

## DISCLOSURE DOCUMENT

*(THIS DISCLOSURE DOCUMENT IS NEITHER A PROSPECTUS NOR A STATEMENT IN LIEU OF PROSPECTUS AND DOES NOT CONSTITUTE AN OFFER TO THE PUBLIC GENERALLY TO SUBSCRIBE FOR OR OTHERWISE ACQUIRE THE DEBENTURES TO BE ISSUED BY THE ISSUER. THIS DISCLOSURE DOCUMENT HAS BEEN PREPARED IN CONFORMITY WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 ISSUED VIDE CIRCULAR NO. LAD-NRO/GN/2008/13/127878 DATED JUNE 06, 2008, AS AMENDED FROM TIME TO TIME, THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ISSUED VIDE CIRCULAR NO. SEBI/LAD-NRO/GN/2015-16/013 DATED SEPTEMBER 02, 2015, AS AMENDED FROM TIME TO TIME, CIRCULAR DATED 28 SEPTEMBER, 2011 ISSUED BY SEBI ON GUIDELINES FOR ISSUE AND LISTING OF STRUCTURED PRODUCTS/ MARKET LINKED DEBENTURES, SECTION 42 OF THE COMPANIES ACT, 2013 AND THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014)*



### FIVE-STAR BUSINESS FINANCE LIMITED

A public limited company incorporated under the Companies Act, 1956

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

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

**Contact Person:** Mr. G. Srikanth, Chief Financial Officer; **E-mail:** srikanth@fivestargroup.in

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

**Disclosure document (“Disclosure Document” / “Information Memorandum”) for issue up to 1,250 (One Thousand Two 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, aggregating up to Rs. 125,00,00,000/- (Rupees One Hundred and Twenty Five Crores only) with a green shoe option of up to 250 (Two 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, aggregating up to Rs. 25,00,00,000/- (Rupees Twenty Five Crores only), in a single series (“Debentures”/ “NCDs”) on a private placement basis (the “Issue”).**

### BACKGROUND

This Disclosure Document 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 described under this Disclosure Document has been authorised by the Issuer through a resolution passed by the shareholders of the Issuer on August 31, 2020 and board of directors of the Issuer on June 10, 2020 read with the resolution passed by Business and Resource Committee of the Board of Directors on January 25, 2021 in accordance with the provisions of the Companies Act, 2013 and the Memorandum and Articles of Association of the Company. The present issue of the Debentures in terms of this Disclosure Document is within the overall powers of the Board as per the above shareholders’ resolution(s).

### CREDIT RATING

The Debentures proposed to be issued by the Issuer have been rated by ICRA Limited (“**Rating Agency**”). The Rating Agency has *vide* its letter dated January 25 2021 assigned a rating of ‘Provisional PP-MLD [ICRA]AAA(CE)’ in respect of the Debentures. Please refer to **Annexure III** of this Disclosure Document for the letter dated January 25 2021 from the Rating Agency assigning the credit rating abovementioned. The letter disclosing the rating rationale adopted for the aforesaid rating will be obtained from the Rating Agency prior to the Deemed Date of Allotment.

## LISTING

The Debentures are proposed to be listed on the wholesale debt market segment of BSE Limited (“BSE”).

### ISSUER’S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that the information contained in this Disclosure Document is true and fair 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 Disclosure Document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. The audited financial information of the Issuer (including details of related party transactions) as disclosed in this Disclosure Document has been updated as of September 30, 2020.

**DISCLOSURE** Each potential investor contemplating the purchase of any NCDs should make its own independent investigation of the financial condition and affairs of the Company and its own appraisal of the creditworthiness of the Company as well as the structure of the Issue. 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 NCDs and acknowledge that the Debenture Trustee does not have the obligations of a borrower or principal debtor or guarantor as to the monies paid by the investor for the Debentures.

### ISSUE SCHEDULE

<b>Issue Opening Date</b>	January 29, 2021
<b>Issue Closing Date</b>	January 29, 2021
<b>Deemed Date of Allotment</b>	January 29, 2021

The Company 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.

#### ISSUER



**Five-Star Business Finance Limited**  
New No. 27, Old No. 4, Taylor's Road, Kilpauk, Chennai - 600 010  
Tel: 044-4610 6200  
Website: www.fivestargroup.in

#### DEBENTURE TRUSTEE



**Catalyst Trusteeship Limited**  
Office No. 604, 6<sup>th</sup> floor, Windsor, C.S.T. Road, Kalina, Santacruz (East), Mumbai – 400 098,  
Tel: +91 22 4922 0555  
Website: catalysttrustee.com

#### REGISTRAR TO THE ISSUE



**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

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## SECTION 1: NOTICE TO INVESTORS AND DISCLAIMERS

This Disclosure Document (the “**Disclosure Document**”) is **neither a prospectus nor a statement in lieu of prospectus** under the Act. This Disclosure Document has not been submitted to or approved by the Securities and Exchange Board of India (“**SEBI**”) and has been prepared by the Company in conformity with the extant Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 dated June 06, 2008, as amended from time to time, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 dated September 02, 2015, as amended from time to time, Circular dated September 28, 2011 issued by SEBI on Guidelines for Issue and Listing of Structured Products/ Market Linked Debentures, Section 42 of the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016, as amended from time to time. This Issue of NCDs which is to be listed on the WDM segment of the BSE is being made strictly on a private placement basis. This Disclosure Document does not constitute and shall not be deemed to constitute an offer or an invitation to the public to subscribe to the NCDs. Neither this Disclosure Document nor any other information supplied in connection with the NCDs is intended to provide the basis of any credit or other evaluation and a recipient of this Disclosure Document should not consider such receipt a recommendation to purchase any NCDs. Each potential investor contemplating the purchase of any NCDs should make its own independent investigation of the financial condition and affairs of the Company and its own appraisal of the creditworthiness of the Company as well as the structure of the Issue. 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 NCDs and should possess the appropriate resources to analyze such investment and the suitability of an investment to the investor’s particular circumstances. No person has been authorized to give any information or to make any representation not contained in or incorporated by reference in this Disclosure Document or in any material made available by the Company to any potential investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorised by the Company.

As per the applicable provisions of the Companies Act, 2013 and the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016, as amended from time to time it is not necessary for a copy of this Disclosure Document to be filed with or submitted to the SEBI or RBI for its review and / or approval. Further, since the Issue is being made on a private placement basis, the provision of Section 26 of the Companies Act, 2013 shall not be applicable and accordingly, a copy of this Disclosure Document has not been filed with the Registrar of Companies.

This Disclosure Document, the Private Placement Offer Letter and the contents hereof are addressed only to the intended recipients who have been addressed directly and specifically through a communication by the Company. All potential investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. **The contents of this Disclosure Document and/or the Private Placement Offer 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 or made public or its contents disclosed to a third person. No invitation is being made to any person other than the investor to whom this Disclosure Document and Private Placement Offer Letter has been sent. Any application by a person to whom this Disclosure Document and/or the**

**Private Placement Offer Letter has not been sent by the Company may be rejected without assigning any reason.**

You shall not and are not authorised to: (1) deliver this Disclosure Document and/or the Private Placement Offer Letter to any other person; or (2) reproduce this Disclosure Document and/or the Private Placement Offer Letter, in any manner whatsoever. Any distribution or reproduction or copying of this Disclosure Document and/or the Private Placement Offer Letter in whole or in part or any public announcement or any announcement to third parties regarding the contents of this Disclosure Document and/or the Private Placement Offer Letter is unauthorised. Failure to comply with this instruction may result in a violation of applicable laws of India and/or other jurisdictions. This Disclosure Document has been prepared by the Company for providing information in connection with the proposed Issue.

**DISCLAIMER OF THE RESERVE BANK OF INDIA**

The Company holds a certificate of registration bearing registration no. B-07.00286 issued by the RBI to carry on the activities of a NBFC under section 45 IA of the RBI Act, 1934. However, the Debentures have not been recommended or approved by the RBI nor does RBI guarantee the accuracy or adequacy of this Disclosure Document. It is to be distinctly understood that this Disclosure Document should not, in any way, be deemed or construed that the securities have been recommended for investment by the RBI. RBI does not take any responsibility either for the financial soundness of the Issuer, or the securities being issued by the Issuer or for the correctness of the statements made or opinions expressed in this Disclosure Document. Potential investors may make investment decision in the securities offered in terms of this Disclosure Document solely on the basis of their own analysis and RBI does not accept any responsibility about servicing/ repayment of such investment.

**DISCLAIMER OF THE SECURITIES & EXCHANGE BOARD OF INDIA**

As per the provisions of SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, a copy of this Disclosure Document is not required to be filed with or submitted to SEBI for its review/approval. Accordingly, this Disclosure Document has not been filed with SEBI. The Debentures have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this Disclosure Document. It is to be distinctly understood that this Disclosure Document should not, in any way, be deemed or construed that the same has been cleared or vetted by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the Issue is proposed to be made, or for the correctness of the statements made or opinions expressed in this Disclosure Document. The issue of Debentures being made on private placement basis, filing of this Disclosure Document is not required with SEBI, however SEBI reserves the right to take up at any point of time, with the Issuer, any irregularities or lapses in this Disclosure Document.

**DISCLAIMER CLAUSE OF THE STOCK EXCHANGE**

As required, a copy of this Disclosure Document would be duly filed with BSE in terms of SEBI (Issue and Listing of Debt Securities) Regulations, 2008. It is to be distinctly understood that submission of this Disclosure Document to the BSE should not in any way be deemed or construed to mean that this Disclosure Document has been reviewed, cleared or approved by BSE, nor does BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Disclosure Document. BSE does not warrant that the NCDs thereof will be listed or will continue to be listed on BSE nor does BSE take any

responsibility for the soundness of the financial and other conditions of the Company, its promoters, its management or any scheme or project of the Company.

#### **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.

#### **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.

#### **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 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.

#### **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 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.

## **ISSUE OF DEBENTURES IN DEMATERIALIZED FORM**

The NCDs will be issued in dematerialised form. The Issuer has made arrangements with the Depositories for the issue of the NCDs in dematerialised form. The investor 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.

## **DISCLAIMER RELATING TO THE DEBENTURES**

Please refer to **Annexure II** setting out the detailed scenario analysis/ valuation matrix showing value of the security under different market conditions along with graphic representation.

## **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.

## **SECURITY MAY BE 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. It is the duty of the Debenture Trustee to monitor the maintenance of the security/ asset cover, however, the Debenture Holder(s)' recovery in relation to the Debentures will be subject to and shall depend on the market scenario prevalent at the time of enforcement of the security. The value realised from the enforcement of the Security may be insufficient to redeem the Debentures.

## SECTION 2: DEFINITIONS AND ABBREVIATIONS

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

### General terms

Term	Description
Company/ Issuer	Five-Star Business Finance Limited

### Company related terms

Term	Description
Board of Directors/Board	The board of directors of the Company or any committee thereof
Director(s)	Director(s) of the Company, as may change from time to time, unless otherwise specified
KMP	Key managerial personnel, as defined under the Companies Act, 2013
Memorandum and Articles	The Memorandum & Articles of Association of the Company, as amended from time to time

### Issue related terms

Term	Description
Act	The Companies Act, 1956, and to the extent repealed and replaced by the Companies Act, 2013, shall mean the Companies Act, 2013 and shall include any other statutory amendment or re-enactment thereof
Allotment/Allot	The allotment of the NCDs or Debentures
Application Form	The form in which an investor can apply for subscription to the NCDs, set out in <b>Annexure I</b> hereto
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 under the sub heading " <b>Trigger Event Consequences</b> " under row titled " <b>Description</b>



Term	Description
Beneficial Owner(s)	<i>regarding Security</i> ” under paragraph 4.20 herein. Means the Debenture Holder(s) of the Debentures in dematerialised form whose name is recorded as the Debenture Holders with the Depository.
BSE / Stock Exchange	BSE Limited
Cash Collateral	Shall mean the amount placed by the Company in the form of fixed deposit(s) as per the terms of the Debenture Trust Deed (which Cash Collateral shall be lien marked in favour of the Debenture Trustee), in accordance with the terms of the Debenture Trust Deed.
Coupon	Shall have the meaning set out under row titled “ <b>Coupon Rate</b> ” in paragraph 4.20 ( <i>Issue Details</i> ) herein
Coupon Rate	Shall have the meaning set out under row titled “ <b>Coupon Rate</b> ” in paragraph 4.20 ( <i>Issue Details</i> ) herein
Coupon Payment Date	Shall have the meaning set out under row titled “ <b>Coupon Payment Date</b> ” in paragraph 4.20 ( <i>Issue Details</i> ) herein
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 agreement in relation to Cash Collateral, Deed of Hypothecation, the SPV Guarantee, the tri-partite agreements entered into with the Depository and the registrar and share transfer agent, this Deed, resolutions passed by the board and shareholders authorising the issue and allotment of Debentures and any other document that may be designated by the Debenture Trustee as a Debenture Document.
Debenture Holder	Shall mean the several persons/companies who will, from time to time, be holders of the Debentures and whose names will be entered in the Register of Debenture Holders as Debenture Holders and whose names will be recorded as the beneficial owners of the Debentures, with the Depository;
Debenture Trustee	Trustee for the Debenture Holders, in this case being Catalyst Trusteeship Limited
Debenture Trustee Agreement	Shall mean the debenture trustee agreement entered into by and between the Company and the Catalyst Trusteeship Limited for the appointment of Catalyst Trusteeship Limited as Debenture Trustee in relation to the Debentures.
Debenture Trust Deed	Deed to be executed <i>intra alios</i> by and between Debenture Trustee and the Company for the purposes of the issuance of the Debentures
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: (i) the Identified Receivables; (ii) the Cash Collateral; (iii) 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

Term	Description
	Documents, in terms of the SPV Trust Deed.
Deemed Date of Allotment	Shall mean the date on which the Debentures shall be allotted to the Debenture Holders
Default Interest	Shall have the meaning set out under row titled “ <b>Default Interest Rate</b> ” in paragraph 4.20 ( <i>Issue Details</i> ) herein
Depository(ies)	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996, as amended from time to time, in this case being NSDL
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository Participant/DP	A depository participant as defined under the Depositories Act
Digital Level	Means 100% of the closing yield of the Reference Index i.e. last traded closing yield of 5.79 G-Sec 2030, as on the date of observation, as published on the Bloomberg Ticker IGB 5.79% 11/05/2030
Disclosure Document	This Disclosure Document through which the Issue is being made
DP-ID	Depository Participant Identification Number
ECS	Electronic clearing system
Eligibility Criteria	shall mean the criteria set out in sub-paragraph 6(c) under paragraph I ( <i>Representations and warranties of the Company</i> ) of <b>Annexure V</b> herein
Expected Maturity Date	shall mean the date falling on the expiry of 27 (Twenty Seven) months and 1 (One) day from the Deemed Date of Allotment i.e. April 30, 2023;
FIMMDA	The Fixed Income Money Market and Derivatives Association of India
Final Fixing Date	15 (Fifteen) Business Days prior to the Expected Maturity Date
Final Fixing Level	Last traded closing yield of the Reference Index on the Final Fixing Date, as determined in accordance with the Digital Level
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	Shall mean any indebtedness for or in respect of: <ol style="list-style-type: none"><li data-bbox="565 1476 1448 1507">1. moneys borrowed;</li><li data-bbox="565 1507 1448 1539">2. any amount availed of by acceptance of any credit facility;</li><li data-bbox="565 1539 1448 1612">3. any amount raised pursuant to the issuance of any notes, bonds, debentures, loan stock or any other similar securities or instruments;</li><li data-bbox="565 1612 1448 1707">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;</li><li data-bbox="565 1707 1448 1801">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);</li></ol>

Term	Description
	<ol style="list-style-type: none"><li>6. any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;</li><li>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);</li><li>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;</li><li>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</li><li>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);</li><li>11. any preference shares (excluding any compulsorily convertible preference shares);</li><li>12. (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.</li></ol>
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.
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.
Identified Loans	Shall mean the facilities granted by the Company to the Obligors 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

Term	Description
	availed of by the Obligor(s)
Identified Receivables	Shall mean the aggregate of all amounts payable to the Company by the Obligors, 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
Initial Fixing Date	January 25, 2021
Initial Fixing Level	Last traded closing yield of the Reference Index as on the Initial Fixing Date, as determined in accordance with the Digital Level.
Issue	Private placement of the Debentures
Majority Debenture Holder(s)	Means Debenture Holders holding an aggregate amount representing more than 51% (Fifty One Percent) of the value of the nominal amount of the outstanding Debentures.
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
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 row titled ' <b>Description regarding Security</b> ' in paragraph 4.20 ( <i>Issue Details</i> ) herein.
NEFT	National Electronic Fund Transfer Service
NSDL	National Securities Depository Limited
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)
Post Trigger Expected Payout Dates	Shall have the meaning set out under row titled " <b>Payment Mechanism</b> " in paragraph 4.20 ( <i>Issue Details</i> ) herein
Private Placement Offer Letter	Shall mean the private placement offer cum application letter(s) prepared in compliance with Section 42 of the Companies Act, 2013 read with the

Term	Description
	Companies (Prospectus and Allotment of Securities) Rules, 2014.
Rating Agency	ICRA Limited
RBI	Reserve Bank of India
Reference Index / Underlying Index	Means 10 year Government security: 5.79 G-Sec 2030 having ISIN: IN0020200070 and maturity on 11-05-2030. The details of which are published on the Bloomberg Ticker IGB 5.79% 11/05/2030.
	If the said Reference Index is discontinued or ceases to be available, then Reference Index shall be such index as may be stipulated by the Debenture Trustee (acting for and on behalf and on the instructions of all 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.
RTGS	Real Time Gross Settlement
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI (ILDS) Regulations	Means the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
SEBI (LODR) Regulations	Means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
Scheduled Maturity Date	Shall mean the date falling on the expiry of 27 (Twenty Seven) months and 1 (One) day from the Deemed Date of Allotment i.e. April 30, 2023, provided however that in the event any Trigger Event occurs prior to (or on) the date referred to above, the Scheduled Maturity Date shall stand extended to the date falling on the expiry of 84 (Eighty Four) months from the Deemed Date of Allotment i.e. January 29, 2028
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; (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 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

Term	Description
	relation to the Debentures and shall be the security identified under row titled “ <b>Description regarding Security</b> ” in paragraph 4.20 ( <i>Issue Details</i> ) herein.
Security Provider	Shall mean any persons providing the Security for securing the Outstanding Amounts in relation to the Debentures.
SPV	Shall have the meaning assigned to the term ‘SPV’ under row titled ‘ <b>Description regarding Security</b> ’ in paragraph 4.20 ( <i>Issue Details</i> ) herein.
SPV Account	Shall mean an account under the name and style of ‘Dhruva XI 01 2021’ 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	Shall mean the Dhruva XI 01 2021 settled in terms of the SPV Trust Deed
SPV Trust Deed	Shall mean the trust deed, to be 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
Valuation Agency	Means ICRA Analytics Limited, an AMFI appointed valuation agency as stipulated by SEBI vide circular no. CIR/IMD/DF/17/2011 dated September 28, 2011, as amended from time to time
Transaction Documents	Shall mean collectively (i) the Assignment Documents; and (ii) the Debenture Documents
Trigger Event	Shall mean the events identified under row titled “ <b>Trigger Events</b> ” under paragraph 4.20 ( <i>Issue Details</i> ) herein
WDM	Wholesale Debt Market

### **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, 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.

### **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.

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

### **3.12 PRODUCT RELATED RISKS**

**A. *The composition of the securities underlying the Reference Index to which a Debenture may be linked may change over time.***

The composition of the constituents of the Reference Index to which the Debentures are linked may change over time. The Reference Index sponsor may, in its sole discretion, add, delete or substitute the securities underlying the index or make other methodological changes required by certain corporate events relating to the securities underlying the Reference Index that could change the value of the index. There may be additions to the securities in Reference Index to which the Debenture Holders may not want exposure, or deletions of securities to which they would want exposure. The Debenture Holders should not place undue reliance on the creditworthiness, business plans or prospects or other factors relating to any particular issuer of constituents of Reference Index as of the date hereof.

