

INFORMATION MEMORANDUM



FIVE-STAR BUSINESS FINANCE LIMITED

Corporate Identity Number (CIN): U65991TN1984PLC010844

Permanent Account Number: AAACF0419M

Date and Place of Incorporation: May 07, 1984, Chennai

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

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

Compliance Officer & Company Secretary: Ms. Shalini B 044-46106200 & secretary@fivestargroup.in

Chief Financial Officer: Mr. Srikanth G 044-46106200 & cfo@fivestargroup.in

Promoter: Mr. D Lakshmi pathy 044-46106200 & md@fivestargroup.in

This bond issue does not form part of non-equity regulatory capital mentioned under Chapter V of SEBI NCS Regulations, 2021.

Information Memorandum for issue of Debentures on a private placement basis

Dated: June 12, 2023

ISSUE OF UPTO 20,000 SENIOR, SECURED, UNSUBORDINATED, RATED, LISTED, TRANSFERABLE, REDEEMABLE, NON-CONVERTIBLE DEBENTURES EACH HAVING A FACE VALUE OF INR 1,00,000 (INDIAN RUPEES ONE LAKH ONLY) AGGREGATING TO INR 200,00,00,000 (RUPEES TWO HUNDRED CRORES ONLY) ("DEBENTURES") COMPRISING OF BASE ISSUE OF 10,000 RATED, LISTED, SENIOR, SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF RS.1,00,000 (INDIAN RUPEES ONE LAKHS ONLY) EACH, AGGREGATING TO RS.100,00,00,000 (INDIAN RUPEES ONE HUNDRED CRORES ONLY), ("BASE ISSUE") AND GREEN SHOE OPTION OF 10,000 RATED, LISTED, SENIOR, SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF RS.1,00,000 (INDIAN RUPEES ONE LAKHS ONLY) EACH, AGGREGATING TO RS.100,00,00,000 (INDIAN RUPEES ONE HUNDRED CRORES ONLY), ("GREEN SHOE OPTION") BY WAY OF A PRIVATE PLACEMENT (THE "ISSUE"), BY FIVE-STAR BUSINESS FINANCE LIMITED (THE "COMPANY" OR "ISSUER").

Debenture Trustee	Registrar and Transfer Agent	Rating Agency
 Catalyst Trusteeship Limited	 NSDL Database Management Limited	 ICRA Limited

<p>Office No. 604, 6th floor, Windsor C.S.T. Road, Kalina, Santacruz (East), Mumbai 400098</p> <p>Contact Person: Mr. Umesh Salvi</p> <p>Tel.: +91-22-49220503 Fax: +91-22-49220505</p> <p>Email: umesh.salvi@ctltrustee.com Website: http://www.catalysttrustee.com/</p>	<p align="center">NSDL Database Management Limited</p> <p>Trade World, A - Wing, 4th & 5th Floors, Kamala Mills Compound, Lower Parel, Mumbai - 400013</p> <p>Contact Person: Mr. Nilesh Bhandare</p> <p>Tel.: 91-22-24994200 Fax: 022 49142503</p> <p>Email: info_ndml@nsdl.co.in Website: www.ndml-nsdl.co.in</p>	<p>B-710, Stateman's House, 148 Barakhamba Road</p> <p>New Delhi - 1100011</p> <p>Contact Person: Mr. R Srinivasan</p> <p>Tel.: 91-44-45494315 Fax: Emailr.srinivasan@icraindia.com</p> <p>Website: www.icra.in</p>
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

ISSUE SCHEDULE	
Issue Opens on:	June 14, 2023
Issue Closes on:	June 14, 2023
Pay in Date	June 15, 2023
Deemed date of allotment	June 15, 2023

ISSUE DETAILS	
<p>The nature, number, price and amount of securities offered and issue size (base issue or green shoe), as may be applicable</p>	<p>Total Issue Size: 20,000 senior, secured, unsubordinated, rated, listed, transferable, redeemable, non-convertible debentures each having a face value of INR 1,00,000 (Indian Rupees One Lakh Only) aggregating to INR 200,00,00,000 (Indian Rupees Two Hundred Crores only) ("Debentures") comprising of:</p> <p>Base Issue: 10,000 senior, secured, unsubordinated, rated, listed, transferable, redeemable, non-convertible debentures each having a face value of INR 1,00,000 (Indian Rupees One Lakh Only) aggregating to INR 100,00,00,000 (Rupees One Hundred Crores Only)</p> <p>Green Shoe Option: Up to 10,000 senior, secured, unsubordinated, rated, listed, transferable, redeemable, non-convertible debentures each having a face value of INR 1,00,000 (Indian Rupees One Lakh Only) aggregating to INR 100,00,00,000 (Rupees One Hundred Crores Only).</p>
<p>The aggregate amount proposed to be raised through</p>	<p>Not applicable.</p>

all the stages of offers of non-convertible securities made through the shelf placement memorandum;	
Coupon	Fixed Coupon of 9.10% per annum
Coupon Payment Frequency	Coupon will be paid on 15 th December 2023 and annually thereafter as set out below 15 December 2023 15 December 2024 15 December 2025 15 December 2026
Redemption Date	15 December 2026
Redemption Amount	INR 1,00,000 (Indian Rupees One Lakh) per Debenture as set out in Annexure X- Illustration of Cash Flow.
Credit Rating	ICRA Limited - ICRA AA-
Details of Eligible Investors	The following categories of investors, when specifically approached, are eligible to apply for this private placement of Debentures: <ul style="list-style-type: none"> • Resident Individuals, • Hindu Undivided Family, • Trust, • Limited Liability Partnerships, Partnership Firm(s), • Portfolio Managers and Foreign Institutional Investors (FII) registered with SEBI, • Association of Persons, • Companies and Bodies Corporate including Public Sector Undertakings. • Commercial Banks, Regional Rural Banks, Financial Institutions, • Insurance Companies, • Mutual Funds/ Alternative Investment Fund (AIF), and any other investor eligible to invest in these Debentures
Details about Underwriting	Not Applicable
Listing	The Debentures are proposed to be listed on the wholesale debt market segment of the BSE Limited (" BSE " or the " Stock Exchange ").
Inclusion of a compliance clause in relation to electronic book mechanism and details pertaining to the uploading the placement memorandum on	This Issue, offer and subscription to the Debentures shall be made by the Eligible Investors through the electronic book mechanism as prescribed by SEBI and BSE under the EBP Guidelines (as defined below) by placing bids on the EBP Platform during the period of the Issue. The Eligible Investors should also refer to the operational guidelines of the EBP in

<p>the Electronic Book Provider Platform, if applicable.</p>	<p>this respect. The disclosures required pursuant to the EBP Guidelines (as defined below) are set out hereinbelow:</p> <table border="1" data-bbox="641 304 1469 1831"> <tr> <td data-bbox="641 304 933 1302"> <p>Details of size of the Issue including green shoe option, if any</p> </td> <td data-bbox="933 304 1469 1302"> <p>Total Issue Size: 20,000 senior, secured, unsubordinated, rated, listed, transferable, redeemable, non-convertible debentures each having a face value of INR 1,00,000 (Indian Rupees One Lakh Only) aggregating to INR 200,00,00,000 (Indian Rupees two hundred crores only) (“Debentures”) comprising of:</p> <p>Base Issue: 10,000 senior, secured, unsubordinated, rated, listed, transferable, redeemable, non-convertible debentures each having a face value of INR 1,00,000 (Indian Rupees One Lakh Only) aggregating to INR 100,00,00,000 (Rupees One Hundred Crores Only):</p> <p>Green Shoe Option: Up to 10,000 senior, secured, unsubordinated, rated, listed, transferable, redeemable, non-convertible debentures each having a face value of INR 1,00,000 (Indian Rupees One Lakh Only) aggregating to INR 100,00,00,000 (Rupees One Hundred Crores Only):</p> </td> </tr> <tr> <td data-bbox="641 1302 933 1344"> <p>Anchor Portion</p> </td> <td data-bbox="933 1302 1469 1344"> <p>No</p> </td> </tr> <tr> <td data-bbox="641 1344 933 1428"> <p>Interest Rate Parameter</p> </td> <td data-bbox="933 1344 1469 1428"> <p>Fixed</p> </td> </tr> <tr> <td data-bbox="641 1428 933 1543"> <p>Bid opening and closing date</p> </td> <td data-bbox="933 1428 1469 1543"> <p>Bid opening date: June 14, 2023; and Bid closing date: June 14, 2023</p> </td> </tr> <tr> <td data-bbox="641 1543 933 1585"> <p>Bid Book Type</p> </td> <td data-bbox="933 1543 1469 1585"> <p>Open Book</p> </td> </tr> <tr> <td data-bbox="641 1585 933 1753"> <p>Minimum Bid lot</p> </td> <td data-bbox="933 1585 1469 1753"> <p>100 (One Hundred) Debentures (aggregating to INR 1,00,00,000 (Indian Rupees One Crore), and 1 (one) Debenture thereafter</p> </td> </tr> <tr> <td data-bbox="641 1753 933 1831"> <p>Manner of bidding in the Issue</p> </td> <td data-bbox="933 1753 1469 1831"> <p>on an anonymous order driven system</p> </td> </tr> </table>	<p>Details of size of the Issue including green shoe option, if any</p>	<p>Total Issue Size: 20,000 senior, secured, unsubordinated, rated, listed, transferable, redeemable, non-convertible debentures each having a face value of INR 1,00,000 (Indian Rupees One Lakh Only) aggregating to INR 200,00,00,000 (Indian Rupees two hundred crores only) (“Debentures”) comprising of:</p> <p>Base Issue: 10,000 senior, secured, unsubordinated, rated, listed, transferable, redeemable, non-convertible debentures each having a face value of INR 1,00,000 (Indian Rupees One Lakh Only) aggregating to INR 100,00,00,000 (Rupees One Hundred Crores Only):</p> <p>Green Shoe Option: Up to 10,000 senior, secured, unsubordinated, rated, listed, transferable, redeemable, non-convertible debentures each having a face value of INR 1,00,000 (Indian Rupees One Lakh Only) aggregating to INR 100,00,00,000 (Rupees One Hundred Crores Only):</p>	<p>Anchor Portion</p>	<p>No</p>	<p>Interest Rate Parameter</p>	<p>Fixed</p>	<p>Bid opening and closing date</p>	<p>Bid opening date: June 14, 2023; and Bid closing date: June 14, 2023</p>	<p>Bid Book Type</p>	<p>Open Book</p>	<p>Minimum Bid lot</p>	<p>100 (One Hundred) Debentures (aggregating to INR 1,00,00,000 (Indian Rupees One Crore), and 1 (one) Debenture thereafter</p>	<p>Manner of bidding in the Issue</p>	<p>on an anonymous order driven system</p>
<p>Details of size of the Issue including green shoe option, if any</p>	<p>Total Issue Size: 20,000 senior, secured, unsubordinated, rated, listed, transferable, redeemable, non-convertible debentures each having a face value of INR 1,00,000 (Indian Rupees One Lakh Only) aggregating to INR 200,00,00,000 (Indian Rupees two hundred crores only) (“Debentures”) comprising of:</p> <p>Base Issue: 10,000 senior, secured, unsubordinated, rated, listed, transferable, redeemable, non-convertible debentures each having a face value of INR 1,00,000 (Indian Rupees One Lakh Only) aggregating to INR 100,00,00,000 (Rupees One Hundred Crores Only):</p> <p>Green Shoe Option: Up to 10,000 senior, secured, unsubordinated, rated, listed, transferable, redeemable, non-convertible debentures each having a face value of INR 1,00,000 (Indian Rupees One Lakh Only) aggregating to INR 100,00,00,000 (Rupees One Hundred Crores Only):</p>														
<p>Anchor Portion</p>	<p>No</p>														
<p>Interest Rate Parameter</p>	<p>Fixed</p>														
<p>Bid opening and closing date</p>	<p>Bid opening date: June 14, 2023; and Bid closing date: June 14, 2023</p>														
<p>Bid Book Type</p>	<p>Open Book</p>														
<p>Minimum Bid lot</p>	<p>100 (One Hundred) Debentures (aggregating to INR 1,00,00,000 (Indian Rupees One Crore), and 1 (one) Debenture thereafter</p>														
<p>Manner of bidding in the Issue</p>	<p>on an anonymous order driven system</p>														

	<table border="1"> <tr> <td>Manner of allotment in the Issue</td> <td>The allotment will be done on Uniform Yield basis in accordance with EBP Guidelines.</td> </tr> <tr> <td>Manner of settlement in the Issue</td> <td>Pay-in of funds through ICCL and the account details are given in the Section 7 (Issue Procedure) of this Placement Memorandum</td> </tr> <tr> <td>Settlement cycle</td> <td>T+1; where T refers to the date of bid opening date / issue opening date</td> </tr> <tr> <td>Deemed Date of Allotment</td> <td>June 15, 2023</td> </tr> </table> <p>Please refer Section 8 below. The Debentures do not exceed the threshold for mandatory electronic book platform as prescribed under Chapter VI of the Securities and Exchange Board of India Operational Circular dated 10th August 2021 having reference no. SEBI/HO/DDHS/P/CIR/ 2021/613 (as updated from time to time) and hence the issuer is not required to comply with the EBP requirement.</p>	Manner of allotment in the Issue	The allotment will be done on Uniform Yield basis in accordance with EBP Guidelines.	Manner of settlement in the Issue	Pay-in of funds through ICCL and the account details are given in the Section 7 (Issue Procedure) of this Placement Memorandum	Settlement cycle	T+1; where T refers to the date of bid opening date / issue opening date	Deemed Date of Allotment	June 15, 2023
Manner of allotment in the Issue	The allotment will be done on Uniform Yield basis in accordance with EBP Guidelines.								
Manner of settlement in the Issue	Pay-in of funds through ICCL and the account details are given in the Section 7 (Issue Procedure) of this Placement Memorandum								
Settlement cycle	T+1; where T refers to the date of bid opening date / issue opening date								
Deemed Date of Allotment	June 15, 2023								
Specific declaration requested by BSE: non-equity regulatory capital	This issue of Debentures does not form part of non-equity regulatory capital mentioned under Chapter V of the SEBI NCS Regulations. The face value of each Debenture is INR 1,00,000 (Indian Rupees One Lakh Only).								

GENERAL RISK

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. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, 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 statement of risk factors contained under **SECTION 4 - RISK FACTORS** of this Disclosure Document. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the debt securities/non-convertible redeemable preference shares or investor's decision to purchase such securities.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this placement memorandum contains all information with regard to the issuer and the issue which is material in the context of

the issue, that the information contained in the placement memorandum is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading.

CREDIT RATING

ICRA Ltd (ICRA) has assigned "ICRA AA-" rating to the Issue by the Company by a letter dated January 27, 2023. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. For more details on credit rating of the Issuer refer to press release at www.icra.in.

Please refer Annexure II for letter and rationale issued by rating agency.

The above rating is not a recommendation to buy, sell or hold securities and Investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning Credit Rating Agency and rating should be evaluated independently of any other rating. The rating obtained is subject to revision at any point of time in the future.

LISTING

The Debentures are proposed to be listed on the wholesale debt market segment of the BSE Limited ("BSE" or the "Stock Exchange"). The Company has obtained "in principle" approvals from BSE on June 15, 2023, for listing the Debentures offered through this Issue.

RECOVERY EXPENSE FUND

The Issuer has created the Recovery Expense Fund in accordance with the SEBI Debenture Trustee Circular with the BSE. In this regard, please also refer to the section on "Creation of recovery expense fund" under Section 8 below.

TABLE OF CONTENTS

SECTION 1	DISCLAIMERS	8
SECTION 2	DEFINITIONS AND ABBREVIATIONS	13
SECTION 3	UNDERTAKING OF THE ISSUER	17
SECTION 4	RISK FACTORS	18
SECTION 5	REGULATORY DISCLOSURES.....	29
SECTION 6	ISSUER INFORMATION	31
SECTION 7	APPLICATION PROCESS.....	77
SECTION 8	ISSUE DETAILS.....	92
SECTION 9	DISCLOSURE PERTAINING TO WILFUL DEFAULT.....	104
SECTION 10	KEY TERMS OF THE ISSUE	105
SECTION 11	DECLARATION.....	137
ANNEXURE I: LAST AUDITED FINANCIAL STATEMENTS.....		139
ANNEXURE II: CREDIT RATING LETTER.....		190
ANNEXURE III: CONSENT LETTER FROM THE DEBENTURE TRUSTEE		192
ANNEXURE IV: BOARD RESOLUTION.....		192
ANNEXURE V: SHAREHOLDERS RESOLUTION.....		197
ANNEXURE VI: DUE DILIGENCE CERTIFICATE FROM DEBENTURE TRUSTEE		201
ANNEXURE VII: UNDERTAKING PURSUANT TO REGULATION 43 (2) OF THE SEBI NCS REGAULTIONS		204
ANNEXURE IX- TRANSACTION DOCUMENTS.....		206
ANNEXURE IX: APPLICATION FORM		207
ANNEXURE X- ILLUSTRATION OF CASH FLOW		212
ANNEXURE XI- DECLARATION OF PROMOTER.....		213
ANNEXURE XII- PAS 4.....		214
ANNEXURE XIII- DISCLOSURES ON ASSET LIABILITY MANAGEMENT (ALM)		256
ANNEXURE XIV- IN PRINCIPLE APPROVAL FROM BSE		267

SECTION 1 DISCLAIMERS

GENERAL DISCLAIMER

This Disclosure Document is neither a prospectus nor a statement in lieu of a prospectus and does not constitute an offer to the public to subscribe to the Issue.

The Debentures are to be listed on BSE and is being made strictly on a private placement basis. The Disclosure Document is not intended to be circulated to more than 200 (two hundred) 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. No invitation is being made to any persons other than to those to whom Application Form along with this Disclosure Document have been sent. Any application by a person to whom the Disclosure Document and Application Form have not been sent by the Company shall be rejected without assigning any reason. The person who is in receipt of the Disclosure Document shall maintain utmost confidentiality regarding the contents of the Disclosure Document and shall not reproduce or distribute in whole or in part or make any announcement in public or to a third party regarding the contents without the consent of the Issuer.

This Disclosure Document has been prepared in conformity with the Securities and Exchange Board Of India (Issue And Listing Of Non-Convertible Securities) Regulations, 2021, as amended up to date and other applicable laws. Therefore, as per the applicable provisions, a copy of this Disclosure Document has not been filed or submitted to the SEBI for its review and/or approval. It is the responsibility of potential investors to also ensure that any sale by them of the NCDs/Debentures does not constitute an offer to the public within the meaning of the Companies Act.

