

SHELF DISCLOSURE DOCUMENT



FIVE-STAR BUSINESS FINANCE LIMITED

A public limited company incorporated under the Companies Act, 1956

Date of Incorporation: May 07, 1984

Registered Office: New No.27, Old No.4, Taylors Road, Kilpauk,
Chennai, Tamil Nadu – 600 010

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

SHELF DISCLOSURE DOCUMENT for issue of Debentures on a private placement basis on

Issue of 1000 (One thousand) Rated, Listed, Senior, Secured, Redeemable, Taxable, Transferable, Non-Convertible Debentures (“NCDs” or “Debentures”) of face value of Rs.10,00,000/- (Rupees Ten Lakh Only) each, to be issued in one or more series/tranches aggregating up to Rs. 100,00,00,000 (One Hundred Crores Only) issued at par/premium/ discount.

Background

This Shelf Disclosure Document is related to the Debentures to be issued by Five-Star Business Finance Limited (the “**Issuer**” or “**Company**”) on a private placement basis and contains relevant information and disclosures required for the purpose of issuing of the Debentures. The issue of the Debentures comprised in the Issue and described under this Shelf Disclosure Document has been authorized by the Issuer through resolutions passed by the shareholders of the Company on September 25, 2019 and the Board of Directors of the Company on August 2, 2019 read with the resolution passed by the Business and Resource Committee of the Board of Directors dated June 12, 2020 and the Memorandum and Articles of Association of the Company. Pursuant to the resolution passed by the Company’s shareholders dated September 25, 2019 in accordance with provisions of the Companies Act, 2013, the Company has been authorized to borrow, upon such terms and conditions as the Board may think fit, for amounts up to INR 25,00,00,00,000/- (Rupees Twenty Five Hundred Crores only). The present issue of NCDs in terms of this Shelf Disclosure Document 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 of this memorandum of private placement for issue of Debentures on a private placement basis (“**Shelf Disclosure Document**” or “**Disclosure Document**”). This Shelf Disclosure Document 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 Shelf Disclosure Document/ Disclosure Document is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. The Issuer is solely responsible for the correctness, adequacy and disclosure of all relevant information herein.

Credit Rating

The Debentures proposed to be issued by the Issuer have been rated by **ICRA Ratings Limited** ("Rating Agency / ICRA"). The Rating Agency has, vide its letter dated June 09, 2020 assigned a rating of "**ICRA A (Stable)**" in respect of the Debentures. The above rating is not a recommendation to buy, sell or hold securities and Investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the rating agency and should be evaluated independently of any other ratings. Please refer to Annexure III of this Shelf Disclosure Document for the letter dated June 09, 2020 from the Rating Agency assigning the credit rating abovementioned.

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

Debenture Trustee



Catalyst Trusteeship Limited

Office No. 604, 6th floor, Windsor, C.S.T. Road,
 Kalina, Santacruz (East), Mumbai 400098
 Tel.: +91-22-49220503
 Fax: +91-22-49220505
 Email: umesh.salvi@ctltrustee.com

Registrar and Transfer Agent



NSDL Database

Management Limited

Trade World, A – Wing, 4th & 5th Floors, Kamala
 Mills Compound, Lower Parel, Mumbai –
 400013
 Tel: 91-22-24994200
 Email: info_ndml@nsdl.co.in

I. DISCLAIMER CLAUSE:

THIS SHELF DISCLOSURE DOCUMENT OF PRIVATE PLACEMENT (HEREINAFTER REFERRED TO AS THE "**SHELF DISCLOSURE DOCUMENT**") IS NEITHER A PROSPECTUS NOR A STATEMENT IN LIEU OF PROSPECTUS. THE ISSUE OF RATED, SECURED, LISTED, REDEEMABLE NON-CONVERTIBLE DEBENTURES (HEREINAFTER REFERRED TO AS "**DEBENTURES**") TO BE ISSUED IS BEING MADE STRICTLY ON A PRIVATE PLACEMENT BASIS. IT IS NOT INTENDED TO BE CIRCULATED TO MORE THAN 49 (FORTY-NINE) PERSONS. MULTIPLE COPIES HEREOF GIVEN TO THE SAME ENTITY SHALL BE DEEMED TO BE GIVEN TO THE SAME PERSON AND SHALL BE TREATED AS SUCH. IT DOES NOT CONSTITUTE AND SHALL NOT BE DEEMED TO CONSTITUTE AN OFFER OR AN INVITATION TO

SUBSCRIBE TO THE DEBENTURES ISSUED TO THE PUBLIC IN GENERAL. APART FROM THIS SHELF DISCLOSURE DOCUMENT, NO OFFER DOCUMENT OR PROSPECTUS HAS BEEN PREPARED IN CONNECTION WITH THE OFFERING OF THIS ISSUE OR IN RELATION TO THE COMPANY NOR IS SUCH A PROSPECTUS REQUIRED TO BE REGISTERED UNDER THE APPLICABLE LAWS. ACCORDINGLY, THIS SHELF DISCLOSURE DOCUMENT HAS NEITHER BEEN DELIVERED FOR REGISTRATION NOR IS IT INTENDED TO BE REGISTERED.

THIS SHELF DISCLOSURE DOCUMENT HAS BEEN PREPARED TO PROVIDE GENERAL INFORMATION ABOUT THE COMPANY TO POTENTIAL INVESTORS TO WHOM IT IS ADDRESSED AND WHO ARE WILLING AND ELIGIBLE TO SUBSCRIBE TO THE DEBENTURES. THIS SHELF DISCLOSURE DOCUMENT DOES NOT PURPORT TO CONTAIN ALL THE INFORMATION THAT ANY POTENTIAL INVESTOR MAY REQUIRE. NEITHER THIS SHELF DISCLOSURE DOCUMENT NOR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE DEBENTURES IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION NOR SHOULD ANY RECIPIENT OF THIS SHELF DISCLOSURE DOCUMENT CONSIDER SUCH RECEIPT A RECOMMENDATION TO PURCHASE ANY DEBENTURES. EACH INVESTOR CONTEMPLATING THE PURCHASE OF ANY DEBENTURES SHOULD MAKE HIS OWN INDEPENDENT INVESTIGATION OF THE FINANCIAL CONDITION AND AFFAIRS OF THE COMPANY, AND HIS OWN APPRAISAL OF THE CREDITWORTHINESS OF THE COMPANY. POTENTIAL INVESTORS SHOULD CONSULT THEIR OWN FINANCIAL, LEGAL, TAX AND OTHER PROFESSIONAL ADVISORS AS TO THE RISKS AND INVESTMENT CONSIDERATIONS ARISING FROM AN INVESTMENT IN THE DEBENTURES AND SHOULD POSSESS THE APPROPRIATE RESOURCES TO ANALYSE SUCH INVESTMENT AND THE SUITABILITY OF SUCH INVESTMENT TO SUCH INVESTOR'S PARTICULAR CIRCUMSTANCES. IT IS THE RESPONSIBILITY OF INVESTORS TO ALSO ENSURE THAT THEY WILL SELL THESE DEBENTURES IN STRICT ACCORDANCE WITH THIS SHELF DISCLOSURE DOCUMENT AND OTHER APPLICABLE LAWS, SO THAT THE SALE DOES NOT CONSTITUTE AN OFFER TO THE PUBLIC WITHIN THE MEANING OF THE COMPANIES ACT, 1956 OR THE COMPANIES ACT, 2013, AS APPLICABLE. NONE OF THE INTERMEDIARIES OR THEIR AGENTS OR ADVISORS ASSOCIATED WITH THIS ISSUE UNDERTAKE TO REVIEW THE FINANCIAL CONDITION OR AFFAIRS OF THE COMPANY DURING THE LIFE OF THE ARRANGEMENTS CONTEMPLATED BY THIS SHELF DISCLOSURE DOCUMENT OR HAVE ANY RESPONSIBILITY TO ADVISE ANY INVESTOR OR POTENTIAL INVESTOR IN THE DEBENTURES OF ANY INFORMATION AVAILABLE WITH OR SUBSEQUENTLY COMING TO THE ATTENTION OF THE INTERMEDIARIES, AGENTS OR ADVISORS.

THE COMPANY CONFIRMS THAT, AS OF THE DATE HEREOF, THIS SHELF DISCLOSURE DOCUMENT CONTAINS INFORMATION THAT IS ACCURATE IN ALL MATERIAL RESPECTS AND DOES NOT CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT, OR OMITTS TO STATE ANY MATERIAL FACT, NECESSARY TO MAKE THE STATEMENTS HEREIN, THAT WOULD BE, IN THE LIGHT OF CIRCUMSTANCES UNDER WHICH THEY ARE MADE, NOT MISLEADING. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED OR INCORPORATED BY REFERENCE IN THIS SHELF DISCLOSURE DOCUMENT OR IN ANY MATERIAL MADE AVAILABLE BY THE COMPANY TO ANY POTENTIAL INVESTOR PURSUANT HERETO AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY. THE INTERMEDIARIES AND THEIR AGENTS OR ADVISORS ASSOCIATED WITH THIS ISSUE HAVE NOT SEPARATELY VERIFIED THE INFORMATION CONTAINED HEREIN. ACCORDINGLY, NO REPRESENTATION, WARRANTY OR UNDERTAKING, EXPRESS OR IMPLIED, IS MADE AND NO RESPONSIBILITY IS ACCEPTED BY ANY

SUCH INTERMEDIARY AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED IN THIS SHELF DISCLOSURE DOCUMENT OR ANY OTHER INFORMATION PROVIDED BY THE COMPANY. ACCORDINGLY, ALL SUCH INTERMEDIARIES ASSOCIATED WITH THIS ISSUE SHALL HAVE NO LIABILITY IN RELATION TO THE INFORMATION CONTAINED IN THIS SHELF DISCLOSURE DOCUMENT OR ANY OTHER INFORMATION PROVIDED BY THE COMPANY IN CONNECTION WITH THE ISSUE.

THE CONTENTS OF THIS SHELF DISCLOSURE DOCUMENT ARE INTENDED TO BE USED ONLY BY THOSE INVESTORS TO WHOM IT IS ISSUED. IT IS NOT INTENDED FOR DISTRIBUTION TO ANY OTHER PERSON AND SHOULD NOT BE REPRODUCED BY THE RECIPIENT.

EACH COPY OF THIS SHELF DISCLOSURE DOCUMENT IS SERIALLY NUMBERED AND THE PERSON, TO WHOM A COPY OF THE SHELF DISCLOSURE DOCUMENT IS SENT, IS ALONE ENTITLED TO APPLY FOR THE DEBENTURES. NO INVITATION IS BEING MADE TO ANY PERSONS OTHER THAN THOSE TO WHOM APPLICATION FORMS ALONG WITH THIS SHELF DISCLOSURE DOCUMENT HAVE BEEN SENT. ANY APPLICATION BY A PERSON TO WHOM THE SHELF DISCLOSURE DOCUMENT AND/OR THE APPLICATION FORM HAS NOT BEEN SENT BY THE COMPANY SHALL BE REJECTED WITHOUT ASSIGNING ANY REASON.

THE PERSON WHO IS IN RECEIPT OF THIS SHELF DISCLOSURE DOCUMENT SHALL MAINTAIN UTMOST CONFIDENTIALITY REGARDING THE CONTENTS OF THIS SHELF DISCLOSURE DOCUMENT AND SHALL NOT REPRODUCE OR DISTRIBUTE IN WHOLE OR PART OR MAKE ANY ANNOUNCEMENT IN PUBLIC OR TO A THIRD PARTY REGARDING ITS CONTENTS, WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMPANY.

EACH PERSON RECEIVING THIS SHELF DISCLOSURE DOCUMENT ACKNOWLEDGES THAT:

- SUCH PERSON HAS BEEN AFFORDED AN OPPORTUNITY TO REQUEST AND TO REVIEW AND HAS RECEIVED ALL ADDITIONAL INFORMATION CONSIDERED BY AN INDIVIDUAL TO BE NECESSARY TO VERIFY THE ACCURACY OF OR TO SUPPLEMENT THE INFORMATION HEREIN; AND
- SUCH PERSON HAS NOT RELIED ON ANY INTERMEDIARY THAT MAY BE ASSOCIATED WITH ISSUANCE OF THE DEBENTURES IN CONNECTION WITH ITS INVESTIGATION OF THE ACCURACY OF SUCH INFORMATION OR ITS INVESTMENT DECISION.

THE COMPANY DOES NOT UNDERTAKE TO UPDATE THE SHELF DISCLOSURE DOCUMENT TO REFLECT SUBSEQUENT EVENTS AFTER THE DATE OF THE SHELF DISCLOSURE DOCUMENT AND THUS IT SHOULD NOT BE RELIED UPON WITH RESPECT TO SUCH SUBSEQUENT EVENTS WITHOUT FIRST CONFIRMING ITS ACCURACY WITH THE COMPANY. NEITHER THE DELIVERY OF THIS SHELF DISCLOSURE DOCUMENT NOR ANY SALE OF DEBENTURES MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CONSTITUTE A REPRESENTATION OR CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF.