**B. *Structure Risks***

The Debentures being structured debentures are sophisticated instruments which involve a significant degree of risk and are intended for sale only to those Investors capable of understanding the risks involved in such instruments. Please note that both the return on the Debentures and the return of the principal amount in full

are at risk if the Debentures are not held till, or for any reason have to be sold or redeemed, before the Scheduled Maturity Date. The Debentures are a principal protected product only upon maturity.

The Debentures are structured and are complex and an investment in such a structured product may involve a higher risk of loss of a part of the initial investment as compared to investment in other securities unless held till final Scheduled Maturity Date. The Debenture Holder shall receive at least the face value of the Debenture only if the Investor holds and is able to hold the Debentures till the Scheduled Maturity Date. Prior to investing in the Debentures, a prospective Investor should ensure that such prospective Investor understands the nature of all the risks associated with the investment in order to determine whether the investment is suitable for such prospective Investor in light of such prospective Investor's experience, objectives, financial position and other relevant circumstances. Prospective Investors should independently consult with their legal, regulatory, tax, financial and/or accounting advisors to the extent the prospective Investor considers necessary in order to make their own investment decisions.

An investment in Debentures where the payment of premium (if any), and/or coupon and/or other consideration (if any) payable or deliverable thereon is determined by reference to one or more equity or debt securities, indices, baskets, formulas or other assets or basis of reference will entail significant risks not associated with a conventional fixed rate or floating rate debt security. Such risks include, without limitation, changes in the level or value of the relevant underlying equity or debt securities or basket or index or indices of equity or debt securities or other underlying asset or basis of reference and the holder of the Debentures may receive a lower (or no) amount of premium, coupon or other consideration than the holder expected. The Company has no control over a number of matters that are important in determining the existence, magnitude and longevity of such risks and their results, including, but not limited to, economic, financial and political events. In addition, if an index or formula used to determine any amounts payable or deliverable in respect of the Debentures contains a multiplier or leverage factor, the effect of any change in such index or formula will be magnified. In recent times, the values of certain indices, baskets and formulas have been volatile and volatility in those and other indices, baskets and formulas may occur in the future.

#### **C. *Model Risk***

Investment in the Debentures is subject to model risk. The Debentures are created on the basis of 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.

#### **D. *Credit Risk***

While the repayment of sums due at maturity is provided by the Issuer, investors should be aware that receipt of any coupon payment and principal amount at maturity on the Debentures is subject to the credit risk of the Issuer. Investors assume the risk that the Company will not be able to satisfy their obligations under the Debentures and investors may or may not recover all or part of the principal amount in case of default by the Issuer.

Any stated credit rating of the Company reflects the independent opinion of the referenced rating agency as to the creditworthiness of the rated entity but is not a guarantee of credit quality of the Company. Any downgrading of the credit ratings of the Company or its parent or affiliates, by any rating agency could result in a reduction in the value of 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 Company, the payment of sums due on the Debentures may be substantially reduced or delayed.

***E. The Debenture Holders should consult their own tax, legal, accounting experts to determine the impact of any change in valuation, returns etc. of these debentures in case of any prepayment or early redemption or premature exit by the Company relating to Debentures due to linkages to the reference asset***

An investment in Debentures that has payments of principal, coupon or both, indexed to the value of any equity share, index or any other rate, asset or index, or a basket including one or more of the foregoing and /or to the number of observation of such value falling within or outside a pre-stipulated range (each of the foregoing, a “**Reference Value**”) will entail significant risks not associated with a conventional fixed rate or floating rate debt security. Such risks include, without limitation, changes in the applicable Reference Value and how such changes will impact the amount of any principal or coupon payments linked to the applicable Reference Value. The Company has no control over a number of matters that are important in determining the existence, magnitude and longevity of such risks and their results, including economic, financial and political events. Past performance of any Reference Value to which any principal or coupon payments may be linked is not necessarily indicative of future performance. Investors should be aware that a Reference Value may go down as well as up and/or be volatile and the resulting impact such changes will have on the amount of any principal or coupon payments will depend on the applicable index formula. The Debenture Holder shall receive at least the face value of the Debenture only if the investor holds and is able to hold the Debentures and the Debentures are not sold or redeemed or bought back till the Maturity Date.

If so specified, the early redemption amount, if any, may in certain circumstances be determined by the Valuation Agency(ies) based upon the market value of the Debentures less any costs associated with unwinding any hedge positions relating to the Debentures. In the event the terms and conditions do not provide for a minimum redemption amount even in the event of an early redemption, then on such occurrence a holder may receive less than 100.00% of the principal amount. In case of principal/capital protected market linked debentures, the principal amount is subject to the credit risk of the Issuer whereby the Debenture Holder may or may not recover all or part of the funds in case of default by the Issuer. However, if the Debentures are held till the Maturity Date, subject to credit risk of the Issuer, the Debenture Holder of the Debenture will receive at least the principal amount.

The Debentures are likely to be less liquid than conventional fixed or floating rate debt instruments. No representation will be made as to the existence of a market for the Debentures. While the Company intends under ordinary market conditions to indicate and/or procure indication of prices for any such Debentures there can be no assurance as to the prices that would be indicated or that the Company will offer and/or cause to purchase any Debentures. The price given, if any, will be affected by many factors including, but not limited to, the remaining term and outstanding principal amount of the Debentures, the level of the Reference Value, fluctuations in interest rates and/or in exchange rates, volatility in the Reference Value used to calculate the amount of any coupon or principal payments, and credit spreads. Consequently, prospective Investors must be prepared to hold the Debentures for an indefinite period of time or until the redemption or maturity of the Debentures. Trading levels of any Debentures will be influenced by, among other things, the relative level and performance of the applicable Reference Value and the factors described above.

## SECTION 4: DISCLOSURES AS PER SEBI REGULATIONS

This Disclosure Document is prepared in accordance with the provisions of regulations issued by SEBI, RBI and Companies Act, 2013 and in this section, the Issuer has set out the details required as per Schedule I of the SEBI (ILDS) Regulations.

### 4.1 Documents Submitted to the Exchange(s)

The following documents have been / shall be submitted to 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 Rs 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 January 25, 2021 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, up to an aggregate limit of Rs. 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, where applicable, including the Debenture Trust Deed would be executed within the time frame prescribed in the relevant regulations/act/rules etc. and the same would be uploaded on the website of the designated stock exchange, where the debentures have been listed, within 5 (five) working days of execution of the same.
- H. Any other particulars or documents that the BSE 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:

- 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 Trustee within the timelines as mentioned in SEBI LODR Regulations issued by SEBI *vide* circular No. SEBI/LAD-NRO/GN/2015-16/013 dated September 2, 2015, as amended from time to time, for furnishing / publishing its half yearly/ annual result. Further, the Issuer shall within 180 (One Hundred and Eighty) days from the end of the financial year, submit a copy of the latest annual report to the Trustee and the Trustee shall be obliged to share the details submitted under this section with all Debenture Holders within 2 (Two) Business Days of their specific request.

#### 4.3 Name and Address of the following:

Sr. No.	Particulars	Details
1.	<b>Date of Incorporation</b>	May 07, 1984. Our Company was incorporated as a public limited company under the provisions of the Companies Act, 1956.
2.	<b>Registered and Corporate Office of the Issuer</b>	New No. 27, Old No. 4, Taylor's Road, Kilpauk, Chennai – 600 010
3.	<b>Registration of the Issuer</b>	<b>Corporate Identification Number:</b> U65991TN1984PLC010844 issued by the Registrar of Companies, Chennai. The Company holds a certificate of registration bearing registration no. B-07.00286 issued by the RBI to carry on the activities of a NBFC under Section 45 IA of the RBI Act, 1934.
4.	<b>Compliance Officer of the Issuer</b>	<b>Ms. Shalini B</b>
5.	<b>Contact Person and Chief Financial Officer of the Issuer</b>	<b>Mr. G. Srikanth</b> Tel: 044- 46106200 E-mail: srikanth@fivestargroup.in
6.	<b>Arranger, if any</b>	<b>CredAvenue Private Limited</b> 12th Floor, Prestige Polygon, No. 471, Annasalai, Nandanam, Chennai, Tamil Nadu- 600035
7.	<b>Trustee to the Issue</b>	<b>Catalyst Trusteeship Limited</b> Office No. 604, 6th floor, Windsor, C.S.T. Road, Kalina, Santacruz (East), Mumbai – 400 098, Tel: +91 22 4922 0555 Website: www.catalysttrustee.com
8.	<b>Registrar to the Issue</b>	<b>NSDL Database Management Limited</b> Trade World, A – Wing, 4th & 5th Floors, Kamala Mills Compound, Lower Parel, Mumbai – 400 013
9.	<b>Credit Rating Agency(ies) of the Issue</b>	<b>ICRA Limited</b> 3rd Floor, Electric Mansion, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025.

10.	<b>Auditor(s) of the Issuer</b>	<b>B. S. R. &amp; Co. LLP,</b> KRM Tower, 1st and 2nd Floor, No. 1, Harrington Road, Chetpet, Chennai – 600 031
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#### **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.

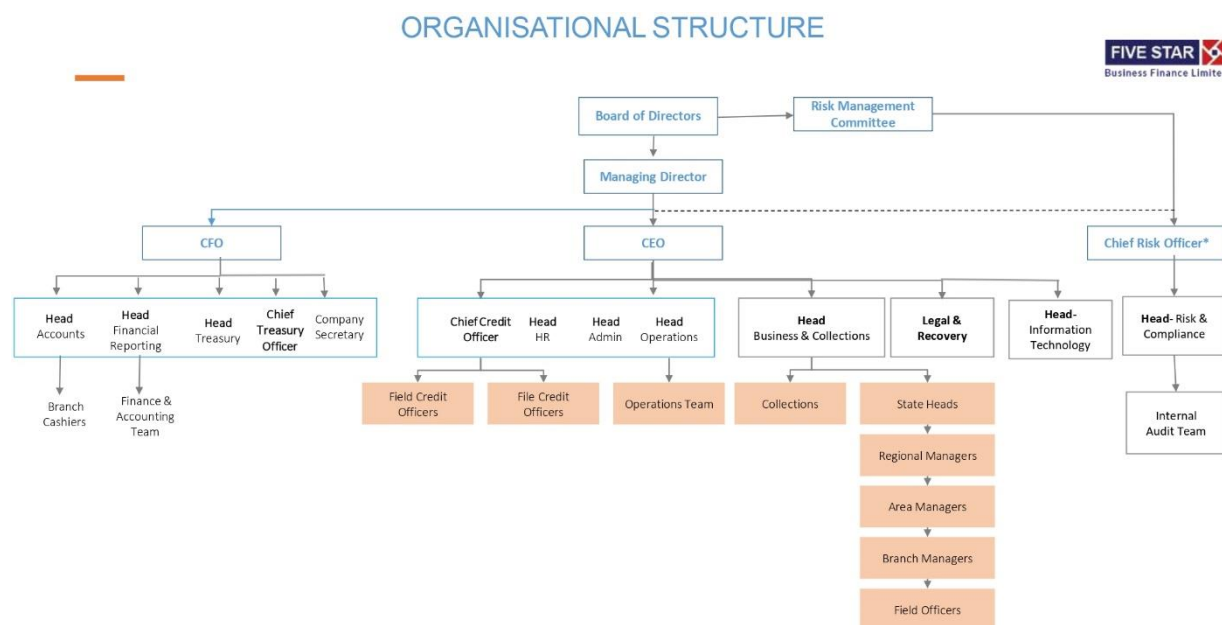
The Company was originally promoted by Mr V K Ranganathan and is currently being managed by Mr D Lakshmipathy, who joined the Board of the company in 2002, and is currently its Chairman and Managing Director. Under his leadership, over the last 9 years, the Company has grown from a branch network of 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

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

*(Rs. in Crores)*

Parameters	Audited IGAAP	Audited INDAS	Audited INDAS	Unaudited INDAS
For Financial Entities	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*	-	-	-	-
- 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 & H1 FY2021 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.

**D. Gross Debt Equity Ratio of the Company:**

<b>Before the issue of debt securities</b>	1.31
<b>After the issue of debt securities</b>	1.37

**Calculations:**

As on December 31, 2020, debt-to-equity ratio is calculated as follows:

(Rs. in Crores)

<b>Debt</b>	2912.44
<b>Equity</b>	2229.77
<b>Debt/Equity</b>	1.31

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

(Rs. in Crores)

<b>Debt</b>	3062.44
<b>Equity</b>	2229.77
<b>Debt/Equity</b>	1.37

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

Not applicable

**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. December 31, 2020:**

Share Capital	Rs. in Lakhs
<b>Authorised</b>	
Equity Share Capital	5500.00
<b>Issued and Subscribed</b>	
Equity Shares	2718.94
<b>Fully Paid- up</b>	
Equity Shares	2564.36

\* 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. December 31, 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. December 31, 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

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)	
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
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	64.26	NIL

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)	
30-Sep-20	0.01	10	130	1.82	ESOP	2,71,81,291	2,718	10.11	NIL
22-Oct-20	0.03	10	130	3.38	ESOP	2,71,83,891	2,718	18.17	NIL
10-Nov-20	0.03	10	130	3.64	ESOP	2,71,86,691	2,719	16.17	NIL
30-Nov-20	0.02	10	674.40	12.14	ESOP	2,71,88,491	2,719	40.61	NIL
04-Dec-20	0.01	10	130	1.30	ESOP	2,71,89,491	2,719	7.19	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 Section 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 December 31, 2020:**

**A. Shareholding pattern of the Company as on December 31, 2020:**

S. No.	Category	Paid-up Capital		Number of shares held in demat form
		No. of shares Held	% of shareholding	
<b>A</b>	<b>Promoters Holding</b>			
<b>1</b>	<b>Indian:</b>			
	Individual – D Lakshmiopathy and Immediate Relatives	60,27,801	22.17	60,27,801
	Bodies Corporate	-	-	
	<b>Sub Total</b>	<b>60,27,801</b>	<b>22.17</b>	<b>60,27,801</b>
<b>2</b>	<b>Foreign Promoters</b>	-	-	
	<b>Sub Total (A)</b>	<b>60,27,801</b>	<b>22.17</b>	<b>60,27,801</b>

<b>B</b>	<b>Non Promoters' Holding</b>			
	Matrix Partners India Investment Holdings II, LLC	41,00,999	15.08	41,00,999
	Matrix Partners India Investments II Extension, LLC	68,897	0.25	68,897
	NHPEA Chocolate Holding B.V.	35,98,051	13.23	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	22.47	61,10,673
	Indian Public	20,10,470	7.39	16,44,840
	Directors and relatives	1,33,300	0.49	1,33,300
	<b>Sub Total (B)</b>	<b>2,11,61,690</b>	<b>77.83</b>	<b>2,07,96,050</b>
	<b>GRAND TOTAL</b>	<b>2,71,89,491</b>	<b>100.00</b>	<b>2,68,23,861</b>

**B. List of top 10 holders of equity shares of the Company as on December 31, 2020:**

<b>S. no</b>	<b>Name of Shareholder</b>	<b>No. of Shares</b>	<b>% of Holding</b>
1	TPG Asia VII SF PTE Ltd	6110673	22.47%
2	Matrix Partners India Investment Holdings II, LLC	4100999	15.08%
3	D Lakshmipathy	3710771	13.65%
4	NHPEA Chocolate Holding B.V.	3598051	13.23%
5	SCI Investments V	2569650	9.45%
6	Norwest Venture Partners X - Mauritius	2569650	9.45%
7	Hema	2089060	7.68%
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:

<b>S. No.</b>	<b>Name, designation and DIN</b>	<b>Age (in years)</b>	<b>Address</b>	<b>Director of the Company since</b>	<b>Other Directorship</b>
1.	D Lakshmipathy <i>Chairman &amp; Managing Director</i> <b>DIN: 01723269</b>	46	Old No. 22, New No.39, Outer Circular Road, Kilpauk Garden, Kilpauk,	June, 2002	NIL

S. No.	Name, designation and DIN	Age (in years)	Address	Director of the Company since	Other Directorship
			Chennai - 600 010.		
2.	A Ramanathan <i>Independent Director</i>  <b>DIN:</b> 02645247	72	Plot No. 28, 18th Street, TANSI Nagar, Velachery, Chennai - 600 042.	February, 2016	1. Samasta Microfinance Limited 2. Svasti Microfinance Private Limited 3. Unnati Microfin Private Limited 4. Hindusthan Microfinance Private Ltd 5. 6. Mangal Credit and Fincorp Limited 7. South India Finvest Private Limited 8. Asirvad Micro Finance Limited 9. Magalir Micro Capital Private Limited
3.	Bhama Krishnamurthy <i>Independent Director</i>  <b>DIN:</b> 02196839	66	No. B1/23, Technocrat, Cooperative Housing Society, Twin Tower Lane, Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025.	April, 2016	1. Reliance Industrial Infrastructure Limited 2. Cholamandalam Investment and Finance Company Limited 3. Network18 Media & Investments Limited 4. Muthoot Microfin Limited 5. Thirumalai Chemicals Limited 6. CSB Bank Limited
4.	R Anand <i>Independent Director</i>  <b>DIN:</b> 00243485	59	No. 22, Warren Road, Mylapore, Chennai - 600 004.	July, 2016	1. Sterling Holiday Resorts Limited 2. Ess Kay Fincorp Limited 3. Nani Palkhivala Arbitration Centre 4. Chennai International Centre 5. Jasmine Concrete Exports Private Limited
5.	Vikram Vaidyanathan <i>Nominee Director - Matrix Partners</i>	39	B-602, Zen Garden, No.6, Artillery	August, 2015	1. Blue Jay Finlease Limited 2. Ver Se Innovation Private Limited

S. No.	Name, designation and DIN	Age (in years)	Address	Director of the Company since	Other Directorship
	<b>DIN: 06764019</b>		Road, Ulsoor, Behind Cambridge Hospital, Bangalore - 560 008.		3. Mswipe Technologies Private Limited 4. Sarvaloka Services-On-Call 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 13. Ditya Finance Private Limited
6.	<b>B. Haribabu</b> <i>Independent Director</i> <b>DIN: 01509249</b>	61	No.39/28, Gajapathy Street, Shenoy Nagar, Chennai - 600 030.	September, 1996	NIL
7.	<b>L R Raviprasad</b> <i>Non-Executive Director</i> <b>DIN: 01522796</b>	58	Old No.59, New No.11, Gajapathy Street, Shenoy Nagar, Chennai - 600 030.	June, 2002	1. Vasumathi Properties Private Limited
8.	<b>Ling Wei Ong</b> <i>Nominee Director - Morgan Stanley</i> <b>DIN: 02405458</b>	46	Flat B, 33 Floor, One Pacific Heights, No.1, Wo Fung Street, Hong Kong.	June, 2016	ZCL chemicals limited
9.	<b>Arjun Saigal</b>	41	536, Sainik Farms,	July, 2016	1. Southern Health Foods Private Limited



S. No.	Name, designation and DIN	Age (in years)	Address	Director of the Company since	Other Directorship
	<i>Alternate Director to Ling Wei Ong- Morgan Stanley</i>  <b>DIN:</b> 07556188		New Delhi - 110 062.		2. Sahajanand Medical Technologies Private Limited 3. Kogta Financial (India) Ltd 4. Centrum Housing Finance Limited
10.	V Thirulokchand <i>Non-Executive Director</i>  <b>DIN:</b> 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>  <b>DIN:</b> 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 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