Apart from the Disclosure Document, no offer document or prospectus has been prepared in connection with this Issue and that no prospectus in relation to the Issuer or the NCDs relating to this Issue has been delivered for registration nor such a document is required to be registered under the applicable laws.

The Disclosure Document issued by the Company and the views contained in Disclosure do not necessarily reflect the views of its directors, employees, affiliates, subsidiaries, or representatives and should not be taken as such. The Disclosure Document have been prepared to provide general information about the Issuer to potential Eligible Investors to whom it is addressed and who are willing and eligible to subscribe to the Debentures. The Disclosure Document do not purport to contain all the information that any potential Eligible Investor may require. Where the Disclosure Document summarize the provisions of any other document, that summary should not be relied upon and the relevant document should be referred to for the full effect of the provisions.

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

This Information Memorandum and the contents hereof are intended only for recipients who have been addressed to directly and specifically through a communication by the Issuer and only such recipients are eligible to apply for the Debentures. All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue. The contents of this Disclosure Document is intended to be used only by those investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

DISCLAIMER OF THE ISSUER

The Issuer confirms that, as of the date hereof, this Information Memorandum (including the documents incorporated by reference, if any) contains all information that is material in the context of the Issue, is accurate in all material respects and does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements herein, in the light of the circumstances under which they are made, are not misleading. The sale or transfer of these Debentures outside India may require regulatory approvals in India, including without limitation, the approval of the RBI.

The Issuer confirms that all information considered adequate for and relevant to the Issue and the Issuer has been made available in this Information Memorandum for the use and perusal of the potential investors and no selective or additional information would be made available to any section of investors in any manner whatsoever. The information relating to the Company contained in the Disclosure Document is believed by the Company to be accurate in all respects as of the date hereof.

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

Neither the delivery of this Information Memorandum nor any Issue 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 Issuer since the date hereof.

The Issuer having made all reasonable enquiries, accepts responsibility for and confirms that the information contained in this Disclosure Document is true and correct in all material aspects 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 make 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 Company or any of its directors, employees, advisors, affiliates, subsidiaries or representatives do not accept any responsibility and/ or liability for any loss or damage however arising and of whatever nature and extent in connection with the said information.

DISCLAIMER TO THE STOCK EXCHANGE

As required, a copy of this Disclosure Document has been submitted to the BSE for hosting the same on its website as per the applicable law.

It is to be distinctly understood that filing of this Disclosure Document with the BSE should not in any way be deemed or construed that the same has been cleared or approved by the BSE, nor does the BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Disclosure Document, nor does the BSE warrant that the Issuer's Debentures will be listed or will continue to be listed on the Stock Exchange; nor does the BSE take any responsibility for the soundness of the financial and other conditions of the Issuer, its promoters, its management or any scheme or project of the Issuer. Every person who desires to apply for or otherwise acquire any Debentures of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

DISCLAIMER CLAUSE OF SEBI

This Disclosure Document has not been filed with the SEBI. The securities have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy this Information Memorandum. It is to be distinctly understood that filing of this Information Memorandum should not, in any way, be deemed or construed that the same has been cleared or vetted by SEBI. SEBI does not take any responsibility for the purpose for which the issue is proposed to be made or for the correctness of the statements made or opinions expressed in this Information Memorandum. The issue of Debentures being made on private placement basis, filing of this document is not required with SEBI, however SEBI reserves right to take up at any point of time, with the Company, any irregularities or lapses in this document.

DISCLAIMER TO THE DEBENTURE TRUSTEE

The Debenture Trustee or its agents or advisers associated with the Issue of the Debentures do not undertake to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Disclosure Document and shall not have any responsibility to advise any investor or prospective Investor in the Debentures of any information available with or subsequently coming to the attention of the Debenture Trustee, its agents or advisors.

The Debenture Trustee and its agents or advisers associated with the issue of the /Debentures 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 Debenture Trustee as to the accuracy or any other information provided by the Issuer. Accordingly, the Debenture Trustee shall have no liability in relation to the information

contained in this Disclosure Document or any other information provided by the Issuer in connection with the Issue. The Debenture Trustee is neither a principal debtor nor a guarantor of the /Debentures.

DISCLAIMER IN RESPECT OF CREDIT RATING AGENCY

The ratings of the Credit Rating Agency should not be treated as a recommendation to buy, sell or hold the Debentures. The Credit Rating Agency ratings are subject to a process of surveillance which may lead to a revision in ratings. Please visit the Credit Rating Agency's website www.icra.in or contact the Credit Rating Agency's office for the latest information on the Credit Rating Agency's ratings. All information contained herein has been obtained by the Credit Rating Agency from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and the credit rating agency in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or opinion and Credit Rating Agency shall not be liable for any losses incurred by users from any use of this publication and completeness of any such information. All information contained herein must be construed solely as statements or its contents.

DISCLAIMER OF RESERVE BANK OF INDIA

The Debentures have not been recommended or approved by the RBI nor does RBI guarantee the accuracy or adequacy of this Disclosure Document. It is to be distinctly understood that this Disclosure Document should not, in any way, be deemed or construed that the Debentures have been recommended for investment by the RBI. RBI does not take any responsibility either for the financial soundness of the Issuer, or the Debentures being issued by the Issuer or for the correctness of the statements made or opinions expressed in this Disclosure Document. The potential investors may make investment decision in respect of the Debentures offered in terms of this Disclosure Document solely on the basis of their own analysis and RBI does not accept any responsibility about servicing/repayment of such investment

SECTION 2 DEFINITIONS AND ABBREVIATIONS

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

Act	means the Companies Act, 2013, and shall include any re-enactment, amendment or modification of the Companies Act, 2013, as in effect from time to time.
Application Form	The form which shall be circulated to the prospective investors along with the Information Memorandum/ Disclosure document for the purpose of applying for the debentures and marked as Annexure IX.
Allot/ Allotment/ Allotted	Unless the context otherwise requires or implies, the allotment of the Debentures pursuant to this Issue
Account Bank	State Bank of India
Beneficial Owner(s)	Means the holder(s) of the Debentures in dematerialized form whose name is recorded as such with the Depository.
Board/ Board of Director(s)	Board of Director(s) of the Issuer
BSE Limited/BSE	Stock Exchange / Designated Stock Exchange
Business Day	Business Day shall mean a day (other than a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) or a Sunday) on which banks are normally open for business and the money market is functioning in Mumbai.
CERSAI	Means the Central Registry of Securitisation Asset Reconstruction and Security Interest of India.
CDSL	Central Depository Services (India) Limited
Company / Issuer	Five-Star Business Finance Limited
Coupon	Means the coupon payable on the Debentures on the Coupon Payment Date(s), at the Coupon Rate.
Coupon Payment Date	Mean the date(s) as specified in Section 6- Issue Details of this Information Memorandum.
Date of Subscription	Date of realization of proceeds of subscription money in the bank account of the Company.
Debentures or NCDs	Total Issue Size: 20,000 senior, secured, unsubordinated, rated, listed, transferable, redeemable, non-convertible debentures each having a face value of INR 1,00,000 (Indian Rupees One Lakh Only) aggregating to INR 200,00,00,000 (Indian Rupees two hundred crores only) ("Debentures") comprising of:

	<p>Base Issue: 10,000 senior, secured, unsubordinated, rated, listed, transferable, redeemable, non-convertible debentures each having a face value of INR 1,00,000 (Indian Rupees One Lakh Only) aggregating to INR 100,00,00,000 (Rupees One Hundred Crores Only):</p> <p>Green Shoe Option: Up to 10,000 senior, secured, unsubordinated, rated, listed, transferable, redeemable, non-convertible debentures each having a face value of INR 1,00,000 (Indian Rupees One Lakh Only) aggregating to INR 100,00,00,000 (Rupees One Hundred Crores Only):</p>
Debenture Holder(s)/Investors	Person(s) holding Debenture(s) and whose name is recorded as beneficial owner with the Depository (if the Debentures are in dematerialized form) as defined under Section 2 of the Depositories Act, 1996) or the person(s) whose name appears as holder of Debentures in the Register of Debentures (if the Debentures are in the physical form)
Debenture Trust Deed / DTD	The Debenture trust deed dated on or about the date of this Disclosure Document entered / to be entered into between the Company and the Debenture Trustee.
Debenture Trustee	Trustee for the Debenture Holder(s), in this case being Catalyst Trusteeship Limited
Debenture Trustee Agreement	Means the agreement entered into by and between the Issuer and the Debenture Trustee and dated [•], 2023.
Deed of Hypothecation	Means the deed of hypothecation executed and delivered by the Issuer in favour of the Debenture Trustee to evidence creation of first ranking exclusive charge by the Issuer in favour of the Debenture Trustee (for the benefit of the Debenture Holders) over the Hypothecated Property (in a form acceptable to the Majority Debenture Holders).
Deemed Date of Allotment	15 June 2023
Depository Participant / DP	A Depository participant as defined under Depositories Act, 1996 as amended from time to time
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996 as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Disclosure Document / Information Memorandum	This document which sets out the information regarding the Debentures being issued on a private placement basis.
EBP Guidelines	means the requirements with respect to electronic book mechanism prescribed in Chapter VI (Electronic Book Provider platform) of the SEBI Operational

	Circular 2021 and the operational guidelines issued by the relevant Electronic Book Provider, as may be restated, amended, modified or updated from time to time.
Electronic Book Provider / EBP	has the meaning given to it under the EBP Guidelines.
DRR	Debenture Redemption Reserve
Financial Year / FY	Financial year the of Company i.e. a period commencing from 1 st April and ending on 31 st March of the next calendar year
Insolvency Filing Event	The filing of any petition for insolvency resolution or liquidation against the Company under the Insolvency and Bankruptcy Code, 2016
Issue Opening Date	14 June 2023
Issue Closing Date	14 June 2023
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate(s)
NSDL	National Securities Depository Limited
PAN	Permanent Account Number
Private Placement Offer Cum Application Letter/ PPOL	The letter issued by the Issuer pursuant to the provisions of Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended, to the Investors in the format set out in the said rules
POA	Power of Attorney
Rating Agency/ Credit Rating Agency	ICRA Limited with SEBI pursuant to SEBI (Credit Rating Agencies) Regulations 1999, as amended from time to time and having its office at B-710, Statesman House, 148, Barakhamba Road, New Delhi - 110011
Record Date	The date, as may be fixed by the Company, which will be 7 (seven) Business Days prior to any due date, Interest Payment Date, the Final Redemption Date in respect of the Debentures (i.e., persons whose names are registered in the register of Debenture Holders or NSDL/CDSL record) shall be made.
REF / Recovery Expense Fund	means recovery expense fund created/to be created by the Issuer with the BSE.
R&T Agent	Registrar and Transfer Agent to the Issue, in this case being NSDL Database Management Limited.
RTGS	Real Time Gross Settlement
SEBI	Securities and Exchange Board of India
SEBI Debenture Trustee Circular	Means “Operational Circular for Debenture Trustees” regarding debt instruments and debenture trustees issued by SEBI bearing reference number

	SEBI/HO/DDHS/P/CIR/2023/50 dated March 31, 2023 as amended from time to time. ”
SEBI Listing Timelines Requirements	means the requirements in respect of the timelines for listing of debt securities issued on a private placement basis prescribed in Chapter VII (Standardization of timelines for listing of securities issued on a private placement basis) of the Listed NCDs Operational Circular as amended from time to time.
SEBI NCS Regulations	Securities And Exchange Board Of India (Issue And Listing Of Non-Convertible Securities) Regulations, 2021 as amended from time to time.
SEBI LODR Regulations	means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
TDS	Tax Deduction at Source
WDM	Wholesale Debt Market

SECTION 3 UNDERTAKING OF THE ISSUER

Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by any regulatory authority in India, including the 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' given under the section '**General Risks**'." "The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Disclosure Document contains all information with regard to the issuer and the issue, that the information contained in the offer document is true and correct in all material aspects 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 make 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 has no side letter with any debt securities holder except the one(s) disclosed in the offer document/offer document. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed."

SECTION 4 RISK FACTORS

An investment in the Debentures involves risks. These risks may include, among others, equity market, bond market, interest rate, market volatility and economic, political and regulatory risks and any combination of these and other risks. Prospective Investors should be experienced with respect to transactions in instruments such as the Debentures. Prospective Investors should understand the risks associated with an investment in the Debentures and should only reach an investment decision after careful consideration of, (a) the suitability of an investment in the Debentures in the light of their own particular financial, tax and other circumstances; and (b) the information set out in this Disclosure Document.

More than one risk factor may simultaneously affect the Debentures such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No assurance can be given as to the effect that any combination of risk factors may have on the value of the Debentures.

Investors are advised to read the following risk factors carefully before making an investment in the Debentures offered in this Issue. Each investor must rely on its own examination of the Issuer and this Issue, including the risks and uncertainties involved. 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.

RISKS RELATING TO THE DEBENTURES

I. Changes in the interest rates may affect the price of the Debentures

All securities where a fixed rate of interest is offered, such as Debentures 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 fluctuation in the prices is a function of the existing coupon/yield to maturity, days to maturity and the increase or decrease in the level of prevailing interest rates. Any increase in rates of interest is likely to have a negative effect on the price of the Debentures.

II. Secondary market for the Debentures may be illiquid

It is not possible to predict if and to what extent a secondary market may develop in the Debentures or at what price the Debentures will trade in the secondary market or whether such market will be liquid or illiquid. As specified in the Disclosure Document, an application has been made to list or quote or admit to trading

the Debentures on the WSD Segment of the BSE and an in-principle approval has been obtained. If the Debentures are so listed or quoted or admitted to trading on the BSE no assurance is given that any such listing or quotation or admission to trading will be maintained. The fact that the Debentures may be so listed or quoted or admitted to trading does not necessarily lead to greater liquidity than if they were not so listed or quoted or admitted to trading.

The Issuer may, but is not obliged to, at any time purchase the Debentures at any price in the open market or by tender or private agreement. Any Debentures so purchased may be resold or surrendered for cancellation. The more limited the secondary market is, the more difficult it may be for holders of the Debentures to realize value for the Debentures prior to redemption of the Debentures.

III. Credit risk of issuer and rating downgrade risk

The Credit Rating Agency has assigned the credit rating of "ICRA AA-" rating 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. The Issuer cannot guarantee that this rating will not be downgraded. Such a downgrade in the credit rating may lower the value of the Debentures and may also affect the Issuer's ability to raise further debts, in which case the investor may or may not recover all or part of the funds in case of default by the issuer.

IV. The Debentures may not be a suitable investment for all potential Investors

Potential Investors should ensure that they understand the nature of the Debentures and the extent of their exposure to risk, that they have sufficient knowledge, experience and access to professional advisers such as legal, tax, accounting and other advisers to make their own legal, tax, accounting and financial evaluation of the merits and risks of investment in the Debentures and that they consider the suitability of the Debentures as an investment in the light of their own circumstances and financial condition.

V. Exercise of powers by the Debenture Trustee is subject to equitable principles and supervisory powers of courts

The exercise by the Debenture Trustee of the powers and remedies conferred on it under the Debentures and this Disclosure Document or otherwise vested in it by applicable law, will be subject to general equitable principles regarding the enforcement of security, the general supervisory powers and discretion of the Indian courts in the context thereof and the obtaining of any necessary governmental or regulatory consents, approvals, authorisations or orders.

VI. The right of the Debenture Holders to receive payments under the Debentures will be junior to certain tax and other liabilities preferred by law on an insolvency of the Issuer

The Debentures will be subordinated to certain liabilities preferred by applicable law such as claims of the Government of India on account of taxes and certain liabilities incurred in the ordinary course of the Issuer's business (including workmen's dues). Upon an order for winding-up in India, the assets of a company are vested in a liquidator who has wide powers to liquidate such company to pay its debt and administrative expenses.

VII. Receipt of coupon or principal is subject to the credit risk of the Issuer.

Investors should be aware that the receipt of any coupon payment and principal amount at maturity is subject to the credit risk of the Issuer. Any stated credit rating of the Issuer reflects the independent opinion of the referenced rating agency as to the creditworthiness of the rated entity but is not a guarantee of credit quality of the Issuer. Any downgrading of the credit ratings of the Issuer by the rating agency may lower the value of the Debentures

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.

The payment of the principal and coupon on the Debentures is subject to the credit risk of the Issuer whereby the investors may or may not recover all or part of the principal or coupon amount of the funds invested in case of default by the Issuer. Debenture Holders assume the risk that the Issuer will not be able to satisfy their obligations under the Debentures and may or may not recover all or part of the principal and/or coupon amount in case of default by the Issuer.

VIII. Security may be insufficient to redeem the Debentures

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

price sufficient to repay the Debenture Holder(s)' amounts outstanding under the Debentures. The value realised from the enforcement of the Security may be insufficient to redeem the Debentures.

While the debt securities are secured to the tune of 110% of the principal and interest amount or as per the terms of Information Memorandum, in favor of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained.

IX. Payment of penalty

In case of outstanding debt instruments or deposits or borrowings, any default in compliance with the material covenants such as creation of security as per terms agreed, default in payment of interest, default in redemption or repayment, non-creation of debenture redemption reserve, default in payment of penal interest wherever applicable.

INTERNAL RISKS

Risk Factor in relation to the Issuer's business

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

The Client Loans are secured against hypothecation of stock, receivables and other current assets and the clients of these loans are of the high-risk category. There is uncertainty on the client's ability to fulfil its loan obligations. Such non-performing or low credit quality loans can negatively impact our results of operations.

As on March 31, 2023, the Gross NPA was Rs. 93.94 Crores on a gross portfolio of Rs. 6,914.83 Crores (including managed portfolio of Rs. Nil.)

The Issuer cannot assure that the Issuer will be able to effectively control and reduce the level of NPAs in its total loan portfolio. The amount of the Issuer's reported non-performing loans may increase in the future as a result of growth in the total loan portfolio, and also due to factors beyond the Issuer's control. Failure to manage NPAs or effect recoveries will result in operations being 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.

B. ***The Issuer's business operates through a large number of urban and semi urban branches and is exposed to operational risks including fraud***

The Issuer is exposed to operational risks, including fraud, petty theft and embezzlement, as it handles a large amount of cash due to high volume of small transactions. This could harm its operations and its financial position.

As the Issuer handles a large amount of cash through a high volume of small transactions taking place in its network, the Issuer is exposed to the risk of fraud or other misconduct by its employees or outsiders. These risks are further compounded due to the high level of delegation of power and responsibilities that the Issuer's business model requires. Given the high volume of transactions processed by the Issuer, certain instances of fraud and misconduct may go unnoticed before they are discovered and successfully rectified. Even when the Issuer discovers such instances of fraud or theft and pursue them to the full extent of the law or with its insurance carriers, there can be no assurance that the Issuer will recover any such amounts. In addition, the Issuer's dependence upon automated systems to record and process transactions may further increase the risk that technical system flaws or employee tampering or manipulation of those systems will result in losses that are difficult to detect.

