

INFORMATION MEMORANDUM



FIVE-STAR BUSINESS FINANCE LIMITED

A public limited company incorporated under the Companies Act, 1956

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

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

Telephone No.: 044-4610 6200

Website: www.fivestargroup.in

Information Memorandum for issue of Debentures on a private placement basis Dated: September 02, 2020

Issue of 2500 Rated, Listed, Senior, Secured, Redeemable, Principal Protected Market Linked Non-Convertible Debentures ("NCDs" or "Debentures") for cash aggregating up to Rs. 25,00,00,000 (Twenty Five Crores Only) issued at par/premium/ discount issued under the INFORMATION MEMORANDUM for private placement.

SCHEDULE – I AND PAS-4 DISCLOSURES IN ACCORDANCE WITH REGULATION 21(1) OF SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 AS AMENDED FROM TIME TO TIME AND SECTION 42 AND RULE 14(1) OF COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014 RESPECTIVELY AND IN COMPLIANCE WITH COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014 AND ALSO IN COMPLIANCE WITH SEBI CIRCULAR CIR./IMD/DF/17/2011 DATED SEPTEMBER 28, 2011 TITLED 'GUIDELINES FOR ISSUE AND LISTING OF STRUCTURED PRODUCTS/MARKET LINKED DEBENTURES'.

Background

This Information Memorandum is related to the Debentures to be issued by Five-Star Business Finance Limited (the "Issuer" or "Company") on a private placement basis and contains relevant information and disclosures required for the purpose of issuing of the Debentures. The issue of the Debentures comprised in the Issue and described under this Information Memorandum has been authorised by the Issuer through resolutions passed by the shareholders of the Issuer on August 31, 2020 and the Board of Directors of the Issuer on February 27, 2020 and June 10, 2020 read with the resolution passed by the Business and Resource Committee of the Board of Directors dated August 28, 2020 and the Memorandum and Articles of Association of the Company. The present issue of Debentures in terms of this Information Memorandum is within the overall powers of the Board as per the above shareholder resolution(s).

General Risks

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

Issuer's Absolute Responsibility

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

Credit Rating

“PP-MLD [ICRA] A with Stable Outlook” rating has been assigned by ICRA Limited for Rs. 25 crore dated August 31, 2020 principal protected market linked debentures programme of our company. Instruments with PP-MLD [ICRA] A Stable rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The letters ‘PP-MLD’ suffixed to a rating symbol stand for ‘Principal Protected Market Linked Debentures’. The present issue is part of the aforesaid programme of Rs. 25 crores.

The above rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the Rating Agency and should be evaluated independently of any other ratings. Please refer to **Annexure II** of this Information Memorandum for the letter dated August 31, 2020 from the Rating Agency assigning the credit rating abovementioned.

Issue Schedule

Issue Opens on: September 02, 2020
 Issue Closing on: September 03, 2020
 Deemed Date of Allotment: September 03, 2020

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

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

Debenture Trustee	Registrar and Transfer Agent
<p align="center">Catalyst Trusteeship Limited Office No. 604, 6th floor, Windsor, C.S.T. Road, Kalina, Santacruz (East), Mumbai 400098</p> <p align="center">Contact Person: Mr. Umesh Salvi Tel.: +91-22-49220503 Fax: +91-22-49220505 Email: umesh.salvi@ctltrustee.com Website: http://www.catalysttrustee.com/</p>	<p align="center">NSDL Database Management Limited Trade World, A – Wing, 4th & 5th Floors, Kamala Mills Compound, Lower Parel, Mumbai – 400013</p> <p align="center">Contact Person: Mr. Nilesh Bhandare Tel.: 91-22-24994200 Fax: 022 49142503 Email: info_ndml@nsdl.co.in Website: www.ndml-nsdl.co.in</p>

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SECTION 1: DEFINITIONS AND ABBREVIATIONS

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

Allot/Allotment/Allotted	Unless the context otherwise requires or implies, the allotment of the Debentures pursuant to this Issue.
Applicable Law	Includes 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.
Applicant	Means a person who has submitted a completed Application Form to the Company.
Application Form	The form used by the recipient of this Disclosure Document and/or the Private Placement Offer cum Application Letter, to apply for subscription to the Debentures, which is annexed to this Information Memorandum and marked as Annexure IV .
Application Money	Means the subscription monies paid by the Debenture Holder at the time of submitting the Application Form.
Board/Board of Directors	The Board of Directors of the Issuer.
BSE	Means Bombay Stock Exchange Limited
Business Day	‘Business Day’ shall be a day on which commercial banks are open for business in the city of Mumbai, Maharashtra and when the money market is functioning in Mumbai.
CDSL	Central Depository Services Limited.
Client Loan	Each loan made by the Issuer as a lender, and “ Client Loans ” shall refer to the aggregate of such loans.
Debentures / NCDs	2500 (Two Thousand and Five Hundred Only) Rated, Listed, Senior, Secured, Redeemable, Principal Protected Market Linked Non-Convertible Debentures (“NCDs” or “Debentures”) of face value of Rs 1,00,000/- (Rupees One Lakh only) each, aggregating up to Rs 25,00,00,000/- (Rupees Twenty Five Crore Only)
Debenture Holders / Investors	The holders of the Debentures issued by the Issuer and shall include the registered transferees of the Debentures from time to time.
Deemed Date of Allotment	September 03, 2020
Debenture Trustee	Catalyst Trusteeship Limited
Debenture Trustee Agreement	Agreement executed or to be executed by and between the Debenture Trustee and the Company for the purposes of appointment of the Debenture Trustee to act as debenture trustee in connection with the issuance of the Debentures.
Debenture Trust Deed	The debenture trust deed executed or to be executed by and between the Issuer and Catalyst Trusteeship Limited which sets out the terms upon which the Debentures are being issued and includes the representations, warranties and covenants being provided by the Issuer.
Debenture Trustee Regulations	Means the Securities Exchange Board of India (Debenture Trustees) Regulations, 1993 (as amended or restated from time to time).
Demat	Refers to dematerialized securities which are securities that are in electronic form, and not in physical form, with the entries noted by the Depository.

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Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository	A Depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time.
Depository Participant / DP	A depository participant as defined under the Depositories Act
Director(s)	Board of Director(s) of the Issuer.
Disclosure Document / Information Memorandum	This document which sets out the information regarding the Debentures being issued on a private placement basis.
DP ID	Depository Participant Identification Number.
Due Date	Means the date on which any interest or liquidated damages, any Redemption Payment or premature redemption amount and/or any other monies payable, are due and payable
Electronic Book Provider / EBP	shall have the meaning assigned to such term under the EBP Guidelines.
Early Redemption Date	Means the date on which the Debentures are redeemed prior to the Final Redemption Date in terms of the Transaction Documents
EFT	Electronic Fund Transfer.
Event of Default	Shall mean each of the events specified in the Debenture Trust deed
Financial Year/ FY	Twelve months period commencing from April 1 of a particular calendar year and ending on March 31 of the subsequent calendar year.
Final Settlement Date	shall mean the date on which the payments to be made by the Company in relation to the Issue have been irrevocably discharged in full and/or the Debentures have been redeemed by the Company in full in accordance with the terms of the Transaction Documents;
Governmental Authority	Shall mean any government (central, state or otherwise) or any governmental agency, semi-governmental or judicial or quasi-judicial or administrative entity, department or authority, agency or authority including any stock exchange or any self-regulatory organization, established under any Law.
IBC	shall mean the Insolvency and Bankruptcy Code, 2016, and the rules and regulations made thereunder which are in effect from time to time and shall include any other statutory amendment or re-enactment thereof;
ICCL	Indian Clearing Corporation Limited
Gross NPA	Means, the entire outstanding principal value of the relevant portfolio of the Issuer that has one or more instalments of payments (including principal or interest) overdue for 90 days or more and any restructured loans.
Indian GAAP	Means the generally accepted accounting principles, standards and practices in India or any other prevailing accounting standard in India as may be applicable
Indian Accounting Standard (IND AS)	Means Accounting standard adopted by companies in India and issued under the supervision of Accounting Standards Board (ASB)
Information Memorandum	Means the debt disclosure document in relation to the Debentures to be prepared and issued in accordance with the Offer Schedule
Issue	Private Placement of the Debentures.
Issue Opening Date	September 02, 2020
Issue Closing Date	September 03, 2020
Issuer/ Company	Five-Star Business Finance Limited.
Key Managerial Personnel	shall have the meaning assigned to such term in the Companies Act, 2013 (as amended from time to time);

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Majority Debenture Holders	Means such number of Debenture Holders collectively holding more than 51% (Fifty One Percent) of the value of the Outstanding Principal Amounts of the Debentures
Material Adverse Effect	Means the effect 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 and adverse effect on (a) the financial condition, business or operation of the Company, environmental, social or otherwise or prospects of the Company; (b) the ability of the Company to perform its obligations under the Transaction Documents; or (c) the validity or enforceability of any of the Transaction Documents (including the ability of any party to enforce any of its remedies thereunder).
Maturity Date	February 22, 2023
N.A.	Not Applicable.
NSDL	National Securities Depository Limited.
PAN	Permanent Account Number.
Private Placement Offer cum Application 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 Companies (Prospectus and Allotment of Securities) Rules, 2014.
RBI	Reserve Bank of India.
Rating Agency	ICRA Limited being a credit rating agency registered with SEBI pursuant to SEBI (Credit Rating Agencies) Regulations 1999, as amended from time to time.
Record Date	The date which will be used for determining the Debenture Holders who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 7 (Seven) calendar days prior to each Redemption Premium payment date and redemption date.
R&T Agent	Registrar and Transfer Agent to the Issue, in this case being NSDL Database Management Limited.
ROC	Registrar of Companies.
Rs. / INR	Indian Rupee.
RTGS	Real Time Gross Settlement.
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time).
SEBI Debt Listing Regulations	The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued by SEBI, as amended from time to time.
Tax	Means any present or future tax, levy, duty, charge, fees, deductions, withholdings, turnover tax, transaction tax, stamp tax or other charge of a similar nature (including any penalty or interest payable on account of any failure to pay or delay in paying the same), now or hereafter imposed by Law by any Governmental Authority and as maybe applicable in relation to the payment obligations of the company under this Deed.
Tax Deduction	Means a deduction or withholding for or on account of Tax from a payment under a Transaction Document pursuant to Applicable Law.
TDS	Tax Deducted at Source.
The Companies Act/ the Act	The Companies Act, 2013 or where applicable, the provisions of the Companies Act, 1956, still in force.
Terms & Conditions	Shall mean the terms and conditions pertaining to the Issue as outlined in the Transaction Documents.

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Transaction Documents	Means the documents executed or to be executed in relation to the issuance of the Debentures as more particularly set out hereinafter.
WDM	Wholesale Debt Market.
Wilful Defaulter	Shall mean an Issuer who is categorized as a wilful defaulter by any Bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such in accordance with Regulation 2(n) of SEBI (Issue and Listing of Debt Securities) Regulations, 2008.

SECTION 2: NOTICE TO INVESTORS AND DISCLAIMERS

2.1 ISSUER'S DISCLAIMER

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

As per the applicable provisions, it is not necessary for a copy of this Information Memorandum / Disclosure Document to be filed or submitted to the SEBI for its review and/or approval.

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

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

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

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

No invitation is being made to any person other than those to whom Application Forms along with this Information Memorandum and the Private Placement Offer cum Application Letter being issued have been

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sent. Any application by a person to whom the Information Memorandum and/or the Private Placement Offer cum Application Letter has not been sent by the Issuer shall be rejected without assigning any reason.

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

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

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

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

2.2 DISCLAIMER CLAUSE OF STOCK EXCHANGES

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

2.3 DISCLAIMER CLAUSE OF RBI

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

2.4 DISCLAIMER CLAUSE OF SEBI

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

2.5 DISCLAIMER IN RESPECT OF JURISDICTION

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

2.6 DISCLAIMER IN RESPECT OF RATING AGENCIES

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

2.7 ISSUE OF DEBENTURES IN DEMATERIALISED FORM

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

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. Potential 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 ("**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 (as defined below) 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 DEBENTURES.

All securities where a fixed rate of interest is offered, such as this Issue, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing Redemption Premium, 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

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consult with their own accounting advisors to determine implications of this investment.

3.7 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.

3.8 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 they operate or for compliance by that potential Investor with any law, regulation or regulatory policy applicable to it.

3.9 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.

3.10 RISKS RELATED TO THE BUSINESS OF THE ISSUER

- (a) *All the loans provided by the Issuer are secured. However, if the Issuer is unable to control the level of non-performing loans ("NPAs") in the future, or if the loan loss reserves are insufficient to cover future loan losses, the financial condition of the Issuer and results of operations may be materially and adversely affected. Non-performing or low credit quality loans can negatively impact its results of operations.*

As at March 31, 2020, the gross NPA was 53.23 crores on a gross portfolio of Rs.3892.23 crores (1.37% of gross portfolio). As at June 30, 2020, the gross NPA was 53.37 crores on a gross portfolio of Rs.3,867.43 crores (1.38% 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 Issuer's 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

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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) ***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.

(c) ***The Issuer intends to expand into new cities, with no guarantee that these operations will be successful***

The Issuer plans to expand its operations in all the eight (8) states in which it has a presence currently and new states across India. The Issuer believes that this strategy is advisable from a financial perspective and that it will provide risk diversification benefits and enable it to achieve its corporate objectives. However, if the Issuer 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) ***Competition from other financial institutions may adversely affect the Issuer's profitability***

The Issuer considers that commercial banks and other NBFCs have generally not targeted its client base effectively. However, banks and NBFCs do offer loans to individual proprietors either on an unsecured basis or against the value of their personal property. There are also housing finance companies that provide loans to this customer group. It is possible that their activities in this sector could increase, resulting in competition that adversely affects its profitability and financial position.

The Issuer believes that its sector expertise, credit analysis and portfolio management capabilities are all sources of competitive strength and are a mitigant to this risk.

(e) ***Changes in interest rates of the loans that the Issuer can borrow could reduce profit margins***

If the cost of the loans that the Issuer receives increases, due to either market or credit movements, the net interest margin might reduce and adversely affect the Issuer's financial condition.

(f) ***Large scale attrition, especially at the senior management level, can make it difficult for the Issuer to manage its business.***

If the Issuer is not able to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain the Issuer's quality and reputation, it will be difficult for the Issuer to manage its business and growth. The Issuer depends on the services of its executive officers and key employees for its continued operations and growth. In particular, the Issuer's senior management has significant experience in the banking and financial services industries.

The loss of any of the Issuer's executive officers, key employees or senior managers could negatively affect its ability to execute its business strategy, including its ability to manage its rapid growth.

The Issuer's business is dependent on its team of personnel who directly manage its relationships with its borrowers. The Issuer's business and profits would suffer adversely if a substantial number of such personnel left the Issuer or became ineffective in servicing its borrowers over a period of time.

The Issuer's future success will depend in large part on its ability to identify, attract and retain highly skilled managerial and other personnel. Competition for individuals with such specialized knowledge and experience is high, and the Issuer may be unable to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain its quality and reputation or to sustain or expand its operations. The loss of the services of such personnel or the inability to identify, attract

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and retain qualified personnel in the future would make it difficult for the Issuer to manage its business and growth and to meet key objectives.

(g) ***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.

(h) ***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.

(i) ***The Issuer requires certain statutory and regulatory approvals for conducting its business and the failure to obtain or retain them in a timely manner, or at all, may adversely affect operations***

Non-Banking Financial Companies in India are subject to strict regulation and supervision by the RBI. The Issuer requires certain approvals, licenses, registrations and permissions for operating, including registration with the RBI as a NBFC. Further, such approvals, licenses, registrations and permissions must be maintained/renewed over time, applicable requirements may change and may not be aware of or comply with all requirements all of the time. Additionally, the Issuer may need additional approvals from regulators to introduce new insurance and other fee based products to its members. 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, branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishment 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, 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, its certificate of registration may be suspended or cancelled and the Issuer shall not be able to carry on such activities.

(j) ***Issuer may be required to increase capital ratio or amount of loan loss reserves, which may result in changes to business and accounting practices that would harm business and results of operations.***

The Issuer is subject to the RBI minimum capital to risk weighted assets ratio regulations. Pursuant to Section 45-IC of the RBI Act, 1934, every NBFC is required to create a reserve fund and transfer thereto a sum not less than 20.0% (Twenty Percent) of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared. The Issuer is also required to maintain a minimum capital adequacy ratio of 15.0% (Fifteen Percent) in relation to aggregate risk-weighted assets and risk adjusted assigned loans. The RBI may also in the future require compliance with other financial ratios and standards. Compliance with such regulatory requirements in the future may require

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alteration of its business and accounting practices or take other actions that could materially harm its business and operating results.

(k) **Risk factors associated with Government Securities**

Money Market Securities including Govt securities are subject to the risk of an issuer's inability to meet interest and principal payments on its obligations and market perception of the creditworthiness of the issuer. Government securities where a fixed return is offered, run price-risk like any other fixed income security. When interest rates decline, the value of a portfolio of fixed income securities can be expected to rise. Conversely, when interest rates rise, the value of a portfolio of fixed income securities can be expected to decline. The extent of such fall or rise in the prices is a function of the existing Redemption Premium, days to maturity and the increase or decrease in the level of interest rates. The new level of interest rate is determined by the rates at which government raises new money and / or the price levels at which the market is already dealing in the existing securities. However, Government securities are unique in the sense that their credit risk always remains zero.

There is no assurance that the NCDs issued pursuant to this Issue will be listed on Stock Exchanges in a timely manner, or at all.

In accordance with Indian law and practice, permissions for listing and trading of the NCDs issued pursuant to this Issue will not be granted until after the NCDs have been issued and allotted. Approval for listing and trading will require all relevant documents to be submitted and carrying out of necessary procedures with the Exchanges. There could be a failure or delay in listing the NCDs on the Stock Exchange for reasons unforeseen. If permission to deal in and for an official quotation of the NCDs is not granted by the Stock Exchanges, our Company will forthwith repay, without interest, all monies received from the Applicants in accordance with prevailing law in this context, and pursuant to the Prospectus.

Further, as per RBI Circular No. Ref. No: RBI/ 2011-12/423 A.P. DIR Series Circular No 89 dated March 1, 2012 a requirement exists in case of FII investment into "To be Listed" debt securities where, in case the NCDs are not listed within 15 days of issuance to the FII or sub accounts and Eligible QFIs, the FII, Subaccounts of FIIs and/or the QFIs shall immediately dispose of the NCDs either by way of sale to a third party or to the Issuer and Issuer shall immediately redeem/ buyback the said securities from the FII/ sub accounts of FII's/ QFI's in such eventuality. There is no assurance that the NCDs issued pursuant to this Issue will be listed on Stock Exchange in a timely manner, or at all.