S. No.	Name, designation and DIN	Age (in years)	Address	Director of the Company since	Other Directorship
					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>  <b>DIN:</b> 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 December 31, 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
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

**4.9 Details of borrowings of the Company, as on latest quarter end i.e. December 31, 2020:**

**A. Details of Secured Loan Facilities as on December 31, 2020:**

*(Rs. in Crores)*

Name of the lender	Category/ type of facility	Amount availed/ sanctioned	Outstanding Amount as on December 31, 2020	Security	Repayment Date/ Schedule
Federal Bank TL1	TL - Banks	10.00	0.63	1.25	30-03-2021
Federal Bank TL2	TL - Banks	10.00	3.08	1.25	23-03-2022
State Bank of India TL1	TL - Banks	40.00	9.07	1.25	31-03-2022
South Indian Bank TL1	TL - Banks	5.00	0.26	1.11	02-03-2021
South Indian Bank TL2	TL - Banks	5.00	1.67	1.33	28-03-2022
Karnataka Bank TL1	TL - Banks	5.00	0.19	1.33	28-02-2021
RBL Bank TL5	TL - Banks	20.00	1.18	1.2	21-02-2021
RBL Bank TL6	TL - Banks	50.00	15.00	1.2	31-12-2021

RBL Bank TL7	TL - Banks	50.00	20.59	1.2	18-02-2022
AU Small Finance Bank TL1	TL - Banks	20.00	1.22	1.1	15-03-2021
Equitas Small Finance Bank TL1-Tranche 1	TL - Banks	15.00	1.41	1.1	05-03-2021
Equitas Small Finance Bank TL1-Tranche 2	TL - Banks	10.00	1.25	1.1	05-04-2021
Kotak Mahindra Bank TL1	TL - Banks	20.00	1.67	1.15	27-02-2021
YES Bank TL1	TL - Banks	25.00	2.78	1.15	05-04-2021
EQUITAS SMALL FINANCE BANK TL 3	TL - Banks	25.00	9.03	1.1	05-01-2022
AU Small Finance Bank TL3	TL - Banks	38.00	24.07	1.1	03-02-2024
Bandhan Bank TL1	TL - Banks	30.00	13.33	1.15	28-03-2022
Bank of Baroda TL2	TL - Banks	50.00	32.50	1.2	30-03-2024
Woori Bank	TL - Banks	45.00	20.00	1.05	30-04-2022
YES Bank TL2	TL - Banks	30.00	14.17	1.15	31-05-2022
KVB TL-2	TL - Banks	10.00	7.19	1.15	31-05-2024
Federal Bank TL-4	TL - Banks	15.00	9.38	1.25	29-06-2023
Ujjivan SFB TL1	TL - Banks	25.00	15.16	1.1	30-08-2022
Utkarsh SFB TL1	TL - Banks	20.00	11.11	1.1	31-08-2022
State Bank of India TL2	TL - Banks	200.00	162.76	1.25	31-12-2024
Oriental Bank of Commerce TL 1	TL - Banks	30.00	24.50	1.2	31-12-2024
IndusInd Bank TL-1	TL - Banks	30.00	20.83	1.2	31-01-2023

Equitas Small Finance Bank TL4	TL - Banks	21.00	15.17	1.15	05-02-2023
SBM Bank TL-2	TL - Banks	19.00	14.25	1.1	26-02-2023
Andhra Bank TL-1	TL - Banks	50.00	39.58	1.15	25-02-2025
Bandhan Bank TL2	TL - Banks	40.00	31.11	1.15	01-04-2023
Union Bank of India TL1	TL - Banks	40.00	30.85	1.15	31-03-2025
RBL Bank TL8	TL - Banks	100.00	90.15	1.2	30-06-2023
AU Small Finance Bank TL (Five-Star Housing)	TL - Banks	10.00	5.83	1.1	05-11-2023
Bank of India TL1	TL - Banks	40.00	40.00	1.15	15-05-2023
State Bank of India TL3	TL - Banks	50.00	48.33	1.25	31-05-2023
Capital SFB TL1	TL - Banks	15.00	14.24	1.2	01-09-2023
Utkarsh SFB TL2	TL - Banks	25.00	23.91	1.1	25-08-2023
Ujjivan SFB TL2	TL - Banks	25.00	23.61	1.1	31-10-2023
Kotak Mahindra Bank TL2	TL - Banks	25.00	24.31	1.15	10-11-2023
Equitas Small Finance Bank TL5	TL - Banks	23.00	23.00	1.15	05-12-2023
Federal Bank TL-5	TL - Banks	10.00	10.00	1.15	31-12-2023
FEDERAL BANK LTD	Cash Credit	5.00	-	1.25	-
CITY UNION BANK	Cash Credit	5.00	1.47	1.33	-
RBL BANK LTD	Cash Credit	5.00	-	1.2	-
YES BANK	Cash Credit	3.00	-	1.15	-
Sundaram Finance TL4	TL - NBFC	15.00	4.56	1.18	22-03-2022

Nabkisan TL1	TL - NBFC	13.00	0.81	1.15	31-01-2021
Bajaj Finance Ltd TL1	TL - NBFC	20.00	2.00	1.1	19-02-2021
HLF TL3	TL - NBFC	20.00	11.14	1.1	28-12-2022
Bajaj Finance Ltd TL2	TL - NBFC	25.00	13.02	1.2	31-01-2023
Tata Capital TL-1	TL - NBFC	10.00	3.94	1.1	20-02-2022
Nabkisan TL2	TL - NBFC	13.40	9.38	1.1	01-06-2024
Cholamandalam Finance TL3	TL - NBFC	10.00	7.28	1.1	01-04-2024
Vivriti Capital-TL1	TL - NBFC	5.00	3.56	1.1	30-03-2024
Nabsamruddhi Finance TL1	TL - NBFC	15.00	12.00	1.1	30-11-2024
Sundaram Finance TL5	TL - NBFC	10.00	7.00	1.18	22-12-2022
Sundaram Finance TL6	TL - NBFC	30.00	21.80	1.18	22-02-2023
Tata Capital TL-2	TL - NBFC	7.80	6.18	1.1	05-02-2024
Aditya Birla Finance TL-1	TL - NBFC	25.00	25.00	1.15	01-02-2023
Vivriti Capital-TL2	TL - NBFC	25.00	20.07	1.1	27-04-2023
Bajaj Finance (Five-Star Housing)	TL - NBFC	10.00	5.00	1.1	29-09-2022
SIDBI	TL - NBFC	40.00	20.00	1.1	10-04-2021
MAS Financial Services TL 6-10	TL - NBFC	50.00	50.00	1.1	20-12-2023
Bajaj Finance Ltd TL3	TL - NBFC	30.00	30.00	1.15	28-12-2023
Hero Fincorp TL1	TL - NBFC	40.00	40.00	1.18	03-07-2023
NCD - Retail	NCD	0	0.04		
NCD - FMO-30 Crs	NCD	30.00	-	1	06-12-2020

NCD - IFMR CAPITAL-45 Crs	NCD	45.00	-	1.1	28-12-2020
NCD - HLF- 30 Crs	NCD	30.00	-	1.1	28-12-2020
NCD - AK Capital-25 Crs	NCD	25.00	5.00	1.1	07-02-2021
NCD - AK Capital-15 Crs	NCD	15.00	3.00	1.1	15-03-2021
NCD - IFMR (AU SFB)-24 Crs	NCD	24.00	24.00	1.1	28-02-2021
NCD - FT-200 Crs	NCD	200.00	200.00	1.1	28-03-2023
NCD-FT- March 2019	NCD	500.00	-	1.1	30-11-2021
NCD-AK Capital-100 Crs	NCD	100.00	100.00	1.1	29-03-2022
NCD- KARVY-30 Crs	NCD	30.00	30.00	1.1	03-07-2022
NCD-MLD-20 Crs	NCD	20.00	20.00	1.1	11-04-2024
NCD- responsAbility -125 Crs	NCD	125.00	125.00	1.1	03-07-2022
NCD-Vivriti Samrath Bond	NCD	15.00	15.00	1.1	28-08-2025
NCD-DCB- TLTRO-15 Crores	NCD	15.00	15.00	1.1	13-05-2026
NCD-BOM- TLTRO-25Crs	NCD	25.00	25.00	1.1	26-05-2023
NCD-SBI- TLTRO-50Crs	NCD	50.00	50.00	1.25	12-06-2023
NCD-Union Bank-TLTRO- 15Crs	NCD	15.00	15.00	1.25	21-04-2023
NCD-Bank of India-TLTRO- 50Crs	NCD	50.00	50.00	1.25	21-04-2023
NCD-Punjab & Sindh Bank- PCG 2.0-50Cr	NCD	50.00	50.00	1.1	21-04-2023

NCD-Bank of Maharashtra-PCG 2.0-50Cr	NCD	50.00	50.00	1.1	03-01-2022
NCD-Bank of India-PCG 2.0-50Cr	NCD	50.00	50.00	1.1	03-01-2022
NCD-Punjab National Bank-PCG 2.0-25Cr	NCD	25.00	25.00	1.1	03-01-2022
NCD-Union Bank of India-PCG 2.0-25Cr	NCD	25.00	25.00	1.1	21-02-2022
NCD-MLD-Ambit-25Cr	NCD	25.00	25.00	1.25	28-02-2023
NCD-responsAbility-70 Crs	NCD	70.00	70.00	1.1	22-02-2023
NCD-IOB-PCG 2.0-25Cr	NCD	25.00	25.00	1.1	19-05-2022
NCD-MLD-UNIFI-40Cr	NCD	40.00	40.00	1.01	15-03-2022
NCD-MLD-Dhruva VI	NCD	75.00	75.00	1.25	16-12-2022
NCD-MLD-Dhruva VII	NCD	50.00	50.00	1.25	17-12-2022
Athena	Securitization	98.3483	30.32		17-05-2022
Medici	Securitization	99.0543	54.85		17-07-2024
Kastellorizo	Securitization	131.3657	94.92		17-05-2025
Otis	Securitization	70.10	39.34		22-06-2023
Central Bank of India-PCG DA	Securitization	100.00	77.32		15-05-2025
Bank of Baroda-PCG DA	Securitization	106.96	79.44		15-07-2025
Dhruva III	Securitization	89.57	71.72		15-10-2024
Dhruva IV	Securitization	85.91	78.93		21-04-2025
Dhruva V	Securitization	46.02	46.02		16-11-2025



Dhruva VIII	Securitization	25.00	25.00		15-12-2024
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**B. Details of Unsecured Loan Facilities as on December 31, 2020:**

NIL

**C. Details of Non-Convertible Debentures as of December 31, 2020:**

*(Rs. in Crores)*

Debenture Series	Maturity Date	Date of allotment	Coupon	Tenure	Amount Outstanding	Secured / Unsecured	Primary Security*	Credit Rating
INE128S07143	2021-02-07	2017-02-07	11.45%	48	7.50	Secured	1.1 times	CARE A; Stable
INE128S07242	2021-03-15	2017-03-15	11.45%	48	4.50	Secured	1.1 times	CARE A; Stable
INE128S07267	2021-02-26	2017-02-28	11.25%	48	24.00	Secured	1.1 times	ICRA A Stable
INE128S07317	2023-03-28	2018-03-28	10.21%	60	5.00	Secured	1.1 times	CARE A; Stable
INE128S07325	2023-03-28	2018-04-27	10.21%	60	65.00	Secured	1.1 times	CARE A; Stable
INE128S07333	2023-03-28	2018-05-28	10.21%	60	65.00	Secured	1.1 times	CARE A; Stable
INE128S07341	2023-03-28	2018-06-28	10.21%	60	65.00	Secured	1.1 times	CARE A; Stable
INE128S07358	2022-03-29	2019-03-29	12.64%	36	5.00	Secured	1.1 times	ICRA A Stable
INE128S07366	2024-04-11	2019-04-11	11.40%	60	30.00	Secured	1.1 times	ICRA A Stable
INE128S07374	2022-04-16	2019-04-16	12.64%	36	30.00	Secured	1.1 times	ICRA A Stable

Debenture Series	Maturity Date	Date of allotment	Coupon	Tenure	Amount Outstanding	Secured / Unsecured	Primary Security*	Credit Rating
INE128S 07382	2022-07-03	2019-05-22	Market Linked	38	20.00	Secured	1.1 times	CARE PP MLD A Stable
INE128S 07390	2022-05-28	2019-05-28	12.64%	36	30.00	Secured	1.1 times	ICRA A Stable
INE128S 07408	2022-06-28	2019-06-28	12.64%	36	35.00	Secured	1.1 times	ICRA A Stable
INE128S 07416	2025-08-28	2019-08-28	11.88%	72	125.00	Secured	1.1 times	CARE A; Stable
INE128S 07424	2026-05-13	2020-05-13	12.75%	36	15.00	Secured	1.1 times	ICRA A Stable
INE128S 07432	2023-05-28	2020-05-28	10.50%	36	15.00	Secured	1.1 times	ICRA A Stable
INE128S 07440	2023-06-12	2020-06-12	11.00%	36	25.00	Secured	1.25 times	ICRA A Stable
INE128S 07457	2023-04-21	2020-06-24	11.00%	33	115.00	Secured	1.25 times	ICRA A Stable
INE128S 07465	2022-01-03	2020-07-03	9.75%	18	50.00	Secured	1.1 times	ICRA A Stable
INE128S 07473	2022-01-31	2020-07-31	9.75%	18	100.00	Secured	1.1 times	ICRA A Stable
INE128S 07481	2022-02-20	2020-08-20	9.50%	18	50.00	Secured	1.1 times	ICRA A Stable
INE128S 07499	2023-02-22	2020-09-03	Market Linked	30	25.00	Secured	1.25 times	PP-MLD[ICRA]A Stable
INE128S 07507	2029-09-30	2020-09-30	10.91%	108	70.00	Secured	1.1 times	ICRA A Stable

Debenture Series	Maturity Date	Date of allotment	Coupon	Tenure	Amount Outstanding	Secured / Unsecured	Primary Security*	Credit Rating
INE128S07515	2022-05-22	2020-11-19	9.50 %	18	25.00	Secured	1.1 times	ICRA A Stable
INE128S07523	15/06/2023	15/12/2020	Market Linked	30	20.00	Secured	1.01 times	PP-MLD[ICRA]A Stable
INE128S07531	15/03/2022	15/12/2020	Market Linked	15	20.00	Secured	1.01 times	PP-MLD[ICRA]A Stable
INE128S07549	2027-12-16	2020-12-16	Market Linked	84	75.00	Secured	1.25 times	PP-MLD [ICRA] AAA(CE) (Stable)
INE128S07556	2027-12-17	2020-12-17	Market Linked	84	50.00	Secured	1.25 times	PP-MLD [ICRA] AAA(CE) (Stable)

\*Primary security over Exclusive charge on receivables of the company

**D. List of Top 10 Debenture Holders (as on December 31, 2020):**

*(Rs. in Crores)*

S. No.	Name of the Lender	Amount Outstanding
1.	UTI INTERNATIONAL WEALTH CREATOR 4	195.00
2.	FRANKLIN INDIA CREDIT RISK FUND	156.00
3.	BANK OF INDIA	100.00
4.	BANK OF MAHARASHTRA	75.00
5.	NORTHERN ARC CAPITAL LIMITED	69.80
6.	A K CAPITAL FINANCE LIMITED	54.37
7.	PUNJAB AND SIND BANK	50.00
8.	STATE BANK OF INDIA	50.00
9.	UNIFI AIF	40.00
10.	UNION BANK OF INDIA	40.00

**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 December 31, 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. December 31, 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	7.68%	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.**

Provided in **Annexure VI** of this Information Memorandum.

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

Provided in **Annexure VII** of this Information Memorandum.

**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 IV** 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 rating are considered to have highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest 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.**

The Debentures are credit enhanced *inter alia* by an unconditional and irrevocable guarantee to be provided by the SPV Trustee in favour of the Debenture Trustee, having such terms and conditions as more particularly set out in the Debenture Trust Deed and the relevant Transaction Documents.

**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 (Issue and Listing of Debt Securities) Regulations, 2008, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable RBI guidelines.

**C. Application process:**

The application process for the Issue is as provided in Section 6 (*Other Information and Application Process*) 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.

<b>S. No.</b>	<b>Nature of Contract</b>
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 January 25, 2021 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.
6.	Credit rating letter from the Rating Agency dated January 25, 2021.
7.	Letter from Catalyst Trusteeship Limited dated January 25, 2021 giving its consent to act as Debenture Trustee.
8.	Letter for Registrar 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 Issue Details

<b>Security Name</b>	FSBFL NCD Covered MLD VI 2020
<b>Issuer</b>	Five-Star Business Finance Limited
<b>Type of Instrument</b>	Rated, Listed, Senior, Secured, Redeemable, Principal Protected Market-Linked, Non-Convertible Debentures
<b>Nature of Instrument</b>	<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; and (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 ‘dual recourse 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: (i) deemed to be assigning 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. The SPV Trust will be executing (within the timelines stipulated herein) 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 utilized in accordance with the terms set out under the Transaction Documents.</p>
<b>Seniority</b>	Senior
<b>Mode of Issue</b>	Private Placement
<b>Eligible Investors</b>	The investor to whom this Disclosure Document is specifically addressed, is eligible to apply for this private placement of Debentures subject to fulfilling its respective investment norms/rules and compliance with laws applicable to it by submitting all the relevant documents along with the

	<p>Application Form. The persons to whom the Disclosure Document has been circulated to, may include but not limited to:</p> <ol style="list-style-type: none"><li>1. Financial Institutions: registered under the applicable laws in India which are duly authorized to invest in Bonds;</li><li>2. Insurance companies</li><li>3. Provident, Gratuity, Pension &amp; Superannuation Funds</li><li>4. Regional Rural Banks</li><li>5. Mutual Funds</li><li>6. Companies, Bodies Corporate authorized to Invest in bonds</li><li>7. Trusts, Association of Persons, Societies registered under the applicable laws in India which are duly authorized to invest in bonds</li><li>8. FPIs</li><li>9. Individuals</li><li>10. Scheduled Commercial Banks</li><li>11. Co-operative Bank</li><li>12. Partnership Firms</li><li>13. HUF through Karta</li></ol>
<b>Listing</b>	<p>The Debentures shall be listed on the Wholesale Debt Market segment of the BSE within a period of 4 (Four) trading days from the Issue Closing Date.</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 Issue Closing Date, the Company shall pay default interest calculated at the rate of 1% (One 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 and expiring on the date the Debentures are listed on the WDM of the BSE.</p>