THIS SHELF DISCLOSURE DOCUMENT 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 SHELF DISCLOSURE DOCUMENT IN ANY JURISDICTION WHERE SUCH ACTION IS REQUIRED. THE DISTRIBUTION OF

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THE SHELF DISCLOSURE DOCUMENT IS MADE AVAILABLE TO POTENTIAL INVESTORS IN THE ISSUE ON THE STRICT UNDERSTANDING THAT IT IS CONFIDENTIAL

Disclaimer of the Arranger: Five Star Business Finance Limited (the “**Issuer**”/ “**Company**”) has authorized the Arranger to distribute this Shelf Disclosure Document in connection with the proposed issue of the Debentures (the “**Transaction**”).

Nothing in this Shelf Disclosure Document constitutes an offer of securities for sale in the United States or any other jurisdiction where such offer or placement would be in violation of any law, rule or regulation.

The Issuer has prepared this Shelf Disclosure Document and the Issuer is solely responsible for its contents. The Issuer will comply with all laws, rules and regulations and has obtained all regulatory, governmental and corporate approval for the issuance of the Debentures. All the information contained in this Shelf Disclosure Document has been provided by the Issuer or is publicly available information, and such information has not been independently verified by the Arranger. No representation or warranty, expressed or implied, is or will be made, and no responsibility or liability is or will be accepted, by the Arranger or its affiliates for the accuracy, completeness, reliability, correctness or fairness of this Shelf Disclosure Document or any of the information or opinions contained therein, and the Arranger hereby expressly disclaims, to the fullest extent permitted by law, any responsibility for the contents of this Shelf Disclosure Document and any liability, whether arising in tort or contract or otherwise, relating to or resulting from this Shelf Disclosure Document or any information or errors contained therein or any omissions therefrom. By accepting this Shelf Disclosure Document, you agree that the Arranger will not have any such liability.

You should carefully read and retain this Shelf Disclosure Document. However, you are not to construe the contents of this Shelf Disclosure Document as investment, legal, accounting, regulatory or tax advice, and You should consult with your own advisors as to all legal, accounting, regulatory, tax, financial and related matters concerning an investment in the Debentures.

Stock Exchange Disclaimer Clause: It is to be distinctly understood that filing of this Shelf Disclosure Document with the Stock Exchange should not, in any way, be deemed or construed that the same has been cleared or approved by the Stock Exchange. The Stock Exchange does not take any responsibility either for the financial soundness of any scheme or the project for which the issue is proposed to be made, or for the correctness of the statements made or opinions expressed in this Shelf Disclosure Document.

II. DEFINITIONS AND ABBREVIATIONS

Act	Means Companies Act, 2013, and for any matters or affairs prior to the notification of the relevant provisions of the Companies Act, 2013, the Companies Act, 1956 and shall include any re-enactment, amendment or modification of the Companies Act, 2013, as in effect from time to time
Agreement of Hypothecation	Means the unattested agreement of hypothecation, dated on or about the Deemed Date of Allotment, to be executed and delivered by the Company in a form acceptable to the Debenture Trustee securing the due repayment of the Secured Obligations in respect of the Debentures
Applicant	Means a person who has submitted a completed Application Form to the Company
Applicable Laws	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
Application Form	The form used by the recipient of this Disclosure Document, to apply for subscription to the Debentures, which is annexed and marked as Annexure I
Application Money	Means the subscription monies paid by the Applicants at the time of submitting the Application Form
Arranger/ Broker	Such Person(s)/entities as have been authorized by the Issuer for the marketing of the Issue.
Assets	Means, for any date of determination, the assets of the Company on such date as the same would be determined in accordance with Indian GAAP at such date
Beneficial Owners	means the holder(s) of the Debentures in dematerialized form whose name is recorded as such with the Depository in the Register of Beneficial Owners
BSE	Means the BSE Limited
Business Day	Means a day (other than a Saturday and Sunday or a bank/National holiday) on which banks are open for general business in Chennai, India
Call/ Put Option	As per term sheet
Call Option Interest Rate	As per term sheet
Capital Adequacy Ratio or CRAR	Means the capital adequacy ratio prescribed by the RBI for non-banking financial companies from time to time, currently being the aggregate of Tier I Capital and Tier II Capital divided by Risk Weighted Assets
CERSAI	means Central Registry of Securitization Asset Reconstruction and Security Interest of India
CDSL	Means Central Depository Services Limited
Charged Receivables	means the book debts / loan receivables of the Company over which a first ranking exclusive and continuing charge has to be

	created pursuant to an unattested Deed of Hypothecation, dated on or about the Deemed Date of Allotment, executed or to be executed and delivered by the Company in a form acceptable to the Debenture Trustee.
Client Loan	Means each loan made by the Company as a lender
Companies Act or Act	means the Companies Act, 2013 ("2013 Act"), and for any matters or affairs prior to the notification of the relevant provisions of the Companies Act, 2013, the Companies Act, 1956 ("1956 Act"), and shall include any re-enactment, amendment or modification of the Companies Act, 2013, as in effect from time to time
Credit Rating Agency/ Agencies or CRA	Any SEBI registered Rating Agency appointed from time to time
Control	Means and includes the right to appoint a majority of directors, or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner
Constitutional Documents	Means the memorandum of association and the articles of association of the Company
Debentures/NCDs/Debt Securities/Securities	Means Rated, Listed, Senior, Secured, Redeemable, Taxable, Transferable, Non-Convertible Debentures ("NCDs" or "Debentures") denominated in Indian Rupees ('INR') each having a face value of INR 10,00,000/- (Indian Rupees Ten Lakh Only) issued at par/premium/ discount.
Debenture Holders or DH	Mean collectively the Debenture Holders of this issuance
Debenture Trustee or DT	Trustee for the Debenture holders, in this case being Catalyst Trusteeship Limited
Debenture Trustee Agreement or DTA	The Debenture Trustee and the Company have entered into a debenture trustee agreement executed by and between the Debenture Trustee and the Company ("Debenture Trustee Agreement"), whereby the Company has appointed the Debenture Trustee and the Debenture Trustee has agreed to be appointed as a debenture trustee on behalf of and for the benefit of the Debenture Holder(s) and for purposes related thereto, including for holding the security to be created by the Company in favour of the Debenture Trustee to secure the payment and other obligations of the Company in respect of the issuance of the Debentures, for the benefit of the Debenture Holder(s)
Debenture Trust Deed or DTD	Shall mean the debenture trust cum mortgage deed executed/to be executed by and between the Debenture Trustee and the Company 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 Trustees Regulations	Means the Securities Exchange Board of India (Debenture Trustees) Regulations, 1993 (as amended or restated from time to time)

Debt	Means the aggregate of: <ol style="list-style-type: none"> a) all long-term outstanding, whether secured or unsecured; b) all contingent liabilities pertaining to corporate or financial guarantees given on behalf of any company, special purpose vehicle, subsidiary, or affiliate of the Company (to the extent of outstanding of such guaranteed debt); c) 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; d) any amount raised by acceptance under any acceptance credit facility; e) receivables sold or discounted (other than receivables to the extent they are sold on a non-recourse basis); f) any put option, shortfall/liquidity support undertaking, debt service reserve account undertaking, keep fit letter(s) which give or may give rise to any financial obligation(s); and g) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing.
Shelf (Debt) Disclosure Document	This document which sets out the information regarding the Debentures being issued on a private placement basis and has been issued pursuant to regulation 21A of the SEBI Debt Listing Regulations
Debt Listing Regulations	Means the Securities Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2017 (as amended or restated from time to time)
Deed of Hypothecation	The deed of hypothecation entered into/to be entered into between the Issuer and the Debenture Trustee, pursuant to which hypothecation over Hypothecated Assets shall be created by the Issuer in favour of the Debenture Trustee (acting for and on behalf of the Debenture Holder(s)).
Depository	Means the depository with whom the Company has made arrangements for dematerializing the Debentures, being CDSL and NSDL
Designated Proceeds Account	Means the account number 409000464102 maintained with RBL Bank Limited in the name of Company, being the separate bank account opened by the Company for receipt of and utilization of the proceeds of the Issue
DRR	Debenture Redemption Reserve
Event of Default	Means each of the events specified in the Debenture Trust Deed
Initial Subscription Amount	Any partial Face Value of Debentures, payable on the Date of Allotment
Additional Subscription Amount	Face Value of Debentures less Initial Subscription Amount
Additional Subscription	The investor shall compulsorily pay up the additional subscription amount on any date as per Term sheet (such date of payment

	being the "Additional Subscription Amount Payment Date").
Date of Allotment	The date at which allotment of debentures takes place
Financial Year	Means each period of 12 (twelve) months commencing on April 1 of any calendar year and ending on March 31 of the subsequent calendar year
Gross NPA	Shall mean 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 more than 90 days and any restructured loans.
Interest Expense	Means all interest payable by the Company on all borrowings of the Company and all financial assistance availed by the Company from any bank, financial institution or any other person
Local Currency	Means Indian Rupees (denoted as "INR" or "Rs."), the lawful currency of India
LODR Regulations	Means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be amended from time to time
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)
Net Owned Funds	Has the meaning ascribed to it under Section 45-IA of the RBI Act, 1934
Nominee Director	As defined in the Securities and Exchange Board of India (Debenture Trustee) Regulations
NSDL	Means National Securities Depository Limited
Person	Shall mean any individual, partnership, joint venture, firm, corporation, association, limited liability company, trust or other enterprise or any government or political subdivision or any agency, department or instrumentality thereof
Private Placement Offer Letter	Document as per Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014
Promoter	Means collectively Lakshmipathy.
RBI	Means the Reserve Bank of India
ROC	Means the jurisdictional Registrar of Companies
SEBI	Means the Securities and Exchange Board of India
Security Cover	Means the ratio of Receivables comprising the Hypothecated Property to the Outstanding Principal Amounts to be maintained

	in accordance with the provisions of the Agreement of Hypothecation
Debenture Holders	<p>Means the Applicants whose names and addresses are set out in the Application Form and who have agreed to subscribe to the Debentures, and for any subsequent Debenture Holders, each person that fulfils the following requirements:</p> <p>(a) Persons who are registered as Beneficial Owners; and</p> <p>(b) Persons who are registered as a debenture holder in the Register of Debenture Holders.</p> <p>Sub-paragraphs (a) and (b) shall be deemed to include transferees of the Debentures registered with the Company and the Depository from time to time, and in the event of any inconsistency between sub-paragraph (a) and (b) above, sub paragraph (a) shall prevail</p>
Deemed Date of Allotment	As per Term sheet
Transaction Documents	Mortgage cum Debenture Trust Deed, the Debt Disclosure Document, the Agreement of Hypothecation, Debenture Trustee Agreement, the letters issued by the Rating Agency and the Registrar, resolutions passed by the board of directors and members of the Company and all other documents in relation to the issuance of the Debentures shall be collectively referred to as the "Transaction Documents"

III. LIST OF DOCUMENTS TO BE FILED WITH THE STOCK EXCHANGE

List of disclosures to be filed along with the listing application to the stock exchange:

- A. Memorandum and Articles of Association and necessary resolution(s) for the allotment of the debt securities;
- B. Copy of last three years audited Annual Reports;
- C. Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- D. Copy of the Board / Committee Resolution authorizing the borrowing and list of authorized signatories.
- E. An undertaking from the issuer stating that the necessary documents for the creation of the charge, where applicable, including the Trust Deed would be executed within the time frame prescribed in the relevant regulations/act/rules etc and the same would be uploaded on the website of the Designated Stock exchange, where the debt securities have been listed, within five working days of execution of the same.
- F. Any other particulars or documents that the recognized stock exchange may call for as it deems fit.
- G. An undertaking that permission / consent from the prior creditor for a second or *pari passu* charge being created, where applicable, in favor of the trustees to the proposed issue has been obtained.

IV. LIST OF DOCUMENTS TO BE DISCLOSED TO THE DEBENTURE TRUSTEE

List of disclosures to be submitted to the Debenture Trustee in electronic form (soft copy) at the time of allotment of the debt securities:

- A. Memorandum and Articles of Association and necessary resolution(s) for the allotment of the debt securities;
- B. Copy of last 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, till the redemption of the debt securities, submit the details mentioned in point (D) above to the Trustee within the timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular No.SEBI/IMD/BOND/1/2009/11/05 dated May11, 2009 as amended from time to time, for furnishing / publishing its half yearly/ annual result. Further, the Issuer shall within 180 days from the end of the financial year, submit a copy of the latest annual report to the Trustee and the Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' (QIBs) and other existing debenture-holders within two working days of their specific request.

