or implies, the allotment of the Debentures pursuant to this Issue. |
| Applicable Law | Shall mean all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority and any modifications or re-enactments thereof |
| Assets Under Management / AUM | Means and includes the outstanding principal amount of the loans originated by the Issuer on its own books (including loans which have been securitised where the Issuer continues to remain as the servicer / collection agent) as well as loan originated on behalf of other entities by entering into partnership agreements but not included on the Issuer's own book, where the Issuer is acting as servicer / collection agent |
| Assignment Documents | Shall mean such documents as will be entered into between the Company and the SPV for the purposes of the transaction described in sub-paragraph 2 under the sub-head of ' <i>Trigger Event Consequences</i> ' under ' Security ' under paragraph 4.23. |
| Application Form | The form used by the recipient of this Disclosure Document and/or the Private Placement Offer cum Application Letter, to apply for subscription to the Debentures, which is annexed to this Information Memorandum and marked as Annexure III . |
| Board/Board of Directors | The Board of Directors of the Issuer. |
| BSE / Stock Exchange | BSE Limited |
| Business Day | Means any day of the week (excluding Sundays or any day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) in Mumbai or Chennai or New Delhi and any other day on which banks are open for general business in Mumbai or New Delhi or Chennai, India) shall be a Business Day for the purpose of this Disclosure Document; |
| Cash Collateral | Shall mean the facility to be provided / caused to be provided by the Company to the extent of 3% (Three Percent) of the principal amount of the Debentures, which Cash Collateral shall be provided in the form of fixed deposit(s) in accordance with the terms of the Cash Collateral Agreement. |
| Cash Collateral Agreement | Means the escrow agreement to be entered into between the Issuer, the Debenture Trustee, the trustee under the Assignment Documents and the bank where the Cash Collateral is being maintained, setting out the terms upon which the Cash Collateral shall be used, including the fact that upon occurrence of the Trigger Event, all right, title and interest of the Issuer in the Cash Collateral shall stand transferred to the SPV. |
| CDSL | Central Depository Services Limited |
| Coupon | Shall have the meaning set out under " Coupon Rate " in paragraph 4.23 herein |
| Coupon Rate | Shall have the meaning set out under " Coupon Rate " in paragraph 4.23 herein |
| Coupon Payment Date | Shall have the meaning set out under " Coupon Payment Date " in paragraph 4.23 herein |
| Client Loan | Each loan made by the Issuer as a lender, and " Client Loans " shall refer to the aggregate of such loans. |

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| Debentures / NCDs | Rated, Listed, Senior, Secured, Redeemable, Principal Protected Market-Linked, Non-Convertible Debentures having a face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture. |
| Debenture Documents | Shall mean the documents executed in relation to the issue of the Debentures and the creation of the Security and shall include this Disclosure Document, the Private Placement Offer Letter, the Debenture Trustee Agreement, the Debenture Trust Deed, the Cash Collateral Agreement, the Deed of Hypothecation and any other document that may be designated by the Debenture Trustee as a Debenture Document. |
| Debenture Holders / Investors | The holders of the Debentures issued by the Issuer and shall include the registered transferees of the Debentures from time to time. |
| Deemed Date of Allotment | December 16, 2020 |
| Debenture Trustee | Catalyst Trusteeship Limited |
| Debenture Trustee Agreement | Agreement executed by and between the Debenture Trustee and the Company <i>inter alia</i> for the purposes of appointment of the Debenture Trustee to act as debenture trustee in connection with the issuance of the Debentures. |
| Debenture Trust Deed | Shall mean the debenture trust deed executed/to be executed by and between the Debenture Trustee and the Company <i>inter alia</i> setting out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer. |
| Deed of Hypothecation | Deed to be executed <i>inter alios</i> by and between the Company and the Debenture Trustee for the purposes of creating hypothecation over the Identified Receivables and the Cash Collateral. |
| Deemed Date of Allotment | Shall mean the date on which the Debentures shall be allotted to the Debenture Holders |
| Demat | Refers to dematerialized securities which are securities that are in electronic form, and not in physical form, with the entries noted by the Depository. |
| Depositories Act | The Depositories Act, 1996, as amended from time to time. |
| Depository | A Depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 2018, as amended from time to time. |
| Depository Participant / DP | A depository participant as defined under the Depositories Act |
| Designated Account | Means the bank account opened by the Debenture Trustee and operated by the Debenture Trustee, where the Company is required to deposit all amounts payable to the Debenture Holders in relation to the Debentures |
| Director(s) | Board of Director(s) of the Issuer. |
| Disclosure Document / Information Memorandum | This document which sets out the information regarding the Debentures being issued on a private placement basis. |
| DP ID | Depository Participant Identification Number. |
| EFT | Electronic Fund Transfer. |
| Expected Maturity Date | Shall mean December 16, 2022 |
| Fee Letter | Shall mean the letter dated December 09, 2020 issued by the Company to the Debenture Holder(s) in respect of certain one-time upfront fees payable by the Company to the Debenture Holder(s). |
| Financial Year/ FY | Twelve months period commencing from April 1 of a particular calendar year and ending on March 31 of the subsequent calendar year. |
| Final Fixing Date | The Final Fixing Date will be the 30 (Thirty) days prior to the Expected Maturity Date In the event the Final Fixing Date falls on a day which is not a Business Day, then the immediately succeeding Business Day shall be considered as Final Fixing Date. |
| Final Level | Last traded closing value/price of the Reference Index on the Final Fixing Date |

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| Final Settlement Date | Shall mean the date on which the obligations in relation to the Outstanding Amounts have been irrevocably discharged in full and/or the Debentures, have been redeemed by the Company in full and the Debenture Trustee has provided a written confirmation to the Company in this regard |
| Financial Indebtedness | <p>Shall mean any indebtedness for or in respect of:</p> <ol style="list-style-type: none"> 1. moneys borrowed; 2. any amount availed of by acceptance of any credit facility; 3. any amount raised pursuant to the issuance of any notes, bonds, debentures, loan stock or any other similar securities or instruments; 4. the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with generally accepted principles of accounting in India, be treated as a finance or capital lease; 5. receivables sold or discounted (other than any receivables sold in the ordinary course of business or to the extent that they are sold on a non-recourse basis); 6. any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; 7. any derivative transaction entered into in connection with protection against or benefit from fluctuation in price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account); 8. any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; 9. the amount of any liability under an advance or deferred purchase agreement if one of the primary reasons behind the entry into such agreement is to raise finance; or 10. any put option, guarantees, keep fit letter(s), letter of comfort, etc by whatever name called, which gives or may give rise to any financial obligation(s); 11. any preference shares (excluding any compulsorily convertible preference shares); <p>(without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (1) to (11) above.</p> |
| Force Majeure | Means any war, strike, lock-out, national disaster, act of terrorism, an act of Issuer occurring after such obligation is entered into, or such obligation has become illegal or impossible in whole or in part, or any breakdown, failure or malfunction beyond the control of the Issuer of any telecommunication or computer system including, without limitation unavailability of any communication system, systems outages breakdowns, breach or virus in the processes or payment and delivery mechanism, sabotage, fire, flood, explosion, acts of God, civil commotion, strikes or industrial action of any kind, riots, insurrection, acts of government, computer hacking unauthorised access to computer data and storage devices, computer crashes, etc. |
| GAAP | Generally Accepted Accounting Principles prescribed by the Institute of Chartered Accountants of India from time to time and consistently applied by the Issuer. |
| Governmental Authority | Shall include the President of India, the Government of India, the Governor and the Government of any State in India, any Ministry or Department of the same, any municipal or local government, any authority or private body exercising powers conferred by Applicable Law and any court, tribunal or other judicial or quasi-judicial body, and shall include, without limitation, a stock exchange and any regulatory body. |

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| IBC | Shall mean the Insolvency and Bankruptcy Code, 2016, and the rules and regulations made thereunder which are in effect from time to time and shall include any other statutory amendment or re-enactment thereof; |
| Identified Loans | Shall mean the facilities granted by the Company to the Obligor on the terms and conditions set out in the Identified Loan Agreements, which are hypothecated / to be hypothecated under the terms of the Deed of Hypothecation; |
| Identified Loan Agreements | Shall mean the loan agreement(s) entered into between the Company and Obligor(s) setting out the terms and conditions for the Identified Loans availed of by the Obligor(s) |
| Identified Receivables | Shall mean the aggregate of all amounts payable to the Company by the Obligor, pursuant to the Identified Loan Agreements, including interest, additional interest, overdue charges, premium on prepayment proceeds received on prepayment/ foreclosure, more particularly set out in the Debenture Documents. |
| Intital Fixing Date | Shall mean the Deemed Date of Allotment |
| Initial Level | Last traded closing value/price of the Reference Index as on the Initial Fixing Date. |
| Insolvency Event | Shall mean the event identified in clause 5 and clause 6 under “ Trigger Events ” under paragraph 4.23 herein |
| Indian GAAP | Means the generally accepted accounting principles, standards and practices in India or any other prevailing accounting standard in India as may be applicable |
| Indian Accounting Standard (IND AS) | Means Accounting standard adopted by companies in India and issued under the supervision of Accounting Standards Board (ASB) |
| Issue | Private Placement of the Debentures. |
| Issue Closing Date | December 16, 2020 |
| Issue Opening Date | December 16, 2020 |
| Issuer/ Company/ Five-star | Five-Star Business Finance Limited |
| Majority Debenture Holders | Debenture Holders whose participation or share in the principal amount(s) outstanding with respect to the Debentures aggregate to more than 51% (Fifty One Percent) of the value of the nominal amount of the Debentures for the time being outstanding. |
| Material Adverse Effect | Shall mean the change or consequence of an event, circumstance, occurrence or condition which, has caused, as of any date of determination, or could reasonably be expected to cause a material adverse effect, on (i) the financial condition, business or operation of any of the Company, (ii) the ability of any of the Company to perform their obligations hereunder or under any Debenture Documents, or (iii) the legality, validity, binding nature or enforceability of any of the Debenture Documents, or (iv) any other effect or change which adversely affects the interest of the Debenture Holder(s) or the Debenture Trustee |
| Maturity Date | Shall mean the day on which the Debentures are redeemed in full, whether on account of scheduled repayment or prepayment or payment consequent to the occurrence of an Event of Default |
| Minimum Security Cover | Shall have the meaning set out under “ Security ” in paragraph 4.23 herein. |
| Net Assets | Net Assets shall mean the total assets on the balance sheet of the Issuer excluding any securitised assets and managed (non-owned) loan portfolio. |
| N.A. | Not Applicable. |
| NBFC Directions | RBI Master Direction on Non- Banking Financial Company- Systemically Important Non- Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (Master Direction DNBR. PD. 008/03.10.119/2016-17) |
| NSDL | National Securities Depository Limited. |

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| Obligor | Means any person to whom loan has been extended by the Company and includes its successors or permitted assigns |
| Outstanding Amounts | Shall mean the aggregate of the principal amount, Coupon, Default Interest, any outstanding remuneration of the Debenture Trustee, fees, costs, charges, expenses and all present and future moneys, liabilities due, owing or incurred from time to time to the Company under or in connection with the Debentures, and/or any Debenture Document (in each case, whether alone or jointly, or jointly and severally, with any other person, whether actually or contingently, and whether as principal, surety or otherwise) |
| PAN | Permanent Account Number. |
| Prepayment Option | Shall have the meaning set out under “ Call Option ” in paragraph 4.23 herein; |
| Private Placement Offer cum Application Letter | Shall mean the private placement offer cum application letter prepared in compliance with Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014. |
| Rating Agency | ICRA Limited |
| RBI | Reserve Bank of India. |
| Reference Index/ Underlying Index | Means Government security: 5.77 G-Sec 2030 having ISIN: IN0020200153 and maturity on 3-Aug-2030. The details of which are published by FBIL on ww.fbil.org.in. and in the event the same are not being published by FBIL, then in such case as published by any other regulatory authority. If the said Reference Index is discontinued or ceases to be available, then Reference Index shall be such index as may be agreed to by the Debenture Trustee (acting for and on behalf and on the instructions of the Debenture Holders). |
| Register of Debenture Holders | Shall mean the register maintained by the Company containing the name(s) of the Debenture Holder(s), which register shall be maintained at the Registered Office of the Company. |
| Record Date | The date which falls 7 (Seven) Calendar Days prior to any date on which on which any payment is to be made by the Company/ the Debenture Trustee to the Debenture Holders. |
| R&T Agent | Registrar and Transfer Agent to the Issue, in this case being NSDL Database Management Limited. |
| ROC | Registrar of Companies. |
| Rs. / INR | Indian Rupee. |
| RTGS | Real Time Gross Settlement. |
| SEBI | Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time). |
| SEBI Debt Listing Regulations | The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008 issued by SEBI, as amended from time to time. |
| SEBI (LODR) Regulations | Means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 |
| Scheduled Maturity Date | Shall mean December 16, 2027 |
| Secured Property | Shall collectively mean: (i) a first ranking and exclusive charge over receivables due and payable by certain customers of the Company to the Company from certain identified loan agreements; (ii) a first ranking and exclusive charge over the Cash Collateral made available by the Company on the terms set out hereunder; and (iii) a first ranking and exclusive charge over all right, title and interest of the Company in the property belonging to the SPV Trust, whether as a residual beneficiary or pursuant to the contribution deemed to be made available by the Company to the SPV Trust in terms of the Assignment Documents, in terms of the SPV Trust Deed and upon the occurrence of a Trigger Event, additionally secured by way of (i) a first ranking and exclusive charge |

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| | over the Identified Receivables assigned to the SPV by the Company; and (ii) an unconditional and irrevocable guarantee to be provided by the SPV, in terms of the Assignment Documents |
| Security / Security Interest | Shall mean the security created to secure the obligations of the Issuer in relation to the Debentures and shall be the security identified in “ Security ” in paragraph 4.23 herein. |
| Security Provider | Shall mean any persons providing the Security for securing the Outstanding Amounts in relation to the Debentures. |
| SPV/ SPV Trust | Shall mean the Dhruva VI Northern Arc CE MLD 2020 settled in terms of the SPV Trust Deed |
| SPV Account | Shall mean an account under the name and style of ‘ <i>Dhruva-VI Northern Arc CE MLD 12 2020</i> ’ and which account number shall be separately intimated, opened and maintained by the SPV Trust and operated under the signature of the SPV Trustee |
| SPV Trust Deed | Shall mean the trust deed, dated December 16, 2020 executed by Catalyst Trusteeship Limited in its capacities as settlor and SPV Trustee respectively, inter alia in relation to the settlement of the SPV Trust, the appointment of the SPV Trustee as the trustee thereof, the objects of the SPV Trust and the duties and powers of the SPV Trustee |
| SPV Trustee | Shall mean Catalyst Trusteeship Limited in its capacity as the trustee of the SPV Trust |
| Tax or Taxes | shall mean any and all present or future, direct or indirect, claims for tax, withholding tax, surcharge, levy, impost, duty, cess, statutory due or other charge of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) including on gross receipts, sales, turn-over, value addition, use, consumption, property, service, income, franchise, capital, occupation, license, excise, documents (such as stamp duties) and customs and other taxes, duties, assessments, or fees, however imposed, withheld, levied, or assessed by any Government; |
| TDS | Tax Deducted at Source. |
| Trigger Event | Shall mean the events identified under “ Trigger Events ” under paragraph 4.23 herein |
| Transaction Documents | shall mean collectively (i) the Assignment Documents; and (ii) the Debenture Documents |
| Underlying Performance | $\left(\frac{\text{Final Fixing Level}}{\text{Initial Fixing Level}} \right) - 1$ |
| Valuation Agency | Means ICRA Analytics Limited, an AMFI appointed valuation agency as stipulated by SEBI vide circular number CIR/IMD/DF/17/2011 dated September 28, 2011, as amended from time to time |
| The Companies Act/ the Act | The Companies Act, 2013 or where applicable, the provisions of the Companies Act, 1956, still in force. |
| Terms & Conditions | Shall mean the terms and conditions pertaining to the Issue as outlined in the Transaction Documents. |
| WDM | Wholesale Debt Market. |
| Wilful Defaulter | Shall mean an Issuer who is categorized as a wilful defaulter by any Bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such in accordance with Regulation 2(n) of SEBI (Issue and Listing of Debt Securities) Regulations, 2008. |

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SECTION 2: NOTICE TO INVESTORS AND DISCLAIMERS

2.1 ISSUER'S DISCLAIMER

This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus and should not be construed to be a prospectus or a statement in lieu of a prospectus under the Companies Act. The issue of the Debentures to be listed on the WDM segment of the BSE is being made strictly on a private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. This Information Memorandum does not constitute and shall not be deemed to constitute an offer or invitation to subscribe to the Debentures to the public in general.

As per the applicable provisions, it is not necessary for a copy of this Information Memorandum / Disclosure Document to be filed or submitted to the SEBI for its review and/or approval. This Information Memorandum has been prepared in conformity with the SEBI Debt Listing Regulations as amended from time to time and the applicable RBI Circulars governing private placements of debentures by NBFCs. This Information Memorandum has been prepared solely to provide general information about the Issuer to the eligible investors to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Information Memorandum does not purport to contain all the information that any eligible investor may require. Further, this Information Memorandum has been prepared for informational purposes relating to this transaction only and upon the express understanding that it will be used only for the purposes set forth herein.

Neither this Information Memorandum nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Information Memorandum should not consider such receipt as a recommendation to subscribe to any Debentures. Each potential Investor contemplating subscription to any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Potential Investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyse such investment and the suitability of such investment to such potential Investor's particular circumstances.

The Issuer confirms that, as of the date hereof, this Information Memorandum (including the documents incorporated by reference herein, if any) contains all the information that is material in the context of the Issue and regulatory requirements in relation to the Issue and is accurate in all such material respects. No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Information Memorandum or in any material made available by the Issuer to any potential Investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer. The Issuer certifies that the disclosures made in this Information Memorandum and/or the Private Placement Offer cum Application Letter are adequate and in conformity with the SEBI Debt Listing Regulations. Further, the Issuer accepts no responsibility for statements made otherwise than in the Information Memorandum or any other material issued by or at the instance of the Issuer and anyone placing reliance on any source of information other than this Information Memorandum would be doing so at its own risk.

This Information Memorandum, the Private Placement Offer cum Application Letter and the contents hereof are restricted only for the intended recipient(s) who have been addressed directly and specifically through a communication by the Issuer and only such recipients are eligible to apply for the Debentures. All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this Information Memorandum and/or the Private Placement Offer cum Application Letter are intended to be used only by those potential Investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

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No invitation is being made to any person other than those to whom Application Forms along with this Information Memorandum and the Private Placement Offer cum Application Letter being issued have been sent. Any application by a person to whom the Information Memorandum and/or the Private Placement Offer cum Application Letter has not been sent by the Issuer shall be rejected without assigning any reason.

The person who is in receipt of this Information Memorandum and/or the Private Placement Offer cum Application Letter shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding the contents hereof without the consent of the Issuer. The recipient agrees to keep confidential all information provided (or made available hereafter), including, without limitation, the existence and terms of the Issue, any specific pricing information related to the Issue or the amount or terms of any fees payable to us or other parties in connection with the Issue. This Information Memorandum and/or the Private Placement Offer cum Application Letter may not be photocopied, reproduced, or distributed to others at any time without the prior written consent of the Issuer. Upon request, the recipients will promptly return all material received from the Issuer (including this Information Memorandum) without retaining any copies hereof. If any recipient of this Information Memorandum and/or the Private Placement Offer cum Application Letter decides not to participate in the Issue, that recipient must promptly return this Information Memorandum and/or the Private Placement Offer cum Application Letter and all reproductions whether in whole or in part and any other information statement, notice, opinion, memorandum, expression or forecast made or supplied at any time in relation thereto or received in connection with the Issue to the Issuer.

The Issuer does not undertake to update the Information Memorandum and/or the Private Placement Offer cum Application Letter to reflect subsequent events after the date of Information Memorandum and/or the Private Placement Offer cum Application Letter and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer.

Neither the delivery of this Information Memorandum and/or the Private Placement Offer cum Application Letter nor any sale of Debentures made hereafter shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

This Information Memorandum and/or the Private Placement Offer cum Application Letter does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures or the distribution of this Information Memorandum and/or the Private Placement Offer cum Application Letter in any jurisdiction where such action is required. Persons into whose possession this Information Memorandum comes are required to inform themselves about and to observe any such restrictions. The Information Memorandum is made available to potential Investors in the Issue on the strict understanding that it is confidential.

2.2 DISCLAIMER CLAUSE OF STOCK EXCHANGES

As required, a copy of this Information Memorandum has been filed with the BSE in terms of the SEBI Debt Listing Regulations. It is to be distinctly understood that submission of this Information Memorandum to the BSE should not in any way be deemed or construed to mean that this Information Memorandum has been reviewed, cleared, or approved by the BSE; nor does the BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum, nor does the BSE warrant that the Issuer's Debentures will be listed or will continue to be listed on the BSE; nor does the BSE take any responsibility for the soundness of the financial and other conditions of the Issuer, its promoters, its management or any scheme or project of the Issuer.

2.3 DISCLAIMER CLAUSE OF SEBI

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

As per the provisions of the SEBI Debt Listing Regulations, it is not stipulated that a copy of this Information Memorandum has to be filed with or submitted to the SEBI for its review / approval. It is to be distinctly understood that this Information Memorandum should not in any way be deemed or construed to have been approved or vetted by SEBI and that this Issue is not recommended or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any proposal for which the Debentures issued thereof is proposed to be made or for the correctness of the statements made or opinions expressed in this Information Memorandum.

2.4 DISCLAIMER IN RESPECT OF RBI

The Issuer is having a valid certificate of registration issued by the Reserve Bank of India under Section 45 IA of the Reserve Bank of India Act, 1934. However, the RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the company or for the correctness of any of the statements or representations made or opinions expressed by the company and for repayment of deposits/ discharge of liability by the company.

2.5 DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is made in India to Investors as specified under the clause titled “Eligible Investors” of this Information Memorandum, who shall be/have been identified upfront by the Issuer. This Information Memorandum and/or the Private Placement Offer cum Application Letter does not constitute an offer to sell or an invitation to subscribe to Debentures offered hereby to any person to whom it is not specifically addressed. Any disputes arising out of this Issue will be subject to the exclusive jurisdiction of the courts and tribunals at Chennai. This Information Memorandum and/or the Private Placement Offer cum Application Letter does not constitute an offer to sell or an invitation to subscribe to the Debentures herein, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.

2.6 DISCLAIMER IN RESPECT OF RATING AGENCIES

Ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. The Rating Agency has based its ratings on information obtained from sources believed by it to be accurate and reliable. The Rating Agency does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by the Rating Agency have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

2.7 ISSUE OF DEBENTURES IN DEMATERIALIZED FORM

The Debentures will be issued in dematerialised form. The Issuer has made arrangements with the Depositories for the issue of the Debentures in dematerialised form. Investors will have to hold the Debentures in dematerialised form as per the provisions of Depositories Act. The Issuer shall take necessary steps to credit the Debentures allotted to the beneficiary account maintained by the Investor with its depository participant. The Issuer will make the Allotment to Investors on the Deemed Date of Allotment after verification of the Application Form, the accompanying documents and on realisation of the application money.

2.8 DISCLAIMER OF THE TRUSTEE

The Debenture Trustee, ‘ipso facto’ does not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid/invested by Debenture Holders.

2.9 FORCE MAJEURE BEFORE CLOSING DATE

Notwithstanding anything herein contained the Issuer shall not bear responsibility or liability for any losses arising out of any delay in or interruptions of performance of the exchange with regard

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to the Reference Index or the Issuer's obligations under this Disclosure Document due to any Force Majeure Event, act of God, act of Governmental Authority, act of the public enemy or due to war, the outbreak or escalation of hostilities, riot, fire, flood, civil commotion, insurrection, labour difficulty (including, without limitation, any strike, or other work stoppage or slow down), severe or adverse weather conditions, communications line failure, or other similar cause beyond the reasonable control of the Issuer. The Company reserves the right to withdraw the Issue at any time prior to the closing date thereof in the event of any unforeseen development adversely affecting the economic and/or regulatory environment or otherwise. In such an event, the Company will refund the application money, if any, collected in respect of the Debentures without assigning any reason.

2.10 DISCLAIMER OF THE ARRANGER

It is advised that the Issuer has exercised due diligence by itself to ensure complete compliance of prescribed disclosure norms in this Disclosure Document. The role of the Arranger in the assignment is confined to marketing and placement of the Debentures on the basis of this Disclosure Document as prepared by the Issuer. The Arranger has neither scrutinised/ vetted nor has it done any due diligence for the purposes of verification of the contents of this Disclosure Document. The Arranger shall use this document for the purpose of soliciting subscription to eligible investors in the Tranche A Debentures to be issued by the Issuer on private placement basis. It is to be distinctly understood that the aforesaid use of this document by the Arranger should not in any way be deemed or construed that the document has been prepared, cleared, approved or vetted by the Arranger; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this document; nor does it take responsibility for the financial or other soundness of the Issuer, its promoters, its management or any scheme of the Issuer. The Arranger or any of its directors, employees, affiliates or representatives does not accept any responsibility and/or liability for any loss or damage arising of whatever nature and extent in connection with the use of any of the information contained in this document.

2.11 DISCLAIMER RELATING TO THE DEBENTURES

Please refer to **Annexure V** setting out the detailed scenario analysis/ valuation matrix showing value of the security under different market conditions.

2.12 DISCLAIMER OF VALUATION AGENT

The Issuer has appointed a Valuation Agent. Any valuations as may be provided by the Valuation Agent, on the website of the Issuer and the Valuation Agent or otherwise, do not represent the actual price of the Debentures that may be received upon sale or redemption of Debentures. They merely represent the Valuation Agent's computation of the valuation which may in turn be based on several assumptions. The valuation will reflect the independent views of the Valuation Agent. It is expressly stated that the valuation will not be the view of the Issuer or its affiliates. The Issuer will not review the valuation and will not be responsible for the accuracy of the valuations. The valuations that will be provided by the Valuation Agent and made available on the website of the Issuer and the Valuation Agent, at a frequency of not less than once a calendar week, and the said valuation will not represent the actual price that may be received upon sale or redemption of the Debentures. It will merely represent the Valuation Agent's computation of the valuation which may in turn be based on several assumptions. The valuations that will be provided by the Valuation Agent may include the use of proprietary models (that are different from the proprietary models used by the Issuer and/or the Valuation agent) and consequently, valuations provided by other parties (including the Issuer and/or the Valuation agent) may be significantly different. The Valuation Agency will publish a valuation on its website at least once every calendar week. The valuation shall be available on the website of the Valuation Agency and the Issuer.

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SECTION 3: RISK FACTORS

The following are the risks relating to the Company, the Debentures and the market in general envisaged by the management of the Company. Potential Investors should carefully consider all the risk factors in this Information Memorandum and/or the Private Placement Offer cum Application Letter for evaluating the Company and its business and the Debentures before making any investment decision relating to the Debentures. The Company believes that the factors described below represent the principal risks inherent in investing in the Debentures but does not represent that the statements below regarding risks of holding the Debentures are exhaustive. The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another. Investors should also read the detailed information set out elsewhere in this Information Memorandum and/or the Private Placement Offer cum Application Letter and reach their own views prior to making any investment decision.