<b>Rating of the Instrument</b>	Provisional PP-MLD [ICRA]AAA(CE) by the Rating Agency
<b>Issue Size</b>	Private placement of up to 1,250 (One Thousand Two Hundred and Fifty) non-convertible debentures aggregating up to Rs. 125,00,00,000/- (Rupees One Hundred and Twenty Five Crores only) with a green shoe option of up to 250 (Two Hundred and Fifty) non-convertible debentures aggregating up to Rs. 25,00,00,000/- (Rupees Twenty Five Crores only).
<b>Option to retain oversubscription</b>	Green shoe option to retain oversubscription of an amount of up to 25,00,00,000/- (Rupees Twenty Five Crores only).
<b>Objects of the Issue</b>	The monies raised through the issue the Debentures shall be used for general corporate purposes in the ordinary course of business of the issuer including for repayment/ re-financing of existing debt.
<b>Details of the utilization of the Proceeds</b>	The monies raised through the issue the Debentures shall be used for general corporate purposes in the ordinary course of business of the issuer including for repayment/ re-financing of existing debt.
<b>Coupon Rate</b>	<p>1. The coupon payable on the Debentures (“<b>Coupon</b>”) shall be either linked to the performance of the Underlying Index, and shall be determined in the following manner:</p> <p>(a) if Final Fixing Level is less than or equal to 12% (Twelve Percent), then the Coupon payable shall be an amount which provides a rate of return (calculated on XIRR basis using the Microsoft Excel function) of 9% (Nine Percent) on the principal amount of the Debentures;</p> <p>(b) if Final Fixing Level is greater than 12% (Twelve Percent) but less than or equal to 18% (Eighteen Percent), then the Coupon payable shall be an amount which provides a rate of return (calculated on XIRR basis using the Microsoft Excel function) of 8.95% (Eight Decimal Point Nine Five Percent) on the principal amount of the Debentures;</p> <p>(c) if Final Fixing Level is greater than 18% (Eighteen Percent), the Coupon payable shall be NIL.</p> <p>(The rate of Coupon as shall be determined from the above shall hereinafter be referred to as the “<b>Coupon Rate</b>”).</p> <p>2. While the Coupon has been promised to be paid on the Scheduled Maturity Date or upon the exercise of Call Option, as the case may be, the Company is expected to meet payments of Coupon on the Post Trigger Expected Payout Dates.</p>

	<p>3. Without the need for any further act or deed of the Parties upon the occurrence of a Trigger Event, the Coupon Rate applicable on the Debentures shall become fixed and split into two components as set out below:</p> <p>(a) Promised Coupon: The Coupon promised to be paid shall be an amount which provides a rate of return (calculated on XIRR basis using the Microsoft Excel function) of 15.25% (Fifteen Decimal Point Two Five Percent) on the outstanding principal amount of the Debentures, and shall accrue from the Deemed Date of Allotment;</p> <p>(b) Expected Coupon: In addition to the Promised Coupon, subject to availability of cashflows, the Coupon expected to be paid shall be an amount which provides a rate of return (calculated on XIRR basis using the Microsoft Excel function) of 20% (Twenty Percent) on the outstanding principal amount of the Debentures (after taking in consideration any amounts paid towards the Promised Coupon), and shall accrue from the Deemed Date of Allotment.</p> <p>4. The Coupon shall be computed on Actual / Actual basis, i.e. Actual / 365 (Three Hundred Sixty Five) days (or 366 (Three Hundred Sixty Six) days in the case of a leap year.</p>
<p><b>Step Up/ Step Down Coupon Rate</b></p>	<p>Without the need for any further act or deed of the Parties upon the occurrence of a Trigger Event, the Coupon Rate applicable on the Debentures shall become fixed and split into two components as set out below:</p> <p>1. Promised Coupon: The Coupon promised to be paid shall be an amount which provides a rate of return (calculated on XIRR basis using the Microsoft Excel function) of 15.25% (Fifteen Decimal Point Two Five Percent) on the outstanding principal amount of the Debentures, and shall accrue from the Deemed Date of Allotment;</p> <p>2. Expected Coupon: In addition to the Promised Coupon, subject to availability of cashflows, the Coupon expected to be paid shall be an amount which provides a rate of return (calculated on XIRR basis using the Microsoft Excel function) of 20% (Twenty Percent) on the outstanding principal amount of the Debentures (after taking in consideration any amounts paid towards the Promised Coupon), and shall accrue from the Deemed Date of Allotment.</p>
<p><b>Coupon Payment Frequency</b></p>	<p>Please refer to the details provided in row titled 'Coupon Rate' above.</p>

<b>Coupon Payment Date</b>	Please refer to the details provided in row titled 'Coupon Rate' above.
<b>Coupon Type</b>	Please refer to the details provided in row titled 'Coupon Rate' above.
<b>Coupon Reset Process</b>	N/A
<b>Day Count Basis</b>	The Coupon shall be computed on Actual / Actual basis, i.e. Actual / 365 (Three Hundred Sixty Five) days (or 366 (Three Hundred Sixty Six) days in the case of a leap year).
<b>Interest on Application Money</b>	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.
<b>Default Interest Rate</b>	<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 WDM of the BSE within a period of 4 (Four) trading days from the Issue Closing Date, the Issuer shall pay default interest calculated at the rate of 1% (One 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 and expiring on the date the Debentures are listed on the WDM of 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>
<b>Tenure</b>	27 (Twenty Seven) months and 1 (One) day from the Deemed

	Date of Allotment provided however that in the event any Trigger Event occurs prior to (or on) the date referred to above, the Scheduled Maturity Date shall stand extended to the date falling on the expiry of 84 (Eighty Four) months from the Deemed Date of Allotment
<b>Redemption Date / Scheduled Maturity Date</b>	<p>The date of falling on the expiry of 27 (Twenty Seven) months and 1 (One) day from the Deemed Date of Allotment being April 30, 2023, provided however that in the event any Trigger Event occurs prior to (or on) the date referred to above, the Scheduled Maturity Date shall stand extended to the date falling on the expiry of 84 (Eighty Four) months from the Deemed Date of Allotment i.e. January 29, 2028.</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 or upon the exercise of Call Option, as the case may be, unless a Trigger Event has occurred prior to the Scheduled Maturity Date or the exercise of Call Option.</p> <p>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 22<sup>nd</sup> day of every calendar month (“<b>Post Trigger Expected Payout Dates</b>”). It is clarified that if the 22<sup>nd</sup> day of any calendar month is not a Business Day, the immediately succeeding Business Day will be treated as the Post Trigger Expected Payout Dates.</p>
<b>Redemption Amount</b>	Rs. 10,00,000/- (Rupees Ten Lakh only) per Debenture plus accrued Coupon if any.
<b>Redemption Premium / Discount</b>	NA
<b>Initial Fixing Date</b>	January 25, 2021
<b>Final Fixing Date</b>	15 (Fifteen) Business Days prior to the Expected Maturity Date
<b>Issue Price</b>	Rs. 10,00,000/- (Rupees Ten Lakh) per Debenture
<b>Discount at which security is issued and the effective yield as a result of such discount</b>	NA
<b>Put Option</b>	NA
<b>Put Option Date</b>	NA

<b>Put Option Price</b>	NA
<b>Put Notification Time</b>	NA
<b>Call Option</b>	<ol style="list-style-type: none"> <li>1. 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 or on any day post the occurrence of a Trigger Event (“<b>Call Option</b>”). For the purposes of exercising this option, the Company shall provide a written notice to the Debenture Trustee at least 30 (Thirty) Business Days prior to the Expected Maturity Date and shall redeem the Debentures in full by the Expected Maturity Date by depositing the Outstanding Amounts into such account as required in terms of the Debenture Trust Deed on the Expected Maturity Date by 2.00 PM, which shall be utilised by the Debenture Trustee for payment to the Debenture Holders as per the Transaction Documents.</li> <li>2. In the event the Company proposes to exercise the Call Option upon occurrence of a Trigger Event, the Company shall provide a written confirmation in this regard to the Debenture Trustee within 7 (seven) Business Days from the occurrence of a Trigger Event. In the event that the Company has issued such a notice, the Company shall redeem the Debentures in full on, or prior to, the expiry of 30 (thirty) days from the date of occurrence of the relevant Trigger Event.</li> <li>3. In the event the Company proposes to exercise the Call Option on any day post the occurrence of a Trigger Event, the Company shall provide a written confirmation in this regard to the Debenture Trustee at least 30 (Thirty) Business Days prior to exercising such Call Option. In the event that the Company has issued such a notice, the Company shall redeem the Debentures in full on, or prior to, the expiry of the said 30 (Thirty) Business Days.</li> <li>4. In the event that the Company does not exercise the Call Option available to the Company on the Expected Maturity Date or having exercised the Call Option fails to redeem the Debentures in full by the Expected Maturity Date, then the Company shall be required to (unless otherwise agreed to by the Majority Debenture Holders) redeem the Debentures in full on, or prior to, the expiry of 20 (Twenty) Business Days from the Expected Maturity Date by depositing the Outstanding Amounts into such account as</li> </ol>

	<p>required in terms of the Debenture Trust Deed which shall be utilised by the Debenture Trustee for payment to the Debenture Holders as per the Transaction Documents.</p> <p>5. Further, 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 shall follow, including the consequence regarding fixation of Coupon Rate as set out in sub-paragraph 3 under the row titled “<b>Coupon Rate</b>” under this paragraph 4.20.</p>
<b>Call option date</b>	Shall be the Expected Maturity Date i.e. April 30, 2023, or upon the occurrence of any Trigger Event or on any day post the occurrence of any Trigger Event, as the case may be.
<b>Call option price</b>	At Par, along with the Coupon to be paid as per Coupon Rate
<b>Call notification time</b>	Please refer to the details provided in row titled ‘Call Option’ above.
<b>Accelerated Redemption Event</b>	<p>In the event that post the occurrence of any Trigger Event, the Company (in its capacity as the servicer of Identified Loans) fails to deposit the collections pertaining to the Identified Receivables into the SPV Account (bank account of the Trust as identified under the Assignment Documents) within 10 (Ten) calendar days from the expiry of the scheduled timelines agreed for such deposit under the Assignment Document for any reason whatsoever and the Minimum Security Cover falls below 1 (One) time (“<b>Accelerated Redemption Event</b>”), the Company shall redeem the Debentures in full without the requirement of any further action from the Debenture Trustee.</p> <p>Upon the occurrence of the Accelerated Redemption Event, all the Outstanding Amounts shall become due and payable by the Company within 30 (Thirty) days from the date of Accelerated Redemption Event, and the Company shall deposit all the Outstanding Amounts into such account as required in terms of the Debenture Trust Deed , within the abovementioned timeline, which monies shall be utilised towards redemption of Debentures as per the Transaction Documents.</p>
<b>Premature Exit</b>	<p>After the expiry of 12 (Twelve) months from the Deemed Date of Allotment, any of the Debenture Holders may request, in writing (“<b>Premature Exit Request</b>”), the Company to redeem the Debentures held by the Debenture Holders.</p> <p>Upon receipt of a Premature Exit Request, the Company may</p>

	<p>at its option, without being obliged to do so, redeem (or buy back or cause to be purchased) the Debentures held by the Debenture Holder(s) who has issued the Premature Exit Request.</p> <p>The amounts payable to the Debenture Holders who have issued the Premature Exit Request, assuming that the Company has decided to accommodate the request, would be an amount mutually agreed between the Company and the Debenture Holder(s) who has issued the Premature Exit Request</p>
<b>Additional Company Option</b>	Notwithstanding anything to the contrary contained elsewhere, the Company may at any time buy back the Debentures held by any of the Debenture Holders (in the event that the relevant Debenture Holders agree to same) at a price mutually agreed between the Company and the relevant Debenture Holders.
<b>Face Value</b>	Rs. 10,00,000/- (Rupees Ten Lakh Only) per Debenture
<b>Minimum Application size</b>	10 (Ten) Debentures and in multiples of 1 (One) Debenture thereafter
<b>Issue Opening Date</b>	January 29, 2021
<b>Issue Closing Date:</b>	January 29, 2021
<b>Pay-in Date:</b>	January 29, 2021
<b>Deemed Date of Allotment:</b>	January 29, 2021
<b>Issuance mode of the Instrument</b>	Demat only
<b>Trading mode of the Instrument</b>	Demat only
<b>Settlement mode of the Instrument</b>	Cheque(s)/ electronic clearing services (ECS)/credit through RTGS system/funds transfer to the specified bank account of the Debenture Holder.
<b>Depositories</b>	NSDL
<b>Business Day Convention/Effect of Holidays</b>	<p>“<b>Business Day</b>” 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 and any other day on which banks are closed for general business in Mumbai, India) shall be a Business Day for the purpose of the Debenture Trust Deed.</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>
<p><b>Record Date</b></p>	<p>Means 10 (Ten) Business 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</p>
<p><b>All covenants of the issue (including side letters, accelerated payment clause, etc.)</b></p>	<p>As set out in <b>Annexure V</b> herein</p>
<p><b>Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Debenture Trust Deed and disclosed in this Information Memorandum.</b></p>	<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> <ul style="list-style-type: none"> <li>(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;</li> <li>(b) a first ranking and exclusive charge over the Cash Collateral;</li> <li>(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 deemed to be made available by the Company to the SPV Trust in terms of the Assignment Documents.</li> </ul> <p>(collectively referred to as the “<b>Security</b>” / “<b>Security Interest</b>”).</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 (“<b>Minimum Security Cover</b>”).</p> <p>For the purposes of determining whether Minimum Security Cover is being maintained: (i) only the principal amounts of the</p>



Identified Receivables shall be considered; (ii) if any of the Identified Receivables are due and payable after the expiry of 83 (Eighty Three) months from the Deemed Date of Allotment, then such Identified Receivables will not be taken into consideration; (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; (iv) if the principal amounts outstanding under the Identified Loan Agreements overdue for more than 1 (One) day but less than 30 (Thirty) days exceeds 5% (Five Percent) of the total principal outstanding under the Identified Loan Agreements, then the entire principal amounts pertaining to all the Identified Loans which are overdue for a period of more than 1 (One) day but less than 30 (Thirty) days, will not be taken into consideration for testing whether the Minimum Security Cover is being maintained.

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 5 (Five) Business 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.

**Trigger Event Consequences:**

1. The Company is issuing the Debentures with an intention to create a 'dual recourse 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.
2. Accordingly, upon occurrence of a Trigger Event, the Company shall, without the 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. The SPV Trust shall execute an unconditional and irrevocable guarantee ("**SPV Guarantee**") and a deed of hypothecation in favour of the

	<p>Debenture Trustee, acknowledging that all Identified Receivables and Cash Collateral 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. The transfer of Identified Receivables and Cash Collateral 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.</p> <ol style="list-style-type: none"> <li>3. Upon the occurrence of a Trigger Event, the Cash Collateral shall be drawn upon and utilised towards payment to Debenture Holders in the manner set out in the Transaction Documents.</li> <li>4. Upon the occurrence of any Trigger Event, all cashflows collected towards the Identified Receivables shall be utilized on the Post Trigger Expected Payout Dates solely for the purposes of redemption of the Debentures in the manner set out in the Transaction Documents.</li> </ol>
<p><b>Transaction Documents / Debenture Documents</b></p>	<p>Shall mean:</p> <ol style="list-style-type: none"> <li>1. The Debenture Documents;</li> <li>2. The Assignment Documents.</li> </ol>
<p><b>Conditions Precedent to Pay-In</b></p>	<p>The Company shall have submitted the following to the Debenture Trustee:</p> <ol style="list-style-type: none"> <li>1. Certified true copy of the constitutional documents of the Company.</li> <li>2. 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).</li> <li>3. A certified true copy of the resolution of the board of directors of the Company under Sections 71 and 179 of the Act and the SEBI regulations, (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</li> </ol>

	<p>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.</p> <ol style="list-style-type: none"><li>4. The Company shall have filed the resolutions (if applicable) specified in 2 and 3 above with the Registrar of Companies prior to issuing the Disclosure Document.</li><li>5. 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.</li><li>6. Execution of the Debenture Trustee Agreement.</li><li>7. 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.</li><li>8. Issuance of this Disclosure Document and Private Placement Offer Letter, containing disclosures required in terms of the SEBI (ILDS) Regulations and the Companies Act.</li><li>9. The Company shall have submitted to the Debenture Trustee its audited account statements for the most recent financial year or audited financial half-year.</li><li>10. The Debenture Trustee should have received the draft legal opinion in relation to the Transaction Documents from Wadia Ghandy &amp; Co., in such form and manner as is acceptable to the Debenture Trustee.</li><li>11. Payment of legal and other fees and expenses in connection with the issuance of the Debentures, which are to be borne upfront.</li><li>12. Receipt of draft Rating Rationale from the Rating Agency, confirming the expected rating.</li><li>13. Creation of Cash Collateral in the form of fixed deposit(s) (which fixed deposit shall be lien marked in favour of the Debenture Trustee) with IndusInd Bank Limited in terms of this Deed and written confirmation thereof to be provided to the Debenture Trustee.</li><li>14. 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</li></ol>
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	<p>this regard, in a form and manner acceptable to the Debenture Trustee.</p>
<b>Conditions Subsequent to the Date Deemed of Allotment</b>	<ol style="list-style-type: none"><li>1. The Company shall ensure that upon issuance of the Debentures, the allotment and the dematerialised credit of the same occurs within 1 (One) Business Day from the Deemed Date of Allotment.</li><li>2. The Company shall ensure that the Debentures are listed and traded on the BSE within 4 (Four) trading days from the Deemed Date of Allotment of the Debentures.</li><li>3. The execution of the Debenture Documents and the relevant Assignment Documents, in the form and manner acceptable to the Debenture Trustee, within a maximum period of 15 (Fifteen) Business Days from the Deemed Date of Allotment;</li><li>4. Creation of security over the Identified Receivables and the Cash Collateral and other assets as identified in Deed of Hypothecation and intimation of the details of the Identified Receivables to the Debenture Trustee within a maximum period of 15 (Fifteen) Business Days from the Deemed Date of Allotment.</li><li>5. Confirmation that the Identified Receivable over which Security is created is in line with the Eligibility Criteria and additional criteria, if any, indicated by the Debenture Holders within a maximum period of 15 (Fifteen) Business Days from the Deemed Date of Allotment.</li><li>6. 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.</li><li>7. Receipt of final legal opinion from Wadia Ghandy &amp; Co.</li><li>8. 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 date of execution of the Deed of Hypothecation.</li><li>9. The Debenture Trustee should have received the tax opinion in relation to the structure contemplated under the Transaction Documents from such firm as may be agreed upon by the Debenture Trustee (acting on behalf of the Debenture Holders), in such form and manner as is acceptable to the Debenture Trustee, on or prior to the</li></ol>

	<p>Deemed Allotment Date, within 30 (Thirty) days from the Deemed Date of Allotment.</p> <ol style="list-style-type: none"><li>10. The Company shall ensure that the agreement for Cash Collateral is executed and the Cash Collateral is transferred to the Cash Collateral account (to be identified in the Transaction Documents) and maintained in the form of fixed deposit(s) which shall be lien marked in favour of the Debenture Trustee and written confirmation thereof is provided to the Debenture Trustee, within a maximum period of 60 (Sixty) days from the Deemed Date of Allotment.</li><li>11. 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 60 (Sixty) days from the Deemed Date of Allotment.</li><li>12. A certificate by: (i) an independent chartered accountant certifying the Purpose of the proceeds of the Debentures, to be submitted within a maximum period of 90 (Ninety) days from the Deemed Date of Allotment; and (ii) the statutory auditor of the Company certifying the Purpose of the proceeds of the Debentures, to be submitted.</li></ol>
<b>Trigger Events</b>	<p>If one or more of the events specified below happen(s), the same shall constitute a “<b>Trigger Event</b>”:</p> <ol style="list-style-type: none"><li>1. 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:<ol style="list-style-type: none"><li>(a) 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) and which is not withdrawn/dismissed/cured within 10 (Ten) Business Days; or</li><li>(b) a composition, compromise, assignment or arrangement with any creditor of the Company; or</li><li>(c) 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.</li></ol></li><li>2. 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 (including without limitation</li></ol>