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SECTION 4: FINANCIAL STATEMENTS

The audited financial statements of the Issuer for the are set out in **Annexure V** hereto.

SECTION 5: REGULATORY DISCLOSURES

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

5.1 Documents Submitted to the Exchanges

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

- (a) Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
- (b) Copy of last 3 (Three) years audited Annual Reports;
- (c) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- (d) Copy of the resolution passed by the shareholders of the Company at the shareholders Meeting held on August 31, 2020, authorizing the borrowing by the Company and the creation of security thereto;
- (e) Copy of the resolution passed by the shareholders of the Company at the shareholders held on August 31, 2020, authorizing the issue/offer of non-convertible debentures by the Company;
- (f) Copy of the resolution passed by the Board of Directors and the Business and Resource Committee of the Board of Directors authorizing the issuance of the Debentures and the list of authorized signatories;
- (g) An undertaking from the Issuer stating that the necessary documents for the creation of the charge, including the Trust Deed would be executed within the time frame prescribed in the relevant regulations/acts/rules etc. and the same would be uploaded on the website of the BSE, where the debt securities have been listed, within 5 (five) working days of execution of the same.
- (h) Any other particulars or documents that the recognized stock exchange may call for as it deems fit.

5.2 Documents Submitted to Debenture Trustee

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

- (a) Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
- (b) Copy of last 3 (Three) years audited Annual Reports;
- (c) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- (d) Latest audited / limited review half yearly consolidated (wherever available) and standalone financial information (profit & loss statement, balance sheet and cash flow statement) and auditor qualifications, if any;
- (e) An undertaking to the effect that the Issuer would, until the redemption of the debt securities, submit the details mentioned in point (D) above to the Debenture Trustee within the timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 as amended from time to time, for furnishing / publishing its half yearly/ annual result. Further, the Issuer shall within 180 (One Hundred and Eighty) calendar days from the end of the financial year, submit a copy of the latest annual report to the Debenture Trustee and the Debenture Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' and other existing debenture-holders within 2 (two) Business Days of their specific request.

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5.3 Name and Address of Registered Office of the Issuer

Name:	Five Star Business Finance Limited
Registered Office of Issuer:	New No. 27, Old No. 4, Taylor's Road, Kilpauk, Chennai – 600010
Corporate Office of Issuer:	New No. 27, Old No. 4, Taylor's Road, Kilpauk, Chennai – 600010
Compliance Officer of Issuer:	Ms. Shalini B
CFO of Issuer:	Mr. Srikanth G
RBI Registration Number:	B-07.00286
Corporate Identification Number:	U65991TN1984PLC010844
Phone No.:	044-46106200
Contact Person:	Mr. Srikanth G
Email:	srikanth@fivestargroup.in
Website of Issuer:	https://www.fivestargroup.in/
Auditors of the Issuer:	B S R & Co. LLP KRM Tower, 1st and 2nd Floor, No. 1, Harrington Road, Chetpet, Chennai - 600031
Trustee to the Issue:	Catalyst Trusteeship Limited, Windsor, 6th floor, Office No.604, C.S.T Road, Kalina, Santacruz (East) Mumbai 400098
Registrar to the Issue:	NSDL Database Management Limited, Trade World, A – Wing, 4th & 5 th Floors, Kamala Mills Compound, Lower Parel, Mumbai – 400013
Credit Rating Agency of the Issue:	ICRA Limited, 3rd Floor, Electric Mansion, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025.

5.4 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 over the last 30 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

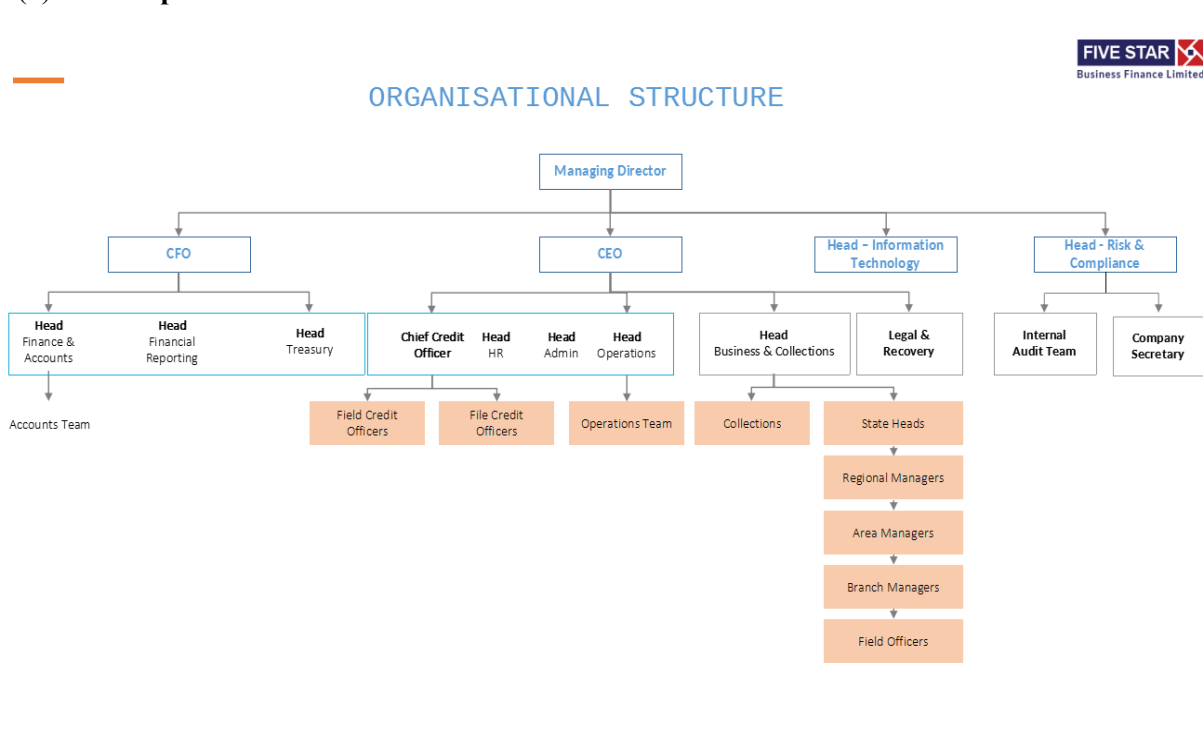
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network of 6 to more than 235 today and from an AUM of Rs.18 Crores to about Rs. 3,900 crores in this period. The management comprises of professionals who have longstanding experience and expertise in the financial services industry and have the necessary 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 upto 7 years.

As at March 31, 2020, Five-Star operated 252 branches in 8 states – Tamil Nadu (88 branches; including 2 in Puducherry), Andhra Pradesh (64 branches), Telangana (36 branches), Karnataka (30 branches), Maharashtra (4 branches), Madhya Pradesh (26 branches), Chhattisgarh (3 branches) and Uttar Pradesh (1 branch) - with a borrower base of more than 1,43,000 active customers and a total portfolio under management of about Rs. 3900 Crores. As at June 30, 2020, Five-Star operated 258 branches in 8 states with the portfolio under management of about Rs. 3867 Crores.

(b) **Corporate Structure**



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(i) **Brief Profile of the Board of Directors:**

Name	Work Experience
<p>D Lakshmipathy <i>Chairman & Managing Director</i></p>	<p>Mr. Lakshmipathy is an Engineering graduate from Madras University. He hails from a business family. Before joining Five-Star he was Managing Director of RKV Finance Limited, a NBFC registered with RBI. On amalgamation of RKV with Five-Star during 2002 he joined the Board of Five-Star as Joint Managing Director. His wide exposure in lending to Small Business Customers which was successful in that company, helped him to develop similar advance portfolio at Five-Star with great success. Presently he is also Director, Finance Companies Association of India and Management Committee member, South India Hire Purchase Association. He is on various committees of both the Associations and takes active interest in the development of trade associations.</p>
<p>A Ramanathan <i>Independent Director</i></p>	<p>Mr Ramanathan is retired Chief General Manager from NABARD. His expertise lies in Institutional Development, Organisational Development, Organisational Behaviour, Small Business Development, training need assessment, training techniques etc. He has more than 35 years of rich experience in the banking industry.</p>
<p>Bhama Krishnamurthy <i>Independent Director</i></p>	<p>She was Country Head and Chief General Manager of SIDBI. She has closely dealt with Multilateral and Bilateral Agencies in close co-ordination with the Government of India. Her areas of specialization include, inter-alia, handling of Human Resources Development Division covering recruitment, training and promotion aspects. She was also associated with drafting of CSR Policy guidelines for the Bank.</p>
<p>R Anand <i>Independent Director</i></p>	<p>Mr Anand is a Chartered Accountant with over 30 years of industry experience. He worked in Sundaram Finance for over 20 years occupying several positions in Finance and Audit. He also worked as a Partner in Ernst & Young LLP covering Tax and Regulatory aspects of various industries like Financial Services, Real Estate, Auto and Auto components, Media and Entertainment. His specializations include NBFC Regulations, Corporate Tax and Foreign Investment and Exchange control regulation and Corporate restructuring. He has also been appointed as a Non-official Independent Director in MMTC Limited.</p>
<p>Vikram Vaidyanathan <i>Nominee Director - Matrix Partners</i></p>	<p>Vikram is an MBA graduate from IIM Bangalore, and interned at Procter & Gamble, Singapore. He joined McKinsey & Co. after his MBA and worked across a variety of sectors including mobile media, TV, retail, engineering construction and manufacturing. Currently Vikram is one the Managing Directors at Matrix Partners.</p>
<p>B Haribabu <i>Independent Director</i></p>	<p>Mr.Haribabu holds a bachelors degree from Madras University. He hails from a business family and continues the family business of brick manufacturing. He is also the Founder Trustee of Sri Venkateswara College of Technology, Vadakal Village, Mathur Post, Tamil Nadu. He joined the Board of Five-Star in 1996.</p>
<p>L R Raviprasad <i>Non-Executive Director</i></p>	<p>Mr. Raviprasad holds a Bachelor's degree from Madras University. He hails from a business family and continues the family business of brick manufacturing. He joined the Board of Five-Star in 2002.</p>
<p>Ling Wei Ong <i>Nominee Director - Morgan Stanley</i></p>	<p>Ling Wei Ong is an Executive Director of Morgan Stanley. He joined Morgan Stanley in 2005 and monitors the group's investments, including structuring and valuation, finance and compliance. Prior to joining Morgan Stanley, Ling was with Deloitte & Touche in Singapore for over seven years. Mr.Ling holds a BS in Accountancy from Nanyang Technological University and is a Chartered Accountant (Singapore).</p>

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

(ii) **Details of Key Managerial Personnel of the Company:**

Name & Designation	Profile and Experience
Rangarajan Krishnan <i>Chief Executive Officer</i>	Rangarajan is a well rounded finance professional with about 15 years of work experience across commercial banking, private equity investment, project finance and advisory. He started his career with HDFC Bank in the Corporate Banking division and then moved on to Standard Chartered Bank in the Mid-Market Commercial Banking division catering to a wide range of fund/ non-fund, trade and treasury requirements of these corporates. He then worked with the South Asia Infrastructure Investment team at International Finance Corporation, World Bank, and led a wide array of equity/ debt investments in projects across different economies. Over the last five years before joining Five-Star, he was with Spark Capital where he headed their advisory/ investment banking initiatives across the financial services and consumer sectors. He joined Five-Star in August 2015 as Chief Operating Officer and was promoted as the Chief Executive Officer in May 2018. He heads business, credit and operations. By qualification, he is a commerce graduate and has done two Masters in Business Administration (one from Sri Sathya Sai Institute of Higher Learning and one from The Indian School of Business) with specialization in Analytical Finance and Leadership.

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

(c) **Key Operational and Financial Parameters for the last 3 audited years on a consolidated basis:**

Parameters (Rs. In Crores)	Unaudited	Audited	Audited	Audited
	30-Jun-20	31-Mar-20	31-Mar-19	31-Mar-18
Net Worth	2033.28	1944.58	1365.08	599.94
Total Debt	2662.29	2363.69	921.70	530.70
Cash and Cash equivalents	904.56	451.13	219.73	126.51
Assets Under Management	3867.43	3892.23	2112.80	979.94
Off balance sheet assets	-	-	-	-
Interest Income	243.51	746.82	389.74	169.63
Interest Expense	71.66	216.94	75.92	55.55
Provisioning & Write Offs	10.25	49.34	7.55	9.18
Total comprehensive income	88.32	260.83	156.28	56.18
Gross NPA (%)	1.38%	1.37%	0.87%	1.45%

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Net NPA (%)	1.11%	1.13%	0.67%	0.96%
Capital Adequacy Ratio (%)	56.79%	52.94%	64.24%	58.05%

*FY 2019 & FY 2020 and Q1-FY 2021 (June 2020) 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 and Q1-FY 2021 (June 2020) is Stage 3 Assets while Net NPA for FY2019, FY2020 and Q1-FY 2021 (June 2020) is calculated as Stage 3 Assets less ECL for Stage 3 Assets.

**AUM & Debt for FY19, FY20 and Q1-FY 2021 (June 2020) are net of unamortized processing fee as per Ind AS; AUM is gross of provisions.

Gross Debt: Equity Ratio of the Company (As on date):

Before the issue of debt securities	1.31
After the issue of debt securities	1.32

Calculations

Before the issue, debt-to-equity ratio is calculated as follows: -

	(Rs. Crores)
Debt	2662.29
Equity	2033.28
Debt/Equity	1.31

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

	(Rs. Crores)
Debt	2687.29
Equity	2033.28
Debt/Equity	1.32

*Not including any interim debt availed and considering only the current issuance.

- (d) Project cost and means of financing, in case of funding new projects: N.A.

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

- (a) Details of Share Capital as on June 30, 2020:

Share Capital (Amount in Lakhs)	As on June 30, 2020	As on March 31, 2020
Authorised		
55,000,000 shares (March 31, 2019 - 30,000,000, April 1, 2017 - 20,000,000) of INR 10 each	5500.00	5500.00
Issued and Subscribed	2712.79	2712.79
Fully Paid- up	2558.21	2558.21

* 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 June 30, 2020, for the last five years:

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Date (AGM / EGM)	Existing	Revised	Remark
21-Feb-2014 (EGM)	Rs. 7,00,00,000	Rs. 12,00,00,000	Increase in Authorized Capital from Rs. 7,00,00,000 to Rs. 12,00,00,000
12-April-2016 (EGM)	Rs. 12,00,00,000	Rs. 20,00,00,000	Increase in Authorized Capital from Rs. 12,00,00,000 to Rs. 20,00,00,000
28-Jul-2018 (EGM)	Rs. 20,00,00,000	Rs. 30,00,00,000	Increase in Authorized Capital from Rs. 20,00,00,000 to Rs. 30,00,00,000
17-Mar-2020 (Amalgamation)	Rs. 30,00,00,000	Rs. 55,00,00,000	Increase in Authorized Capital from Rs. 30,00,00,000 to Rs. 55,00,00,000

(c) **Equity Share Capital History of the Company as on June 30, 2020 for the last five years:**

Date of Allotment	No. of Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Consideration	Nature of Allotment	Cumulative No of Equity Shares Issued / Paid-up
21-Feb-14	20,00,000	10	85	17,00,00,000.00	Private Placement	90,00,000
03-Feb-15	12,00,000	10	130	15,60,00,000.00	Private Placement	1,02,00,000
29-Sep-15	3,50,000	10	130	4,55,00,000.00	Private Placement	1,05,50,000
30-Nov-15	1,50,000	10	130	1,95,00,000.00	Private Placement	1,07,00,000
30-June-16	35,65,052	10	319.63	1,13,94,97,571.00	Private Placement	1,42,65,052
9-June-17	1,88,000	10	10	18,80,000.00	ESOP	1,44,53,052
18-Aug-17	47,15,302	10	674.4	3,17,99,99,668.80	Private Placement	1,91,68,354
25-Sep-17	500	10	85	42,500.00	ASOP	1,91,68,854
24-Jul-18	8,000	10	130	10,40,000.00	ASOP	1,91,76,854
03-Aug-18	46,86,828	10	1320.72	6,18,99,87,476.16	Private Placement	2,38,63,682
12-Sep-18	500	10	85	42,500.00	ESOP	2,38,64,182
12-Dec-18	1,000	10	130	1,30,000.00	ESOP	2,38,65,182
27-Dec-18	25,000	10	10	2,50,000	ESOP	2,38,90,182
08-Feb-19	1,600	10	130	2,08,000.00	ESOP	2,38,91,782
28-Feb-19	7,000	10	130	9,10,000	ESOP	2,38,98,782
29-Mar-19	800	10	130	1,04,000	ESOP	2,38,99,582
16-May-19	1,400	10	130	1,82,000	ESOP	2,39,00,982
28-Jun-19	200	10	130	26,000	ESOP	2,39,01,182
11-Jul-19	50	10	130	6,500	ESOP	2,39,01,232
22-Jul-19	13,32,262	10	2364.40	3,15,00,00,273	Private Placement	2,52,33,494
08-Aug-19	1,200	10	130	1,56,000.00	ESOP	2,52,34,694
24-Sep-19	100	10	130	13,000.00	ESOP	2,52,35,294
24-Sep-19	500	10	85	42,500.00	ESOP	
06-Dec-19	1,19,238	10	10	11,92,380.00	ESOP	2,53,54,532
12-Dec-19	55,762	10	10	5,57,620.00	ESOP	2,54,10,294
25-Feb-20	7,50,000**	10	2,364.40	75,00,000.00	Private Placement	2,61,60,294
21-Mar-20	9,67,597**	10	1037.94	96,75,970.00	Rights Issue	2,71,27,891
17-Aug-20	52,000	10	10	5,20,000.00	ESOP	2,71,79,891

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

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

(d) **Paid-up Preference Share Capital History of the Company as on June 30, 2020 for the last five years:**

N.A.

(e) **Details of any Acquisition or Amalgamation or Merger in the last 1 (one) year:**

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

(f) **Details of any Reorganization or Reconstruction in the last 1 (one) year:**

N.A.