3.1 REPAYMENT IS SUBJECT TO THE CREDIT RISK OF THE ISSUER.

Potential Investors should be aware that receipt of the principal amount, (i.e. the redemption amount) and any other amounts that may be due in respect of the Debentures is subject to the credit risk of the Issuer. Potential Investors assume the risk that the Issuer will not be able to satisfy their obligations under the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Issuer, the payment of sums due on the Debentures may not be made or may be substantially reduced or delayed.

3.2 THE SECONDARY MARKET FOR DEBENTURES MAY BE ILLIQUID.

The Debentures may be very illiquid and no secondary market may develop in respect thereof. Even if there is a secondary market for the Debentures, it is not likely to provide significant liquidity. Potential Investors may have to hold the Debentures until redemption to realize any value.

3.3 CREDIT RISK & RATING DOWNGRADE RISK

The Rating Agency has assigned the credit ratings to the Debentures. In the event of deterioration in the financial health of the Issuer, there is a possibility that the Rating Agency may downgrade the rating of the Debentures. In such cases, potential investors may incur losses on revaluation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms.

3.4 CHANGES IN INTEREST RATES MAY AFFECT THE PRICE OF NCDS.

All securities where a fixed rate of interest is offered, such as this Issue, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the pricing of the Debentures.

3.5 TAX CONSIDERATIONS AND LEGAL CONSIDERATIONS

Special tax considerations and legal considerations may apply to certain types of investors. Potential Investors are urged to consult with their own financial, legal, tax and other advisors to determine any financial, legal, tax and other implications of this investment.

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3.6 ACCOUNTING CONSIDERATIONS

Special accounting considerations may apply to certain types of taxpayers. Potential Investors are urged to consult with their own accounting advisors to determine implications of this investment.

3.7 SECURITY MAYBE INSUFFICIENT TO REDEEM THE DEBENTURES

In the event that the Company is unable to meet its payment and other obligations towards Investors under the terms of the Debentures, the Debenture Trustee may enforce the Security as per the terms of security documents, and other related documents. The Investor's recovery in relation to the Debentures will be subject to (i) the market value of such secured property, (ii) finding willing buyers for the Security at a price sufficient to repay the potential Investors amounts outstanding under the Debentures. The value realised from the enforcement of the Security may be insufficient to redeem the Debentures.

3.8 MATERIAL CHANGES IN REGULATIONS TO WHICH THE ISSUER IS SUBJECT COULD IMPAIR THE ISSUER'S ABILITY TO MEET PAYMENT OR OTHER OBLIGATIONS.

The Issuer is subject generally to changes in Indian law, as well as to changes in government regulations and policies and accounting principles. Any changes in the regulatory framework could adversely affect the profitability of the Issuer or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.

3.9 LEGALITY OF PURCHASE

Potential Investors of the Debentures will be responsible for the lawfulness of the acquisition of the Debentures, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates or for compliance by that potential Investor with any law, regulation or regulatory policy applicable to it.

3.10 POLITICAL AND ECONOMIC RISK IN INDIA

The Issuer operates only within India and, accordingly, all of its revenues are derived from the domestic market. As a result, it is highly dependent on prevailing economic conditions in India and its results of operations are significantly affected by factors influencing the Indian economy. An uncertain economic situation, in India and globally, could result in a further slowdown in economic growth, investment and consumption. A slowdown in the rate of growth in the Indian economy could result in lower demand for credit and other financial products and services and higher defaults. Any slowdown in the growth or negative growth of sectors where the Issuer has a relatively higher exposure could adversely impact its performance. Any such slowdown could adversely affect its business, prospects, results of operations and financial condition.

3.11 RISKS RELATED TO THE BUSINESS OF THE ISSUER

- A. *The Issuer provides secured loans to the clients and if the Issuer is unable to control the level of non-performing loans ("NPAs") in the future, or if the Issuer's loan loss reserves are insufficient to cover future loan losses, the financial condition and results of operations may be materially and adversely affected.*

As at September 30, 2020, the gross NPA was 50.28 crores on a gross portfolio of Rs.3928.11 crores (1.28% of gross portfolio).

The Issuer cannot assure that it will be able to effectively control and reduce the level of the NPAs of its Client Loans. The amount of its reported NPAs may increase in the future as a result of growth of Client Loans. If the Issuer is unable to manage NPAs or adequately recover its loans, the results of its operations will be adversely affected.

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The current loan loss reserves may not be adequate to cover an increase in the amount of NPAs or any future deterioration in the overall credit quality of the Issuer's total loan portfolio. As a result, if the quality of the Issuer's total loan portfolio deteriorates the Issuer may be required to increase the loan loss reserves, which will adversely affect the Issuer's financial condition and results of operations. The Issuer's borrowers are from the middle and lower middleclass segments and, as a result, might be vulnerable if economic conditions worsen or growth rates decelerate in India, or if there are natural disasters such as floods and droughts in areas where the Issuer's members live. Moreover, there is no precise method for predicting loan and credit losses, and the Issuer cannot assure that the Issuer's monitoring and risk management procedures will effectively predict such losses or that loan loss reserves will be sufficient to cover actual losses. If the Issuer is unable to control or reduce the level of its NPAs or poor credit quality loans, the Issuer's financial condition and results of the Issuer's operations could be materially and adversely affected.

- B. *Lending to small businesses poses unique risks not generally associated with other forms of lending in India, and, as a result, the Issuer may experience increased levels of NPAs and related provisions and write-off that negatively impact results of operations.***

Issuer's core business is to provide collateralised loans to small business owners primarily in the urban and semi-urban areas. Any downturn in the area of activity by borrowers could adversely affect the ability of borrowers to make loan repayment on time and in turn negatively impact the Issuer's operation. Due to the precarious circumstances of borrowers and non-traditional lending practices the Issuer may, in the future experience increased level of non-performing loans and related provisions and write-offs that negatively impact its business and results of operations.

The Issuer has separated sales from credit risk department. This helps in better credit evaluation of the customer. A credit enhancement happens by the way of hypothecation of stocks/machineries and or mortgage of immovable property. The ability to repay the loan is taken care of by the internal credit evaluation and intention to repay is taken care of by the collaterals obtained.

- C. *The Issuer is exposed to certain political, regulatory and concentration of risks***

Due to the nature of its operations, the Issuer is exposed to political, regulatory and concentration risks. The Issuer believes a mitigate to this is to expand its geographical reach and may consequently expand its operations other states. If it is not effectively able to manage such operations and expansion, it may lose money invested in such expansion, which could adversely affect its business and results of operations.

- D. *The Issuer's business and results of operations would be adversely affected by strikes, work stoppages or increased wage demands by employees***

The employees are not currently unionized. However, there can be no assurance that they will not unionize in the future. If the employees unionize, it may become difficult to maintain flexible labour policies, and could result in high labour costs, which would adversely affect the Issuer's business and results of operations.

- E. *The Issuer's insurance coverage may not adequately protect it against losses. Successful claims that exceed its insurance coverage could harm the Issuer's results of operations and diminish its financial position***

The Issuer maintains insurance coverage of the type and in the amounts that it believes are commensurate with its operations and other general liability insurances. The Issuer's insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage.

In addition, there are various types of risks and losses for which the Issuer does not maintain insurance, such as losses due to business interruption and natural disasters, because they are

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either uninsurable or because insurance is not available to the Issuer on acceptable terms. A successful assertion of one or more large claims against the Issuer that exceeds its available insurance coverage or results in changes in its insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect the Issuer's business, financial condition and results of operations.

F. *Issuer requires certain statutory and regulatory approvals for conducting business and failure to obtain or retain them in a timely manner, or at all, may adversely affect operations.*

NBFCs in India are subject to strict regulation and supervision by the RBI. The Issuer requires certain approvals, licenses, registrations and permissions for operating its business, including registration with the RBI as a NBFC pursuant to Section 45-IA of the RBI Act, 1934. Further, such approvals, licenses, registrations and permissions must be maintained/renewed over time, applicable requirements may change and the Issuer may not be aware of or comply with all requirements all of the time. Additionally, RBI has issued detailed directions on prudential norms inter alia prescribing guidelines on income recognition, asset classification and provisioning requirements applicable to NBFCs, exposure norms, disclosures in the balance sheet, requirement of capital adequacy, restrictions on investments in land and building and unquoted shares besides others. In particular, the Issuer is required to obtain a certificate of registration for carrying on business as a NBFC that is subject to numerous conditions. In addition, its branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishments laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. If the Issuer fails to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, its business may be adversely affected. If the Issuer fails to comply, or a regulator claims that it has not complied, with any of these conditions, the Issuer's certificate of registration may be suspended or cancelled and it shall not be able to carry on such activities. If the Issuer fails to comply with the NBFC Directions and fails to maintain the status of NBFC, it may attract penal provisions under the RBI Act, 1934 for non-compliance. The penal action can also result in RBI cancelling the Certificate of Registration issued to the NBFC.

G. *Competition from banks and financial institutions, as well as state-sponsored programs, may adversely affect our profitability and position in the Indian NBFC lending industry*

The Issuer faces most significant competition from other NBFCs and banks in India. Many of the institutions with which Issuer competes can have greater assets and better access to, and lower cost of, funding than the issuer. In certain areas, they may also have better name recognition and larger member bases than Issuer. Issuer anticipates that it may encounter greater competition as they continue expanding the operations in India, which may result in an adverse effect on the business, results of operations and financial condition.

H. *The economic fallout from the spread of the COVID-19 virus may impact the Issuer's business prospects, financial condition, result of operations and credit risk*

The spread of the COVID-19 virus has affected millions across the globe and the same coupled with measures taken by the governments including lockdowns/ curfew has not only affected day to day lives of people but has also given a hard blow to the supply chain of factories, with trade routes being disturbed and slowing down of the industry, trade, commerce and business activities across all sectors.

However, the extent of negative financial impact from any resurgence of Covid cases and resultant reimposition of local/national lockdowns etc cannot be reasonably estimated at this time but a sustained economic slowdown may significantly affect our business, financial condition, liquidity, cashflows and results of operations and the same will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the COVID-19 virus and the actions to contain the COVID-19 virus or treat its impact, among others. Consequently, there may be a negative effect on the

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Company's ability to service the obligations in relation to the Debentures, should such events occur in the future.

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SECTION 4: REGULATORY DISCLOSURES

The Information Memorandum is prepared in accordance with the provisions of SEBI Debt Listing Regulations and in this section, the Issuer has set out the details required as per Schedule I of the SEBI Debt Listing Regulations.

4.1 Documents Submitted to the Exchanges

The following documents have been / shall be submitted to the BSE:

- A. Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
- B. Copy of last 3 (Three) years audited Annual Reports;
- C. Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- D. Copy of the resolution passed by the shareholders of the Company at the Annual General Meeting held on August 31, 2020, authorizing the issue/offer of non-convertible debentures by the Company for aggregate amounts not exceeding INR 3000,00,00,000/- (Rupees Three Thousand Crores only);
- E. Copy of the resolution passed by the Board of Directors dated June 10, 2020 read with the resolution passed by the Business and Resource Committee of the Board of Directors dated December 04, 2020 authorising the issuance of the Debentures and the list of authorised signatories;
- F. Copy of the resolution passed by the Company at the Annual General Meeting held on August 31, 2020 authorising the Company to borrow and create security in relation to such borrowings, upon such terms as the Board may think fit, upto an aggregate limit of INR 7000,00,00,000/- (Rupees Seven Thousand Crores only);
- G. An undertaking from the Issuer stating that the necessary documents for the creation of the charge, including the Debenture Trust Deed would be executed within the time frame prescribed in the relevant regulations/acts/rules etc. and the same would be uploaded on the website of the BSE, where the debt securities have been listed, within 5 (Five) working days of execution of the same;
- H. Where applicable, an undertaking that permission / consent from the prior creditor for a second or *pari passu* charge being created, in favour of the trustees to the proposed issue has been obtained; and
- I. Any other particulars or documents that the recognized stock exchange may call for as it deems fit.

4.2 Documents Submitted to Debenture Trustee

The following documents have been/shall be submitted to the Debenture Trustee in electronic form (soft copy) on or before the allotment of the Debentures:

- A. Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
- B. Copy of last 3 (Three) years audited Annual Reports;
- C. Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- D. Latest audited / limited review half yearly consolidated (wherever available) and standalone financial information (profit & loss statement, balance sheet and cash flow statement) and auditor qualifications, if any.
- E. An undertaking to the effect that the Issuer would, until the redemption of the debt securities, submit the details mentioned in point (D) above to the Debenture Trustee within the timelines as mentioned in Simplified Listing Agreement issued by SEBI *vide* circular number SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 as amended from time to time, for furnishing / publishing its half yearly/ annual result. Further, the Issuer shall within 180 (One Hundred and Eighty) calendar days from the end of the financial year, submit a copy of the latest annual report to the Debenture Trustee and the Debenture Trustee shall be obliged to share the details submitted under this clause with all 'Qualified

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Institutional Buyers' and other existing debenture-holders within 2 (two) Business Days of their specific request.

4.3 Name and Address of Registered Office of the Issuer:

| Sr. No. | Particulars | Details |
|---------|---------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Name of the Issuer | Five-Star Business Finance Limited |
| 2. | Registered Office of Issuer | New No. 27, Old No. 4, Taylor's Road, Kilpauk, Chennai – 600 010 |
| 3. | Corporate Office of Issuer | New No. 27, Old No. 4, Taylor's Road, Kilpauk, Chennai – 600 010 |
| 4. | Compliance Officer of Issuer | Ms. Shalini B |
| 5. | CFO of Issuer | Mr. Srikanth G |
| 6. | Registration Number | B-07.00286 |
| 7. | Corporate Identification Number | U65991TN1984PLC010844 |
| 8. | Phone number | 044-46106200 |
| 9. | Contact Person | Mr. Srikanth G |
| 10. | Email | srikanth@fivestargroup.in |
| 11. | Website of Issuer | https://www.fivestargroup.in/ |
| 12. | Auditors of the Issuer | B. S. R. & Co. LLP, KRM Tower, 1st and 2nd Floor, No. 1, Harrington Road, Chetpet, Chennai – 600 031 |
| 13. | Trustee to the Issue | Catalyst Trusteeship Limited, Windsor, 6th floor, Office No.604, C.S.T Road, Kalina, Santacruz (East) Mumbai – 400 098 |
| 14. | Registrar to the Issue | NSDL Database Management Limited, Trade World, A – Wing, 4th & 5th Floors, Kamala Mills Compound, Lower Parel, Mumbai – 400 013 |
| 15. | Credit Rating Agency | ICRA Limited 3rd Floor, Electric Mansion, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025. |
| 16. | Arrangers, if any, of the instrument | Northern Arc Capital Limited 10th Floor-Phase 1, IIT-Madras Research Park, Kanagam Village, Taramani, Chennai – 600 113 |

4.4 A brief summary of business / activities of the Issuer and its line of business:

(a) Overview:

Five-Star Business Finance Limited (formerly known as Five-Star Business Credits Limited) is a Systemically Important Non-Deposit taking Non-Banking Financial Company (“NBFC-ND-SI”) registered with the Reserve Bank of India. The company was established in 1984 and has been operating in the financial services space for more than 35 years.

The Company was originally promoted by Mr V K Ranganathan and is currently being managed by Mr D Lakshmiopathy, who joined the Board of the company in 2002, and

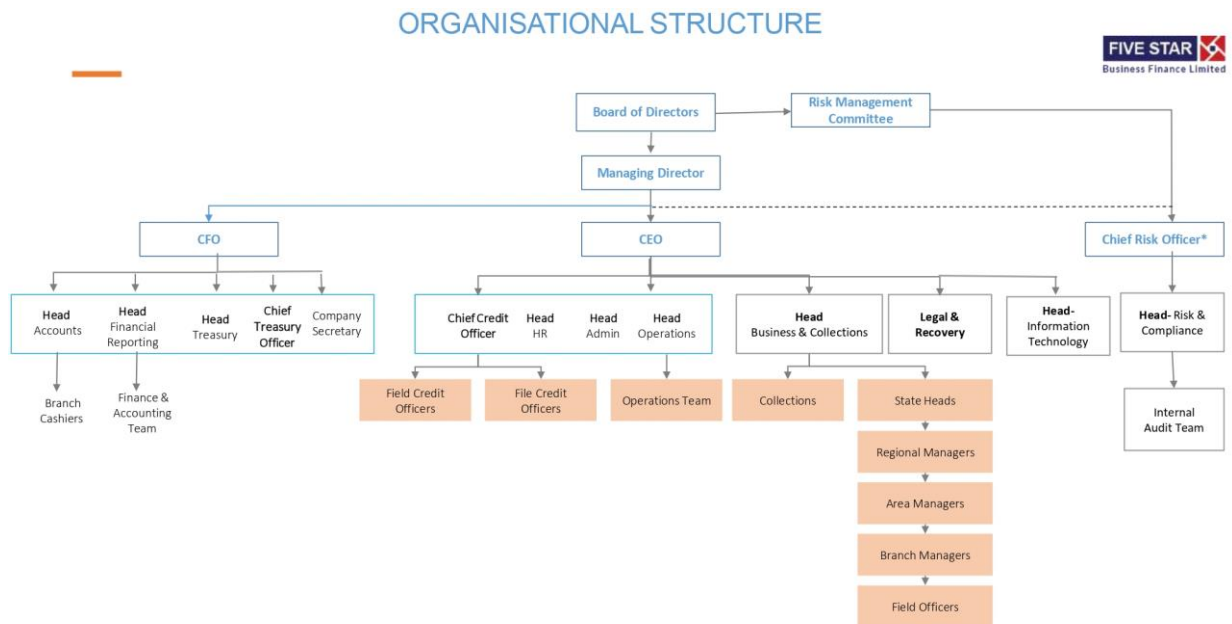
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is currently its Chairman and Managing Director. Under his leadership, over the last 9 years, the Company has grown from a branch network of 6 to more than 200 today and from an AUM of Rs.18 Crores to more than Rs.3900 Crores in this period. The management comprises of professionals who have longstanding experience and expertise in the financial services industry and have the necessary skills to carry out their responsibilities.

The Company is currently engaged mainly in providing Collateralized Small Business Loans to its customers in urban, semi-urban and fast-growing rural geographies. All its loans are collateralised and fully secured against property. The collaterals are usually the residential house property of the borrower(s) (self-occupied in a majority of cases) with exclusive charge resting with Five-Star. The loans disbursed by the Company are to small businessmen engaged predominantly in service-oriented businesses with loans typically ranging from Rs.1 Lakh to Rs.10 Lakh and Average Loan Ticket Size of about Rs. 4 Lakhs and tenor of up to 7 years.

As at September 30, 2020, Five-Star operated 261 branches in 8 states – Tamil Nadu (87 branches; including 2 in Puducherry), Andhra Pradesh (67 branches), Telangana (38 branches), Karnataka (32 branches), Maharashtra (4 branches) Madhya Pradesh (27 branches), Chhattisgarh (3 branches) and Uttar Pradesh (1 branch) with a borrower base of more than 1,50,000 customers and a total portfolio under management more than Rs. 3900 Crores.

(b) Corporate Structure/Organization Structure:



*Appointed w.e.f April 2020

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i. **Brief Profile of the Board of Directors:**

| Name | Work Experience |
|---------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| D. Lakshmipathy Chairman & Managing Director | <p>Mr. Lakshmipathy is an Engineering graduate from Madras University. He hails from a business family. Before joining Five-Star he was Managing Director of RKV Finance Limited, a NBFC registered with RBI.</p> <p>On amalgamation of RKV with Five-Star during 2002 he joined the Board of Five-Star as Joint Managing Director. His wide exposure in lending to Small Business Customers which was successful in that company, helped him to develop similar advance portfolio at Five-Star with great success.</p> <p>Presently he is also Director, Finance Companies Association of India and Management Committee member, South India Hire Purchase Association. He is on various committees of both the Associations and takes active interest in the development of trade associations.</p> |
| A Ramanathan Independent Director | <p>Mr Ramanathan is retired Chief General Manager from NABARD. His expertise lies in Institutional Development, Organisational Development, Organisational Behaviour, Small Business Development, training need assessment, training techniques etc. He has more than 35 years of rich experience in the banking industry.</p> |
| Bhama Krishnamurthy Independent Director | <p>She was Country Head and Chief General Manager of SIDBI. She has closely dealt with Multilateral and Bilateral Agencies in close co-ordination with the Government of India. Her areas of specialization include, inter-alia, handling of Human Resources Development Division covering recruitment, training and promotion aspects. She was also associated with drafting of CSR Policy guidelines for the Bank.</p> |
| R Anand Independent Director | <p>Mr Anand is a Chartered Accountant with over 30 years of industry experience. He worked in Sundaram Finance for over 20 years occupying several positions in Finance and Audit. He also worked as a Partner in Ernst & Young LLP covering Tax and Regulatory aspects of various industries like Financial Services, Real Estate, Auto and Auto components, Media and Entertainment. His specializations include NBFC Regulations, Corporate Tax and Foreign Investment and Exchange control regulation and Corporate restructuring. He has also been appointed as a Non-official Independent Director in MMTCL Limited.</p> |
| Vikram Vaidyanathan Nominee Director - Matrix Partners | <p>Vikram is an MBA graduate from IIM Bangalore, and interned at Procter & Gamble, Singapore. He joined McKinsey & Co. after his MBA and worked across a variety of sectors including mobile media, TV, retail, engineering construction and manufacturing. Currently Vikram is one the Managing Directors at Matrix Partners.</p> |
| B Haribabu Independent Director | <p>Mr.Haribabu holds a bachelors degree from Madras University. He hails from a business family and continues the family business of brick manufacturing. He is also the Founder Trustee of Sri Venkateswara College of Technology, Vadakal Village, Mathur Post, Tamil Nadu. He joined the Board of Five-Star in 1996.</p> |
| L R Raviprasad Non-executive Director | <p>Mr. Raviprasad holds a Bachelor's degree from Madras University. He hails from a business family and continues the family business of brick manufacturing. He joined the Board of Five-Star in 2002.</p> |

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| Name | Work Experience |
|---------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Ling Wei Ong <i>Nominee Director</i> - NHPEA <i>Chocolate Holdings B.V.</i> | Ling Wei Ong is an Executive Director of Morgan Stanley. He joined Morgan Stanley in 2005 and monitors the group's investments, including structuring and valuation, finance and compliance. Prior to joining Morgan Stanley, Ling was with Deloitte & Touche in Singapore for over seven years. Mr.Ling holds a BS in Accountancy from Nanyang Technological University and is a Chartered Accountant (Singapore). |
| Arjun Saigal <i>Alternate Director -</i> NHPEA <i>Chocolate Holdings B.V.</i> | Arjun Saigal is an Executive Director of Morgan Stanley. He joined Morgan Stanley in 2012 and focuses on the Group's Private Equity transactions in India. Prior to joining Morgan Stanley, Arjun was with Baring Private Equity Partners India. He is a graduate of the London School of Economics and received his MBA from Columbia Business School. |
| V Thirulokchand <i>Non-executive Director</i> | Thirulokchand is a Hotel Management Graduate with over 17 years of experience in the Hospitality business. His areas of expertise include Team Management, Customer satisfaction and Process Optimisation. |
| Ganapathyagrahar Venkataraman Ravishankar <i>Nominee Director</i> - SCI Investments V | <p>Mr G V Ravishankar is a Managing Director of Sequoia Capital India. Prior to joining Sequoia, he has also worked at McKinsey in the capacity of an advisor to management teams of top Indian companies. He had also worked at Wipro prior to McKinsey, where he helped several venture-backed networking start-up clients on a wide variety of issues.</p> <p>He has a Masters in Business Administration from Indian Institute of Management (IIM), Ahmedabad where he was awarded the President's Gold Medal. He also holds a BE in Computer Science and Engineering from REC Trichy.</p> |
| Sanjeev Mehra <i>Nominee Director</i> - TPG Asia VII <i>SF Pte. Ltd.</i> | Sanjeev Mehra is a Director at TPG Capital Asia where he covers the Financial Services and Consumer sectors. He is based in Mumbai and has over 10 years of investing experience. Sanjeev has an MBA from London Business School and an undergraduate degree in Economics from Delhi University. |

ii. **Brief Profile of the management of the Company:**

| Name & Designation | Profile and Experience |
|--------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Rangarajan Krishnan <i>Chief Executive Officer</i> | <p>Rangarajan is a well rounded finance professional with about 15 years of work experience across commercial banking, private equity investment, project finance and advisory. He started his career with HDFC Bank in the Corporate Banking division and then moved on to Standard Chartered Bank in the Mid-Market Commercial Banking division catering to a wide range of fund/ non-fund, trade and treasury requirements of these corporates. He then worked with the South Asia Infrastructure Investment team at International Finance Corporation, World Bank, and led a wide array of equity/ debt investments in projects across different economies. Over the last five years before joining Five-Star, he was with Spark Capital where he headed their advisory/ investment banking initiatives across the financial services and consumer sectors. He joined Five-Star in August 2015 as Chief Operating Officer and heads business, credit and operations.</p> <p>By qualification, he is a commerce graduate and has done two Masters in Business Administration (one from Sri Sathya Sai Institute of Higher Learning and one from The Indian School of Business) with specialization in Analytical Finance and Leadership.</p> |

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

| Name & Designation | Profile and Experience |
|-----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Srikanth G <i>Chief Financial Officer</i> | <p>Srikanth is a seasoned banking and finance professional with a combined experience of about 15 years across multiple functions. He spent the first 8 years of his career in Citibank and other Citigroup entities working across various functions like financial planning and analysis, Securitization and Structuring, Treasury, and Operations. He was the Vice President and Head of Business Planning and Analysis for the Consumer portfolio of Citibank when he moved out of the bank to take up the role of Chief Financial Officer at Asirvad Microfinance Private Limited.</p> <p>For over the last 5 years prior to joining Five-Star, he had been managing the finance, treasury and technology at Asirvad and had been an integral part of the senior management team. He was instrumental in shepherding the organization when the entire Microfinance industry was hit by the crisis in 2010 and was also instrumental in Manappuram Finance Limited taking a majority stake in Asirvad.</p> <p>He joined Five-Star in October 2015 as the Chief Financial and Information Officer and heads the finance function.</p> <p>By qualification, he is a commerce graduate and holds an MBA in Finance and General Management from Sri Sathya Sai Institute of Higher Learning (Deemed University) and has been a gold medalist in both the UG and PG courses.</p> |
| Vishnuram Jagannathan <i>Chief Risk Officer</i> | <p>Vishnuram is an experienced banking professional with over 15 years experience across transaction banking and operations. He had previously worked with HDFC Bank and HSBC where he was part of the Global Trade & Receivable Finance team. Prior to joining Five-Star, Vishnuram was the Vice President at Deutsche Bank heading the transaction banking division of the bank in Tamilnadu and Andhra Pradesh.</p> |
| Sanjay Chaturvedi <i>Chief Treasury Officer</i> | <p>Sanjay is a management graduate and comes with about 18 years of treasury work experience across multiple banks and NBFCs for Managing their ALM, fund raising, investor relationships, market Risks & Securitization markets. Sanjay was also instrumental in helping set up the front-end treasury desk in Mumbai for Cholamandalam Investment & Finance Co. Prior to joining Five-Star, he was the Senior Vice President and Head Treasury for Motilal Oswal Home Finance Corporation.</p> |
| Prashanth S <i>Head – Treasury</i> | <p>Prashanth is an MBA with more than 16 years' cross-functional experience across industry and advisory, of which the last 7 years have been spent working with a number of corporates across industries shepherding various fund-raise proposals from banks, FIs etc.</p> |

(c) **Key operational and financial parameters for the last 3 audited years on a consolidated basis (wherever available) else on a standalone basis.**

(Amount in Rs.)

| Parameters (Amount in Rs. Crores) | Audited IGAAP | Audited INDAS | Audited INDAS | Unaudited INDAS |
|---------------------------------------------------------------|----------------|----------------|----------------|--------------------|
| (Rs. In Crores) | March 31, 2018 | March 31, 2019 | March 31, 2020 | September 30, 2020 |
| Net Worth | 600.15 | 1365.12 | 1944.58 | 2134.25 |
| Total Debt | 549.75 | 954.91 | 2350.20 | 3061.81 |
| of which: – Non Current Maturities of Long Term Borrowing* | - | - | - | - |

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| | | | | |
|-------------------------------------------|---------|--------|---------|---------|
| - Short Term Borrowing | - | - | - | - |
| Current Maturities of Long Term Borrowing | - | - | - | - |
| Net Fixed Assets | 4.54 | 7.44 | 11.06 | 9.52 |
| Non Current Assets | 21.68 | 10.10 | 15.09 | 13.03 |
| Cash and Cash equivalents | 131.45 | 219.73 | 451.13 | 1300.91 |
| Current Investments | - | - | - | - |
| Current Assets | - | - | - | - |
| Current Liabilities | 8.57 | 24.67 | 44.88 | 57.78 |
| Assets Under Management | 1008.26 | 2112.8 | 3892.23 | 3928.11 |
| Off balance sheet assets | - | - | - | - |
| Interest Income | 192.32 | 389.74 | 746.82 | 497.11 |
| Interest Expense | 57.77 | 75.92 | 216.94 | 158.74 |
| Provisioning & Write Offs | 9.32 | 7.55 | 49.34 | 1.44 |
| PAT | 55.83 | 156.28 | 260.83 | 188.85 |
| Total comprehensive income | 55.83 | 156.28 | 260.83 | 188.85 |
| Gross NPA (%) | 1.43% | 0.88% | 1.37% | 1.28% |
| Net NPA (%) | 0.95% | 0.68% | 1.13% | 1.01% |
| Capital Adequacy Ratio (%) | 58.82% | 64.09% | 52.94% | 58.43% |

Note 1: FY 2019, FY 2020 and FY 2021 Q1 & H1FY2021 figures are as per IND-AS. Figures for 2018 are as per IGAAP and hence may not be directly comparable.