V. NAME AND ADDRESS OF THE FOLLOWING:

- (i) Registered office of the Issuer**
New No. 27, Old No. 4, Taylor's Road, Kilpauk, Chennai – 600010
Phone No.: 044-46106200
Fax No.: 044-46106200
- (ii) Corporate office of the Issuer**
New No. 27, Old No. 4, Taylor's Road, Kilpauk, Chennai – 600010
Phone No.: 044-46106200
Fax No.: 044-46106200
- (iii) Compliance/Nodal officer of the Issuer**
Ms. Shalini B
Phone No.: 044-46106200
Fax No.: 044-46106200
- (iv) CFO of the Issuer**
Mr. Srikanth G
Phone No.: 044-46106200
Fax No.: 044-46106200
- (v) Arranger to the Issue**
NA

- (vi) Trustee of the issue**
Catalyst Trusteeship Limited
Office No. 83 – 87, 8th Floor,
'Mittal Tower', B' Wing, Nariman Point
Mumbai – 400021
T: (91) (20) 2528 0081
Mail ID: dt@ctltrustee.com
- (vii) Registrar of the issue**
NSDL Database Management Limited (NDML)
4th Floor, Trade World, 'A' Wing
Kamala Mills Compound
Lower Parel, Mumbai - 400 013
Tel: 91-22-24994200
Mail ID: info_ndml@nsdl.co.in
- (viii) Credit Rating Agency of the issue**
ICRA Limited
3rd Floor, Electric Mansion,
Appasaheb Marathe Marg, Prabhadevi,
Mumbai - 400 025.
Tel: +91 22 6169 3300
- (ix) Auditors of the Issuer**
B S R & Co. LLP
KRM Tower, 1st and 2nd Floor,
No. 1, Harrington Road, Chetpet,
Chennai - 600031

VI. A brief summary of the business/ activities of the Issuer and its line of business containing atleast following information:

i. 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.

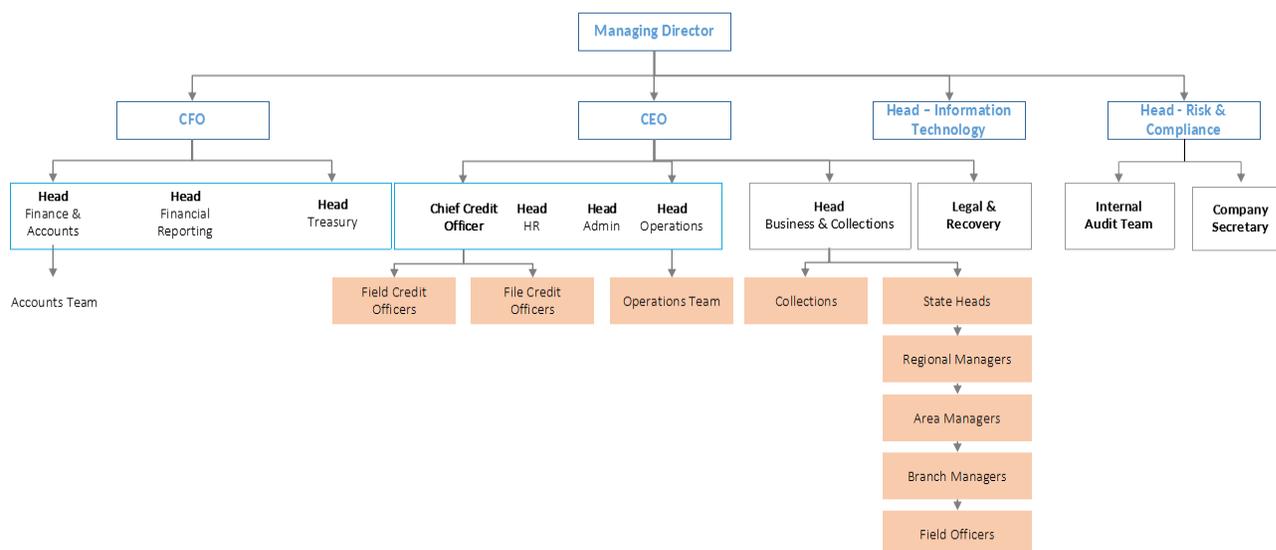
The company was originally promoted by Mr V K Ranganathan and is currently being managed by Mr D Lakshmiopathy, who joined the Board of the company in 2002, and is currently its Chairman and Managing Director. Under his leadership, over the last 9 years, the company has grown from a branch network of 6 to more than 236 today and from an AUM of Rs.18 Crores to about Rs. 3,260 Crores (consolidated) 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 on December 31, 2019, Five-Star operated 236 branches in 8 states – Tamil Nadu (82 branches; including 2 in Puducherry), Andhra Pradesh (61 branches), Telangana (36 branches), Karnataka (27 branches), Maharashtra (4 branches), Madhya Pradesh (24 branches), Chhattisgarh (2 branches) and Uttar Pradesh (1 branch) - with a borrower base of more than 1,18,000 customers and a total portfolio under management of about Rs.3260 Crores (consolidated).

ii. Corporate Structure

ORGANISATIONAL STRUCTURE



iii. Key Operational and Financial Parameters for the last 3 Audited years

Parameters	Rs. In lakhs			
	Audited 31-Mar-19	Audited 31-Mar-18	Audited 31-Mar-17	Audited 31-Mar-16
Net Worth	136508.33	59,994.64	22,449.10	9,116.64
Total Debt	92170.32	53,070.39	45,185.97	12,875.61
- Non current maturities of long term Borrowings	69970.37	37,346.98	33,871.55	8,002.28

Parameters	Audited	Audited	Audited	Audited
	31-Mar-19	31-Mar-18	31-Mar-17	31-Mar-16
- Short term borrowings	861.95	4,979.68	4,687.75	1,382.16
- Current maturities of long term Borrowings	21338	10,743.73	6,626.67	3,491.18
Net Fixed Assets	929.06	649.46	640.47	190.88
Non-Current Assets	180384.26	83,298.76	41,047.45	16,530.78
Cash and Cash equivalents	20999.53	12,651.08	18,002.71	246.58
Current Investments		-	-	400.00
Current Assets	52825.228	31,993.94	27,979.78	5,951.77
Current Liabilities	26730.79	17,231.65	12,448.93	5,273.99
Assets Under Management	207348.89	97,993.69	48,341.53	19,812.54
Off balance sheet assets		-	-	-
Interest Income	35668.83	16,962.63	7,389.88	4,107.83
Interest Expense	7380.37	5,554.58	2,373.25	1,407.29
Provisioning & Write Offs	700.54	918.55	279.54	72.77
PAT	15594.17	5,618.12	1,937.48	1,341.49
Gross NPA (%)	0.87%	1.45%	0.03	0.02
Net NPA (%)	0.67%	0.96%	0.02	0.02
Tier I Capital Adequacy Ratio (%)	64.24%	58.05%	0.44	0.39
Tier II Capital Adequacy Ratio (%)	0.57%	0.95%	-	-

Key Operational and Financial Parameters for December 31, 2019:

Rs. In lakhs

Parameters	*Unaudited	*Unaudited
	31-Dec-19	30-Sep-19
Net Worth	187070	179795
Total Debt	194987	184586
Debt Securities	111740	112396
Borrowings (Other than Debt Securities)	83247	72190
Assets Under Management	319409	272204
Off balance sheet assets	-	-
Interest Income	47328	29335
Interest Expense	14538	8838
Provisioning & Write Offs	1791	1380
PAT	18951	11707
Gross NPA (%)	0.74%	0.81%
Net NPA (%)	0.57%	0.62%
Tier I Capital Adequacy Ratio (%)	56.22%	63.23%
Tier II Capital Adequacy Ratio (%)	0.88%	0.89%

*FY 2019 & FY 2020 figures are as per IND-AS. Figures for FY2016, 2017 & 2018 are as per IGAAP and hence may not be directly comparable.

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

**AUM & Debt for FY19 & FY20 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	1.19
After the issue of debt securities	1.19

Calculations

Before the issue, debt-to-equity ratio is calculated as follows: - (Rs. Lakhs)

Debt	2,34,794.03
Equity	1,98,095.13
Debt/Equity	1.19

Subsequent to the issue, debt-to-equity ratio shall be calculated as follows: - (Rs. Lakhs)

Debt	2,35,294.03
Equity	1,98,095.13
Debt/Equity	1.19

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

- iv. Project cost and means of financing, in case of funding of new projects
Not Applicable.

VII. BRIEF HISTORY OF THE COMPANY SINCE ITS INCORPORATION GIVING DETAILS OF THE FOLLOWING ACTIVITIES

(a) Details of Share Capital as on March 31, 2020:

Share Capital (Amount in Lakhs)	As on December 31, 2019	As on March 31, 2020
Authorised		
30,000,000 shares (March 31, 2018 - 20,000,000, April 1, 2017 - 20,000,000) of INR 10 each	3000.00	3000.00
Issued and Subscribed	2541.03	2712.79
Fully Paid- up	2541.03	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 March 31, 2020, for the last five years:

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

(c) Equity Share Capital History of the Company as on March 31, 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

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

(d) **Paid-up Preference Share Capital History of the Company as on March 31, 2020 for the last five years:**

N.A.

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

N.A.

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

N.A.

VIII. Details of the shareholding of the Company as on March 31, 2020,

(a) Shareholding pattern of the Company as on March 31, 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

(b) List of top 10 holders of equity shares of the Company as on March 31, 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

IX. FOLLOWING DETAILS REGARDING THE DIRECTORS OF THE COMPANY:

(a) Details of the Current Directors of the Company

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	-

S.No.	Name	Designation	Address	DIN	Other Directorship
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 Limited 5. United Overseas Facilities Management Private Limited 6. Mangal Credit And Fincorp Limited 7. South India Finvest Private Limited 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

S.No.	Name	Designation	Address	DIN	Other Directorship
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	-
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

S.No.	Name	Designation	Address	DIN	Other Directorship
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

**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.*

(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 Director	07679930	15-12-2016	-
Ganapathyagraharam Venkataraman Ravishankar	Nominee Director	01522796	18-08-2017	-
Kalpana Iyer	Independent Director	01874130	30-04-2018	12-04-2016
Gaurav Trehan	Nominee Director	03467781	03-08-2018	22-05-2020

(c) Brief particulars of the management of the Company:**Board of Directors:**

Sl.	Name & Designation	Experience
1	Mr. D Lakshmipathy Chairman & Managing Director	<p>Mr. Lakshmipathy is an Engineering graduate from Madras University. He hails from a business family. Before joining Five-Star he was Managing Director of RKV Finance Limited, a NBFC registered with RBI.</p> <p>On amalgamation of RKV with Five-Star during 2002 he joined the Board of Five-Star as Joint Managing Director. His wide exposure in lending to Small Business Customers which was successful in that company, helped him to develop similar advance portfolio at Five-Star with great success.</p> <p>Presently he is also Director, Finance Companies Association of India and Management Committee member, South India Hire Purchase Association. He is on various committees of both the Associations and takes active interest in the development of trade associations.</p>
2	Mr A Ramanathan Independent Director	<p>Mr Ramanathan is retired Chief General Manager from NABARD. His expertise lies in Institutional Development, Organisational Development, Organisational Behaviour, Small Business</p>

Sl.	Name & Designation	Experience
		Development, training need assessment, training techniques etc. He has more than 35 years of rich experience in the banking industry.
3	Ms Bhama Krishnamurthy Independent Director	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 specialisation 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.
4	Mr R Anand Independent Director	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 MMT Limited.
5	Mr Vikram Vaidyanathan Nominee Director – Matrix partners	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.
6	Mr B Haribabu Independent Director	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.
7	Mr Raviprasad Non-Executive Director	Mr.Raviprasad holds a bachelors 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.
8	Mr Ling Wei Ong Nominee Director – Morgan Stanley	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).
9	Mr Arjun Saigal Alternate Director – Morgan Stanley	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

Sl.	Name & Designation	Experience
		a graduate of the London School of Economics and received his MBA from Columbia Business School.
10	Mr Trilok Chand Non-Executive Director	He 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 optimization.
11	Mr G V Ravishankar Nominee Director – Sequoia Capital	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.

Details of Key Managerial Personnel of the Company

Name & Function	Background
Mr K Rangarajan Chief Executive Officer	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.
Mr G Srikanth Chief Financial Officer	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

Name & Function	Background
	<p>analysis, Securitization and Structuring, Treasury, and Operations. He was the Vice President and Head of Business Planning and Analysis for the Consumer portfolio of Citibank when he moved out of the bank to take up the role of Chief Financial Officer at Asirvad Microfinance Private Limited.</p> <p>For over the last 5 years prior to joining Five-Star, he had been managing the finance, treasury and technology at Asirvad and had been an integral part of the senior management team. He was instrumental in shepherding the organization when the entire Microfinance industry was hit by the crisis in 2010 and was also instrumental in Manappuram Finance Limited taking a majority stake in Asirvad.</p> <p>He joined Five-Star in October 2015 as the Chief Financial and Information Officer and heads the finance function.</p> <p>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>
Mr Vishnuram Jagannathan Chief Risk Officer	<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>
Mr Sanjay Chaturvedi Chief Treasury Officer	<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>
Mr Prashanth S Head – Treasury	<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>

(d) Remuneration of directors (during the current year and last 3 (three) financial years)

Rs in Lakhs

Particulars	2015-2016	2016-2017	2017-2018	2018-19
Sitting fee	2.5	3.8	7.3	11.05
Commission to directors	4.5	10.5	15.75	13.5
Salary and Commission to MD	60.21	173.22	225.22	344.44

X. 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 auditor 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
M/s B S R & Co. LLP	KRM Tower, 1st and 2nd Floor, No. 1, Harrington Road, Chetpet, Chennai - 600031	September 22, 2018	-	NIL

(c) Auditors Qualifications:

Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of Shelf Disclosure Document and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark.