5.6 Details of the shareholding of the Company as on June 30, 2020,

(a) **Shareholding pattern of the Company as on June 30, 2020:**

S No	Category	Paid-up Capital	
		No. of shares Held	% of shareholding
A	Promoters Holding		
1	Indian:		
	Individual – D Lakshmipathy and Immediate Relatives	60,27,801	22.22
	Bodies Corporate	-	-
	Sub Total	60,27,801	22.22
2	Foreign Promoters	-	-
	Sub Total (A)	60,27,801	22.22
B	Non Promoters' Holding		
	Matrix Partners India Investment Holdings II, LLC	41,00,999	15.12
	Matrix Partners India Investments II Extension, LLC	68,897	0.25
	NHPEA Chocolate Holding B.V.	35,98,051	13.26
	Norwest Venture Partners X – Mauritius	25,69,650	9.47
	SCI Investments V	25,69,650	9.47
	TPG Asia VII SF Pte. Ltd.	61,10,673	22.53
	Indian Public	19,48,870	7.18
	Directors and relatives	1,33,300	0.49
	Sub Total (B)	2,11,00,190	77.78
	GRAND TOTAL	2,71,27,891	100.00

* 1717597 partly paid up shares have been issued with paid up value of Re. 1/ share - 2,55,82,053.70

(b) **List of top 10 holders of equity shares of the Company as on June 30, 2020:**

Sl.	Name of shareholder	Total no of equity shares	Percentage (%) of holding	Number of shares held in demat form
1	TPG ASIA VII SF PTE LTD	6110673	22.53%	6110673
2	MATRIX PARTNERS INDIA INVESTMENT HOLDINGS II, LLC	4100999	15.12%	4100999
3	D LAKSHMIPATHY	3710771	13.68%	3710771
4	NHPEA CHOCOLATE HOLDING B.V.	3598051	13.26%	3598051
5	SCI INVESTMENTS V	2569650	9.47%	2569650
6	NORWEST VENTURE PARTNERS X - MAURITIUS	2569650	9.47%	2569650
7	HEMA	2089060	7.70%	2089060
8	ATMA RAM BUILDERS (P) LTD.	545510	2.01%	545510
9	KRISHNAN RANGARAJAN	233793	0.86%	233793
10	RAMASAMY JAYACHANDRAN	212368	0.78%	212368

5.7 Following details regarding the directors of the Company*:

(a) **Details of the current directors of the Company:**

This table sets out the details regarding the Company's Board of Directors as on date of the Information Memorandum:

S.No.	Name	Designation	Address	DIN	Other Directorship
1	D Lakshmipathy	Chairman & Managing Director	Old No.22, New No.39, Outer Circular Road, Kilpauk Garden, Kilpauk, Chennai - 600 010.	01723269	-
2	A Ramanathan	Independent Director	Plot No.28, 18th Street, TANSI Nagar, Velachery, Chennai - 600 042.	02645247	1.Samasta Microfinance Limited 2. Svasti Microfinance Private Limited 3. Unnati Microfin Private Limited 4. Hindusthan Microfinance Private Ltd 5. United Overseas Facilities Management Private Limited 6. Mangal Credit And Fincorp Limited 7. South India Finvest Private Limited

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S.No.	Name	Designation	Address	DIN	Other Directorship
					8. Asirvad Micro Finance Limited
3	Bhama Krishnamurthy	Independent Director	No. B1/23, Tecnocrat, Cooperative Housing Society, Twin Tower Lane, Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025.	02196839	1. Reliance Industrial Infrastructure Limited 2. Cholamandalam Investment And Finance Company Limited 3. Network18 Media & Investments Limited 4. Muthoot Microfin Limited 5. Reliance Payment Solutions Limited 6. CSB Bank Limited
4	R Anand	Independent Director	No. 22, Warren Road, Mylapore, Chennai – 600 004.	00243485	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	Nominee Director - Matrix Partners	B-602, Zen Garden, No.6, Artillery Road, Ulsoor, Behind Cambridge Hospital, Bangalore - 560 008.	06764019	1. Blue Jay Finlease Limited 2. Ver Se Innovation Private Limited 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
6	B Haribabu	Independent Director	No.39/28, Gajapathy Street, Shenoy Nagar, Chennai - 600 030.	01509249	-

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S.No.	Name	Designation	Address	DIN	Other Directorship
7	L R Raviprasad	Non-Executive Director	Old No.59, New No.11, Gajapathy Street, Shenoy Nagar, Chennai - 600 030.	01522796	1.Vasumathi Properties Private Limited
8	Ling Wei Ong	Nominee Director - Morgan Stanley	Flat B, 33 Floor, One Pacific Heights, No.1, Wo Fung Street, Hong Kong.	02405458	ZCL chemicals limited
9	Arjun Saigal	Alternate Director to Ling Wei Ong- Morgan Stanley	536, Sainik Farms, New Delhi - 110 062.	07556188	1. Southern Health Foods Private Limited 2. Sahajanand Medical Technologies Private Limited 3. Kogta Financial (India) Ltd 4. Centrum Housing Finance Limited
10	V Thirulokchand	Non-Executive Director	Door No.1, 11th Block, MMDA Colony, Mogappair East, Chennai - 600 037.	07679930	-
11	G V Ravishankar	Nominee Director - Sequoia Capital	17A, ETA Binny Crescent Apts., Benson Cross Road, Benson Town, Bangalore - 560046.	02604007	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
12	Sanjeev Mehra	Nominee Director – TPG Asia VII SF Pte. Ltd.	2A Nibbana Annexe 95-A, Pali Hill Road, Pali Hill, Bandra (W), Mumbai 400 050	07491208	-

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

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(b) **Details of change in directors since last three years:**

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	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	Additional & Nominee Director - TPG Group	07491208	10-06-2020	-

5.8 Following details regarding the auditors of the Company:

(a) **Details of the auditor of the Company:**

Name	Address	Auditor since	Remark
M/s B S R & Co. LLP	KRM Tower, 1st and 2nd Floor, No. 1, Harrington Road, Chetpet, Chennai - 600031	September 2018	NIL

(b) **Details of change in auditors since last three years:**

Name	Address	Date of Appointment / Resignation	Auditor of the Company since (in case of resignation)	Remarks
M/s Brahmayya & Co.	No.48, Masilamani Road, Balaji Nagar, Royapettah, Chennai - 600 014.	September 22, 2018	August 20, 2014	NIL

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M/s B S R & Co. LLP	KRM Tower, 1st and 2nd Floor, No. 1, Harrington Road, Chetpet, Chennai - 600031	September 22, 2018	-	NIL
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5.9 Details of borrowings of the Company, as on June 30, 2020:

(a) Details of Secured Loan Facilities (as on June 30, 2020):

Institution	Category	Availed Rs. Crores	O/s 30.06.2020 Rs. Crores	Security - Secured	Maturity
Aditya Birla Finance Ltd	Term Loan	25.00	25.00	115%	01-Feb-23
AK Capital	Term Loan	20.00	1.90	110%	31-Dec-20
Andhra Bank	Term Loan	50.00	50.00	115%	25-Feb-25
AU Small Finance Bank	Term Loan	10.00	6.83	110%	05-Nov-23
AU Small Finance Bank	Term Loan	20.00	3.72	110%	15-Mar-21
AU Small Finance Bank	Term Loan	38.00	27.87	110%	03-Feb-24
Bajaj Finance Ltd	Term Loan	10.00	6.43	110%	29-Sep-22
Bajaj Finance Ltd	Term Loan	20.00	6.00	110%	19-Feb-21
Bajaj Finance Ltd	Term Loan	25.00	16.15	120%	31-Jan-23
Bandhan Bank	Term Loan	30.00	18.33	115%	28-Mar-22
Bandhan Bank	Term Loan	40.00	37.78	115%	01-Apr-23
Bank of Baroda	Term Loan	50.00	37.50	120%	30-Mar-24
Bank of India	Term Loan	40.00	20.00	115%	27-Mar-30
Capital Small Finance Bank	Term Loan	15.00	15.00	110%	01-Sep-24
Central Bank of India	Securitization	100.00	94.91	Cash Collateral	14-May-25
Cholamandalam Finance	Term Loan	10.00	8.15	110%	01-Apr-24
DCB	Securitization	98.35	55.05	Cash Collateral	17-Apr-22
Equitas Small Finance Bank	Term Loan	25.00	13.20	110%	05-Jan-22
Equitas Small Finance Bank	Term Loan	15.00	4.18	110%	05-Apr-21
Equitas Small Finance Bank	Term Loan	10.00	3.08	110%	05-Apr-21
Equitas Small Finance Bank	Term Loan	21.00	18.67	110%	05-Feb-23
Federal Bank	Term Loan	15.00	11.25	125%	29-Jun-23
Federal Bank	Term Loan	10.00	1.88	125%	30-Mar-21
Federal Bank	Term Loan	10.00	4.31	125%	23-Mar-22
HDFC Bank	Term Loan	0.53	0.05	100%	05-Nov-20
Hinduja Leyland Finance	Term Loan	20.00	13.55	110%	28-Dec-22
IndusInd Bank	Term Loan	30.00	26.67	120%	31-Jan-23
Karnataka Bank	Term Loan	5.00	0.86	133%	28-Feb-21
Karur Vyasya	Term Loan	10.00	8.24	115%	28-Feb-21
Kotak Mahindra Bank	Term Loan	20.00	5.00	115%	31-May-24
Nabkisan	Term Loan	13.00	2.43	115%	31-Jan-21

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Institution	Category	Availed Rs. Crores	O/s 30.06.2020 Rs. Crores	Security - Secured	Maturity
Nabkisan	Term Loan	13.40	10.72	110%	01-Jun-24
Nabsamruddhi Finance	Term Loan	15.00	13.50	110%	30-Nov-24
Navi Technologies	Securitization	131.37	122.31	Cash Collateral	17-May-25
Oriental Bank of Commerce	Term Loan	30.00	27.00	120%	31-Dec-24
Poonawalla Finance	Securitization	99.05	74.81	Cash Collateral	17-Jul-24
Poonawalla Finance	Securitization	70.10	59.80	Cash Collateral	22-Jun-23
RBL Bank	Term Loan	20.00	4.71	120%	21-Feb-21
RBL Bank	Term Loan	50.00	22.50	120%	31-Dec-21
RBL Bank	Term Loan	50.00	29.41	120%	18-Feb-22
RBL Bank	Term Loan	75.00	75.00	120%	16-May-23
SBM Bank	Term Loan	19.00	17.42	110%	26-Feb-23
South Indian Bank	Term Loan	5.00	0.90	111%	02-Mar-21
South Indian Bank	Term Loan	5.00	2.22	133%	28-Mar-22
State Bank of India	Term Loan	40.00	12.58	125%	31-Jan-22
State Bank of India	Term Loan	200.00	183.11	125%	31-Dec-24
State Bank of India	Term Loan	50.00	50.00	120%	31-May-23
Sundaram Finance	Term Loan	5.00	0.33	118%	22-Sep-20
Sundaram Finance	Term Loan	15.00	6.21	118%	22-Mar-22
Sundaram Finance	Term Loan	10.00	8.53	118%	22-Dec-22
Sundaram Finance	Term Loan	30.00	26.33	118%	22-Jan-23
Tata Capital	Term Loan	10.00	5.63	110%	20-Feb-22
Tata Capital	Term Loan	7.80	7.15	110%	05-Feb-24
Ujjivan	Term Loan	25.00	19.70	110%	30-Aug-22
Union Bank of India	Term Loan	40.00	38.00	115%	31-Mar-25
Utkarsh	Term Loan	20.00	14.44	110%	31-Aug-22
Vivriti Capital	Term Loan	5.00	4.00	110%	30-Mar-24
Vivriti Capital	Term Loan	25.00	23.74	110%	13-May-26
Woori Bank	Term Loan	45.00	27.50	105%	30-Apr-22
YES Bank	Term Loan	25.00	6.94	115%	05-Apr-21
YES Bank	Term Loan	30.00	19.17	115%	31-May-22
		-	1,432.65		

(b) Details of Unsecured Loan Facilities (as on June 30, 2020): Nil

(c) Details of Non-Convertible Debentures: (as on June 30, 2020):

ISIN Number	Maturity Date	Coupon (%)	Amount in Crores	Secured / Unsecured	Rating	Primary Security Exclusive charge on receivables of the company	Tenure
INE128S07010	06-12-2020	13.60%	30	Secured	CRISIL BBB+	1.05 times	60

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ISIN Number	Maturity Date	Coupon (%)	Amount in Crores	Secured / Unsecured	Rating	Primary Security Exclusive charge on receivables of the company	Tenure
INE128S07275	28-12-2020	11.50%	45	Secured	CARE A; Stable	1.00 times	48
INE128S07259	28-12-2020	11.50%	30	Secured	CARE A; Stable	1.10 times	48
INE128S07119, INE128S07127, INE128S07135 & INE128S07143	07-02-2021	11.45%	25	Secured	CARE A; Stable	1.1 times	48
INE128S07218, INE128S07226, INE128S07234 & INE128S07242	15-03-2021	11.45%	15	Secured	CARE A; Stable	1.1 times	48
INE128S07267	26-02-2021	11.25%	24	Secured	ICRA A; Stable	1.1 times	48
INE128S07317	28-03-2023	10.21%	5	Secured	CARE A; Stable	1.1 times	60
INE128S07325	28-03-2023	10.21%	65	Secured	CARE A; Stable	1.1 times	60
INE128S07333	28-03-2023	10.21%	65	Secured	CARE A; Stable	1.1 times	60
INE128S07341	28-03-2023	10.21%	65	Secured	CARE A; Stable	1.1 times	60
INE128S07358	29-03-2022	12.64%	55	Secured	ICRA A; Stable	1.1 times	36
INE128S07366	11-04-2024	11.40%	30	Secured	ICRA A; Stable	1.1 times	60
INE128S07374	16-04-2022	12.64%	180	Secured	ICRA A; Stable	1.1 times	36
INE128S07382	03-07-2022	Linked with movement of Nifty 50 Index	20	Secured	CARE PP-MLD A; Stable	1.1 times	38

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ISIN Number	Maturity Date	Coupon (%)	Amount in Crores	Secured / Unsecured	Rating	Primary Security Exclusive charge on receivables of the company	Tenure
INE128S07390	28-05-2022	12.64%	180	Secured	ICRA A; Stable	1.1 times	36
INE128S07408	28-06-2022	12.64%	185	Secured	ICRA A; Stable	1.1 times	36
INE128S07416	28-08-2025	11.88%	125	Secured	CARE A; Stable	1.1 times	72
INE128S07424	13-05-2026	12.75%	15	Secured	ICRA A; Stable	1.1 times	36
INE128S07432	28-05-2023	10.50%	15	Secured	ICRA A; Stable	1.1 times	36
INE128S07457	21-04-2023	11%	50	Secured	ICRA A; Stable	1.25 times	33
INE128S07457	21-04-2023	11%	15	Secured	ICRA A; Stable	1.25 times	33
INE128S07457	21-04-2023	11%	50	Secured	ICRA A; Stable	1.25 times	33
INE128S07440	12-06-2023	11%	25	Secured	ICRA A; Stable	1.25 times	36

(d) **List of Top 10 Debenture Holder(s) (as on June 30, 2020):**

(Rs. in Crores)

Sl.	Name of the Transaction	Amount o/s)
1	FRANKLIN INDIA CREDIT RISK FUND	500.00
2	FRANKLIN INDIA CREDIT RISK FUND	200.00
3	UTI International Wealth Creator 4	125.00
4	A. K CAPITAL FINANCE PVT. LTD.	100.00
5	BANK OF INDIA	50.00
6	STATE BANK OF INDIA	50.00
7	KARVY CAPITAL	30.00
8	BANK OF MAHARASHTRA	25.00
9	AU SMALL FINANCE BANK LIMITED	24.00
10	IFMR FIMPACT LONG TERM MULTI ASSET CLASS FUND	22.50

Note: Top 10 holders' (in value terms, on cumulative basis for all outstanding debentures issues) details should be provided

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- (e) **The amount of corporate guarantee issued by the Issuer along with the 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 June 30, 2020:**

Nil

- (h) **Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Issuer, 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

5.10 Details of Promoters of the Company:

Details of Promoter Holding in Company as on, i.e. June 30, 2020:

Sr No	Name of the shareholders	Total No of Equity shares	No. of shares in Demat form	Total shareholding as % of total no of equity shares	No of shares Pledged	% of shares pledged with respect to shares owned
1	D LAKSHMIPATHY	3710771	3710771	13.68%	67100	0.25%
2	HEMA	2089060	2089060	7.70%	-	-
3	R DEENADAYALAN	163200	163200	0.60%	-	-
4	VARALAKSHMI D	44770	44770	0.17%	-	-
5	SHRITHA L	20000	20000	0.07%	-	-

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

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

I.