Gross NPA for FY2019, FY2020 is Stage 3 Assets while Net NPA for FY2019, FY2020 and is calculated as Stage 3 Assets less ECL for Stage 3 Assets.

Note 2: AUM & Debt for FY19, FY20 & H1 FY2021 are net of unamortized processing fee as per Ind AS; AUM is gross of provisions.

***In relation to the numbers which have not been provided against some of the particulars set out hereinabove, we note that the Company does not prepare its financial statements in a manner that enables it to disclose such numbers, and the numbers are currently in unaudited form and have not been disclosed.**

B. Gross Debt: Equity Ratio of the Company (As on September 30, 2020):

| | |
|-------------------------------------|------|
| Before the issue of debt securities | 1.44 |
| After the issue of debt securities | 1.50 |

Calculations:

As on September 30, 2020, debt-to-equity ratio is calculated as follows:

| | |
|-------------|------------------------|
| | <i>(Rs. in Crores)</i> |
| Debt | 3062.00 |
| Equity | 2134.25 |
| Debt/Equity | 1.44 |

Subsequent to the issue, debt-to-equity ratio shall be calculated as follows:

| | |
|-------------|------------------------|
| | <i>(Rs. in Crores)</i> |
| Debt | 3222 |
| Equity | 2134.25 |
| Debt/Equity | 1.50 |

C. Project cost and means of financing, in case of funding new projects:

Not applicable

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4.5 A Brief history of Issuer since its incorporation giving details of its following activities:

A. Details of Share Capital as on last quarter end i.e. September 30, 2020:

| Share Capital | Rs. In Lakhs |
|------------------------------|--------------|
| Authorised | |
| Equity Share Capital | 5500 |
| | |
| Issued and Subscribed | |
| Equity Shares | 2718.13 |
| | |
| Fully Paid- up | |
| Equity Shares | 2563.54 |

* 17,17,597 Partly paid shares have been issued with paid-up value of INR 1 per share

B. Changes in its capital structure as on last quarter end i.e. September 30, 2020, for the last five years:

| S. No | Date of Change (AGM/ EGM) | Change / Remarks/ Amounts |
|-------|---------------------------|--------------------------------------------------------------------------|
| 1. | 21-Feb-2014 (EGM) | Increase in Authorised Capital from Rs. 7,00,00,000 to Rs. 12,00,00,000 |
| 2. | 12-April-2016 (EGM) | Increase in Authorised Capital from Rs. 12,00,00,000 to Rs. 20,00,00,000 |
| 3. | 28-Jul-2018 (EGM) | Increase in Authorised Capital from Rs. 20,00,00,000 to Rs. 30,00,00,000 |
| 4. | 17-Mar-20 (Amalgamation) | Increase in Authorised Capital from Rs. 30,00,00,000 to Rs. 55,00,00,000 |

C. Equity share capital history of the Company as on last quarter end i.e. September 30, 2020, for the last five years:

| Date of Allotment | No. of Shares allotted (lakhs) | Face value (Rs.) | Issue Price (Rs.) | Consideration (Rs. In Crores) | Nature of Allotment | Cumulative | | | Remarks |
|-------------------|--------------------------------|------------------|-------------------|-------------------------------|---------------------|--------------------------------------|-------------------------------------|-------------------------------------|---------|
| | | | | | | No of Equity Shares Issued / Paid-up | Equity Share Capital (Rs. In lakhs) | Equity Share Premium (Rs. In lakhs) | |
| 21-Feb-14 | 20 | 10 | 85 | 1,700.00 | Private Placement | 90,00,000 | 900 | 1500 | NIL |
| 03-Feb-15 | 12 | 10 | 130 | 1,560.00 | Private Placement | 1,02,00,000 | 1,020 | 1440 | NIL |
| 29-Sep-15 | 3.5 | 10 | 130 | 455 | Private Placement | 1,05,50,000 | 1,055 | 420 | NIL |
| 30-Nov-15 | 1.5 | 10 | 130 | 195 | Private Placement | 1,07,00,000 | 1,070 | 180 | NIL |
| 30-Jun-16 | 35.65 | 10 | 319.63 | 11,394.98 | Private Placement | 1,42,65,052 | 1,427 | 11038 | NIL |
| 09-Jun-17 | 1.88 | 10 | 10 | 18.8 | ESOP | 1,44,53,052 | 1,445 | 0 | NIL |
| 18-Aug-17 | 47.15 | 10 | 674.4 | 31,800.00 | Private Placement | 1,91,68,354 | 1,917 | 31328 | NIL |
| 25-Sep-17 | 0.01 | 10 | 85 | 0.43 | ASOP | 1,91,68,854 | 1,917 | 0.3 | NIL |
| 24-Jul-18 | 0.08 | 10 | 130 | 10.4 | ASOP | 1,91,76,854 | 1,918 | 10 | NIL |
| 03-Aug-18 | 46.87 | 10 | 1320.72 | 61,899.87 | Private Placement | 2,38,63,682 | 2,386 | 61431 | NIL |

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| | | | | | | | | | |
|-----------|--------|----|----------|--------|-------------------|-------------|-------|----------|-----|
| 12-Sep-18 | 0.01 | 10 | 85 | 0.43 | ESOP | 2,38,64,182 | 2,386 | 0.3 | NIL |
| 12-Dec-18 | 0.01 | 10 | 130 | 1.3 | ESOP | 2,38,65,182 | 2,387 | 1.2 | NIL |
| 27-Dec-18 | 0.25 | 10 | 10 | 3 | ESOP | 2,38,90,182 | 2,389 | 0 | NIL |
| 08-Feb-19 | 0.02 | 10 | 130 | 2.08 | ESOP | 2,38,91,782 | 2,389 | 1.92 | NIL |
| 28-Feb-19 | 0.07 | 10 | 130 | 9 | ESOP | 2,38,98,782 | 2,390 | 8.4 | NIL |
| 29-Mar-19 | 0.01 | 10 | 130 | 1 | ESOP | 2,38,99,582 | 2,390 | 0.96 | NIL |
| 16-May-19 | 0.01 | 10 | 130 | 2 | ESOP | 2,39,00,982 | 2,390 | 10.02 | NIL |
| 28-Jun-19 | 0 | 10 | 130 | 0 | ESOP | 2,39,01,182 | 2,390 | 1.43 | NIL |
| 11-Jul-19 | 0 | 10 | 130 | 0 | ESOP | 2,39,01,232 | 2,390 | 0.34 | NIL |
| 22-Jul-19 | 13.32 | 10 | 2364.4 | 31,500 | Private Placement | 2,52,33,494 | 2,523 | 31366.78 | NIL |
| 08-Aug-19 | 0.01 | 10 | 130 | 1.56 | ESOP | 2,52,34,694 | 2,523 | 4.86 | NIL |
| 24-Sep-19 | 0 | 10 | 130 | 0.13 | ESOP | 2,52,35,294 | 2,524 | 2.03 | NIL |
| 24-Sep-19 | 0.01 | 10 | 85 | 0.43 | ESOP | | | | NIL |
| 06-Dec-19 | 1.19 | 10 | 10 | 11.92 | ESOP | 2,53,54,532 | 2,535 | 146.52 | NIL |
| 12-Dec-19 | 0.56 | 10 | 10 | 5.58 | ESOP | 2,54,10,294 | 2,541 | 68.70 | NIL |
| 25-Feb-20 | 7.50** | 10 | 2,364.40 | 75 | Private Placement | 2,61,60,294 | 2,616 | 67.5 | NIL |
| 21-Mar-20 | 9.68** | 10 | 1037.94 | 96.76 | Rights Issue | 2,71,27,891 | 2,713 | 87.08 | NIL |
| 17-Aug-20 | 0.52 | 10 | 10 | 5.20 | ESOP | 2,71,79,891 | 2,718 | 87.08 | NIL |
| 30-Sep-20 | 0.01 | 10 | 130 | 1.82 | ESOP | 2,71,81,291 | 2,718 | 88.76 | NIL |

**17,17,597 Partly paid shares have been issued with paid-up value of INR 1 per share

D. Details of any acquisition or amalgamation in the last 1 (one) year:

During the year ended March 31, 2020, the Company vide its board meeting dated August 29, 2019 had approved the Scheme of Amalgamation (“**the Scheme**”) of its wholly owned subsidiary - Five-Star Housing Finance Private Limited with the Company and their respective shareholders under sections 233 of the Act and other applicable provisions of the Act. The appointed date under the aforesaid Scheme is April 1, 2019. This scheme has been approved by the regulatory authorities. As required by the IND AS 103 - Business Combinations, pooling of interest method has been considered for common control business combination and accordingly, the assets and liabilities are reflected in the books of the Company at their respective carrying amounts.

E. Details of any reorganization or reconstruction in the last 1 (one) year:

There has been no reorganisation or reconstruction in the last 1 (one) year.

4.6 Details of the shareholding of the Company as on September 30, 2020:**A. Shareholding pattern of the Company as on September 30, 2020:**

| S. No. | Category | Paid-up Capital | | Number of shares held in demat form |
|----------|------------------------------------------------------|--------------------|-------------------|-------------------------------------|
| | | No. of shares Held | % of shareholding | |
| A | Promoters Holding | | | |
| 1 | Indian: | | | |
| | Individual – D Lakshmiopathy and Immediate Relatives | 60,27,801 | 22.18 | 60,27,801 |

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| | | | | |
|----------|-----------------------------------------------------|--------------------|---------------|--------------------|
| | Bodies Corporate | - | - | |
| | Sub Total | 60,27,801 | 22.18 | 60,27,801 |
| 2 | Foreign Promoters | - | - | |
| | Sub Total (A) | 60,27,801 | 22.18 | 60,27,801 |
| B | Non Promoters' Holding | | | |
| | Matrix Partners India Investment Holdings II, LLC | 41,00,999 | 15.09 | 41,00,999 |
| | Matrix Partners India Investments II Extension, LLC | 68,897 | 0.25 | 68,897 |
| | NHPEA Chocolate Holding B.V. | 35,98,051 | 13.24 | 35,98,051 |
| | Norwest Venture Partners X – Mauritius | 25,69,650 | 9.45 | 25,69,650 |
| | SCI Investments V | 25,69,650 | 9.45 | 25,69,650 |
| | TPG Asia VII SF Pte. Ltd. | 61,10,673 | 22.48 | 61,10,673 |
| | Indian Public | 20,02,270 | 7.37 | 16,23,030 |
| | Directors and relatives | 1,33,300 | 0.49 | 1,33,300 |
| | Sub Total (B) | 2,11,53,490 | 77.82 | 2,07,74,250 |
| | GRAND TOTAL | 2,71,81,291 | 100.00 | 2,68,02,051 |

B. List of top 10 holders of equity shares of the Company as on September 30, 2020:

| S. no | Name of Shareholder | No. of Shares | % of Holding |
|-------|---------------------------------------------------|---------------|--------------|
| 1 | TPG Asia VII SF PTE Ltd | 6110673 | 22.48% |
| 2 | Matrix Partners India Investment Holdings II, LLC | 4100999 | 15.09% |
| 3 | D Lakshmipathy | 3710771 | 13.65% |
| 4 | NHPEA Chocolate Holding B.V. | 3598051 | 13.24% |
| 5 | SCI Investments V | 2569650 | 9.45% |
| 6 | Norwest Venture Partners X - Mauritius | 2569650 | 9.45% |
| 7 | Hema | 2089060 | 7.69% |
| 8 | Atma Ram Builders (P) Ltd. | 545510 | 2.01% |
| 9 | Krishnan Rangarajan | 275793 | 1.01% |
| 10 | Ramasamy Jayachandran | 212368 | 0.78% |

4.7 Following details regarding the directors of the Company:**A. Details of current directors of the Company:**

This table sets out the details regarding the Company's Board of Directors:

| S. No. | Name, designation and DIN | Age (in years) | Address | Director of the Company since | Other Directorship |
|--------|-----------------------------------------------------------------------------------|----------------|-----------------------------------------------------------------------------------------|-------------------------------|--------------------------------------------------------------------------|
| 1. | D Lakshmipathy <i>Chairman & Managing Director</i> DIN: 01723269 | 46 | Old No. 22, New No.39, Outer Circular Road, Kilpauk Garden, Kilpauk, Chennai - 600 010. | June, 2002 | NIL |
| 2. | A Ramanathan <i>Independent Director</i> DIN: 02645247 | 72 | Plot No. 28, 18th Street, TANSI Nagar, Velachery, Chennai - 600 042. | February, 2016 | 1.Samasta Microfinance Limited 2. Svasti Microfinance Private Limited |

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| | | | | | |
|----|------------------------------------------------------------------------------------------------------|----|-------------------------------------------------------------------------------------------------------------------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | | | | <p>3. Unnati Microfin Private Limited</p> <p>4. Hindusthan Microfinance Private Ltd</p> <p>5. United Overseas Facilities Management Private Limited</p> <p>6. Mangal Credit and Fincorp Limited</p> <p>7. South India Finvest Private Limited</p> <p>8. Asirvad Micro Finance Limited</p> <p>9. Magalir Micro Capital Private Limited</p> |
| 3. | <p>Bhama Krishnamurthy <i>Independent Director</i></p> <p>DIN: 02196839</p> | 66 | <p>No. B1/23, Technocrat, Cooperative Housing Society, Twin Tower Lane, Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025.</p> | April, 2016 | <p>1. Reliance Industrial Infrastructure Limited</p> <p>2. Cholamandalam Investment and Finance Company Limited</p> <p>3. Network18 Media & Investments Limited</p> <p>4. Muthoot Microfin Limited</p> <p>5. Reliance Payment Solutions Limited</p> <p>6. CSB Bank Limited</p> |
| 4. | <p>R Anand <i>Independent Director</i></p> <p>DIN: 00243485</p> | 59 | <p>No. 22, Warren Road, Mylapore, Chennai – 600 004.</p> | July, 2016 | <p>1. Sterling Holiday Resorts Limited</p> <p>2. Ess Kay Fincorp Limited</p> <p>3. Nani Palkhivala Arbitration Centre</p> <p>4. Chennai International Centre</p> <p>5. Jasmine Concrete Exports Private Limited</p> |
| 5. | <p>Vikram Vaidyanathan <i>Nominee Director - Matrix Partners</i></p> <p>DIN: 06764019</p> | 39 | <p>B-602, Zen Garden, No.6, Artillery Road, Ulsoor, Behind Cambridge Hospital, Bangalore - 560 008.</p> | August, 2015 | <p>1. Blue Jay Finlease Limited</p> <p>2. Ver Se Innovation Private Limited</p> <p>3. Mswipe Technologies Private Limited</p> <p>4. Sarvaloka Services-On-Call</p> |

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| | | | | | |
|-----|--------------------------------------------------------------------------------------------------------|----|------------------------------------------------------------------------------------|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | | | | Private Limited 5. OFB Tech Private Limited 6. Goddard Technical Solutions Private Limited 7. Mswipe Capital Private Limited 8. Amica Financial Technologies Private Limited 9. AF Capital Private Limited 10. Atv Ventures LLP 11. Matrix Partners India Advisors LLP 12. OLA Financial Services Private Limited |
| 6. | B. Haribabu <i>Independent Director</i> DIN: 01509249 | 61 | No.39/28, Gajapathy Street, Shenoy Nagar, Chennai - 600 030. | September, 1996 | NIL |
| 7. | L R Raviprasad <i>Non-Executive Director</i> DIN: 01522796 | 58 | Old No.59, New No.11, Gajapathy Street, Shenoy Nagar, Chennai - 600 030. | June, 2002 | 1.Vasumathi Properties Private Limited |
| 8. | Ling Wei Ong <i>Nominee Director - Morgan Stanley</i> DIN: 02405458 | 46 | Flat B, 33 Floor, One Pacific Heights, No.1, Wo Fung Street, Hong Kong. | June, 2016 | ZCL chemicals limited |
| 9. | Arjun Saigal <i>Alternate Director to Ling Wei Ong - Morgan Stanley</i> DIN: 07556188 | 41 | 536, Sainik Farms, New Delhi - 110 062. | July, 2016 | 1. Southern Health Foods Private Limited 2. Sahajanand Medical Technologies Private Limited 3. Kogta Financial (India) Ltd 4. Centrum Housing Finance Limited |
| 10. | V Thirulokchand <i>Non-Executive Director</i> DIN: 07679930 | 44 | Door No.1, 11th Block, MMDA Colony, Mogappair East, Chennai - 600 037. | December, 2016 | NIL |
| 11. | G V Ravishankar <i>Nominee Director - Sequoia Capital</i> DIN: 02604007 | 42 | 17A, ETA Binny Crescent Apts., Benson Cross Road, Benson Town, Bangalore - 560046. | August, 2017 | 1. Prataap Snacks Limited 2. Pure N Sure Food Bites Private Limited 3. Go Fashion (India) Private Limited |

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| | | | | | |
|-----|--------------------------------------------------------------------------------------------------|----|-------------------------------------------------------------------------------------------|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | | | | 4. Indigo Paints Private Limited 5. Faces Cosmetics India Private Limited 6. Manappuram Finance Tamil Nadu Limited 7. India Shelter Finance Corporation Limited 8. Capfloat Financial Services Private Limited 9. Vini Cosmetics Private Limited 10. Finova Capital Private Limited 11. Sequoia Capital India Advisors Private Limited 12. Rupeek Fintech Private Limited 13. Home vista Decor and Furnishings Private Limited 14. Fintech Blue Solutions Private Limited 15. K12 Techno Services Private Limited 16. Think & Learn Private Limited 17. Suburban Diagnostics (India) Private Limited 18. Rebel Foods Private Limited |
| 12. | Sanjeev Mehra <i>Nominee Director – TPG Asia VII SF Pte. Ltd.</i> DIN: 07491208 | 38 | 2A Nibbana Annexe 95-A, Pali Hill Road, Pali Hill, Bandra (W), Mumbai 400 050 | June, 2020 | 1. Shriram General Insurance Company Limited 2. Shriram Life Insurance Company Limited |

**Company to disclose name of the current directors who are appearing in the RBI defaulter list and/or ECGC default list, if any: None*

B. Details of change in directors since last three years as on September 30, 2020:

| Name | Designation | DIN | Date of Appointment/ Resignation | Director of the Company since (in case of resignation) |
|---------------|-------------|----------|-------------------------------------|-----------------------------------------------------------|
| M K Ganeshram | Director | 01385144 | 30-01-2015 | 24-04-1985 |

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| | | | | |
|---------------------------------------------|----------------------------------------|----------|------------|------------|
| Rishi Navani | Nominee Director | 01758427 | 05-08-2015 | 12-03-2014 |
| M Anandan | Chairman | 00033633 | 21-08-2015 | 21-04-2010 |
| Vikram Vaidyanathan | Nominee Director | 06764019 | 21-08-2015 | - |
| M K Mohan | Independent Director | 00481064 | 09-06-2016 | 20-09-1984 |
| Ramanathan Annamalai | Independent Director | 02645247 | 26-02-2016 | - |
| Kalpana Iyer | Independent Director | 01874130 | 12-04-2016 | - |
| Bhama Krishnamurthy | Independent Director | 02196839 | 12-04-2016 | - |
| Ling Wei Ong | Nominee Director | 02405458 | 30-06-2016 | - |
| Arjun Saigal | Alternate director to Mr. Ling Wei Ong | 07556188 | 28-07-2016 | - |
| Anand Raghavan | Independent Director | 00243485 | 28-07-2016 | - |
| Vasan Thirulokchand | Non-Executive Director | 07679930 | 15-12-2016 | - |
| Ganapathyagraharam Venkataraman Ravishankar | Nominee Director | 01522796 | 18-08-2017 | - |
| Kalpana Iyer | Independent Director | 01874130 | 30-04-2018 | 12-04-2016 |
| Gaurav Trehan | Nominee Director | 03467781 | 03-08-2018 | 22-05-2020 |
| Sanjeev Mehra | Nominee Director | 07491208 | 10-06-2020 | - |

4.8 Following details regarding the auditors of the Company:**A. Details of the auditor of the Company:**

| Name | Address | Auditor Since | Remarks |
|---------------------|-------------------------------------------------------------------------------------------|-----------------|---------|
| M/s B S R & Co. LLP | KRM Tower, 1st and 2nd Floor, No. 1, Harrington Road, Chetpet, Chennai – 600 031 | September, 2018 | NIL |

B. Details of change in auditors since last three years:

| Name | Address | Date of Appointment / Resignation | Remarks |
|---------------------|-------------------------------------------------------------------------------------------|-----------------------------------|---------|
| M/s Brahmayya & Co. | No.48, Masilamani Road, Balaji Nagar, Royapettah, Chennai – 600 014. | September 22, 2018 | NIL |
| M/s B S R & Co. LLP | KRM Tower, 1st and 2nd Floor, No. 1, Harrington Road, Chetpet, Chennai – 600 031 | September 22, 2018 | NIL |

*(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)***4.9 Details of borrowings of the Company, as on latest quarter end i. e. September 30, 2020:****A. Details of Secured Loan Facilities as on September 30, 2020:**

(Rs. In Cr.)

| Name of the lender | Category/ type of facility | Amount availed/ sanctioned | Outstanding Amount as on September 30, 2020 | Security | Repayment Date/ Schedule |
|----------------------------|----------------------------------|----------------------------------|------------------------------------------------------|----------|-----------------------------|
| HDFC Bank | Car Loan | - | 0 | 100% | 5-Nov-20 |
| Federal Bank | TL - Banks | 10 | 1 | 125% | 30-Mar-21 |
| Federal Bank | TL - Banks | 10 | 4 | 125% | 23-Mar-22 |
| State Bank of India | TL - Banks | 40 | 11 | 125% | 31-Jan-22 |
| South Indian Bank | TL - Banks | 5 | 1 | 111% | 2-Mar-21 |
| South Indian Bank | TL - Banks | 5 | 2 | 133% | 28-Mar-22 |
| Karnataka Bank | TL - Banks | 5 | 1 | 133% | 28-Feb-21 |
| RBL | TL - Banks | 20 | 2.94 | 120% | 21-Feb-21 |
| RBL | TL - Banks | 50 | 18.75 | 120% | 31-Dec-21 |
| RBL | TL - Banks | 50 | 25.00 | 120% | 18-Feb-22 |
| AU Small Finance Bank | TL - Banks | 20 | 2.47 | 110% | 15-Mar-21 |
| Equitas Small Finance Bank | TL - Banks | 15 | 2.81 | 110% | 5-Apr-21 |
| Equitas Small Finance Bank | TL - Banks | 10 | 2.17 | 110% | 5-Apr-21 |
| Kotak Mahindra Bank | TL - Banks | 20 | 3.33 | 115% | 28-Feb-21 |
| YES Bank | TL - Banks | 25 | 4.86 | 115% | 5-Apr-21 |
| Equitas Small Finance Bank | TL - Banks | 25 | 11.11 | 110% | 5-Jan-22 |
| AU Small Finance Bank | TL - Banks | 38 | 25.97 | 110% | 3-Feb-24 |
| Bandhan Bank | TL - Banks | 30 | 15.83 | 115% | 28-Mar-22 |
| Bank of India | TL - Banks | 20 | 40 | 115% | 27-Mar-30 |
| Bank of Baroda | TL - Banks | 50 | 35.00 | 120% | 30-Mar-24 |
| Woori Bank | TL - Banks | 45 | 23.75 | 105% | 30-Apr-22 |
| YES Bank | TL - Banks | 30 | 16.67 | 115% | 31-May-22 |
| KVB | TL - Banks | 10 | 7.72 | 115% | 31-May-24 |
| Federal Bank | TL - Banks | 15 | 10.31 | 125% | 29-Jun-23 |
| Ujjivan SFB | TL - Banks | 25 | 17.42 | 110% | 30-Aug-22 |
| Utkarsh SFB | TL - Banks | 20 | 12.78 | 110% | 31-Aug-22 |
| State Bank of India | TL - Banks | 200 | 172.94 | 125% | 31-Dec-24 |
| State Bank of India | TL - Banks | 50 | 50 | 120% | 31-May-23 |
| OBC | TL - Banks | 30 | 26 | 120% | 31-Dec-24 |
| IndusInd Bank | TL - Banks | 30 | 23 | 120% | 31-Jan-23 |
| Equitas Small Finance Bank | TL - Banks | 21 | 17 | 115% | 5-Feb-23 |
| SBM | TL - Banks | 19 | 16 | 110% | 26-Feb-23 |
| Andhra Bank | TL - Banks | 38 | 35 | 115% | 25-Feb-25 |
| Andhra Bank | TL - Banks | 8 | 7 | 115% | 25-Feb-25 |
| Andhra Bank | TL - Banks | 5 | 5 | 115% | 25-Feb-25 |