The Issuer maintains an internal audit process to ensure the operations team follows the defined procedures and reports any deviations to the operations staff and management team. The Issuer also has a strong MIS system that has a wide range of data that can be used to monitor financial and operational performance.

To mitigate the above risk, the Issuer maintains an internal audit process to ensure the operations team follows the defined procedures and reports any deviations to the operations staff and management team. The Issuer also has a MIS system able to generate data analysis that can be used to monitor financial and operational performance.

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

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

D. ***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 also dependent on its team of personnel who directly manage its relationships with its members. 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 members 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 intense in this industry, 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.

E. ***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.

F. ***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.

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

NBFCs in India are subject to strict regulation and supervision by the RBI. The Issuer requires certain approvals, licenses, registrations and permissions for operating its business, including registration with the RBI as a NBFC pursuant to Section 45-IA of the RBI Act, 1934. Further, such approvals, licenses, registrations and permissions must be maintained/renewed over time, applicable requirements may change and the Issuer may not be aware of or comply with all requirements all of the time. In particular, the Issuer is required to obtain a certificate of registration for carrying on business as a NBFC-ND-SI that is subject to numerous conditions. Additionally, RBI has issued detailed directions on prudential norms *inter alia* prescribing guidelines on income recognition, asset classification and provisioning requirements

applicable to NBFCs, exposure norms, disclosures in the balance sheet, requirement of capital adequacy, restrictions on investments in land and building and unquoted shares besides others. In addition, its branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishments laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. If the Issuer fails to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, its business may be adversely affected. If the Issuer fails to comply, or a regulator claim that it has not complied, with any of these conditions, the Issuer's certificate of registration may be suspended or cancelled, and it shall not be able to carry on such activities. If the Issuer fails to comply with any directions issued applicable on NBFCs and fails to maintain the status of NBFC it may attract penal provisions under the RBI Act, 1934 for non-compliance. The penal action can also result in RBI cancelling the certificate of registration issued to the NBFC.

EXTERNAL RISK FACTORS

I. Future legal and regulatory obstructions

Future government policies and changes in laws and regulations in India and comments, statements or policy changes by any regulator, including but not limited to RBI or SEBI, may adversely affect the Debentures. The timing and content of any new law or regulation is not within the Issuer's control and such new law, regulation, comment, statement or policy change could have an adverse effect on the market for and the price of the Debentures.

Further, SEBI or any other regulatory authorities may require clarifications on this Disclosure Document, which may cause a delay in the issuance of the Debentures or may result in the Debentures being materially affected or even rejected.

Further, the exercise by the Debenture Trustee of the powers and remedies conferred on it under the Debenture Trust Deed, or otherwise vested in them by applicable law, will be subject to general equitable principles regarding the enforcement of security, the general supervisory powers and discretion of the Indian courts in the context thereof and the obtaining of any necessary governmental or regulatory consents, approvals, authorizations or orders.

II. Political instability or changes in the government could delay further liberalization of the Indian economy and adversely affect economic conditions in India generally

Since 1991, successive Indian governments have pursued policies of economic liberalization. The role of the Central Government and State Governments in the Indian economy as producers, consumers and regulators has remained significant. If there is a slowdown in economic liberalization, or a reversal of steps already taken, it could have an adverse effect on the debt market which is as such exposed to the risks of the Indian regulatory and policy regime.

III. Company's growth depends on the sustained growth of the Indian economy. An economic slowdown in India and abroad could have direct impact on the Company's operations and profitability.

Macroeconomic factors that affect the Indian economy and the global economic scenario have an impact on Company's business. Recent trends suggest that the economy may grow at a flat pace which may have a direct impact on our business and a slowdown in the economy as a whole can increase such an impact thereby adversely impacting the Company's growth plans.

A sustained slowdown in the Indian economy could adversely affect Company's business; India's economy could be adversely affected by a general rise in interest rates, or various other factors affecting the growth of industrial, manufacturing and services sector or general down trend in the economy

IV. Civil unrest, terrorist attacks and war could affect our business.

Terrorist attacks and other acts of violence, war, or conflicts, particularly those involving India, as well as the jurisdictions where the Company's business is situated, may adversely affect Indian and global financial markets. Such acts may negatively impact business sentiment, which could adversely affect the Company's business and profitability. India has from time to time experienced, and continues to experience, social and civil unrest, terrorist attacks and hostilities with neighboring countries. Also, some of India's neighboring countries have experienced, or are currently experiencing internal unrest. This, in turn, could have a material adverse effect on the market for securities including the Debentures. The consequences of any armed conflicts are unpredictable, and the Company may not be able to foresee events that could have an adverse effect on Company's business and the price and yield of the NCDs.

V. Company's business may be adversely impacted by natural calamities or unfavorable climatic changes.

India, Nepal, Bangladesh, Pakistan, Indonesia, and other Asian countries have experienced natural calamities such as earthquakes, floods, droughts, and a tsunami in recent years. Some of these countries have also experienced pandemics notably the ongoing Covid-19 pandemic in India and Globally including the outbreak of avian flu/ swine flu. The extent and severity of these natural disasters and pandemics determines their impact on these economies and in turn affects the Company's business and operation. Prolonged spells of abnormal

rainfall and other natural calamities could have an adverse impact on the economies in which the Company has operations, which could adversely affect its business and the price of the Debentures.

VI. Any downgrading of India's sovereign rating by an international rating agency (ies) may affect the Company's business and its liquidity to a great extent.

Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact Company's ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on Company's financial performance and its ability to obtain financing to fund our growth on favorable terms, or at all.

GENERAL RISKS

I. Investment 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. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, 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.

II. Early Termination for Extraordinary Reasons, Illegality and Force Majeure

If the Issuer determines that, for reasons beyond its control, the performance of its obligations under the Debentures has become illegal or impractical in whole or in part for any reason, the Issuer may, at its discretion and without obligation, redeem the Debentures early.

III. Taxation

Potential purchasers and sellers of the Debentures should be aware that they may be required to pay stamp duties or other documentary charges/taxes in accordance with the laws and practices of India. Payment and/or delivery of any amount due in respect of the Debentures will be conditional upon the payment of all applicable taxes, duties and/or expenses.

Potential Investors who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, potential Investors should be aware that tax regulations and their application by the

relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time

IV. Delays in court proceedings in India

If any dispute arises between the Issuer and any other party including Debenture Holders, the Issuer or such other party may need to take recourse to judicial proceedings before courts in India. It is not unusual for court proceedings in India to continue for extended periods. Disposition of cases may be further subject to various delays including multiple levels of appellate adjudication.

V. 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.

VI. Breach of contract.

A failure to observe the covenants under our financing arrangements or to obtain necessary consents required thereunder may lead to the termination of our credit facilities, acceleration of all amounts due under such facilities and the enforcement of any security provided. Any acceleration of amounts due under such facilities may also trigger cross default provisions under our other financing agreements. If the obligations under any of our financing documents are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. Further, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing. Any of these circumstances

OTHERS RISKS UNDER NCS LISTING REGULATION

A. RISKS IN RELATION TO THE SECURITY CREATED IN RELATION TO THE DEBT SECURITIES AND RISKS IN RELATION TO MAINTENANCE OF SECURITY COVER OR FULL RECOVERY OF THE SECURITY IN CASE OF ENFORCEMENT

Refer to Risk Factor- VIII under "*Risks relating to Debentures*".

B. REFUSAL OF LISTING OF ANY SECURITY OF THE ISSUER DURING LAST THREE YEARS BY ANY OF THE STOCK EXCHANGES IN INDIA OR ABROAD

As on the date of this Placement Memorandum, no stock exchange in India or abroad has refused listing

of any equity or debt security issued by the Issuer.

C. IN CASE OF OUTSTANDING DEBT INSTRUMENTS OR DEPOSITS OR BORROWINGS:

ANY DEFAULT IN COMPLIANCE WITH THE MATERIAL COVENANTS SUCH AS CREATION OF SECURITY AS PER TERMS AGREED: As on the date of this Placement Memorandum, the Issuer has not committed any default in compliance with the material covenants such as creation of security as per terms agreed in respect of any outstanding borrowings.

DEFAULT IN PAYMENT OF INTEREST: As on the date of this Placement Memorandum, the Issuer has not committed any default in payment of interest in respect of any outstanding borrowings.

DEFAULT IN REDEMPTION OR REPAYMENT: As on the date of this Placement Memorandum, the Issuer has not committed any default in redemption or repayment in respect of any outstanding borrowings.

NON-CREATION OF DEBENTURE REDEMPTION RESERVE: Pursuant to Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014, a non-banking financial company is not required to maintain debenture redemption reserve for debentures issued on a private placement basis.

DEFAULT IN PAYMENT OF PENAL INTEREST WHEREVER APPLICABLE: As on the date of this Placement Memorandum, the Issuer has not committed any default in payment of interest penal in respect of any outstanding borrowings.

SECTION 5 REGULATORY DISCLOSURES

This Disclosure Document is prepared in accordance with the provisions of the SEBI NCS Regulations and in this section, the Issuer has set out the details required as per Schedule II of the SEBI NCS Regulations:

LIST OF DOCUMENTS TO BE FILED WITH THE STOCK EXCHANGE AND DEBENTURE TRUSTEE

List of disclosures to be filed along with the listing application to the Stock Exchange:

- I. Memorandum and articles of association of the Issuer and necessary resolution(s) for the allotment of the debt securities;
- II. Copy of last three years audited and adopted annual reports;
- III. Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- IV. Copy of the Board Resolution dated February 25, 2023, authorizing the borrowing and list of authorized signatories.
- V. Certified true copy of the resolution passed by the Company at the Annual General Meeting under Section 180 (1)(c) of the Act, held on April 22, 2021 authorising the Company to borrow, upon such terms as the Board may think fit, up to an aggregate limit of Rs. 7,000 /- crores (Rupees Seven Thousand Crores only);
- VI. Copy of the resolution passed by the shareholders of the Company at the Annual General Meeting held on September 02, 2022 authorizing the issue/offer of non-convertible debentures by the Company;
- VII. An undertaking from the Issuer stating that the necessary documents for the creation of the charge, where applicable, including the Debenture Trust Deed would be executed within the time frame prescribed in the relevant regulations/ act/ rules etc. and the same would be uploaded on the website of the Stock exchange, where the debt securities have been listed, within five working days of execution of the same.
- VIII. Any other particulars or documents that the BSE may call for as it deems fit.
- IX. An undertaking that permission/ consent from the existing creditor for an exclusive/ first or *pari passu* charge being created, wherever applicable, in favour of the trustees to the proposed issue has been obtained.

Material contracts and agreements

S. No.	Nature of Contract
1.	Certified true copy of the Memorandum & Articles of Association of the Issuer.
2.	Board Resolution dated May 12, 2022, authorizing the issue of Debentures offered under the terms of this Disclosure Document.
3.	Shareholder Resolution under Section 180 (1) (a) and Section 180 (1) (c) dated April 22, 2021 authorizing the borrowing by the Company and the creation of security.
4.	Shareholders' Resolution dated September 02, 2022 authorizing the issue of non-convertible debentures by the Company.
5.	Copies of Annual Reports of the Company for the last three financial years.
6.	Credit rating letter from the Rating Agency dated June 7, 2023
7.	Letter from Debenture Trustee dated June 02, 2023 giving its consent to act as Debenture Trustee. ("Consent Letter")
8.	Letter for Register and Transfer Agent dated June 6, 2023
9.	Certified true copy of the certificate of incorporation of the Company.
10.	Certified true copy of the tripartite agreement between the Company, the Registrar & Transfer Agent and the NSDL/CDSL dated January 03, 2017.
11.	Debenture Trustee Agreement dated [REDACTED] executed between the Issuer and the Debenture Trustee.
12.	Debenture Trust Deed date [REDACTED], executed between the Issuer and the Debenture Trustee.
13.	Deed of Hypothecation date [REDACTED], executed between the Issuer and the Debenture Trustee.

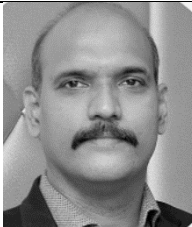
SECTION 6 ISSUER INFORMATION

I. PROMOTERS OF THE COMPANY

Details of Promoters of the Issuer Company

A complete profile of all the promoters, including their name, date of birth, age, personal addresses, educational qualifications, experience in the business or employment, positions/posts held in the past, directorships held, other ventures of each promoter, special achievements, their business and financial activities, photograph, Permanent Accountant Number:

The details of the Promoters of the Issuer are set out below:

	Particulars	Details
	Photograph	
1)	Name	LAKSHMIPATHY DEENADAYALAN
2)	Date of Birth:	09/02/1974
3)	Age:	48 Years
4)	Personal Address/ Registered Office:	39, OUTER CIRCULAR ROAD, KILPAUK GARDEN COLONY, KILPAUK, CHENNAI - 600010
5)	Educational Qualifications:	BACHELOR OF ENGINEERING
6)	Experience in the business or employment:	CHAIRMAN AND MANAGING DIRECTOR OF FIVE-STAR BUSINESS FINANCE LIMITED SINCE 2002
7)	Positions/posts held in the past:	MANAGING DIRECTOR OF RKV FINANCE LIMITED
8)	Directorships held:	Nil

9)	Other ventures of the promoter:	Nil
10)	Special achievements:	DIRECTOR, FINANCE COMPANIES ASSOCIATION OF INDIA AND MANAGEMENT COMMITTEE MEMBER, SOUTH INDIA HIRE PURCHASE ASSOCIATION
11)	Their business and financial activities:	FIVE STAR PROVIDES SMALL BUSINESS LOANS TO ELIGIBLE BORROWERS TO MEET THEIR BUSINESS AND PERSONAL NEEDS, AFTER DUE UNDERWRITING OF THEIR CASHFLOWS AND BACKED BY THE COLLATERAL OF THEIR HOUSE PROPERTY
12)	Permanent Accountant Number:	AATPL4799C

Declaration of the Promoter:

A declaration confirming that the Permanent Account Number, Aadhaar Number, Driving License Number, Bank Account Number(s) and Passport Number of the promoters and Permanent Account Number of directors have been submitted to the stock exchanges on which the nonconvertible securities are proposed to be listed, at the time of filing the draft Disclosure Documents as stated in **ANNEXURE XI**

II. Credit Rating of Debenture

The detailed rating rationale (s) adopted (not older than one year on the date of opening of the issue)/ credit rating letter issued (not older than one month on the date of opening of the issue) by the rating agencies shall be disclosed.

ICRA Ltd has assigned "ICRA AA-" rating to these Debentures by a letter dated June 7, 2023, with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk

The rating letter as released by ICRA Limited is enclosed as **Annexure II**.

III. Listing

Name(s) of the stock exchange(s) where the non-convertible securities are proposed to be listed and the details of their in-principle approval for listing obtained from these stock exchange(s). If non-convertible securities are proposed to be listed on more than one stock exchange(s) then the issuer shall specify the designated stock exchange for the issue. The issuer shall specify the stock exchange where the recovery expense fund is being/has been created as specified by the Board.

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

The Debentures are not proposed to be listed on more than one stock exchange.




The Issuer has created the Recovery Expense Fund for the maximum limit in accordance with the SEBI Debenture Trustee Circular with the BSE. In this regard, please also refer to the section on "*Creation of recovery expense fund*" under Section 8 below.

IV. Issue schedule

ISSUE SCHEDULE	
Issue Opens on:	14 June 2023
Issue Closes on:	14 June 2023
Pay in Date	15 June 2023
Deemed date of allotment	15 June 2023

I. Name, logo, addresses, website URL, email address, telephone number and contact person of the following:

Name:	 Five-Star Business Finance Limited New No 27, Old No 4, Taylor's Road, Kilpauk, Chennai 600010 Website: fivestargroup.in Telephone No: 044-4610 6200
Arrangers, if any	Nil

<p>Debenture Trustee:</p>	 <p>CATALYST <small>Trusteeship Limited</small></p> <p>Catalyst Trusteeship Limited Office No. 604, 6th floor, Windsor C.S.T. Road, Kalina, Santacruz (East) Mumbai 400098 Contact Person: Mr. Umesh Salvi Tel.: +91-22-49220503 Fax: +91-22-49220505 Email: umesh.salvi@ctltrustee.com Website: http://www.catalysttrustee.com</p>
<p>Register and Transfer Agent</p>	 <p>NSDL <small>Database Management Limited</small></p> <p>NSDL Database Management Limited Trade World, A - Wing, 4th & 5th Floors, Kamala Mills Compound, Lower Parel, Mumbai - 400013 Contact Person: Mr. Nilesh Bhandare Tel.: 91-22-24994200 Fax: 022 49142503 Email: info_ndml@nsdl.co.in Website: www.ndml-nsdl.co.in</p>
<p>Credit Rating Agency</p>	 <p>ICRA</p> <p>ICRA Limited B-710, Statesman House, 148, Barakhamba Road New Delhi- 110011 Contact Person: Mr. R Srinivasan Tel.: 91-44-45964315 Email: r.srinivasan@icraindia.com Website: www.icra.in</p>
<p>Auditors:</p>	<p>S.R. BATLIBOI & ASSOCIATES LLP <small>Chartered Accountants</small></p> <p>S.R. Batliboi & Associates, LLP, Chartered Accountants 6th Floor - "A" Block Tidel Park No. 4, Rajiv Gandhi Salai Taramani, Chennai - 600 113 Tamil Nadu, India Tel: 044-61179000</p>

	Firm registration number: 101049W/E300004 Email: srba@srb.in
Legal Counsel	 Verist Law The Empire Business Centre, 414, Senapati Bapat Marg Lower Parel Mumbai - 400013

V. About the Issuer

a. Overview of the Business of the Issuer:

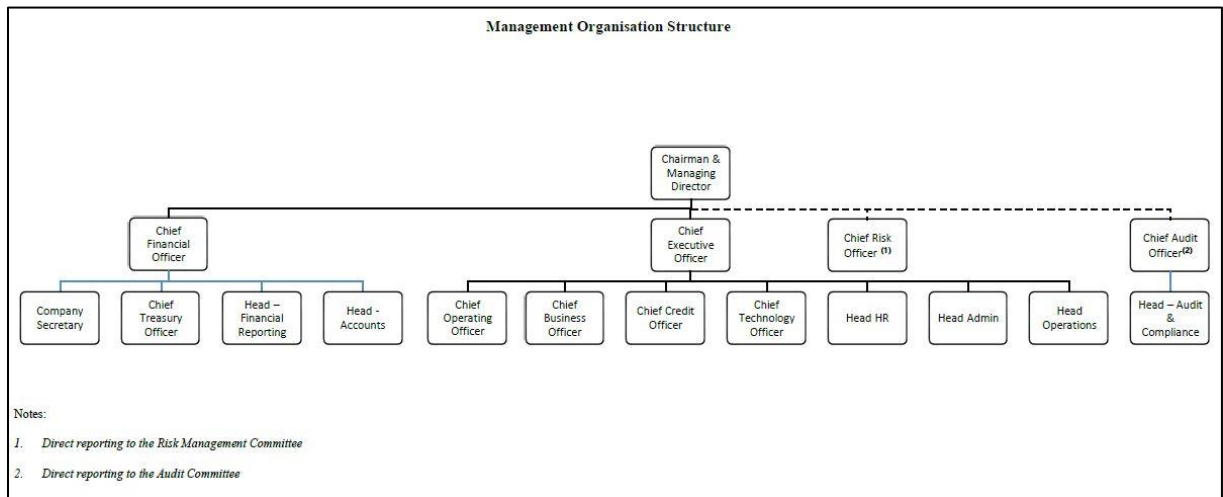
Five-Star Business Finance Limited (formerly known as Five-Star Business Credits Limited) is a Systemically Important Non-Deposit taking Non-Banking Financial Company (“NBFC-ND-SI”) registered with the Reserve Bank of India. The company was established in 1984 and has been operating in the financial services space for over the last 33 years.