PROFIT & LOSS STATEMENT (Rs. In lakhs)

FY 2018

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	Audited
Revenue	
Revenue from Operations	18,854.36
Other Income	1,561.70
Total Revenue	20,416.06
Expenses	
Finance Costs	5,554.57
Employee Benefits Expense	4,293.18
Other Expenses	1,487.50
Provisions, Loan Losses & Other Charges	918.55
Depreciation	259.31
Total Expenses	12,513.12
Profit Before Tax	7,902.94
Tax Expenses	
- Current Tax	2,404.37
- Deferred Tax	-119.55
Total Tax Expenses	2,284.82
Profit for the Year	5,618.12

Balance sheet (Rs. in lakhs)	FY 2018 Audited
EQUITY AND LIABILITIES	
Shareholders' Funds	
Share Capital	1,916.89
Reserves and Surplus	58,077.76
	59,994.65
Non-current liabilities	
Long Term Borrowings	37,346.98
Other Long Term Liabilities	0.84
Long Term Provisions	718.58
	38,066.40
Current liabilities	
Short Term Borrowings	4,979.68
Trade Payables	
i) Dues to Micro and Small Enterprises	-
ii) Other Trade Payables	475.18
Other Current Liabilities	11,357.37
Short-term Provisions	419.42
	17,231.65
TOTAL	1,15,292.70
ASSETS	
Non Current Assets	
Fixed Assets	
-Tangible Assets	454.24
-Intangible Assets	181.09
-Capital Work in Progress	14.13

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Balance sheet (Rs. in lakhs)	FY 2018 Audited
-Software Under Development	-
Non Current Investments	1,500.00
Deferred Tax Assets	364.03
Long Term Receivables Under Financing Activities	80,344.28
Long Term Loans and Advances	417.95
Other Non Current Assets	23.04
	83,298.76
Current Assets	
Current Investments	-
Cash and Bank Balances	12,651.08
Short Term Receivables Under Financing Activities	17,649.41
Short Term Loans and Advances	64.98
Other Current Assets	1,628.47
	31,993.94
TOTAL	1,15,292.70

Particulars (Rs. In lakhs)	Year ended March 31, 2018
Cash Flow from Operating Activities	
Profit After Tax	5,618.12
Provision for Taxation	2,284.82
Net Profit Before Tax	7,902.94
Adjustments for:	
Finance Costs	5,554.58
Depreciation	259.31
General Provision on Standard Assets	294.36
Provision against Non - Performing Assets	286.52
(Profit)/Loss on sale of fixed assets	8.42
Profit on sale of current investments (Net)	(675.21)
Interest income on deposits with banks / others	(797.59)
ESOP Expenses	322.05
	5,252.44
Operating Profit Before Changes in Working Capital	13,155.38
Changes in Working Capital:	
Adjustments for (Increase) / Decrease in Operating Assets:	
Long-term receivables under financing activity	(41,860.73)
Long-term Loans and Advances	(260.13)
Other Non Current Assets	(1.17)
Short-term receivables under financing activity	(8,236.85)
Short-term Loans and Advances	(12.70)
Other Current Assets	(1,161.14)

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

Particulars (Rs. In lakhs)	Year ended March 31, 2018
Adjustments for Increase / (Decrease) in Operating Liabilities:	
Long-term provisions	69.94
Short-term provisions	25.78
Trade Payables	146.59
Other Current Liabilities	118.92
	(51,171.49)
Cash Used in Operations	(38,016.11)
Financial Expenses	(5,495.84)
Direct Taxes Paid	(2,574.49)
Net Cash Used in Operating Activities (A)	(46,086.44)
Cash Flow from Investing Activities	
Purchase of fixed assets	(277.22)
Proceeds from sale of fixed assets	4.05
Profit on sale of current investments	675.21
Interest income on deposits with banks / others	797.59
Net Cash from Investing Activities (B)	1,199.63
Cash Flow from Financing Activities	
Proceeds from issue of equity shares (including securities premium)	32,046.00
Utilisation of Securities Premium	(440.62)
Proceeds from long term borrowings (repaid) / availed (Net)	7,597.25
Short-term Borrowings (repaid) / availed (Net)	291.93
Net Cash from Financing Activities (C)	39,494.56
Net Increase in Cash and Cash Equivalents [(A) + (B) + (C)]	(5,392.25)
Cash and Cash Equivalents at the beginning of the year	18,043.33
Cash and Cash Equivalents at the end of the year	12,651.08

Particulars	Year ended	Year ended	Year ended
	June 30, 2020	March 31, 2020	March 31, 2019
Revenue from operations			
Interest income	24,350.29	74,682.42	38,286.54
Dividend income		-	0
Fee income	42.05	2,970.84	1,317.08
Net gain on fair value changes	-	1,018.22	559.86
Total revenue from operations	24,392.35	78,671.48	40,163.48
Other income	1.53	63.25	120.03
Total Income	24,393.88	78,734.73	40,283.51
Expenses			
Finance costs	7,166.36	21,693.51	7,285.60

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Particulars	Year ended	Year ended	Year ended
	June 30, 2020	March 31, 2020	March 31, 2019
Fees expenses	27.60	42.52	94.7709518
Impairment / write off on financial instruments	1024.90	4,934.19	700.54
Employee benefits expenses	3,550.96	12,710.78	7,478.89
Depreciation and amortization	327.53	1,006.85	419.42
Other expenses	491.91	3,416.83	2,505.58
Total Expenses	12,589.26	43,804.68	18,484.80
Profit before tax	11,804.62	34,930.05	21,798.71
Tax expense			
Current tax	3,131.10	10,056.07	6,954.97
Deferred tax (net)	-159.35	-1,321.06	-785.94
	2,971.76	8,735.01	6,169.03
Profit for the period	8,832.87	26,195.04	15,629.68
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurements of the defined benefit plan	-	148.8	50.09
Income tax relating to items that will not be reclassified to profit or loss	-	-37.45	-14.586208
Net other comprehensive income not to be reclassified subsequently to profit or loss	-	111.35	35.503792
Other comprehensive income / (deficit) for the year, net of income tax	-	111.35	35.503792
Total comprehensive income	8,832.87	26,083.69	15,594.18

Particulars	As at June 30, 2020	As at March 31, 2020	As at March 31, 2019
ASSETS			
Financial Assets			
Cash and cash equivalents	71,423.52	28,977.95	20,992.65
Bank balances other than cash and cash equivalents	19,032.01	16,134.94	6.88
Loans	3,79,690.49	3,83,080.44	2,05,743.73
Investments	-	-	1,500.00
Other financial assets	863.16	524.57	283.68
	4,71,009.18	4,28,717.90	2,28,526.94
Non-financial Assets			
Current tax assets (net)	-	435.46	348.17
Deferred tax assets (net)	2,982.32	2,822.97	1,422.06
Investment property	3.56	3.56	3.56
Property, plant and equipment	966.87	1,106.09	744.41
Right of use asset	1,395.12	1,488.00	
Other intangible assets	178.69	192.80	201.80

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Particulars	As at June 30, 2020	As at March 31, 2020	As at March 31, 2019
Other non-financial assets	575.11	548.62	357.39
	6,101.67	6,597.51	3,077.39
Total assets	4,77,075.85	4,35,315.40	2,31,604.33
LIABILITIES AND EQUITY			
Financial Liabilities			
Payables			
Trade payables			
total outstanding dues of micro and small enterprises	-	-	-
total outstanding dues of creditors other than micro and small enterprises	663.61	662.40	281.39
Debt securities	1,21,536.19	1,07,886.42	42,972.28
Borrowings (other than debt securities)	1,44,693.03	1,28,482.89	49,198.22
Other financial liabilities	3,100.87	1,568.10	510.91
	2,69,993.70	2,38,599.81	92,962.80
Non-financial Liabilities			
Current tax liabilities (net)	790.68	74.80	159.89
Provisions	756.89	577.61	365.19
Other non-financial liabilities	2,206.01	1,605.12	1,608.12
	3,753.56	2,257.53	2,133.20
Equity			
Equity share capital	2,558.21	2,558.21	2,389.96
Other equity	2,00,770.36	1,91,899.85	1,34,118.37
	2,03,328.58	1,94,458.06	1,36,508.33
Total Liabilities and Equity	4,77,075.85	4,35,315.40	2,31,604.33

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Cash Flow from Operating Activities		
Net profit before tax	34,930.05	21,798.71
Adjustments for:		
Depreciation and amortization	1,006.85	419.42
Provision for gratuity		58.51
Provision for compensated absences		86.33
Provision for impairment on financial instruments and write-offs	4,934.19	700.54
Loss on sale/retirement of property, plant and equipment (net)	0.75	0.93
Profit on sale of current investments (net)	(1,018.22)	(559.86)
Interest income on deposits with banks / others	(2,886.62)	(1,335.21)
Interest on loans	(71,795.80)	
Finance costs	21,693.51	7,285.60
Gain recognised on derecognition of leases	(6.60)	

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Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Employee stock option expenses	168.03	267.83
Operating cash flow before working capital changes	(12,973.86)	28,722.80
Changes in Working Capital:		
Adjustments for (Increase) / Decrease in Operating Assets:		
Loans	(1,76,889.78)	(1,09,584.36)
Other non- financial assets	(182.64)	(94.34)
Other financial assets	(238.68)	(59.35)
Adjustments for Increase / (Decrease) in Operating Liabilities:		
Trade payables	369.71	60.31
Provisions	52.56	
Other financial liabilities	5.89	(1.09)
Other non financial liabilities	33.68	1,156.74
Net cash (used in) operations	(1,19,565.79)	(79,799.29)
Finance cost paid	(22,543.27)	(7,409.26)
Interest income received	70,257.31	
Direct taxes paid (net)	(10,218.89)	(6,798.84)
Net Cash Used in Operating Activities (A)	(1,52,327.96)	(94,007.40)
Cash Flow from Investing Activities		
Purchase of fixed assets	(970.97)	(585.14)
Proceeds from sale of fixed assets	0.78	15.30
Profit on sale of current investments	1,018.22	559.86
Interest income on deposits with banks / others	2,662.85	1,380.07
Movement in bank balances other than cash and cash equivalents	(15,904.28)	1.09
Net Cash from Investing Activities (B)	(13,193.40)	1,371.18
Cash Flow from Financing Activities		
Proceeds from issue of equity shares	168.25	473.07
Proceeds from securities premium (net off utilisation)	31,525.28	61,453.65
Expenses towards issue of shares	-	(501.53)
Fresh borrowings during the year	1,78,166.33	60,140.00
Repayments of borrowings (including process fee)	(36,950.21)	(20,579.43)
Payment towards leases (excluding interest)	(376.06)	
Net Cash from Financing Activities (C)	1,72,533.59	1,00,985.76
Net Increase / (Decrease) in Cash and Cash Equivalents [(A) + (B) + (C)]	7,012.22	8,349.54
Cash and Cash Equivalents at the beginning of the year	21,965.73	12,643.11
Cash and Cash Equivalents at the end of the year	28,977.95	20,992.65

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

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5.12 Abridged version of Latest Audited/ Limited Review Half-yearly Consolidated and Standalone Financial Information and auditors qualifications, if any.

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

5.13 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.

5.14 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 III** of this Information Memorandum.

5.15 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 letter from the Rating Agency is provided in **Annexure II** of this Information Memorandum.

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

Not Applicable

5.17 Names of all the recognized 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.

5.18 Other details:

(a) Debenture Redemption Reserve ("DRR") Creation:

As per Section 71 of the 2013 Act, any company that intends to issue debentures must create a DRR to which adequate amounts shall be credited out of the profits of the company until the redemption of the debentures. However, 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 intend to create any reserve funds for the redemption of the Debentures.

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(b) Issue / instrument specific regulations:

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

(c) Application process:

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

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

The following contracts, not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than 2 (Two) years before the date of this Information Memorandum, which are or may be deemed material, have been entered into by the Company.

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

S. No.	Nature of Contract
1	Certified true copy of the Memorandum & Articles of Association of the Issuer.
2	Board Resolution dated February 27, 2020 read with the resolution passed by the Business and Resource Committee dated August 28, 2020 authorizing the issue of Debentures offered under the terms of this Disclosure Document.
3	Shareholder Resolution dated August 31, 2020 authorizing the borrowing and the creation of security by the Company.
4	Shareholder Resolution dated August 31, 2020 authorizing the issue of non-convertible debentures by the Company.
5	Copies of Annual Reports of the Company for the last three financial years.
6	Credit rating letter from the Rating Agency dated August 31, 2020
7	Consent Letter from Catalyst Trusteeship Limited dated August 31, 2020
8	Certified true copy of the certificate of incorporation of the Company.
9	Certified true copy of the tripartite agreement between the Company, the Registrar & Transfer Agent and the NSDL/CDSL.

5.20 Details of Debt Securities Sought to be Issued

Under the purview of the current document, the Issuer intends to raise an amount of Rs. 25,00,00,000/- (Rupees Twenty Five Crores only) by issue of Rated, Listed, Senior, Secured, Redeemable, Principal Protected Market Linked Non-Convertible Debentures, on a private placement basis.

For further details of the Debentures, please refer to the terms and conditions of the debentures set out in Information Memorandum.

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5.21 Issue Size

The aggregate issue size for the Debentures is of Rs. 25,00,00,000/- (Rupees Twenty Five Crores only).

5.22 Utilization of the Issue Proceeds

The proceeds of the Issuance will be utilized for the following purposes:

- For deployment in business & growth of asset book
- General Corporate Purpose in the ordinary course of business, including refinance of existing debt.

No part of the proceeds would be utilized directly / indirectly towards equity capital markets or land acquisition or usages as restrictive for bank finances.

5.23 Issue Details

Borrower / Company / Issuer	Five-Star Business Finance Limited
Security Name	FSBFL MLD SR-I FY2023
Debenture Trustee	Catalyst Trusteeship Limited
Type of Instrument	Rated, Listed, Senior, Secured, Redeemable, Principal Protected Market Linked Non-Convertible Debentures (“NCDs” or “Debentures”)
Eligible Investors	<p>The following categories of investors, when specifically approached, are eligible to apply for this private placement of Debentures:</p> <ul style="list-style-type: none"> • Resident Individuals, • Hindu Undivided Family, • Trust, • Limited Liability Partnerships, Partnership Firm(s), • Portfolio Managers and Foreign Institutional Investors (FII) registered with SEBI, • Association of Persons, • Companies and Bodies Corporate including Public Sector Undertakings. • Commercial Banks, Regional Rural Banks, Financial Institutions, • Insurance Companies, • Mutual Funds/ Alternative Investment Fund (AIF), and any other investor eligible to invest in these Debentures
Principal Protection	Principal is protected
Mode of Issue	Private Placement
End use	<p>Issue proceed will be utilized for following purposes:</p> <ul style="list-style-type: none"> • For deployment in business & growth of asset book • General Corporate Purpose in the ordinary course of business, including refinance of existing debt. <p>No part of the proceeds would be utilized directly / indirectly towards equity capital markets or land acquisition or usages as restrictive for bank finances</p>
Rating Agency	ICRA Limited

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Rating	PP-MLD (ICRA) A Stable									
Valuation Agency	ICRA Analytics Limited (formerly ICRA Online Ltd.)									
Valuation Agency Fees	Fees paid to valuation agency by issuer shall not be more than 0.0375% p.a. on the face value of outstanding debentures.									
Distribution Fee	The Issuer shall pay to the distributor, fees (if any) as per mutual agreement between the Issuer and Distributor.									
Deemed Date of Allotment	September 03, 2020									
Tenor	902 days from the Deemed Date of Allotment									
Final Redemption Date	February 22, 2023									
Issue Size	Rs. 25 crores (Rupees Twenty-five crores)									
Issuance Schedule	<table border="1"> <tr> <td>Issue Open Date</td> <td>September 02, 2020</td> </tr> <tr> <td>Issue Close Date</td> <td>September 03, 2020</td> </tr> <tr> <td>Pay-in Date</td> <td>September 03, 2020</td> </tr> <tr> <td>Deemed Date of Allotment</td> <td>September 03, 2020</td> </tr> </table>		Issue Open Date	September 02, 2020	Issue Close Date	September 03, 2020	Pay-in Date	September 03, 2020	Deemed Date of Allotment	September 03, 2020
Issue Open Date	September 02, 2020									
Issue Close Date	September 03, 2020									
Pay-in Date	September 03, 2020									
Deemed Date of Allotment	September 03, 2020									
Compliance clause	The Company reserves right to make multiple issuances under the same ISIN at terms and conditions it deems fit in line with Applicable Laws.									
Redemption Price Per Debenture	Each Debenture shall be redeemed at Face Value together with Redemption Premium (if any).									
Redemption Date	Final Redemption Date or Early Redemption Date.									
Redemption Premium Amount	Redemption Premium amount per Debenture shall be paid by the Company to the Debenture Holders as premium on the Final Redemption Date or the Early Redemption Date (on exercise of Put Option or on occurrence of accelerated redemption caused by Event of Default), as the case may be. The said, "Redemption Premium Amount" being the premium amount to be paid per Debenture by the Issuer to the Debenture Holders shall be determined in accordance with the method of calculation set out in Schedule below.									
Rating Covenant-Redemption Premium Step up	<ol style="list-style-type: none"> Step up by 25 bps (from the date of downgrade announcement) for every notch downgrade in rating from the rating as existed on date of allotment) After downgrade, in case there is rating restoration, Redemption Premium rate will also be restored by 25 bps. XIRR: 10.60% per annum <p>Terms 1 & 2 are w.e.f. rating action date.</p>									
Initial Fixing Date	September 03, 2020									
Initial Fixing Level	Price last traded(closing) of 5.77% GS 2030 as on Initial Fixing Date, as published by FBIL on www.fbil.org.in									
Final Fixing Date	December 02, 2022									
Final Fixing Level	Price last traded(closing) of 5.77% GS 2030 as on Final Fixing Date, as published by FBIL on www.fbil.org.in									
Redemption Amount(if any)	Redemption Premium, if any, payable shall be market linked. The same is indicated below and in schedule hereto. 0%, if the Final Fixing Level is less than or equal to 25% of Initial Fixing Level									

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	<p>28.2700% if the Final Fixing Level is greater than 25% of Initial Fixing Level</p> <p>Redemption amount means, in respect of any Debenture: (a) if the Put Option has not been exercised and no Event of Default has occurred, the amount payable on such debenture is as follows:</p> $FV*(1+Y)$ <p style="text-align: center;">FV – Face Value Y – Redemption Premium (if any)</p> <p>(b) if the Put Option has been exercised or an Event of Default has occurred, the aggregate of - (i) Outstanding Principal Amount and (ii) Redemption Premium determined on the basis of 10.60% per annum</p>
Early Redemption Date	The date on which the Debentures are redeemed prior to the Final Redemption Date in terms of the Transaction Documents.
Reference benchmark Gsec Security/ Index	10yr G-sec. 5.77% 2030 having ISIN0020200153 maturing on 3 rd Aug 2030 as published by FBIL on www.fbil.org.in
Redemption Premium payment frequency	Redemption Premium, if any, will be paid on the Final Redemption Date or Early Redemption Date (as the case may be).
Issue Price	At Par
Face Value/Nominal Value per Debenture	Rs 1,00,000/-
Minimum application and in multiples of Debt securities thereafter	100 debentures and in multiples of 1 Debenture(s) thereafter
Listing	The NCDs issued under this document are proposed to be listed on the BSE. In case the Debentures are not listed within 20 days of Deemed Date of Allotment, the Issuer shall pay penal interest at 2% per annum after the expiry of 30 days from the Deemed Date of Allotment till listing of such Debentures.
Depository	NSDL and/or CDSL
Business Day Convention	Business Day shall mean a day (other than a public holiday, Saturday or a Sunday) on which banks are normally open for business in Mumbai, India, and Chennai, India and "Business Days" shall be construed accordingly
Day count convention	Actual/actual
Record Date	The date, as may be fixed by the Company, which will be 7 Calendar Days prior to the Final Redemption date on which the determination of the persons entitled to receive Redemption Amount in respect of the Debentures (i.e., persons whose names are registered in the register of Debenture Holders or NSDL/CDSL record) shall be made.
Default Interest Rate	In case of default in payment of interest and/or principal redemption on the due dates, additional interest @ 2% p.a. will be payable by the Company for the defaulting period.