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

| | | | | | |
|-----------------------|----------------|-------|------|-----------------|------------|
| Bandhan Bank | TL - Banks | 40 | 34 | 115% | 1-Apr-23 |
| Union Bank | TL - Banks | 40 | 36 | 115% | 31-Mar-25 |
| AU Small Finance Bank | TL - Banks | 10 | 6 | 110% | 5-Nov-23 |
| Capital SFB | TL - Banks | 15 | 15 | 110% | 1-Sep-24 |
| Utkarsh SFB | TL - Banks | 25 | 25 | 110% | 31-08-2024 |
| RBL | TL - Banks | 35 | 72 | 120% | 16-May-23 |
| Federal Bank | Cash Credit | 5 | 1.56 | 125% | - |
| Sundaram Finance | TL - NBFC | 15 | 5 | 118% | 22-Mar-22 |
| Nabkisan | TL - NBFC | 13 | 2 | 115% | 31-Jan-21 |
| Bajaj Finance Ltd | TL - NBFC | 20 | 4 | 110% | 19-Feb-21 |
| HLF | TL - NBFC | 20 | 12 | 110% | 28-Dec-22 |
| Bajaj Finance Ltd | TL - NBFC | 25 | 15 | 120% | 31-Jan-23 |
| Tata Capital | TL - NBFC | 10 | 5 | 110% | 20-Feb-22 |
| Nabkisan | TL - NBFC | 13 | 10 | 110% | 1-Jun-24 |
| Cholamandalam Finance | TL - NBFC | 10 | 8 | 110% | 1-Apr-24 |
| Vivriti | TL - NBFC | 5 | 4 | 110% | 30-Mar-24 |
| Nabsamruddhi Finance | TL - NBFC | 15 | 13 | 110% | 30-Nov-24 |
| Sundaram Finance | TL - NBFC | 10 | 8 | 118% | 22-Dec-22 |
| Sundaram Finance | TL - NBFC | 30 | 24 | 118% | 22-Jan-23 |
| Tata Capital | TL - NBFC | 8 | 7 | 110% | 5-Feb-24 |
| ABFL | TL - NBFC | 25 | 25 | 115% | 1-Feb-23 |
| Bajaj Finance Ltd | TL - NBFC | 10 | 6 | 110% | 29-Sep-22 |
| SIDBI | TL - NBFC | 40 | 35 | 110% | 10-Apr-21 |
| Vivriti | TL - NBFC | 25 | 22 | 110% | 27-Apr-23 |
| DCB | Securitization | 98 | 42 | Cash Collateral | 17-Apr-22 |
| DCB | Securitization | 90 | 81 | Cash Collateral | 13-05-25 |
| Poonawalla Finance | Securitization | 99 | 63 | Cash Collateral | 17-Jul-24 |
| Navi Technologies | Securitization | 131 | 111 | Cash Collateral | 17-May-25 |
| Poonawalla Finance | Securitization | 70 | 49 | Cash Collateral | 22-Jun-23 |
| BOB-PCG | Securitization | 95.89 | 88 | Cash Collateral | 01-Jul-26 |
| Central Bank of India | Securitization | 100 | 85 | Cash Collateral | 14-May-25 |

B. Details of Unsecured Loan Facilities as on September 30, 2020:

NIL

*(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)***C. Details of Non-Convertible Debentures as of September 30, 2020:**

(Rs. In Cr.)

| Debenture Series | Maturity Date | Date of allotment | Coupon Rate | Tenure | Amount Outstanding (Rs. In Crores) | Secured/Unsecured | Primary Security Exclusive charge on receivables of the company | Credit Rating |
|-------------------------------|---------------|-------------------|-------------|--------|------------------------------------|-------------------|-----------------------------------------------------------------|----------------|
| INE128 S07010 | 2020-12-06 | 2015-12-17 | 13.60 % | 60 | 4.29 | Secured | 1.05 times | CRISIL BBB+ |
| INE128 S07275 | 2020-12-28 | 2016-12-28 | 11.50 % | 48 | 11.25 | Secured | 1.00 times | CARE A; Stable |
| INE128 S07259 | 2020-12-28 | 2016-12-28 | 11.50 % | 48 | 7.50 | Secured | 1.10 times | CARE A; Stable |
| INE128 S07135 & INE128 S07143 | 2021-02-07 | 2017-02-07 | 11.45 % | 48 | 7.50 | Secured | 1.1 times | CARE A; Stable |
| INE128 S07234 & INE128 S07242 | 2021-03-15 | 2017-03-15 | 11.45 % | 48 | 4.50 | Secured | 1.1 times | CARE A; Stable |
| INE128 S07267 | 2021-02-26 | 2017-02-28 | 11.25 % | 48 | 24.00 | Secured | 1.1 times | ICRA A Stable |
| INE128 S07317 | 2023-03-28 | 2018-03-28 | 10.21 % | 60 | 5.00 | Secured | 1.1 times | CARE A; Stable |
| INE128 S07325 | 2023-03-28 | 2018-04-27 | 10.21 % | 60 | 65.00 | Secured | 1.1 times | CARE A; Stable |
| INE128 S07333 | 2023-03-28 | 2018-05-28 | 10.21 % | 60 | 65.00 | Secured | 1.1 times | CARE A; Stable |
| INE128 S07341 | 2023-03-28 | 2018-06-28 | 10.21 % | 60 | 65.00 | Secured | 1.1 times | CARE A; Stable |
| INE128 S07358 | 2022-03-29 | 2019-03-29 | 12.64 % | 36 | 55.00 | Secured | 1.1 times | ICRA A Stable |
| INE128 S07366 | 2024-04-11 | 2019-04-11 | 11.40 % | 60 | 30.00 | Secured | 1.1 times | ICRA A Stable |
| INE128 S07374 | 2022-04-16 | 2019-04-16 | 12.64 % | 36 | 180.00 | Secured | 1.1 times | ICRA A Stable |

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

| | | | | | | | | |
|------------------|------------|------------|--------------------------|-----|--------|-------------|------------|---------------------------------|
| INE128 S07382 | 2022-07-03 | 2019-05-22 | Mark et Linke d | 38 | 20. | Secure d | 1.1 times | CARE PP MLD A Stable |
| INE128 S07390 | 2022-05-28 | 2019-05-28 | 12.64 % | 36 | 180.00 | Secure d | 1.1 times | ICRA A Stable |
| INE128 S07408 | 2022-06-28 | 2019-06-28 | 12.64 % | 36 | 185.00 | Secure d | 1.1 times | ICRA A Stable |
| INE128 S07416 | 2025-08-28 | 2019-08-28 | 11.88 % | 72 | 125.00 | Secure d | 1.1 times | CARE A; Stable |
| INE128 S07424 | 2026-05-13 | 2020-05-13 | 12.75 % | 36 | 15.00 | Secure d | 1.1 times | ICRA A Stable |
| INE128 S07432 | 2023-05-28 | 2020-05-28 | 10.50 % | 36 | 15.00 | Secure d | 1.1 times | ICRA A Stable |
| INE128 S07440 | 2023-06-12 | 2020-06-12 | 11.00 % | 36 | 25.00 | Secure d | 1.25 times | ICRA A Stable |
| INE128 S07457 | 2023-04-21 | 2020-06-24 | 11.00 % | 33 | 115.00 | Secure d | 1.25 times | ICRA A Stable |
| INE128 S07465 | 2022-01-03 | 2020-07-03 | 9.75 % | 18 | 50.00 | Secure d | 1.1 times | ICRA A Stable |
| INE128 S07473 | 2022-01-31 | 2020-07-31 | 9.75 % | 18 | 100.00 | Secure d | 1.1 times | ICRA A Stable |
| INE128 S07481 | 2022-02-20 | 2020-08-20 | 9.50 % | 18 | 50.00 | Secure d | 1.1 times | ICRA A Stable |
| INE128 S07499 | 2023-02-22 | 2020-09-03 | Mark et Linke d | 30 | 25.00 | Secure d | 1.25 times | PP- MLD[IC RA]A Stable |
| INE128 S07507 | 2029-09-30 | 2020-09-30 | 10.91 % | 108 | 70.00 | Secure d | 1.1 times | ICRA A Stable |

D. List of Top 10 Debenture Holders (as on September 30, 2020):*(Rs. in Crores)*

| S. No. | Name of the Lender | Amount Outstanding |
|--------|------------------------------------------|--------------------|
| 1. | Franklin India Short Term Income Plan | 284.00 |
| 2. | Franklin India Credit Risk Fund | 245.00 |
| 3. | UTI International Wealth Creator 4 | 195.00 |
| 4. | Bank of India | 100.00 |
| 5. | Franklin India Dynamic Accrual Fund | 81.00 |
| 6. | Bank of Maharashtra | 75.00 |
| 7. | A K Capital Finance Limited | 57.73 |
| 8. | Franklin India Income Opportunities Fund | 50.00 |
| 9. | Punjab and Sind Bank | 50.00 |

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

| | | |
|-----|---------------------|-------|
| 10. | State Bank of India | 50.00 |
|-----|---------------------|-------|

E. **The amount of corporate guarantee issued by the Issuer along with name of the counterparty (like name of the subsidiary, JV entity, group-company, etc) on behalf of whom it has been issued. (if any):**

NIL

F. **Details of Commercial Paper:**

NIL

G. **Details of rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on September 30, 2020:**

NIL

H. **Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 5 years:**

NIL

I. **Details of any outstanding borrowings taken / debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option:**

NIL

4.10 Details of Promoters of the Company:

A. **Details of Promoter Holding in Company as on latest quarter end, i.e. September 30, 2020:**

| S. No. | Name of Shareholders | Total No. of Equity shares | No. of shares held in dematerialised form | Total Shareholding as percentage (%) of total no. of equity shares | No. of shares Pledged | Percentage (%) of shares pledged with respect to shares owned |
|--------|----------------------|----------------------------|-------------------------------------------|--------------------------------------------------------------------|-----------------------|---------------------------------------------------------------|
| 1. | D. Lakshmipathy | 3710771 | 3710771 | 13.65% | Nil | Nil |
| 2. | L. Hema | 2089060 | 2089060 | 7.69% | Nil | Nil |
| 3. | R. Deenadayalan | 163200 | 163200 | 0.60% | Nil | Nil |
| 4. | D. Varalakshmi | 44770 | 44770 | 0.16% | Nil | Nil |
| 5. | L. Sritha | 20000 | 20000 | 0.07% | Nil | Nil |

4.11 **Abridged version of the Audited Consolidated and Standalone Financial Information (like Profit and Loss statement, Balance Sheet and Cash Flow statement) for at least last three years and auditor qualifications, if any.**

[Note: Financial information submitted must be in line with the timelines specified in the Simplified Listing Agreement, issued vide Circular no. SEBI/IMD/BOND/1/2009/11/05, dated May 11, 2009]

| PROFIT & LOSS STATEMENT (Rs. In lakhs) | FY 2018 Audited |
|----------------------------------------|--------------------|
| Revenue | |
| Revenue from Operations | 18,854.36 |

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

| | |
|-----------------------------------------|-----------|
| Other Income | 1,561.70 |
| Total Revenue | 20,416.06 |
| Expenses | |
| Finance Costs | 5,554.57 |
| Employee Benefits Expense | 4,293.18 |
| Other Expenses | 1,487.50 |
| Provisions, Loan Losses & Other Charges | 918.55 |
| Depreciation | 259.31 |
| Total Expenses | 12,513.12 |
| Profit Before Tax | 7,902.94 |
| Tax Expenses | |
| - Current Tax | 2,404.37 |
| - Deferred Tax | -119.55 |
| Total Tax Expenses | 2,284.82 |
| Profit for the Year | 5,618.12 |

| Balance sheet (Rs. in lakhs) | FY 2018 Audited |
|---------------------------------------------------|----------------------------|
| EQUITY AND LIABILITIES | |
| Shareholders' Funds | |
| Share Capital | 1,916.89 |
| Reserves and Surplus | 58,077.76 |
| | 59,994.65 |
| Non-current liabilities | |
| Long Term Borrowings | 37,346.98 |
| Other Long Term Liabilities | 0.84 |
| Long Term Provisions | 718.58 |
| | 38,066.40 |
| Current liabilities | |
| Short Term Borrowings | 4,979.68 |
| Trade Payables | |
| i) Dues to Micro and Small Enterprises | - |
| ii) Other Trade Payables | 475.18 |
| Other Current Liabilities | 11,357.37 |
| Short-term Provisions | 419.42 |
| | 17,231.65 |
| TOTAL | 1,15,292.70 |
| | |
| ASSETS | |
| Non Current Assets | |
| Fixed Assets | |
| -Tangible Assets | 454.24 |
| -Intangible Assets | 181.09 |
| -Capital Work in Progress | 14.13 |
| -Software Under Development | - |
| Non Current Investments | 1,500.00 |
| Deferred Tax Assets | 364.03 |
| Long Term Receivables Under Financing Activities | 80,344.28 |
| Long Term Loans and Advances | 417.95 |
| Other Non Current Assets | 23.04 |
| | 83,298.76 |
| Current Assets | |
| Current Investments | - |
| Cash and Bank Balances | 12,651.08 |
| Short Term Receivables Under Financing Activities | 17,649.41 |
| Short Term Loans and Advances | 64.98 |

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

| Balance sheet (Rs. in lakhs) | FY 2018 Audited |
|-------------------------------------|----------------------------|
| Other Current Assets | 1,628.47 |
| | 31,993.94 |
| TOTAL | 1,15,292.70 |

| Particulars (Rs. In lakhs) | Year ended March 31, 2018 |
|---------------------------------------------------------------------|--------------------------------------|
| Cash Flow from Operating Activities | |
| Profit After Tax | 5,618.12 |
| Provision for Taxation | 2,284.82 |
| Net Profit Before Tax | 7,902.94 |
| Adjustments for: | |
| Finance Costs | 5,554.58 |
| Depreciation | 259.31 |
| General Provision on Standard Assets | 294.36 |
| Provision against Non - Performing Assets | 286.52 |
| (Profit)/Loss on sale of fixed assets | 8.42 |
| Profit on sale of current investments (Net) | (675.21) |
| Interest income on deposits with banks/ others | (797.59) |
| ESOP Expenses | 322.05 |
| | 5,252.44 |
| Operating Profit Before Changes in Working Capital | 13,155.38 |
| | |
| Changes in Working Capital: | |
| Adjustments for (Increase) / Decrease in Operating Assets: | |
| Long-term receivables under financing activity | (41,860.73) |
| Long-term Loans and Advances | (260.13) |
| Other Non Current Assets | (1.17) |
| Short-term receivables under financing activity | (8,236.85) |
| Short-term Loans and Advances | (12.70) |
| Other Current Assets | (1,161.14) |
| | |
| Adjustments for Increase / (Decrease) in Operating Liabilities: | |
| Long-term provisions | 69.94 |
| Short-term provisions | 25.78 |
| Trade Payables | 146.59 |
| Other Current Liabilities | 118.92 |
| | (51,171.49) |
| Cash Used in Operations | (38,016.11) |
| Financial Expenses | (5,495.84) |
| Direct Taxes Paid | (2,574.49) |
| Net Cash Used in Operating Activities (A) | (46,086.44) |
| | |
| Cash Flow from Investing Activities | |
| Purchase of fixed assets | (277.22) |
| Proceeds from sale of fixed assets | 4.05 |
| Profit on sale of current investments | 675.21 |
| Interest income on deposits with banks / others | 797.59 |
| Net Cash from Investing Activities (B) | 1,199.63 |
| | |
| Cash Flow from Financing Activities | |
| Proceeds from issue of equity shares (including securities premium) | 32,046.00 |
| Utilisation of Securities Premium | (440.62) |
| Proceeds from long term borrowings (repaid) / availed (Net) | 7,597.25 |
| Short-term Borrowings (repaid) / availed (Net) | 291.93 |
| Net Cash from Financing Activities (C) | 39,494.56 |

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

| Particulars (Rs. In lakhs) | | Year ended March 31, 2018 | |
|--------------------------------------------------------------------------------------|--------------------|------------------------------|----------------|
| Net Increase in Cash and Cash Equivalents [(A) + (B) + (C)] | | (5,392.25) | |
| Cash and Cash Equivalents at the beginning of the year | | 18,043.33 | |
| Cash and Cash Equivalents at the end of the year | | 12,651.08 | |
| Particulars | Quarter Ended | Year ended | Year ended |
| | September 30, 2020 | March 31, 2020 | March 31, 2019 |
| Revenue from operations | | | |
| Interest income | 49711.81 | 74,682.42 | 38,286.54 |
| Dividend income | - | - | 0 |
| Fee income | 505.68 | 2,970.84 | 1,317.08 |
| Net gain on fair value changes | 212.04 | 1,018.22 | 559.86 |
| Total revenue from operations | 50429.54 | 78,671.48 | 40,163.48 |
| Other income | 18.37 | 63.25 | 120.03 |
| Total Income | 50447.91 | 78,734.73 | 40,283.51 |
| Expenses | | | |
| Finance costs | 15902.58 | 21,693.51 | 7,285.60 |
| Fees expenses | 54.42 | 42.52 | 94.77 |
| Impairment / write off on financial instruments | 533.87 | 4,934.19 | 700.54 |
| Employee benefits expenses | 7197.56 | 12,710.78 | 7,478.89 |
| Depreciation and amortization | 544.65 | 1,006.85 | 419.42 |
| Other expenses | 1141.07 | 3,416.83 | 2,505.58 |
| Total Expenses | 25374.16 | 43,804.68 | 18,484.80 |
| Profit before tax | 25073.76 | 34,930.05 | 21,798.71 |
| Tax expense | | | |
| Current tax | 6177.18 | 10,056.07 | 6,954.97 |
| Deferred tax (net) | -16.71 | -1,321.06 | -785.94 |
| | 6160.47 | 8,735.01 | 6,169.03 |
| Profit for the period | 18913.29 | 26,195.04 | 15,629.68 |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Re-measurements of the defined benefit plan | 37.56 | 148.8 | 50.09 |
| Income tax relating to items that will not be reclassified to profit or loss | -9.45 | -37.45 | -14.58 |
| Net other comprehensive income not to be reclassified subsequently to profit or loss | 28.11 | 111.35 | 35.5 |
| Other comprehensive income / (deficit) for the year, net of income tax | 28.11 | 111.35 | 35.5 |
| Total comprehensive income | 18885.18 | 26,083.69 | 15,594.18 |

| Particulars | As at September 30, 2020 | As at March 31, 2020 | As at March 31, 2019 |
|----------------------------------------------------|--------------------------------|----------------------------|----------------------------|
| ASSETS | | | |
| Financial Assets | | | |
| Cash and cash equivalents | 76063.88 | 28,977.95 | 20,992.65 |
| Bank balances other than cash and cash equivalents | 54027.60 | 16,134.94 | 6.88 |
| Loans | 2505.98 | 3,83,080.44 | 2,05,743.73 |
| Investments | 386358.74 | - | 1,500.00 |
| Other financial assets | 497.82 | 524.57 | 283.68 |

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

| | | | |
|----------------------------------------------------------------------------|------------------|--------------------|--------------------|
| | 519454.02 | 4,28,717.90 | 2,28,526.94 |
| Non-financial Assets | | | |
| Current tax assets (net) | 450.03 | 435.46 | 348.17 |
| Deferred tax assets (net) | 2849.14 | 2,822.97 | 1,422.06 |
| Investment property | 3.56 | 3.56 | 3.56 |
| Property, plant and equipment | 952.32 | 1,106.09 | 744.41 |
| Right of use asset | 1469.73 | 1,488.00 | |
| Other intangible assets | 203.71 | 192.8 | 201.8 |
| Other non-financial assets | 355.47 | 548.62 | 357.39 |
| | 6283.95 | 6,597.51 | 3,077.39 |
| Total assets | 525737.97 | 4,35,315.40 | 2,31,604.33 |
| LIABILITIES AND EQUITY | | | |
| Financial Liabilities | | | |
| Payables | | | |
| Trade payables | | | |
| total outstanding dues of micro and small enterprises | - | - | - |
| total outstanding dues of creditors other than micro and small enterprises | 635.94 | 662.4 | 281.39 |
| Debt securities | 150421.63 | 1,07,886.42 | 42,972.28 |
| Borrowings (other than debt securities) | 156113.07 | 1,28,482.89 | 49,198.22 |
| Other financial liabilities | 1624.71 | 1,568.10 | 510.91 |
| | 308795.36 | 2,38,599.81 | 92,962.80 |
| Non-financial Liabilities | | | |
| Current tax liabilities (net) | 722.81 | 74.8 | 159.89 |
| Provisions | 853.55 | 577.61 | 365.19 |
| Other non-financial liabilities | 1941.16 | 1,605.12 | 1,608.12 |
| | 3517.51 | 2,257.53 | 2,133.20 |
| Equity | | | |
| Equity share capital | 2563.55 | 2,558.21 | 2,389.96 |
| Other equity | 210861.56 | 1,91,899.85 | 1,34,118.37 |
| | 213425.12 | 1,94,458.06 | 1,36,508.33 |
| Total Liabilities and Equity | 525737.97 | 4,35,315.40 | 2,31,604.33 |

*FY 2019 & FY 2020 figures are as per IND-AS. Figures for FY 2018 are as per IGAAP and hence may not be directly comparable.

4.12 Abridged version of Latest Audited/ Limited Review Half Yearly Consolidated and Standalone Financial Information and auditors' qualifications, if any:

[Note: Financial information submitted must be in line with the timelines specified in the Simplified Listing Agreement, issued vide Circular no. SEBI/IMD/BOND/1/2009/11/05, dated May 11, 2009]

| Particulars | As at September 30, 2020 | As at March 31, 2020 | As at March 31, 2019 |
|----------------------------------------------------|--------------------------------|----------------------------|----------------------------|
| ASSETS | | | |
| Financial Assets | | | |
| Cash and cash equivalents | 76063.88 | 28,977.95 | 20,992.65 |
| Bank balances other than cash and cash equivalents | 54027.60 | 16,134.94 | 6.88 |
| Loans | 2505.98 | 3,83,080.44 | 2,05,743.73 |
| Investments | 386358.74 | - | 1,500.00 |
| Other financial assets | 497.82 | 524.57 | 283.68 |
| | 519454.02 | 4,28,717.90 | 2,28,526.94 |
| Non-financial Assets | | | |
| Current tax assets (net) | 450.03 | 435.46 | 348.17 |
| Deferred tax assets (net) | 2849.14 | 2,822.97 | 1,422.06 |
| Investment property | 3.56 | 3.56 | 3.56 |

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| Property, plant and equipment | 952.32 | 1,106.09 | 744.41 |
| Right of use asset | 1469.73 | 1,488.00 | |
| Other intangible assets | 203.71 | 192.8 | 201.8 |
| Other non-financial assets | 355.47 | 548.62 | 357.39 |
| | 6283.95 | 6,597.51 | 3,077.39 |
| Total assets | 525737.97 | 4,35,315.40 | 2,31,604.33 |
| LIABILITIES AND EQUITY | | | |
| Financial Liabilities | | | |
| Payables | | | |
| Trade payables | | | |
| total outstanding dues of micro and small enterprises | - | - | - |
| total outstanding dues of creditors other than micro and small enterprises | 635.94 | 662.4 | 281.39 |
| Debt securities | 150421.63 | 1,07,886.42 | 42,972.28 |
| Borrowings (other than debt securities) | 156113.07 | 1,28,482.89 | 49,198.22 |
| Other financial liabilities | 1624.71 | 1,568.10 | 510.91 |
| | 308795.36 | 2,38,599.81 | 92,962.80 |
| Non-financial Liabilities | | | |
| Current tax liabilities (net) | 722.81 | 74.8 | 159.89 |
| Provisions | 853.55 | 577.61 | 365.19 |
| Other non-financial liabilities | 1941.16 | 1,605.12 | 1,608.12 |
| | 3517.51 | 2,257.53 | 2,133.20 |
| Equity | | | |
| Equity share capital | 2563.55 | 2,558.21 | 2,389.96 |
| Other equity | 210861.56 | 1,91,899.85 | 1,34,118.37 |
| | 213425.12 | 1,94,458.06 | 1,36,508.33 |
| Total Liabilities and Equity | 525737.97 | 4,35,315.40 | 2,31,604.33 |

- 4.13 Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc) at the time of Issue which may affect the issue or the Investor's decision to invest / continue to invest in the debt securities.**

The Issuer hereby declares that there has been no material event, development or change at the time of issue from the position as on the date of the last audited financial statements of the Issuer, which may affect the Issue or the Investor's decision to invest/ continue to invest in the debt securities of the Issuer. The Issuer is in the process of capital raise which could result in change in the capital structure.

- 4.14 Names of the Debentures Trustees and Consents thereof**

The Debenture Trustee of the proposed Debentures is Catalyst Trusteeship Limited. Catalyst Trusteeship Limited has given its written consent for its appointment as debenture trustee to the Issue and inclusion of its name in the form and context in which it appears in this Information Memorandum and in all the subsequent periodical communications sent to the Debenture Holders. The consent letter from Debenture Trustee is provided in **Annexure II** of this Information Memorandum.

- 4.15 Rating Rationale(s) adopted (not older than one year on the date of opening of the Issue)/ credit rating letter issued (not older than one month on the date of opening of the Issue).**

The Rating Agency has assigned a rating of Provisional PP-MLD [ICRA]AAA(CE) (pronounced as Provisional principal protected market linked debentures ICRA Triple A Credit Enhancement) with "Stable" outlook to the Debentures. Instruments with this

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rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk.

4.16 If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document.

Not Applicable.

4.17 Names of all the recognised stock exchanges where the debt securities are proposed to be listed:

The Debentures are proposed to be listed on the WDM segment of the BSE. The Issuer shall comply with the requirements of the listing agreement for debt securities to the extent applicable to it on a continuous basis.

4.18 Other details:

A. Debenture Redemption Reserve Creation:

As per Section 71 of the Act, any company that intends to issue debentures must create a debenture redemption reserve to which adequate amounts shall be credited out of the profits of the company until the redemption of the debentures. However, at present under the Companies (Issuance of Share Capital and Debentures) Rules, 2014, non-banking financial companies are exempt from this requirement in respect of privately placed debentures. Pursuant to this exemption, the Company does not presently intend to create any reserve funds for the redemption of the Debentures.

B. Issue / instrument specific regulations:

The Issue of Debentures shall be in conformity with the applicable provisions of the Companies Act including the notified rules thereunder, the SEBI Debt Listing Regulations, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) and the applicable RBI guidelines.

C. Application process:

The application process for the Issue is as provided in **Section 8** of this Information Memorandum.