The company was originally promoted by Mr V K Ranganathan and is currently being managed by Mr D Lakshmi pathy, who joined the Board of the company in 2002, and is currently its Chairman and Managing Director. Under his leadership, over the last 12 years, the company has grown from a branch network of 6 to 373 as at March 2023 and from an AUM of Rs.18 Crores to about Rs. 6,915 crores in this period. The management comprises of professionals who have longstanding experience and expertise in the financial services industry and have the necessary skills to carry out their responsibilities.

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

As at March 31, 2023, Five-Star operated 373 branches in 8 states - Tamil Nadu (106 branches; including 2 in Puducherry), Andhra Pradesh (121 branches), Telangana (59 branches), Karnataka (33 branches), Maharashtra (6 branches), Madhya Pradesh (44 branches), Chhattisgarh (3 branches) and Uttar Pradesh (1 branch) - with a borrower base of about 2,92,000 active customers and a total portfolio under management of about Rs. 6915 Crores.

b. Corporate Structure



c. Brief Profile of the Board of Directors:

Name	Background
<p>Mr D Lakshmiopathy Chairman & Managing Director</p>	<p>Mr. Lakshmiopathy 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>He is responsible for the wider presence of the company in a short span of 10 years from 6 branches to more than 370 currently, which has helped the company to make its presence felt in Tamil Nadu, Andhra Pradesh, Telengana, Karnataka, Madhya Pradesh, Maharashtra, Chhattisgarh and Uttar Pradesh.</p>
<p>Mr T T Srinivasaraghavan Independent Director</p>	<p>Mr Srinivasaraghavan spent close to 4 decades previously at Sundaram Finance Limited, the last 18 years as its Managing Director. During his tenure as MD, Sundaram Finance grew its balance sheet from ~800 Cr to ~30,000 Cr, diversifying from its traditional focus on medium and heavy commercial vehicles to a multi-product diversified financial services provider.</p>

	<p>He brings on board invaluable sectoral experience having been a much sought after thought-leader on various aspects in the financial services sector over the last more than two decades.</p> <p>He continues to be a Director on the Board of Sundaram Finance Limited currently.</p>
<p>Ms Bhama Krishnamurthy Independent Director</p>	<p>She was Country Head and Chief General Manager of SIDBI. She has closely dealt with multilateral and bilateral Agencies in close co-ordination with the Government of India. Her areas of specialization include, inter-alia, handling of Human Resources Development Division covering recruitment, training and promotion aspects. She was also associated with drafting of CSR Policy guidelines for the Bank.</p>
<p>Mr R Anand Independent Director</p>	<p>Mr Anand is a Chartered Accountant with over 30 years of industry experience. He worked in Sundaram Finance for over 20 years occupying several positions in Finance and Audit. He also worked as a Partner in Ernst & Young LLP covering Tax and Regulatory aspects of various industries like Financial Services, Real Estate, Auto and Auto components, Media and Entertainment. His specializations include NBFC Regulations, Corporate Tax and Foreign Investment and Exchange control regulation and Corporate restructuring.</p>
<p>Mr Vikram Vaidyanathan Nominee Director - Matrix Partners</p>	<p>Vikram is an MBA graduate from IIM Bangalore, and interned at Procter & Gamble, Singapore. He joined McKinsey & Co. after his MBA and worked across a variety of sectors including mobile media, TV, retail, engineering construction and manufacturing. Currently Vikram is one the Managing Directors at Matrix Partners.</p>
<p>Mr Thirulok Chand Vasan Non-Executive Director</p>	<p>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.</p>
<p>Mr G V Ravishankar Nominee Director - Sequoia Capital</p>	<p>Mr G V Ravishankar is a Managing Director of Sequoia Capital India. Prior to joining Sequoia, he has also worked at McKinsey in the capacity of an advisor to management teams of top Indian companies. He had also worked at Wipro prior to McKinsey, where he helped several venture-backed networking start-up clients on a wide variety of issues.</p> <p>He has a Masters in Business Administration from Indian Institute of Management (IIM), Ahmedabad where he was awarded the President's Gold Medal. He also holds a BE in Computer Science and Engineering from REC Trichy.</p>

<p>Mr Ramkumar Ramamoorthy Independent Director</p>	<p>Mr Ramkumar Ramamoorthy has over 30 years of experience in the technology industry as well as in academia. He was most recently the Chairman and Managing Director of Cognizant in India. During his 22 years with Cognizant, he incubated, nurtured and grew a number of portfolios and held various leadership positions in the company including Executive Director, Chief Knowledge Officer, and Senior Vice President (Marketing and Communications). Prior to joining Cognizant, he worked for Tata Consultancy Services.</p> <p>He has been a member of the Governing Council of the IT/BPM Skill Sector Council of NASSCOM, a Past President of the Madras Chamber of Commerce and Industry (MCCI) and a past national Vice-Chairman of the American Chamber of Commerce (AMCHAM) in India. He has also worked closely with other leading chambers of commerce in India including the National Association of Software and Services Companies (NASSCOM) and Confederation of Indian Industries (CII).</p>
---------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

VI. Financial Information

- a. A columnar representation of the audited financial statements (i.e. Profit & Loss statement, Balance Sheet and Cash Flow statement) both on a standalone and consolidated basis for a period of three completed years which shall not be more than six months old from the date of the draft offer document or offer document or issue opening date, as applicable.

Annexure I

However if the issuer being a listed REIT/listed InvIT has been in existence for a period less than three completed years and historical financial statements of such REIT/InvIT are not available for some portion or the entire portion of the reporting period of three years and interim period, then the combined financial statements need to be disclosed for the periods when such historical financial statements are not available.- **Not applicable**

- b. Listed issuers (whose debt securities or specified securities are listed on stock exchange(s)) in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, may disclose unaudited financial information for the stub period in the format as prescribed therein with limited review report in the offer, as filed with the stock exchanges, instead of audited financial statements for stub period, subject to making necessary disclosures in this regard in offer document including risk factors.

c. Issuers other than unlisted REITs / unlisted InvITs desirous of issuing debt securities on private placement basis and who are in existence for less than three years may disclose financial statements mentioned at (a) above for such period of existence, subject to the following conditions:

- i. The issue is made on the EBP platform irrespective of the issue size; and
- ii. The issue is open for subscription only to Qualified Institutional Buyers.

Not applicable

d. The above financial statements shall be accompanied with the Auditor's Report along with the requisite schedules, footnotes, summary etc.

e. **Key Operational and Financial Parameters**

A brief overview of the financial performance of the Issuer for post three years is given below:

(Rs. In Lakhs)

Parameters	FY2022-23	FY2021-22	FY2020-21	FY2019-20	FY2018-19
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Balance Sheet					
Net Fixed assets	1546.57	1,218.01	849.17	1,109.65	747.97
Current assets	285848.63	2,15,498.21	2,05,076.95	95,239.47	53,816.07
Non-current assets	593993.45	4,27,878.95	3,82,098.18	3,45,108.68	1,82,113.18
Total assets	881388.65	6,44,595.17	5,88,024.29	4,41,457.80	2,36,677.22
Non-current liabilities (including maturities of long-term borrowings and short-term borrowings) Financial (borrowings, trade payables, and other financial liabilities) Provisions Deferred tax liabilities (net) Other non-current liabilities	282692.93	1,35,791.95	2,37,373.81	1,74,525.78	72,319.02
Current liabilities (including maturities of long-term borrowings and short-term borrowings) Financial (borrowings, trade payables, and other financial liabilities) Provisions Deferred tax liabilities (net) Other non-current liabilities	164742.21	1,37,768.09	1,18,833.28	72,473.97	27,845.39

Equity (equity and other equity)	433953.47	3,71,035.13	2,31,817.21	1,94,458.05	1,36,512.81
Total equity and liabilities	881388.61	6,44,595.17	5,88,024.29	4,41,457.80	2,36,677.22
Profit and Loss					
Total Revenue	155883.66	1,25,616.91	1,05,125.47	78,734.72	40,892.65
From Operations	150037.33	1,19,669.37	1,01,717.72	74,766.63	38,894.29
Other Income	5846.33	5,947.54	3,407.75	3,968.09	1,998.36
Total Expenses	75631.17	65,419.42	57,560.17	43,916.04	19,086.37
Profit/Loss after tax	60128.61	45,131.03	35,820.66	26,083.69	15,627.67
Cash Flow					
Net cash generated from operating activities	1,12,280.77	-27,715.97	4,33,911.17	1,52,283.78	4,03,302.70
Net cash used in / generated from investing activities	16,178.37	-38,388.42	56,960.72	-12,169.03	1,171.29
Net cash used in financing activities Cash and cash equivalents	1,68,821.92	702.39	1,05,810.29	1,72,489.39	1,02,519.11
Balance as per statement of cash flows	1,34,035.80	61,316.28	6,26,684.51	30,002.32	5,20,069.67
Additional Information					
Net Worth	4,33,953.47	3,71,035.13	2,31,817.21	1,94,458.05	1,36,512.81
Cash and Cash Equivalents	1,74,389.87	1,26,634.04	1,35,572.27	45,112.89	21,967.72
Current Investments					
Assets Under Management	6,91,483.21	5,06,707.77	4,44,538.09	3,89,222.85	2,11,280.67
Off Balance Sheet Assets	-	-	-	-	-
Total Debts to Total assets	0.98	0.69	1.48	1.22	0.7
Interest Income	1,40,333.84	1,12,736.43	96,515.94	69,413.69	36,316.08
Interest Service Coverage Ratio	4.14	3.11	2.57	2.87	3.97
Interest Expense	26,352.53	29840.02	32,606.41	21,568.28	7,686.97
Provisioning & Write-offs	2,014.70	4,551.81	3,517.57	4,934.19	755.18
Gross NPA (%)	1.36%	1.05%	1.02%	1.37%	0.88%
Net NPA (%)	0.69%	0.68%	0.84%	1.13%	0.68%
Tier I Capital Adequacy Ratio (%)	67.17%	75.20%	58.86%	52.94%	64.24%
Tier II Capital Adequacy Ratio (%)	0.00%	0.00%	0.00%	0.00%	0.57%

Note:

1. Profit/Loss after tax corresponds to total comprehensive income for the period
2. Gross NPA as at 31.03.2023 is calculated in accordance with the RBI Circular dated 12th November 2022, on revised IRAC norms.

Balance Sheet (in Rs Lakhs)					
Particulars	FY2022-23	FY2021-22	FY2020-21	FY2019-20	FY2018-19
	Audited	Audited	Audited	Audited	Audited
ASSETS					
Financial Assets					
Cash and cash equivalents	1,34,035.80	61,316.28	1,26,718.28	28,977.95	21,965.73
Bank balances other than cash and cash equivalents	24,050.41	26,677.50	8,853.99	16,134.94	6.88
Investments	14,461.42	24,818.38	-	-	-
Loans	6,82,219.59	5,10,241.07	4,35,874.94	3,83,080.44	2,09,586.40
Derivative Financial Instruments	346.09	-	-	-	-
Other financial assets	3,212.42	1,797.93	474.34	524.57	285.89
	8,58,325.73	6,24,851.16	5,71,921.55	4,28,717.90	2,31,844.90
Non-financial Assets					
Current tax assets (net)	193.57	220.07	795.79	435.46	360.01
Deferred tax assets (net)	5,332.60	4,666.74	3,698.94	2,822.96	1,464.46
Investment property	3.56	3.56	3.56	3.56	3.56
Property, plant and equipment	1,543.01	1,214.45	845.60	1,106.09	744.41
Right of use asset	2,846.18	1,978.10	1,452.63	1,488.00	-
Capital work-in-progress	-	-	-	-	-
Intangibles under development	-	-	-	-	-

Other intangible assets	97.71	88.74	190.30	192.80	201.80
Other non-financial assets	1,940.43	1,283.74	452.77	548.62	363.81
	11,957.06	9,455.40	7,439.59	6,597.49	3,138.05
Total Assets	8,70,282.79	6,34,306.56	5,79,361.14	4,35,315.39	2,34,982.95
Liabilities and Equity					
Financial Liabilities					
Derivative Financial Instruments	-	138.92	-	-	-
Payables					
Trade payables					
total outstanding dues of micro and small enterprises	-	-	-	-	-
total outstanding dues of creditors other than micro and small enterprises	2,009.01	1,300.31	867.17	662.40	292.69
Debt securities	52,483.00	1,00,853.38	1,30,378.55	1,07,886.42	43,350.77
Borrowings (other than debt securities)	3,72,244.91	1,55,029.75	2,12,141.12	1,28,482.89	52,652.18
Other financial liabilities	6,070.01	4,146.84	1,717.01	1,568.10	6.88
	4,32,806.93	2,61,469.20	3,45,103.85	2,38,599.81	96,302.52
Non-financial Liabilities					
Current tax liabilities (net)	539.85	-	-	74.80	162.17
Provisions	1,158.17	900.03	719.80	577.61	376.26
Other non-financial liabilities	1,824.37	902.23	1,720.27	1,605.12	1,629.19
	3,522.39	1,802.26	2,440.07	2,257.53	2,167.62
Equity					

Equity share capital	2,913.66	2,913.43	2,564.49	2,558.21	2,389.96
Other equity	4,31,039.81	3,68,121.67	2,29,252.73	1,91,899.84	1,34,122.85
	4,33,953.47	3,71,035.10	2,31,817.22	1,94,458.05	1,36,512.81
Total Liabilities	8,70,282.79	6,34,306.56	5,79,361.14	4,35,315.39	2,34,982.95

Profit and Loss Account (in lakhs)					
Particulars	FY2022-23	FY2021-22	FY2020-21	FY2019-20	FY2018-19
	Audited	Audited	Audited	Audited	Audited
Revenue from operations					
Interest income	149878.37	120376.55	101487.58	74682.42	38973.81
Fee income	1375.89	2939.60	2167.61	2970.84	1327.05
Net gain on fair value changes	830.59	2090.21	1319.03	1018.22	589.94
Total revenue from operations	152084.85	125406.36	104974.22	78671.48	40890.80
Other income	807.9	210.56	151.25	63.25	1.86
Total Income	152892.75	125616.92	105125.47	78734.73	40892.66
Expenses					
Finance costs	26625.1	30060	32785.95	21736.03	7686.97
Impairment on financial instruments	2014.7	4551.81	3517.57	4934.19	755.18
Employee benefits expenses	34642.66	23611.52	16371.78	12710.78	7653.44
Depreciation and amortization	1731.24	1224.47	1138.39	1006.85	419.46
Other expenses	7405.56	5748.21	3667.7	3416.83	2533.27
Total Expenses	72419.26	65196.01	57481.39	43804.68	19048.32
Profit before tax	80473.49	60420.91	47644.08	34930.05	21844.34
Tax expense					
Current tax	20,715.40	15,959.12	12,594.12	10,056.07	6,977.77
Deferred tax (net)	(591.52)	(892.66)	(849.48)	(1,321.06)	(799.16)
Profit for the period	20,123.88	15,066.46	11,744.64	8,735.01	6,178.61
Other comprehensive income					

Items that will not be reclassified to profit or loss					
Re-measurements of the defined benefit plan	(144.06)	(171.63)	(105.27)	(148.80)	(53.55)
Income tax relating to items that will not be reclassified to profit or loss	36.26	43.20	26.49	37.45	15.49
Net other comprehensive income not to be reclassified subsequently to profit or loss	(107.80)	(128.43)	(78.78)	(111.35)	(38.06)
Items that will be reclassified subsequently to profit or loss					
Cash Flow Hedge Reserve	(151.28)	(126.92)	-	-	-
Income tax relating to items that will be reclassified to profit or loss	38.07	31.94	0	0	0
Net other comprehensive income / (deficit) to be reclassified subsequently to profit or loss	(113.21)	(94.98)	-	-	-
Other comprehensive income / (deficit) for the year, net of income tax	(221.01)	(223.41)	(78.78)	(111.35)	(38.06)
Total comprehensive income	60,128.60	45,131.04	35,820.66	26,083.69	15,627.67

	FY 2022-23	FY 2021-22	FY 2020-21
Cashflow from Operating Activities			
Profit Before Tax	80473.49	60420.906	47644.0836
Adjustments for:			
Interest income on loans	(1,46,303.00)	(1,17,673.21)	(1,937.47)
Interest income on deposit with banks/ others	(3,575.37)	(2,703.35)	(99,550.11)
Finance costs	26,625.10	30,060.00	32,785.95
Impairment on financial instruments	2,014.70	4,551.80	3,517.57
Depreciation and amortisation expense	1,731.24	1,224.47	1,138.39
Loss on sale/ retirement of property, plant and equipment (net)	2.83	1.32	2.32
Net gain on fair value changes on mutual fund investments	(830.59)	(2,090.21)	(1,319.03)
Gain recognised on derecognition of leases	(39.16)	(21.73)	(42.32)

Employee stock option expenses	2,764.19	3,544.18	1,509.39
Operating cash flow before working capital changes	(37,136.57)	(59,822.39)	(16,251.23)
Changes in working capital			
<i>Adjustment for (Increase)/ decrease in operating assets</i>			
Loans	(1,77,196.71)	(77,227.15)	(55,972.13)
Other financial assets	(1,452.18)	(1,323.59)	95.85
Other non-financial assets	(656.69)	(830.97)	50.22
<i>Adjustment for increase/ (decrease) in operating liabilities</i>			
Trade payables	708.70	433.14	204.76
Provision	114.08	8.60	36.92
Other financial liabilities	1,150.45	1,845.86	(899.70)
Other non-financial liabilities	822.13	(818.05)	1189.72
Net cash used in operations	(2,13,646.79)	(1,00,597.98)	(71,545.59)
Finance cost paid	(27,991.40)	(27,395.14)	(30,362.09)
Interest income received	1,49,506.49	1,15,660.55	99,210.18
Direct taxes paid (net)	(20,149.07)	(15,383.41)	(13,029.26)
Net cash used in operating activities (A)	(1,12,280.77)	(27,715.98)	(15,726.75)
Cashflow from investing activities			
Purchase of property plant and equipment	(1,213.40)	(862.85)	(324.36)
Proceeds from sale of property plant and equipment	1.78	0.90	0.98
(Purchase)/ redemption of mutual funds (net)	830.59	2,090.21	1319.03
(Purchase)/ redemption of investments (net)	10,100.99	(24,818.38)	0.00
Interest income on deposit from banks/ others	3,314.01	2,155.27	1778.77

Interest income on government securities	-		
Movement in bank balances other than cash & cash equivalents	3,144.40	(16,953.57)	7439.65
Net cashflow from / (used in) investing activities (B)	16,178.37	(38,388.42)	10,214.07
Cashflow from financing activities			
Proceeds from issue of equity shares	0.23	348.94	6.28
Proceeds from securities premium (net off utilisation)	25.35	90363.87	22.83
Share issue expenses	0.00	-170.10	0.00
Proceeds from borrowings during the year	310356.20	31541.00	236179.03
Repayment of borrowings during the year	(1,40,781.36)	(1,20,830.40)	(1,32,452.53)
Payment towards leases (excluding interest)	(778.50)	(550.92)	(502.59)
Net cashflow from financing activities (C)	168821.92	702.40	103253.02
Net increase / (decrease) in cash and cash equivalents [A + B + C]	72719.52	(65,402.00)	97740.33
Cash and cash equivalents at the beginning of the year	61316.28	126718.28	28977.95
Cash and cash equivalents at the end of the year	134035.8	61316.28	126718.28

f. GROSS DEBT/ EQUITY RATIO OF THE COMPANY

Particulars	Value
Before the issue of debt securities - as at March 31, 2023	0.98 Times
After the issue of debt securities	1.05 Times

g. Details of any other contingent liabilities of the issuer based on the last audited financial statements including amount and nature of liability. As Given Below.