	<p>failure to comply with paragraph II (Information Covenants) of <b>Annexure V</b> herein, which breach if capable of being remedied has not been remedied to the satisfaction of the Debenture Trustee, within a maximum period of 20 (Twenty) days from occurrence;</p> <ol style="list-style-type: none"><li>3. 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;</li><li>4. Occurrence of an Event of Default.</li><li>5. The rating of the Debentures is downgraded from 'AAA' to 'AA+' or below;</li><li>6. The credit rating of the Company is downgraded below 'A' by any rating agency;</li><li>7. Failure on the part of the Company to maintain Minimum Security Cover;</li><li>8. The capital adequacy ratio of the Company, calculated in accordance with RBI guidelines, falling below 17% (Seventeen Percent);</li><li>9. The gross non-performing assets of the Company exceeds 4% (Four Percent);</li><li>10. The net non-performing assets of the Company exceeds 3% (Three Percent);</li><li>11. If there is any negative cumulative asset liability mismatch for the Company as at the end of each financial quarter, calculated for the next 12 (Twelve) months on the basis of the expected assets and liabilities;</li><li>12. Failure on the part of the Company to exercise the Call Option, or after having exercised the Call Option, failure to redeem the Debentures pursuant to such exercise on or prior to the Expected Maturity Date;</li><li>13. Failure on the part of the Company to redeem the Debentures on or prior to the Expected Maturity Date;</li><li>14. Failure on the part of the Company to meet the prefunding obligations;</li><li>15. Any change in Applicable Law which in the opinion of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders), would invalidate the assignment of the Identified Receivables to the SPV Trust; provided that for triggering the said event, the Debenture Trustee (acting on the instructions of the Majority Debenture Holders) shall be entitled to require the Company to obtain at the cost and expense of the Company a legal opinion confirming such change in Applicable Law and the consequences thereof from any of the following legal counsels, which legal opinion shall be promptly shared with the Debenture Holders by the Debenture</li></ol>
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	<p>Trustee (upon receipt thereof): (i) Cyril Amarchand Mangaldas, (ii) Shardul Amarchand Mangaldas, (iii) Khaitan &amp; Co., (iv) Wadia Ghandy &amp; Co. and (v) Phoenix Legal;</p> <ol style="list-style-type: none"> <li>16. The Company has defaulted in making any payments due on Financial Indebtedness incurred by the Company;</li> <li>17. If one or more legal or governmental proceedings have been initiated against the Company, which in the opinion of the Debenture Trustee has a Material Adverse Effect;</li> <li>18. The Company is in default in relation to servicing obligations (by whatever name called) undertaken by the Company for securitisation transactions, where the originator is the Company;</li> <li>19. Any expropriation, attachment, sequestration, distress or execution affects any assets of the Company, which in the opinion of the Debenture Trustee has a Material Adverse Effect;</li> <li>20. 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;</li> <li>21. The Company ceasing or threatening to cease to carry on its respective business;</li> <li>22. One or more events, conditions or circumstances whether related or not, has occurred or is reasonably expected to occur which, in the opinion of the Debenture Trustee, could have a Material Adverse Effect;</li> <li>23. 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; and</li> <li>24. If the Debenture Documents or any part thereof ceases, for any reason whatsoever, to be valid and binding or in full force and effect.</li> </ol>
<p><b>Consequences of Trigger Event</b></p>	<p>Upon the occurrence of any Trigger Event:</p> <ol style="list-style-type: none"> <li>1. The Scheduled Maturity Date shall, automatically without the need for any further deed or action, stand extended such that the Scheduled Maturity Date shall fall on January 29, 2028 i.e. 84 (Eighty Four) months from the Deemed Date of Allotment;</li> <li>2. The consequences set out under - the sub-heading “<b>Trigger Event Consequences</b>” in the row titled “<b>Description of Security</b>” under this paragraph 4.20, under the row titled “<b>Call Option</b>” (if exercised by the Company), and the payment mechanism post Trigger Event as set out in the Debenture Trust Deed, shall ensue;</li> </ol>

	<ol style="list-style-type: none"><li>3. The Coupon Rate shall stand increased as set out under subparagraph 3 under the row titled “<b>Coupon Rate</b>”, without the need for any further act or deed of the Parties and the Promised Coupon shall become payable on a monthly basis as per the terms of this Deed and the Expected Coupon is expected to be paid from the excess cashflows as per the terms of this Deed;</li><li>4. The SPV Guarantee would be deemed to be invoked and all collections shall be routed and deposited in the SPV Account by the Company in its capacity as the servicer as more particularly set out in the SPV Guarantee and shall be utilised for meeting payment to the Debenture Holders as per the ‘Waterfall Mechanism’ set out in the SPV Trust Deed;</li><li>5. 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;</li><li>6. The Debenture Trustee shall be entitled to appoint a Nominee Director on the board of the Company in accordance with the terms of the Debenture Trust Deed; and</li><li>7. 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.</li></ol>
<b>Event(s) of Default (including manner of voting/ conditions of joining Inter Creditor Agreement)</b>	<p>If one or more of the events specified below, happen(s), the same shall constitute an “<b>Event of Default</b>”:</p> <ol style="list-style-type: none"><li>1. Failure on the part of the Company to make payment of all or any part of Outstanding Amounts, on the Scheduled Maturity Date;</li><li>2. If the Company does not comply with its obligations to assign the Identified Receivables and/ or Cash Collateral to the SPV upon the occurrence of a Trigger Event;</li><li>3. 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;</li><li>4. Failure of the Company to carry out the obligations as a consequence of the Accelerated Redemption Event;</li><li>5. Post the occurrence of a Trigger Event, any failure by the Company (in its capacity as servicer for the Identified Loans) to deposit the Identified Receivables collected into the SPV Account within 10 (Ten) calendar days from the expiry of the scheduled timelines for deposit of the same as set out under the Assignment Documents.</li></ol>



<p><b>Creation of recovery expense fund</b></p>	<p>SEBI has issued <i>vide</i> circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 (“<b>SEBI REF Circular</b>”), the guidelines/ instructions in relation to creation of Recovery Expense Fund (“<b>REF</b>”) in order to enable the debenture trustees to take prompt action for enforcement of security in case of ‘default’ in listed debt securities to be used in the manner decided in the meeting of the holders of debt securities. The Company will create and maintain a Recovery Expense Fund as per the provisions of the regulations issued by SEBI and the SEBI REF Circular, as amended from time to time, and if during the currency of these presents, any guidelines are formulated (or modified or revised) by any Governmental Authority under Applicable Law in respect of creation/maintenance 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 (who shall forthwith forward them to the Debenture Holders) and shall also cause the same to be registered, where necessary.</p> <p>Details:</p> <p>The Company shall within the timelines prescribed under the SEBI REF Circular create REF in relation to the Issue, by deposit of an amount equal to 0.01% of the Issue size subject to maximum of Rs. 25 lakhs towards REF with BSE in such form as prescribed under the SEBI REF Circular.</p> <p>Purpose:</p> <p>In the event of default, the Debenture Trustee shall obtain the consent of Debenture Holders for enforcement of security and shall inform the same to BSE. BSE will release the amount lying in the REF to the Debenture Trustee within 5 working days of receipt of such intimation.</p> <p>The REF will be refunded to the Issuer in accordance with the SEBI REF Circular.</p>
<p><b>Conditions for breach of covenants (as specified in Debenture Trust Deed )</b></p>	<p>Please refer to <b>Annexure V</b> herein, the row titled “<b>Consequences of Trigger Event</b>” under paragraph 4.20 and row titled “<b>Consequences of Events of Default</b>” under paragraph 4.20</p>
<p><b>Consequences of Events of Default</b></p>	<p>On and at any time after the occurrence of an Event of Default, the Debenture Trustee shall:</p> <ol style="list-style-type: none"> <li>1. declare that all or part of the Outstanding Amounts be immediately due and payable;</li> </ol>

	<ol style="list-style-type: none"> <li>2. 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;</li> <li>3. exercise any other right that the Debenture Trustee and / or Debenture Holder(s) may have under the Debenture Documents or under Indian law.</li> </ol>
<b>Provisions related to Cross Default Clause</b>	In the event the Company defaults in making any payments due on Financial Indebtedness incurred it, the same shall be considered as a Trigger Event
<b>Role and Responsibilities of Debenture Trustee</b>	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.
<b>Risk factors pertaining to the Issue</b>	As set out in in Section 3 ( <i>Risk Factors</i> ) of this Disclosure Document.
<b>Illustration of Bond Cashflows</b>	As per <b>Annexure II</b> to this Disclosure Document.
<b>Governing Law and Jurisdiction</b>	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.
<b>Valuation Agent</b>	ICRA Analytics Limited, appointed valuation agency as stipulated by SEBI vide circular no. CIR/IMD/DF/17/2011 dated September 28, 2011, as amended from time to time
<b>Valuation Frequency and Publication</b>	<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 <a href="http://www.fivestargroup.in">www.fivestargroup.in</a> and the Valuation Agency(ies) <a href="http://www.icranalytics.com">www.icranalytics.com</a>.</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>
<b>Valuation Agency Fees</b>	The fees payable to the Valuation Agent shall be borne solely by the Issuer and the same shall not exceed 0.02% (Zero Decimal Point Zero Two Percent Percent) on the face value of the outstanding Debentures.

**Note:**

1. While the debt securities are secured to the tune of 100% of the principal and interest amount or as per the terms of Information Memorandum, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.
2. The penal interest rates mentioned above as payable by the Issuer are independent of each other
3. In the event of any conflict between the terms set out herein and the Debenture Trust Deed, the terms of the Debenture Trust Deed shall prevail.

**4.21 Undertakings – Creation of Security**

The Company hereby confirms that the Secured Property over which charge is created / proposed to be created in favour of the Debenture Trustee (for the benefit of the Debenture Holders) to secure the obligations of the Company in relation to the Debentures, are free from any encumbrances.

## **SECTION 5: WILFUL DEFAULT RELATED DISCLOSURES**

- (a) Name of the bank declaring the entity as a wilful defaulter: None
- (b) The year in which the entity is declared as a wilful defaulter: None
- (c) Outstanding amount when the entity is declared as a wilful defaulter: None
- (d) Name of the entity declared as a wilful defaulter: None
- (e) Steps taken, if any, for the removal from the list of wilful defaulters: None
- (f) Other disclosures, as deemed fit by the issuer in order to enable Investors to take informed decisions: None
- (g) Any other disclosure as specified by the Board: None

## **SECTION 6: 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 Disclosure Document, the Private Placement Offer Letter, Application Form and other terms and conditions as may be incorporated in the Debenture Documents.

### **6.1 Mode of Transfer/Transmission of Debentures**

The Debentures shall be transferable subject to the provisions of the Debenture Trust Deed. 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/CDSL and the relevant DPs of the transferor or transferee and any other Applicable Laws and rules notified in respect thereof. 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.

### **6.2 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/ECS/ NEFT/fund transfer/RTGS to those Debenture Holder(s) whose names appear on the list of beneficiaries maintained by the Depository(ies). The names would be as per Depository(ies) records on the record date fixed for the purpose of redemption. All such Debentures will be simultaneously redeemed through appropriate debit corporate action. If permitted, the Issuer may transfer payments required to be made in any relation by NEFT/RTGS to the bank account of the Debenture Holder(s) for redemption payments.

### **6.3 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.

### **6.4 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 the Act. 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.

### **6.5 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.

## 6.6 Issue Procedure

Only Eligible Investors (as given hereunder) may apply for the Debentures by completing the Application Form in the prescribed format in block letters in English as per the instructions contained therein. The minimum number of Debentures that can be applied for and the multiples thereof shall be set out in the Application Form. No application can be made for a fraction of a Debenture. Application forms should be duly completed in all respects and applications not completed in the said manner are liable to be rejected. The name of the applicant's bank, type of account and account number must be duly completed by the applicant. This is required for the applicant's own safety and these details will be printed on the refund orders and /or redemptions warrants.

The applicant should transfer payments required to be made in relation to the Issue by NEFT/RTGS, to the bank account of the Issuer as per the details mentioned in paragraph 6.10 hereinbelow.

## 6.7 Application Procedure

Potential investors will be invited to subscribe by way of the Application Form prescribed in the Disclosure Document during the period between the Issue Opening Date and the Issue Closing Date (both dates inclusive) and by filling out Part - B of the Private Placement Offer Letter. 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 will be open for subscription during the banking hours on each day during the period covered by the Issue Schedule.

## 6.8 Fictitious Application

All fictitious applications will be rejected.

## 6.9 Basis of Allotment

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, priority will be given to investors on a first come first serve basis. The investors will be required to remit the funds as well as submit the duly completed Application Form and Part - B of the Private Placement Offer Letter along with other necessary documents to Issuer by the Deemed Date of Allotment.

## 6.10 Payment Instructions

The Application Form should be submitted directly. The entire amount of Rs. 10,00,000/- (Rupees Ten Lakh only) per Debenture is payable along with the making of an application. Applicants can remit the application amount through RTGS or any other permitted mode on Pay-in Date. The details of the bank account of the Issuer for pay-in of application monies are as under:

Bank Name	RBL Bank Limited
Bank Account No.	409000464102
Account Type	Current Account
Bank Branch Name and Address	T Nagar, Chennai

IFS Code	RATN0000113
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## 6.11 Eligible Investors

The following categories of investors, when 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 (“**Eligible Investors**”):

- a) Financial Institutions: registered under the Applicable Laws in India which are duly authorized to invest in Bonds;
- b) Insurance Companies
- c) Provident, Gratuity, Pension & Superannuation Funds
- d) Regional Rural Banks
- e) Mutual Funds
- f) Companies, Bodies Corporate authorized to Invest in bonds
- g) Trusts, Association of Persons, Societies registered under the Applicable Laws in India which are duly authorized to invest in bonds
- h) FPIs
- i) Individuals
- j) Scheduled Commercial Banks
- k) Co-operative Bank
- l) Partnership Firms
- m) HUF through Karta
- n) Any other person (not being an individual or a group of individuals) eligible to invest in the Debentures.

All Eligible Investors are required to check and comply with Applicable Law(s) including the relevant rules / regulations / guidelines applicable to them for investing in this Issue of Debentures and the Company, is not in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Company required to check or confirm the same.

Although above investors are eligible to apply however only those investors, who are individually addressed through direct communication by the Company/ Arranger, are eligible to apply for the Debentures. No other person may apply. 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 (ILDS) 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.

## **6.12 Procedure for Applying for Dematerialised Facility**

- a) The applicant must have at least one beneficiary account with any of the DP's of NSDL/CDSL 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".
- 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) 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.
- f) 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.
- g) 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 Depository(ies) as on the record date. In case of those Debentures for which the beneficial owner is not identified in the records of the Depository(ies) 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 Depository(ies) and conveyed to the Issuer, whereupon the redemption amount and benefits will be paid to the beneficiaries, as identified.

## **6.13 Depository Arrangements**

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

## **6.14 List of Beneficiaries**

The Issuer shall request the Depository(ies) 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.

## **6.15 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 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.

#### **6.16 Procedure for application**

The investor should make a separate application in respect of each scheme of the mutual fund registered with the SEBI and such applications will not be treated as multiple application, provided that the application made by the investor 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

#### **6.17 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 NEFT/RTGS.

#### **6.18 Mode of Payment**

All payments must be made through NEFT/RTGS/Cheque/ Fund Transfer as set out in the Application Form.

#### **6.19 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.

#### **6.20 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.

#### **6.21 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.

#### **6.22 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.

#### **6.23 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.

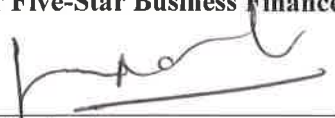
## SECTION 7: DECLARATION

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 Information Memorandum;

For **Five-Star Business Finance Limited**



Authorised Signatory  
Name: Srikanth G  
Title: Chief Financial Officer  
Date: January 29, 2021







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.		-	-	-	-	-	-	-	-
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Received from \_\_\_\_\_

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

## ANNEXURE II: ILLUSTRATION OF CASH FLOWS

### Appendix A: Disclosure of cash flows (pursuant to SEBI Circular no. CIR/IMD/DF/18/2013 dated 29th October 2013)

<b>Illustration of Bond Cash Flows</b>	
Company	Five-Star Business Finance Limited
Face Value (per security)	Rs. 10,00,000/- (Rupees Ten Lakh only)
Issue Date	January 29, 2021
Date of Allotment	January 29, 2021
Redemption Date / Maturity Date	Call Option Date: April 30, 2023
Coupon Rate	As set out in Appendix B
Frequency of the Coupon Payment with specified dates	Coupon, if any will be paid on upon exercise of Call Option or the Scheduled Maturity Date, as the case may be
Day Count Convention	Actual/Actual

<b>Cash Flows</b>	<b>Call Option Date / Scheduled Maturity Date</b>	<b>No. of days in Coupon Period</b>	<b>Amount (in Rupees)</b>
Coupon on Redemption, if any	April 30, 2023	821	Coupon linked to Underlying Index
Face Value			Rs. 10,00,000/- Per Debenture
Total		821	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 B – 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 / Reference Index</i>	<p>Means 10 year Government security: 5.79 G-Sec 2030 having ISIN: IN0020200070 and maturity on 11-05-2030. The details of which are published on the Bloomberg Ticker IGB 5.79% 11/05/2030.</p> <p>If the said Reference Index is discontinued or ceases to be available, then Reference Index shall be such index as may be stipulated by the Debenture Trustee (acting for and on behalf and on the instructions of all the Debenture Holders).</p>
<i>Digital Level</i>	<p>Means 100% of the closing yield of the Reference Index i.e. last traded closing yield of 5.79 G-Sec 2030, as on the date of observation, as published on the Bloomberg Ticker IGB 5.79% 11/05/2030</p>
<i>Initial Fixing Level</i>	<p>Last traded closing yield of the Underlying Index / Reference Index as on the Initial Fixing Date, as determined in accordance with the Digital Level</p>
<i>Final Fixing Level</i>	<p>Last traded closing yield of the Reference Index on the Final Fixing Date, as determined in accordance with the Digital Level</p>
<i>Coupon Payable</i>	<p>(a) if Final Fixing Level is less than or equal to 12% (Twelve Percent), then the Coupon payable shall be an amount which provides a rate of return (calculated on XIRR basis using the Microsoft Excel function) of 9% (Nine Percent) on the principal amount of the Debentures;</p> <p>(b) if Final Fixing Level is greater than 12% (Twelve Percent) but less than or equal to 18% (Eighteen Percent), then the Coupon payable shall be an amount which provides a rate of return (calculated on XIRR basis using the Microsoft Excel function) of 8.95% (Eight Decimal Point Nine Five Percent) on the principal amount of the Debentures;</p> <p>(c) if Final Fixing Level is greater than 18% (Eighteen Percent), the Coupon payable shall be NIL.</p>
<i>Date of Coupon Payment</i>	<p>The Coupon is promised to be paid on the Scheduled Maturity Date or upon the exercise of Call Option, as the case may be. However, the Company is required to make Coupon payments in relation to the Debentures upon the occurrence of any Trigger Event on the Post Trigger Expected Payout Dates.</p>