For the year 2013-14

Auditors' reservations or qualifications or adverse remarks: - NIL

For the year 2014-15

Auditors' reservations or qualifications or adverse remarks: - NIL

For the year 2015-16

Auditors' reservations or qualifications or adverse remarks: - NIL

For the year 2016-17

Auditors' reservations or qualifications or adverse remarks: - NIL

For the year 2017-18

Auditors' reservations or qualifications or adverse remarks: - NIL

For the year 2018-19

Auditors' reservations or qualifications or adverse remarks: - NIL

XI. DETAILS REGARDING THE EXTERNAL INTERNAL AUDITORS OF THE COMPANY:-

Details of the external internal auditor of the Company:-

Name	Address	Auditor since
M/S Sundaram & Srinivasan	New No:4, (23), C.P Ramaswamy Road, Alwarpet, Chennai - 600 018.	April 2017

XII. DETAILS OF BORROWINGS OF THE COMPANY, AS ON THE LATEST QUARTER END:-

(a) Details of Secured Loan Facilities as on December 31, 2019:-

Lender's Name	Facility	Availed Rs. Crores	O/s 31.12.2019 Rs. Crores	Repayment Date	Secured / Unsecured	Primary Security Exclusive charge on receivables of the Company
Athena (DCB)	SECURITIZATION	98.35	75.66	17-05-2022	Secured	0 times
AU Small Finance Bank TL1	Term Loan - Banks	20.00	6.25	Mar-2021	Secured	1.1 times
AU Small Finance Bank TL3	Term Loan - Banks	38.00	31.67	Feb-2024	Secured	1.1 times

Lender's Name	Facility	Availed Rs. Crores	O/s 31.12.2019 Rs. Crores	Repayment Date	Secured / Unsecured	Primary Security Exclusive charge on receivables of the Company
Bajaj Finance Ltd TL1	Term Loan - NBFC	20.00	10.00	Feb-2021	Secured	1.1 times
Bajaj Finance Ltd TL2	Term Loan - NBFC	25.00	19.27	Jan-2023	Secured	1.1 times
Bandhan Bank TL1	Term Loan - Banks	30.00	23.33	Mar-2022	Secured	1.1 times
Bank of Baroda TL2	Term Loan - Banks	50.00	42.50	Mar-2024	Secured	1.1 times
Cholamandalam Finance TL3	Term Loan - NBFC	10.00	8.97	Apr-2024	Secured	1.1 times
CITY UNION BANK - CC	Cash Credit	5.00	2.57	00-01-1900	Secured	1.1 times
EQUITAS SMALL FINANCE BANK TL 3	Term Loan - Banks	25.00	17.36	Jan-2022	Secured	1.1 times
Equitas Small Finance Bank TL1-Tranche 1	Term Loan - Banks	15.00	6.80	Apr-2021	Secured	1.1 times
Equitas Small Finance Bank TL1-Tranche 2	Term Loan - Banks	10.00	4.82	Apr-2021	Secured	1.1 times
FEDERAL BANK - CC	Cash Credit	5.00	1.09	00-01-1900	Secured	1.1 times
Federal Bank TL1	Term Loan - Banks	10.00	3.13	Mar-2021	Secured	1.1 times
Federal Bank TL2	Term Loan - Banks	10.00	5.54	Mar-2022	Secured	1.1 times
Federal Bank TL-4	Term Loan - Banks	15.00	13.13	Jun-2023	Secured	0 times
HDFC Bank TL2	Term Loan - Banks	10.00	1.30	May-2020	Secured	1.1 times
HDFC Bank Car Loan	Term Loan - Banks	0.53	0.12	Nov-2020	Secured	1.1 times
HLF TL3	Term Loan - NBFC	20.00	15.82	Dec-2022	Secured	1.1 times
Karnataka Bank TL1	Term Loan - Banks	5.00	1.49	Feb-2021	Secured	1.1 times
Karur Vysya Bank TL-2	Term Loan - Banks	10.00	9.30	May-2024	Secured	0 times
Kotak Mahindra Bank TL1	Term Loan - Banks	20.00	8.33	Feb-2021	Secured	1.1 times
Medici (Poonawalla)	SECURITIZATI			17-	Secured	1.1 times

Lender's Name	Facility	Availed Rs. Crores	O/s 31.12.2019 Rs. Crores	Repayment Date	Secured / Unsecured	Primary Security Exclusive charge on receivables of the Company
Finance)	ON	99.05	89.13	07-2024		
Nabkisan TL1	Term Loan - NBFC	13.00	4.06	Jan-2021	Secured	1.1 times
Nabkisan TL2	Term Loan - NBFC	13.40	12.06	Jun-2024	Secured	1.1 times
Nabsamruddhi Finance TL1	Term Loan - NBFC	15.00	15.00	Nov-2024	Secured	1.1 times
Oriental Bank of Commerce TL 1	Term Loan - Banks	10.00	10.00	Dec-2024	Secured	1.1 times
RBL BANK - CC	Cash Credit	5.00	-	00-01-1900	Secured	1.1 times
RBL Bank TL4	Term Loan - Banks	30.00	5.29	Jun-2020	Secured	1.1 times
RBL Bank TL5	Term Loan - Banks	20.00	8.24	Feb-2021	Secured	1.1 times
RBL Bank TL6	Term Loan - Banks	50.00	30.00	Dec-2021	Secured	1.1
RBL Bank TL7	Term Loan - Banks	50.00	38.24	Feb-2022	Secured	1.1
SBM Bank TL1	Term Loan - Banks	5.00	0.83	Jun-2020	Secured	1.1
South Indian Bank TL1	Term Loan - Banks	5.00	1.51	Mar-2021	Secured	1.1
South Indian Bank TL2	Term Loan - Banks	5.00	2.78	Mar-2022	Secured	1.1
SOUTH INDIAN BANK-CC	Cash Credit	5.00	1.87	00-01-1900	Secured	0
State Bank of India TL1	Term Loan - Banks	40.00	17.50	Jan-2022	Secured	1.1
State Bank of India TL2	Term Loan - Banks	150.00	150.00	Dec-2024	Secured	1.1
Sundaram Finance TL3	Term Loan - NBFC	5.00	0.96	Sep-2020	Secured	1.1
Sundaram Finance TL4	Term Loan - NBFC	15.00	7.77	Mar-2022	Secured	1.1
Sundaram Finance TL5	Term Loan - NBFC	10.00	10.00	Dec-2022	Secured	1.1

Lender's Name	Facility	Availed Rs. Crores	O/s 31.12.2019 Rs. Crores	Repayment Date	Secured / Unsecured	Primary Security Exclusive charge on receivables of the Company
Tata Capital TL-1	Term Loan - NBFC	10.00	7.33	Feb-2022	Secured	1.1
Ujjivan SFB TL1	Term Loan - Banks	25.00	24.24	Aug-2022	Secured	1.1
Utkarsh SFB TL1	Term Loan - Banks	20.00	17.78	Aug-2022	Secured	1.1
Vivriti Capital-TL1	Term Loan - NBFC	5.00	4.42	Mar-2024	Secured	1.1
Woori Bank	Term Loan - Banks	45.00	35.00	Apr-2022	Secured	1.05
YES Bank TL1	Term Loan - Banks	25.00	11.11	Apr-2021	Secured	1.15
YES Bank TL2	Term Loan - Banks	30.00	24.17	May-2022	Secured	1.15
YES BANK-CC	Cash Credit	3.00	-		Secured	0

(b) Details of Unsecured Loan Facilities: Nil

(c) Details of Non-convertible debentures as of December 31, 2019

ISIN Number	Maturity Date	Coupon Rate	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+	1.1 times	60
INE128S07275	28-12-2020	11.50%	45	Secured	CARE A; Stable	1.0 times	48
INE128S07259	28-12-2020	11.50%	30	Secured	CARE A; Stable	1.0 times	48
INE128S07309	30-03-2023	11.00%	25	Secured	ICRA A; Stable	1.1 times	72
INE128S07093, INE128S07101, INE128S07119, INE128S07127, INE128S07135 &	07-02-2021	11.45%	25	Secured	CARE A; Stable	1.1 times	48

ISIN Number	Maturity Date	Coupon Rate	Amount in Crores	Secured / Unsecured	Rating	Primary Security Exclusive charge on receivables of the company	Tenure
INE128S07143							
INE128S07192, INE128S07200, 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
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	72

(d) List of Top 10 Debenture Holders as on December 31, 2019: -

(Rs in Lakhs)

Sl.	Name of the Transaction	Amount o/s)
1	FRANKLIN INDIA CREDIT RISK FUND	50000
2	FRANKLIN INDIA CREDIT RISK FUND	20000
3	Responsibility	12500
4	A. K CAPITAL FINANCE PVT. LTD.	10000
5	IFMR FIMPACT LONG TERM MULTI ASSET CLASS FUND	4500
6	HINDUJA LEYLAND FINANCE LIMITED	3000
7	KARVY CAPITAL	3000
8	IFMR FIMPACT LONG TERM MULTI ASSET CLASS FUND	2500
9	AU SMALL FINANCE BANK LIMITED	2400
10	A K CAPITAL FINANCE PVT LTD	1500

(e) The amount of corporate guarantee issued by the Issuer along with name of the counterparty (like name of the subsidiary, JV entity, group company, etc) on behalf of whom it has been issued. – NIL

(f) Details of Commercial Paper:- The total Face Value of Commercial Papers Outstanding as on the latest quarter end to be provided and its breakup in following table:- NIL

(g) Details of Rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on December 31, 2019 – NIL

(h) Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 5 years - NIL

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

XIII. DETAILS OF PROMOTERS OF THE COMPANY:-

(g) Details of Promoter Holding in Company as on, i.e. March 31, 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%	-	-

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
4	VARALAKSHMI D	44770	44770	0.17%	-	-
5	SHRITHA L	20000	20000	0.07%	-	-

XIV. ABRIDGED VERSION OF AUDITED CONSOLIDATED (WHEREVER AVAILABLE) AND STANDALONE FINANCIAL INFORMATION (LIKE PROFIT & LOSS STATEMENT, BALANCE SHEET AND CASH FLOW STATEMENT) FOR AT LEAST LAST THREE YEARS AND AUDITOR QUALIFICATIONS , IF ANY*.