Nature of Liability	FY2022-23 (Audited)	FY2021-22 (Audited)
Income Tax	0.07 Crores	0.07 Crores

VII. BRIEF HISTORY OF THE ISSUER

i. Capital Structure

The capital structure of the Company as on last quarter ended on March 31, 2023 is given below:

Share Capital	Amount (INR) (Lakhs)
Authorised	
Equity Share Capital	5,500.00
Preference	0.00
TOTAL	5,500.00
Issued, Subscribed and Paid-up Share Capital	
Equity Shares	2,913.66
Preference Shares	0.00
TOTAL	2,913.66

ii. Change in Capital Structure

Change in the capital structure as on last quarter ended on March 31, 2023, for the last 3 (three) years:

Date of Change (AGM/EGM)	Particulars
17 th March 2020 (Amalgamation) - EGM	Increase in Authorised Capital from Rs. 30,00,00,000 to Rs. 55,00,00,000
22 nd April 2021 - EGM	Issue & offer upto 14,71,771 Equity shares of Rs. 10 each on preferential basis by way of private placement
8 th October 2021 - EGM	Sub-Division of Face value of Equity shares from 2,90,13,512 Equity shares of Rs. 10 each to 29,01,35,120 Equity shares of Rs. 1 each

iii. History of Equity Share Capital

Equity Share Capital History of the Company as on last quarter ended on March 31, 2023, for the last three years:

Date of Allotment	No of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration (cash, other than cash)	Nature of Allotment	Cumulative			Remarks
						No of Equity Shares	Equity Shares Capital (Rs)	Equity Share Premium (Rs)	
August 17, 2020	52,000	10	10	Cash	Exercise of ASOP 2015	2,71,79,891	27,17,98,910	0	Nil
September 30, 2020	1,400	10	130	Cash	Exercise of ASOP 2015	2,71,81,291	27,18,12,910	168000	Nil
October 22, 2020	2,600	10	130	Cash	Exercise of ASOP 2015	2,71,83,891	27,18,38,910	312000	Nil
November 10, 2020	2,800	10	130	Cash	Exercise of ASOP 2015	2,71,86,691	27,18,66,910	336000	Nil
November 30, 2020	1,800	10	674.4	Cash	Exercise of ASOP 2018	2,71,88,491	27,18,84,910	1195920	Nil
		10	130	Cash				120000	Nil

December 4, 2020	1,000				Exercise of ASOP 2015	2,71,89,491	27,18,94,910		
March 5, 2021	1,250	10	130	Cash	Exercise of ASOP 2015	2,71,90,741	27,19,07,410	150000	Nil
April 26, 2021	14,71,771	10	3,518.71	Cash	Preferential allotment	2,86,62,512	28,66,25,120	5164017625	Nil
June 18, 2021	200	10	130	Cash	Exercise of ASOP 2015	2,86,62,712	28,66,27,120	24000	Nil
June 23, 2021	2,600	10	130	Cash	Exercise of ASOP 2015	2,86,65,312	28,66,53,120	312000	Nil
August 04, 2021	5,570	10	130	Cash	Exercise of ASOP 2015	2,86,70,882	28,67,08,820	668400	Nil
August 9, 2021	3,00,000	10	130	Cash	Preferential allotment	2,89,70,882	28,97,08,820	36000000	Nil
August 13, 2021	3,800	10	130	Cash	Exercise of ASOP 2015	2,89,74,682	28,97,46,820	456000	Nil
August 25, 2021	750,000 partly paid-up equity shares allotted pursuant to				Preferential allotment	2,89,74,682	28,97,46,820	6,21,66,30,625	Nil
August 25, 2021	967,597 partly paid-up equity shares allotted pursuant to rights issue dated March 21, 2020 were made fully paid up.				Rights issue	2,89,74,682	28,97,46,820		
August 30, 2021	38,830	10	130	Cash	Exercise of ASOP 2015	2,90,13,512	29,01,35,120	4659600	Nil
October 8, 2021	Sub-division of equity shares of face value of ₹10 each to equity shares of face value of ₹1 each. The issued, subscribed and paid-up capital of the Company after the sub-division is ₹290,135,120 comprising of 290,135,120 Equity Shares of face value of ₹1 each					290135120	29,01,35,120	-	Nil
		1	130	Cash				2064000	Nil

December 22, 2021	16,000				Exercise of ASOP 2015	290151120	29,01,51,120		
December 22, 2021	20,000	1	67.44	Cash	Exercise of ASOP 2018	290171120	29,01,71,120	1328800	Nil
January 12, 2022	75,000	1	13	Cash	Exercise of ASOP 2018	290246120	29,02,46,120	900000	Nil
January 12, 2022	50,000	1	67.44	Cash	Exercise of ASOP 2018	290296120	29,02,96,120	3322000	Nil
January 17, 2022	9,25,000	1	67.44	Cash	Exercise of ASOP 2018	29,12,21,120	29,12,21,120	61457000	Nil
March 08, 2022	34,000	1	13	Cash	Exercise of ASOP 2015	291255120	29,12,55,120	408000	Nil
March 29, 2022	88,000	1	13	Cash	Exercise of ASOP 2015	291343120	29,13,43,120	1056000	Nil
June 08, 2022	4,000	1	13	Cash	Exercise of ASOP 2015	291347120	29,13,47,120	48000	Nil
June 08, 2022	19,000	1	132.072	Cash	Exercise of ASOP 2015	291366120	29,13,66,120	2490368	Nil

iv. **History of Preference Share Capital - Nil**

Preference Share Capital History of the Company as on last quarter ended on March 31, 2023, for the last three years:-

Date of Allotment	No of Preference Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration (cash, other than cash)	Nature of Allotment	Cumulative			Remarks
						No of Preference Shares	Preference Shares Capital (Rs. In Lakhs)	Preference Share Premium (Rs)	

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

v. Amalgamation/ Acquisition

Details of any Acquisition or Amalgamation in the last 1 year: NIL

vi. Reorganization or Reconstruction

Details of any Reorganization or Reconstruction in the last 1 year: Nil

vii. Details Of The Shareholding Of The Company As On The Latest Quarter End

Details of the shareholding of the Company as at the latest quarter end, i.e., March 31, 2023 as per the format specified under the listing regulations:-

Name	On Paid-up Basis		On Fully Diluted Basis	
	No. of Shares	%	No. of Shares	%
Individual Promoters	5,46,08,528	18.74%	5,46,08,528	18.48%
Corporate Promoters	4,69,92,150	16.13%	4,69,92,150	15.90%
Public	18,97,65,442	65.13%	18,97,65,442	64.21%
Associate Stock Option Plan (not granted / unvested / unexercised)			41,52,000	1.40%
Total	29,13,66,120	100.00%	29,55,18,120	100.00%

viii. Top 10 shareholders of the Company

The list of top 10 holders of equity shares of the Company as on the latest quarter ended March 31, 2023;

Name	On Paid-up Basis	
	No. of Shares	%
Individual Promoters		
Lakshmipathy Deenadayalan	3,06,90,678	10.53%
Hema Lakshmipathy	2,08,90,600	7.17%
Corporate Promoters		
Matrix Partners India Investment Holding II, LLC	2,41,46,663	8.29%
SCI Investments V (Sequoia)	2,28,45,487	7.84%
Public		

TPG ASIA VII SF PTE LTD	5,07,52,693	17.42%
NORWEST VENTURE PARTNERS X - MAURITIUS	2,35,67,912	8.09%
SIRIUS II PTE. LTD.	1,75,93,990	6.04%
SCI GROWTH INVESTMENTS III	1,10,26,160	3.78%
SEQUOIA CAPITAL GLOBAL GROWTH FUND III- ENDURANCE	1,01,57,290	3.49%
SCHF PV MAURITIUS, LTD.	54,57,940	1.87%

VIII. DIRECTORS OF THE COMPANY

i. The details of the current directors of the Company is given below:

Sr. No.	Name	Date of appointment as director	Director Identification Number (DIN)	PAN	Names of other companies in which he/she is director. In case of none, write Nil
1	D Lakshmiopathy	21-06-2002	01723269	AATPL4799C	NA
2	Ramkumar Ramamoorthy	08-06-2022	07936844	ADMPR7913E	1. CATALINCS PARTNERS LLP 2. ATAL INCUBATION CENTRE CATALYST

3	Bhama Krishnamurthy	12-04-2016	02196839	AAPPK0269A	<ul style="list-style-type: none"> 1. NETWORK18 MEDIA & INVESTMENTS LIMITED 2. CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED 3. MUTHOOT MICROFIN LIMITED 4. CSB BANK LIMITED 5. THIRUMALAI CHEMICALS LIMITED 6. E-EIGHTEEN.COM LIMITED 7. POONAWALLA HOUSING FINANCE LIMITED
4	R Anand	28-07-2016	00243485	AACPA1877D	<ul style="list-style-type: none"> 1. SHRIRAM LIFE INSURANCE COMPANY LIMITED 2. MUTHOOT MICROFIN LIMITED 3. SK FINANCE LIMITED 4. JASMINE CONCRETE EXPORTS PRIVATE LIMITED 5. NANI PALKHIVALA ARBITRATION CENTRE 6. CHENNAI INTERNATIONAL CENTRE

5	Vikram Vaidyanathan	21-08-2015	06764019	AFSPV0332H	<ol style="list-style-type: none"> 1. MSWIPE TECHNOLOGIES PRIVATE LIMITED 2. VER SE INNOVATION PRIVATE LIMITED 3. OFB TECH PRIVATE LIMITED 4. MATRIX INDIA ASSET ADVISORS PRIVATE LIMITED 5. MSWIPE CAPITAL PRIVATE LIMITED 6. AMICA FINANCIAL TECHNOLOGIES PRIVATE LIMITED 7. SCAPIA TECHNOLOGY PRIVATE LIMITED 8. MPI DEVC I MANAGER PRIVATE LIMITED
---	------------------------	------------	----------	------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

6	G V Ravishankar	18-08-2017	02604007	ADKPR1138F	<ul style="list-style-type: none"> 1. REBEL FOODS PRIVATE LIMITED 2. GO FASHION (INDIA) LIMITED 3. THINK & LEARN PRIVATE LIMITED 4. CAPFLOAT FINANCIAL SERVICES PRIVATE LIMITED 5. HOMEVISTA DECOR AND FURNISHINGS PRIVATE LIMITED 6. FINTECH BLUE SOLUTIONS PRIVATE LIMITED 7. RUPEEK FINTECH PRIVATE LIMITED 8. FINOVA CAPITAL PRIVATE LIMITED 9. K12 TECHNO SEFVICES PRIVTAE LIMITED
7	Vasan Thirulokchand	15-12-2016	07679930	ADVPT9462H	NA

8	Thiruvallur Thattai Srinivasaraghavan	25-08-2021	00018247	AAGPS0089M	1. FINANCE INDUSTRY DEVELOPMENT COUNCIL 2. BRAKES INDIA PRIVATE LIMITED 3. SUNDARAM FINANCE LIMITED 4. SUNDARAM BUSINESS SERVICES LIMITED 5. TURBO ENERGY PRIVATE LIMITED 6. SUNDARAM HOME FINANCE LIMITED 7. SUNDARAM TRUSTEE COMPANY LIMITED 8.ROYAL SUNDARAM GENERAL INSURANCE CO LIMITED
---	------------------------------------------	------------	----------	------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

ii. **Change in directors**

The details of change in directors since last three years, period up to March 31, 2023:-

Name	Designation	DIN	Date of appointment	Date of cessation, if applicable	Date of resignation, if applicable	Remarks
GAURAV TREHAN	Director	03467781		22/05/2020	22/05/2020	-
SANJEEV MEHRA	Director	07491208	10/06/2020	21/10/2021	21/10/2021	-
GAURAV TREHAN	Director	03467781	26/04/2021	21/10/2021	21/10/2021	-
LING WEI ONG	Director	02405458	16/09/2016	26/04/2021	26/04/2021	-
ARJUN SAIGAL	Alternate Director	07556188	25/09/2019	26/04/2021	26/04/2021	-

TT SRINIVASARAGHAVAN	Independent Director	00018247	25/08/2021	-	-	-
BALARAM HARIBABU	Director	01509249	28/09/2017	21/10/2021	21/10/2021	-
LANKUPALLI RAVIPRASAD	Director	01522796	21/06/2002	21/10/2021	21/10/2021	-
RAMKUMAR RAMAMOORTHY	Director	07936844	08/06/2022	-	-	-
RAMANATHAN ANNAMALAI	Independent Director	02645247	12/04/2016	25/05/2022	25/05/2022	-

IX. AUDITORS OF THE COMPANY

i. Current auditor

The details of the auditors of the Company:

Name	Address	Auditor Since
S.R. Batliboi & Associates LLP,	6th Floor A Block, Tidel Park, No. 4, Rajiv Gandhi Salai, Taramani, Chennai	March 11, 2022 for period 01/04/2021 - 31/03/2024)

ii. Details of change in auditors:

Details of change in auditor since last three years, period up to March 31, 2023:-

Name	Address	Date of Appointment & Resignation	Auditor Since with the company	Remarks
BSR & Co LLP	No.1 KRM Towers, Harrington Road, Chetpet, Chennai- 600031	25/09/2019 & 11/02/2022	25/09/2019	As per RBI Requirement on mandatory rotation of Statutory Auditors

X. DETAILS OF THE BORROWING OF THE COMPANY AS ON THE LATEST QUARTER END

The details of the borrowing of the Company, as on the latest quarter ended on March 31, 2023 is as under:

i. Secured Loan Facilities

Details of the following liabilities of the issuer, as at the end of the last quarter, i.e March 31, 2023, or if available, a later date:

Institution	Category	Availed (In Crores)	O/s 31.03.2023 (In Crores)
AU Small Finance Bank	Term Loan-Bank	38.00	6.97
Bank of Baroda	Term Loan-Bank	50.00	9.94
Karur Vysa Bank Ltd	Term Loan-Bank	10.00	2.45
Federal Bank	Term Loan-Bank	15.00	0.94
State Bank of India	Term Loan-Bank	200.00	71.19
Punjab National Bank (e-Oriental Bank of Commerce)	Term Loan-Bank	30.00	10.50
Union Bank of India (e-Andhra Bank)	Term Loan-Bank	50.00	17.59
Union Bank of India	Term Loan-Bank	40.00	14.81
RBL Bank	Term Loan-Bank	100.00	12.21
AU Small Finance Bank	Term Loan-Bank	10.00	1.33
Bank of India	Term Loan-Bank	40.00	19.95
State Bank of India	Term Loan-Bank	50.00	3.33
Utkarsh Small Finance Bank	Term Loan-Bank	25.00	9.24
Kotak Mahindra Bank	Term Loan-Bank	25.00	5.56
Equitas Small Finance Bank	Term Loan-Bank	23.00	10.52
Federal Bank	Term Loan-Bank	10.00	2.50
DCB Bank	Term Loan-Bank	25.00	7.46
AU Small Finance Bank	Term Loan-Bank	20.00	11.67
Federal Bank	Term Loan-Bank	5.00	1.67
Bandhan Bank	Term Loan-Bank	60.00	31.25
IndusInd Bank	Term Loan-Bank	75.00	24.92
Karnataka Bank	Term Loan-Bank	25.00	9.26
RBL Bank	Term Loan-Bank	20.00	12.35
RBL Bank	Term Loan-Bank	40.00	31.76
Axis Bank	Term Loan-Bank	50.00	29.15
HDFC Bank	Term Loan-Bank	20.00	14.58