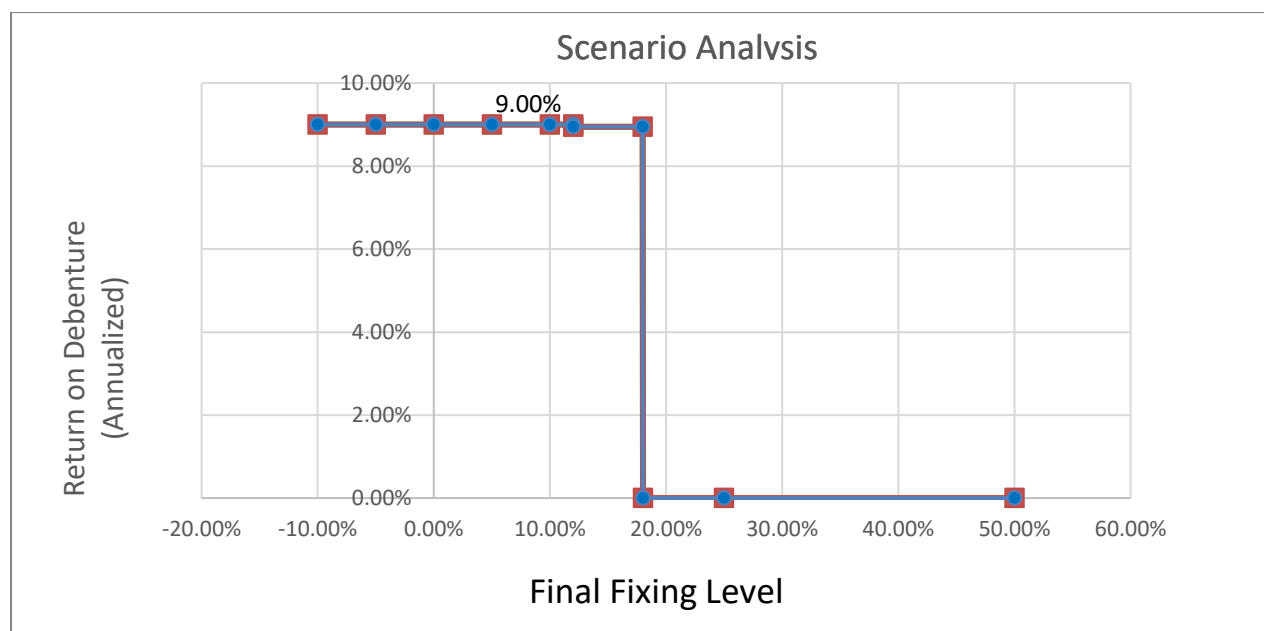


## SCENARIO ANALYSIS

### Tabular Representation

Initial Fixing Level	Final Fixing Level	Return on Debenture	Initial Investment in MLD (INR)	Redemption Amount (INR)
5.9801%	-10.00%	21.3903%	10,00,000	12,13,903
5.9801%	-5.00%	21.3903%	10,00,000	12,13,903
5.9801%	0.00%	21.3903%	10,00,000	12,13,903
5.9801%	5.00%	21.3903%	10,00,000	12,13,903
5.9801%	10.00%	21.3903%	10,00,000	12,13,903
5.9801%	12.00%	21.3903%	10,00,000	12,13,903
5.9801%	12.01%	21.2651%	10,00,000	12,12,651
5.9801%	18.00%	21.2651%	10,00,000	12,12,651
5.9801%	18.01%	0.00%	10,00,000	10,00,000
5.9801%	25.00%	0.00%	10,00,000	10,00,000
5.9801%	50.00%	0.00%	10,00,000	10,00,000

### Graphical Representation



*\*The scenario analysis (tabular and graphical data) is provided for illustrative purposes only and does not represent actual termination or unwind prices, nor does it present all possible outcomes or describe all factors that may affect the value of instrument.*

## ANNEXURE III: RATING LETTER



ICRA Limited

Ref: RTG/Chen/089/20-21

Date: January 25, 2021

Mr. G Srikanth  
Chief Financial Officer  
Five-Star Business Finance Limited  
Old No.4, New No.27,  
Taylor's Road, Kilpauk,  
Chennai, 600010

Dear Sir,

Re: ICRA Provisional rating for the proposed Rs. 150.00-crore Principal Protected-Market Linked Debenture (PP-MLD) Programme (MLD issuance size Rs. 125.00 crore, Green shoe option Rs. 25.00 crore) of Five-Star Business Finance Limited (Transaction Structure included in Annexure I)

Please refer to Rating Agreement dated January 19, 2021, executed between ICRA Limited ("ICRA") for assigning ratings to the proposed principal protected market linked debentures (PP-MLDs) of your company. The Rating Committee of ICRA, after due consideration, has assigned a Provisional PP-MLD [ICRA]AAA(CE) (pronounced as provisional principal protected market linked debentures ICRA Triple A Credit Enhancement) rating to the captioned PP-MLDs. The outlook on the long-term rating is Stable as mentioned in the table below.

S. No.	Instrument	Amount (Rs. crore)	Rating Assigned
1.	PP-MLDs	150.00	Provisional PP-MLD [ICRA]AAA(CE) (Stable)

Note: CE stands for Credit Enhancement<sup>1</sup>.

Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. The letters CE in parenthesis suffixed to a rating symbol stand for Credit Enhancement. CE rating is specific to the rated issue, its terms, and its structure. CE ratings do not represent ICRA's opinion on the general credit quality of the issuers concerned.

The rating assigned is provisional as of now (as denoted by the prefix 'Provisional' before the rating symbol) and is subject to fulfillment of all conditions under the structure as mentioned to ICRA including execution of the transaction documents (as summarized in the Annexure to this letter), and the executed documentation being in line with the drafts shared with ICRA.

<sup>1</sup> For viewing complete rating scale and definitions, refer to ICRA's Website [www.icra.in](http://www.icra.in) or other ICRA Rating Publications

Electric Mansion, 3<sup>rd</sup> Floor  
Appasaheb Marathe Marg  
Prabhadevi, Mumbai-400025  
Registered Office: 1105, Kailash Building, 11<sup>th</sup> Floor, 26 Kasturba Gandhi Marg, New Delhi - 110001. Tel.: +91.11.23357940-45

Tel.: +91.22.61693300  
CIN: L74999DL1991PLC042749

Website: [www.icra.in](http://www.icra.in)  
Email: [info@icraindia.com](mailto:info@icraindia.com)  
Helpdesk: +91.9354738809

RATING • RESEARCH • INFORMATION



## ICRA Limited

The provisional rating assigned by ICRA can remain valid for a maximum of 365 days from the assignment of the provisional rating. You are requested to update ICRA as soon as the pending actions/ documentation are completed and share documentary proof for ICRA's review.

As per its policy, ICRA reviews the provisional rating periodically and converts the provisional rating into the final rating if the pending actions/ documentation have been completed in line with ICRA's expectations. In case the pending actions/ documentation are not completed within the validity period, and/or they are not in line with ICRA's expectations, ICRA reviews the provisional rating as per its policy [Refer to ICRA's website [www.icra.in](http://www.icra.in) for details of the policy followed by ICRA to assign provisional rating].

In any of your publicity material or other document wherever you are using our above ratings, it should be stated as "Provisional PP-MLD [ICRA]AAA(CE) (Stable)". We would request if you can provide your acceptance on the above Rating(s) by sending an email or signed attached acknowledgement to us latest by January 29, 2021. In case you do not communicate your acceptance/non acceptance of the assigned credit rating, or do not appeal against the assigned rating by the aforesaid date, the rating will be treated by us as non accepted and shall be disclosed on ICRA's website accordingly.

The rating without explicit credit enhancement stands at [ICRA]A (pronounced ICRA A).

Any intimation by you about the above rating to any banker/lending agency/government authorities/stock exchange would constitute use of the ratings by you and shall be deemed acceptance of the rating. This rating communication letter including the transaction structure in Annexure-I should necessarily be included in the issue documents/information memorandum as well as all legal documents executed by you for the purpose of the proposed bond issue.

ICRA shall not be held responsible for non-compliance with any of the stipulated terms and conditions as well as any errors or misrepresentations of facts made by the Entity or the Trustee.

The ratings are subject to your company and the trustee ensuring compliance with the structure submitted to ICRA and the conditions / payment mechanism mentioned in Annexure 1. The ratings are specific to the terms and conditions of the proposed debt programme as was indicated to us by you and any change in the terms or size of the proposed debt programme would require the ratings to be reviewed by us. If there is any change in the terms and conditions or size of the debt programme rated, as above, the same must be brought to our notice before the issue of the programme. If there is any such change after the ratings are assigned by us and accepted or confirmed to use by you, it would be subject to our review and may result in change in the ratings assigned.

ICRA reserves the right to review and/or, revise the above ratings at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you. The ratings, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the instrument to be issued by you.



ICRA Limited

You are requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing and keep us informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s).

Further, you are requested to inform us immediately as and when the borrowing limit for the instrument/loan facility rated, as above, or as prescribed by the regulatory authority (ies) is exceeded.

The rationale for assigning the above rating is being sent to you for your reference along with this rating communication. Please respond with your comments if any within the aforesaid timeline of January 29, 2021.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the instruments issued by you

We thank you for your kind cooperation extended during the course of the rating exercise. Should you require any clarification, please do not hesitate to get in touch with us.

We look forward to your communication and assure you of our best services.

With kind regards

Yours Sincerely

For ICRA Limited

Digitally signed by ABHISHEK DAFRIA

Date: 2021.01.25 16:09:35 +05'30'

Abhishek Dafria  
Vice President and Group Head - Structured Finance  
abhishek.dafria@icraindia.com





## ANNEXURE V: KEY TERMS OF THE ISSUE

### I. Representations and warranties of the Company

The Company hereby, makes 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.

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.
2. The execution, delivery and performance by Company of the Debenture Trust Deed does 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.
3. 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.
4. 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 the Debenture Trust Deed or any other related document 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.

#### 5. 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;

- (c) any litigation, investigation or proceedings that may have a Material Adverse Effect.

which may materially affect the creation and enforcement of security in terms of the provisions of the Debenture Trust Deed or which is prejudicial to the Debenture Holders;

## 6. 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.
- (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:
- A. All the Identified Loans are current (non-delinquent) i.e. as on the date of assignment of the Identified Receivables to the SPV Trust, the outstanding principal value of all Identified Loans have all instalments of principal, interest, or any other expected payments overdue for 0 (zero) days and shall not be delinquent for more than 30 (Thirty) days thereafter;
  - B. None of the Identified Loans should have overdues of more than 30 (Thirty) days at any time;
  - C. The aggregate number of Identified Loans which are overdue beyond 1 (One) day but less than 30 (Thirty) days shall not comprise more than 5% (Five Percent) of the total Identified Loans;
  - D. The loan-to-value ratio of the pool of Identified Receivables should be equal to or less than 50% (Fifty Percent);
  - E. Concentration of loans comprising the Identified Receivables originated in any one branch does not exceed 3% (Three Percent) of all the loans comprising the Identified Receivables;
  - F. Concentration of loans comprising the Identified Receivables originated in any one district does not exceed 6% (Six Percent) of all the loans comprising the Identified Receivables;
  - G. Concentration of loans comprising the Identified Receivables originated in any one State does not exceed 45% (Forty Five Percent) of all the loans comprising the Identified Receivables;
  - H. Concentration of loans comprising the Identified Receivables originated in the top three States (by concentration of loans) does not exceed 90% (Ninety Percent) of all the loans comprising the Identified Receivables;
  - I. The Identified Loans have been granted against the security of mortgaged property only;
  - J. The principal amounts due and payable by a single Identified Obligor under the Identified Loans does not exceed Rs. 7,00,000 (Rupees Seven Lakhs Only);



- K. Each Identified Loan should have been on the books of the Company for a minimum period of 6 (Six) months for loans with original tenure between 2 (Two) and 5 (Five) years and 9 (Nine) months for loans with original tenure above 5 (Five) years;
- L. The average of the amounts disbursed under the Identified Loans are not higher than Rs. 7,50,000/- (Rupees Seven Lakhs Fifty Thousand Only) per Identified Loan;
- M. The weighted average rate of return of the Identified Loans should be more than 18% (Eighteen Percent);
- N. The residual tenor of the Identified Loans in the pool is not more than 83 (Eighty Three) months from the Deemed Date of Allotment;
- O. Each of the Identified Loans have been originated and fully disbursed by the Company;
- P. The Company has not sold or encumbered the loan assets, either directly or indirectly;
- Q. 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;
- R. 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;
- S. The Identified Loans which have been restructured, shall not form more than 5% of the total pool of the Identified Loans;
- T. The total principal amount of Security of the Identified Loans divided by the Outstanding Amounts should be at least equal to the Minimum Security Cover. This shall be tested as on the last calendar day of each month.

(each of the criteria set out above shall hereinafter be collectively referred to as the “**Eligibility Criteria**”)

- (d) The Minimum Security Cover (as tested in accordance with the terms set out herein) is being maintained.

7. **Material Adverse Effect**

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.

8. **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.

9. **NBFC**

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

## 10. **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 the Disclosure Document and Private Placement Offer Letter including but not limited to statutory and other regulatory disclosures.

## 11. **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.

## II. **Information Covenants**

1. The Company hereby undertakes to:

- (a) 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;
- (b) 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;

- 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;
- (c) 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;
- (d) 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.)
- (e) 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.
- (f) Submit to the Debenture Trustee, a copy of all notices, resolutions and circulars relating to:
- 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;
- (g) 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;
- (h) Submit / provide to the Debenture Trustee relevant documents/ information, as applicable, to enable the Debenture Trustee to submit the reports / certifications to the stock exchanges as required under the SEBI circular no. SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/230 dated November 12, 2020, within the timelines set out therein;
- (i) 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
- (j) 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.
2. The Company shall, provide/ cause to be provided information in respect of the following promptly and no later than 10 (Ten) Business Days from the occurrence of such event:
- (a) Inform the Debenture Trustee of any change in the nature and conduct of its business before such change;

- (b) 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;
- (c) 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.
- (d) 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;
- (e) Inform the Debenture Trustee of commencement of any proceedings directly affecting the Secured Property.
- (f) 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;
- (g) 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;
- (h) 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;
- (i) Promptly inform the Debenture Trustee of any event likely to have a substantial effect on the Company's profits or business and of any material changes in the rate of production or sales of the Company with an explanation of the reasons therefore;
- (j) Promptly inform the Debenture Trustee of any loss or damage which the Company may suffer due to any force majeure circumstances or act of God, such as earthquake, flood, tempest or typhoon, etc. against which the Company may not have insured its properties;
- (k) Inform the Debenture Trustee on a quarterly basis regarding the Stage 3 assets (both gross and net) of the Company and the capital adequacy ratio of the Company,

within a maximum period of 45 days from the end of each financial quarter or 7 (Seven) days from the release of the quarterly results, whichever is earlier.

### III. **Affirmative Covenants**

1. The Company undertakes and covenants 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 or to such person or persons as aforesaid such information as they or any of them shall require as to all matters relating to the business, property and affairs of the Company and in relation to the Secured Property and at the time of the issue thereof to the shareholders of the Company furnish to the Debenture Trustee three copies of every report, balance sheet, profit and loss account, circulars or notices issued to the shareholders and the Debenture Trustee shall be entitled, if it thinks fit, from time to time, to nominate a firm of chartered accountant to examine the books of account, documents and property of the Company or any part thereof and to investigate the affairs of the Company and the Company shall allow any such accountant to make such examination and investigation and shall furnish them with all such information as they may require and shall pay all reasonable costs, charges and expenses of and incidental to such examination and investigation;
  - (d) 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.
  - (e) keep the Secured Property adequately insured, if applicable and in a proper condition;

- (f) 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 Company in respect of or any part of the Secured Property;
- (g) ensure that the security cover as stipulated in the Debenture Documents in relation to the Debentures has been maintained at all times;
- (h) 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;
- (i) 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;
- (j) carry out and conduct its business with due diligence and efficiency and in accordance with Applicable Laws, managerial and financial standards and business practices with qualified and experienced management and personnel;
- (k) 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;
- (l) duly cause these presents to be registered in all respects 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;

- (m) diligently preserve its corporate existence and status and all material consents now held or any material rights, licences, privileges or concessions hereafter acquired by it in the conduct of its business and that it will comply with all the material terms of the said consents, rights, licences, privileges and concessions and comply with all acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the Secured Property or any part thereof;

Provided that the Company may contest in good faith the validity of any such acts, rules, regulations, orders and directions and pending the determination of such contest may postpone compliance therewith if the rights enforceable under the Debentures or the security for the Debentures is not thereby materially endangered or impaired;

- (n) pay all stamp duty, taxes, charges and penalties if and when the Company may be required to pay the same according to the laws for the time being in force and in the event of the Company failing to pay such stamp duty, taxes and penalties as aforesaid, the Debenture Trustee will be at liberty (but shall not be bound) to pay the same and the Company shall reimburse the same to the Debenture Trustee on demand;
- (o) reimburse all sums paid or expenses incurred by the Debenture Trustee or any Receiver, attorney, manager, agent or other person appointed by the Debenture Trustee for all or any of the purposes mentioned in these presents immediately on receipt of a notice of demand from them in this behalf;
- (p) 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; and
- (q) 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 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.

#### IV. **Negative Covenants**

The Company shall not, till the Final Settlement Date:

1. Other than as expressly permitted under the Debenture Documents, create any Encumbrance on the Secured Property without prior consent of the Debenture Trustee;



2. In the event of the occurrence of an Event of Default or a Trigger Event, 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;
3. Undertake or permit any merger, consolidation, reorganisation, amalgamation, reconstruction, consolidation, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction without intimation to the Debenture Trustee.

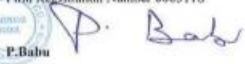
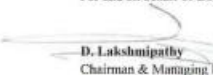


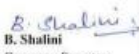
V. **Certified Covenants**

1. The Company shall maintain a capital adequacy ratio of (i) Tier I Capital and Tier II Capital to (ii) aggregate of risk weighted assets on-balance sheet and risk adjusted value of off-balance sheet items, of at least 17% (Seventeen 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;
2. The Company shall ensure that the gross non-performing assets of the Company shall not exceed 4% (Four Percent);
3. The Company shall ensure that the net non-performing assets of the Company shall not exceed 3% (Three Percent).