PROFIT & LOSS STATEMENT (Rs. In lakhs)	FY 2017 Audited	FY 2018 Audited	FY 2019 Audited
Revenue			
Revenue from Operations	8,307.69	18,854.36	38,214.69
Other Income	283.21	1,561.70	2,068.82
Total Revenue	8,590.89	20,416.06	40,283.51
Expenses			
Finance Costs	2,373.25	5,554.57	7,380.37
Employee Benefits Expense	1,858.21	4,293.18	7,528.98
Other Expenses	909.11	1,487.50	2,505.58
Provisions, Loan Losses & Other Charges	279.54	918.55	700.54
Depreciation	92.30	259.31	419.42
Total Expenses	5,512.41	12,513.12	18,534.89
Profit Before Tax	3,078.48	7,902.94	21,748.62
Tax Expenses			
- Current Tax	1,284.59	2,404.37	6,954.97
- Deferred Tax	-143.60	-119.55	-800.52
Total Tax Expenses	1,141.00	2,284.82	6,154.45
Profit for the Year	1,937.48	5,618.12	15,594.17

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
ASSETS			
Financial Assets			
Cash and cash equivalents	20,992.65	12,643.11	17,986.69
Bank balances other than cash and cash equivalents	6.88	7.98	56.64

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Loans	2,05,743.73	96,859.91	47,380.65
Investments	1,500.00	1,500.00	1,500.00
Other financial assets	283.68	269.19	190.30
	2,28,526.94	1,11,280.19	67,114.28
Non-financial Assets			
Current tax assets (net)	348.17	344.41	-
Deferred tax assets (net)	1,422.06	621.54	346.62
Investment property	3.56	3.56	3.56
Property, plant and equipment	744.41	450.69	446.38
Capital work-in-progress	-	14.13	-
Intangibles under development	-	-	158.11
Other intangible assets	201.80	181.09	35.98
Other non-financial assets	357.39	413.86	60.39
	3,077.39	2,029.28	1,051.04
Total assets	2,31,604.33	1,13,309.47	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	42,972.28	19,322.09	19,078.05
Borrowings (other than debt securities)	49,198.22	33,483.42	25,836.73
Other financial liabilities	510.91	440.09	380.01
	92,962.80	53,466.70	45,404.05
Non-financial Liabilities			
Current tax liabilities (net)	159.89	-	170.12
Provisions	365.19	170.26	74.55
Other non-financial liabilities	1,608.12	451.38	284.24
	2,133.20	621.64	528.91
Equity			
Equity share capital	2,389.96	1,916.89	1,426.51
Other equity	1,34,118.37	57,304.24	20,805.85
	1,36,508.33	59,221.13	22,232.36
	2,31,604.33	1,13,309.47	68,165.32

Particulars	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017
Cash Flow from Operating Activities			
Net profit before tax	21,798.71	7,565.46	3,078.48
Adjustments for:			
Finance costs	-	-	2,373.25
Depreciation and amortization	419.42	259.30	92.30
Provision for gratuity	58.51	33.73	
Provision for compensated absences	86.33	21.19	
General Provision on Standard Assets			139.87
Provision for impairment on financial instruments and write-offs	700.54	903.00	139.67
Loss on sale/retirement of property, plant and equipment (net)	0.93	8.42	-2.42
Profit on sale of current investments (net)	(559.86)	(675.21)	(110.22)
Interest income on deposits with banks / others	(1,335.21)	-797.59	-135.94
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	5,574.99
Changes in Working Capital:			
<i>Adjustments for (Increase) / Decrease in Operating Assets:</i>			
Loans	(1,09,584.36)	(50,382.26)	(52.91)
Other non- financial assets	(94.34)	(182.47)	(28,548.26)
Other financial assets	(59.35)	(52.00)	(15.69)
<i>Adjustments for Increase / (Decrease) in Operating Liabilities:</i>			
Trade payables	60.31	111.87	271.41
Long term liabilities			
Other financial liabilities	(1.09)	1.34	-
Other non financial liabilities	1,156.74	167.14	152.57
Net cash (used in) operations	(79,799.29)	(37,331.87)	(22,617.89)
Finance cost paid	(7,409.26)	(5,410.96)	(2,181.16)
Direct taxes paid (net)	(6,798.84)	(2,918.89)	(1,284.59)
Net Cash Used in Operating Activities (A)	(94,007.40)	(45,661.72)	(26,083.64)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017
Cash Flow from Investing Activities			
Purchase of fixed assets	(585.14)	(448.23)	(546.51)
Proceeds from sale of fixed assets	15.30	4.04	7.04
Bank Balances not considered as Cash and Cash equivalents			
Profit on sale of current investments	559.86	675.21	110.22
(Purchase)/sale of current investments (Net)	-	-	400.00
Interest income on deposits with banks / others	1,380.07	770.69	135.94
(Purchase) / Sale of Non Current Investments			-
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	106.69
Cash Flow from Financing Activities			
Proceeds from issue of equity shares	473.07	490.38	11,394.98
Proceeds from securities premium (net off utilisation)	61,453.65	31,328.84	-
Expenses towards issue of shares	(501.53)	(440.62)	
Interest paid	-	-	
Movement in ESOP reserve	-	-	
Proceeds from long term borrowings (repaid) / availed (Net)	39,560.57	7,889.17	29,011.02
Short-term Borrowings (repaid) / availed (Net)			3306
Net Cash from Financing Activities (C)	1,00,985.76	39,267.77	43,711.59
Net Increase / (Decrease) in Cash and Cash Equivalents [(A) + (B) + (C)]	8,349.54	(5,343.58)	17,734.63
Cash and Cash Equivalents at the beginning of the year	12,643.11	17,986.69	308.69
Cash and Cash Equivalents at the end of the year	20,992.65	12,643.11	18,043.32

Abridged version of Latest Audited / Limited Review Consolidated (wherever available) and Standalone Financial Information (like Profit & Loss statement, and Balance Sheet) and auditors qualifications, if any*. Particulars	As at December 31, 2019	As at September 30, 2019

Abridged version of Latest Audited / Limited Review Consolidated (wherever available) and Standalone Financial Information (like Profit & Loss statement, and Balance Sheet) and auditors qualifications, if any*. Particulars	As at December 31, 2019	As at September 30, 2019
ASSETS		
Financial Assets		
Cash and cash equivalents	19,417.51	47,039.71
Bank balances other than cash and cash equivalents	41,755.76	42,427.33
Loans	3,19,409.18	2,72,204.28
Investments	1,500.00	1,500.00
Other Financial assets	358.52	349.20
	3,82,440.97	3,63,520.52
Non - Financial Assets		
Current tax assets (net)	1,656.28	1,753.60
Deferred tax assets (net)	1,833.13	1,469.09
Investment property	3.56	3.56
Property, plant and equipment	1,020.69	870.05
Right of Use asset	1,521.30	1,421.73
Capital work in progress	-	-
Intangibles under development	-	-
Other intangible assets	206.37	224.22
Other non-financial assets	559.25	311.95
	6,800.58	6,054.20
Total assets	3,89,241.54	3,69,574.72
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	421.99	391.31
Other payables		
-total outstanding dues of micro and small enterprises	-	-
-total outstanding dues of creditors other than micro and small enterprises	-	-
Debt securities	1,11,740.07	1,12,396.21
Borrowings (Other than debt securities)	83,246.73	72,190.20
Other financial liabilities	2,837.22	2,399.69

Abridged version of Latest Audited / Limited Review Consolidated (wherever available) and Standalone Financial Information (like Profit & Loss statement, and Balance Sheet) and auditors qualifications, if any*. Particulars	As at December 31, 2019	As at September 30, 2019
	1,98,246.01	1,87,377.41
Non-Financial Liabilities		
Current tax liabilities (Net)	-	159.89
Provisions	526.37	407.94
Other Non-financial liabilities	3,362.08	1,834.25
	3,888.45	2,402.08
Equity		
Equity share capital	2,541.03	2,523.53
Other equity	1,84,566.05	1,77,271.70
	1,87,107.08	1,79,795.23
	3,89,241.54	3,69,574.72

Particulars	Period ended Dec 31, 2019	Period ended September 30, 2019
Revenue from operations		
Interest income	51,337.32	31,734.47
Dividend income	-	-
Fee income	1,887.16	1,051.49
Net gain on fair value changes	746.48	525.65
Total revenue from operations	53,970.96	33,311.61
Other income	87.27	64.14
Total Income	54,058.24	33,375.75
Expenses		
Finance costs	14,495.41	8,807.96
Fees expenses	42.60	30.28
Finance cost (finance lease)	136.65	89.43

Particulars	Period ended Dec 31, 2019	Period ended September 30, 2019
Impairment on financial instruments	1,791.12	1,380.32
Employee benefits expenses	8,958.38	5,324.49
Depreciation, amortization and impairment	681.45	415.73
Other expenses	2,445.15	1,498.81
Total Expenses	28,550.76	17,547.03

* The Issuer undertakes that it shall provide latest Audited or Limited Review Financials in line with 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 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' (QIBs) and other existing debenture-holders within two working days of their specific request.

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. - **NIL**

SECTION 2: 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 Shelf Disclosure Document for evaluating the Company and its business and the Debentures before making any investment decision relating to the Debentures. The Company believes that the factors described below represent the principal risks inherent in investing in the Debentures but does not represent that the statements below regarding risks of holding the Debentures are exhaustive. The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another. Investors should also read the detailed information set out elsewhere in this Shelf Disclosure Documents and reach their own views prior to making any investment decision.

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

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

2.2 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.

2.3 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.

2.4 CHANGES IN INTEREST RATES MAY AFFECT THE PRICE OF NCDs.

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

2.5 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.

2.6 ACCOUNTING CONSIDERATIONS

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

2.7 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.

2.8 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 it operates or for compliance by that potential investor with any law, regulation or regulatory policy applicable to it.

2.9 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.

2.10 OUR RESULTS OR OPERATIONS MAY BE IMPACTED BY THE COVID 19 OUTBREAK

Issuer's main stream of income is interest received from various loans provided to borrowers. However, the recent outbreak of COVID 19 pandemic shall greatly impact the Issuer's ability to make timely recoveries. Further various policies and regulations issued by the Government of India such as moratorium may also impact our ability of the borrowers to make timely payment of interest.

2.11 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 December 31, 2019, the gross NPA was 23.82 crores on a gross portfolio of Rs.3228.05 crores (0.74% 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, and also due to factors beyond its control, such as over-extended member credit that it is unaware of. If the Issuer is unable to manage its 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 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 six (6) 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 Issuers 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 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 alteration of its business and accounting practices or take other actions that could materially harm its business and operating results

SECTION 3: TRUSTEES

The consent letter of the trustee has been provided in Annexure II.

SECTION 4: RATING RATIONALE ADOPTED BY THE RATING AGENCIES

The rating rationale has been provided in Annexure III.

SECTION 5: SECURITY

The Debentures issued by the Company shall be secured by -
First ranking exclusive and continuing charge to be created pursuant to the deed of hypothecation to be executed between the Issuer and the Trustee ("Deed of Hypothecation") over certain identified receivables of the Issuer (the "Hypothecated Assets"). A security cover of 110% of the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon (if any) shall be maintained at all times until the redemption of the Debentures ("Security Cover"). Non – maintenance of security cover will attract a penal interest of 2% p.a. over the coupon rate for the period of non-compliance.

The security will be created and perfected within 30 days from the Deemed Date of Allotment. Issuer's failure to create and perfect security shall attract 2% additional interest and give an option to the NCD holders for early redemption.

The Issuer undertakes to provide a list and details on a quarterly basis, of Hypothecated Receivables client loan ("Hypothecated Asset Report").

The eligibility criteria will be detailed in the transaction documents.

SECTION 6: LISTING

The Issuer shall list the Debentures at the WDM segment of BSE Limited within 20 (Twenty) calendar days from the Deemed Date of Allotment and the Issuer shall also maintain continuous listing till the term of the Debentures.

SECTION 7: DRR

As per Section 71 of the 2013 Act, any company that intends to issue debentures must create a debenture redemption reserve to which adequate amounts shall be credited out of the profits of the company until the redemption of the debentures. However, at present, under the Companies (Issuance of Share Capital and Debentures) Rules, 2014, non-banking financial companies are exempt from this requirement in respect of privately placed debentures. Pursuant to this exemption, the Company does not intend to create any reserve funds for the redemption of the Debentures.

SECTION 8: ISSUE/INSTRUMENT SPECIFIC REGULATIONS – RELEVANT DETAILS

The issue of Debentures is in compliance with/governed by the relevant provisions of applicable law including the following:

- The Companies Act, 2013 and the applicable Rules as amended from time to time;
- SEBI (Issue and Listing of Debt Securities) Regulation, 2008 as amended from time to time;

- SEBI (Listing Obligation & Disclosure requirement) Regulations, 2015 and amendments thereafter;
- SEBI Circular CIR/IMD/DF/17/2011 dated September 28, 2011;
- SEBI Circular CIR/IMD/DF/17/2013 dated October 22, 2013;
- SEBI Circular CIR/IMD/DF/18/2013 dated October 29, 2013 to the extent applicable;
- SEBI Circular CIR/MRD/DRMNP/35/2013 dated December 05, 2013 and amendments thereafter;
- SEBI Circular CIR/IMD/DF-1/122/2016 dated November 11, 2016 and amendments thereafter.
- SEBI Circular CIR/IMD/DF-1/ 67 /2017 dated June 30, 2017 and SEBI Circular CIR/DDHS/P/59/2018 dated March 28, 2018.
- SEBI Circular SEBI/HO/DDHS/CIR/P/2018/05 dated January 05, 2018, and amendments thereafter;
- RBI Notification No. DNBR.(PD) 006 /GM(MSG)-2015 dated February 20, 2015 and amendments thereafter;
- RBI Circular RBI/2013-14/402 IDMD.PCD. 08/14.03.01/2013-14 and RBI Notification No. IDMD.PCD.07/ED(RG) – 2013 dated December 5, 2013 and amendments thereafter;

SECTION 9: ISSUE DETAILS

Security Name	As per Term Sheet/ Issue Addendum
Issuer	Five-Star Business Finance Limited
Type of Instrument	Rated, Listed Senior, Secured, Redeemable, Taxable, Transferable, Non-Convertible Debentures (“NCDs” or “Debentures”)
Nature of Instrument	Secured
Seniority	Senior
Mode of Issue	Private placement
Eligible/Identified Investors	As permitted under Applicable Law
Listing	The NCDs are proposed to be listed on the Bombay Stock Exchange (“BSE”) within 20 calendar days of the Deemed Date of Allotment In case of a delay by the Issuer in listing the Debentures beyond 20 (Twenty) days from the Deemed Date of Allotment the Issuer shall make payment the Debenture Holders of penal interest calculated on the face value of the Debentures at the rate of minimum of 2% (two Percent) p.a. over the Coupon Rate from the expiry of 20 (Twenty) calendar days from the Deemed Date of Allotment until the listing of the Debentures.