4.19 A statement containing particulars of the dates of, and parties to all material contracts, agreements:

The contracts and documents referred to hereunder are material to the Issue, may be inspected at the Registered Office of the Company between 10.00 AM to 4.00 PM on working days.

| S. No. | Nature of Contract |
|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Certified true copy of the Memorandum & Articles of Association of the Issuer. |
| 2. | Board resolution dated June 10, 2020 read together with the resolution passed by Business and Resource Committee of the Board of Directors on December 04, 2020 authorising the issue of Debentures offered under terms of this Disclosure Document |
| 3. | Shareholder resolution dated August 31, 2020 authorizing the issue of non-convertible debentures by the Company. |
| 4. | Shareholder resolution dated August 31, 2020 authorizing the borrowing limits of the Company and the creation of security in respect of such borrowings. |
| 5. | Copies of Annual Reports of the Company for the last three financial years. |

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| 6. | Credit rating letter from the Rating Agency dated December 16, 2020. |
| 7. | Letter from Catalyst Trusteeship Limited dated December 09, 2020 giving its consent to act as Debenture Trustee. |
| 8. | Letter for Register and Transfer Agent. |
| 9. | Certified true copy of the certificate of incorporation of the Company. |
| 10. | Certified true copy of the tripartite agreement between the Company, the Registrar & Transfer Agent and NSDL. |

4.20 Details of Debt Securities Sought to be Issued

Under the purview of the current document, the Issuer intends to raise an amount of up to Rs. 75,00,00,000/- (Rupees Seventy Five Crore only) by issue of Rated, Listed, Senior, Secured, Redeemable, Principal Protected Market-Linked, Non-Convertible Debentures, on a private placement basis. For further details of the Debentures, please refer to the terms and conditions of the debentures set out in Section 4.23 of this Information Memorandum.

4.21 Issue Size

The aggregate issue size for the Debentures is up to Rs. 75,00,00,000/- (Rupees Seventy Five Crore only).

4.22 Utilisation of the Issue Proceeds

The proceeds of the Issue will be utilised for the following purposes:

- A. General corporate purposes;
- B. In the ordinary course of business of the Company including repayment/re-financing of existing debt.

No part of the proceeds shall be utilized directly/indirectly towards capital markets (debt and equity), land acquisition or usages that are restricted for bank financing.

4.23 Issue Details

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| Security Name | FSBFL NCD Covered MLD IV 2020 |
| Issuer | Five-Star Business Finance Limited |
| Type of Instrument | Rated, Listed, Senior, Secured, Redeemable, Principal Protected Market-Linked, Non-Convertible Debentures |
| Nature of Instrument | <p>The Debentures are proposed to be secured <i>inter alia</i> by a first ranking and exclusive charge by way of hypothecation over: (i) the Identified Receivables together with all right, title and interest in relation thereto including the rights in relation to the security interests created in connection therewith; (ii) the Cash Collateral; (iii) a first ranking and exclusive charge over all right, title and interest of the Company in the SPV Trust, whether as residual beneficiary or in connection with the contribution deemed to be made available by the Company to the SPV Trust in terms of the Assignment Documents.</p> <p>The Company is issuing the Debentures with an intention to create a 'covered bond' structure upon occurrence of a Trigger Event, i.e., in order to ensure that the Identified Receivables is bankruptcy remote from the Company upon occurrence of a Trigger Event.</p> <p>Accordingly, upon occurrence of a Trigger Event, the Company will be, without the need for any further notice in this regard assigning: (i) its right, title and interest in the Identified Receivables to the SPV Trust; and (ii) assigning its right, title and interest in the Cash Collateral to the SPV Trust.</p> |

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| | The SPV Trust will be executing (within the timelines stipulated hereinabove) a guarantee and a deed of hypothecation in favour of the Debenture Trustee, acknowledging that all Identified Receivables acquired by the SPV Trust shall be utilized for the purposes of redeeming the Debentures and shall remain subject to an encumbrance in favour of the Debenture Trustee, and that the Cash Collateral shall continue to be utilised in accordance with the terms set out under the Cash Collateral Agreement. |
| Seniority | Senior |
| Mode of Issue | Private placement |
| Eligible/Identified Investors | As provided in paragraph 7.14 below |
| Listing | <p>The Debentures shall be listed on the BSE within a period of 4 (Four) trading days from the closing date of the Issue.</p> <p>The Company shall at all times comply with Applicable Law in relation to the issuance of the Debentures and the listing of the Debentures on the BSE and shall further ensure all approvals required from any Governmental Authority and resolutions required to issue, list or maintain such listing of the Debentures are in place.</p> <p>The Company does hereby agree and undertake that it shall (furnish all such information and documents as may be required by the BSE and by SEBI for the continuous listing of the Debentures. All expenses, costs, charges incurred for the purpose of listing of the Debentures shall be borne and paid by the Company.</p> <p>In the event that the Debentures are not listed on the BSE within a period of 4 (Four) trading days from the closing date of the Issue, the Company shall pay Default Interest at the Default Rate for the period commencing from the Deemed Date of Allotment till the date the Debentures are listed on the BSE</p> |
| Rating of Instrument | Provisional PP-MLD [ICRA]AAA(CE) (pronounced as Provisional principal protected market linked debentures ICRA Triple A Credit Enhancement) |
| Issue Size | Private placement of 750 (Seven Hundred and Fifty) Rated, Listed, Senior, Secured, Redeemable, Principal Protected Market-Linked, Non-Convertible Debentures having a face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture aggregating up to Rs. 75,00,00,000/- (Rupees Seventy Five Crores only) |
| Option to retain oversubscription | N.A. |
| Objects of the Issue | Raise funds for repayment / refinance of existing debts and for general corporate purposes in its ordinary course of business. |
| Details of the utilization of the Proceeds | <p>The proceeds of the Issue will be utilized for the following purposes:</p> <p>(a) General corporate purposes;</p> <p>(b) In the ordinary course of business of the Company including repayment/re-financing of existing debt</p> <p>No part of the proceeds shall be utilized directly/indirectly towards capital markets (debt and equity), land acquisition or usages that are restricted for bank financing.</p> |
| Coupon Rate | As set out in the Appendix to the Annexure V |
| Step Up Coupon Rate / Step Down Coupon Rate | Upon the occurrence of a Trigger Event, the Coupon Rate shall stand automatically increased by a spread of 600 (Six Hundred) basis points, from the date on which such Trigger Event has occurred. |
| Coupon Payment Frequency | Please refer to the details provided in section ' Coupon Rate ' above. |

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| Coupon Payment Dates | Please refer to the details provided in section ‘ Coupon Rate ’ above. |
| Coupon Type | Please refer to the details provided in section ‘ Coupon Rate ’ above. |
| Coupon Reset Process | N/A |
| Day Count Basis | Actual/Actual |
| Interest on Application Money | The Company shall be liable to pay the Debenture Holders interest on application money, at the Coupon Rate for the period commencing from the credit of subscription monies in respect of the Debentures in the account of Company, ending on the date falling 1 (One) day prior to the Deemed Date of Allotment. The interest on application monies shall be paid by the Company to the Debenture Holders, together with Coupon payable, on the Maturity Date. |
| Default Interest Rate | <p>Without prejudice to the rights of the Debenture Trustee and/or the Debenture Holders upon the occurrence of any default, in case of failure by the Company in making payment of the Outstanding Amounts as per the Debenture Documents or upon occurrence of any Event of Default, the Company shall be liable to pay default interest which shall be calculated at the rate of 2% (Two Percent) per annum on the outstanding principal amount of the Debentures over and above the Coupon Rate.</p> <p>In the event that the Debentures are not listed on the BSE within a period 4 (Four) trading days from the closing date of the Issue, the Company shall pay default interest at the rate of 2% (Two Percent) per annum on the outstanding principal amount of the Debentures over and above the Coupon Rate for the period commencing from the Deemed Date of Allotment till the date the Debentures are listed on the BSE.</p> <p>If not already executed, the Company shall execute the Debenture Trust Deed within 3 (Three) months from the closure of the issue of the Debentures, failing which the Company shall pay interest of at least 2% (Two Percent) per annum to the Debenture Holders, without prejudice to any liability arising on account of violation of the provisions of any applicable law, over and above the Coupon Rate on the Debentures, till the execution of the Debenture Trust Deed.</p> |
| Tenor | 84 (Eighty Four) months from the Deemed Date of Allotment. |
| Redemption Date / Scheduled Maturity Date | <p>The date of falling on the expiry of 84 (Eighty Four) months from the Deemed Date of Allotment being December 16, 2027.</p> <p>The Debentures are structured in such a manner that the principal amount of the Debentures and the Coupon due thereon are promised to be paid on the Scheduled Maturity Date, unless a Trigger Event has occurred prior to the Scheduled Maturity Date. Upon the occurrence of a Trigger Event: (1) prior to the Expected Maturity Date, the principal amount on the Debentures shall be payable on a monthly basis; and (2) on or after the expiry of Expected Maturity Date the principal amount of the Debentures along with the Coupon due thereon shall be payable on a monthly basis, and all collections realised from the Identified Receivables (which is over and above the requirement to meet Coupon payments) shall be used to redeem the principal amounts outstanding on the Debentures, in the manner set out hereinafter. The expected payout schedule with respect to the Debentures upon the occurrence of any Trigger Event, shall be prepared by the Company and shared by the Company with the Debenture Trustee and SPV Trustee, and this schedule shall be prepared on the basis that payments will be made to the Debenture Holders on the 15th (Fifteenth) day of every calendar month (“Post Trigger Expected Payout Dates”). The expected payout schedule, revised by the Company shall set out the the amounts which are expected</p> |

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| | <p>(but not promised) to be paid to the Debenture Holders on each of the Post Trigger Expected Payout Dates, using the collections realised from the Identified Receivables. These amounts may be revised from time to time in accordance with the Transaction Documents whether on account of pre-payments, part payments or otherwise. It is clarified that if the 15th (Fifteenth) day of any calendar month is not a Business Day, the immediately subsequent Business Day will be treated as the Post Trigger Expected Payout Date</p> <p>The Company shall not be entitled to redeem the Debentures except upon acceleration of payment due on Debentures on account of exercise of the Call Option or on the occurrence of an Event of Default or a Trigger Event in accordance with the Transaction Documents, provided however, the Company and the Debenture Trustee (acting on the instructions of the Majority Debenture Holders) may mutually consent on redemption of Debentures by the Company at such other times as agreed without the requirement to pay any prepayment penalty.</p> |
| Redemption Amount | Rs. 10,00,000/- (Rupees Ten Lakh only) per Debenture plus accrued Coupon if any. |
| Redemption Premium/ Discount | N.A. |
| Initial Fixing Date | December 16, 2020 |
| Final Fixing Date | <p>The Final Fixing Date will be the 30 (Thirty) days prior to the Expected Maturity Date.</p> <p>In the event the Final Fixing Date falls on a day which is not a Business Day, then the immediately succeeding Business Day shall be considered as Final Fixing Date.</p> |
| Issue Price | Rs. 10,00,000/- (Rupees Ten Lakh) per Debenture |
| Discount at which security is issued and the effective yield as a result of such discount | N.A. |
| Put Option Date | N.A. |
| Put Option | N.A. |
| Put Option Price | N.A. |
| Put notification time | N.A. |
| Call Option | <p>The Company shall have the option to redeem the Debentures in full by paying all the Outstanding Amounts in relation to the Debentures to the Debenture Holders on the Expected Maturity Date or upon the occurrence of a Trigger Event (“Call Option”). The Record Date for the purpose of redemption due to exercise of such Call Option will be 10 Business Days prior to Expected Maturity Date or Trigger Event, as the case may be. For the purposes of exercising this option, the Company shall provide a written notice to the Debenture Trustee at least 30 (Thirty) calendar days prior to the Expected Maturity Date.</p> <p>However, in the event that the Company does not exercise the Call Option available to the Company on the Expected Maturity Date or fails to redeem the Debentures in full by the Expected Maturity Date for any reason whatsoever, the Trigger Event consequences as set out in paragraph 6.3.2 of Section 6 (<i>Key Terms under the Transaction Documents</i>) herein shall follow.</p> |
| Call Option Date | Shall be the Expected Maturity Date i.e. December 16, 2022 |

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| Call Option Price | At Par, along with the Coupon to be paid as per Coupon Rate |
| Call notification time | At least 30 (Thirty) calendar days prior to the Expected Maturity Date |
| Face Value | Rs. 10,00,000/- (Rupees Ten Lakh Only) |
| Minimum Application size and in multiples of 1 thereafter | 10 Debentures and in multiples of 1 Debenture thereafter |
| Issue Timing | Issue Opening Date: December 16, 2020 Issue Closing Date: December 16, 2020 Pay-in Dates: December 16, 2020 Deemed Date of Allotment: December 16, 2020 |
| Issuance mode of the Instrument | Demat only |
| Trading mode of the Instrument | Demat only |
| Settlement mode of the Instrument | Cheque(s)/ electronic clearing services (ECS)/ credit through RTGS system/funds transfer to the specified bank account of the Debenture Holder. |
| Depositories | NSDL |
| Business Days | <p>“Business Day” Means any day of the week (excluding Sundays or any day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) in Mumbai or Chennai or New Delhi and any other day on which banks are open for general business in Mumbai or New Delhi or Chennai, India) shall be a Business Day for the purpose of this Disclosure Document.</p> <p>In the event that any of the Record Dates or the Post Trigger Expected Payout Dates falls on a day that is not a Business Day, the immediately succeeding Business Day shall be considered as the effective date(s) for that payment or determination, as the case may be.</p> <p>In the event that the date for performance of any event or the Maturity Date falls on a day that is not a Business Day, the immediately preceding Business Day shall be considered as the effective date for that payment or the date for performance of such event.</p> |
| Business Day Convention | <p>If any Coupon Payment Date or the due date for the performance of any event falls on a day that is not a Business Day, the payment shall be made on the immediately succeeding Business Day.</p> <p>If the Maturity Date (also being the last Coupon Payment Date) and/or the Put Option Date and/or the Call Option Date, in respect of the Debentures falls on a day that is not a Business Day, the redemption proceeds shall be paid on the immediately preceding Business Day</p> |
| Record Date | Means 7 (Seven) Calendar Days prior to any date on which on which any payment is to be made by the Company/ the Debenture Trustee to the Debenture Holders. |
| All covenants of the issue (including side letters, accelerated payment clause, etc.) | As set out in paragraph 6.2 of Section 6 (<i>Key Terms under the Transaction Documents</i>) herein. |
| Security (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security) | <p>The security to be provided or caused to be provided by the Company as security for the discharge of the Outstanding Amounts in relation to the Debentures shall consist of:</p> <p>(a) a first ranking and exclusive charge over the Identified Receivables together with all right, title and interest in relation thereto including the rights in relation to the security interests created in connection therewith;</p> |

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| | <p>(b) a first ranking and exclusive charge over the Cash Collateral;</p> <p>(c) a first ranking and exclusive charge over all right, title and interest of the Company in the SPV Trust, whether as residual beneficiary or in connection with the contribution undertaken to be made available by the Company to the SPV Trust in terms of the Assignment Documents;</p> <p>(collectively referred to as the “Security” / “Security Interest”).</p> <p>The Company shall submit to the Debenture Trustee, on a monthly basis, details of the collections towards the Identified Receivables, in such format as mutually agreed.</p> <p>The security cover for the Debentures shall be tested on the basis of the value of the Identified Receivables. The expected security cover which is to be provided by the Identified Receivables is at least 1.25 (One Decimal Point Two Five) times of the principal amount outstanding on the Debentures along with interest accrued thereon (“Minimum Security Cover”).</p> <p>For the purposes of determining whether Minimum Security Cover is being maintained: (i) only the principal amounts of the Identified Receivables shall be considered; (ii) if any of the Identified Receivables are due and payable one month before the Scheduled Maturity Date, then such Identified Receivables will not be taken into consideration; and (iii) the principal amounts outstanding under any of the Identified Loan Agreements, with respect to which there are overdues for more than 30 (Thirty) days, shall not be taken into consideration.</p> <p>The Minimum Security Cover will be tested on a monthly basis, at the end of each month. In the event that the Minimum Security Cover is not being maintained at any time, the Company shall identify additional loan receivables which meet the Eligibility Criteria, which additional loan receivables shall be provided as security by the Company in favour of the Debenture Trustee in accordance with the terms of the Deed of Hypothecation within 15 (Fifteen) calendar days of the close of the month. Such additional loan receivables shall then form part of the ‘Identified Receivables’ in the manner contemplated under the Deed of Hypothecation.</p> <p>Trigger Event Consequences:</p> <p>As set out under paragraph 6.3.2 of Section 6 (<i>Key Terms under the Transaction Documents</i>) herein.</p> |
| <p>Transaction Documents / Debenture Documents</p> | <p>Shall mean the documents executed in relation to the issue of the Debentures and the creation of the Security and the documents as will be entered into between the Company and the SPV for the purposes of the transaction described in under the sub-head of ‘Trigger Event Consequences’ under ‘Security’ and shall include the following.</p> <ol style="list-style-type: none"> 1. Debenture Documents, including: <ol style="list-style-type: none"> (i) Information Memorandum/ Disclosure Document; (ii) Private Placement Offer Letter; (iii) The Cash Collateral Agreement; (iv) Debenture Trust Deed; (v) Debenture Trustee Agreement; (vi) Deed of Hypothecation; (vii) Cash Collateral Agreement; |

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| | <p>(viii) SPV Guarantee; 2. Assignment Documents.</p> |
| <p>Conditions Precedent to Disbursement</p> | <p>1. The Company shall have submitted the following to the Debenture Trustee:</p> <ul style="list-style-type: none"> (a) Certified true copy of the constitutional documents of the Company. (b) Certified true copies of the special resolutions of the shareholders of the Company under Sections 42 of the Act and under Section 180 of the Act (if applicable). (c) A certified true copy of the resolution of the board of directors of the Company under Sections 71 and 179 of the Act, (i) approving the issue of the Debentures and creation of Security for the Debentures; (ii) approving the terms of the transactions contemplated by the relevant Debenture Documents; (iii) approving the transfer/assignment of Identified Receivables to the SPV on occurrence of Trigger Event; (iv) approving the terms of the transactions contemplated by the Assignment Documents (iv) resolving to execute the relevant Debenture Documents and the Assignment Documents; and (v) authorising a specified person or persons to execute the relevant Debenture Documents and relevant Assignment Documents on its behalf and to do all such acts and things as may be necessary to give effect to the relevant Debenture Documents and relevant Assignment Documents and the transactions contemplated by the relevant Debenture Documents and relevant Assignment Documents. (d) The Company shall have filed the resolutions (if applicable) in paragraphs (1)(b) and (c) above with the Registrar of Companies prior to issuing the Disclosure Document/ Private Placement Offer Letter. (e) A certificate of an independent practicing chartered accountant, certifying that there are no proceedings pending against the Company (as an assessee) under the Income Tax Act, 1961 which would warrant the requirement of permission / certificate from the Assessing Officer under Section 281 of the Income Tax Act, 1961 for the creation of Security. (f) Execution of the Debenture Documents and such Assignment Documents as may be required by the Debenture Trustee. (g) The Company shall have submitted to the Debenture Holders / Debenture Trustee, all required documents for the purpose of satisfying its respective know your customer requirements. (h) Issuance of Disclosure Document and Private Placement Offer Letter, containing disclosures required in terms of the SEBI (Issue and Listing of Debt Securities) Regulations 2008 and the Companies Act. (i) The Company shall have submitted to the Debenture Trustee its audited account statements for the most recent financial year or audited financial half-year. (j) The Debenture Trustee should have received the draft legal opinion in relation to the Transaction Documents from Wadia Ghandy & Co., in such form and manner as is acceptable to the Debenture Trustee. (k) Payment of legal and other fees and expenses in connection with the issuance of the Debentures, which are to be borne upfront. (l) Receipt of the draft Rating Rationale from the Rating Agency, confirming the expected rating. (m) Creation of security over the Identified Receivables and the Cash Collateral and intimation of the details of the Identified Receivables to the Debenture Trustee. |

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| | <p>(n) Confirmation that the Identified Receivable over which Security is created is in line with the Eligibility Criteria.</p> <p>(o) Creation of Cash Collateral in the form of fixed deposit(s) (which fixed deposit and account shall be lien marked in favour of the Debenture Trustee) in terms of the Cash Collateral Agreement.</p> <p>(p) Evidence that all the conditions precedent have been satisfied by the Company to the satisfaction of the Debenture Trustee and the receipt by the Debenture Trustee of a conditions precedent compliance certificate in this regard, in a form and manner acceptable to the Debenture Trustee.</p> |
| Conditions Subsequent to Disbursement | <ol style="list-style-type: none"> 1. The Company shall ensure that upon issuance of the Debentures, the allotment and the dematerialised credit of the same occurs within 5 (Five) Business Days from the Deemed Date of Allotment. 2. Filing of a return of allotment on the issue of the Debentures in Form PAS-3 specified pursuant to Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 by the Issuer, with the registrar of companies, within 15 (Fifteen) days from the Deemed Date of Allotment. 3. Receipt of final legal opinion from Wadia Ghandy & Co. 4. The Company shall ensure that the Debentures are listed and traded on the BSE within 4 (Four) trading days from the closing date of the Issue. 5. Registration of hypothecation over the property over which the Security Interest is created in terms of the Debenture Documents, with the Registrar of Companies and Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) within a maximum period of 30 (thirty) days from the Deemed Date of Allotment. 6. The Company shall ensure that it receives the final rating in respect of the Debentures, and submits the final rating letter to the Debenture Trustee within 90 (Ninety) days from the Deemed Date of Allotment. 7. A certificate by statutory auditor of the Company certifying the Purpose of the proceeds of the Debentures. |
| Trigger Events | As set out under paragraph 6.3.1 of Section 6 (<i>Key Terms under the Transaction Documents</i>) herein. |
| Consequences of Trigger Event | As set out under paragraph 6.3.2 of Section 6 (<i>Key Terms under the Transaction Documents</i>) herein. |
| Payment mechanism | <ol style="list-style-type: none"> 1. The Debentures are structured in such a manner that the principal amount of the Debentures and the Coupon due thereon are promised to be paid on the Scheduled Maturity Date, unless a Trigger Event has occurred prior to the Scheduled Maturity Date. 2. Upon the occurrence of a Trigger Event: (1) prior to the Expected Maturity Date, the principal amount on the Debentures shall be payable on a monthly basis; and (2) on or after the expiry of Expected Maturity Date the principal amount of the Debentures along with the Coupon due thereon shall be payable on a monthly basis, and all collections realised from the Identified Receivables (which is over and above the requirement to meet Coupon payments) shall be used to redeem the |

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principal amounts outstanding on the Debentures, in the manner set out hereinafter.

3. The expected payout schedule with respect to the Debentures upon the occurrence of any Trigger Event, shall be prepared by the Company and shared by the Company with the Debenture Trustee and SPV Trustee, and this schedule shall be prepared on the basis that payments will be made to the Debenture Holders on the 15th (Fifteenth) day of every calendar month (“**Post Trigger Expected Payout Dates**”). The expected payout schedule, revised by the Company shall set out the amounts which are expected (but not promised) to be paid to the Debenture Holders on each of the Post Trigger Expected Payout Dates, using the collections realised from the Identified Receivables. These amounts may be revised from time to time in accordance with the Transaction Documents whether on account of pre-payments, part payments or otherwise. It is clarified that if the 15th (Fifteenth) day of any calendar month is not a Business Day, the immediately subsequent Business Day will be treated as the Post Trigger Expected Payout Date.
4. At least 1 (One) Business Day prior to the Scheduled Maturity Date, the Company shall, fund the Designated Account with such monies as is required to meet all the Outstanding Amounts due and payable to the Debenture Holders on the Scheduled Maturity Date, provided however that if a Trigger Event has occurred, the Company shall fund the Designated Account with such monies as is required to meet the principal amount of the Debentures along with the Coupon due thereon (if any) due on the Debentures at least 1 (One) Business Day prior to the Post Trigger Expected Payout Date.
5. In the event that there are any shortfalls in the monies available in the Designated Account to make the relevant payments on the Scheduled Maturity Date, the Cash Collateral shall be invoked by the Debenture Trustee in the manner set out in the Cash Collateral Agreement for the purposes of meeting such shortfalls.
6. Further, upon occurrence of a Trigger Event all amounts available as Cash Collateral shall be liquidated and distributed to the Debenture Holders as part payments towards the Debentures, in the manner set out in paragraph 3 hereinabove.
7. Upon the occurrence of any Event of Default, the Company shall fund the Designated Account with such monies as is required to meet the Outstanding Amounts in relation to the Debentures, to ensure that the Debentures are redeemed in full. In the event that the Company fails to fund the Designated Account in the manner set out herein:
 - (i) All amounts collected towards the Identified Receivables shall be utilized for repayment of the Debentures;
 - (ii) In the event that the Identified Receivables is not sufficient to redeem the Debentures in full, the Cash Collateral shall be utilised for the purposes of meeting such shortfall; and
 - (iii) In the event that the amounts collected towards the Identified Receivables and the Cash Collateral is not sufficient to redeem the Debentures, then the Debenture Trustee shall be entitled to enforce the security interest available to the Debenture Trustee over the Identified Receivables and find a purchaser for the same,

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| | <p>and use the proceeds realised from the sale of such Identified Receivables for meeting payments due on the Debentures.</p> <p>8. All monies which are collected towards the Identified Receivables (whether in normal course or pursuant to sale upon occurrence of Event of Default), shall, upon the occurrence of any Trigger Event, be utilized in the manner set out under paragraph 2 herein and no monies forming part of the Identified Receivables, shall flow to the Company post a Trigger Event, until the Debentures are redeemed in full.</p> |
| Event(s) of Default (including manner of voting/ conditions of joining Inter Creditor Agreement) | As set out under paragraph 6.4.1 of Section 6 (<i>Key Terms under the Transaction Documents</i>) herein. |
| Creation of recovery expense fund | The Company shall create and maintain a recovery expense fund as per the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, and other Applicable Law, as amended from time to time, and if during the currency of these presents, any guidelines are formulated (or modified or revised) by SEBI or any other regulator under the Applicable Law in respect of creation of the recovery expense fund, the Company shall abide by such guidelines and execute all such supplemental letters, agreements and deeds of modifications as may be required by the Debenture Trustee. |
| Conditions for breach of covenants (as specified in Debenture Trust Deed) | As set out in paragraph 6.4.1 of Section 6 (<i>Key Terms under the Transaction Documents</i>) herein. |
| Consequences of Events of Default | As set out in paragraph 0 of Section SECTION 6: (<i>Key Terms under the Transaction Documents</i>) herein. |
| Provisions related to Cross Default Clause | As set out in ' <i>Events of Default</i> '. |
| Role and Responsibilities of Debenture Trustee | To oversee and monitor the overall transaction for and on behalf of the Debenture Holders. All rights and remedies under the Debenture Documents shall rest in and be exercised by the Debenture Trustee without having it referred to the Debenture Holders. Any payment made by the Company to the Debenture Trustee, for the benefit of the Debenture Holders, shall discharge the Company to the Debenture Holders. |
| Risk factors pertaining to the Issue | As set out in in Section 3 (<i>Risk Factors</i>) of this Disclosure Document. |
| Illustration of Bond Cashflows | Kindly refer to Annexure V of this Information Memorandum |
| Governing Law | The Debentures and documentation will be governed by and construed in accordance with the laws of India and the Courts in New Delhi shall have jurisdiction to determine any dispute arising in relation to the Debentures. |
| Valuation Agent | ICRA Analytics Limited |
| Valuation Frequency and Publication | <p>The Valuation Agency will publish a valuation on its website at least once every calendar week. The valuation shall be available on the website of the Valuation Agency and the Issuer.</p> <p>The latest and historical valuations for these Debentures will be published on the website of the Issuer and the Valuation Agency(ies).</p> <p>Upon request by any Debenture/NCD Holder for the valuation of these Debentures/NCDs, the Issuer shall provide them with the latest valuation.</p> |

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| Valuation Agency Fees | The fees payable to the Valuation Agent shall be borne solely by the Issuer and the same shall not exceed 0.02% p.a. (Zero Decimal Point Zero Two Percent per annum) on the face value of the outstanding Debentures. |
| Additional Risk Factors | The Debentures are subject to model risk i.e. the securities created based on complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behaviour of the securities selected for hedging may significantly differ from the returns predicted by the mathematical models. The principal amount is subject to the credit risk of the Issuer whereby the investors may or may not recover all or part of the funds in case of default by the Issuer. |

Note:

1. The list of documents which has been executed or will be executed in connection with the issue and subscription of debt securities shall be annexed.
2. The penal interest rates mentioned above as payable by the Issuer are independent of each other.