**ANNEXURE VI: 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**

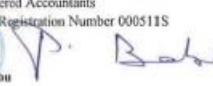
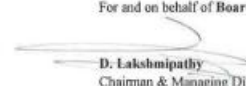
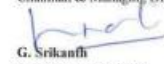
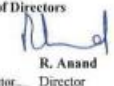
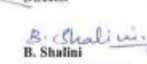
Five-Star Business Finance Limited  
Consolidated Balance Sheet as at 31 March 2018

(Rs. in lakhs)

Particulars	Note No	As at 31st Mar 2018	As at 31st Mar 2017
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share Capital	3	1,916.89	1,426.50
Reserves and Surplus	4	58,098.54	21,078.03
		60,015.43	22,504.53
<b>Non-current liabilities</b>			
Long Term Borrowings	5	37,646.98	33,442.98
Other Long Term Liabilities	6	0.84	0.67
Long Term Provisions	7	737.82	261.74
		38,385.64	33,705.39
<b>Current liabilities</b>			
Short Term Borrowings	8	4,979.68	4,687.75
Trade payables			
i) Dues to Micro and Small Enterprises		-	-
ii) Other Trade payables	9	485.68	334.21
Other Current Liabilities	10	12,873.36	7,798.89
Short Term Provisions	11	422.31	375.93
		18,761.03	13,196.78
<b>TOTAL</b>		<b>1,17,162.10</b>	<b>69,406.70</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed Assets	12		
-Tangible Assets		454.31	450.13
-Intangible Assets		181.09	35.98
-Capital Work in Progress		14.13	-
-Software Under Development		-	158.11
Non-Current Investments		-	-
Deferred Tax Assets (net)	13	373.10	246.16
Long Term Receivables Under Financing Activities	14	82,975.32	39,397.34
Long Term Loans And Advances	15	418.00	157.83
Other Non Current Assets	16	23.04	34.15
		84,438.99	40,479.70
<b>Current assets</b>			
Current Investments	17	-	434.31
Cash and Bank Balances	18	13,145.89	18,470.42
Short Term Receivables Under Financing Activities	19	17,850.43	9,508.18
Short Term Loans and Advances	20	51.96	28.59
Other Current Assets	21	1,674.83	485.50
		32,723.11	28,927.00
<b>TOTAL</b>		<b>1,17,162.10</b>	<b>69,406.70</b>
Significant Accounting Policies and Notes to the Accounts	2 to 29		
Per our report of even date attached For <b>Brahmayya &amp; Co.</b> Chartered Accountants Firm Registration Number 000511S  <b>P. Babu</b> Partner Membership No. 203358		For and on behalf of <b>Board of Directors</b>  <b>D. Lakshminipathy</b> Chairman & Managing Director  <b>C. Srikanth</b> Chief Financial Officer  <b>R. Anand</b> Director  <b>B. Shalini</b> Company Secretary	
Place : Chennai Date: 22 <sup>nd</sup> May 2018			

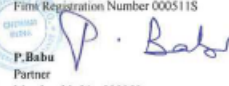
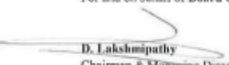
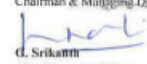
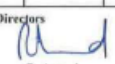
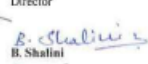
**Five-Star Business Finance Limited**  
**Consolidated Statement of Profit and Loss for the year ended March 31, 2018**

(Rs. in lakhs)

Particulars	Note No	2017-18	2016-17
<b>REVENUE</b>			
Revenue from Operations	22	19,232.79	8,367.73
Other Income	23	1,585.53	346.06
<b>Total revenue</b>		<b>20,818.32</b>	<b>8,713.79</b>
<b>EXPENSES</b>			
Finance Costs	24	5,777.38	2,383.34
Employee Benefits	25	4,457.70	1,913.34
Administrative and Other Expenses	26	1,518.32	921.96
Provisions, Loan Losses and Other Charges	27	932.32	283.61
Depreciation	12	259.43	92.34
Preliminary Expenses Written Off		12.28	4.09
<b>Total Expenses</b>		<b>12,957.43</b>	<b>5,598.68</b>
<b>Profit Before Tax</b>		<b>7,860.89</b>	<b>3,115.11</b>
<b>Tax expenses</b>			
Current Tax		2,404.37	1,298.07
Deferred Tax		(126.94)	(145.29)
		<b>2,277.43</b>	<b>1,152.78</b>
<b>Profit for the Year</b>		<b>5,583.46</b>	<b>1,962.33</b>
Earnings per equity share of Rs.10 each	29.3		
- Basic (Rs.)		32.20	14.66
- Diluted (Rs.)		31.59	14.66
Significant Accounting Policies and Notes to the Accounts	2 to 29		
Per our report of even date attached For <b>Brahmayya &amp; Co.</b> Chartered Accountants Firm Registration Number 000511S  <b>P. Babu</b> Partner Membership No. 203358		For and on behalf of <b>Board of Directors</b>  <b>D. Lakshmi pathy</b> Chairman & Managing Director  <b>G. Srikanth</b> Chief Financial Officer  <b>R. Anand</b> Director  <b>B. Shalini</b> Company Secretary	
Place : Chennai Date: 22 <sup>nd</sup> May 2018			

Five-Star Business Finance Limited  
Consolidated Cash Flow Statement for the year ended March 31, 2018

(Rs. in Lakhs)

Particulars	2017-18		2016-17	
<b>A. Cash flow from operating activities</b>				
Profit After Tax	5,583.46		1,962.33	
Provision for Taxation	2,277.43		1,152.78	
Net Profit Before Tax		7,860.89		3,115.11
<b>Adjustments for:</b>				
Finance costs	5,777.38		2,383.34	
Depreciation	259.43		92.34	
General Provision on Standard Assets	304.38		143.94	
Provision against Non - Performing assets	290.27		139.67	
(Profit)/loss on sale of Fixed Assets	8.42		(2.42)	
Profit on sale of current investments (Net)	757.62		(124.53)	
Interest Income on Deposits with Banks / Others	(797.59)		(202.73)	
Preliminary expenses	12.28		4.09	
ESOP expenses	322.05	6,934.24	-	2,433.70
Operating Profit Before Changes in Working Capital		14,795.13		5,548.81
<b>Changes in Working Capital:</b>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Long term receivables under financing activity	(43,577.97)		(24,765.60)	
Long term loans and advances	(260.17)		(60.28)	
Other non current assets	(1.17)		(15.69)	
Short term receivables under financing activity	(8,342.25)		(4,327.38)	
Short term loans and advances	(23.37)		31.04	
Other current assets	(1,189.33)		(438.52)	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Other Long term Liabilities	0.18		(0.55)	
Long term provisions	71.93		15.71	
Trade payables	151.49		276.92	
Other Current liabilities	122.73		29.59	
Short term provisions	26.00	(53,021.93)	16.64	(29,238.12)
Cash used in operations		(38,226.80)		(23,689.31)
Financial Expenses		(5,718.91)		(2,190.61)
Direct Taxes Paid		(2,574.49)		(1,196.34)
Net Cash used in operating activities (A)		(46,520.20)		(27,076.26)
<b>B. Cash flow from Investing activities</b>				
Purchase of Fixed Assets	(277.22)		(546.74)	
Proceeds from sale of fixed assets	4.05		7.04	
Purchase /sale of Investments (net)	434.31		(34.31)	
Profit on sale of current investments (Net)	(757.62)		124.53	
Interest Income on Deposits with Banks / Others	797.59		202.73	
Net Cash from Investing Activities (B)		201.11		-246.75
<b>C. Cash flow from financing activities</b>				
Proceeds from issue of equity shares (including securities premium)	32,046.00		11,394.97	
Utilisation of Securities premium	(440.62)		-	
Proceeds from long term borrowings (repaid)/ availed (net)	9,097.25		29,304.76	
Short Borrowings (repaid)/ availed (net)	291.93		3,305.59	
Net Cash from Financing Activities (C)		40,994.56		44,005.32
Net Increase in Cash and Cash Equivalents (A) + (B) + (C)		(5,324.53)		16,682.31
Cash and Cash Equivalents at the beginning of the year		18,470.42		1,788.11
Cash and Cash Equivalents at the end of the year		13,145.89		18,470.42
<b>Reconciliation of Cash and Cash Equivalents with the Balance Sheet</b>				
Cash and Cash equivalents (Refer Note 18)		13,145.89		18,470.42
As per our report of even date attached For <b>Brahmayya &amp; Co.</b> Chartered Accountant Firm Registration Number 000511S  <b>P. Babu</b> Partner Membership No. 203358 Place : Chennai Date : 22 <sup>nd</sup> May 2018	For and on behalf of <b>Board of Directors</b>  <b>D. Lakshminpathy</b> Chairman & Managing Director  <b>G. Srikanth</b> Chief Financial Officer  <b>R. Anand</b> Director  <b>B. Shalini</b> Company Secretary			

Five-Star Business Finance Limited  
Consolidated Balance Sheet as at March 31, 2019  
(All amounts are in Indian Rupees in lakhs, except share data and stated otherwise)

Particulars	Note	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
<b>ASSETS</b>				
<b>Financial assets</b>				
Cash and cash equivalents	4	21,960.84	13,137.94	18,413.79
Bank balances other than cash and cash equivalents	5	6.88	7.98	56.64
Loans	6	209,586.40	99,622.83	48,368.40
Investments	7	-	-	443.41
Other financial assets	8	290.78	251.65	168.63
		<b>231,844.90</b>	<b>113,020.40</b>	<b>67,450.87</b>
<b>Non-financial assets</b>				
Current tax assets (net)	9	360.01	365.06	8.29
Deferred tax assets (net)	35	1,464.46	649.81	350.05
Investment property	10	3.56	3.56	3.56
Property, plant and equipment	12	744.41	450.75	446.57
Capital work-in-progress	12	-	14.13	-
Other intangible assets	13	201.80	181.09	35.98
Intangibles under development	13	-	-	158.11
Other non-financial assets	11	363.81	420.68	72.66
		<b>3,138.05</b>	<b>2,085.08</b>	<b>1,075.22</b>
<b>Total assets</b>		<b>234,982.95</b>	<b>115,105.48</b>	<b>68,526.09</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Financial liabilities</b>				
<b>Payables</b>				
Trade payables	14	-	-	-
total outstanding dues of micro and small enterprises		-	-	-
total outstanding dues of creditors other than micro and small enterprises		292.69	226.33	106.82
Debt securities	15	42,972.28	19,322.09	19,078.05
Borrowings (other than debt securities)	16	52,519.19	35,277.66	26,126.73
Other financial liabilities	17	518.36	440.09	380.10
		<b>96,302.52</b>	<b>55,266.17</b>	<b>45,691.70</b>
<b>Non-financial liabilities</b>				
Current tax liabilities (net)	18	162.17	-	170.12
Provisions	19	376.26	174.55	76.64
Other non-financial liabilities	20	1,629.19	472.64	304.51
		<b>2,167.62</b>	<b>647.19</b>	<b>551.27</b>
<b>Equity</b>				
Equity share capital	21	2,389.96	1,916.89	1,426.51
Other equity	22	134,122.85	57,275.23	20,856.61
		<b>136,512.81</b>	<b>59,192.12</b>	<b>22,283.12</b>
		<b>234,982.95</b>	<b>115,105.48</b>	<b>68,526.09</b>

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

Place : Chennai  
Date : May 14, 2019

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

  
**D. Lakshminath**  
Chairman and Managing Director  
DIN No : 01723269

  
**G. Srikanth**  
Chief Financial Officer  
Place : Chennai  
Date : May 14, 2019

  
**Rangarajan K**  
Chief Executive Officer

  
**Anand Raghavan**  
Director  
DIN No : 00243485

  
**B. Shalini**  
Company Secretary  
ACS: A51334

Five-Star Business Finance Limited  
Consolidated Statement of Profit and loss for the year ended March 31, 2019  
(All amounts are in Indian Rupees in lakhs, except share data and stated otherwise)

Particulars	Note	Year ended March 31, 2019	Year ended March 31, 2018
<b>Revenue from operations</b>			
Interest income	23	38,973.81	18,821.16
Dividend income	24	-	12.68
Fee income	25	1,327.05	468.25
Net gain on fair value changes	26	589.94	761.20
<b>Total revenue from operations</b>		<b>40,890.80</b>	<b>20,063.29</b>
Other income	27	1.86	1.55
<b>Total Income</b>		<b>40,892.66</b>	<b>20,064.84</b>
<b>Expenses</b>			
Finance costs	28	7,592.20	5,698.30
Fees and commission expenses	29	94.77	84.87
Impairment / write off on financial instruments	30	755.18	932.03
Employee benefits expenses	31	7,653.44	4,082.21
Depreciation and amortization	11 & 12	419.46	259.43
Other expenses	32	2,533.27	1,546.31
<b>Total Expenses</b>		<b>19,048.32</b>	<b>12,603.15</b>
<b>Profit before tax</b>		<b>21,844.34</b>	<b>7,461.69</b>
<b>Tax expense</b>			
Current tax	32 A	6,977.77	2,404.37
Deferred tax (net)	35	(799.16)	(287.65)
		6,178.61	2,116.72
<b>Profit for the period</b>		<b>15,665.73</b>	<b>5,344.97</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurements of the defined benefit plan		53.55	41.61
Income tax relating to items that will not be reclassified to profit or loss		(15.49)	(12.11)
<b>Net other comprehensive income not to be reclassified subsequently to profit or loss</b>		<b>38.06</b>	<b>29.50</b>
<b>Other comprehensive income / (deficit) for the year, net of income tax</b>		<b>38.06</b>	<b>29.50</b>
<b>Total comprehensive income, net of income tax</b>		<b>15,627.67</b>	<b>5,315.47</b>
<b>Earnings per equity share (face value Rs.10 each)</b>	37		
Basic (in rupees)		70.32	30.83
Diluted (in rupees)		68.74	30.24

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

Place : Chennai  
Date : May 14, 2019

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



**Anand Raghavan**  
Director  
DIN No : 00243485



**G. Srikanth**  
Chief Financial Officer  
Place : Chennai  
Date : May 14, 2019



**Rangarajan K**  
Chief Executive Officer



**B. Shalini**  
Company Secretary  
ACS: A51334

Five-Star Business Finance Limited  
Consolidated statement of Cash Flow for the year ended March 31, 2019  
(All amounts are in Indian Rupees in lakhs, except share data and stated otherwise)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>A. Cash Flow from Operating Activities</b>		
Net Profit Before Tax	21,844.34	7,461.69
<b>Adjustments for:</b>		
Depreciation and amortization	419.46	259.43
Provision for gratuity	60.38	34.72
Provision for compensated absences	87.78	21.58
Provision for impairment on financial instruments and write-offs	755.18	932.03
Loss on sale/retirement of property, plant and equipment (net)	0.93	8.42
Profit on sale of current investments (net)	(589.94)	(761.20)
Interest income on deposits with banks / others	(1,352.38)	(801.34)
Finance costs	7,592.73	5,698.30
Employee stock option expenses	267.83	214.94
<b>Operating Profit Before Changes in Working Capital</b>	<b>29,086.31</b>	<b>13,068.57</b>
<b>Changes in Working Capital:</b>		
<i>Adjustments for (Increase) / Decrease in Operating Assets:</i>		
Loans	(110,718.76)	(52,186.45)
Other non- financial assets	(93.94)	(177.02)
Other financial assets	(82.16)	(55.78)
<i>Adjustments for Increase / (Decrease) in Operating Liabilities:</i>		
Trade payables	66.37	119.53
Other non financial liabilities	1,156.54	168.13
Other financial liabilities	(1.09)	1.34
<b>Net cash (used in) operations</b>	<b>(109,673.04)</b>	<b>(52,130.27)</b>
Finance costs paid	(7,715.55)	(5,633.86)
Direct taxes paid (net)	(6,810.55)	(2,931.26)
<b>Net Cash Used in Operating Activities (A)</b>	<b>(95,112.83)</b>	<b>(47,626.82)</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of fixed assets	(585.13)	(448.23)
Proceeds from sale of fixed assets	15.30	4.04
Profit on sale of current investments	589.94	761.20
(Purchase)/sale of current investments (net)	-	443.41
Interest income on deposits with banks / others	1,395.41	774.11
Movement in bank balances other than cash and cash equivalents	1.09	48.66
<b>Net Cash from Investing Activities (B)</b>	<b>1,416.61</b>	<b>1,583.19</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from issue of equity shares	473.07	490.38
Proceeds from securities premium (net off utilisation)	61,453.65	31,328.84
Expenses towards issue of shares	(501.53)	(440.62)
Fresh borrowings during the year	63,640.00	22,200.00
Repayments of borrowings (including processing fee)	(22,546.08)	(12,810.82)
<b>Net Cash from Financing Activities (C)</b>	<b>102,519.11</b>	<b>40,767.78</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents [ (A) + (B) + (C) ]</b>	<b>8,822.90</b>	<b>(5,275.85)</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>13,137.94</b>	<b>18,413.79</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>21,960.84</b>	<b>13,137.94</b>



**Five-Star Business Finance Limited**  
**Consolidated statement of Cash Flow for the year ended March 31, 2019 (Continued)**  
(All amounts are in Indian Rupees in lakhs, except share data and stated otherwise)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Notes to cash flow statement</b>		
<b>1 Cash and cash equivalents</b>		
Cash on hand	345.07	168.10
Balances with banks		
(i) In Current accounts	20,596.29	1,362.87
(ii) In other deposit accounts (original maturity less than 3 months)	1,019.48	11,606.97
	<b>21,960.84</b>	<b>13,137.94</b>

**2 Change in liabilities arising from financing activities**

Particulars	Debt securities	Borrowings (other than debt securities)
<b>As at April 1, 2017</b>	<b>19,078.05</b>	<b>26,126.73</b>
Cash flows (net)	280.18	9,109.00
Others*	(36.14)	41.93
<b>As at March 31, 2018</b>	<b>19,322.09</b>	<b>35,277.66</b>
Cash flows (net)	23,742.86	17,351.06
Others*	(92.66)	(109.53)
<b>As at March 31, 2019</b>	<b>42,972.29</b>	<b>52,519.19</b>

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

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

  
**Anand Raghavan**  
Director  
DIN No : 00243485

  
**G Srikanth**  
Chief Financial Officer  
Place : Chennai  
Date : May 14, 2019

  
**Rangarajan K**  
Chief Executive Officer

  
**B Shalini**  
ACS: A51334

Place : Chennai  
Date : May 14, 2019




**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
<b>ASSETS</b>			
<b>Financial assets</b>			
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
		<b>4,28,717.90</b>	<b>2,31,844.90</b>
<b>Non-financial assets</b>			
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
		<b>6,597.49</b>	<b>3,138.05</b>
<b>Total assets</b>		<b>4,35,315.39</b>	<b>2,34,982.95</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Financial liabilities</b>			
<b>Payables</b>			
Trade payables	13	-	-
total outstanding dues of micro and small enterprises		662.40	292.69
total outstanding dues of creditors other than micro and small enterprises		-	-
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
		<b>2,38,599.81</b>	<b>96,302.52</b>
<b>Non-financial liabilities</b>			
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
		<b>2,257.53</b>	<b>2,167.62</b>
<b>Equity</b>			
Equity share capital	20	2,558.21	2,389.96
Other equity	21	1,91,899.84	1,34,122.85
		<b>1,94,458.05</b>	<b>1,36,512.81</b>
<b>Total liabilities and equity</b>		<b>4,35,315.39</b>	<b>2,34,982.95</b>

Significant accounting policies  
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

Place : Chennai  
Date : June 10, 2020

2 and 3

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 : 01723209

  
**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

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
<b>Revenue from operations</b>			
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
<b>Total revenue from operations</b>		<b>78,671.48</b>	<b>40,890.80</b>
Other income	25	63.25	1.86
<b>Total Income</b>		<b>78,734.73</b>	<b>40,892.66</b>
<b>Expenses</b>			
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
<b>Total Expenses</b>		<b>43,804.68</b>	<b>19,048.32</b>
<b>Profit before tax</b>		<b>34,930.05</b>	<b>21,844.34</b>
<b>Tax expense</b>			
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
<b>Profit for the year</b>		<b>26,195.04</b>	<b>15,665.73</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
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
<b>Net other comprehensive income not to be reclassified subsequently to profit or loss</b>		<b>(111.35)</b>	<b>(38.06)</b>
<b>Other comprehensive income / (deficit) for the year, net of income tax</b>		<b>(111.35)</b>	<b>(38.06)</b>
<b>Total comprehensive income</b>		<b>26,083.69</b>	<b>15,627.67</b>
<b>Earnings per equity share (face value Rs.10 each)</b>			
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 **B S R & Co. LLP**  
Chartered Accountants  
Firm's registration number: 101248W/W-100022

  
**N. Raghuram**  
Partner  
Membership No: 211171

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

  
**D. Lakshmiopathy**  
Chairman and Managing Director  
DIN No : 01723269

  
**G. Srikanth**  
Chief Financial Officer

  
**K. Rangarajan**  
Chief Executive Officer

  
**R. Anand**  
Director  
DIN No : 00243485

  
**B. Shalini**  
Company Secretary  
ACS: A51334

Place : Chennai  
Date : June 10, 2020

Place : Chennai  
Date : June 10, 2020

**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
<b>A. Cash Flow from Operating Activities</b>		
Net profit before tax	34,930.05	21,844.34
<b>Adjustments for:</b>		
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
<b>Operating cash flow before working capital changes</b>	<b>(12,973.86)</b>	<b>(8,683.28)</b>
<b>Changes in Working Capital:</b>		
<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
<b>Net cash (used in) operations</b>	<b>(1,89,823.12)</b>	<b>(1,16,552.90)</b>
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)
<b>Net Cash Used in Operating Activities (A)</b>	<b>(1,52,327.97)</b>	<b>(95,112.84)</b>
<b>B. Cash Flow from Investing Activities</b>		
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
<b>Net Cash from Investing Activities (B)</b>	<b>(13,193.40)</b>	<b>1,421.52</b>
<b>C. Cash Flow from Financing Activities</b>		
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)	-
<b>Net Cash from Financing Activities (C)</b>	<b>1,72,533.59</b>	<b>1,02,519.11</b>
<b>Net Increase in Cash and Cash Equivalents [(A) + (B) + (C)]</b>	<b>7,012.22</b>	<b>8,827.79</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>21,965.73</b>	<b>13,137.94</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>28,977.95</b>	<b>21,965.73</b>



**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	March 31, 2019
<b>Notes</b>		
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	As at	
	March 31, 2020	March 31, 2019
<b>Debt securities</b>		
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	<u>43,350.77</u>	<u>52,652.18</u>
Cash flows (net)	65,534.66	76,519.77
Others*	(999.01)	(689.06)
As at March 31, 2020	<u>1,07,886.42</u>	<u>1,28,482.89</u>

\* 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 Lakshminipathy**  
Chairman and Managing Director  
DIN No : 01723269

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

  
**K Rangarajan**  
Chief Executive Officer  
Place : Chennai  
Date : June 10, 2020

  
**R Anand**  
Director  
DIN No : 00243485

  
**B Shalini**  
Company Secretary  
ACS: A51334

Place : Chennai  
Date : June 10, 2020

**ANNEXURE VII: ABRIDGED VERSION OF LATEST AUDITED/ LIMITED REVIEW HALF YEARLY CONSOLIDATED AND STANDALONE FINANCIAL INFORMATION AND AUDITORS' QUALIFICATIONS, IF ANY**

**B S R & Co. LLP**

Chartered Accountants

KRM Tower, 1<sup>st</sup> & 2<sup>nd</sup> Floor,  
No 1, Harrington Road, Chetpet,  
Chennai - 600 031, India.