Rating of Instrument	ICRA A as assigned by the Rating Agency
Issue Size	Rs. 100,00,00,000/- (Rupees One Hundred Crores only).
Series Amount	As per Term Sheet/ Issue Addendum
Option to retain oversubscription	N.A.
Objects of the Issue	The funds raised through the Issue will be utilized as per the section "Objects & Utilization of the Issue Proceeds" stipulated in the Shelf Disclosure Document.
Details of the utilization of the Proceeds	<p>The proceeds of the Issuance will be utilized for the following purposes:</p> <ul style="list-style-type: none"> – General corporate purposes – for the ordinary course of business of the Issuer including repayment / re-financing of existing debt <p>The Issuer shall not use the proceeds of the Issue towards:</p> <ul style="list-style-type: none"> – any capital market instrument such as equity, debt, debt linked and equity linked instruments or any other capital market related activities; or – any speculative purposes; or – any activity on the Exclusion List; or – investment in the real estate sector; – undertaking related party transactions <p>The proceeds of the NCD shall not be used for any purpose, which may be in contravention of the government/RBI/SEBI/Other regulatory guidelines.</p>
Coupon Rate	As per Term Sheet/ Issue Addendum
Step Up/ Step Down Coupon Rate	As per Term Sheet/ Issue Addendum
Coupon Payment Frequency	As per Term Sheet/ Issue Addendum
Coupon Payment Dates	As per Term Sheet/ Issue Addendum
Coupon Type	As per Term Sheet/ Issue Addendum
Coupon Reset Date	As per Term Sheet/ Issue Addendum
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor, etc.)	As per Term Sheet/ Issue Addendum
Day Count Basis	Actual/Actual
Interest on Application Money	At the respective Coupon Rate from the date of receipt of application money to the Deemed Date of Allotment.
Default Interest Rate	In case of default in payment of Interest and/or principal redemption on the due dates, additional interest of atleast @ 2% p.a. over the coupon rate shall be payable by the Company for the defaulting period

Delay in Listing	In case of delay in listing of the debt securities beyond 20 days from the deemed date of allotment, the Company shall pay penal interest of at least @ 1% p.a. over the coupon rate from the expiry of 30 days from the deemed date of allotment till the listing of such debt securities to the investor.
Delay Penalty	In the case of a delay in the execution of Debenture Trust Deed and the Security documents, the Issuer shall refund the subscription with the agreed rate of interest or shall pay penal interest of 2% (Two Percent) per annum over the and above the applicable Coupon Rate until such time the conditions have been complied with at the option of the Investor.
Prepayment Fees	As per Term Sheet/ Issue Addendum
Tenor	As per Term Sheet/ Issue Addendum
Redemption Date/Maturity Date	As per Term Sheet/ Issue Addendum
Redemption Amount	As per Term Sheet/ Issue Addendum
Redemption Premium/ Discount	As per Term Sheet/ Issue Addendum
Issue Price	As per Term Sheet/ Issue Addendum
Discount at which security is issued and the effective yield as a result of such discount	NA
Put Date	NA
Put Price	NA
Call Date	NA
Call Price	NA
Put Notification Time	NA
Call Notification Time	NA
Face Value	Rs 10,00,000/- (Rs. Ten Lakh only) per Debenture
Minimum Application size and in multiples of 1 thereafter	INR 1,00,00,000 (Indian Rupees One Crore Only) and in multiples of Rs.10 lakhs thereafter.
Issue Timing	Issue/ Bid Opening Date: As per Term Sheet/ Issue Addendum Issue/ Bid Closing Date: As per Term Sheet/ Issue Addendum Pay-in Date: As per Term Sheet/ Issue Addendum Deemed Date of Allotment: As per Term Sheet/ Issue Addendum
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only

Settlement mode of the Instrument	All interest, principal repayments, penal interest and other amounts, if any, payable by the Issuer to the Debenture Holders shall be paid to the Debenture Holders by electronic mode of transfer like RTGS/NEFT/direct credit to such bank account within India as the Debenture Holders' inform the Issuer in writing and which details are available with the Registrar. Credit for all payments will be given only on realisation.
Depositories	NSDL/CDSL
Business Days	Means a day (other than a Saturday and Sunday or a bank/National holiday) on which banks are open for general business in Chennai, India
Business Day Convention	<p>If any coupon payment date falls on a day that is not a working day, the payment shall be made on the immediately succeeding working day.</p> <p>If the redemption date of the Debentures falls on a day that is not a working day, the redemption proceeds (principal and coupon) shall be paid on the immediately preceding working day</p> <p>If the Maturity Date (also the last coupon payment date) of the Debentures falls on a day that is not a working day, the redemption proceeds and coupon payment shall be paid on the immediately preceding working day.</p>
Record Date	7 (Seven) Calendar Days prior to each coupon payment date and redemption date.
Security	<p>The Issue shall be secured by way of a first ranking exclusive and continuing charge to be created pursuant to the deed of hypothecation to be executed between the Issuer and the Trustee ("Deed of Hypothecation") over certain identified receivables of the Issuer (the "Hypothecated Assets"). A security cover of 110% of the value of the aggregate principal amount outstanding on the Debentures including accrued Coupon thereon, Default Interest accrued thereon (if any) shall be maintained at all times until the redemption of the Debentures ("Security Cover"). Non – maintenance of security cover will attract a penal interest of 2%p.a. over the coupon rate for the period of non-compliance.</p> <p>The security will be created and perfected within 30 days from the Deemed Date of Allotment. Issuer's failure to create and perfect security shall attract 2% additional interest and give an option to the NCD holders for early redemption.</p> <p>The Issuer undertakes to provide a list and details on a quarterly basis, of Hypothecated Receivables client loan ("Hypothecated Asset Report")</p>

	<p><u>. Eligibility Criteria for the Hypothecated Receivables:</u></p> <p>Each asset provided as security must comply with the portfolio origination criteria below:</p> <ul style="list-style-type: none"> ● All applicable "know your customer" requirements prescribed by the RBI have be complied with; ● The receivables are existing at the time of selection and have not been terminated or pre-paid; ● 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). ● Each client loans must satisfy the Issuer's credit and underwriting policies, including credit referencing agency checks where commonly used; ● Each client loan must be directly originated by the Issuer and not loans purchased from a third party; ● All loans hypothecated under the deed of hypothecation comply with RBI norms and guidelines
Transaction Documents	<ul style="list-style-type: none"> ● Letter appointing Trustees to the Debenture Holders ● Private Placement Offer Letter ● Information Memorandum ● Debenture Trust Deed ● Deed of Hypothecation ● Debenture Trustee Agreement ● Board Resolution authorizing this Issuance ● Applicable Shareholder Resolutions under the Companies Act 2013 ● Rating letter with the aforesaid Rating Agency(ies) with respect to this Issuance ● In Principal approval from stock exchanges for listing of NCDs. ● Any other document as may be agreed between the parties. <p>All transaction documents will comply with the requirements prescribed by the RBI (if applicable), SEBI (if applicable) and under the Companies Act, 2013 for the issuance of non-convertible debentures.</p>

<p>Conditions Precedent to Disbursement</p>	<p>to</p> <p>To be prescribed in the transaction documents. These will include, but not limited to:</p> <ol style="list-style-type: none"> 1. All corporate approvals from the Board of Directors and shareholders of the Issuer, if applicable, shall have been received for the issuance of the NCDs in accordance with Companies Act, 2013 and submit the same to Debenture Trustee and Debenture Holders; 2. copies of the authorisations, approvals and licenses received by the Issuer from the RBI; 3. (to the extent applicable) copies of the resolution of the shareholders of the Issuer under Section 42 of the Act, certified as correct, complete and in full force and effect by an appropriate officer of the Issuer; 4. a copy of the resolution of the shareholders of the Issuer in accordance with Section 180(1)(c) of the Act approving the borrowing contemplated under the Transaction Documents OR a certificate of an authorised person of the Issuer confirming the non-applicability of Section 180(1)(c) of the Act; 5. a copy of the resolution of the shareholders of the Issuer in accordance with Section 180(1)(a) of the Act approving the creation of Security over the Charged Receivables OR a certificate of an authorised person of the Issuer confirming the non-applicability of Section 180(1)(a) of the Act; 6. a copy of the rating letter and the rating rationale issued by the Rating Agency in relation to the Debentures; Submitting to the Debenture Trustee and Debenture Holders, the rating letter issued by the Rating Agency; 7. a copy of the consent from the Registrar to act as the registrar and transfer agent for the issue of Debentures; 8. a copy of the consent from the Debenture Trustee to act as the debenture trustee for the issue of Debentures; 9. Submitting to the Debenture Trustee and Debenture Holders, the rating letter issued by the Rating Agency; 10. The Issuer shall have submitted to the Debenture Holders and Debenture Trustee, all required documents for the purpose of satisfying its respective KYC requirements; 11. The Issuer shall have submitted to the Debenture Trustee and Debenture Holders a certified true copy of the constitutional documents of the Issuer (the Memorandum and Articles of Association and the Certificate of Incorporation); 12. The Issuer shall have submitted to the Debenture Trustee and Debenture Holders its audited account statements for the most recent financial year or audited financial half-year; 13. 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; 14. Execution of the Debenture Trust Deed and Deed of Hypothecation in form and manner satisfactory to the Debenture Trustee; 15. The Issuer shall issue the Information Memorandum.
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<p>Conditions Subsequent to Disbursement</p>	<p>To be prescribed in the Transaction Documents. These will include:</p> <ol style="list-style-type: none"> 1. On or prior to the utilisation of the subscription monies by the Company in respect of the Debentures and in any case, within 15 (Fifteen) days from the Deemed Date of Allotment, the Company shall file of a return of allotment on the issue of the Debentures in Form PAS-3 specified pursuant to Rule 12 and 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, along with the requisite fee with the Registrar of Companies; 2. Dematerialised credit of the Debentures in the demat account of Debenture Holder within 5(Five) Business Days from the Deemed Date of Allotment. 3. The Debentures to be listed on the Bombay Stock Exchange (“BSE”) within 20 calendar days of the Deemed Date of Allotment 4. Creation and perfection of the Security within 30 (Thirty) days from the Deemed Date of Allotment; 5. Filing of the relevant forms with the Registrar of Companies for the perfection of charge over the Hypothecated Assets within and no later 30 (Thirty) calendar days from the Deemed Date of Allotment; and 6. The Company shall ensure compliance with RBI Act including Master circulars and guidelines issued by RBI, SEBI Act, circular and Regulations, Companies Act, 2013 and other applicable laws for issuance of Debentures.
<p>Provisions related to Cross Default Clause</p>	<p>The Issuer:</p> <ol style="list-style-type: none"> (i) defaults in any payment of any Financial Indebtedness beyond the period of grace (not to exceed 30 (thirty) days), if any, provided in the instrument or agreement under which such Financial Indebtedness was created; (ii) defaults in the observance or performance of any agreement or condition relating to any Financial Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (determined without regard to whether any notice is required) any such Financial Indebtedness to become due prior to its stated maturity; or <p>any Financial Indebtedness of the Issuer shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof.</p>