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SECTION 5: DISCLOSURES PERTAINING TO WILFUL DEFAULT

In case of listing of debt securities made on private placement, the following disclosures are required to be made vide *SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2016 w.e.f. 25-05-16*:

- A. **Name of the Bank declaring the entity as a Wilful Defaulter: NIL**
- B. **The year in which the entity is declared as a Wilful Defaulter: NIL**
- C. **Outstanding amount when the entity is declared as a Wilful Defaulter: NIL**
- D. **Name of the entity declared as a Wilful Defaulter: NIL**
- E. **Steps taken, if any, for the removal from the list of wilful defaulters: NIL**
- F. **Other disclosures, as deemed fit by the Issuer in order to enable investors to take informed decisions: NIL**
- G. **Any other disclosure as specified by the Board: NIL**

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SECTION 6: KEY TERMS UNDER THE TRANSACTION DOCUMENTS

6.1 Representations and Warranties of the Issuer

The Company has made the following representations and warranties to the Debenture Trustee and the Debenture Holders and the Company acknowledges that each of the Debenture Holders have subscribed to the Debentures in reliance *inter alia* on the representations of the Company set out herein.

- 6.1.1 The Company is a company duly incorporated and validly existing under Applicable Law and the Company is duly qualified and authorised to enter into the Debenture Documents.
- 6.1.2 The Transaction Documents have been duly and validly executed and delivered by the Company and constitute a legal and binding obligation of the Company enforceable against the Company in accordance with their respective terms.
- 6.1.3 The execution, delivery and performance by Company of the Transaction Documents do not and will not, with or without the giving of notice or lapse of time or both, violate, conflict with, require any consent under or result in a breach of or default under:
- (a) any law to which the Company is subject or the constitutional documents of the Company; or
 - (b) any order, judgment or decree applicable to the Company; or
 - (c) any term, condition, covenant, undertaking, agreement or other instrument to which the Company is a party or by which the Company is bound.
- 6.1.4 The Company is in compliance with all Applicable Law for the performance of its obligations with respect to this Issue as set out in the Debenture Documents including the Act and the rules made thereunder, as amended from time to time.
- 6.1.5 No consent or Governmental approval to, from or with any person, including the existing lenders of the Company is required on the part of the Company for borrowing by way of the issue of Debentures or in connection with the execution, delivery and performance of Transaction Documents including the Deed of Hypothecation to be executed for creation of charge over receivables, the compliance by any of them with any of the provisions hereof or thereof, or the consummation of the transactions contemplated hereby or thereby.
- 6.1.6 **Notice of Proceedings**
- That the Company has not received any notice or intimation till date of:
- (a) any taxes or any other sums due and payable by the Company to the Government of India, and/ or;
 - (b) any proceedings pending and/ or initiated and/ or threatened against the Company for or on account of any taxes or any other sums, which may be due and payable by the Company to the Government of India;
- which may materially affect the creation and enforcement of security in terms of the provisions of the Transaction Documents or which is prejudicial to the Debenture Holders;
- 6.1.7 **Security**
- (a) That the Secured Property, or any part thereof, is not subject to any lien, hypothecation, charge or other Encumbrance except the Security Interest created by the Debenture Documents.

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- (b) The Company is not aware of any judgment or legal process or defects affecting the title, ownership of the Secured Property of the Company which has remained undisclosed and/or which may prejudicially affect the Debenture Holder(s).
- (c) Each of loans disbursed under the Identified Loan Agreements, comply with the criteria set out below, as on the date on which the Security Interest over the said loans are created:
 - (i) None of the Identified Loans are encumbered (other than as has been set out in the Transaction Documents) and not have not been previously sold or assigned by the Company;
 - (ii) None of the Identified Loans should have any overdues as on the date on which the hypothecation over the Identified Loans is being created;
 - (iii) The weighted average loan-to-value ratio of the pool of Identified Receivables should be less than or equal to 50% (Fifty Percent);
 - (iv) Each Identified Loan should have been on the books of the Company for a minimum period of 3 (Three) months for loans;
 - (v) The loans comprising of the Identified Receivables originated in any one State does not exceed 45% (Forty Five Percent) of the total Identified Loans;
 - (vi) The loans comprising of the Identified Receivables originated in any one district of the Company does not exceed 6% (Six Percent) of the total Identified Loans;
 - (vii) The loans comprising of the Identified Receivables originated in any one branch of the Company does not exceed 3% (Three Percent) of the total Identified Loans;
 - (viii) The weighted average rate of return of the Identified Loans comprising the pool is more than 18% (Eighteen Percent);
 - (ix) Each of the Identified Loans have been originated and fully disbursed by the Company;
 - (x) The Company has not sold or encumbered the loan assets, either directly or indirectly;
 - (xi) The Identified Loans have been disbursed against the security of self-occupied residential properties;
 - (xii) Each Identified Loan has been originated by the Company through branches owned and operated by the Company directly and not through branches operated by any origination partner;
 - (xiii) The Company has complied with all the extant guidelines issued by RBI pertaining to 'know your customer' (KYC), with respect to each of the Identified Obligors;
 - (xiv) The total principal amount of Security of the Underlying Loans divided by the Outstanding Amounts should be at least equal to the Minimum Security Cover.
 - (xv) The Identified Loans which have overdues, but the amounts have been outstanding for a period of less than 30 (Thirty) days shall not form more than 5% (Five Percent) of the pool at any point of time.
 - (xvi) Top three states concentration in the cover pool to not constitute more than 90% (Ninety Percent);
 - (xvii) Maximum principal outstanding for each obligor to be capped at Rs. 15,00,000/- (Rupees Fifteen Lakhs Only)
 - (xviii) The Identified Loans are not from branches which have originated loans having overdues, with amounts outstanding for a period of more than 90 (Ninety) days comprising more than 5 (Five percent) of their total portfolio.
 - (xix) The minimum rate of return of the Identified Loans is more than 15% (Fifteen Percent).

6.1.8 Material Adverse Effect

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There is no Material Adverse Effect existing and that there are no circumstances existing which could give rise, with the passage of time or otherwise, to a Material Adverse Effect.

6.1.9 **Event of Default or Trigger Event**

The Company hereby represents that there is no Event of Default or Trigger Event that has currently occurred or is continuing as on the date hereof.

6.1.10 **NBFC**

The Company is registered as a non-banking finance company with the RBI.

6.1.11 **Information**

All information provided by the Company, in writing, is true and accurate in all respects as at the date it was provided or as at the date at which it was stated and is not misleading whether by reason of omission to state a material fact or otherwise. The Company confirms that all necessary disclosures have been made in this Disclosure Document including but not limited to statutory and other regulatory disclosures.

6.1.12 **Nature of Representations and Warranties**

The Company hereby expressly represents and warrants that each of the representations and warranties set out hereinabove is true and accurate as on the date hereof and shall continue to be true and accurate on each day until the Final Settlement Date, and nothing contained in the said representations and warranties is / will be misleading or designed to create an inaccurate, incomplete or false picture.

6.2 **Covenants of the Issue**

6.2.1 **Information Covenants**

(a) The Company has undertaken to:

(i) Submit a quarterly report to the Debenture Trustee within 7 (seven) days of the relevant board meeting or within 45 (forty five) days from the end of the relevant quarter containing the following particulars:

- A. Updated list of names and address of all Debenture Holders;
- B. Details of interest due but unpaid and reasons for the same and timely and accurate payment of the interest on the Debentures;
- C. The number and nature of grievances received from the Debenture Holders and (1) resolved by the Company and (2) unresolved by the Company and the reasons for the same;
- D. Statement that the assets of the Company available as Security are sufficient to discharge the claims of the Debenture Holders as and when the same become due;

(ii) Furnish the following to the Debenture Trustee:

- A. its duly audited annual accounts, within 180 (One Hundred and Eighty) days from the close of its accounting year;
- B. copy of the un-audited or audited financial results on a half yearly basis on the same day the information is submitted to stock exchanges;

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- C. a one-time certificate from the statutory auditor of the Company with respect to the use of the proceeds raised through the issue of Debentures as and when such proceeds have been completely deployed toward the proposed end-uses;
 - D. such other information in relation to the Security / Secured Property that the Debenture Trustee may reasonably request (in a format which shall be provided by the Debenture Trustee from time to time) for the purpose of quarterly diligence by the Debenture Trustee to monitor the asset cover and shall also submit to the Debenture Trustee a certificate from the director/ managing director of the Company on quarterly basis, certifying the value of the Identified Receivables as agreed in the Debenture Documents;
 - E. a certificate from the statutory auditor of the Company on a half-yearly basis, regarding maintenance of Minimum Security Cover, certifying the value of the Identified Receivables and compliance with the covenants set out in the Disclosure Document, along with the half-yearly financial results;
- (iii) Send to the Stock Exchange for dissemination, as required by the listing agreements entered into by the Company with the Stock Exchanges along with the half yearly financial results, a half- yearly communication certificate from the Debenture Trustee under Regulation 52(4) and 52(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 containing inter-alia the following information:
- A. credit rating;
 - B. asset cover available;
 - C. debt-equity ratio;
 - D. previous due date for the payment of interest/principal and whether the same has been paid or not;
 - E. next due date for the payment of interest/principal;
 - F. Debenture Redemption Reserve;
 - G. net worth;
 - H. net profit after tax;
 - I. earnings per share;
- (iv) Forward/ intimate the following to the Debenture Trustee promptly:
- A. a copy of annual report at the same time as it is issued along with a copy of certificate from the Company's auditor in respect of utilisation of funds during the implementation period of the project for which the funds have been raised. In case the Debentures are issued for financing working capital or general corporate purposes or for capital raising purposes, copy of the auditor's certificate may be submitted at the end of each Financial Year till the funds have been fully utilised or the purpose for which these funds were intended has been achieved;
 - B. any revision in the rating assigned to the Debentures;
 - C. any default in timely payment of interest or redemption amounts or both in respect of the Debentures;
 - D. failure to create the Security; and
 - E. all covenants of the issue (including side letters, accelerated payment clause, etc.)
- (v) Submit periodical status/ performance reports within 7 (Seven) days of the relevant board meeting or within 45 (Forty Five) days of the respective quarter whichever is earlier.
- (vi) Submit to the Debenture Trustee, a copy of all notices, resolutions and circulars relating to:

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- A. new issue of non-convertible debt securities at the same time as they are sent to shareholders/ holders of non-convertible debt securities;
 - B. the meetings of holders of non-convertible debt securities at the same time as they are sent to the holders of non-convertible debt securities or advertised in the media including those relating to proceedings of the meetings;
- (vii) Submit to the Debenture Trustee, till the Final Settlement Date, its latest audited/ limited review half yearly consolidated (wherever available) and standalone financial information such as Statement of Profit and Loss, Balance Sheet and Cash Flow Statement and Audited Qualifications, if any, within the timelines as stipulated in simplified listing agreement issued by SEBI as may be amended from time to time;
- (viii) Submit such other disclosure to the Debenture Trustee as may be required under the SEBI (Issue and Listing of Debt Securities) Regulations 2008, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other Applicable Laws; and
- (ix) Provide any and all information required under any Applicable Law at all times, during the currency of Debentures as may be called upon by the Debenture Trustee.
- (b) The Company shall provide/ cause to be provided information in respect of the following promptly and no later than 15 (Five) Business Days from the occurrence of such event:
- (i) Inform the Debenture Trustee of any change in the nature and conduct of its business before such change;
 - (ii) Promptly inform the Debenture Trustee of any change in its name, any change in the composition of its board of directors which may amount to change in control as defined in Securities Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;
 - (iii) Inform the Debenture Trustee of any merger, consolidation, reorganisation scheme or arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction.
 - (iv) Notify the Debenture Trustee in writing of any legal proceeding pending or threatened, investigation, regulatory notices or judicial orders against any of the Company, or any dispute between the Company and/or any Governmental Authority, which could result in a Material Adverse Effect or affecting the Secured Property;
 - (v) Inform the Debenture Trustee of commencement of any proceedings directly affecting the Secured Property.
 - (vi) Notify the Debenture Trustee in writing of any notice of any application for winding up having been made or receipt of any statutory notice of winding up under the provisions of the Act or any other notice under any other law or otherwise of any suit or legal process intended to be filed and affecting the title to the property of the Company or if a receiver is appointed of any of its properties or business or undertaking;
 - (vii) Notify the Debenture Trustee in writing of any one or more events, conditions or circumstances that exist or have occurred that has, had or could reasonably be expected to have a Material Adverse Effect;

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- (viii) Notify the Debenture Trustee in writing of any event which constitutes an Event of Default or Trigger Event or of circumstances existing which could give rise, with the passage of time or otherwise, to an Event of Default or Trigger Event, specifying the nature of such event and any steps the Company is taking and proposes to take to remedy the same;
- (ix) Notify the Debenture Trustee in writing of any change in the shareholding of the Company, in the event that the equity shareholding (taken on a fully diluted basis) of the Promoters in the Company (directly or indirectly) falls below 15% (Fifteen Percent);
- (x) Notify the Debenture Trustee of any change to the constitutional documents of the Company;
- (xi) Notify the Debenture Trustee in writing of any proposal by any Governmental Authority to acquire compulsorily the Company, or any part of the security herein or any part of the Company's assets (whether or not constituting an Event of Default); and
- (xii) Notify the Debenture Trustee of prepayment or notice of any prepayment in respect of any Financial Indebtedness of the Company.

6.2.2 **Affirmative Covenants**

The Company has undertaken and covenanted that the Company shall until the Final Settlement Date:

- (a) keep proper books of account and keep the said books of account and all other books, registers and documents relating to the affairs of the Company at its registered office or, where permitted by law, at other place or places where the books of account and documents of a similar nature may be kept and the Company will ensure that all entries in the same relating to the Secured Property and the Debentures shall, upon notice and during the regular working hours of the Company be open for inspection of the Debenture Trustee and such person or persons, as the Debenture Trustee shall, from time to time, for that purpose appoint, and the Debenture Trustee or such person or persons so appointed shall be entitled to take copies or extracts of the registers of the company available for inspection.
- (b) permit the Debenture Trustee and such person, as the Debenture Trustee shall from time to time for that purpose appoint, to enter into or upon and to view and inspect the state and condition of all the Secured Property, with prior written notice of 7 (Seven) days to the Company, together with all records, registers relating to the Secured Property.
- (c) give to the Debenture Trustee any information, relating to the business, property and affairs of the Company, pursuant to a monitoring or servicing request of the Debenture Holders.
- (d) keep the Secured Property adequately insured, if applicable and in a proper condition.
- (e) punctually pay all rents, royalties, taxes, rates, levies, cesses, assessments, impositions and outgoings, governmental, municipal or otherwise imposed upon or payable by the Company as and when the same shall become payable including in relation to the Secured Property and when required by the Debenture Trustee produce the receipts for such payments and observe, perform and comply with all covenants and obligations which ought to be observed and performed by the

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Company in respect of or any part of the Secured Property;

- (f) utilise the funds raised through the Issue solely towards the Purpose and shall not utilise the funds raised through the Issue or any part thereof directly/indirectly towards capital markets (debt and equity), land acquisition or other uses that are restricted for bank financing by the RBI.
- (g) ensure compliance with corporate governance and fair practices code prescribed by the RBI.
- (h) obtain, comply with and maintain all consents / licenses / authorisations as may be necessary for performing its obligations in relation to this Issue and for its business.
- (i) perform all of its obligations under the terms of the applicable Debenture Documents and maintain in full force and effect each of the Debenture Documents to which it is a party.
- (j) maintain internal control for the purpose of (i) preventing fraud on monies lent by the Company; and (ii) preventing such monies being used for money laundering or illegal purposes.
- (k) execute all such deeds, documents and assurances and do all such acts and things as the Debenture Trustee may reasonably require for exercising the rights under these presents and the Debentures or for effectuating and completing the Security intended to be hereby created and shall from time to time and at all times after the Security hereby constituted shall become enforceable, execute and do all such deeds, documents, assurance, acts, and things as the Debenture Trustee may require for facilitating realisation of the Secured Property and in particular the Company shall execute all transfers, conveyances, assignments and assurance of the Secured Property whether to the Debenture Trustee or to their nominees and shall give all notices and directions which the Debenture Trustee may think expedient.
- (l) at all times act and proceed in relation to its affairs and business in compliance with Applicable Law including inter alia the provisions of the Act, the listing agreement and the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any successor regulation thereto as in force from time to time, in so far as they are applicable to the Debentures and shall furnish to the Debenture Trustee such data, information, statements and reports as may be deemed necessary by the Debenture Trustee in order to enable the Debenture Trustee to comply with the provisions of Regulation 15 of the SEBI (Debenture Trustees) Regulations, 1993 thereof in performance of their duties in accordance therewith to the extent applicable to the Debentures.
- (m) duly cause these presents to be registered in all respects, if so required, so as to comply with the provisions of the Companies Act or any act, ordinance or regulation and generally do all other acts (if any) necessary for the purpose of assuring the legal validity of these presents;
- (n) promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holders. The Company further undertakes that it shall promptly comply with the suggestions and directions that may be given in this regard, from time to time, by the Debenture Trustees and shall advise the Debenture Trustees periodically of the compliance.
- (o) agrees, confirms and undertakes that in the event the Company has failed to make a timely repayment of the Debenture Obligations or to create a charge on the

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Secured Property or there is a revision of rating assigned to the Debentures, the Debenture Trustee shall, be entitled to disclose the information to the Debenture Holders and the general public by issuing a press release, placing the same on their websites and with the credit rating agencies.

6.2.3 Negative Covenants

The Company has undertaken and covenanted the following negative covenants:

- (a) The Company shall not, without the prior consent of the Debenture Trustee, create or attempt to create any charge over the Secured Property.
- (b) In the event of the occurrence of an Event of Default or a Trigger Event, the Company shall not, without the prior consent of the Debenture Trustee and until the Company has paid or made satisfactory provision for the payments (including the principal amount and Coupon) due on the Debentures in any year, declare any dividend to the shareholders of the Company, or make any other distributions to the holders of common equity.
- (c) The Company shall not, without the prior consent of the Debenture Trustee, enter into any transaction of merger, de-merger, consolidation, re-organisation, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction, if such proposed transaction of merger, de-merger, consolidation, re-organisation, scheme of arrangement or compromise with its creditors or shareholders or scheme of amalgamation or reconstruction exceeds 10% (Ten Percent) of the Net Worth of the Company during a Financial Year.
- (d) The Company will not purchase or redeem any of its issued shares or reduce its share capital without the prior consent of the Debenture Trustee.
- (e) The Company shall not amend or modify clauses in its Memorandum of Association and Article of Association, where such amendment would have a Material Adverse Effect, without the prior consent of the Debenture Trustee.
- (f) Any sale of assets/business/division by the Company that has the effect of exiting the business or re-structuring of the existing business, shall not be undertaken without the prior consent of the Debenture Trustee.
- (g) The Company shall not undertake any new major new business outside financial services or any diversification of its business outside financial services, without the prior consent of the Debenture Trustee.
- (h) The Company shall not wind up, liquidate or dissolve its affairs unless such liquidation takes place in connection with a merger, consolidation or any other form of combination of the Company with another company and the resulting entity or company assumes all obligations with respect to the Debentures.
- (i) The Company shall not, without the prior consent of the Debenture Trustee, sell, transfer or otherwise dispose of all or substantially all of its assets other than in the normal course of business of the Company.
- (j) The Company shall not enter into any compromise or arrangement or settlement with any of its secured creditors that would prejudicially affect the interests of the Debenture Holders without the prior consent of the Debenture Trustee.
- (k) The Company shall not amend or modify the Assignment Documents, without the prior consent of the Debenture Trustee.

6.2.4 Certified Covenants

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- (a) The Company shall maintain a capital adequacy ratio of (i) Tier I Capital and Tier II Capital (as defined by RBI under the relevant prudential guidelines applicable to the Company) to (ii) aggregate of risk weighted assets on-balance sheet and risk adjusted value of off-balance sheet items, of at least 20% (Twenty Percent) during the term of the Debentures; provided that in the event the minimum ratio prescribed by RBI is higher than the ratio stipulated hereinabove, the Company shall ensure compliance with such higher ratio;
- (b) The Company shall ensure that its gross non-performing assets (as defined by RBI under the relevant regulations applicable to the Company) of the Company forming part of the Company's AUM shall not exceed 4% (Four Percent) of its Assets Under Management.
- (c) The Company shall ensure that its net non-performing assets of the Company forming part of the Company's AUM shall not exceed 3% (Three Percent) of its Assets Under Management. For the purposes of this clause the net non-performing assets shall be calculated as gross non-performing assets less provisioning for non-performing assets.

The covenants identified in this paragraph shall be tested on a quarterly basis and the Company shall submit to the Debenture Trustee on a quarterly basis, within 45 (forty-five) days from the end of every financial quarter, certificates signed by a director or the Chief Financial Officer of the Company, confirming the Company's compliance with this paragraph on the basis of the consolidated and standalone balance sheet of the Company for the relevant financial quarter.

6.3 Trigger Events and Consequences

6.3.1 Trigger Events

If one or more of the events specified below happen(s), the same shall constitute a "Trigger Event":

- (a) Any corporate action, legal proceedings or other procedure or step is taken in relation to the Company (including the making of an application, the presentation of a petition, the filing or service of a notice or the passing of a resolution) in relation to:
- (b) the suspension of payments, a moratorium of any indebtedness, winding-up, insolvency, dissolution, administration or reorganisation of the Company with an intention of winding up or liquidating or declaring insolvent the Company (by way of voluntary arrangement, scheme of arrangement or otherwise); or
- (c) a composition, compromise, assignment or arrangement with any creditor of the Company; or
- (d) the appointment of a liquidator, supervisor, receiver, administrative receiver, administrator, compulsory manager, trustee or other similar officer in respect of the Company or any of its assets.
- (e) Failure of the Issuer to comply with any of the covenants set out under any of the Debenture Documents or any of the Assignment Documents, which breach if capable of being remedied has not been remedied to the satisfaction of the Debenture Trustee, within a maximum period of 30 (Thirty) days from occurrence;
- (f) Any or all of the representations and warranties provided by the Company under any Debenture Document or any of the Assignment Documents, being untrue, incomplete, incorrect or misleading;

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- (g) In the event the Company creates or attempts to create any charge on the Secured Property or any part thereof without the prior approval of the Debenture Trustee, other than as permitted under the Transaction Documents;
- (h) Failure to maintain the Minimum Security Cover; and
- (i) Any failure of the Company to exercise the Call Option.
- (j) Failure by the Company to deposit the Identified Receivables received by it from the Identified Obligors, in the SPV Account on or prior to the relevant Deposit Date, in accordance with the terms of the Assignment Documents;
- (k) The rating of the Company is downgraded to 'BBB+ (Triple B plus)' or an equivalent rating or below by the Rating Agency;
- (l) The rating of the Debentures is downgraded to 'AA (CE)' or an equivalent rating or below by the Rating Agency;
- (m) Failure on the part of the Company to maintain Minimum Security Cover;
- (n) The Company fails to comply with any of the covenants set out under any documents executed in relation to non-convertible debentures or for availing of any loan or under any of the assignment documents entered into by the Company, which gives the respective lenders the right to call an event of default or accelerate redemption;
- (o) The Company is unable or admits in writing its inability to pay its Financial Indebtedness as they fall due;
- (p) If any other indebtedness of the Company to any other lender is not paid when due and the same is declared as an event of default by such lender.
- (q) It is or becomes unlawful for the Company to perform any of its obligations under the Debenture Documents including relating to the Outstanding Amounts and/or the Security;
- (r) The Company repudiates a Debenture Document to which it is a party or evidences an intention to repudiate Debenture Documents to which it is a party;
- (s) The Company is in default in relation to servicing obligations undertaken by it with respect to the direct assignment transactions or securitisation transactions wherein the Company is the originator of loans assigned/securitised;
- (t) If one or more legal or governmental proceedings have been initiated against the Company or any claims are made against the Company, which in the opinion of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders), may impair the Company's ability to perform its obligations undertaken in terms of the Debenture Documents or which has a Material Adverse Effect;
- (u) Any expropriation, attachment, sequestration, distress or execution affects any assets of the Company which has a material adverse effect on their ability to comply with its payment obligations under the Debenture Documents;
- (v) Revocation of operating licenses or other authorisations of the Company;
- (w) Any event or any series of events occur, which, in the sole opinion of the

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Debenture Trustee, might have a Material Adverse Effect;

- (x) If the Transaction Documents or any part thereof ceases, for any reason whatsoever, to be valid and binding or in full force and effect;
- (y) Delisting of the Debentures from the relevant stock exchange;
- (z) If any court of law or any regulatory authority holds that the transfer of Assets from the Company to the SPV Trust is not a valid assignment and transfer and that the Assets therefore will continue to belong to the Company.

6.3.2 Consequences of Trigger Event

Upon the occurrence of any Trigger Event:

- (a) The consequences set out with respect to Call Option (if exercised by the Company) and as set out in the section titled '*Payment Mechanism*' shall ensue;
- (b) The SPV Guarantee would be invoked, in case of a shortfall in the payment of dues. Thereafter, all collections shall be routed and deposited in the SPV Account by the NCD Issuer (acting in its capacity as the servicer) as more particularly set out in the SPV Guarantee and Payment Mechanism, and shall be utilised for meeting payment to the Debenture Holders as per the 'Waterfall Mechanism' set out in the SPV Trust Deed;
- (c) The Company shall not, without the prior written consent of the Debenture Trustee, declare or pay any dividend or make any other distributions to its shareholders unless;
 - (i) the proposed payment or distribution of dividend is out of net income of the Company for the current Financial Year (which net income shall be excluding any amount resulting from the revaluation of any of the Company's assets);
 - (ii) no Event of Default has occurred and is continuing, or is likely to occur, as a result of such payment, declaration or distribution of such dividend;
 - (iii) the Company is in compliance with Certified Covenants; and
 - (iv) the Company has paid or made satisfactory provision for the payment of the instalments of principal and interest due on the Debentures; and
- (d) The Debenture Trustee (acting on the instructions of the Majority Debenture Holders) shall be entitled to appoint an alternate collection / servicing agent in relation to the Identified Receivables.
- (e) The Debenture Trustee (acting on the instructions of the Majority Debenture Holders) shall be entitled to enforce the charge over the Assets, including by way of liquidation of the Assets and applying the proceeds thereof for meeting the payments to the Debenture Holders.
- (f) The Coupon Rate shall stand increased to the Step Up Coupon Rate.
- (g) The Parties acknowledge that the Company is issuing the Debentures with an intention to create a 'covered bond' structure upon occurrence of a Trigger Event, i.e., ensure that the Identified Receivables is bankruptcy remote from the Company upon occurrence of a Trigger Event.
- (h) Accordingly upon occurrence of a Trigger Event, the Company shall, without the

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need for any further notice in this regard, assign its right, title and interest in the Identified Receivables and Cash Collateral to the SPV Trust together with all right, title and interest in relation thereto including the rights in relation to the security interests created in connection therewith, subject to the charge created over such Identified Receivables in favour of the Debenture Trustee, within a period of 10 (ten) Business Days from the occurrence of a Trigger Event, which assignment shall take effect on and from the date of the occurrence of a Trigger Event. The Debenture Trustee hereby confirms and consents to such transfer, subject to the SPV executing (as part of the conditions precedent for issuance of the Debentures) an unconditional and irrevocable guarantee (“**SPV Guarantee**”) and a deed of hypothecation in favour of the Debenture Trustee, acknowledging that all Identified Receivables and Cash Collateral acquired by the SPV Trust shall be utilised for the purposes of redeeming the Debentures and shall remain subject to an encumbrance in favour of the Debenture Trustee. It is hereby expressly clarified that, the transfer of Identified Receivables and Cash Collateral as contemplated under this Clause on the occurrence of Trigger Event would not discharge the Company of its obligations in relation to the Debentures including its obligations with respect to payment of the Outstanding Amounts in terms of the Debenture Documents and the said obligations of the Company shall continue till the Final Settlement Date. The SPV Guarantee shall at all times, rank senior to any beneficial payments made by the SPV Trust to the Company.