Telephone : + 91 44 4608 3100  
Fax : + 91 44 4608 3199

**Limited review report**

**To Board of Directors of  
Five-Star Business Finance Limited**

1. We have reviewed the accompanying Statement of unaudited financial results of Five-Star Business Finance Limited ("the Company") for the half year ended results for the period from 1 April 2020 to 30 September 2020 ("the Statement").
2. This Statement, which is the responsibility of the Company's management and has been approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ("Ind AS") 34 "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013 ("Act"), and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") . Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable Indian accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 52 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

B S R & Co. (a partnership firm with Registration No. BA61225) converted into B S R & Co. LLP  
(a Limited Liability Partnership with LLP Registration No.AAB-0181) with effect from October 14, 2013

**Registered Office:**  
14th Floor, Central Wing, Tower 4, Neeco Center,  
Western Express Highway, Goregaon (East), Mumbai - 400063

B S R & Co. LLP

**Limited review report**  
**Five-Star Business Finance Limited**

*Page 2 of 2*

5. As described in Note 7 to the Statement, in respect of accounts where moratorium benefit have been granted, the staging of those accounts as at 30 September 2020 is based on the days past due status considering the benefit of moratorium period in accordance with the Reserve Bank of India Covid-19 Regulatory Package announced by the Reserve Bank of India.

Further, the extent to which the COVID – 19 pandemic will impact the Company's financial performance including the Company's estimates of impairment of financial instruments and the impact of Honourable Supreme Court of India's interim order dated 3 September 2020 on declaration of borrowers accounts as non-performing assets are dependent on future developments which are highly uncertain.

Our conclusion is not modified in respect of these matters.

*for* **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

  
**K Raghuram**  
*Partner*  
Membership No: 211171  
UDIN: 20211171AAAACY7462

Place : Chennai  
Date : 6 November 2020

Five-Star Business Finance Limited  
Regd. Office: New No. 27, Old No.4, Taylors Road, Kilpauk, Chennai - 400 010  
CIN: U65991TN1984PLC010844

Statement of unaudited assets and liabilities as at 30 September 2020  
(All amounts are in lakhs, except share data and as stated)

Particulars	As at	As at
	30 September 2020	31 March 2020
	Unaudited	Audited
<b>ASSETS</b>		
<b>Financial assets</b>		
Cash and cash equivalents	76,963.88	28,977.95
Bank balances other than cash and cash equivalent	54,027.60	16,134.94
Loans	385,358.74	383,080.44
Investments	2,505.98	-
Other financial assets	497.82	524.57
	<b>519,454.02</b>	<b>428,717.90</b>
<b>Non - financial assets</b>		
Current tax assets (net)	450.03	435.46
Deferred tax assets (net)	2,849.14	2,822.96
Investment property	3.56	3.56
Property, plant and equipment	952.32	1,106.09
Right of use asset	1,469.75	1,488.00
Other intangible assets	203.71	192.80
Other non-financial assets	355.47	548.62
	<b>6,283.96</b>	<b>6,597.49</b>
<b>Total assets</b>	<b>525,737.98</b>	<b>435,315.39</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Financial liabilities</b>		
<b>Payables</b>		
Trade payables		
total outstanding dues of micro and small enterprises	-	-
total outstanding dues of creditors other than micro and small enterprise	635.94	662.40
Debt securities	150,421.63	107,886.42
Borrowings (Other than debt securities)	156,113.07	128,482.89
Other financial liabilities	1,624.73	1,508.10
	<b>308,795.37</b>	<b>238,509.81</b>
<b>Non-financial liabilities</b>		
Current tax liabilities (net)	722.81	74.80
Provisions	853.55	577.61
Other non-financial liabilities	1,941.16	1,495.12
	<b>3,517.52</b>	<b>2,257.53</b>
<b>Equity</b>		
Equity share capital	2,563.55	2,558.21
Other equity	210,861.54	191,899.80
	<b>213,425.09</b>	<b>194,458.05</b>
<b>Total equity and liabilities</b>	<b>525,737.98</b>	<b>435,315.39</b>

See accompanying notes to the unaudited financial results



*[Handwritten signature]*



Five-Star Business Finance Limited  
Regd. Office: New No. 27, Old No.4, Taylors Road, Kilpauk, Chennai - 600 010  
CIN: U65911TN1984PLC010844  
Statement of unaudited financial results for the half year ended 30 September 2020  
(All amounts are in lakhs, except share data and as stated)

Particulars	Half year ended 30 September 2020	Half year ended 30 September 2019	Year ended 31 March 2020
	Unaudited	Unaudited	Audited
<b>Revenue from operations</b>			
Interest income	49,711.81	32,068.04	74,682.42
Fee income	305.68	1,051.92	2,970.84
Net gain on fair value changes	212.04	549.38	1,018.22
<b>Total revenue from operations</b>	<b>50,429.53</b>	<b>33,669.34</b>	<b>78,671.48</b>
Other income	18.37	1.37	63.25
<b>Total Income</b>	<b>50,447.90</b>	<b>33,670.71</b>	<b>78,734.73</b>
<b>Expenses</b>			
Finance costs	15,902.58	9,131.29	21,693.51
Fees expenses	54.42	31.45	42.52
Impairment on financial instruments	533.87	1,402.21	4,934.19
Employee benefits expenses	7,197.56	5,413.01	17,710.78
Depreciation and amortization	544.65	415.73	1,006.85
Other expenses	1,141.07	1,379.19	3,416.83
<b>Total Expenses</b>	<b>25,374.15</b>	<b>17,772.88</b>	<b>43,804.68</b>
<b>Profit before tax</b>	<b>25,073.75</b>	<b>15,897.83</b>	<b>34,930.05</b>
<b>Tax expenses</b>			
Current tax	6,177.18	4,095.55	10,056.07
Deferred tax (net)	(16.71)	(22.95)	(1,321.06)
<b>Total tax expenses</b>	<b>6,160.47</b>	<b>4,072.60</b>	<b>8,735.01</b>
<b>Profit after tax for the period / year</b>	<b>18,913.28</b>	<b>11,825.23</b>	<b>26,195.04</b>
<b>Other comprehensive income</b>			
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
<b>Other comprehensive income / (deficit) for the period / year, net of income tax</b>	<b>(28.11)</b>	<b>(67.55)</b>	<b>(111.35)</b>
<b>Total comprehensive income for the period / year, net of income tax</b>	<b>18,885.17</b>	<b>11,757.68</b>	<b>26,083.69</b>
<b>Earnings per equity share</b>			
a. Basic (in rupees)	73.89	47.46	103.24
b. Diluted (in rupees)	72.24	46.86	100.70
	Not annualised	Not annualised	Annualised
Face value per share	10.00	10.00	10.00

See accompanying notes to the unaudited financial results



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Five-Star Business Finance Limited  
Regd. Office: New No. 27, Old No.4, Taylors Road, Kilpauk, Chennai - 600 010  
CIN: U65991TN1984PLC010844

Notes:

- 1 Five-Star Business Finance Limited ("the Company") is a Systematically Important Non-Deposit taking Non-Banking Finance Company (NBFC-ND-SI) registered with the Reserve Bank of India ("the RBI").
- 2 The unaudited financial results for the half year ended 30 September 2020 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their meetings held on 5 and 6 November 2020 respectively. The above results have been subjected to limited review by the statutory auditors of the Company. The auditors have issued an unmodified review report.
- 3 These unaudited financial results have been prepared in accordance with the recognition and measurement principles laid down in accordance with the Indian Accounting Standard ("Ind AS"), 34 - "Interim Financial Reporting" as prescribed under Section 133 of the Companies Act, 2013 (the Act), and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations 2015. The financial results have been drawn upon the basis of Ind AS, that are applicable to the Company as at 30 September 2020. Any application guidance / clarifications / directions issued by the RBI or other regulators are implemented as and when they are issued / applicable.
- 4 During the previous year ended 31 March 2020, the Company vide its board meeting dated 29 August 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 1 April 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. Further, in accordance with Ind AS 103 - Business Combinations, financial statements / results have been restated from 1 April 2018 and consequently, the amounts for the half year ended 30 September 2019 included as part of these results incorporate the results of the aforementioned wholly owned subsidiary entity. These financial results of the wholly owned subsidiary entity have not been subjected to limited review earlier. The financial details relating to the wholly owned subsidiary entity are given below:

(Rupees in Lakhs)

Particulars	Half year ended 30 September 2019
Total income	424.61
Total expenses	355.53
Profit before tax	69.09
Tax expenses	18.74
Profit after tax	50.35

- 5 There is no separate reportable segment in accordance with Ind AS 108 on "Operating Segments" in respect of the Company.
- 6 Reserves include Statutory Reserves as per Section 451C of Reserve Bank of India Act 1934, as per Section 29C of the National Housing Bank Act, 1987, balance in Securities Premium, Employee Stock Option Plan Reserve, General Reserve, Retained Earnings and Other Comprehensive Income.
- 7 The outbreak of COVID-19 pandemic and consequent lockdown has severely impacted various activities across the country. The impact of COVID-19 on the economy continues to be uncertain and would also be dependent upon on future developments including various measures taken by the Government, Regulator, responses of businesses, consumers etc. Hence, the extent to which COVID-19 pandemic will impact the company's business, cash flows and financial results, is dependent on such future developments, which are highly uncertain.

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Five-Star Business Finance Limited  
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**Notes:**

In accordance with the Board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated 27 March 2020, 17 April 2020 and 23 May 2020 relating to 'COVID-19 – Regulatory Package and guidelines issued thereto, the Company has granted moratorium up-to five months on the payment of instalments falling due between 1 April 2020 and 31 August 2020 to all eligible borrowers on a suo-moto basis. Based on an assessment by the Company, this relaxation has not been deemed to be automatically triggering significant increase in credit risk and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria. Accordingly, in respect of accounts where moratorium benefit have been granted, the staging of those accounts as at 30 September 2020 is based on the days past due status considering the benefit of moratorium period in accordance with the Reserve Bank of India Covid-19 Regulatory Package.

Further no additional borrower accounts have been declared as non-performing assets which were not declared as non-performing till 31 August 2020, in view of the Supreme Court interim order dated 3 September 2020 in the case of Public Interest Litigation by Gajendra Sharma Vs Union of India & ANR. The Company has made the provision on such borrower accounts, as per the requirement of Ind AS.

While the methodologies and assumptions applied in the impairment loss allowance calculations remained unchanged from those applied while preparing the financial results for the year ended 31 March 2020, the Company has separately incorporated estimates, assumptions and judgements specific to the impact of the COVID-19 pandemic in the measurement of impairment loss allowance for the period ended 30 September 2020. In addition to the indicators available during the moratorium period, the company has also used potential stress on probability of default and exposure at default on the expected credit losses on loans and accordingly recognized an expected credit loss on loans of INR 6,452 lakhs as at 30 September 2020 including an additional impairment provision amounting to INR 534 lakhs during the current period. The Company believes that it has considered all the possible impact of the currently known events arising out of COVID-19 pandemic in the preparation of financial results. However, the impact assessment of COVID-19 is a continuing process given its uncertainty in nature and duration, this may have corresponding impact in the financial position. The Company will continue to monitor any material changes to the future economic conditions.

8 Disclosure as required under RBI notification no. RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated 17 April 2020 on COVID-19 Regulatory Package - Asset Classification and Provisioning:

Particulars	(Rupees in Lakhs)	
	As at 30 September 2020	
i) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended *	44,895.26	
ii) Respective amount where asset classification benefits is extended **	7,849.92	
iii) Provision made on the cases where asset classification benefit is extended ***	1,001.33	
In respect of accounts in default but standard where moratorium is granted, and asset classification benefit is extended, the Company has made general provisions of not less than 10 per cent of the total outstanding of such accounts as applicable as at 30 September 2020		
iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions	NA	

\* Outstanding as on 30 September 2020 on account of all cases where moratorium benefit is extended by the Company up to 31 August 2020.

\*\* Outstanding on account of cases where the asset classification benefit is extended as on 30 September 2020 for cases which were entitled to a moratorium until 31 August 2020.

\*\*\* The Company has made provision for impairment loss allowance (as per Expected credit loss model) for the period ended September 30, 2020.

9 In terms of the requirement as per RBI notifications no. RBI/2019-20/170 DOR (NBFC).CC. PD No. 109/22.10.106/2019-20 dated 13 March 2020 on implementation of Indian accounting standards, Non Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income recognition, Asset Classification and Provisioning (IRACP) Norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the company exceeds the total provision required under IRAC (including Standard asset provisioning), as at 30 September 2020 and accordingly, no amount is required to be transferred to impairment reserve.

10 Previous period's figures have been regrouped / reclassified wherever necessary, to conform with the current period presentation.

Place: Chennai  
Date: 6 November 2020



For and on behalf of the Board of Directors

*D Lakshminthy*  
Chairman and Managing Director

Five-Star Business Finance Limited  
Regd. Office: New No. 27, Old No.4, Taylors Road, Kilpauk, Chennai - 600 010  
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Notes:  
Annexure 1

- a) **Credit Rating:**  
The CARE Ratings Limited ("CARE") CRISIL and ICRA Limited ("ICRA") have assigned following rating to the company:

Facility	CRISIL	CARE	ICRA
(i) Non-Convertible Debentures	CRISIL BBB+	CARE A	ICRA A
(ii) Commercial Papers	-	CARE A1	-
(iii) Long term bank facilities	-	CARE A	ICRA A
(iv) Short term bank facilities		CARE A1	
(iv) Securitisation (Pass through certificates)	-	-	ICRA AA+ (SO) /AA(SO) / AA-(SO)

- b) **Asset cover available for non-convertible debt securities:**  
Not applicable.
- c) **Debt-equity ratio\*:**  
The debt-equity ratio of the company as per the reviewed financial results for the year ended 30 September 2020 is 1.44
- d) **Previous due date for the payment of interest/dividend for non-convertible redeemable preference shares/repayment of principal of non-convertible preference shares/non-convertible debt securities and whether the same has been paid or not:**  
All previous dues with respect to debentures were paid on due date (Refer Appendix A).  
The company has not issued any non-convertible redeemable preference shares.
- e) **Next due date for the payment of interest / dividend of non-convertible preference shares/principal along with the amount of interest/ dividend of non-convertible preference shares payable and the redemption amount.**  
The company has not issued any convertible redeemable preference shares.
- f) **Debt service coverage ratio:**  
Not applicable.
- g) **Interest service coverage ratio:**  
Not applicable.
- h) **Outstanding redeemable preference shares (quantity and value):**  
Not applicable.
- i) **Capital redemption reserve/Debenture redemption reserve:**  
Debenture redemption reserve is not required in respect of privately placed debentures in terms of rule 18(7) (b) (ii) of the Companies (Share Capital and Debenture) Rules, 2014.
- j) **Net worth\*\*:**  
Rs.213,425.09 Lakhs
- k) **Net profit after tax:**  
Rs.18,913.28 Lakhs
- l) **Earnings Per share:**  
(i) Basic 73.89  
(ii) Diluted 72.24
- \* Debt-equity ratio is (Debt Securities+Other than Debt Securities) / Net Worth.
- \*\* Net Worth is equal to Paid up Equity Share Capital + Reserve



Appendix A

Details of previous due dates for payment of Interest/Principal for Non-Convertible Debentures

S.No	Name	Type (Interest / Principal)	Issue size (Rs. in cr)	Interest / Principal due date	Paid/ Unpaid
1	INE128S07010	Interest & Principal	30	06-06-2020	Paid
2	INE128S07135 & INE128S07143	Interest	25	07-10-2020	Paid
3	INE128S07234 & INE128S07242	Interest	15	15-10-2020	Paid
4	INE128S07275	Principal	45	28-09-2020	Paid
5	INE128S07259	Principal	30	28-09-2020	Paid
6	INE128S07267	Interest	24	31-08-2020	Paid
7	INE128S07317	Interest	5	28-09-2020	Paid
8	INE128S07325	Interest	65	28-09-2020	Paid
9	INE128S07333	Interest	65	28-09-2020	Paid
10	INE128S07341	Interest	65	28-09-2020	Paid
11	INE128S07358	Interest	55	29-09-2020	Paid
12	INE128S07374	Interest	180	29-09-2020	Paid
13	INE128S07390	Interest	180	29-09-2020	Paid
14	INE128S07408	Interest	185	29-09-2020	Paid
15	INE128S07366	Interest	30	02-11-2020	Paid
16	INE128S07416	Interest	125	28-08-2020	Paid
17	INE128S07424	Interest	15	30-09-2020	Paid
18	INE128S07440	Interest	25	14-09-2020	Paid
19	INE128S07457	Interest	115	21-10-2020	Paid

Details of next due dates for payment of interest/Principal for Non-Convertible Debentures

S.No	Name	Type (Interest / Principal)	Issue size (Rs. in cr)	Interest / Principal due date
1	INE128S07010	Interest & Principal	30	06-12-2020
2	INE128S07135 & INE128S07143	Interest & Principal	25	07-11-2020
3	INE128S07234 & INE128S07242	Interest	15	15-11-2020
4	INE128S07275	Interest & Principal	45	28-12-2020
5	INE128S07259	Interest & Principal	30	28-12-2020
6	INE128S07267	Interest	24	26-02-2021
7	INE128S07317	Interest	5	28-12-2020
8	INE128S07325	Interest	65	28-12-2020
9	INE128S07333	Interest	65	28-12-2020
10	INE128S07341	Interest	65	28-12-2020
11	INE128S07358	Interest	55	29-12-2020
12	INE128S07374	Interest	180	29-12-2020
13	INE128S07390	Interest	180	29-12-2020
14	INE128S07408	Interest	185	29-12-2020
15	INE128S07366	Interest	30	30-11-2020
16	INE128S07416	Interest	125	28-02-2021
17	INE128S07424	Interest	15	31-12-2020
18	INE128S07432	Interest	15	28-05-2021
19	INE128S07440	Interest	25	12-12-2020
20	INE128S07457	Interest	115	21-01-2021
21	INE128S07465	Interest	50	03-07-2021
22	INE128S07473	Interest	100	31-07-2021
23	INE128S07481	Interest	50	20-08-2021
24	INE128S07499	Interest	25	22-02-2023
25	INE128S07507	Interest	70	30-03-2021