HDFC Bank	Term Loan-Bank	30.00	23.13
IDFC First Bank	Term Loan-Bank	75.00	60.00
Karur Vysa Bank Ltd	Term Loan-Bank	49.50	41.68
State Bank of India Ltd	Term Loan-Bank	150.00	127.08
HSBC Bank Ltd	Term Loan-Bank	20.00	16.00
South Indian Bank	Term Loan-Bank	50.00	47.37
Federal	Term Loan-Bank	50.00	43.75
Bank of Maharashtra	Term Loan-Bank	100.00	98.33
Union Bank	Term Loan-Bank	50.00	48.15
IndusInd	Term Loan-Bank	100.00	87.50
IndusInd	Term Loan-Bank	50.00	46.87
Axis Bank	Term Loan-Bank	75.00	68.44
Bandhan Bank	Term Loan-Bank	200.00	190.00
Ujjivan Small Finance Bank	Term Loan-Bank	70.00	64.17
YES Bank	Term Loan-Bank	150.00	140.63
Kotak Mahindra Bank	Term Loan-Bank	100.00	93.75
Indian Bank	Term Loan-Bank	75.00	75.00
HSBC Bank Ltd	Term Loan-Bank	30.00	30.00
Karur Vysa Bank Ltd	Term Loan-Bank	75.00	75.00
Kotak Mahindra Bank Ltd	Term Loan-Bank	100.00	100.00
State Bank of India Ltd	Term Loan-Bank	250.00	250.00
IDFC First Bank	Term Loan-Bank	200.00	200.00
Bank of Baroda	Term Loan-Bank	100.00	100.00
FEDERAL BANK LTD	CC/OD/WCDL	5.00	-
CITY UNION BANK	CC/OD/WCDL	5.00	-
RBL BANK LTD	CC/OD/WCDL	5.00	0.85
YES BANK	CC/OD/WCDL	10.00	-
Kotak Mahindra Bank	CC/OD/WCDL	2.00	-
Bandhan Bank	CC/OD/WCDL	2.00	-
IndusInd Bank	CC/OD/WCDL	1.20	-
Axis Bank	CC/OD/WCDL	5.00	-
HDFC Bank	CC/OD/WCDL	5.00	-
IDFC First Bank	CC/OD/WCDL	1.00	-
Karur Vysa Bank Ltd	CC/OD/WCDL	0.50	-
State Bank of India Ltd	CC/OD/WCDL	9.00	-
Nabkisan Finance	Term Loan-NBFC/FI	13.40	3.33
Cholamandalam Finance	Term Loan-NBFC/FI	10.00	2.44
Tata Capital	Term Loan-NBFC/FI	7.80	1.79

MAS Financial Services	Term Loan- NBFC/FI	50.00	12.50
Bajaj Finance Ltd	Term Loan- NBFC/FI	30.00	7.50
Hero Fincorp	Term Loan- NBFC/FI	40.00	5.93
Nabkisan Finance	Term Loan- NBFC/FI	25.00	12.50
Nabsamruddhi Finance	Term Loan- NBFC/FI	18.00	6.63
Bajaj Finance Ltd	Term Loan- NBFC/FI	85.00	77.92
Nabkisan Finance Ltd	Term Loan- NBFC/FI	70.00	70.00
Adithya Birla Financial Limited	Term Loan- NBFC/FI	50.00	50.00
NCD-KARVY-30 Crs	NCD	30.00	30.00
NCD-Vivriti Samrath Bond	NCD	15.00	11.25
NCD-DCB-TLTRO-15 Crores	NCD	15.00	15.00
NCD-BOM-TLTRO-25Crs	NCD	25.00	25.00
NCD-SBI-TLTRO-50Crs	NCD	50.00	50.00
NCD-Union Bank-TLTRO- 15Crs	NCD	15.00	15.00
NCD-Bank of India-TLTRO- 50Crs	NCD	50.00	50.00
NCD-responsAbility-70 Crs	NCD	70.00	70.00
NCD-MLD-UNIFI-40Crs- Tranche 2-20Cr	NCD	20.00	20.00
NCD-MLD-Dhruva XI	NCD	150.00	150.00
NCD-9.20% NCD Five-Star 2026	NCD	49.00	49.00
Medici	Securitization	99.0543	1.87
Central Bank of India-PCG DA	Securitization	100.00	19.71
Bank of Baroda-PCG DA	Securitization	106.96	20.28
Dhruva III	Securitization	89.57	14.72
Dhruva IV	Securitization	85.91	22.80
Dhruva V	Securitization	46.02	8.00
Dhruva VIII	Securitization	25.00	4.01
Dhruva IX	Securitization	146.12	59.67
Dhruva X	Securitization	35.79	8.73

Dhruva XII	Securitization	68.00	31.13
Dhruva XIII	Securitization	82.42	27.46
Dhruva XIV	Securitization	175.76	162.33
Dhruva XV	Securitization	74.98	69.59
Indigo 022	Securitization	72.00	65.66
Dhruva XVI Jan 2023	Securitization	49.36	46.03
Dhruva XIX	Securitization	343.74	343.74
Dhruva XVII	Securitization	93.73	93.73
Swedfund International AB	ECB	75.91	82.17

ii. **Details of Unsecured Loan**

The Company has availed unsecured loan as on the latest quarter end on **March 31, 2023**:

Institution	Category	Availed Rs. Crores	O/s 31.03.2023 Rs. Crores	Maturity
Swedfund International AB	ECB	75.91	82.17	27-Dec-26

iii. **Non-Convertible Debentures**

Details of Debentures

The details of NCDs as on the latest quarter end on **March 31, 2023**:

ISIN Number	Maturity Date	Coupon (%)	O/s Amount in Crores	Secured / Unsecured	Rating	Primary Security Exclusive charge on receivables of the company	Tenure
INE128S07366	11-04-2024	11.40%	30	Secured	ICRA AA-; Stable	1.1 times	60
INE128S07424	13-05-2026	12.75%	11.25	Secured	ICRA AA-; Stable	1.1 times	36
INE128S07432	28-05-2023	10.50%	15	Secured	ICRA AA-; Stable	1.1 times	36
INE128S07440	12-06-2023	11.00%	25	Secured	ICRA AA-; Stable	1.25 times	36
INE128S07457	21-04-2023	11.00%	115	Secured	ICRA AA-; Stable	1.25 times	33
INE128S07507	30-09-2029	10.91%	70	Secured	ICRA AA-; Stable	1.1 times	36

INE128S07523	15-06-2023	Market Linked	20	Secured	ICRA AA-; Stable	1.01 times	30
INE128S07564	30-04-2023	Market Linked	150	Secured	ICRA AA-; Stable	1.25 times	27
INE128S07580	24-04-2026	9.20%	49	Secured	IND AA- Stable	1.1 times	37

iv. **List of Top 10 debenture in terms of value (in cumulative basis) as on latest quarter end on March 31, 2023:**

S.No	Name of the Debenture holders	Amount (In Crs)	% of total non-convertible debentures
1	UTI INTERNATIONAL WEALTH CREATOR 4	70	14.43%
2	BANK OF INDIA	50	10.30%
3	STATE BANK OF INDIA	50	10.30%
4	Sporta Technologies Private Limited	49	10.10%
5	FAMY CARE PRIVATE LIMITED	30	6.18%
6	BANK OF MAHARASHTRA	25	5.15%
7	UNIFI CAPITAL PVT LTD	20	4.12%
8	AXIS SECURITIES LIMITED	17.3	3.57%
9	DCB BANK LIMITED	15	3.09%
10	UNION BANK OF INDIA	15	3.09%

v. **Commercial Papers**

The total Face Value of Commercial Papers Outstanding as on 31.03.2023 is NIL.

Maturity Date	Amount Outstanding
Nil	

vi. **Other Borrowings**

Details of Rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on 31.03.2023 : NIL

Party Name	Type of Facility / Instrument	Amount Sanctioned / Issue	Principal Amount outstanding	Redemption Date	Credit Rating	Secured / Unsecured	Security
Nil							

vii. **Other outstanding borrowing (other than in cash)**

Details of any outstanding borrowings taken/ debt securities issued for consideration other than cash.

- i.in whole or part,
- ii.at a premium or discount, or
- iii.in pursuance of an option or not:

Nil

XI. ADDITIONAL DISCLOSURES BY NBFC AS REQUIRED UNDER CHAPTER IV OF OPERATIONAL CIRCULAR

A. Details with regard to the lending done by the issuer out of the issue proceeds of debt securities in last three years, including details regarding the following:

- (i) **Lending Policy: Should contain overview of origination, risk management, monitoring and collections;**

a. Origination, underwriting, sanction and disbursement process

Five-Star follows a 3-tier approach to Credit review, appraisal & underwriting:

Level 1 - Branch

- Initial screening of any prospective customer is done by the Branch Manager who collects information on income, property, loan requirement, purpose etc. and ensures if these fall within the Loan Policy guidelines of the company. Rejections at this stage could be for a variety of reasons like political affiliation, negative sectors / occupation, unsuitable property etc.
- Once screened and found “proper” the potential customer needs to deposit the initial processing fee along with basic KYC documents and application form.
- Branch Manager and Sales / Relationship Officer (RO) visits the customer location to verify property to be mortgaged, assess living standards, nature and place of business, understand market potential etc., basis which inspection report and valuation reports are prepared based on their assessment of the market rates in the vicinity.

- The Branch Manager/Officer undertakes an evaluation of the customer's income through formal and observatory means relying on various surrogates (for example, the education level of the borrowers' children and investment therein by the borrower, the way the collateral property is maintained, lifestyle of the prospective borrower etc.) in order to ascertain the repayment capacity of the borrower.
- As a part of credit assessment:
 - The income of the borrower is independently verified through formal and observatory means.
 - Multiple photographs of the property including the approach road from the branch to the property, the surrounding area, the exterior and interior of the property, one photograph with applicant and BM is taken (these photographs are uploaded on the ERP and can also be used by the Credit team to arrive at a credit decision).
 - Neighborhood checks on the borrowers' background and credit history (existing loans) are done.
 - Interactions with customers and suppliers to the borrowers' business are arranged to validate estimates reg. the business.
- The property visiting officer captures the photographs of original property documents to evidence the availability of original documents
- Branch Manager prepares the inspection report which contains recommended loan amount, tenor and rate of interest, assessment of collateral (property) value, assessment of borrowers' income with the customer inputs on loan amount & tenor requested and property value. (The Branch has no powers to sanction, and its report is purely recommendatory in nature.)
- Branch inspection and valuation reports are uploaded on the ERP system and can be accessed by File Credit for further evaluation at the appropriate time.

Level 2 - Field Credit

- Second visit, this time by a Field Credit Officer, to the prospective borrower and property and a separate independent evaluation is prepared by the Field Credit Officer.
- The Field Credit Officer follows a process similar to the branch and evaluates the Income, property etc. and sends a report to the File Credit with similar parameters as the Branch inspection report. The Field Credit report is also accompanied by a set of about 20 or so photographs of the entire process and uploaded on the ERP system.

Level 3 - Loan Sanction

- File Credit Officer evaluates the 2 reports received separately and independently from the Branch & Field Credit Officer as well as the customer declared information in the application form.
- Basis this and verification of information through tele calling with all the co-applicants, the Loan Amount, Tenor, Interest Rate and EMI recommendations are decided and sent for approval.
- At this stage, file credit also receives the legal verification reports of property documents and completes the Credit Bureau check (Highmark/CIBIL).
- Post this, the file is reviewed by a credit approver and sanctioned basis an approval matrix which has limits on various parameters like loan ticket, LTV, FOIR etc.
- Encumbrance check is conducted pre and post sanctioning the case.
- Post approval sanction letter is issued to customer, and he/she is informed of the terms of sanction.

- Documentation is prepared as per sanction terms by team at HO and documents are sent to the branch for completion of documentation.
- Registration of the property is completed.
- Post obtaining all necessary loan documentation and after verification of Five-Star name appearing in the Encumbrance Certificate (EC), the loan is disbursed.

b. Collections & post disbursal monitoring process

The branch staff are responsible for both origination and collections on the loans advanced.

Reminders are sent to the borrowers a few days before the due date. The Field Officer reaches out to the borrower once the loan turns delinquent. There is an escalation matrix once a loan slips beyond 30 days, with the Branch Manager, Area Manager and Regional Managers getting involved at successive levels with appropriate support from the Legal team and Head Office.

Further, the incentive structure of the branch staff is a mix of both the new business performance as well as collections performance. To be eligible for any incentive, every field officer has to meet atleast a minimum collection target. This ensures that adequate diligence is undertaken by the branch staff while sourcing files itself.

To add further focus to collections, the company has added Collections Officers to branches in the last ~12 months. These Collections Officers will handle collections on all accounts in the branch with a vintage of more than 2 years. Thus, while ensuring responsibility remains with the Field Officer for the first 24 months of the loan, this would free the bandwidth of the Field Officers which would help maintain good productivity metrics over the long term from an incremental business perspective while also ensuring focus on collections through a dedicated resource post the 24 month vintage. This effort will continue in the near future also with Collections Officers being recruited at branches where loans of vintage 2 years+ are present. The company also has a centralized Legal team to support branches if loans slip into deeper buckets.

- (ii) Classification of loans/ advances given to associates, entities/ person relating to board, senior management, promoters, others, etc.;**

Nil

- (iii) Classification of loans/ advances given, according to type of loans, denomination of loan outstanding by loan to value, sectors, denomination of loans outstanding by ticket size, geographical classification of borrowers, maturity profile etc.;**

As provided in Part B (Below)

- (iv) Aggregated exposure to the top 20 borrowers with respect to the concentration of advances, exposures to be disclosed in the manner as prescribed by RBI in its stipulations on Corporate Governance for NBFCs or HFCs, from time to time;

Rs. 7.59 Crores constituting 0.11% of AUM as of March 31, 2023.

- (v) Details of loans, overdue and classified as non-performing in accordance with RBI stipulations;

Classification	As on March 31, 2023 (In Crores)
Standard	6,820.89
NPA	93.94
Off Book*	Nil
Total	6,914.83

*Securitization transactions undertaken by the company are eligible for on-book treatment under Ind-AS.

B. AUM breakup of the Borrower as at March 31, 2023

1. Classification of loans/ advances given according to:

Sl. No.	Type of loans	Rs Crore
1	Secured	6,914.83
2	Unsecured	-
	Total assets under management (AUM)*^	6,914.83

2. Denomination of loans outstanding by loan-to-value:

Sl. No.	LTV (at the time of origination)	Percentage of AUM
1	Upto 20%	6.18%
2	>20-30%	18.55%
3	>30-40%	30.35%
4	>40-50%	41.93%

5	>50%	3.00%
Total		100.00%

3. Sectoral exposure:

Sl. No.	Segment-wise break-up of AUM	Percentage of AUM
1.	Retail	
A	Mortgages (home loans and loans against property)	-
B	Gold loans	-
C	Vehicle finance	-
D	MFI	-
E	MSME	-
F	Capital market funding (loans against shares, margin funding)	-
G	Others (Small Business Loans)	100%
2	Wholesale	
A	Infrastructure	-
B	Real estate (including builder loans)	-
C	Promoter funding	-
D	Any other sector (as applicable)	-
E	Others	-
	Total	100%

4. Denomination of loans outstanding by ticket size*:

Sl. No.	Ticket size (at the time of origination)	Percentage of AUM
1	Up to 3L	44.05%
2	Between 3L and 5L	44.42%
3	Between 5L and 10L	10.18%
4	Between 10L and 15L	0.83%
5	Greater than 15L	0.51%
	Total	100.00%

* Information required at the borrower level (and not by loan account as a customer may have multiple loan accounts);

5. Geographical classification of borrowers:

Top 5 states borrower wise

Sl. No.	Top 5 states	Percentage of AUM
1	Tamil Nadu	35.40%
2	Andhra Pradesh	32.54%
3	Telangana	19.68%
4	Karnataka	6.56%
5	Madhya Pradesh	5.04%
Total		99.22%

6. Details of loans overdue and classified as non-performing in accordance with RBI's stipulations:

Movement of gross NPA:

Movement of gross NPA*	Rs. Crore
Opening gross NPA	53.05
- Additions during the year	68.93
- Reductions during the year	28.04
Closing balance of gross NPA	93.94

*Please indicate the gross NPA recognition policy (Day's Past Due)-90 DPD

7. Segment-wise gross NPA:

Sl. No.	Segment-wise gross NPA	Gross NPA (%)
1	Retail	
A	Mortgages (home loans and loans against property)	
B	Gold loans	
C	Vehicle finance	
D	MFI	
E	MSME	
F	Capital market funding (loans against shares, margin funding)	
G	Others (Small Business Loans)	1.36%
2	Wholesale	
A	Infrastructure	
B	Real estate (including builder loans)	
C	Promoter funding	
D	Any other sector (as applicable)	
E	Others	

	Total	1.36%
--	--------------	--------------

8. Residual maturity profile of assets and liabilities (in line with the RBI format):

Residual maturity profile of assets and liabilities:

(INR In Crores)

Particulars	One Month	>1to<2 M	>2to <3M	>3to <6 M	>6to <1 Y	>1to <3 Y	>3to <5Y	>5 Y	Total
Liabilities									
Equity, Reserves and Surplus	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4339.53	4,339.53
Borrowings from banks	46.33	47.93	70.86	169.02	341.19	1056.62	581.94	86.91	2,400.79
Borrowings from other parties	25.19	27.20	29.14	87.31	165.57	531.44	378.28	5.86	1,249.99
Market borrowings	265.00	15.00	45.00	70.00	3.75	33.75	52.75	0.00	485.25
Others	99.42	3.79	7.11	9.61	10.42	76.25	52.95	158.49	418.03
Total	435.94	93.92	152.11	335.94	520.93	1698.05	1065.93	4590.79	8,893.60
Assets									
Advances	84.48	79.45	80.57	260.81	579.15	2479.12	2308.97	1109.14	6,981.70
Cash & cash Equivalents, Including Liquid Investments	1195.41	260.38	0.65	32.68	38.54	168.41	28.46	0.00	1,724.53
Other Assets	11.64	13.86	1.11	7.74	23.05	11.44	3.06	115.47	187.37
Total	1291.52	353.70	82.33	301.23	640.75	2658.98	2340.49	1224.61	8,893.60
Mismatch	855.58	259.78	-69.78	-34.72	119.82	960.93	1274.56	-	3366.17
Cumulative Mismatch	855.58	1115.36	1045.58	1010.86	1130.68	2091.61	3366.17		

*FCA - Foreign Currency Assets; FCL - Foreign Currency Liabilities;

a. Disclosure of latest ALM statements to stock exchange:

The following disclosures on Asset Liability Management (ALM) shall be provided for the latest audited financials:

S. No	Particulars of disclosure	Details
1	Details with regard to lending done out of the issue proceeds of earlier issuances of debt securities (whether public issue or private placement) in the last three years.	
1.a	Lending Policy: Should contain overview of origination, risk management, monitoring and collections	Refer Annexure XIII

1.b	Classification of Loans given to associate, or entities related to Board, Senior management, promoters, etc	Refer Annexure XIII
1.c	Classification of loans into several maturity profile denomination,	Refer Annexure XIII
1.d	Aggregated exposure to top 20 borrowers	Refer Annexure XIII
1.e	Details of loans, overdue and classified as Non-performing assets (NPA)	Refer Annexure XIII
2.	Details of borrowings made by NBFC	
2.a	Portfolio Summary of borrowings made by NBFC.	Refer Annexure XIII
2.b	Quantum and percentage of Secured vs. Unsecured borrowings	Refer Annexure XIII
3	Details of change in Shareholding	Refer Page number 33 for the latest shareholding pattern
4	Disclosure of Assets under management	Refer Annexure XIII
5	Details of borrowers	Refer Annexure XIII
6	Details of Gross NPA	Refer Annexure XIII
7	Details of Assets and Liabilities	Refer Annexure XIII
8	Additional details of loans made by, Housing Finance Company	NA

b. Details of change in shareholding: Any change in promoters holding in NBFC during last financial year beyond the threshold prescribed by Reserve Bank of India.