Events of Default	<p>To be prescribed in the Transaction Documents. Including but not limited to:</p> <ul style="list-style-type: none"> (a) 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 Coupon, 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. If such a payment is not made within 30 days, this will constitute an event of default. (b) Non-payment of any of the dues under this Issuance on the payment day, (c) Default or trigger of event of default on any other indebtedness (cross default), (d) Misrepresentation or misleading information in any of the Transaction Documents (e) Issuer is unable 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 Issuer; (f) Insolvency, winding up, liquidation (g) Creditors' processes including expropriation, attachment, sequestration, distress or execution initiated against the Issuer (h) Repudiation of Transaction Documents (i) Cessation of business or any substantial part thereof or gives notice of its intention to do so (j) Bankruptcy, CDR proceedings filed with respect to the Issuer; (k) Any material act of fraud, embezzlement, misstatement, misappropriation or siphoning off of the Issuer / promoter funds or revenues or any other act having a similar effect being committed by the management or an officer of the Issuer (l) The Company has taken or suffered to be taken any action for re-organisation of its capital or any rearrangement, merger or amalgamation without the prior written approval of the Debenture Holders; (m) Promoters of the Company being declared wilful defaulter (n) The promoter/s and/or the directors of the Company are accused of, charged with, arrested or convicted a criminal offence involving moral turpitude, dishonesty or which otherwise impinges on the integrity of the promoter/s and/or director, including any accusations, charges and/or convictions of any offence relating to bribery;
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	<p>(o) 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;</p> <p>(p) Occurrence of a Material Adverse Effect as determined by the Debenture Trustee, acting solely on the instructions of the Majority Debenture Holders.</p> <p>(q) Change in management control without prior written consent from the Debenture Holders/Trustee.</p> <p>(r) Any Transaction Document once executed and delivered, ceases to be in full force or becomes unlawful, invalid and unenforceable;</p> <p>(s) A petition for the reorganization, arrangement, adjustment, winding up or composition of debts of the Company 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 30 (Thirty) days</p> <p>(t) Application of insolvency petition under bankruptcy code/NCLT by the Issuer</p> <p>(u) Breach of any covenants (including financial / management / affirmative / negative / information / reporting) and breach of any terms or conditions of Transaction Documents.</p> <p>(v) Security Cover is not maintained at all times until the redemption of the Debentures</p> <p>(w) Failure of the Company to register and perfect the charge created over the Hypothecated Assets within 30 (Thirty) days from the Deemed Date of Allotment.</p> <p>(x) Failure by the Company to utilise by the proceeds of the Debentures towards the End Use.</p> <p>All RBI/SEBI /other regulatory body guidelines issued from time to time by the regulatory/ statutory bodies to be complied with by the company</p> <p>Consequences of events of default are provided below:</p> <p>Upon occurrence of any of the aforesaid Event of Default, the Debenture Trustee may by a notice in writing to the Issuer initiate actions as may be contemplated in the Transaction Documents including the following:</p> <p>i. declare that all of the Debentures, together with accrued but unpaid Coupon, and all other costs, charges and expenses accrued or outstanding under the Transaction Documents to be immediately (or</p>
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	<p>such other date as the Debenture Trustee may specify) due and payable, whereupon they shall become so due and payable;</p> <p>ii. 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 Coupon, and all other costs, charges and expenses incurred under or in connection with the Transaction Documents;</p> <p>iii. enforce the charge over the Hypothecated Assets in accordance with the terms of the Deed of Hypothecation and/or invoke the Personal Guarantee;</p> <p>iv. appoint any independent agency to examine and inspect the working of the Issuer and provide a report to the Debenture Trustee; and</p> <p>v. exercise such other remedies, including legal and equitable rights, as permitted or available under Applicable Law (including initiating insolvency proceedings under IBC (if applicable)) or the Transaction Documents.</p>
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holder(s) and such other roles and responsibilities as set out in greater detail in the Debenture Trust Deed.
Covenants	As set out in the finalized DTD.
Representation and warranties	As set out in the finalized DTD.
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, inform the other Parties.
Governing Law and Jurisdiction	This Term Sheet shall be governed and construed exclusively in accordance with the laws of India.

SECTION 10: 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*:

1. **Name of the Bank declaring the entity as a Wilful Defaulter:** Not Applicable
2. **The year in which the entity is declared as a Wilful Defaulter:** Not Applicable

3. **Outstanding amount when the entity is declared as a Wilful Defaulter:** Not Applicable
4. **Name of the entity declared as a Wilful Defaulter:** Not Applicable
5. **Steps taken, if any, for the removal from the list of wilful defaulters:** Not Applicable
6. **Other disclosures, as deemed fit by the Issuer in order to enable investors to take informed decisions:** Not Applicable
7. **Any other disclosure as specified by the Board:** Not Applicable

SECTION 11: MATERIAL CONTRACTS AND AGREEMENTS

Set out below is the statement containing particulars of, dates of, and parties to all material contracts and agreements of the Company

- Memorandum & Articles of Association
- Certificate of incorporation and certificate of registration as NBFC with the RBI
- Credit Rating Letter dated March 10, 2019 from ICRA.
- Consent from Catalyst Trusteeship Limited to act as trustee vide their Letter dated August 12, 2019.
- Audited Annual reports for the last 3 years starting from the Financial Year 2016
- Certified true copy of the resolution dated September 25, 2019, of the shareholders of the company u/s 42 of the Companies Act, 2013.
- Certified true copy of resolution dated August 02, 2019, of the Board of Directors u/s 179 of the Companies Act, 2013.
- List of authorized signatories under the resolutions along with their specimen signatures
- Executed Drafts of the Mortgage cum Debenture Trust Deed and the Deed of Hypothecation

The above material documents and contracts are available for inspection between 10.00 AM and 5.00 PM on all working days at the registered office of the Company: New No.27, Old No.4, Taylor's Road, Kilpauk, Chennai - 600010

SECTION 12: UNDERTAKING TO USE A COMMON TRANSFER FORM

The Debentures will be issued in dematerialized form only. However, in case of rematerialization of Debentures and transfer thereof, the Company would use a common transfer form.

SECTION 13: TERMS OF OFFER OR PURCHASE/ APPLICATION PROCESS

Terms of offer are set out in Section 8 above. Below are the general terms and conditions.

Who Can Apply

Only the persons who are specifically addressed through a communication by or on behalf of the Company directly are eligible to apply for the Debentures. An application made by any other person will be deemed as an invalid application and rejected. In order to subscribe to the Debentures a person must be either;

- a. Commercial Banks, Eligible Financial Institutions* and Insurance Companies.
- b. Companies, Bodies Corporate authorized to invest in debentures
- c. Non-Banking Finance Companies (NBFCs) and Residuary NBFCs and
- d. Mutual Funds
- e. Foreign Institutional Investors
- f. Provident Funds, Gratuity, Superannuation & Pension Funds
- g. Individuals
- h. Cooperative banks and Regional Rural Banks.

**Eligible Financial Institution means such financial institutions from whom monies borrowed even under an unsecured debenture would not constitute a 'deposit' within the meaning of the term as defined under Section 2(b) of the Companies (Acceptance Of Deposits) Rules, 1975.*

The applications must be accompanied by certified true copies of -

- (1) Memorandum and Articles of Association /Constitutions/Bye Laws
- (2) Resolution authorizing investment and containing operating instructions
- (3) Specimen signatures of authorised signatories,
- (4) Photo copy of PAN Card and
- (5) Necessary forms for claiming exemption from deduction of tax at source on the interest income/ interest on application money, wherever applicable.

DISCLAIMER: PLEASE NOTE THAT ONLY THOSE PERSONS TO WHOM THIS SHELF DISCLOSURE DOCUMENT 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 COMPANY. THE COMPANY MAY, BUT IS NOT BOUND TO REVERT TO ANY INVESTOR FOR ANY ADDITIONAL DOCUMENTS / INFORMATION, AND CAN ACCEPT OR REJECT AN APPLICATION AS IT DEEMS FIT. INVESTMENT BY INVESTORS FALLING IN THE CATEGORIES MENTIONED ABOVE ARE MERELY INDICATIVE AND THE COMPANY 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 COMPANY IS NOT, IN ANY WAY, DIRECTLY OR INDIRECTLY, RESPONSIBLE FOR ANY STATUTORY

OR REGULATORY BREACHES BY ANY INVESTOR, NEITHER IS THE COMPANY REQUIRED TO CHECK OR CONFIRM THE SAME.

How to Apply

Application(s) for the Debentures must be made submitting the applications forms (the “**Application Form**”) which must be completed in block letters in English.

Application Form(s) must be accompanied by either a demand draft or cheque, drawn or made payable in favour of “Five-Star Business Finance Limited”, payable at Chennai and crossed Account Payee only. The payment can also be made by Real Time Gross Settlement (RTGS) by crediting the funds to the account given below:

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

The applications must be accompanied by certified true copies of (i) a letter of authorization, and (ii) specimen signatures of authorised signatories.

Instructions For Application

- 1) Application must be completed in BLOCK LETTERS IN ENGLISH. A blank must be left between two or more parts of the name.
- 2) Signatures should be made in English.
- 3) Cheques/drafts must be made in the favour of “Five-Star Business Finance Limited” and crossed “Account Payee only” payable at Chennai. Money orders or postal orders will not be accepted. The payments can be made by RTGS, the details of which are given above.
- 4) No cash will be accepted.
- 5) The Applicant should mention its permanent account number or the GIR number allotted to it under the Income Tax Act, 1961 and also the relevant Income-tax circle/ward/District.
- 6) Applications under Power of Attorney/Relevant Authority

In case of an application made under a power of attorney or resolution or authority to make the application a certified true copy of such power of attorney or resolution or authority to make the application and the Memorandum and Articles of Association and/or bye-laws of the Investor must be attached to the Application Form at the time of making the application, failing which, the Company 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 therefore. Further any modifications / additions in the power of attorney or authority should be notified to the Company at its registered office. Names and specimen signatures of all the authorised signatories must also be lodged along with the submission of the completed application.

- 7) An application once submitted cannot be withdrawn. The applications should be submitted during normal banking hours at the office mentioned below:

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

- 8) The applications would be scrutinised and accepted as per the terms and conditions specified in this Shelf Disclosure Document.
- 9) The Company is entitled at its sole and absolute discretion to accept or reject any application, in part or in full without assigning any reason whatsoever. Any application, which is not complete in any respect, is liable to be rejected.
- 10) Applicants residing or situate at places other than in Chennai, may send their application along with cheques or demand drafts to the centre mentioned above. The demand drafts must be payable at par at Chennai. The demand draft charges will have to be borne by the Applicant.
- 11) The Investor/Applicant shall apply for the Debentures in electronic, i.e., dematerialised form only. Applicants should mention their Depository Participant's name, DP-ID and Beneficiary Account Number in the Application Form. In case of any discrepancy in the information of Depository/Beneficiary Account, the Company shall be entitled to not credit the beneficiary's demat account pending resolution of the discrepancy.

The Applicant is requested to contact the office of the Company as mentioned above for any clarifications.

Succession

In case the investor is an individual, in the event of the demise of a registered Debenture holder or the first holder in the case of joint holders, the Company will recognize the executor or administrator of the deceased Debenture holder or the holder of succession certificate or other legal representative of the deceased Debenture holder as having title to the Debenture. The Company shall not be bound to recognize such executor, administrator or holder of the succession certificate unless such a person obtains probate or letter of administration or is the holder of succession certificate or other legal representation, as the case may be, from a Court in India having jurisdiction over the matter and delivers a copy of the same to the Company. The Company may at its absolute discretion, where it thinks fit, dispense with the production of the probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the Debenture standing in the name of the deceased Debenture holder on production of sufficient documentary proof or indemnity. In case the Debentures are held by a person other than an individual, the rights in the Debenture shall

vest with the successor acquiring interest therein, including a liquidator or such any person appointed as per the applicable laws.

Over and above the aforesaid terms and conditions, the Debentures, if any issued under this Shelf Disclosure Document, shall be subject to this Shelf Disclosure Document, the relevant mortgage cum debenture trust deed and also be subject to the provisions of the Memorandum and Articles of Association of the Company.

Option to Subscribe

The Company has made arrangements for issue and holding of the Debentures in demat form.

Nomination Facility

The Company does not offer any nomination facility to the investors of the Debentures issued under this Shelf Disclosure Document.

Right to accept or reject applications

The Company is entitled at its sole and absolute discretion, to accept or reject any application in part or in full, without assigning any reason. Incomplete Application Forms are liable to be rejected. The full amount of Debenture has to be submitted along with the Application Form. Also, in case of over subscription, the Company reserves the right to increase the size of the placement subject to necessary approvals/certifications, and the basis of allotment shall be decided by the Company.

Interest on Application Money

At the Interest Rate (subject to deduction of tax at source, as applicable) from the date of realization of cheque(s)/ demand draft(s)/ RTGS up to one day prior to the Deemed Date of Allotment. Where pay-in Date and Deemed date of Allotment are the same, no interest on Application money is to be paid.

Allotment Intimation

The Debentures in dematerialized form, will be credited within 5 (Five) Business Days from the Deemed Date of Allotment.

Register of Debenturesholder(s)

A register of all Debenture holder(s) containing necessary particulars will be maintained by the Company at its Registered Office. A copy of the register of all Debenture holder(s) will also be maintained by the Company at its Corporate Office.

Transfer / Transmission

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.

Payment of Interest on Allotted Debenture

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.

In case the Date of Allotment is revised (preponed/ postponed) then the above Interest Payment Date may also be revised (preponed/ postponed) accordingly by the Company at its sole & absolute discretion.

Interest for each of the interest periods shall be calculated, on 'actual/ actual' basis, on the face value of principal outstanding on the Debentures at the coupon rate rounded off to the nearest Rupee.

Authority for the Placement

This private placement of Debentures is being made pursuant to the resolution of the Board of Directors passed at its meeting held on **August 02, 2019** which has approved the placement of

Debentures **upto Rs 2,500 Crores** and shareholders resolution dated September 25, 2019 pursuant to section 42 of the Companies Act, 2013 read with the resolution passed by the Business and Resource Committee of the Board of Directors dated June 12, 2020. The **present issue of Rs. 100 Crores** is within the general borrowing limits in terms of the resolution passed under Section 180(1)(c) of the Companies Act, 2013, at the Annual General Meeting of the shareholders of the Company held on September 25, 2019 giving their consent to the borrowing by the Directors of the Company from time to time **not exceeding Rs. 2500 Crores** subject to any restrictions imposed by the terms of the agreement entered into from time to time for grant of loans to the Company of all monies deemed by them to be requisite or proper for the purpose of carrying on the business of the Company. The borrowings under these Debentures will be within the prescribed limits as aforesaid.