- (i) Upon the occurrence of a Trigger Event, the Cash Collateral shall be drawn upon and utilised in the following manner on and from the date of occurrence of the Trigger Event:
 - (i) The SPV Trustee and the Debenture Trustee shall give instructions in terms of the Cash Collateral Agreement to liquidate the Cash Collateral and transfer the entire Cash Collateral to the SPV Account on the date of occurrence of the Trigger Event itself and thereafter immediately utilised towards payment to Debenture Holders in the following manner:
 - A. For meeting any statutory dues of the SPV;
 - B. For meeting Coupon payments due and payable on the Debentures, if any;
 - C. For redeeming the principal amount of the Debentures; and
 - D. Once the Debentures are redeemed in full, the balance monies shall belong to the Company, as residual beneficiary of the SPV Trust
 - (ii) Subsequent to the utilisation of Cash Collateral, on each of the relevant Post Trigger Expected Payout Date, proceeds realised from the Identified Receivables in the relevant calendar month and deposited in the SPV Account and any other amounts then available in the SPV Account shall be utilized in the following order of priority till such time as the Debentures are outstanding:
 - A. For meeting Coupon payments due and payable on the Debentures, if any; and
 - B. For redeeming the principal amount of the Debentures.

6.4 Events of Default and Consequences

6.4.1 Events of Default

The following event shall constitute an Event of Default:

- (a) Failure on the part of the Company to make payment of all or any part of the Outstanding Amounts on any Post Trigger Expected Payout Date.
- (b) Failure on the part of the Company to make payment of all or any part of Outstanding Amounts, on the Scheduled Maturity Date.

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- (c) If the Company does not comply with any acts and action as may be required by the Debenture Trustee (acting on behalf of the Debenture Holders) in relation to or in connection with the assignment of the Identified Receivables and/ or Cash Collateral to the SPV upon the occurrence of a Trigger Event;
- (d) A Trigger Event has occurred, and the Debentures have not been entirely redeemed after utilising proceeds received from liquidation of the Identified Receivables and the Cash Collateral on or prior to the Scheduled Maturity Date;
- (e) Failure to comply with the Consequences of Trigger Events upon the occurrence of a Trigger Event;
- (f) At the discretion of the Debenture Trustee (acting on instructions of the Debenture Holders), the following, in case the Identified Receivables are not deposited in SPV Account for any reason whatsoever within the timelines stipulated in Payment Mechanism and the Company has made a payment default in relation to any of its Financial Indebtedness as they fall due;
- (g) Occurrence of any Trigger Event during the Uncovered Period.

6.4.2 Consequences of Events of Default

- (a) On and at any time after the occurrence of an Event of Default, the Debenture Trustee shall:
 - (i) declare that all or part of the Outstanding Amounts be immediately due and payable;
 - (ii) exercise all the rights available to the Debenture Trustee and / or Debenture Holder(s) pursuant to a Trigger Event;
 - (iii) if so directed by the Majority Debenture Holder(s), enforce the charge over the Secured Property in accordance with the terms of the Transaction Documents;
 - (iv) exercise any other right that the Debenture Trustee and / or Debenture Holder(s) may have under the Debenture Documents or under Indian law;
 - (v) appoint any independent agency to inspect and examine the working of the Company and provide a report of the same to Debenture Holders/ the Debenture Trustee. The Company shall provide full co-operation and necessary assistance to such agency and bear all costs and expenses incurred in relation to appointment of such agency;
 - (vi) The Debenture Trustee shall be entitled to appoint a Nominee Director on the board of the Company.
- (b) Until the happening of any of the Trigger Events or the Event(s) of Default, the Debenture Trustee shall not be in any manner required, bound or concerned to interfere with the management of the affairs of the Company or its business thereof. The Debenture Trustee shall, on being informed by the Company of the happening of any of the Trigger Events or Event(s) of Default or upon the happening of any of such Trigger Event or Event(s) of Default coming to its notice, forthwith give written notice to the Debenture Holder(s) of the same.

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SECTION 7: OTHER INFORMATION AND APPLICATION PROCESS

The Debentures being offered as part of the Issue are subject to the provisions of the Act, the Memorandum and Articles of Association of the Issuer, the terms of this Information Memorandum, Application Form and other terms and conditions as may be incorporated in the Transaction Documents.

7.1 Mode of Transfer/Transmission of Debentures

The Debentures shall be transferable freely; however, it is clarified that no Investor shall be entitled to transfer the Debentures to a person who is not entitled to subscribe to the Debentures. The Debenture(s) shall be transferred and/or transmitted in accordance with the applicable provisions of the Act and other applicable laws. The Debentures held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL and the relevant DPs of the transferor or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, amounts due will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the R&T Agent as on the Record Date, under all circumstances. In cases where the transfer formalities have not been completed by the transferor, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in dematerialised form. The seller should give delivery instructions containing details of the buyer's DP account to his DP.

7.2 Debentures held in Dematerialised Form

The Debentures shall be held in dematerialised form and no action is required on the part of the Debenture Holder(s) for redemption purposes and the redemption proceeds will be paid by cheque/fund transfer/RTGS to those Debenture Holder(s) whose names appear on the list of beneficiaries maintained by the R&T Agent. The names would be as per the R&T Agent's records on the Record Date fixed for the purpose of redemption. All such Debentures will be simultaneously redeemed through appropriate corporate action.

The list of beneficiaries as of the Record Date setting out the relevant beneficiaries' name and account number, address, bank details and DP's identification number will be given by the R&T Agent to the Issuer. If permitted, the Issuer may transfer payments required to be made in any relation by EFT/RTGS to the bank account of the Debenture Holder(s) for redemption payments.

7.3 Trustee for the Debenture Holder(s)

The Issuer has appointed Catalyst Trusteeship Limited to act as trustee for the Debenture Holder(s). The Issuer and the Debenture Trustee intends to enter into the Debenture Trustee Agreement and the Debenture Trust Deed *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and the Issuer. The Debenture Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Debenture Holder(s). Any payment made by the Issuer to the Debenture Trustee on behalf of the Debenture Holder(s) shall discharge the Issuer *pro tanto* to the Debenture Holder(s). The Debenture Trustee will protect the interest of the Debenture Holder(s) in regard to the repayment of principal and coupon thereon and they will take necessary action, subject to and in accordance with the Debenture Trustee Agreement and the Debenture Trust Deed, at the cost of the Issuer. No Debenture Holder shall be entitled to proceed directly against the Issuer unless the Debenture Trustee, having become so bound to proceed, fails to do so. The Debenture Trustee Agreement and the Debenture Trust Deed shall more specifically set out the rights and remedies of the Debenture Holder(s) and the manner of enforcement thereof.

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7.4 Sharing of Information

The Issuer may, at its option, but subject to applicable laws, use on its own, as well as exchange, share or part with any financial or other information about the Debenture Holder(s) available with the Issuer, with its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Issuer nor its subsidiaries and affiliates nor their agents shall be liable for use of the aforesaid information.

7.5 Debenture Holder not a Shareholder

The Debenture Holder(s) shall not be entitled to any right and privileges of shareholders other than those available to them under applicable laws. The Debentures shall not confer upon the Debenture Holders the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Issuer.

7.6 Modification of Debentures

The Debenture Trustee and the Issuer will agree to make any modifications in the Information Memorandum which in the opinion of the Debenture Trustee is of a formal, minor or technical nature or is to correct a manifest error.

Any other change or modification to the terms of the Debentures shall require approval by the Majority Debenture Holders in the manner as provided for in the Debenture Trust Deed.

For the avoidance of doubt, the following matters require the consent of Majority Debenture Holders, either by providing their express consent in writing or by way of a resolution at a duly convened meeting of the Debenture Holders:

- A. Creating of any additional security; and
- B. Amendment to the terms and conditions of the Debentures or the Transaction Documents.

7.7 Right to accept or reject Applications

The Board of Directors/Committee of Directors reserves its full, unqualified and absolute right to accept or reject any application for subscription to the Debentures, in part or in full, without assigning any reason thereof.

7.8 Notices

Any notice may be served by the Issuer/ Debenture Trustee upon the Debenture Holders through registered post, recognized overnight courier service, hand delivery or by facsimile transmission addressed to such Debenture Holder at its/his registered address, e-mail or facsimile number.

All notice(s) to be given by the Debenture Holder(s) to the Issuer/ Debenture Trustee shall be sent by registered post, recognized overnight courier service, hand delivery, email or by facsimile transmission to the Issuer or to such persons at such address/ facsimile number as may be notified by the Issuer from time to time through suitable communication. All correspondence regarding the Debentures should be marked "Private Placement of Debentures".

Notice(s) shall be deemed to be effective (a) in the case of registered mail, 5 (Five) Business Days after posting via certified or registered mail, return receipt requested; (b) 1 (One) Business Day after delivery by recognized overnight courier service, if sent for next Business day delivery (c) in the case of facsimile at the time when dispatched with a report confirming proper transmission; (d) in the case of personal delivery, at the time of delivery or (e) or in case of e-mail at the time of the sending thereof (provided no delivery failure notification is received by the sender within 24 hours of sending such email).

7.9 Issue Procedure

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The Issue will open on the 'Issue Opening Date' and close on the 'Issue Closing Date' (both days inclusive) as stated in this Disclosure Documents. Potential investors who wish to invest in the Issue are requested to submit an application for the Debentures with all the accompanying documents and the application money at any time starting from the Issue Opening Date and upto the Issue Closing Date.

Applications for the Debentures must be made in the prescribed Application Form contained in the Private Placement Offer Cum Application Letter as provided by the Company and must be completed in block letters in English by the investors. Application Form must be accompanied by payment details. All Application Forms, duly completed, together with cheque/ demand draft or Electronic transfer drawn or made payable in favour of "Five-star Business Finance Limited" of the amount payable on application. Applications for the Debentures must be in the prescribed form (enclosed) and completed in BLOCK CAPITAL LETTERS in English and as per the instructions contained therein. Applications complete in all respects (along with all necessary documents as detailed in this Disclosure Document) must be submitted before the last date indicated in the issue time table or such extended time as decided by the issuer. No separate receipt will be issued for the application money.

In case the payment is made through any electronic mode of payment such as RTGS/ NEFT, the funds have to be credited to account, the details of which shall be provided in the Private Placement cum Application Letter.

It may be noted that payment by any other means shall not be accepted. The Company assumes no responsibility for any applications lost in mail or in transit or any failure of electronic fund transfer. The Company will not be responsible in any manner for any delayed receipts / non-receipt of RTGS payments or applications lost in mail.

As a matter of precaution against possible fraudulent encashment of interest warrants/ cheques due to loss/ misplacement, the applicant should furnish the full particulars of his or her bank account (i.e. Account Number, name of the bank and branch) at the appropriate place in the Application Form. Interest warrants will then be made out in favour of the bank for credit to his/ her account so specified and dispatched to the investors, who may deposit the same in the said bank.

Cheques / demand drafts / Electronic transfer may be drawn on any bank which is situated and is a member or sub-member of the Banker's Clearing House located at Mumbai. Investors are required to make payments only through Cheque /demand drafts / Electronic transfer payable at Mumbai.

The Issuer assumes no responsibility for any applications / cheques / demand drafts lost in mail or in transit.

7.10 Application Procedure

Potential Investors will be invited to subscribe by way of the Application Form prescribed in the Information Memorandum during the period between the Issue Opening Date and the Issue Closing Date (both dates inclusive). The Issuer reserves the right to change the issue schedule including the Deemed Date of Allotment at its sole discretion, without giving any reasons. The Issue will be open for subscription during the banking hours on each day during the period covered by the Issue Schedule.

7.11 Fictitious Application

All fictitious applications will be rejected.

7.12 Basis of Allotment

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Notwithstanding anything stated elsewhere, Issuer reserves the right to accept or reject any application, in part or in full, without assigning any reason. Subject to the aforesaid, in case of over subscription, allotment shall be made on a priority basis. The investors will be required to remit the funds as well as submit the duly completed Application Form along with other necessary documents to Issuer by the Deemed Date of Allotment.

7.13 Payment Instructions

The pay-in of subscription monies in respect of the Debentures by the Successful subscriber shall be made in accordance with the procedure set out in paragraph 7.9 above.

7.14 Eligible Investors

The following categories of Investors, who have been specifically approached and have been identified upfront, are eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form:

- A. Mutual Funds
- B. Non-banking financial companies
- C. Provident Funds and Pension Funds
- D. Corporates
- E. Banks
- F. Foreign Portfolio Investors (FPIs)
- G. Foreign Institutional Investors (FIIs)
- H. Qualified Foreign Investors (QFIs)
- I. Insurance Companies
- J. Investment holding companies of high net worth individuals
- K. Any other person eligible to invest in the Debentures

All potential Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures and the Issuer, is not in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Issuer required to check or confirm the same.

Hosting of the Information Memorandum on the website of the BSE should not be construed as an offer or an invitation to offer to subscribe to the Debentures and the same has been hosted only as it is stipulated under the SEBI Debt Listing Regulations. Eligible Investors should check their eligibility before making any investment.

All potential Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures.

Note: Participation by potential Investors in the Issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.

7.15 Procedure for Applying for Dematerialised Facility

- A. The applicant must have at least one beneficiary account with any of the DPs of NSDL prior to making the application.
- B. The applicant must necessarily fill in the details (including the beneficiary account number and DP - ID) appearing in the Application Form under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form".

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- C. Debentures allotted to an applicant will be credited to the applicant's respective beneficiary account(s) with the DP.
- D. For subscribing to the Debentures, names in the Application Form should be identical to those appearing in the details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details maintained with the DP.
- E. Non-transferable allotment advice/refund orders will be directly sent to the applicant by the Registrar and Transfer Agent to the Issue.
- F. If incomplete/incorrect details are given under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form" in the Application Form, it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Issuer.
- G. For allotment of Debentures, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-a-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for the losses, if any.
- H. The redemption amount or other benefits would be paid to those Debenture Holders whose names appear on the list of beneficial owners maintained by the R&T Agent as on the Record Date. In case of those Debentures for which the beneficial owner is not identified in the records of the R&T Agent as on the Record Date, the Issuer would keep in abeyance the payment of the redemption amount or other benefits, until such time that the beneficial owner is identified by the R&T Agent and conveyed to the Issuer, whereupon the redemption amount and benefits will be paid to the beneficiaries, as identified.

7.16 Depository Arrangements

The Issuer shall make necessary arrangement with NSDL for issue and holding of Debenture in dematerialised form.

7.17 List of Beneficiaries

The Issuer shall request the R&T Agent to provide a list of beneficiaries as at the end of each Record Date. This shall be the list, which will be used for payment or repayment of redemption monies.

7.18 Application under Power of Attorney

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories of the Investor and the tax exemption certificate/document of the Investor, if any, must be lodged along with the submission of the completed Application Form. Further modifications/additions in the power of attorney or authority should be notified to the Issuer or to its agents or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

In case of an application made by companies under a power of attorney or resolution or authority, a certified true copy thereof along with memorandum and articles of association and/or bye-laws along with other constitutional documents must be attached to the Application Form at the time of making the application, failing which, the Issuer reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning

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any reason thereto. Names and specimen signatures of all the authorized signatories must also be lodged along with the submission of the completed Application Form.

7.19 Procedure for application by Mutual Funds and Multiple Applications

In case of applications by mutual funds and venture capital funds, a separate application must be made in respect of each scheme of an Indian mutual fund/venture capital fund registered with the SEBI and such applications will not be treated as multiple application, provided that the application made by the asset management company/trustee/custodian clearly indicated their intention as to the scheme for which the application has been made.

The application forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of

- A. SEBI registration certificate
- B. Resolution authorizing investment and containing operating instructions
- C. Specimen signature of authorized signatories

7.20 Documents to be provided by Investors

Investors need to submit the following documents, as applicable

- A. Memorandum and Articles of Association or other constitutional documents
- B. Resolution authorising investment
- C. Power of Attorney to custodian
- D. Specimen signatures of the authorised signatories
- E. SEBI registration certificate (for Mutual Funds)
- F. Copy of PAN card
- G. Application Form (including EFT/RTGS details)

7.21 Applications to be accompanied with Bank Account Details

Every application shall be required to be accompanied by the bank account details of the applicant and the magnetic ink character reader code of the bank for the purpose of availing direct credit of redemption amount and all other amounts payable to the Debenture Holder(s) through EFT/RTGS.

7.22 Succession

In the event of winding-up of the holder of the Debenture(s), the Issuer will recognize the liquidator or such other legal representative of the Debenture Holder(s) as having title to the Debenture(s).

The Issuer may, in its absolute discretion, where it thinks fit, dispense with production of such other legal representation, in order to recognize such holder as being entitled to the Debenture(s) standing in the name of the concerned Debenture Holder on production of sufficient documentary proof and/or an indemnity.

7.23 Mode of Payment

All payments must be made through EFT/RTGS as set out in the Application Form.

7.24 Effect of Holidays

In case any Coupon Payment Date falls on a day which is not a Business Day, the payment to be made on such Coupon Payment Date, as the case may be, shall be made on the immediately succeeding Business Day. When the Maturity Date (including the last Coupon Payment Date) and/or the Put Option Date and/or the Call Option Date, falls on a day which is not a Business

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Day, all payments to be made on such date (including accrued Coupon and outstanding principal amount), shall be made on the immediately preceding Business Day.

7.25 Tax Deduction at Source

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source by the Company. For seeking TDS exemption/lower rate of TDS, relevant certificate/document must be lodged by the Debenture Holder(s) at the office of the R&T Agents of the Issuer at least 15 (Fifteen) calendar days before the relevant payment becoming due. Tax exemption certificate / declaration of non-deduction of tax at source on interest on application money, should be submitted along with the Application Form.

If any payments under this issuance is subject to any tax deduction other than such amounts as are required as per current regulations existing as on the date of the Debenture Trust Deed, including if the Company shall be required legally to make any payment for tax from the interest/coupon payable under the Issue, (“**Tax Deduction**”), the Company shall make such Tax Deduction, and shall simultaneously pay to the Debenture Holders, such additional amounts as may be necessary in order that the net amounts received by the Debenture Holders after the Tax Deduction shall equal the respective amounts which would have been receivable by the Debenture Holders in the absence of such Tax Deduction.

7.26 Letters of Allotment

The letter of allotment, indicating allotment of the Debentures, will be credited in dematerialised form within 2 (Two) Business Days from the Deemed Date of Allotment. The aforesaid letter of allotment shall be replaced with the actual credit of Debentures, in dematerialised form, within 5 (Five) Business Days from the Deemed Date of Allotment or within such timelines as permissible under applicable law.

7.27 Deemed Date of Allotment

All the benefits under the Debentures will accrue to the Investor from the specified Deemed Date of Allotment. The Deemed Date of Allotment for the Issue is December 16, 2020 by which date the Investors would be intimated of allotment.

7.28 Record Date

The Record Date will be 7 (Seven) Calendar Days prior to any date on which on which any payment is to be made by the Company/ the Debenture Trustee to the Debenture Holders.

7.29 Refunds

For applicants whose applications have been rejected or allotted in part, refund orders will be dispatched within 7 (seven) days from the Deemed Date of Allotment of the Debentures. In case the Issuer has received money from applicants for Debentures in excess of the aggregate of the application money relating to the Debentures in respect of which allotments have been made, the R&T Agent shall upon receiving instructions in relation to the same from the Issuer repay the moneys to the extent of such excess, if any.

7.30 Interest on Application Money

Interest shall be payable on the application monies received at the Coupon Rate net of Taxes. Such interest shall be payable from the date of realisation of application monies in the Designated Account in relation to the Debentures by the Issuer until the Deemed Date of Allotment and the same shall be paid to the relevant Investors within 7 (Seven) Business Days from the Deemed Date of Allotment.

7.31 PAN Number

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Every applicant should mention its Permanent Account Number (“PAN”) allotted under Income Tax Act, 1961, on the Application Form and attach a self-attested copy as evidence. Application forms without PAN will be considered incomplete and are liable to be rejected.

7.32 Payment on Redemption

Payment on redemption will be made by way of cheque(s)/redemption warrant(s)/demand draft(s)/credit through RTGS system/funds transfer in the name of the Debenture Holder(s) whose names appear on the list of beneficial owners given by the Depository to the Issuer as on the Record Date.

The Debentures shall be taken as discharged on payment of the redemption amount by the Issuer on maturity to the registered Debenture Holder(s) whose name appears in the Register of Debenture Holder(s) on the Record Date. On such payment being made, the Issuer will inform NSDL and accordingly the account of the Debenture Holder(s) with NSDL will be adjusted.

On the Issuer dispatching the amount as specified above in respect of the Debentures, the liability of the Issuer shall stand extinguished.

7.33 Right to further issue the Debentures

The Company reserves right to make multiple issuances under the same ISIN with reference to SEBI Circular CIR/IMD/DF-1/67/2017 dated June 30, 2017 and SEBI Circular CIR/DDHS/P/59/2018 dated March 28, 2018. Issue can be made either by way of creation of fresh ISIN or by way of issuance under the existing ISIN at premium /par/discount as the case may be in line with SEBI Circular.

7.34 Right to Re Purchase / prepay/buy back/ Reissue Debenture(s):

The company may partially or fully pre-pay/ buy back any specific ISIN subject to internal policy and regulatory permissions and subject to the provisions of the transaction documents executed by the Company.

Where the Company has redeemed or bought back any Debenture(s), the Company shall have and shall be deemed always to have had the right to keep such issuance alive without extinguishment for the purpose of resale or reissue and in exercising such right, the Company shall have and be deemed always to have had the power to resell or reissue such Debentures either by reselling or reissuing the same Debentures or by issuing other Debentures in their place. This includes the right to reissue original Debentures.

7.35 Addition/extension/consolidation of securities under existing ISIN:

The Company shall have the right to reissue or cancel or extension or addition of debt securities in future under the same ISIN from time to time in accordance with the provisions of the Companies Act 2013 or any such applicable regulations permitting to do so. Upon such reissue or extension or addition of debt securities the person entitled to the debentures shall have and shall be deemed always to have had, the same rights and priorities as if the debentures had never been redeemed.

Where the Company has repurchased / redeemed any such NCD's subject to the provisions of the Companies act, 2013 and other applicable regulations, the Company shall have and shall be deemed always to have the right to keep such ISINs alive for the purpose of reissue or addition of debt securities and in exercising such right, the Company shall have and shall be deemed always to have had the power to consolidate/regrouped such NCDs either by reissuing or extending or adding of debt securities under the same ISIN or by issuing other debentures in their place in either case, at such price and on such terms and conditions (including any variations, dropping of or additions to any terms and conditions originally stipulated) as the Company deem fit within the applicable regulations.

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Disclaimer: Please note that only those persons to whom this Information Memorandum has been specifically addressed are eligible to apply. However, an application, even if complete in all respects, is liable to be rejected without assigning any reason for the same. The list of documents provided above is only indicative, and an investor is required to provide all those documents/ authorisations/ information, which are likely to be required by the Issuer. The Issuer may, but is not bound to revert to any investor for any additional documents / information, and can accept or reject an application as it deems fit. Investment by investors falling in the categories mentioned above are merely indicative and the Issuer does not warrant that they are permitted to invest as per extant laws, regulations, etc. Each of the above categories of investors is required to check and comply with extant rules/regulations/ guidelines, etc. governing or regulating their investments as applicable to them and the Issuer is not, in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Issuer required to check or confirm the same.

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SECTION 8: DECLARATION

The Issuer declares that all the relevant provisions in the regulations/guideline issued by SEBI and other applicable laws have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the regulations/guidelines issued by SEBI and other applicable laws, as the case may be. The information contained in this Information Memorandum is as applicable to privately placed debt securities and subject to information available with the Issuer. The extent of disclosures made in the Information Memorandum is consistent with disclosures permitted by regulatory authorities to the issue of securities made by the companies in the past.