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<p>Majority Debenture Holders</p>	<p>Such number of Debenture Holders collectively holding more than 51% (Fifty-one percent) of the value of the outstanding principal amounts of the Debentures.</p>
<p>Put Option</p>	<ol style="list-style-type: none"> 1. If external rating by ICRA is downgraded by 4 notches or more, i.e to BBB- (Triple B minus) from present rating of A , the investor will have the right to accelerate the redemption of the Debentures and require the Issuer to mandatorily redeem the Debenture and repay the principal amount on the Debentures, along with accrued but unpaid Redemption Premium, and all other costs, charges and expenses incurred under or in connection with the Transaction Documents and the company has to pay the amount due within 30 days of receipt of such notice. In the event the credit rating of the Debenture issued by the Issuer is downgraded by four (4) or more notches from the current rating of A (or equivalent) or 2. In case of breach of any Covenants (Financial covenants, other covenants, as mentioned in covenants for facility below) by the Issuer, if the Issuer is unable to cure the breach in 30 days, then the Debenture Holder shall have the right but not the obligation to call upon the Issuer to redeem the Debentures held by such Debenture Holders (“Put Option”). <p>Such Put Option shall be exercised by the Debenture Holders within 30 Business Days of expiry of the cure period allowed, by issuance of a notice on the Company or the Debenture Trustee calling upon the Company to redeem such Debentures. Upon receipt of such notice of Put Option by the Company or DT, the Company shall within 15 Business Days of receipt of such notice exercising the Put Option, redeem such Debentures as is mentioned in the notice by making payment of all principal amounts along with the Redemption Premium, if any.</p> <p>There will be no Cure period available for Rating downgrade incidence.</p>
<p>Security</p>	<ol style="list-style-type: none"> 1. The outstanding Issue Amount, together with Redemption Premium, default interest, remuneration of the Trustee, charges, fees, expenses and all other monies due from the Company, shall be secured by (to the satisfaction of the Debenture Holders) by a first ranking and exclusive charge of 1.25x over (including but not limited to) loan receivables, including present and future receivables (“Company’s Receivables”) which are free from any encumbrances/charge/lien; 2. Company’s Receivables must be ‘standard’ as on the date of allotment; 3. Company’s receivables to be assigned to the Debenture Holders must be secured in nature; 4. Company’s Receivables are existing at the time of selection, and have not been terminated or prepaid; 5. The receivables have not been restructured or rescheduled and are ‘standard’. It is clarified that the assets would be ‘current’ on inclusion and replacement of receivables (to be carried out within 30 calendar days) would be upon becoming NPA (i.e. on crossing 90DPD).

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	<p>6. All the extant "know your customer" norms specified by the RBI must have been complied with for each hypothecated loans;</p> <p>7. All loans hypothecated must comply with RBI norms and guidelines</p> <p>The Issuer undertakes:</p> <ol style="list-style-type: none"> 1. to maintain the value of Security Cover at all times during the period of the Issue; 2. to create, register and perfect the security over the Company's Receivables as contemplated above as on the Deemed Date of Allotment by executing a duly stamped security document and filing relevant forms with the concerned ROC in relation thereto as soon as practicable and no later than thirty (30) calendar days of the date of execution of the Company's Receivables; 3. The charge over the Company's Receivables is to be created within 30 days of the Deemed Date of Allotment. In the event the Security Cover is not created or has insufficiently created, the proceeds from the Issue are to be placed in an escrow account until the creation of security. 4. to provide a list of specific loan receivables / identified book debt to the Trustee over which charge is created and subsisting by way of hypothecation in favour of the Trustee (for the benefit of the Debenture Holders) and sufficient to maintain the security cover on monthly basis within the 15th day of every calendar month.
<p>Interest on Application Money</p>	<p>Interest at the redemption premium rate per annum (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the application money for the Debentures for the period starting from and including the date of realization of application money in Issuer's Bank Account upto one day prior to the Deemed Date of Allotment</p> <p>Where Pay-in Date and Deemed date of Allotment are the same, no interest on Application money is to be paid</p>
<p>Transaction Documents</p>	<p>The Issuer has executed/ shall execute the documents including but not limited to the following, as required, in connection with the Issue as per latest SEBI guidelines/ Companies Act 2013 for issuance of NCDs through Private Placement:</p> <ol style="list-style-type: none"> 1. Security documents 2. Letter appointing Trustees to the Debenture Holders; 3. Debenture Trusteeship Agreement; 4. Debenture Trust Deed; 5. Rating Agreement with the aforesaid rating agency(ies) as regards to this Issue 6. Tripartite Agreement between the Issuer; Registrar and NSDL/CDSL for issue of Bonds in dematerialized form; 7. Listing Agreement with BSE; 8. Deed/Agreement of Hypothecation
<p>Conditions Precedent</p>	<p>Customary to facilities of this nature, including but not limited to:</p> <ol style="list-style-type: none"> 1. Compliance with all the regulatory guidelines. 2. A certified true copy of the constitutional documents of the Company (being its Memorandum and Articles of Association and Certificate of Incorporation) shall have been submitted to the Debenture Trustee

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	<ol style="list-style-type: none"> 3. All corporate approvals from the Board of Directors and shareholders of the Company, if applicable, shall have been received for the issuance of the NCDs, creation of the Security and the execution, delivery and performance by the Company of the Transaction Documents in accordance with the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other rules prescribed; 4. Rating of the Debentures being completed and the rating agency ICRA have provided a minimum rating of 'A' for the Debentures and the rating letter issued by the Rating Agency being in a form and manner satisfactory to the Debenture Trustee; 5. a copy of the agreement entered with the Registrar to act as the registrar and transfer agent for the issue of Debentures; 6. Execution of Debenture Trustee Agreement, issuance of Letter appointing Trustees to the Debenture Holders and submitting to the Debenture Holder a copy of the consent letter received from the Debenture Trustee agreeing to act as Debenture Trustee for the Debenture Holders; 7. The Company shall have submitted to the Debenture Holders / Debenture Trustee, all required documents for the purpose of satisfying its respective KYC requirements; 8. Execution of transaction documents in form and manner mutually acceptable to Investor & Issuer.
<p>Conditions Subsequent</p>	<p>The Issuer shall ensure that the following documents are executed/ activities are completed as per time frame mentioned elsewhere in this Document:</p> <ol style="list-style-type: none"> 1. The Issuer shall immediately on receipt of funds, take on all necessary steps to, including making all applicable filings in the Registrar of Companies and obtaining all necessary approvals including filing Form PAS 5 and Form PAS 3 along with requisite fee within prescribed timelines; 2. Receive final listing approval from BSE within 20 calendar days from Deemed Date of Allotment; 3. Credit of demat account(s) of the allottee(s) by number of MLDs allotted within 2 business days from the Deemed Date of Allotment; 4. To ensure compliance with SEBI/ Companies Act 2013 for issuance of MLDs 5. Execution of the Debenture Trust Deed, in a form and manner satisfactory to the Debenture Trustee shall have taken place; 6. The Company shall have created and perfected the security in respect of the NCDs, which shall entail including without limitation payment of requisite stamp duty on this Deed and the other Transaction Documents, as may be required under the Applicable Laws, filing of Form CHG 9 pursuant to Rule 3 of Companies (Registration of Charges) Rules, 2014 with the concerned Registrar of Companies, within 30 days from the Pay In Date. 7. Shareholders resolutions approving the issuance of MLD and current borrowing limit obtained within the timelines stipulated as per Companies Act 2013 / Ministry of Corporate Affairs notification G.S.R. 424(E) dated 30 June 2014. 8. Any others as required by the Debenture Trustee in the Transaction Documents.

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Acceleration of Redemption/ Events of Default	<p>The occurrence of any one of the following events shall constitute an “Event of Default” by the Company, leading to accelerated redemption</p> <ol style="list-style-type: none">1. Failure to pay any amount due in respect of Debentures including any installment of Redemption Premium (including penal interest, if applicable or the principal amount of the Debentures, any other monies including costs, charges, expenses incurred by the Trustee, as and when the same shall have become due and payable by the Company’s;2. Any information given by the Company’s in the Information Memorandum, the Transaction Documents and/or other information furnished and/or the representations and warranties given/deemed to have been given by the Company to the Debenture Holder(s) under the Transaction Documents for financial assistance by way of subscription to the Debentures is or proves to be misleading or incorrect in any respect or is found to be incorrect;3. Default by the Company in complying with, or committing a breach of any of the terms, Financial Covenants, Other Covenants and Conditions as set out in any of Transaction Documents;4. If the Issuer is unable to or admits in writing its inability to pay its debts as they mature or suspends making payment of any of its debts, by reason of actual or anticipated financial difficulties or proceedings for taking it into liquidation have been admitted by any competent court or a moratorium or other protection from its creditors is declared or imposed in respect of any indebtedness of the Company;5. If the assets offered as security for the Debentures depreciate in value to such an extent that in the opinion of the Debenture Holder(s)/ Debenture Trustee, further security to the satisfaction of the Debenture Holder(s) / Debenture Trustee should be given and such security is not given within 15 (fifteen) days of written notice by the Majority Debenture Holders or the Debenture Trustee;6. The occurrence of a Material Adverse Effect as determined by the Debenture Trustee, acting solely on the instructions of the Majority Debenture Holders. For the purpose of this transaction any material adverse effect in the business, condition (financial or otherwise), and operations, performance or prospects of the Issuer, the presence of any pending or threatened litigation, investigation or proceedings that may have a material adverse effect on the business condition (financial or otherwise), operations, performance or prospects of the Issuer, including any change in regulation that may have a material adverse effect on the business condition (financial or otherwise), and operations, performance or prospects of the Issuer, which affects the payment on the Debentures.7. Key management personnel of the company being declared willful defaulter8. The Company shall have voluntarily or involuntarily become the subject of proceedings under bankruptcy or insolvency law9. Any failure of the Company to comply with any of the provisions of the Transaction Documents in relation to the Security and Security Cover including but not limited to the failure of the Company to provide any additional or alternate security to the satisfaction of the Majority Debenture Holders within a period of 15 (fifteen) business days from the date of such failure;
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	<ol style="list-style-type: none">10. If an attachment or expropriation or restraint or act of sequestration is levied on the Company's Receivables which are provided as Security or any part thereof and or certificate proceedings are taken or commenced for recovery of any dues from the Company;11. any Financial Indebtedness of the Company, is not paid when due and the applicable cure period has lapsed without the Company remedying the same; or12. any Financial Indebtedness of the Company, is declared or otherwise becomes due and payable before its specified maturity as a result of an event of default;13. If the Company suspends, ceases or threatens to suspend or cease to carry on its business or gives notice of its intention to do so;14. If, in the reasonable opinion of the Debenture Trustee, the security of the Debenture Holder(s) is in jeopardy;15. All or a material part of the undertaking, assets, rights or revenues of the Company are condemned, seized, nationalised, expropriated or compulsorily acquired, or shall have assumed custody or control of the business or operations of the Company, or shall have taken any action for the dissolution of the Company, or any action that would prevent the Company, their member, or their officers from carrying on their business or operations or a substantial part thereof, by or under the authority of any Government or Government authority;16. Any material act of fraud, embezzlement, misstatement, misappropriation or siphoning off of the Issuer funds or revenues or any other act having a similar effect being committed by the management or an officer of the Issuer17. The Company has taken or suffered to be taken any action for merger or amalgamation or reduction in share capital by any method (including buyback) without the prior written approval of the Debenture Holders;18. Without prior consent of the Debenture holders, a drop in shareholding of the promoters to below 18% on fully diluted basis , prior to the Issuer being equity listed19. Any Transaction Document once executed and delivered, ceases to be in full force and effect or becomes unlawful, invalid or unenforceable or fails to provide the Debenture Trustee and the Debenture holder(s)/Beneficial Owners(s) with the interests in the Security intended to be created thereby;20. Any of the necessary clearances required or desirable in relation to the project or Company or the Debentures in accordance with any of the Transaction Documents is not received or is revoked or terminated, withdrawn, suspended, modified or withheld or shall cease to be in full force and effect which shall, in the opinion of Debenture Holder(s), have Material Adverse Effect on the Company or the Debentures;21. A petition for the reorganization, arrangement, adjustment, winding up or composition of debts of the Company or is filed on the Company / (voluntary or otherwise) or have been admitted or makes an assignment for the benefit of its creditors generally and such proceeding is not contested by the Company / for staying, quashing or dismissed within 15 (fifteen) days;22. The directors (excluding independent and nominee directors) of the Company are convicted of a criminal offence involving moral turpitude, dishonesty or which otherwise impinges on the integrity
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	<p>of the Promoter/s and/or director, including any convictions of any offence relating to bribery;</p> <p>23. It is or becomes unlawful for the Company to perform any of its obligations under any Transaction Document</p> <p>24. The Company is adjudged insolvent or takes advantage of any law for the relief of insolvent debtors</p> <p>Breach of any covenants above, will result in occurrence of Event of Default leading to accelerated redemption. On accelerated redemption, the investors (s) shall have right to exercise Put Option. Such Put Option shall be exercised by the Debenture Holders within 30 Business Days from the date of expiry of the cure period allowed,, by issuance of a notice on the Company calling upon the Company to redeem such Debentures. Upon receipt of such notice of Put Option by the Company, the Company shall within 15 Business Days of receipt of such notice exercising the Put Option, redeem such Debentures as is mentioned in the notice by making payment of all principal amounts along with the Redemption Premium, if any.</p>
<p>Covenants for Facility</p>	<p>The Company shall provide for following covenant for the Debentures:</p> <p><u>Financial Covenants</u></p> <ol style="list-style-type: none"> 1. The capital adequacy ratio shall not be less than 22%. 2. Total Debt to Equity Ratio < 3.5 times 3. Where PAR 90 or GNPA, is including PAR 90 / GNPA on exposure outstanding on securitization transactions outstanding as of June 30, 2020: Gross NPA <3.00% 4. Interest Coverage Ratio for all debt outstanding will be >2 times 5. Net Cash & Cash equivalents to be positive always in rotating 3 & 6 months buckets ((net of all (including but not limited to) contracted payables, business expenses, reserves to be kept aside) <p>The covenants shall be certified by the Company within 45 days from end of each reporting quarter.</p> <p><u>“Debt” shall mean aggregate of</u></p> <ol style="list-style-type: none"> 1. <u>All long-term debt outstanding, whether secured or unsecured, plus</u> 2. <u>Contingent liability pertaining to corporate/ financial guarantees given on behalf of any company / partnership firm/SPV / subsidiary / affiliate to the extent of outstanding of such guaranteed debt, plus</u> 3. <u>Any short term debt outstanding, whether secured or unsecured, availed of in lieu of long term debt or by way of bridge financing for long term debt</u> 4. <u>Any amount raised by acceptance under any acceptance credit facility</u> 5. <u>Receivables sold or discounted (other than any receivables to the extent they are sold on a non- recourse basis)</u> 6. <u>Any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing</u> <p><u>“Equity” shall mean issued and paid up Equity and Compulsorily Convertible Preference Share capital (+) all reserves (excluding</u></p>

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revaluation reserves) (-) any dividend declared (+) deferred tax liability (-) deferred tax asset (-) intangibles (including but not restricted to brand valuation, goodwill etc) as per the latest audited/ Unaudited financials of the Company for the relevant period.

“PAR 90” shall mean, on the Company’s entire assets under management at any point of time, as the case may be, the outstanding principal value of the relevant portfolio of the Company that has one or more instalments of principal, interest, penalty interest, fee or any other expected payments overdue for 90 days or more, including restructured loans but excluding loans that have been written off by the Company.

A detailed description of, and additional Financial Covenants are provided in the Debenture Trust Deed.

Other Covenants:

1. The Company shall not, without the prior consent in writing of the Debenture Trustee, make any changes in its Memorandum or Association and/or Articles of Association, which change, in the reasonable opinion of the Debenture Trustee adversely affects the interests of the Debenture Holders, including changes in clauses pertaining to main objects, share capital, business or operation of the Company, borrowing powers, etc.
2. Notification of any potential Event of Default or Event of Default;
3. Obtain, comply with and maintain all licenses / authorizations;
4. compliance with environmental and other laws;
5. No M&A, acquisition, restructuring, amalgamation without approval of debenture holders
6. the Issuer will not purchase or redeem any of its issued shares or reduce its share capital without the investors’ prior written consent;
7. Any sale of assets / business / division or re-structuring of the existing business, to be with the prior consent of the Debenture Holder(s). This excludes regular ongoing asset sale transactions as part of ordinary course of business
8. No dividend, if an Event of Default has occurred and is subsisting
9. The Issuer shall maintain its corporate existence and right to carry on its business and operations and comply with all Applicable Laws in all respects, at all times
10. The Issuer shall not, without the prior approval of Investors, enter into any transaction of merger, de-merger, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction; provided however that this restriction shall not apply in the event that the compliance with this restriction would result in the Issuer defaulting in relation to any of its payment obligations in relation to the Debentures.
11. Not undertake any new business or any diversification of its business (other than financial services or ancillary business activities) without approval of the Debenture Holders
12. Provide details of any material litigation, arbitration or administrative proceedings
13. The hypothecated receivables offered as security cover for this Issuance are free from encumbrances

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	<p>14. Maintain internal control for the purpose of preventing fraud lent by the issuer from money being used for money laundering or illegal purposes</p> <p>15. Permit visits and inspection of books of records, documents and accounts to debenture holders as and when required by them with atleast 7 days prior notice.</p> <p>16. Any force majeure event</p>
Representations, Warranties	The Company will make representations customary for the facilities of this nature and others appropriate in the judgment of the Investor and as provided in the Debenture Trust Deed.
Governing Law and Jurisdiction	This Term Sheet shall be governed and construed exclusively in accordance with the laws of India and any disputes arising there from shall be subject to the jurisdiction of appropriate courts and tribunals at Chennai.
Indemnification	The Company will indemnify and hold harmless the Debenture Holder(s) from and against any claim, liability, demand, loss, damage, judgment or other obligation or right of action which may arise as a result of a breach of this Term Sheet by the Company.
Confidentiality	The terms and conditions described in this Term Sheet, including its existence, shall be confidential information and shall not be disclosed to any third party except to each Party's advisors and counsel. Provided however that if any of the Parties is required by law to disclose information regarding this Term Sheet or to file this Term Sheet with any regulatory body, it shall, at a reasonable time after making any such disclosure or filing, informing the other Parties.
Risk Factors associated with Market Linked Debentures	<p>The securities are created on the basis of complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behavior of the securities selected for hedging may significantly differ from the returns predicted by the mathematical models.</p> <p>The principal amount is subject to the credit risk of the Issuer whereby the investor may or may not recover all or part of the funds in case of default by the Issuer.</p>
Transaction Costs	<p>The Issuer shall bear all transaction related costs incurred by the Investor with respect to valuers and auditors / consultants. Such costs include:</p> <ol style="list-style-type: none"> 1. Trustee fees 2. Stamping and registration in relation to creation of Security and all Definitive Agreements.
Taxes duties cost and expenses	<ol style="list-style-type: none"> 1. Relevant taxes, duties and levies are to be borne by the Company.