NIL

d. Defaults in borrowing

The 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 3 years including the current financial year:

Nil

XII. Material event/ development affecting investment decision

Nil

XIII. Any litigation or legal action pending or taken by a Government Department or a statutory body during the last three years immediately preceding the year of the issue of prospectus against the promoter of the Company.

Nil

XIV. Details of default and non-payment of statutory dues;

Nil

XV. The names of the debenture trustee(s) shall be mentioned with statement to the effect that debenture trustee(s) has given its consent for appointment along with the copy of the consent letter from the debenture trustee.

Catalyst Trusteeship Limited has been appointed as Debenture Trustee for the proposed Issue. The Debenture Trustee has given their consent to the Issuer for its appointment under the Securities and Exchange Board Of India (Issue And Listing Of Non-Convertible Securities) Regulations, 2021, as amended up to date, and a copy of the consent letter is enclosed as **Annexure III** to this Disclosure Document. The Company will enter into a Trusteeship Agreement/ Debenture Trust Deed, inter-alga, specifying the powers, authorities and obligations of the Company and the Debenture Trustee in respect of the Debenture.

The Debenture Holders shall, by signing the Application Form and without any further act or deed, be deemed to have irrevocably given their consent to and authorized the Debenture Trustee or any of their Agents or authorized officials to do, inter cilia, all such acts, deeds and things necessary in respect of or relating to the security to be created for securing the Debentures being offered in terms of this Disclosure Document. All rights and remedies under the Debenture Trust Deed / Trusteeship Agreement and/or other security documents shall rest in and be exercised by the Debenture Trustee without having it referred to the Debenture holders. Any payment made by the Company to the Debenture Trustee on behalf of the Debenture holder(s) shall discharge the Company to that extent to the Debenture holder(s). No Debenture holder shall be entitled to proceed directly against the Company unless the Debenture Trustee, having become so bound to proceed, fails to do so.

Company reserves the rights to appoint any other SEBI registered Trustee.

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

Nil

- XVII. Disclosure of Cash flow with date of interest/dividend/ redemption payment as per day count convention.**

- a. The day count convention for dates on which the payments in relation to the debt securities /non-convertible redeemable preference shares which need to be made, should be disclosed.**

Coupon and all other charges shall accrue based on actual/actual day count convention in accordance with the SEBI Circular on day count convention dated November 11, 2016, as may be amended from time to time.

- b. Procedure and time schedule for allotment and issue of securities should be disclosed;**

The issue schedule for the issue of the Debentures is as follows:

PARTICULARS	DATE
Issue Opening Date	June 14, 2023
Issue Closing Date	June 14, 2023
Pay In Date	June 15, 2023
Deemed Date of Allotment	June 15, 2023

Please also refer Section 7 (*Issue Procedure*).

- c. Cash flows emanating from the debt securities / non- convertible redeemable preference shares shall be mentioned in the offer document, by way of an illustration.**

A. Illustration of Cash Flow

The cash flows emanating from the non-convertible securities according to the day count convention (Actual/ Actual) shall be mentioned in the Disclosure document, by way of an illustration.

For the purpose of standardization, if the coupon/ dividend payment date of the non- convertible securities falls on a Sunday or a holiday, the coupon payment shall be made on the next working day. However, the dates of the future payments would continue to be as per the schedule originally stipulated in the offer document. If the maturity date of the debt securities, falls on a Sunday or a holiday, the redemption proceeds shall be paid on the previous working day. In order to ensure consistency, a uniform methodology shall be followed for calculation of interest/ dividend payments in the case of leap year. If a leap year (i.e. February 29) falls during the tenor of a security, then the number of days shall be reckoned as 366 days (Actual/ Actual day count convention) for the entire year, irrespective of whether the interest/ dividend is payable annually, half yearly, quarterly or monthly.

A sample illustration is given below:

Company	Five-Star Business Finance Limited
Face Value (per Debenture)	Rs.1,00,000 each
Issue Date/Deemed Date of Allotment	The date on which the board of directors of the Issuer passes the resolution to allot the Debentures
Final Redemption Date	1279 days from Deemed Date of Allotment being June 15, 2023
Coupon Rate/ Interest Date	Fixed coupon of 9.10% per annum
Frequency of the Interest Payment with specified dates	Coupon will be paid on 15 th December 2023 and annually thereafter as set out below 15 December 2023 15 December 2024 15 December 2025 15 December 2026
Redemption Amount	INR 1,00,000 (Indian Rupees One Lakh) per Debenture as set out in Annexure X (Illustration of Bond Cash Flows)
Day Count Convention	Actual/Actual

Interest Payment Date/Redemption Date	No. of days	Amount payable per Debentures (in Rupees)	Payment Type
15 December 2023	183	4562.47	Interest
15 December 2024	366	9100.00	Interest
15 December 2025	365	9100.00	Interest
15 December 2026	365	9100.00	Interest

15 December 2026	365	1,00,000.00	Redemption Amount per Debenture (Face Value)
	1279	1,31,862.47	

XVIII. Disclosures pertaining to willful defaulter:

The disclosures pertaining to willful defaulter is as provided in Section 9 of this Placement Memorandum.

XIX. UNDERTAKING BY THE ISSUER

Please refer to Section 3 of this Placement Memorandum.

XX. Risk Factors

Please refer to Section 3 (*Risk Factors*) of this Placement Memorandum.

XXI. Other Details

1. DRR creation - relevant regulations and applicability

The Issuer shall maintain the DRR in accordance with the provisions of Section 74 of the Companies Act, 2013 read with Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014, as amended up to date and circulars issued by Central Government in this regard.

2. Issue/ instrument specific regulations

The Debentures are governed by and will be construed in accordance with the Indian Law. The Issuer, the Debentures and Issuer's obligations under the Debentures shall, at all times, be subject to the directions of the Reserve Bank of India (RBI), Securities & Exchange Board of India (SEBI), Stock Exchanges, Companies Act, 2013 and other applicable laws and regulations from time to time.

Over and above, the said debentures shall be subject to the term and conditions as contained in the offer letter /term sheet, application form and the Debenture Trust Deed / Trustee Agreement.

3. Default in Payment;

Nil

4. Delay in Listing:

The Debentures are proposed to be listed on Bombay Exchange of India Ltd. ('BSE'), being the Designated Stock Exchange. The details of BSE Limited are as below:

The BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001
Phone: +91 22 2272 1233/4
Fax: +91 22 2272 1919

In accordance with the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, read together with the requirements in respect of the timelines for listing of debt securities issued on a private placement basis prescribed in Chapter VII (Standardization of timelines for listing of securities issued on a private placement basis) of the SEBI circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 on "Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper ", the Issuer confirms that in the event there is any delay in listing of the Debentures beyond 3 (three) Business Days from the date of closure of the issue for the Debentures, the Company (i) will pay to the Debenture Holders, penal interest of 1% (one percent) per annum over the Coupon Rate for the period of delay from the date of closure of the issue for the Debentures until the listing of the Debentures is completed, and (ii) shall be permitted to utilise the issue proceeds of its 2 (two) subsequent privately placed issuances of securities only after receiving final listing approval from the stock exchange(s).

5. Delay in allotment of securities:

- (i) The Issuer shall ensure that the Debentures are allotted to the respective Debenture Holders and are credited into the demat accounts of the relevant Debenture Holders within the timelines prescribed under the SEBI Listing Timelines Requirements.
- (ii) If the Issuer fails to allot the Debentures to the Applicants within 60 (sixty) calendar days from the date of receipt of the Application Money ("**Allotment Period**"), it shall repay the Application Money to the Applicants within 15 (fifteen) calendar days from the expiry of the Allotment Period ("**Repayment Period**").
- (iii) If the Issuer fails to repay the Application Money within the Repayment Period, then Issuer shall be liable to repay the Application Money along with interest at 12% (twelve percent) per annum

from the expiry of the Allotment Period.

6. Issue details:

As detailed in Section 7 of this Disclosure Document.

7. Disclosure prescribed under PAS-4 of Companies (Prospectus and Allotment of Securities), Rules, 2014 but not contained in this schedule, if any.

The finalised form of the PPOA prepared in accordance with the Form PAS 4 prescribed under the Companies (Prospectus and Allotment of Securities), Rules, 2014 is provided as **Annexure X**. Please refer Annexure X for all disclosures required under the Companies (Prospectus and Allotment of Securities), Rules, 2014 are set out therein.

8. Project details: gestation period of the project; extent of progress made in the project; deadlines for completion of the project; the summary of the project appraisal report (if any), schedule of implementation of the project;

Not applicable

SECTION 7 APPLICATION PROCESS

I. Who can invest /apply?

The investors, who specifically approached, who are eligible to apply for this private placement of Debentures are mentioned in the Term Sheet. All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue.

All such Investors / transferees are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of / purchasing the Debentures and with respect to any subsequent transfer of the Debentures and shall be bound by the terms and conditions of the Debentures as set out in this Disclosure Document. It is clarified that applications are not to be made by a 'person resident outside India' as defined under the Foreign Exchange Management Act, 1999 (including foreign portfolio investors, non-resident Indians, overseas corporate bodies, etc.)

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

An Application Form must be accompanied by either demand draft(s) or cheque(s) drawn or made payable in favour of the Issuer or otherwise as may be set out in the Application Form and crossed "Account Payee Only". Cheque(s) or demand (s) may be drawn on any bank including a co-operative bank, which is a member or a sub-member of the bankers clearing house located at Mumbai. If permitted, the applicant may transfer payments required to be made in relation to any by electronic transfer of funds/RTGS, to the bank account of the Issuer as per details mentioned in the Application Form.

II. Eligible Investors

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

- (a) Resident Individuals
- (b) Hindu Undivided Family
- (c) Trust
- (d) Limited Liability Partnership, Partnership Firms
- (e) Portfolio Managers and Foreign Portfolio Managers registered with SEBI
- (f) Association of Persons
- (g) Companies and Body Corporates including all Public Sector Undertakings
- (h) Commercial Banks, Regional Rural Banks, Financial Institutions
- (i) Insurance Companies
- (j) Mutual Funds, Alternative Investment Funds (AIFs)
- (k) Any other investor eligible to invest in the Debentures

Investors, who are registered on the EBP Platform and are eligible to make bids for the Debentures of the Issuer and to whom allocation is to be made by Issuer pursuant to selection under the electronic book mechanism for issuance of securities on private placement basis in terms of the EBP Requirements and the Electronic Book Providers shall be considered as "identified persons" for the purposes of Section 42(2) of the Companies Act, 2013, to whom the Issuer shall make private placement of the Debentures and only such "identified persons" shall receive a direct communication from the Issuer with offer to subscribe to the Debentures and only such "identified persons" shall be entitled to subscribe to the Debentures.

Additionally, those arrangers/brokers/intermediaries etc. (as per the defined limits under the EBP Requirements) specifically mapped by the Issuer on the EBP Platform are also eligible to bid/apply/invest for this Issue.

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

Hosting of this Placement Memorandum on the website of the BSE should not be construed as an offer or an invitation to offer to subscribe to the Debentures and the same has been hosted only as it is stipulated under the SEBI NCS Regulations read with the EBP Requirements. Eligible Investors should check their eligibility before

making any investment.

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

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

III. Procedure for Applying for Dematerialised Facility

- (a) The applicant must have at least one beneficiary account with any of the DP's of NSDL and CDSL prior to making the application.
- (b) The applicant must necessarily fill in the details (including the beneficiary account number and DP - ID) appearing in the Application Form under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form".
- (c) Debentures allotted to an applicant will be credited to the applicant's respective beneficiary account(s) with the DP.
- (d) For subscribing to the Debentures, names in the Application Form should be identical to those appearing in the details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details maintained with the DP.
- (e) Non-transferable allotment advice/refund orders will be directly sent to the applicant by the Registrar and Transfer Agent to the Issue.
- (f) If incomplete/incorrect details are given under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form" in the Application Form, it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Issuer.
- (g) For allotment of Debentures, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-a-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for the losses, if any.

- (h) The redemption amount or other benefits would be paid to those Debenture Holders whose names appear on the list of beneficial owners maintained by the R&T Agent as on the Record Date. In case of those Debentures for which the beneficial owner is not identified in the records of the R&T Agent as on the Record Date, the Issuer would keep in abeyance the payment of the redemption amount or other benefits, until such time that the beneficial owner is identified by the R&T Agent and conveyed to the Issuer, whereupon the redemption amount and benefits will be paid to the beneficiaries, as identified.

IV. Depository Arrangements

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

V. List of Beneficiaries

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

VI. Application under Power of Attorney

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

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

VII. Procedure for application by Mutual Funds and Multiple Applications

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

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

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

VIII. Documents to be provided by Investors / applicants

Investors need to submit the following documents, along with the Application Form, as applicable

- a. Memorandum and Articles of Association along with Certificate of Incorporation/Documents Governing Constitution
- b. Board Resolution / letter authorizing the investment and containing operating instructions
- c. Certified true copy of the Power of Attorney, if applicable
- d. PAN card
- e. Form 15AA for investors seeking exemption from Tax Deduction at Source (TDS) – both on Interest on Application Money as well as annual interest payments
- f. Specimen signature of the authorized signatories, duly certified by an appropriate authority
- g. SEBI Registration Certificate, as applicable
- h. Application form (including RTGS details)

IX. Applications to be accompanied with bank account details

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

X. Applications under Power of Attorney

In case of applications made under a Power of Attorney or by a Limited Company or a Body Corporate etc., the relevant Power of Attorney or the relevant resolution or authority to make the application, as the case may be, together with the certified true copy thereof along with the certified copy of the Memorandum and Articles of Association and/or Bye-Laws as the case may be must be attached to the Application Form or lodged for scrutiny separately with the photocopy of the Application Form, quoting the serial number of the Application Form at the Company's branch where the application has been submitted failing which the applications are liable to be rejected.

XI. Interest on Application Money

Interest on Application Money will be paid at the applicable coupon rate (subject to deduction of tax at source at the rates prevailing from time to time under the provisions of Income Tax Act, 1961 or any statutory modification or re-enactment thereof) and will be paid on the entire application money on all valid applications.

Such interest shall be paid for the period commencing from the date of credit by way of funds transfer / Real time gross settlement up to one day prior to the date of allotment.

No interest on application money would be payable in cases of invalid applications.

XII. Debentures held in Dematerialised Form

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

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

XIII. Debenture Trustee for the Debenture Holder(s)

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

XIV. Sharing of Information

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

XV. Debenture Holder not a Shareholder

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

XVI. Modification of Debentures

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

Any other change or modification to the terms of the Debentures shall require approval by the Majority Debenture Holders.

XVII. Right to accept or reject Applications

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

XVIII. Notices

Any notice in respect of the Debentures may be served by the Issuer upon the Debenture Trustee/Debenture Holders in accordance with the terms of the Transaction Documents.

XIX. Issue Procedure

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

The Applicant should transfer payments required to be made in any relation by EFT/RTGS, to the bank account as per the details mentioned in the Application Form.

The subscription to the Debentures shall be made by the Eligible Investors through the electronic book mechanism as prescribed by SEBI under the EBP Requirements by placing bids on the EBP Platform during the Issue period. In case the Eligible Investors are not registered on the EBP Platform, they will have to register themselves as an "investor" on the EBP Platform (as a one time exercise) and also complete the mandatory "know your customer" verification process. The Eligible Investors should also refer to the operational guidelines of the relevant EBP in this respect. The disclosures required pursuant to the EBP Requirements are set out hereinbelow:

Details of size of the Issue including green shoe option, if any	Total Issue Size: 20,000 senior, secured, unsubordinated, rated, listed, transferable, redeemable, non-convertible debentures each having a face value of INR 1,00,000 (Indian Rupees One Lakh Only) aggregating to INR 200,00,00,000 (Indian Rupees Two Hundred Crores only) (" Debentures ") comprising of:
------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

	<p>Base Issue: 10,000 senior, secured, unsubordinated, rated, listed, transferable, redeemable, non-convertible debentures each having a face value of INR 1,00,000 (Indian Rupees One Lakh Only) aggregating to INR 100,00,00,000 (Rupees One Hundred Crores Only)</p> <p>Green Shoe Option: Up to 10,000 senior, secured, unsubordinated, rated, listed, transferable, redeemable, non-convertible debentures each having a face value of INR 1,00,000 (Indian Rupees One Lakh Only) aggregating to INR 100,00,00,000 (Rupees One Hundred Crores Only)</p>
Bid opening and closing date	<p>Bid opening date: June 14, 2023; and</p> <p>Bid closing date: June 14, 2023</p>
Minimum Bid lot	100 (One Hundred) Debentures (aggregating to INR 1,00,00,000 (Indian Rupees One Crore), and 1 (one) Debenture thereafter
Manner of bidding in the Issue	on an anonymous order driven system
Manner of allotment in the Issue	The allotment will be done on Uniform Yield basis in accordance with EBP Guidelines.
Manner of settlement in the Issue	Pay-in of funds through ICCL and the account details are given in the Section 7 (Issue Procedure) of this Placement Memorandum
Settlement cycle	T+1; where T refers to the date of bid opening date / issue opening date

XX. Process flow of settlement:

The Eligible Investors whose bids have been accepted by the Issuer and to whom a signed copy of this Placement Memorandum along with the PPOA have been issued by the Issuer and who have submitted/shall submit the Application Form ("Successful Bidders"), shall make the payments in respect of the Application Money in respect of the Debentures towards the allocation made to them, into the bank account of the ICCL, the details of which are as set out below:

Name of Bank	ICICI Bank Ltd
IFSC Code	ICIC0000106
Account number	ICCLEB
Name of beneficiary	Indian Clearing Corporation Ltd

The pay-in of the Application Money by the Successful Bidders will be made only from the bank account(s), which have been provided / updated by them in the EBP system. Any amount received from third party accounts or from accounts not specified in the EBP system will be refunded and no allotment will be made against such payments. Upon the transfer of funds into the aforesaid account of ICCL and the Issuer confirming its decision to proceed with the allotment of the Debentures in favour of the Successful Bidders to the ICCL, the R&T Agent and the EBP and initiating the requisite corporate action for allotment of Debentures and credit of the demat letter of allotment into the relevant demat account of the Successful Bidders through the R&T Agent, the R&T Agent shall provide corporate action file along with all requisite documents to the relevant Depositories by 12:00 hours and also intimate the EBP of the aforesaid actions. Upon the Depositories confirming the allotment of the Debentures and the credit of the Debentures into the demat account of the Successful Bidders to EBP, the subscription monies in respect of the Debentures from the aforesaid account of ICCL shall be released into the Issuer's bank account, the details of which are as set out below:

Beneficiary Name:	FIVE-STAR BUSINESS FINANCE LIMITED
Bank Account No.	409001648998
IFSC CODE:	RATN0000113
Bank Name	RBL Bank Ltd
Branch Address:	T Nagar Branch

It must be noted that all funds pay-in obligations need to be fulfilled in totality. Partial fund receipt against any given obligation will be treated as a default and debarment penalties will be applicable as specified by the EBP Requirements and other Applicable Law.