The Issuer and the directors of the Company, hereby further declare that:

- A. The Company has complied with the provisions of the Companies Act, 2013 and the rules made hereunder;
- B. The compliance with the Companies Act, 2013 and the rules made thereunder do not imply that payment of dividend or interest or repayment of the Debentures, if applicable, is guaranteed by the Central Government;
- C. the monies received under the offer shall be used only for the purposes and objects indicated in this Offer Letter;

For **Five Star Business Finance Limited**




Authorised Signatory
Name: Srikanth G
Title: Chief Financial Officer
Date: December 16, 2020

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ANNEXURE I: RATING LETTER FROM THE RATING AGENCY

[Attached Separately]

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE II: CONSENT LETTER FROM THE DEBENTURE TRUSTEE

[Attached Separately]

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE III: APPLICATION FORM

FIVE-STAR BUSINESS FINANCE LIMITED

A public limited company incorporated under the Companies Act, 1956

Date of Incorporation: May 07, 1984; CIN: U65991TN1984PLC010844

Registered Office: New No. 27, Old No. 4, Taylor's Road, Kilpauk, Chennai TN 600010

Telephone No.: 044-4610 6200

Website: www.fivestargroup.in

| | | | | | | | | | |
|-----------------------------------------------------|----------|--|--|--|--|--|--|--|--|
| DEBENTURE SERIES APPLICATION FORM SERIAL NO. | 1 | | | | | | | | |
|-----------------------------------------------------|----------|--|--|--|--|--|--|--|--|

ISSUE OF 750 (SEVEN HUNDRED AND FIFTY) RATED, LISTED, SENIOR, SECURED, REDEEMABLE, PRINCIPAL PROTECTED MARKET-LINKED, NON-CONVERTIBLE DEBENTURES HAVING A FACE VALUE OF RS. 10,00,000/- (RUPEES TEN LAKHS ONLY) EACH, OF THE AGGREGATE NOMINAL VALUE OF UP TO RS. 75,00,00,000/- (RUPEES SEVENTY FIVE CRORE ONLY) ON PRIVATE PLACEMENT BASIS

| |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>DEBENTURE SERIES APPLIED FOR:</p> <p>Number of Debentures _____ In words _____</p> <p>Amount Rs. _____ /- in words Rupees _____</p> <p>_____ Crores only</p> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

| |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>DETAILS OF PAYMENT:</p> <p>RTGS No. _____ Drawn on _____</p> <p>Funds transferred to Five-Star Business Finance Limited Bank Name: RBL Bank Limited, Bank Account No.: 409000464102, IFSC CODE: RATN0000113, Branch Address: G.N. CHETTY ROAD, T. NAGAR, CHENNAI – 600 017, Account Type: Current A/c Dated _____</p> <p>Total Amount Enclosed (In Figures) _____ (In words) _____</p> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

APPLICANT’S NAME IN FULL (CAPITALS) SPECIMEN SIGNATURE

| | |
|--|--|
| | |
|--|--|

*(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)***APPLICANT'S ADDRESS**

| | | | | | |
|----------------|--|--------------|--|------------|--|
| ADDRESS | | | | | |
| STREET | | | | | |
| CITY | | | | | |
| PIN | | PHONE | | FAX | |

APPLICANT'S PAN/GIR NO. AAICM0721B IT CIRCLE/WARD/DISTRICT ____

WE ARE () COMPANY () OTHERS () SPECIFY _____

We have read and understood the Terms and Conditions of the issue of Debentures including the Risk Factors described in the Memorandum and have considered these in making our decision to apply. We bind ourselves to these Terms and Conditions and wish to apply for allotment of these Debentures. We request you to please place our name(s) on the Register of Holders.

| Name of the Authorised Signatory(ies) | Designation | Signature |
|----------------------------------------------|--------------------|------------------|
| | | |
| | | |
| | | |

Applicant's
Signature

We the undersigned, are agreeable to holding the Debentures of the Company in dematerialised form. Details of my/our Beneficial Owner Account are given below:

| | |
|------------------------------------|--------------------------|
| DEPOSITORY | NSDL () CDSL () |
| DEPOSITORY PARTICIPANT NAME | |
| DP-ID | |
| BENEFICIARY ACCOUNT NUMBER | |
| NAME OF THE APPLICANT(S) | |

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| Applicant Bank Account: (Settlement by way of Cheque / Demand Draft / Pay Order / Direct Credit / ECS / NEFT/RTGS/other permitted mechanisms) | |
| | |

| | |
|-----------------------|-------------------------|
| FOR OFFICE USE ONLY | |
| DATE OF RECEIPT _____ | DATE OF CLEARANCE _____ |

(Note: Cheque and Drafts are subject to realisation)

We understand and confirm that the information provided in the Information Memorandum is provided by the Issuer and the same has not been verified by any legal advisors to the Issuer and

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

other intermediaries and their agents and advisors associated with this Issue. We confirm that we have for the purpose of investing in these Debentures carried out our own due diligence and made our own decisions with respect to investment in these Debentures and have not relied on any representations made by anyone other than the Issuer, if any.

The Issuer understands and accepts that the Applicants' intention to subscribe to the Issue is subject to (i) the absence of material adverse changes in the availability of currency hedging accessible to it between the Issue Opening Date and the Pay-in Date and/or (ii) the hedging price being acceptable to the Applicants.

We understand that: i) in case of allotment of Debentures to us, our Beneficiary Account as mentioned above would get credited to the extent of allotted Debentures, ii) the Applicant must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with our Depository Participant, iii) if the names of the Applicant in this application are not identical and also not in the same order as the Beneficiary Account details with the above mentioned Depository Participant or if the Debentures cannot be credited to our Beneficiary Account for any reason whatsoever, the Company shall be entitled at its sole discretion to reject the application or issue the Debentures in physical form.

We understand that we are assuming on our own account, all risk of loss that may occur or be suffered by us including as to the returns on and/or the sale value of the Debentures. We undertake that upon sale or transfer to subsequent investor or transferee (“**Transferee**”), we shall convey all the terms and conditions contained herein and in this Information Memorandum to such Transferee. In the event of any Transferee (including any intermediate or final holder of the Debentures) suing the Issuer (or any person acting on its or their behalf) we shall indemnify the Issuer and also hold the Issuer harmless in respect of any claim by any Transferee.

Applicant’s
Signature

| | | | | | |
|---------------------|----|---------|-------|------|--------------|
| FOR OFFICE USE ONLY | | | | | |
| DATE | OF | RECEIPT | _____ | DATE | OF CLEARANCE |
| _____ | | | | | |

(Note: Cheque and Drafts are subject to realisation)

------(TEAR HERE)-----

- ACKNOWLEDGMENT SLIP -

| | | | | | | | | | |
|--------------------------------------------------|---|--|--|--|--|--|--|--|--|
| <i>(To be filled in by Applicant)</i> SERIAL NO. | 1 | | | | | | | | |
|--------------------------------------------------|---|--|--|--|--|--|--|--|--|

Received from _____

| |
|--------------------------------------------------------|
| Address _____ |
| Cheque/Draft/UTR # _____ Drawn on _____ for |
| Rs. _____ on account of application of _____ Debenture |

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE IV: LAST AUDITED FINANCIAL STATEMENTS

Five-Star Business Finance Limited
Statement of Profit and loss for the year ended March 31, 2020
(All amounts are in Indian Rupees in lakhs, except share data and stated otherwise)

| Particulars | Note | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---------------------------------------------------------------------------------------------|------|------------------------------|------------------------------|
| Revenue from operations | | | |
| Interest income | 22 | 74,682.42 | 38,973.81 |
| Fee income | 23 | 2,970.84 | 1,327.05 |
| Net gain on fair value changes | 24 | 1,018.22 | 589.94 |
| Total revenue from operations | | 78,671.48 | 40,890.80 |
| Other income | 25 | 63.25 | 1.86 |
| Total Income | | 78,734.73 | 40,892.66 |
| Expenses | | | |
| Finance costs | 26 | 21,693.51 | 7,592.20 |
| Fees expenses | 27 | 42.52 | 94.77 |
| Impairment on financial instruments | 28 | 4,934.19 | 755.18 |
| Employee benefits expenses | 29 | 12,710.78 | 7,653.44 |
| Depreciation and amortization | 30 | 1,006.85 | 419.46 |
| Other expenses | 31 | 3,416.83 | 2,533.27 |
| Total Expenses | | 43,804.68 | 19,048.32 |
| Profit before tax | | 34,930.05 | 21,844.34 |
| Tax expense | | | |
| Current tax | 32 A | 10,056.07 | 6,977.77 |
| Deferred tax (net) | 36 | (1,321.06) | (799.16) |
| | | 8,735.01 | 6,178.61 |
| Profit for the year | | 26,195.04 | 15,665.73 |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Re-measurements of the defined benefit plan | | (148.80) | (53.55) |
| Income tax relating to items that will not be reclassified to profit or loss | | 37.45 | 15.49 |
| Net other comprehensive income not to be reclassified subsequently to profit or loss | | (111.35) | (38.06) |
| Other comprehensive income / (deficit) for the year, net of income tax | | (111.35) | (38.06) |
| Total comprehensive income | | 26,083.69 | 15,627.67 |
| Earnings per equity share (face value Rs.10 each) | | | |
| Basic (in rupees) | | 103.24 | 68.92 |
| Diluted (in rupees) | | 100.70 | 67.39 |

Significant accounting policies
See accompanying notes to the financial statements

2 and 3

As per our report of even date
for **BSR & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022

K Raghuram
Partner
Membership No: 211171

For and on behalf of the Board of Directors of
Five-Star Business Finance Limited
CIN : U65991TN1984PLC010844

D Lakshminpathy
Chairman and Managing Director
DIN No : 01723269

R Anand
Director
DIN No : 00243485

G Srikanth
Chief Financial Officer

K Rangarajan
Chief Executive Officer

B. Shalini
Company Secretary
ACS: A51334

Place : Chennai
Date : June 10, 2020

Place : Chennai
Date : June 10, 2020

*(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)***Five-Star Business Finance Limited**
Balance Sheet as at March 31, 2020

(All amounts are in Indian Rupees in lakhs, except share data and stated otherwise)

| Particulars | Note | As at March 31, 2020 | As at March 31, 2019 |
|----------------------------------------------------------------------------|------|-------------------------|-------------------------|
| ASSETS | | | |
| Financial assets | | | |
| Cash and cash equivalents | 4 | 28,977.95 | 21,965.73 |
| Bank balances other than cash and cash equivalents | 5 | 16,134.94 | 6.88 |
| Loans | 6 | 3,83,080.44 | 2,09,586.40 |
| Other financial assets | 7 | 524.57 | 285.89 |
| | | 4,28,717.90 | 2,31,844.90 |
| Non-financial assets | | | |
| Current tax assets (net) | 8 | 435.46 | 360.01 |
| Deferred tax assets (net) | 36 | 2,822.96 | 1,464.46 |
| Investment property | 9 | 3.56 | 3.56 |
| Property, plant and equipment | 11 | 1,106.09 | 744.41 |
| Right of use asset | 37 | 1,488.00 | - |
| Other intangible assets | 12 | 192.80 | 201.80 |
| Other non-financial assets | 10 | 548.62 | 363.81 |
| | | 6,597.49 | 3,138.05 |
| Total assets | | 4,35,315.39 | 2,34,982.95 |
| LIABILITIES AND EQUITY | | | |
| Financial liabilities | | | |
| Payables | 13 | | |
| Trade payables | | | |
| total outstanding dues of micro and small enterprises | | - | - |
| total outstanding dues of creditors other than micro and small enterprises | | 662.40 | 292.69 |
| Debt securities | 14 | 1,07,886.42 | 43,350.77 |
| Borrowings (other than debt securities) | 15 | 1,28,482.89 | 52,652.18 |
| Other financial liabilities | 16 | 1,568.10 | 6.88 |
| | | 2,38,599.81 | 96,302.52 |
| Non-financial liabilities | | | |
| Current tax liabilities (net) | 17 | 74.80 | 162.17 |
| Provisions | 18 | 577.61 | 376.26 |
| Other non-financial liabilities | 19 | 1,605.12 | 1,629.19 |
| | | 2,257.53 | 2,167.62 |
| Equity | | | |
| Equity share capital | 20 | 2,558.21 | 2,389.96 |
| Other equity | 21 | 1,91,899.84 | 1,34,122.85 |
| | | 1,94,458.05 | 1,36,512.81 |
| Total liabilities and equity | | 4,35,315.39 | 2,34,982.95 |

Significant accounting policies

2 and 3

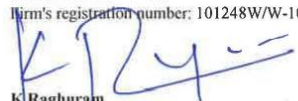
See accompanying notes to the financial statements

As per our report of even date

for **B S R & Co. LLP**

Chartered Accountants

Firm's registration number: 101248W/W-100022


K Raghuram

Partner

Membership No: 211171

For and on behalf of the Board of Directors of
Five-Star Business Finance Limited
CIN : U65991TN1984PLC010844
D Lakshmi pathy
Chairman and Managing Director
DIN No : 01723269
R Anand
Director
DIN No : 00243485
G Srikanth
Chief Financial Officer
K Rangarajan
Chief Executive Officer
B Shalini
Company Secretary
ACS: A51334Place : Chennai
Date : June 10, 2020Place : Chennai
Date : June 10, 2020

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Five-Star Business Finance Limited
Statement of Cash Flow for the year ended March 31, 2020
 (All amounts are in Indian Rupees in lakhs, except share data and stated otherwise)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|------------------------------------------------------------------------|------------------------------|------------------------------|
| A. Cash Flow from Operating Activities | | |
| Net profit before tax | 34,930.05 | 21,844.34 |
| Adjustments for: | | |
| Depreciation and amortization | 1,006.85 | 419.46 |
| Provision for impairment on financial instruments and write-offs | 4,934.19 | 755.18 |
| Loss on sale/retirement of property, plant and equipment (net) | 0.75 | 0.93 |
| Profit on sale of current investments (net) | (1,018.22) | (589.94) |
| Interest income on deposits with banks / others | (2,886.62) | (1,352.38) |
| Interest on loans | (71,795.80) | (37,621.43) |
| Finance costs | 21,693.51 | 7,592.73 |
| Gain recognised on derecognition of leases | (6.60) | - |
| Employee stock option expenses | 168.03 | 267.83 |
| Operating cash flow before working capital changes | (12,973.86) | (8,683.28) |
| Changes in Working Capital: | | |
| <i>Adjustments for (Increase) / Decrease in Operating Assets:</i> | | |
| Loans | (1,76,889.78) | (1,09,063.49) |
| Other non- financial assets | (182.64) | (93.94) |
| Other financial assets | (238.68) | (82.16) |
| <i>Adjustments for Increase / (Decrease) in Operating Liabilities:</i> | | |
| Trade payables | 369.71 | 66.37 |
| Provisions | 52.56 | 148.15 |
| Other financial liabilities | 5.89 | (1.09) |
| Other non financial liabilities | 33.68 | 1,156.54 |
| Net cash (used in) operations | (1,89,823.12) | (1,16,552.90) |
| Finance cost paid | (22,543.27) | (7,715.55) |
| Interest income received | 70,257.31 | 35,966.16 |
| Direct taxes paid (net) | (10,218.89) | (6,810.55) |
| Net Cash Used in Operating Activities (A) | (1,52,327.97) | (95,112.84) |
| B. Cash Flow from Investing Activities | | |
| Purchase of fixed assets | (970.97) | (585.13) |
| Proceeds from sale of fixed assets | 0.78 | 15.30 |
| Profit on sale of current investments | 1,018.22 | 589.94 |
| Interest income on deposits with banks / others | 2,662.85 | 1,400.32 |
| Movement in bank balances other than cash and cash equivalents | (15,904.28) | 1.09 |
| Net Cash from Investing Activities (B) | (13,193.40) | 1,421.52 |
| C. Cash Flow from Financing Activities | | |
| Proceeds from issue of equity shares | 168.25 | 473.07 |
| Proceeds from securities premium (net off utilisation) | 31,525.28 | 61,453.65 |
| Expenses towards issue of shares | - | (501.53) |
| Fresh borrowings during the year | 1,78,166.33 | 63,640.00 |
| Repayments of borrowings (including process fee) | (36,950.21) | (22,546.08) |
| Payment towards leases (excluding interest) | (376.06) | - |
| Net Cash from Financing Activities (C) | 1,72,533.59 | 1,02,519.11 |
| Net Increase in Cash and Cash Equivalents [(A) + (B) + (C)] | 7,012.22 | 8,827.79 |
| Cash and Cash Equivalents at the beginning of the year | 21,965.73 | 13,137.94 |
| Cash and Cash Equivalents at the end of the year | 28,977.95 | 21,965.73 |



(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Five-Star Business Finance Limited
Statement of Cash Flow for the year ended March 31, 2020 (Continued)
 (All amounts are in Indian Rupees in lakhs, except share data and stated otherwise)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|-----------------------------------------------------------------------|-------------------------|-------------------------|
| Notes | | |
| 1 Cash and cash equivalents | | |
| Cash on hand | 57.75 | 345.07 |
| Balances with banks | | |
| (i) In current accounts | 13,050.95 | 20,596.29 |
| (ii) In other deposit accounts (original maturity less than 3 months) | 15,869.25 | 1,024.37 |
| | <u>28,977.95</u> | <u>21,965.73</u> |

2 Change in liabilities arising from financing activities

| Particulars | Debt securities | Borrowings (other than debt securities) |
|-----------------------------|--------------------|--------------------------------------------|
| As at March 31, 2018 | 19,316.32 | 35,283.42 |
| Cash flows (net) | 24,127.10 | 17,471.69 |
| Others* | (92.65) | (102.93) |
| As at March 31, 2019 | 43,350.77 | 52,652.18 |
| Cash flows (net) | 65,534.66 | 76,519.77 |
| Others* | (999.01) | (689.06) |
| As at March 31, 2020 | 1,07,886.42 | 1,28,482.89 |


* Others column includes the effect of amortization of processing fees etc.

Significant accounting policies
 See accompanying notes to the financial statements

2 and 3

As per our report of even date
 for **B S R & Co. LLP**
 Chartered Accountants
 Firm's registration number: 101248W/W-100022

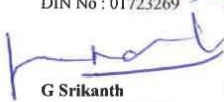
For and on behalf of the Board of Directors of
Five-Star Business Finance Limited
 CIN : U65991TN1984PLC010844


K Raghuram
 Partner
 Membership No: 211171


D Lakshminpathy
 Chairman and Managing Director
 DIN No : 01723269


R Anand
 Director
 DIN No : 00243485

Place : Chennai
 Date : June 10, 2020


G Srikanth
 Chief Financial Officer
 Place : Chennai
 Date : June 10, 2020


K Rangarajan
 Chief Executive Officer


B Shalini
 Company Secretary
 ACS: A51334

*(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)***Five-Star Business Finance Limited****Balance Sheet as at Sep 30, 2020**

(All amounts are in Indian Rupees in lakhs, except share data and stated otherwise)

| Particulars | Note | As at Sep 30, 2020 | As at Sep 30, 2019 | As at March 31, 2020 |
|----------------------------------------------------------------------------|------|-----------------------|-----------------------|-------------------------|
| ASSETS | | | | |
| Financial Assets: | | | | |
| Cash and cash equivalents | 4 | 76,063.88 | 47,684.43 | 28,977.95 |
| Bank balances other than cash and cash equivalents | 5 | 54,027.60 | 42,427.33 | 16,134.94 |
| Investments | | 2,505.98 | - | - |
| Loans | 6 | 3,86,358.74 | 2,75,796.60 | 3,83,080.44 |
| Other financial assets | 8 | 497.82 | 353.80 | 524.57 |
| | | 5,19,454.02 | 3,66,262.16 | 4,28,717.90 |
| Non-financial Assets: | | | | |
| Current tax assets (net) | 9 | 450.03 | 1,765.44 | 435.46 |
| Deferred tax assets (net) | 37 | 2,849.14 | 1,510.13 | 2,822.96 |
| Investment property | 10 | 3.56 | 3.56 | 3.56 |
| Property, plant and equipment | 11 | 952.32 | 870.07 | 1,106.09 |
| Right of use asset | | 1,469.73 | 1,421.73 | 1,488.00 |
| Other intangible assets | 12 | 203.71 | 224.22 | 192.80 |
| Other non-financial assets | 13 | 355.47 | 324.90 | 548.62 |
| | | 6,283.96 | 6,120.05 | 6,597.49 |
| Total assets | | 5,25,737.98 | 3,72,382.21 | 4,35,315.39 |
| LIABILITIES AND EQUITY | | | | |
| Financial Liabilities: | | | | |
| Payables | 14 | | | |
| Trade payables | | | | |
| total outstanding dues of micro and small enterprises | | - | - | - |
| total outstanding dues of creditors other than micro and small enterprises | | 635.94 | 393.88 | 662.40 |
| Debt securities | 15 | 1,50,421.63 | 1,12,396.21 | 1,07,886.42 |
| Borrowings (other than debt securities) | 16 | 1,56,113.07 | 74,872.21 | 1,28,482.89 |
| Other financial liabilities | 17 | 1,624.73 | 2,406.70 | 1,568.10 |
| | | 3,08,795.37 | 1,90,069.00 | 2,38,599.81 |
| Non-financial Liabilities: | | | | |
| Current tax liabilities (net) | 18 | 722.81 | 172.65 | 74.80 |
| Provisions | 19 | 853.55 | 425.91 | 577.61 |
| Other non-financial liabilities | 20 | 1,941.16 | 1,864.62 | 1,605.12 |
| | | 3,517.52 | 2,463.18 | 2,257.53 |
| Equity | | | | |
| Equity share capital | 21 | 2,563.55 | 2,523.53 | 2,558.21 |
| Other equity | 22 | 2,10,861.54 | 1,77,326.50 | 1,91,899.84 |
| | | 2,13,425.09 | 1,79,850.03 | 1,94,458.05 |
| | | 5,25,737.98 | 3,72,382.21 | 4,35,315.39 |

See accompanying notes to the financial statements

*(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)***Five-Star Business Finance Limited****Statement of Profit and loss for the half year ended Sep 30, 2020**

(All amounts are in Indian Rupees in lakhs, except share data and stated otherwise)

| Particulars | Note | Half Year ended Sep 30, 2020 | Half year ended Sep 30, 2019 | Year ended March 31, 2020 |
|---------------------------------------------------------------------------------------------|---------|---------------------------------|---------------------------------|------------------------------|
| Revenue from operations | | | | |
| Interest income | 23 | 49,711.81 | 32,068.04 | 74,682.42 |
| Fee income | 24 | 505.68 | 1,051.92 | 2,970.84 |
| Net gain on fair value changes | 25 | 212.04 | 549.38 | 1,018.22 |
| Total revenue from operations | | 50,429.53 | 33,669.34 | 78,671.48 |
| Other income | 26 | 18.37 | 1.37 | 63.25 |
| Total Income | | 50,447.90 | 33,670.71 | 78,734.73 |
| Expenses | | | | |
| Finance costs | 27 | 15,902.58 | 9,131.29 | 21,693.51 |
| Fees expenses | 28 | 54.42 | 31.45 | 42.52 |
| Impairment on financial instruments | 29 | 533.87 | 1,402.21 | 4,934.19 |
| Employee benefits expenses | 30 | 7,197.56 | 5,413.01 | 12,710.78 |
| Depreciation and amortization | 11 & 12 | 544.65 | 415.73 | 1,006.85 |
| Other expenses | 31 | 1,141.07 | 1,379.19 | 3,416.83 |
| Total Expenses | | 25,374.15 | 17,772.88 | 43,804.68 |
| Profit before tax | | 25,073.75 | 15,897.83 | 34,930.05 |
| Tax expense | | | | |
| Current tax | 33 A | 6,177.18 | 4,095.55 | 10,056.07 |
| Deferred tax (net) | 37 | -16.71 | -22.95 | -1,321.06 |
| | | 6,160.47 | 4,072.60 | 8,735.01 |
| Profit for the period | | 18,913.28 | 11,825.23 | 26,195.04 |
| Other comprehensive income | | | | |
| Items that will not be reclassified to profit or loss | | | | |
| Re-measurements of the defined benefit plan | | 37.56 | 90.27 | 148.80 |
| Income tax relating to items that will not be reclassified to profit or loss | | -9.45 | -22.72 | -37.45 |
| Net other comprehensive income not to be reclassified subsequently to profit or loss | | 28.11 | 67.55 | 111.35 |
| Other comprehensive (income) / deficit for the year, net of income tax | | 28.11 | 67.55 | 111.35 |
| Total comprehensive income | | 18,885.17 | 11,757.68 | 26,083.69 |
| Earnings per equity share (face value Rs.10 each) | | | | |
| Basic (in rupees) | | 73.89 | 47.46 | 103.24 |
| Diluted (in rupees) | | 72.24 | 46.86 | 100.70 |

See accompanying notes to the financial statements

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE V: ILLUSTRATION OF BOND CASH FLOWS

| Illustration of Bond Cash Flows | |
|------------------------------------------------------|----------------------------------------------------------------------------------------------------|
| Company | Five-Star Business Finance Limited |
| Face Value (per security) | Rs. 10,00,000/- (Rupees Ten Lakh only) |
| Issue Date / Date of Allotment | Issue Opening Date: December 16, 2020 Deemed Date of Allotment: December 16, 2020 |
| Maturity Date | December 16, 2027 |
| Coupon Rate | As set out in the Appendix hereinafter. |
| Frequency of the Coupon Payment with specified dates | Coupon, if any will be paid on Call Option Date or the Scheduled Maturity Date, as the case may be |
| Day Count Convention | Actual / Actual |

| Cash Flows | Expected Maturity Date | No. of days in Coupon Period | Amount (in Rupees) |
|------------------------------|-------------------------------|-------------------------------------|------------------------------------------|
| Coupon on Redemption, if any | December 16, 2022 | 730 | Coupon linked to Underlying Index |
| Face Value | - | - | Rs. 10,00,000/- Per Debenture |
| Total | - | 730 | Rs. 10,00,000 * (1+Coupon)/Per Debenture |

Notes:

1. The Cash Flow displayed above is calculated per Debenture (face value of Rs. 10,00,000).
2. If any interest payment date falls on a day which is not a Business Day then payment of interest will be made on the next Business Day. If any principal payment date falls on a day which is not a Business Day, then payment of redemption amount and accrued interest will be made on the immediately previous Business Day. No additional interest will be paid for such days which fall on holiday.
3. The cash flow has been prepared based on the best available information on holidays and could further undergo change(s) in case of any scheduled and unscheduled holiday(s) and/or changes in money market settlement day conventions by the Reserve bank of India/ SEBI.
4. The cash flows are for illustration purposes.

APPENDIX – PAYMENT OF INTEREST ON THE DEBENTURES

The Debenture Holders shall be paid Coupon in the manner set out hereinbelow. The Coupon will be linked to the performance of the Underlying Index. The parameters to be used for determining the Coupon are as follows:

| | |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Underlying Index</i> | 5.77 G-Sec 2030 (ISIN IN0020200153) |
| <i>Initial Level</i> | Clean price of the Underlying Index as on the Deemed Date of Allotment |
| <i>Final Level</i> | Clean price of the Underlying Index as on the date falling 30 (Thirty) days prior to the Call Option Date or the Scheduled Maturity Date, as the case may be |
| Coupon Rate | If Final Level is greater than -75% (Negative Seventy Five Percent) of Initial Level, then the Coupon payable shall be an amount which provides a rate of return (calculated on XIRR |

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| | |
|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>basis using the Microsoft Excel function) of 9.25% (Nine Decimal Point Two Five Percent) on the principal amount of the Debentures.</p> <p>In all other scenarios, the Coupon payable would be NIL.</p> |
| Date of Coupon Payment | <p>The Coupon is promised to be paid on the Scheduled Maturity Date or the Call Option Date, as the case may be. However, the Company is required to make principal and Coupon payments in relation to the Debentures upon the occurrence of any Trigger Event on the Expected Payout Dates. The schedule of Expected Payout Dates shall be drawn up by the Company upon the occurrence of any Trigger Event (and shared with the Debenture Trustee and SPV Trustee) such that the dates on which payments are made post the occurrence of any Trigger Event in accordance with the Transaction Documents falls on the 5th day of every calendar month</p> |

Scenario analysis:

| Scenario/ Market Condition | Price of Benchmark at Initial Fixing Level | Current YTM (Initial Fixing Level) | Assumed Price of Benchmark at Final Fixing Level | Reference Index Performance (Final Fixing Level) | Return | Investment | Maturity Amount at Expected Maturity Date |
|-----------------------------------------------|--------------------------------------------|---------------------------------------|------------------------------------------------------|-----------------------------------------------------|--------|------------|-------------------------------------------|
| Extremely rising | 98.75 | 5.77% | ≥ 172.8125 | $\geq 75\%$ | 9.25% | 10,00,000 | 11,93,556 |
| Substantially falling to Substantially rising | 98.75 | 5.77% | < 172.8125 Final Observation ≥ -24.6875 | $< 75\%$ Final Observation $\geq -75\%$ | 9.25% | 10,00,000 | 11,93,556 |
| Extremely | 98.75 | 5.77% | < 24.6875 | $< -75\%$ | 0.00% | 10,00,000 | 10,00,000 |