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Illustration of Cash Flows:

Company	FIVE STAR BUSINESS FINANCE LIMITED (the “Issuer”)
Tenure	902 days from Deemed Date of Allotment
Face Value	Rs. 1,00,000/-
Issue Price	Rs. 1,00,000/-
Date of Allotment	September 03, 2020
Redemption	February 22, 2023
Redemption Premium	0%, if the Final Fixing Level is less than or equal to 25% of Initial Fixing Level 28.2700%, if the Final Fixing Level is greater than 25% of Initial Fixing Level
Frequency of the Redemption Premium payment with specified dates	N.A. Principal and Redemption Premium to be paid on Maturity
Day count Convention	Actual / Actual

Cash Flows	Maturity Date	No. of days	Amount (in Rupees)
Redemption Premium, if any	February 22, 2023	902	28,270
Face Value	February 22, 2023	902	1,00,000
Total	February 22, 2023	902	1,28,270

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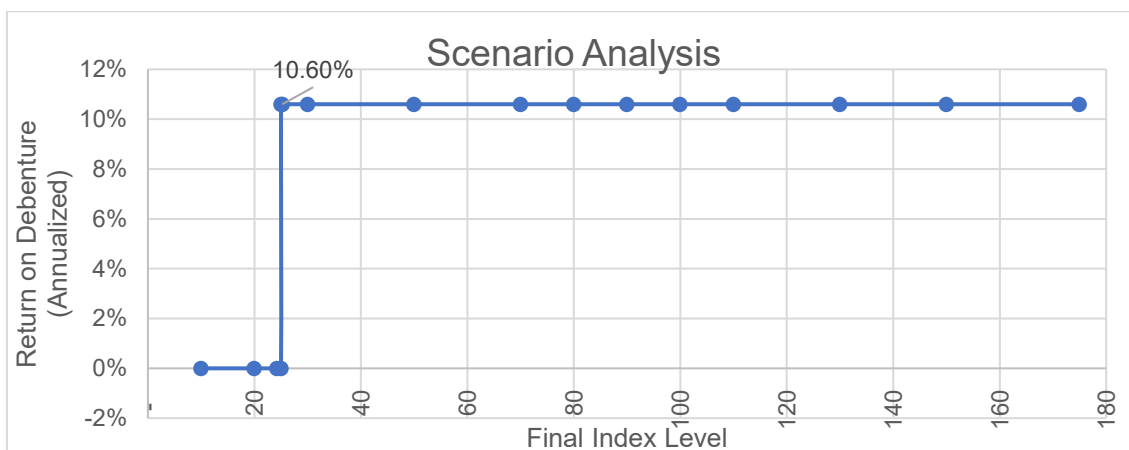
Scenario Analysis Tabular Representation

The following table shows the value of the Debenture at maturity under different market conditions (Assuming Initial level of the Reference Index is 99.9750)

Initial Index Level	Final Index Level	Performance of Reference Index	Return on Debenture	Initial Investment in MLD (INR)	Redemption Amount (INR)
99.9750	10.00	-90.00%	0.0000%	10,00,000	10,00,000
99.9750	20.00	-80.00%	0.0000%	10,00,000	10,00,000
99.9750	24.99	-75.00%	0.0000%	10,00,000	10,00,000
99.9750	59.99	-40.00%	28.2700%	10,00,000	12,82,700
99.9750	89.98	-10.00%	28.2700%	10,00,000	12,82,700
99.9750	99.98	0.00%	28.2700%	10,00,000	12,82,700
99.9750	109.97	10.00%	28.2700%	10,00,000	12,82,700
99.9750	129.97	30.00%	28.2700%	10,00,000	12,82,700
99.9750	149.96	50.00%	28.2700%	10,00,000	12,82,700
99.9750	174.96	75.00%	28.2700%	10,00,000	12,82,700
99.9750	189.95	90.00%	28.2700%	10,00,000	12,82,700

Graphical Representation

The following graph shows Debenture returns at maturity under different market conditions (Assuming Initial level of the Reference Index is 99.9750)



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 your investment.

Note:

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

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SECTION 6: DISCLOSURES PERTAINING TO WILFUL DEFAULT

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

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

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SECTION 7: TRANSACTION DOCUMENTS AND KEY TERMS

7.1 Transaction Documents

The following documents shall be executed in relation to the Issue (“**Transaction Documents**”):

- (a) Debenture Trustee Agreement, which will confirm the appointment of Catalyst Trusteeship Limited as the Debenture Trustee (“**Debenture Trustee Agreement**”);
- (b) Debenture Trust deed, which will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer (“**Debenture Trust Deed**” or “**DTD**”);
- (c) Such other documents as agreed between the Issuer and the Debenture Trustee.

7.2 Representations and Warranties of the Issuer

The Issuer hereby makes the following representations and warranties and the same shall also be set out in the Transaction Documents.

(a) Authority and Capacity

- (i) The Issuer has been duly incorporated, organized and is validly existing, under applicable law.
- (ii) The Issuer has the corporate power, authority and all material permits, approvals, authorizations, licenses, registrations, and consents including registrations, to own and operate its assets and to carry on its business in substantially the same manner as it is currently conducted.
- (iii) The Issuer is in compliance with all laws for the performance of its obligations with respect to this Issue.
- (iv) The Issuer represents that all consents, and actions of, filings with and notices to any governmental authority as may be required to be obtained by the Issuer in connection with the Issue have been obtained or made and are in effect.

(b) Corporate Matters

- (i) All the legal and procedural requirements specified in the constitutional documents have been duly complied with in all respects in relation to the Issue.
- (ii) The registers, and minute books (including the minutes of board and shareholders meeting) required to be maintained by the Issuer under applicable law:
 - A. are up-to-date and have been maintained in accordance with applicable law;
 - B. comprise complete and accurate records of all information required to be recorded in such books and records; and
 - C. no notice or allegation that any of them are incorrect and/ or should be rectified has been received.

(c) Organization and Authority

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The Issuer is an NBFC duly incorporated and validly existing under the laws of India and has the power to own its assets, conduct and operate its business as presently conducted, and to enter into, and comply with its obligations under this Deed and the Transaction Documents to which it is a party or will be a party.

(d) Non-conflict with other obligations

The Issue (or any of the obligations undertaken by the Issuer in relation thereto) does not and will not conflict with any law or regulation to which the Issuer is subject, including but not limited to any laws and regulations regarding anti-money laundering/ terrorism financing and similar financial sanctions as well as any agreement or instrument binding upon it or any of its assets, including but not limited to any terms and conditions of the existing financial indebtedness of the Issuer.

(e) Validity and admissibility in evidence:

All approvals, authorizations, consents, permits (third party, statutory or otherwise) required or desirable:

- (i) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party;
- (ii) to make the Transaction Documents to which it is a party admissible in evidence in its jurisdiction of incorporation; and
- (iii) for it to carry on its business

have been obtained or effected and are in full force and effect.

(f) Accounts and Records

The books of accounts of the Issuer have been fairly and properly maintained, the accounts of the Issuer have been prepared in accordance with law and in accordance with applicable GAAP, so as to give a true and fair view of the business (including the assets, liabilities and state of affairs) of the Issuer.

(g) Taxation Matters

- (i) The Issuer has complied with all the requirements as specified under the respective Tax laws as applicable to it in relation to returns, computations, notices and information which are or are required to be made or given by the Issuer to any Tax authority for taxation and for any other Tax or duty purposes, have been made and are correct.
- (ii) Other than as already disclosed by the Issuer in its financial statements, as on date, the Issuer has not received any written notice of any Tax disputes or other liabilities of Taxes in respect of which a claim has been made or notice has been issued against the Issuer.

(h) Legal / Litigation Matters

- (i) There are no claims, investigations or proceedings before any court, tribunal or governmental authority in progress or pending against or relating to the Issuer, other than in the normal course of business, which would have a Material Adverse Effect on the Debentures (or the holders thereof) or on the ability of the Company to make the scheduled payments in relation to the Debentures.
- (ii) There are no unfulfilled or unsatisfied judgments or court orders of which the Company has notice and which is outstanding against the Issuer, which would have a Material Adverse Effect on the

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Debentures (or the holders thereof) or on the ability of the Company to make the scheduled payments in relation to the Debentures.

(iii) The Issuer has not taken any action nor has any order been passed for its winding-up, dissolution or re-organisation or for the enforcement of any security over its assets or for the appointment of a liquidator, supervisor, receiver, administrator, administrative receiver, compulsory manager, trustee or other similar officer for it or in respect of its assets.

(i) **Assets**

Except for the security interests and encumbrances created and recorded with the Ministry of Corporate Affairs (available using CIN U65991TN1984PLC010844 on the website <http://www.mca.gov.in/mcafoportal/showIndexOfCharges.do> under the heading Index of Charges), the Issuer has, free from any security interest or encumbrance, the absolute legal and beneficial title to, or valid leases or licenses of, or is otherwise entitled to use (in each case, where relevant, on arm's length terms), all material assets necessary for the conduct of its business as it is being, and is proposed to be, conducted.

(j) **Employees**

The Company is in compliance with all obligations under the applicable labour laws and other laws in relation to its employees.

(k) ***Pari Passu* Ranking**

Its payment obligations under the Transaction Documents rank at least *pari passu* with the claims of all of its other unsecured creditors, except for obligations mandatorily preferred by law applying to companies generally.

7.3 Covenants of the Issuer

The covenants of the Issuer shall be as per the Term Sheet and as provided for in greater detail in the Debenture Trust Deed.

7.4 Events of Default

The Events of Default shall be as per the Term Sheet and as provided for in greater detail in in the Debenture Trust Deed.

7.5 Notice on the Occurrence of an Event of Default

If any Event of Default or any event which, after the notice, or lapse of time, or both, would constitute an Event of Default, has occurred, the Company shall, forthwith give notice thereof to the Debenture Holders and the Debenture Trustee in writing specifying the nature of such event or Event of Default (as applicable).

7.6 Consequences of Events of Default

Upon the happening of an Event of Default, the Debenture Trustee shall be entitled to exercise any and all remedies in accordance with the terms contained in the Transaction Documents.

SECTION 8: OTHER INFORMATION AND APPLICATION PROCESS

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

8.1 Mode of Transfer/Transmission of Debentures

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

8.2 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/EFT/RTGS to those Debenture Holder(s) whose names appear on the list of beneficiaries maintained by the R&T Agent. The names would be as per the R&T Agent's records on the Record Date fixed for the purpose of redemption. All such Debentures will be simultaneously redeemed through appropriate debit corporate action.

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

8.3 Debenture Trustee for the Debenture Holder(s)

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

8.4 Sharing of Information

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

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.

8.5 Debenture Holder not a Shareholder

The Debenture Holder(s) shall not be entitled to any right and privileges of shareholders other than those available to them under 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.

8.6 Modification of Debentures

The rights, privileges, terms and conditions attached to the Debentures may be varied, modified or abrogated with 100% (One Hundred percent) of Debenture Holder approving such modification by way of a unanimous resolution. PROVIDED THAT nothing in such consent or resolution shall be operative against the Company where such consent or resolution modifies or varies the terms and conditions governing the Debentures and the same are not acceptable to the Company.

The provisions of the DTD shall not be modified or amended without the written consent of the Debenture Trustee provided that the Debenture Trustee shall consent to a modification or an amendment only if such modification or amendment is approved by a consent in writing of the Majority Debenture Holder(s) for the time being outstanding, or by a Majority Resolution duly passed at a meeting of the Debenture Holder(s) convened in accordance with the provisions set out in Schedule II of the DTD. The Debenture Trustee shall give effect to such modification or amendment by executing necessary deed(s) supplemental to the DTD.

8.7 Right to accept or reject Applications

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

8.8 Notices

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

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

Notice(s) shall be deemed to be effective (a) in the case of registered mail, 3 (three) Business Days after posting; (b) 1 (One) Business Day after delivery by recognized overnight courier service, if sent for next Business Day delivery; (c) in the case of facsimile at the time when dispatched with a report confirming proper transmission or (d) in the case of personal delivery, at the time of delivery or (e) or in case of e-mail at the time of the sending thereof (provided no delivery failure notification is received by the sender within 24 hours of sending such email).

8.9 Right to Accept or Reject Applications

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

The Board of Directors/ Committee of Directors of the Company reserves its full, unqualified and absolute right to accept or reject any application, in part or in full, without assigning any reason thereof. The rejected applicants will be intimated along with the refund warrant, if applicable, to be sent. Interest on Application Money will be paid from the Pay-in Date till one day prior to the Refund Date. The Application Forms that are not complete in all respects are liable to be rejected and would not be paid any interest on the application money. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

- a. Number of Debentures applied for is less than the Minimum Application Size;
- b. Bank account details not given;
- c. Details for issue of Debentures in electronic/ dematerialized form not given;
- d. PAN not given;
- e. In case of applications under Power of Attorney by limited companies, corporate bodies, etc. relevant documents not submitted;
- f. In the event, if any Debenture(s) applied for is/ are not allotted in full, the excess application monies of such Debentures will be refunded, as may be permitted.

8.10 How to Apply

This Disclosure Document is neither a prospectus and does not constitute an offer to the public generally to subscribe for or otherwise acquire the Debentures issued by the Company. The document is for the exclusive use of the investor(s) to whom it is delivered, and it should not be circulated or distributed to third parties. The document would be specifically addressed to the investor(s) by the Issuer.

Only specifically addressed investors may apply for Debentures by completing the Application Form in the prescribed format in BLOCK LETTERS in English as per the instructions contained therein. Applications should be for a minimum of 1 Debenture and in multiples of 1 Debenture thereafter. The applications not completed in the said manner are liable to be rejected. Application Form duly completed in all respects and should be submitted as instructed. The name of the applicant's bank, type of account and account number must be filled in the Application Form. This is required for the applicant's own safety and these details will be printed on the refund orders and interest/ redemption warrants.

Applications may be made in single or joint names (not exceeding three). In the case of joint applications, all payments will be made out in favour of the first applicant. All communications will be addressed to the first named applicant whose name appears in the Application Form at the address mentioned therein.

Unless the Company specifically agrees in writing with or without such terms or conditions it deems fit, a separate single cheque/ demand draft must accompany each Application Form. Application money shall not be accepted in cash. Applicants are requested to write their names and application serial number on the reverse of the instruments by which the payments are made. All applicants are requested to tick the relevant column "Category of Investor" in the Application Form.

8.11 Debenture holder not a Shareholder

The Debenture holders will not be entitled to any of the rights and privileges available to the Shareholders.

8.12 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. All payments in respect of the Debentures shall be made by the Issuer into the bank account so specified by the applicant.

The applicant should transfer payments in respect of the Debentures shall be made by the Issuer into the bank account so specified by the applicant. Issuer's bank account details of which are as set out below:

Beneficiary Name:	FIVE-STAR BUSINESS FINANCE LIMITED
Bank Account No.	409000464102
IFSC CODE:	RATN0000113
Bank Name	RBL BANK LIMITED
Branch Address:	G.N CHETTY ROAD, T.NAGAR, CHENNAI – 600 017

It must be noted that all funds pay-in obligations need to be fulfilled in totality.

8.13 Application Procedure

Eligible investors will be invited to subscribe by way of the Application Form prescribed in the Information Memorandum during the period between the Issue Opening Date and the Issue Closing Date (both dates inclusive). The Issuer reserves the right to change the issue schedule including the Deemed Date of Allotment at its sole discretion, without giving any reasons 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.

8.14 Fictitious Applications

All fictitious applications will be rejected.

8.15 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 investor will be required to remit the funds as well as submit the duly completed Application Form along with other necessary documents to Issuer by the Deemed Date of Allotment.

8.16 Payment Instructions

The pay-in of subscription monies in respect of the Debentures by the Successful Bidder shall be made in accordance with the procedure set out in Clause 8.12 above.

8.17 Eligible Investors

The following categories of investors, when specifically approached, 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) Resident Individuals,
- (b) Hindu Undivided Family,
- (c) Trust,
- (d) Limited Liability Partnerships, Partnership Firm(s),
- (e) Portfolio Managers and Foreign Institutional Investors (FII) registered with SEBI,

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- (f) Association of Persons,
- (g) Companies and Bodies Corporate including Public Sector Undertakings.
- (h) Commercial Banks, Regional Rural Banks, Financial Institutions,
- (i) Insurance Companies,
- (j) Mutual Funds/ Alternative Investment Fund (AIF), and any other investor eligible to invest in these Debentures.
- (k) Any other person eligible to invest in the Debentures

All 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.

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

8.19 Depository Arrangements

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

8.20 List of Beneficiaries

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

8.21 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.

8.22 Procedure for application by Mutual Funds and Multiple Applications

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

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

- (a) SEBI registration certificate
- (b) Resolution authorizing investment and containing operating instructions
- (c) Specimen signature of authorized signatories.

8.23 Documents to be provided by Investors

Investors need to submit the following documents, as applicable:

- (a) Memorandum and Articles of Association or other constitutional documents
- (b) Resolution authorising investment
- (c) Certified true copy of the Power of Attorney to custodian
- (d) SEBI registration certificate (for Mutual Funds)
- (e) Copy of PAN Card, Aadhar Card and registration certificate
- (f) Copy of Address Proof and Photo Identity Card (for Individuals)
- (g) Application Form (including EFT/RTGS details)

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- (h) Specimen signatures of the authorized signatories duly certified by an appropriate authority
- (i) Form 15 AA for investors seeking exemption from Tax Deduction at Source from interest on the application money

8.24 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 cheque/EFT/RTGS.

8.25 Succession

In the event of winding up of a Debenture Holder (being a company), the Issuer will recognise the legal representative as having title to the Debenture(s). The Issuer shall not be bound to recognize such legal representative as having title to the Debenture(s), unless they obtain legal representation, from a court in India having jurisdiction over the matter.