The Company can carry on its existing activities and future activities planned by it in view of the existing Approvals, and no further approvals from any Government authority are required by the Company to carry on its said activities.

Record Date

This will be the date falling **7 calendar Days** prior to each Coupon Payment / Redemption date. The list of beneficial owner(s) provided by the Depository as at the end of day of Record Date shall be used to determine the name(s) of person(s) to whom the interest and/or principal installment is to be paid.

Tax Deduction at Source

Tax as applicable under the Income Tax Act, 1961 will be deducted at source. Tax exemption certificate/document, under Section 195(3) or Section 197(1) of the Income Tax Act, 1961, if any, must be lodged at the office of the Company before the Record date. Tax exemption certificate for interest on application money, if any, should be lodged along with the Application Form.

Redemption on Maturity of Debenture

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

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

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.

Addition/extension/consolidation of securities under existing ISIN:

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

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

Compliance Officer

The Investor may contact the Company in case of any pre -issue / post-issue related problems such as non-receipt of letters of allotment / Debenture certificates / refund orders / interest cheques.

Notices

All notices to the Debenture holder(s) required to be given by the Company shall be sent to the Debenture holder(s) at the address stated in the Application Form, or at the address as notified by the Debenture holder(s) from time to time. In case of Debentures held in electronic (dematerialised) form, notices will be sent to those whose names appear on the last list of Beneficial Owner(s), provided to the Company by Depository (ies)

All notices to the Company by the Debenture holder(s) must be sent by registered post or by hand delivery to the Company at its Corporate Office or to such person(s) at such address as may be notified by the Company from time to time.

Debentures to Rank Pari-Passu

The Debentures of this Issue shall rank pari-passu inter-se without preference or priority of one other or others.

Payments at Par

Payment of the principal, all interest and other monies will be made to the registered Debenture holder(s)/ beneficial owner(s) and in case of joint holders to the one whose name stands first in the register of Debenture holder(s) / in the list of beneficial owner(s) provided to the Company by the Depository (NSDL). Such payments shall be made by cheque or warrant drawn by the Company on its bankers. Interest and the principal amount shall be paid through instruments payable at par at Ahmadabad, Bangalore, Calcutta, Chennai, Delhi, Hyderabad, Baroda, Mumbai, and Pune only subject to applicable RBI regulations. Investors not residing in any of the above locations are advised to indicate their preference of any one location from the above list to receive the redemption / interests warrant payable at that location otherwise their application is liable to be rejected.

The Company upon request from the investor, as stated above, may make the interest and principal payment through RTGS.

Future Borrowings

The Company will be entitled to borrow/raise loans or avail of financial assistance in whatever form including issue of Debentures/ other securities in any manner and change the capital structure including the issue of shares of any class, on such terms and conditions as the Company may think appropriate, without having any need to obtain the consent of, or intimation to, the Debenture holders or the Trustees in this connection.

Tax Benefits

There are no specific tax benefits attached to the Debentures. Investors are advised to consider the tax implications of their respective investment in the Debentures.

Loss of Letter(s) of Allotment / Principal and Interest Payment Instruments

Loss of Letter(s) of Allotment and/ or principal payment instrument / interest payment instrument should be intimated to the Company along with the request for issue of a duplicate Letter(s) of Allotment/ payment instrument(s). If any Letter(s) of Allotment/ payment instrument(s) is lost, stolen, or destroyed, then upon production of proof thereof, to the satisfaction of the Company and upon furnishing such indemnity, as the Company may deem adequate and upon payment of any expenses incurred by the Company in connection thereof, new Letter(s) of Allotment / payment instrument(s) shall be issued. A fee will be charged by the Company, not exceeding such sum as may be prescribed by law.

Debentures subject to the Term Sheet, Mortgage cum Debenture Trust Deed, etc.

Over and above the aforesaid terms and conditions, the Debentures, issued under this Shelf Disclosure Document, shall be subject to prevailing guidelines/regulations of Reserve Bank of India and other authorities and also be subject to the provisions of the Memorandum and Articles of Association of the Company and all Transaction Documents to be entered into by the Company in relation to the issue of Debentures.

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 Chennai shall have exclusive jurisdiction with respect to matters relating to the Debentures.

Declaration

It is hereby declared that this Shelf Disclosure Document contains full disclosures in accordance with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide Circular No. LAD-NRO/GN/2008/13/127878 dated June 06, 2008, as amended from time to time.

The Company also confirms that this Shelf Disclosure Document does not omit disclosure of any material fact which may make the statements made therein, in the light of the circumstances under which they are made, misleading. The Shelf Disclosure Document also does not contain any false or misleading statement.

The Company accepts no responsibility for the statements made otherwise than in this disclosure document or in any other material issued by or at the instance of the Company and that any one placing reliance on any other source of information would be doing so at his/her own work.

Signed by
For FIVE-STAR BUSINESS FINANCE LIMITED


Authorised Signatory

Authorised Signatory
Five-Star Business Finance Limited

Date: June 12, 2020
Place: Chennai

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	NSDL
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:

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

(Note: Cheque and Drafts are subject to realisation)

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

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

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

Received from _____

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

ANNEXURE – II – DEBENTURE TRUSTEE CONSENT LETTER

CATALYST
Believe in yourself. Trust us!



CL/MUM/20-21/DEB/78

June 09, 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 100 Crores to be issued by your Company.

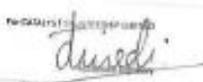
The Company and the Trustee shall enter into relevant trustee agreements and other necessary documents for the aforesaid issue of NCDs and term loans and also agrees & undertakes to comply with the provisions of the SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) 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 the 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

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


Authorized Signatory

For FIVE-STAR BUSINESS FINANCE LIMITED

Authorized Signatory

CATALYST TRUSTEESHIP LIMITED (INCORPORATED IN INDIA)
In ISO 9001 Company
Head Office: Windsor, 6th floor, Office No. 69A, C.S.I. Road, Kallur, Saranagar (West), Mumbai-400 058. Tel: +91 (022) 4002 2005. Fax: +91 (022) 4822 6505
Bang. Office: GDA House, Plot No. 95, Dhruv Colony (Right), Paldi Road, Pune-411 006. Tel: +91 (020) 25282281. Fax: +91 (020) 25280275
Delhi Office: Office No. 110, 9th floor, Karishk Building, 2B, Kirti Khera Condo/1/1st, New Delhi-110001. Tel: +91 11 430 1310/100.
CIN No. U14999DL1997PL1CT0042. Email: catalysttrustee.com. Website: www.catalysttrustee.com
Pune | Mumbai | Bangalore | Delhi | Chennai



ANNEXURE – III – RATING LETTER & RATING RATIONALE



ICRA Limited

Ref: MUM/20-21/0778

Date: June 09, 2020

Mr. D Lakshminath
 Managing Director
 Five-Star Business Finance Limited
 39, Outer Circular Road
 Kilpauk Garden Colony
 Kilpauk
 Chennai - 600010.

Dear Sir

Re: ICRA rating for Rs. 500.00 crore Non-Convertible Debenture Programme of Five-Star Business Finance Limited (instrument details in Annexure)

Please refer to your request dated June 09, 2020 for revalidating the rating letter issued for the captioned programme.

We confirm that the [ICRA]A (pronounced as ICRA A) rating with a Stable outlook assigned to your captioned programme and last communicated to you vide our letter dated March 10, 2020 stands. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. The amount utilized against this is Rs. 470.00 crore.

The other terms and conditions for the rating of the aforementioned instrument shall remain the same as communicated vide our letter Ref No. RTG/Chen/144/19-20 dated March 10, 2020.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold long term debt/non-convertible debenture to be issued by you.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,

Yours sincerely,

For ICRA Limited

Digitally signed by KARTHIK SRINIVASAN
 Date: 2020.06.09 16:41:40 +05'30'

Karthik Srinivasan
 Senior Vice President
karthiks@icraindia.com

Electric Mansion, 3rd Floor
 Appasaheb Marathe Marg
 Prabhadevi, Mumbai-400025
 Registered Office: 1108, Kalindi Building, 11th Floor, 28 Kasturba Gandhi Marg, New Delhi - 110001, Tel.: +91 11 23067940-49

TEL : +91 22 61693200
 CIN: L74999DL1991PLC042749

Website : www.icra.in
 Email : info@icraindia.com
 Helpline : +91 9054738809

RATING • RESEARCH • INFORMATION

LAST AUDITED FINANCIAL STATEMENTS

Standalone Balance Sheet as at March 31, 2019

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

₹ in Lakhs

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
ASSETS				
Financial Assets:				
Cash and cash equivalents	04	20,992.65	12,643.11	17,986.69
Bank balances other than cash and cash equivalents	05	6.88	7.98	56.64
Loans	06	2,05,743.73	96,859.91	47,380.65
Investments	07	1,500.00	1,500.00	1,500.00
Other financial assets	08	283.68	269.19	190.30
Total		2,28,526.94	1,11,280.19	67,114.28
Non-financial Assets				
Current tax assets (net)	09	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
Total		3,077.39	2,029.28	1,051.04
Total Assets		2,31,604.33	1,13,309.47	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
Total		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
Total		2,133.20	621.64	528.91
Equity				
Equity share capital	21	2,389.96	1,916.89	1,426.51
Other equity	22	1,34,118.37	57,304.24	20,805.85
Total		1,36,508.33	59,221.13	22,232.36
Total Liabilities and Equity		2,31,604.33	1,13,309.47	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: 101246/W/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 Lakshmiipathy
 Chairman & Managing Director
 DIN No : 01723269

R. Anand
 Director
 DIN No : 00243485

G Srikanth
 Chief Financial Officer

Rangarajan K
 Chief Executive Officer

B Shalini
 Company Secretary
 ACS: A51334

Place : Chennai
 Date : May 14, 2019

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)

₹ in Lakhs

Particulars	Note No.	Year ended 31.03.2019	Year ended 31.03.2018
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 expenses			
Current Tax	33 A	6,954.97	2,404.37
Deferred tax (net)	37	(785.94)	(263.06)
Total		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 of Rs.10/- each			
- Basic (Rs.)		70.16	31.29
- Diluted (Rs.)		68.58	30.69

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

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

K Raghuram
Partner
Membership No: 211171

D Lakshmiopathy
Chairman & Managing Director
DIN No : 01723269

R. Anand
Director
DIN No : 00243485

G Srikanth
Chief Financial Officer

Rangarajan K
Chief Executive Officer

B Shalini
Company Secretary
ACS: A51334

Place : Chennai
Date : May 14, 2019

₹ in Lakhs

Particulars	Note No.	2017 - 2018	2016 - 2017
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 the Accounts 2 to 35

Per our report of event date attached
 For Brahmaya & Co.
 Chartered Accountants, Firm Registration Number 0005115

P. Babu
 Partner
 Membership No. 203358

Place : Chennai
 Date: 22.05.2018

For and on behalf of Board of Directors

D Lakshmi pathy
 Chairman & Managing Director

R. Anand
 Director

G Srikanth
 Chief Financial Officer

B Shalini
 Company Secretary

Standalone Cash Flow Statement for the Year ended March 31, 2019

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

₹ in Lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
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:		
Adjustments for (increase) / decrease in operating assets:		
Loans	(1,09,584.36)	(50,382.26)
Other non- financial assets	(94.34)	(182.47)
Other financial assets	(59.35)	(52.00)
Adjustments for increase / (decrease) in operating liabilities:		
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 access paid/(Net) not access	(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 equivalent	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)	1,00,985.76	39,267.77
Net Increase 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
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
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 (net)	207.90	7,684.38
Others*	36.14	(37.69)
As at March 31, 2018	19,322.09	33,483.42
Cash flows (net)	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

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

K Raghuram
Partner
Membership No: 211171

D Lalshmiopathy
Chairman & Managing Director
DIN No : 01723269

R. Anand
Director
DIN No : 00243485

G Srikanth
Chief Financial Officer

Rangarajan K
Chief Executive Officer

B Shalini
Company Secretary
ACS: A51234

Place : Chennai
Date : May 14, 2019

₹ in Lakhs

Particulars	2017 - 2018	2016 - 2017
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	-
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 provision	69.94	14.59
Short term provision	25.78	126.83
Trade payables	146.58	271.41
Other Current liabilities	118.92	(51,172.49)
		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 from 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 0005115

For and on behalf of Board of Directors

P. Babu

Partner

Membership No. 203358

D Lakshmi pathy
Chairman & Managing Director

R. Anand

Director

Place : Chennai

Date: 22.05.2018

G Srikanth
Chief Financial OfficerB Shalini
Company Secretary