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

8.26 Mode of Payment

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

8.27 Effect of Holidays

If any Due Date falls on a day which is not a Business Day, the payment to be made on such Due Date shall be made on the immediately succeeding Business Day, except if such Due Date is for the Redemption Amount, in which case the payment to be made on such Due Date shall be made on the immediately preceding Business Day.

8.28 Interest on NCDs

The Debentures shall carry interest at the rate specified in the Term Sheet (subject to deduction of tax at source at the rates prevailing from time to time under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof for which a certificate will be issued by the Company) payable to the holders of Debentures (the "Holders" and each, a "Holder") as of the relevant Record Date. The interest payable on any Interest Payment Date will be paid to the Debenture holder(s) whose names appear in the List of Beneficial Owners given by the Depository to the Company as on the Record Date.

The first interest period is defined as the actual number of days falling between the Date of Allotment to 12 months from the date of allotment. The second and subsequent interest period (except the last interest period) is defined as the actual number of days in a year between previous interest payment date and 12 months from the previous interest payment date. The last interest payment would be made on the redemption date along with the redemption of principal amount. 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 day that is a business day with interest up to the one day prior to the interest due date. For Semi-Annual Interest payment if the interest payment date falls in leap year then the denominator for both the interest payment for the financial year will be 366.

8.29 Computation of Interest

Interest for each of the interest periods shall be calculated, on 'actual/ actual' basis, on the face

8.30 Scenario Analysis for Principal Protected Secured Redeemable Non-Convertible Market Linked Debentures

Please see the clause 5.23 for Term Sheet.

8.31 Tax Deduction at Source

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. For seeking TDS exemption/lower rate of TDS, relevant certificate/document must be lodged by the debenture holders at the office of the Registrar & Transfer Agents of the Company at least 15 (Fifteen) days before the relevant payment becoming due. Tax exemption certificate / declaration of non-deduction of tax at source on interest on application money, should be submitted along with the Application Form. Interest will be paid to the Debenture Holder subject to deduction of tax deducted at source at the rate prescribed from time to time under the Income Tax Act, 1961 or any statutory modification or re-enactment thereof for the time-being in force.

If the applicable rate of tax deducted at source is modified and results in a reduction of the net interest received by the Debenture Holder, the Company must give written notice to the Debenture Holder (with a copy to the Debenture Trustee) as soon as it becomes aware of such change.

8.32 Letters of Allotment

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

8.33 Deemed Date of Allotment

All the benefits under the Debentures will accrue to the Investor from the specified Deemed Date of Allotment. The Deemed Date of Allotment for the Issue is September 03, 2020 by which date the Investors would be intimated of allotment.

8.34 Record Date

The Record Date will be 7 (Seven) calendar days prior to due date for payment of interest /principal.

8.35 Refunds

For applicants whose applications have been rejected or allotted in part, refund orders will be dispatched within 7 (seven) days from the Deemed Date of Allotment of the Debentures.

In case the Issuer has received money from applicants for Debentures in excess of the aggregate of the application money relating to the Debentures in respect of which allotments have been made, the R&T Agent shall upon receiving instructions in relation to the same from the Issuer repay the moneys to the extent of such excess, if any.

8.36 Interest on Application Money

Interest shall be payable on all application monies received at the Redemption Premium Rate. Such interest shall be payable from the credit of subscription monies in respect of the Debentures in the account of the ICCL,

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in accordance with the EBP Guidelines until the Deemed Date of Allotment and the same shall be paid to the relevant Investors within 7 (Seven) Business Days from the Deemed Date of Allotment.

8.37 PAN Number

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

8.38 Payment on Redemption

Payment on redemption will be made by way of cheque(s)/redemption warrant(s)/demand draft/credit through RTGS system/funds transfer in the name of the Debenture Holder 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/CDSL and accordingly the account of the Debenture Holder(s) with NSDL/CDSL 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.

8.39 Governing Law

The Debentures are governed by and will be construed in accordance with the Indian Law. The Company and Company’s obligations under the Debentures shall, at all times, be subject to the directions of Department of Company Affairs, RBI, SEBI and Stock Exchanges and other applicable regulations from time to time. Applicants, by purchasing the Debentures, agree that the High Court of Judicature at India shall have exclusive jurisdiction with respect to matters relating to the Debentures.

8.40 Key Regulations & Policies

The following description is a summary of certain laws applicable in India to the business of our Company. The summary of laws, regulations and policies set forth below is not exhaustive and is only intended to provide general overview.

Our Company is engaged in the business of providing loans against collaterals. We are governed by the laws governing service sector enterprises and commercial establishments. We are a non-deposit taking (which does not accept public deposits), systemically important, NBFC. As such, our business activities are regulated by RBI regulations applicable to systemically important non-public deposit accepting NBFCs (“NBFC-ND-SI”).

Taxation statutes such as the Income Tax Act, 1961, the Finance Act, 1994, the Shops and Establishments Act, 1958, labour regulations such as the Employees’ State Insurance Act, 1948 and the Employees’ Provident Fund and Miscellaneous Act, 1952, and other miscellaneous regulations and statutes apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Regulations governing NBFCs

As per the RBI Act, a financial institution has been defined as a company which includes a non-banking institution carrying on as its business or part of its business the financing activities, whether by way of making loans or advances or otherwise, of any activity, other than its own and it is engaged in the activities of loans and advances, acquisition of shares / stock / bonds / debentures / securities issued by the Government of India or other local authorities or other marketable securities of like nature, leasing, hire-purchase, insurance

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business, chit business but does not include any institution whose principal business is that of carrying out any agricultural or industrial activities or the sale / purchase / construction of immovable property.

As per prescribed law any company that carries on the business of a non-banking financial institution as its 'principal business' is to be treated as an NBFC. The term 'principal business' has not been defined in any statute, however, RBI has clarified through a press release (Ref. No. 1998-99/ 1269) issued in 1999, that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide a company's principal business. The company will be treated as an NBFC if its financial assets are more than 50 per cent of its total assets (netted off by intangible assets) and income from financial assets should be more than 50 per cent of the gross income. Both these tests are required to be satisfied in order to determine the principal business of a company.

Every NBFC is required to submit to the RBI a certificate, from its statutory auditor within one month from the date of finalization of the balance sheet and in any case not later than December 30 of that year, stating that it is engaged in the business of non-banking financial institution requiring it to hold a certificate of registration.

NBFCs are primarily governed by the RBI Act, the Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 ("Prudential Norms – D"), the Non- Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 ("Prudential Norms – ND"), the provisions of the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998 and the revised regulatory framework for NBFCs issued by RBI vide its circular RBI/DNBR/2016-17/45 dated September 01, 2016 as amended from time to time. In addition to these regulations, NBFCs are also governed by various circulars, notifications, guidelines and directions issued by the RBI from time to time.

8.41 Right to further issue the Debentures

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.

8.42 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.

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.

8.43 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.

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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.

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

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SECTION 10: 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 the information available with the Issuer. The extent of disclosures made in the Information Memorandum is consistent with disclosures permitted by regulatory authorities to the issue of securities made by the companies in the past.

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

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

For **Five-Star Business Finance Limited**


Authorised Signatory



Name: Srikanth G
Title: Chief Financial Officer
Date: September 02, 2020
Place: Chennai

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ANNEXURE I: TERM SHEET

As provided in Clause 5.23 above.

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ANNEXURE II: RATING LETTER FROM THE RATING AGENCY



ICRA Limited

CONFIDENTIAL

Ref. No.: RTG/Chen/031/20-21

August 31, 2020

Mr. D Lakshmi pathy
Managing Director
Five-Star Business Finance Limited
New No. 27, Old No. 4,
Taylors Road,
Kilpauk,
Chennai – 600 010

Dear Sir,

Re: ICRA Credit Rating for the Rs. 25.00 crore Principal Protected-Market Linked Debenture (PP-MLD) Programme of Five-Star Business Finance Limited

Please refer to the Rating Agreement dated August 22, 2020 and RRF No. CHN/2020-21/044 dated August 21, 2020 executed between ICRA Limited ("ICRA") and your company for carrying out the rating of the aforesaid Debenture Programme. The Rating Committee of ICRA, after due consideration, has assigned the rating "PP-MLD[ICRA]A" (pronounced as principal protected market linked debenture ICRA A) rating to the captioned Programme. Instruments with [ICRA]A rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. The outlook on the long-term rating is Stable.

In any of your publicity material or other document wherever you are using the above assigned rating, it should be stated as PP-MLD[ICRA]A(Stable). We would request if you can sign the attached acknowledgement and send it to us latest by September 04, 2020 as acceptance on the assigned rating. In case you do not communicate your 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. This is in accordance with requirements prescribed by the Securities and Exchange Board of India (SEBI) vide SEBI circular dated June 30, 2017

Any intimation by you about the above rating to any banker/lending agency/government authorities/stock exchange would constitute use of this rating by you and shall be deemed acceptance of the rating.

This rating is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating to be reviewed by us. If there is any change in the terms and conditions or size of the instrument rated, as above, the same must be brought to our notice before the issue of the instrument. If there is any such change after the rating is assigned by us and accepted by you, it would be subject to our review and may result in change in the rating assigned. ICRA reserves the right to review and/or, revise the above at any time on the basis of new information or

Karumuttu Centre, 5th Floor
634, Anna Salai, Nandanam
Chennai 600035

Tel. : +91.44.45964300
CIN : L74999DL1991PLC042749

Website : www.icra.in
Email : info@icraindia.com
Helpdesk : +91.124.2866928

Registered Office : 1105, Kailash Building, 11th Floor, 26 Kasturba Gandhi Marg, New Delhi - 110001. Tel. : +91.11.23357940-45

RATING • RESEARCH • INFORMATION

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ICRA Limited

unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the bonds, debentures and/ or other instruments of like nature to be issued by you.

As mentioned above and in accordance with the aforesaid circular you are requested to furnish a monthly 'No Default Statement (NDS)' (in the format enclosed) on the first working day of every month, confirming the timeliness of payment of all obligations against the rated debt programme.

You are also 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 rated, as above, or as prescribed by the regulatory authority(ies) is exceeded.

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

SRINIVASAN
RANGASWAMY

(R Srinivasan)
Vice President
r.srinivasan@icraindia.com

Digitally signed by SRINIVASAN RANGASWAMY
DN: cn=SRINIVASAN RANGASWAMY, o=ICRA, ou=ICRA, email=SRINIVASAN.RANGASWAMY@ICRA.COM, c=IN
Reason: I have digitally signed the document with my private key.
ICRA Limited, 112, Park Street, Chennai - 600 005, India
Phone: +91 44 2499 4000, Fax: +91 44 2499 4001, Email: info@icraindia.com

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ANNEXURE III: CONSENT LETTER FROM THE DEBENTURE TRUSTEE

CATALYST
Believe in yourself... Trust us!



CL/MUM/20-21/DEB/317

August 31, 2020

Five-Star Business Finance Limited
New No. 27, Old No. 4,
Taylor's Road, Kilpauk
Chennai – 600010

Dear Sir,

Consent to act as Trustee for Rated, Secured, Listed, Non-Convertible Debentures aggregating to 25 Crores to be issued by your Company.

The Company and the Trustee shall enter into relevant trustee agreements and other necessary documents for the aforesaid issue of NCDs and term loans and also agrees & undertakes to comply with the provisions of the SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI Circular No. SEBI/IMD/DOF-1/Bond/2009/11/05 dated 11/05/2009 on Simplified Listing Agreement for Debt Securities read with the SEBI Circular No. SEBI/IMD/DOF-1/BOND/Cir-5/2009 dated 26th November, 2009, the RBI Circular No. RBI/2012-13/560 dated June 27, 2013, the Companies Act, 2013 and any other applicable statutes, regulations and provisions as amended from time to time.

The Company shall enter into Agreement with Trustee as required by Regulation 13 of SEBI (Debenture Trustee) Regulations, 1993 thereby agreeing to create the security within three months from the date of closure of issue or in accordance with the Companies Act, 2013 or as per the provisions as prescribed by any regulatory authority as applicable and comply with the provisions of applicable laws.

We are also agreeable for inclusion of our name as trustees in the Company's offer document/disclosure document/ listing application/any other document to be filed with the Stock Exchange(s) or any other authority as required.

**Yours faithfully,
Catalyst Trusteeship Limited**

FOR CATALYST TRUSTEESHIP LIMITED

Authorized Signatory

**We accept the above terms
For Five-Star Business Finance Limited**

FOR FIVE-STAR BUSINESS FINANCE LIMITED

Authorized Signatory

Authorized Signatory

CATALYST TRUSTEESHIP LIMITED (FORMERLY CDA TRUSTEESHIP LIMITED)

An ISO:9001 Company

Mumbai Office Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai 400 098 Tel +91 (022) 4922 0555 Fax +91 (022) 4922 0505
Regd. Office CDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune 411 038 Tel +91 (020) 25280081 Fax +91 (020) 25280275
Delhi Office Office No. 810, 8th Floor, Kallash Building, 26, Kasturba Gandhi Marg, New Delhi - 110001 Tel 11 430 29101/02.
CIN No. U74999PN1997PLC10262 Email ct@citrustee.com Website www.catalysttrustee.com
Pune | Mumbai | Bengaluru | Delhi | Chennai



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

ANNEXURE IV: APPLICATION FORM

FIVE-STAR BUSINESS FINANCE LIMITED



A private limited company incorporated under the Companies Act, 1956

Date of Incorporation: May 07, 1984

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

Telephone No: 044- 46106200 Website: www.fivestargroup.in

DEBENTURE APPLICATION FORM SERIAL NO.

--	--	--	--	--	--	--	--	--	--

Issue of Rated, Listed, Senior, Secured, Redeemable, Principal Protected Market Linked Non-Convertible Debentures

DEBENTURE APPLIED FOR:

Number of Debentures: _____ In words: _____ only

Amount Rs. _____ In words Rupees: _____

DETAILS OF PAYMENT:

Cheque / Demand Draft / RTGS

No. _____ Drawn on _____

Funds transferred to Five Star Business Finance Limited

Dated _____

Total Amount Enclosed

(In Figures) Rs. _____ /- (In words) _____ Only

APPLICANT'S NAME IN FULL (CAPITALS)

SPECIMEN

SIGNATURE

--	--

APPLICANT'S ADDRESS

ADDRESS					
STREET					
CITY					
PIN		PHONE		FAX	
EMAIL					

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

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

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

Name of the Authorised Signatory(ies)	Designation	Signature

Applicant's Signature:

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

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

Applicant Bank Account : (Settlement by way of Cheque / Demand Draft / Pay Order / Direct Credit / ECS / NEFT/RTGS/other permitted mechanisms)	Beneficiary Bank Name: Account No: IFSC Code: Branch:
---	--

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

We understand and confirm that the information provided in the Information Memorandum is provided by the Issuer and the same has not been verified by any legal advisors to the Issuer, the Arranger and other intermediaries and their agents and advisors associated with this Issue. We confirm that we have for the purpose of investing in these Debentures carried out our own due diligence and made our own decisions with respect to investment in these Debentures and have not relied on any representations made by anyone other than the Issuer, if any.

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

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

We understand that we are assuming on our own account, all risk of loss that may occur or be suffered by us including as to the returns on and/or the sale value of the Debentures and shall not look directly or indirectly to the Arranger (or to any person acting on its or their behalf) to indemnify or otherwise hold us harmless in respect of any such loss and/or damage. We undertake that upon sale or transfer to subsequent investor or transferee (“Transferee”), we shall convey all the terms and conditions contained herein and in this Information Memorandum to such Transferee. In the event of any Transferee (including any intermediate or final holder of the Debentures) suing the Issuer (or any person acting on its or their behalf) we shall indemnify the Issuer and the Arranger (and all such persons acting on its or their behalf) and also holds the Issuer and the Arranger and each of such person harmless in respect of any claim by any Transferee

Applicant’s
Signature

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

(Note : Cheque and Drafts are subject to realisation)

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

ACKNOWLEDGMENT SLIP

(To be filled in by Applicant) SERIAL NO.									
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Received from

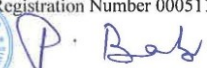
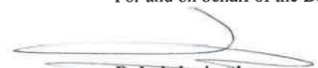
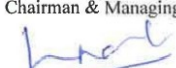
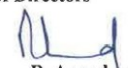

Address _____	
Cheque/Draft/UTR # _____	Drawn on _____ for
Rs. _____ on account of application of _____	Debenture

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

ANNEXURE V – FINANCIAL STATEMENTS

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

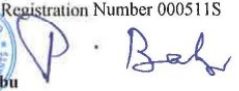
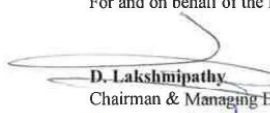

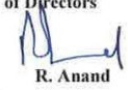

(Rs. in Lakhs)

Particulars	Note No.	2017-18	2016-17
REVENUE			
Revenue from Operations	22	18,854.36	8,307.69
Other Income	23	1,561.70	283.21
Total revenue		20,416.06	8,590.90
EXPENSES			
Finance Costs	24	5,554.58	2,373.25
Employee Benefits	25	4,293.18	1,858.21
Administrative and Other Expenses	26	1,487.50	909.12
Provisions, Loan Losses and Other Charges	27	918.55	279.54
Depreciation	12	259.31	92.30
Total Expenses		12,513.12	5,512.42
Profit Before Tax		7,902.94	3,078.48
Tax Expenses			
Current Tax		2,404.37	1,284.59
Deferred Tax		(119.55)	(143.59)
		2,284.82	1,141.00
Profit for the Year		5,618.12	1,937.48
Earnings per equity share of Rs.10 each	30.5		
- Basic (Rs.)		32.40	14.47
- Diluted (Rs.)		31.79	14.47
Significant Accounting Policies and Notes to Accounts	2 to 35		
Per our report of even date attached For Brahmayya & Co. Chartered Accountants Firm Registration Number 000511S  P. Babu Partner Membership No. 203358 Place : Chennai Date : 22 nd May 2018		For and on behalf of the Board of Directors  D. Lakshmi pathy Chairman & Managing Director  G. Srikanth Chief Financial Officer  R. Anand Director  B. Shalini Company Secretary	

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

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

(Rs. in Lakhs)

Particulars	Note No.	As at 31st Mar 2018	As at 31st Mar 2017
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	1,916.89	1,426.50
Reserves and Surplus	4	58,077.76	21,022.60
		59,994.65	22,449.10
Non-current liabilities			
Long Term Borrowings	5	37,346.98	33,442.98
Other Long Term Liabilities	6	0.84	0.67
Long Term Provisions	7	718.58	256.97
		38,066.40	33,700.62
Current liabilities			
Short Term Borrowings	8	4,979.68	4,687.75
Trade Payables			
i) Dues to Micro and Small Enterprises		-	-
ii) Other Trade Payables	9	475.18	328.59
Other Current Liabilities	10	11,357.37	7,486.63
Short-term Provisions	11	419.42	374.54
		17,231.65	12,877.51
TOTAL		1,15,292.70	69,027.23
ASSETS			
Non Current Assets			
Fixed Assets	12		
-Tangible Assets		454.24	449.94
-Intangible Assets		181.09	35.98
-Capital Work in Progress		14.13	-
-Software Under Development		-	158.11
Non Current Investments	13	1,500.00	1,500.00
Deferred Tax Assets	14	364.03	244.47
Long Term Receivables Under Financing Activities	15	80,344.28	38,483.55
Long Term Loans and Advances	16	417.95	157.82
Other Non Current Assets	17	23.04	21.87
		83,298.76	41,051.74
Current Assets			
Cash and Bank Balances	18	12,651.08	18,043.33
Short Term Receivables Under Financing Activities	19	17,649.41	9,412.56
Short Term Loans and Advances	20	64.98	52.27
Other Current Assets	21	1,628.47	467.33
		31,993.94	27,975.49
TOTAL		1,15,292.70	69,027.23
Significant Accounting Policies and Notes to Accounts	2 to 35		
Per our report of even date attached For Brahmayya & Co. Chartered Accountants Firm Registration Number 000511S  P. Babu Partner Membership No. 203358		For and on behalf of the Board of Directors  D. Lakshmi pathy Chairman & Managing Director  G. Srikanth Chief Financial Officer  R. Anand Director  B. Shalini Company Secretary	
Place : Chennai Date : 22 nd May 2018			

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

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

(Rs. in Lakhs)

Particulars	2017-18		2016-17	
A. Cash Flow from Operating Activities				
Profit After Tax	5,618.12		1,937.48	
Provision for Taxation	2,284.82		1,141.00	
Net Profit Before Tax		7,902.94		3,078.48
Adjustments for:				
Finance Costs	5,554.58		2,373.25	
Depreciation	259.31		92.30	
General Provision on Standard Assets	294.36		139.87	
Provision against Non - Performing Assets	286.52		139.67	
(Profit)/Loss on sale of fixed assets	8.42		(2.42)	
Profit on sale of current investments (Net)	(675.21)		(110.22)	
Interest income on deposits with banks / others	(797.59)		(135.94)	
ESOP Expenses	322.05	5,252.44	-	2,496.51
Operating Profit Before Changes in Working Capital		13,155.38		5,574.99
Changes in Working Capital:				
<i>Adjustments for (Increase) / Decrease in Operating Assets:</i>				
Long-term receivables under financing activity	(41,860.73)		(23,851.81)	
Long-term Loans and Advances	(260.13)		(60.28)	
Other Non Current Assets	(1.17)		(15.69)	
Short-term receivables under financing activity	(8,236.85)		(4,231.77)	
Short-term Loans and Advances	(12.70)		7.37	
Other Current Assets	(1,161.14)		(464.68)	
<i>Adjustments for Increase / (Decrease) in Operating Liabilities:</i>				
Long-term provisions	69.94		14.59	
Short-term provisions	25.78		126.83	
Trade Payables	146.59		271.41	
Other Current Liabilities	118.92	(51,171.49)	11.15	(28,192.88)
Cash Used in Operations		(38,016.11)		(22,617.89)
Financial Expenses		(5,495.84)		(2,181.16)
Direct Taxes Paid		(2,574.49)		(1,284.59)
Net Cash Used in Operating Activities (A)		(46,086.44)		(26,083.64)
B. Cash Flow from Investing Activities				
Purchase of fixed assets	(277.22)		(546.51)	
Proceeds from sale of fixed assets	4.05		7.04	
Profit on sale of current investments	675.21		110.22	
(Purchase)/sale of current investments (Net)	-		400.00	
Interest income on deposits with banks / others	797.59		135.94	
Net Cash from Investing Activities (B)		1,199.63		106.69
C. Cash Flow from Financing Activities				
Proceeds from issue of equity shares (including securities premium)	32,046.00		11,394.98	
Utilisation of Securities Premium	(440.62)		-	
Proceeds from long term borrowings (repaid) / availed (Net)	7,597.25		29,011.02	
Short-term Borrowings (repaid) / availed (Net)	291.93		3,305.59	
Net Cash from Financing Activities (C)		39,494.56		43,711.59
Net Increase in Cash and Cash Equivalents [(A) + (B) + (C)]		(5,392.25)		17,734.64
Cash and Cash Equivalents at the beginning of the year		18,043.33		308.69
Cash and Cash Equivalents at the end of the year		12,651.08		18,043.33
Reconciliation of Cash and Cash Equivalents with the Balance Sheet				
Cash and Cash Equivalents (Refer Note 18)		12,651.08		18,043.33
Per our report of even date attached For Brahmayya & Co. Chartered Accountants Firm Registration Number 000511S P. Babu Partner Membership No. 203358 Place : Chennai Date : 22 nd May 2018	For and on behalf of the Board of Directors D. Lakshmiopathy Chairman & Managing Director G. Srikanth Chief Financial Officer R. Anand Director B. Shalini Company Secretary			

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

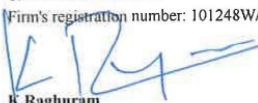
Five-Star Business Finance Limited
Standalone Statement of Profit and loss for the year ended March 31, 2019
(All amounts are in Indian Rupees in lakhs, except share data and stated otherwise)

Particulars	Note	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations			
Interest income	23	38,286.54	18,513.27
Dividend income	24	-	12.68
Fee income	25	1,317.08	427.92
Net gain on fair value changes	26	559.86	675.21
Total revenue from operations		40,163.48	19,629.08
Other income	27	120.03	76.55
Total Income		40,283.51	19,705.63
Expenses			
Finance costs	28	7,285.60	5,471.27
Fees expenses	29	94.77	84.87
Impairment / write off on financial instruments	30	700.54	903.00
Employee benefits expenses	31	7,478.89	3,918.51
Depreciation and amortization	11 & 12	419.42	259.31
Other expenses	32	2,505.58	1,503.21
Total Expenses		18,484.80	12,140.17
Profit before tax		21,798.71	7,565.46
Tax expense			
Current tax	33 A	6,954.97	2,404.37
Deferred tax (net)	37	(785.94)	(263.06)
		6,169.03	2,141.31
Profit for the period		15,629.68	5,424.15
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurements of the defined benefit plan		50.09	40.79
Income tax relating to items that will not be reclassified to profit or loss		(14.59)	(11.88)
Net other comprehensive income not to be reclassified subsequently to profit or loss		35.50	28.91
Other comprehensive income / (deficit) for the year, net of income tax		35.50	28.91
Total comprehensive income		15,594.18	5,395.24
Earnings per equity share (face value Rs.10 each)			
Basic (in rupees)		70.16	31.29
Diluted (in rupees)		68.58	30.69

See accompanying notes to the financial statements

As per our report of even date
for **BSR & Co. LLP**
Chartered Accountants

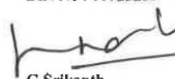
Firm's registration number: 101248W/W-100022


K Raghuram
Partner
Membership No: 211171

Place : Chennai
Date : May 14, 2019

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


D Lakshminpathy
Chairman and Managing Director
DIN No : 01723269


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

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


Five-Star Business Finance Limited
Standalone 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
ASSETS				
Financial Assets				
Cash and cash equivalents	4	20,992.65	12,643.11	17,986.69
Bank balances other than cash and cash equivalents	5	6.88	7.98	56.64
Loans	6	205,743.73	96,859.91	47,380.65
Investments	7	1,500.00	1,500.00	1,500.00
Other financial assets	8	283.68	269.19	190.30
		228,526.94	111,280.19	67,114.28
Non-financial Assets				
Current tax assets (net)	9	348.17	344.41	-
Deferred tax assets (net)	37	1,422.06	621.54	346.62
Investment property	10	3.56	3.56	3.56
Property, plant and equipment	11	744.41	450.69	446.38
Capital work-in-progress	11	-	14.13	-
Intangibles under development	12	-	-	158.11
Other intangible assets	12	201.80	181.09	35.98
Other non-financial assets	13	357.39	413.86	60.39
		3,077.39	2,029.28	1,051.04
Total assets		231,604.33	113,309.47	68,165.32
LIABILITIES AND EQUITY				
Financial Liabilities				
Payables				
Trade payables				
total outstanding dues of micro and small enterprises		-	-	-
total outstanding dues of creditors other than micro and small enterprises		281.39	221.10	109.26
Debt securities	15	42,972.28	19,322.09	19,078.05
Borrowings (other than debt securities)	16	49,198.22	33,483.42	25,836.73
Other financial liabilities	17	510.91	440.09	380.01
		92,962.80	53,466.70	45,404.05
Non-financial Liabilities				
Current tax liabilities (net)	18	159.89	-	170.12
Provisions	19	365.19	170.26	74.55
Other non-financial liabilities	20	1,608.12	451.38	284.24
		2,133.20	621.64	528.91
Equity				
Equity share capital	21	2,389.96	1,916.89	1,426.51
Other equity	22	134,118.37	57,304.24	20,805.85
		136,508.33	59,221.13	22,232.36
		231,604.33	113,309.47	68,165.32

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
Company Secretary
ACS: A51334

Place : Chennai
Date : May 14, 2019

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

Five-Star Business Finance Limited
Standalone 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
A. Cash Flow from Operating Activities		
Net profit before tax	21,798.71	7,565.46
Adjustments for:		
Depreciation and amortization	419.42	259.30
Provision for gratuity	58.51	33.73
Provision for compensated absences	86.33	21.19
Provision for impairment on financial instruments and write-offs	700.54	903.00
Loss on sale/retirement of property, plant and equipment (net)	0.93	8.42
Profit on sale of current investments (net)	(559.86)	(675.21)
Interest income on deposits with banks / others	(1,335.21)	(797.59)
Finance costs	7,285.60	5,471.27
Employee stock option expenses	267.83	214.94
Operating cash flow before working capital changes	28,722.80	13,004.51
Changes in Working Capital:		
<i>Adjustments for (Increase) / Decrease in Operating Assets:</i>		
Loans	(109,584.36)	(50,382.26)
Other non- financial assets	(94.34)	(182.47)
Other financial assets	(59.35)	(52.00)
<i>Adjustments for Increase / (Decrease) in Operating Liabilities:</i>		
Trade payables	60.31	111.87
Other financial liabilities	(1.09)	1.34
Other non financial liabilities	1,156.74	167.14
Net cash (used in) operations	(79,799.29)	(37,331.87)
Finance cost paid	(7,409.26)	(5,410.96)
Direct taxes paid (net)	(6,798.84)	(2,918.89)
Net Cash Used in Operating Activities (A)	(94,007.40)	(45,661.72)
B. Cash Flow from Investing Activities		
Purchase of fixed assets	(585.14)	(448.23)
Proceeds from sale of fixed assets	15.30	4.04
Profit on sale of current investments	559.86	675.21
Interest income on deposits with banks / others	1,380.07	770.69
Movement in bank balances other than cash and cash equivalents	1.09	48.66
Net Cash from Investing Activities (B)	1,371.18	1,050.37
C. Cash Flow from Financing Activities		
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	60,140.00	19,500.00
Repayments of borrowings (including process fee)	(20,579.43)	(11,610.83)
Net Cash from Financing Activities (C)	100,985.76	39,267.77
Net Increase / (Decrease) in Cash and Cash Equivalents [(A) + (B) + (C)]	8,349.54	(5,343.58)
Cash and Cash Equivalents at the beginning of the year	12,643.11	17,986.69
Cash and Cash Equivalents at the end of the year	20,992.65	12,643.11



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

Five-Star Business Finance Limited
Standalone 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
Notes to cash flow statement		
1 Cash and cash equivalents		
Cash on hand	343.31	166.92
Balances with banks		
(i) In current accounts	19,930.86	1,269.22
(ii) In other deposit accounts (original maturity less than 3 months)	718.48	11,206.97
	20,992.65	12,643.11

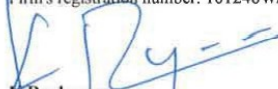
2 Change in liabilities arising from financing activities

Particulars	Debt securities	Borrowings (other than debt securities)
As at April 1, 2017	19,078.05	25,836.73
Cash flows	207.90	7,684.38
Others*	36.14	(37.69)
As at March 31, 2018	19,322.09	33,483.42
Cash flows	23,742.84	15,817.73
Others*	(92.65)	(102.93)
As at March 31, 2019	42,972.28	49,198.22

* 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

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

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

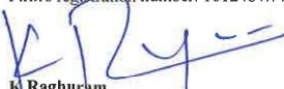
Particulars	Note	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations			
Interest income	22	74,682.42	38,973.81
Fee income	23	2,970.84	1,327.05
Net gain on fair value changes	24	1,018.22	589.94
Total revenue from operations		78,671.48	40,890.80
Other income	25	63.25	1.86
Total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


Significant accounting policies
See accompanying notes to the financial statements

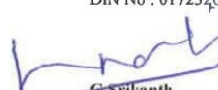
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As per our report of even date
for **BSR & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022


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


K Raghuram
Partner
Membership No: 211171


D Lakshmi pathy
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

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

Five-Star Business Finance Limited
Balance Sheet as at March 31, 2020

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

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

Significant accounting policies

2 and 3

See accompanying notes to the financial statements

As per our report of even date

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

Chartered Accountants

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

K Raghuram

Partner

Membership No: 211171

For and on behalf of the Board of Directors of

Five-Star Business Finance Limited

CIN : U65991TN1984PLC010844

D Lakshmi pathy

Chairman and Managing Director

DIN No : 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

Place : Chennai

Date : June 10, 2020

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

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

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



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

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

2 Change in liabilities arising from financing activities

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


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

Significant accounting policies
See accompanying notes to the financial statements

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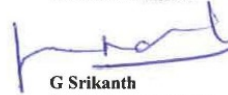
As per our report of even date
for **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022


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


R Raghuram
Partner
Membership No: 211171


D Lakshmi pathy
Chairman and Managing Director
DIN No : 01723269


R Anand
Director
DIN No : 00243485


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


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


B Shalini
Company Secretary
ACS: A51334

Place : Chennai
Date : June 10, 2020

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

Five-Star Business Finance Limited

Statement of Profit and loss for the year ended June 30, 2020

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

Particulars	Note	Period ended June 30, 2020	Period ended June 30, 2019	Year ended March 31, 2020
Revenue from operations				
Interest income	23	24,350.29	14,616.38	74,682.42
Fee income	24	42.05	413.10	2,970.84
Net gain on fair value changes	25	-	270.54	1,018.22
Total revenue from operations		24,392.35	15,300.02	78,671.48
Other income	26	1.53	0.66	63.25
Total Income		24,393.88	15,300.68	78,734.73
Expenses				
Finance costs	27	7,166.36	3,628.41	21,693.51
Fees expenses	28	27.60	58.52	42.52
Impairment / write off on financial instruments	29	1,024.90	352.06	4,934.19
Employee benefits expenses	30	3,550.96	2,439.03	12,710.78
Depreciation and amortization	11 & 12	327.53	182.33	1,006.85
Other expenses	31	491.91	651.33	3,416.83
Total Expenses		12,589.26	7,311.68	43,804.68
Profit before tax		11,804.62	7,989.01	34,930.05
Tax expense				
Current tax	33 A	3,131.10	2,150.03	10,056.07
Deferred tax (net)	37	(159.35)	176.27	(1,321.07)
		2,971.76	2,326.30	8,735.00
Profit for the period		8,832.87	5,662.72	26,195.06
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Re-measurements of the defined benefit plan loss		-	-	148.80
		-	-	(37.45)
Net other comprehensive income not to be reclassified subsequently to profit or loss		-	-	111.35
Other comprehensive income / (deficit) for the year, net of income tax		-	-	111.35
Total comprehensive income		8,832.87	5,662.72	26,083.71

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

Five-Star Business Finance Limited

Balance Sheet as at June 30, 2020

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

Particulars	Note	As at June 30, 2020	As at June 30, 2019	As at March 31, 2020
ASSETS				
Financial Assets				
Cash and cash equivalents	4	71,423.52	69,555.75	28,977.95
Bank balances other than cash and cash equivalents	5	19,032.01	362.31	16,134.94
Loans	6	3,79,655.49	2,40,753.08	3,83,080.44
Other financial assets	8	863.16	411.72	524.57
		4,70,974.18	3,11,082.88	4,28,717.90
Non-financial Assets				
Current tax assets (net)	9	-	360.01	435.46
Deferred tax assets (net)	37	2,982.32	1,288.18	2,822.97
Investment property	10	3.56	3.56	3.56
Property, plant and equipment	11	966.87	2,323.60	1,106.09
Right of use		1,395.12	-	1,488.00
Other intangible assets	12	178.69	231.63	192.80
Other non-financial assets	13	575.11	397.15	548.62
		6,101.67	4,604.14	6,597.51
Total assets		4,77,075.85	3,15,687.01	4,35,315.40
LIABILITIES AND EQUITY				
Financial Liabilities				
Payables	14			
Trade payables				
total outstanding dues of micro and small enterprises		-	-	-
total outstanding dues of creditors other than micro and small enterprises		663.61	366.23	662.40
Debt securities	15	1,21,536.19	1,00,259.44	1,07,886.42
Borrowings (other than debt securities)	16	1,44,693.03	66,792.65	1,28,482.89
Other financial liabilities	17	3,100.87	1,788.84	1,568.10
		2,69,993.70	1,69,207.16	2,38,599.81
Non-financial Liabilities				
Current tax liabilities (net)	18	790.68	686.28	74.80
Provisions	19	756.89	481.24	577.61
Other non-financial liabilities	20	2,206.01	3,097.22	1,605.12
		3,753.57	4,264.73	2,257.53
Equity				
Equity share capital	21	2,558.21	2,390.12	2,558.21
Other equity	22	2,00,770.36	1,39,825.00	1,91,899.85
		2,03,328.58	1,42,215.13	1,94,458.06
		4,77,075.85	3,15,687.01	4,35,315.40

See accompanying notes to the financial statements

ANNEXURE VI: ILLUSTRATION OF DEBENTURE CASH FLOWS

Illustration of Cash Flows:

As provided in Clause 5.23 above.

Scenario Analysis - Tabular Representation

As provided in Clause 5.23 above.