XXI. Application Procedure

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

XXII. Fictitious Applications

All fictitious applications will be rejected.

XXIII. Letters of Allotment

The Debentures will be credited in dematerialized form within 2 (two) Business Days from the Deemed Date of Allotment

XXIV. Record Date

The record date for payment of Coupon or repayment of principal shall be 7 (Seven) Business days prior to the due date for payment of coupon / redemption of such Debentures.

XXV. Refunds

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

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

XXVI. Payment on Redemption

Payment on redemption will be made by way of cheque(s)/ redemption warrant(s)/ demand draft(s)/ credit through RTGS system/ funds transfer in the name of the relevant Debenture Holder(s) whose names appear on the List of beneficial owners given by the Depository to the Company as on the Record Date. The Debentures shall be taken as discharged on payment of the redemption amount by the Company on relevant maturity date(s) to the respective registered Debenture Holder(s) whose name appears in the register of debenture holder(s) on the Record Date. Such payment will be a legal discharge of the liability of the Company towards the Debenture Holder(s) of such series. On such payment being made, the Company will inform NSDL/CDSL and accordingly the account of the Debenture Holder(s) with NSDL/CDSL will be adjusted. The Company's liability to the Debenture Holder(s) towards all their rights including for payment or otherwise shall cease and stand extinguished from the due dates of redemption in all events. Further the Company will not be liable to pay any interest or compensation from the dates of such redemption. On the Company dispatching the amount as specified above in respect of the Debentures, the liability of the Company shall stand extinguished.

XXVII. Mode of Payment

All payments must be made through cheque(s)/draft(s)/transfers/RTGS as set out in the application form.

XXVIII. Effect of Holidays

- a. If any Due Date on which any interest or additional interest is payable falls on a day which is not a Business Day, the payment to be made on such Due Date shall be made on the succeeding Business Day.
- b. If any Due Date on which any Outstanding Principal Amounts are payable falls on a day which is not a Business Day, the payment to be made on such Due Date shall be made on the preceding Business Day.
- c. If the Final Redemption Date falls on a day which is not a Business Day, the payment of any amounts in respect of any interest and the Outstanding Principal Amounts to be made shall be made on the preceding Business Day.

XXIX. Payment of Coupon

Coupon for each of the Coupon periods shall be computed on an actual/actual days a year basis on the principal outstanding on the Debentures at the Coupon Rate. If a leap year (i.e. February 29) falls during the tenor of a security, then the number of days shall be reckoned as 366 days (Actual/ Actual day count convention) for the entire year, irrespective of whether the interest/ dividend is payable annually, half yearly, quarterly or monthly.

XXX. Tax Deduction at Source

Income tax will be deducted as applicable as per the provisions of Income Tax Act, 1961. Where any deduction of Income Tax is made at source, the Company shall send to the Debenture holder a Certificate of Tax Deduction at Source.

XXXI. PAN/GIR Number

Applicant should mention their Permanent Account Number or the GIR Number allotted under Income Tax Act, 1961 and the Income Tax Circle / Ward / District. In case where neither the PAN nor the GIR Number has been allotted, the fact of such a non-allotment should be mentioned in the Application Form in the space provided.

XXXII. Signatures

Signatures should be made in English or in any of the Indian Languages. Thumb impressions must be attested by an authorized official of a Bank or by a Magistrate/Notary Public under his/her official seal.

XXXIII. Basic terms of the present offer

Refer Issue Details / Term sheet for issue specific details.

XXXIV. Minimum Subscription

Minimum subscription is not applicable for privately placed debentures.

XXXV. Deemed Date of Allotment

Deemed Date of Allotment All the benefits under the Debentures, including but not limited to the payment of Coupon, will accrue to the Investor from the deemed date of allotment. The deemed date of allotment for the Issue is June 15, 2023.

All benefits related to the Debentures will be available to the Debenture Holders from the Deemed Date of Allotment. The actual allotment of the Debentures may take place on a date other than the Deemed Date of Allotment. The Company reserves the right to keep multiple allotment date(s)/Deemed date(s) of Allotment at its sole and absolute discretion without any notice to the Debenture holders. In case the Issue Closing Date is revised, the Deemed Date of Allotment may also be revised by the Company at its sole and absolute discretion.

XXXVI. Market Lot

100 (One Hundred) Debentures (aggregating to INR 1,00,00,000 (Indian Rupees One Crore), and 1 (one) Debenture thereafter

XXXVII. Contributions being made by the promoters or directors either as part of the Issue or separately in furtherance of such objects- None

XXXVIII. Security

The Debentures are proposed to be secured by the assets and security details as given in Issue Detail/ Term Sheet.

XXXIX. Debentures in Dematerialized Form

The Company is issuing the Debentures only in dematerialized form and hence no Debentures are being issued in physical form in terms of the Information Memorandum. The Company has entered in to Depository Arrangements with NSDL for dematerialization of the Securities.

Applicants have to mention their Depository Participant's name, DP-ID and Beneficiary Account Number/Client ID in the appropriate place in the Application Form. Debentures of successful Debenture Holders having Depository Account shall be credited to their Depository Account.

The Debentures shall be held in dematerialised form and no action is required on the part of the Debenture Holder(s) for redemption purposes and the redemption proceeds will be paid by way of cheque(s)/ redemption warrant(s)/ demand draft(s)/ credit through RTGS system/ funds transfer to those Debenture Holder(s) whose names appear on the list of Beneficiaries provided by the Depositories to the Issuer. The names would be as per the Depositories' records on the relevant record date fixed for the purpose of redemption. All such Debentures will be simultaneously redeemed through appropriate debit corporate action. The list of beneficiaries as of the relevant record date setting out the relevant beneficiaries' name and account number, address, bank details and DP's identification number will be given by the Depositories to the Issuer and the Registrar. Based on the information provided above, the Issuer/Registrar will dispatch the cheque for interest / Coupon payments to the beneficiaries. If permitted, the Issuer may transfer payments required to be made in relation to any by electronic transfer of funds/RTGS, to the bank account of the Debenture Holder for redemption and interest/ Coupon payments.

XL. Joint-Holders

Where two or more persons are holders of any Debenture(s), they shall be deemed to hold the same as joint holders with benefits of survivorship in the same manner and to the same extent and be subject to the same restrictions and limitations as in the case of the existing equity shares of the Company, subject to other provisions contained in the Articles of Association of the Company.

XLI. Mode of Transfer

The Debentures shall be transferable and transmittable in the same manner and to the same extent and be subject to the same restrictions and limitations as in the case of the existing equity shares of the Company. The provisions relating to transfer and transmission, nomination and other related matters in respect of equity shares of the Company, contained in the Articles of Association of the Company, shall apply mutatis mutandis to the transfer and transmission of the Debentures and nomination in this respect.

The Debentures held in dematerialised form shall be transferred subject to and in accordance with the rules/ procedures as prescribed by NSDL/CDSL and the relevant Depositories 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, Coupon will be paid/ redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories 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 electronic form. The transferor should give delivery instructions containing details of the transferee's depository account to his Depository. Investors may note that subject to applicable law, the Debentures of the Issuer would be issued and traded in dematerialized form only.

XLII. Succession

In the event of demise of the sole holder of the Debentures, the Company will recognize the executor or administrator of the deceased Debenture holder, or the holder of succession certificate or other legal representative as having title to the Debentures. The Company shall not be bound to recognize such executor, administrator or holder of the succession certificate, unless such executor or administrator obtains probate or letter of administration or such holder 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. The Directors of the Company may, in their absolute discretion, where they think fit, dispense with production of probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the Debentures standing in the name of the deceased Debenture holder on production of sufficient documentary proof and / or indemnity.

XLIII. Governing law

The Debentures shall be construed to be governed in accordance with Indian Law.

The courts and tribunals at Chennai shall have exclusive jurisdiction in connection with any dispute arising out of or in connection with this Debentures. The Debenture Holders and the Debenture Trustee shall not be prevented

from taking proceedings relating to a dispute in any other courts and tribunals with jurisdiction. To the extent allowed by applicable law, the Debenture Holders and the Debenture Trustee may take concurrent proceedings in any number of jurisdictions. Over and above the aforesaid Terms and Conditions, the said Debentures shall be subject to the Terms and Conditions to be incorporated in the Debentures to be issued to the Debenture Holders and the Debenture Trust Deed.

SECTION 8 ISSUE DETAILS

The following term sheet summarizes the principal items with respect to the financing facility to be provided to ("**Borrower**" or "**Company**").

For the avoidance of the doubt, except as specifically stated, this term sheet does not attempt to describe all terms and conditions of the transaction contemplated herein. The term sheet is intended to outline certain basic terms around which transaction could be structured. All proposed terms and conditions are subject to execution of mutually satisfactory transaction documents, satisfactory legal, technical & financial diligences, meeting of stipulations as contained herein etc.

Particulars	Terms and Conditions
Security Name	9.10% FSBFL Dec 2026
Borrower/Issuer	Five-Star Business Finance Limited
Nature of the Instrument	Rated, Listed, Senior, Secured, Redeemable, Non-Convertible Debentures ("NCDs" or "Debentures")
Seniority	Senior
Mode of Issue	Private Placement
Eligible Investors	<p>The following categories of investors, when specifically approached, are eligible to apply for this private placement of Debentures:</p> <ul style="list-style-type: none"> • Resident Individuals, • Hindu Undivided Family, • Trust, • Limited Liability Partnerships, Partnership Firm(s), • Portfolio Managers and Foreign Institutional Investors (FII) registered with SEBI, • Association of Persons, • Companies and Bodies Corporate including Public Sector Undertakings.

	<ul style="list-style-type: none"> • Commercial Banks, Regional Rural Banks, Financial Institutions, • Insurance Companies, • Mutual Funds/ Alternative Investment Fund (AIF), and any other investor eligible to invest in these Debentures
Listing (including name of stock Exchange(s) where it will be listed and timeline for listing)	The Debentures are to be listed on the WDM of the BSE within a maximum period of 3 (three) trading days from the date of closure of the Issue for the Debentures.
Rating of Instrument	ICRA AA-
Option to retain oversubscription	Green Shoe Option of 10,000 senior, secured, unsubordinated, rated, listed, transferable, redeemable, non-convertible debentures each having a face value of INR 1,00,000 (Indian Rupees One Lakh Only) aggregating to INR 100,00,00,000 (Rupees One-Hundred Crores Only)
Issue Size	<p>Total Issue Size: 20,000 senior, secured, unsubordinated, rated, listed, transferable, redeemable, non-convertible debentures each having a face value of INR 1,00,000 (Indian Rupees One Lakh Only) aggregating to INR 200,00,00,000 (Indian Rupees Two Hundred Crores only) (“Debentures”) comprising of:</p> <p>Base Issue of 10,000 senior, secured, unsubordinated, rated, listed, transferable, redeemable, non-convertible debentures each having a face value of INR 1,00,000 (Indian Rupees One Lakh Only) aggregating to INR 100,00,00,000 (Rupees One-Hundred Crores Only)</p> <p>Green Shoe Option of 10,000 senior, secured, unsubordinated, rated, listed, transferable, redeemable, non-convertible debentures each having a face value of INR 1,00,000 (Indian Rupees One Lakh Only) aggregating to INR 100,00,00,000 (Rupees One-Hundred Crores Only)</p>
Minimum Subscription	As the current issue of Debentures is being made on a private placement basis, the requirement of minimum subscription shall not be applicable and therefore the Company shall not be liable to refund the issue subscription(s)/ proceed(s) in the event of the total issue collection falling short of issue size or certain percentage of issue size
Objects of the Issue	<p>Issue proceed will be utilized for following purposes:</p> <ul style="list-style-type: none"> • For deployment in business & growth of asset book

	<ul style="list-style-type: none"> General Corporate Purpose in the ordinary course of business, including refinance of existing debt.
Details of the utilization of the Proceeds	<p>The funds raised by the Issue shall be utilised by the Company solely for the Purpose and the Company shall not use the proceeds of the Issue towards:</p> <ol 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 (whether directly or indirectly); it is clarified that placement of the issue proceeds in liquid mutual funds for a period of upto 90 days from the Deemed Date of Allotment pending utilization for the Purpose by the Company would not be violative of this requirement. investment in the real estate sector/real estate business (including the acquisition/purchase of land); any speculative purposes; any purpose, that is not eligible for the providing of financing by banks to non-banking financial companies for bank finance to non-banking financial companies, or, which results in a breach of the RBI's master circular no. DOR.CRE.REC.No.77/21.04.172/2021-22 dated January 5, 2022 on "Bank Finance to Non-Banking Financial Companies (NBFCs)"; and in contravention of Applicable Law (including without limitation, any guidelines, rules or regulations of the RBI and/or SEBI).
Coupon Rate	Fixed coupon of 9.10% per annum
Step Up/ Step Down Coupon Rate	Not Applicable
Coupon Payment Frequency	Coupon will be paid on 15 th December 2023 and annually thereafter
Coupon Payment Dates	15 December 2023 15 December 2024 15 December 2025 15 December 2026
Coupon Type	Fixed

Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.).	Not Applicable
Day Count Basis	Actual/Actual
Interest on Application Money	<p>Interest at the Interest rate per annum (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the application money for the Debentures for the period starting from and including the date of realization of application money in Issuer's Bank Account upto one day prior to the Deemed Date of Allotment</p> <p>Where Pay-in Date and Deemed date of Allotment are the same, no interest on Application money is to be paid</p>
Default Interest Rate	<p><i>Payment default</i></p> <p>2% (Two per cent) per annum payable by the Company for the defaulting period over and above the Interest Rate</p> <p><i>Delay in execution of Debenture Trust Deed</i></p> <p>If not already executed, the Company shall execute the Debenture Trust Deed within the timelines prescribed by SEBI. In case of a delay in execution of Debenture Trust Deed, the Company will pay penal interest of at least 2% p.a. (two percent per annum) over the Coupon Rate till the execution of Debenture Trust Deed.</p> <p><i>Delay in listing</i></p> <p>In accordance with the NCS Listing Regulations read together with the Operational Circular, the Company confirms that in the event there is any delay in listing of the Debentures beyond 3 (Three) trading days from the date of closure of the issue for the Debentures, the Company (i) will pay to the Debenture Holders, penal interest of 1% (one percent) per annum over the Interest Rate for the period of delay from the Deemed Date of Allotment until the listing of the Debentures is completed,</p>
Tenor	1297 days from the Deemed Date of Allotment
Final Redemption Date	15 December 2026

Redemption Amount	INR 1,00,000 (Indian Rupees One Lakh) per Debenture as set out in Annexure X- Illustration of Cash Flow.
Redemption Premium / Discount	Nil
Issue Price	At Par
Face Value	Rs.1,00,000 per debenture instrument
Put Option	NA
Call Option	NA
Minimum Application and in multiples of Debt securities thereafter	100 (One Hundred) Debentures (aggregating to INR 1,00,00,000 (Indian Rupees One Crore), and 1 (one) Debenture thereafter
Issue Timing	
1. Issue Opening Date	June 14, 2023
2. Issue Closing Date	June 14, 2023
3. Pay-in Date	June 15, 2023
4. Deemed Date of Allotment	June 15, 2023
Issuance mode of the Instrument	Dematerialised form
Trading Mode of the Instrument	Dematerialised form
Settlement mode of the Instrument	Dematerialised form
Depository	National Securities Depositories Limited & Central Depository Services (India) Limited
Business Day Convention	<p>i. If the date of payment of any interest in respect of the Debentures falls on a day that is not a Business Day, such payment of interest shall be made on the next occurring Business Day;</p> <p>ii. If the Final Redemption Date or the Early Redemption Date (the date on which the Debentures are redeemed prior to the Final Redemption Date in terms of the Transaction Documents), as the case may be, falls on a day that is not a Business Day, such payment of Interest and Redemption Amount shall be made on the immediately preceding Business Day.</p> <p>iii. If a leap year (i.e. February 29) falls during the tenor of a security, then the number of days shall be reckoned as 366 days (Actual/ Actual day count convention) for the entire year, irrespective of whether the interest/ dividend is payable annually, half yearly, quarterly or monthly.</p>

<p>Record Date</p>	<p>The date, as may be fixed by the Company, which will be 7 (seven) Business Days prior to the interest payment date/ Final Redemption Date on which the determination of the persons entitled to receive interest/Redemption Amount in respect of the Debentures (i.e., persons whose names are registered in the register of Debenture Holders or NSDL/CDSL record) shall be made.</p>
<p>All covenants of the issue (including side letters, accelerated payment clause, etc.)]</p>	<p>Please also refer Section 10 below</p>
<p>Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Debenture Trust Deed and disclosed in the Offer Document/ Information Memorandum</p>	<p>The issue amounts outstanding under the Debentures together with coupon, default interest, remuneration of the Trustee, charges, fees, expenses and all other monies due from the Company shall be secured on a first ranking exclusive and continuing charge basis by way of hypothecation up to the Security Cover Ratio in favour of the Debenture Trustee over identified loan receivables that meet the Eligibility Criteria as set out in Schedule II ("<i>Eligibility Criteria</i>") of Debenture Trust Deed with the prescribed Security Cover on or prior to the Deemed Date of Allotment.</p> <p>Issuer to provide a list of specific loan receivables / identified book debt to the Debenture Trustee over which charge is created and subsisting by way of hypothecation in favour of the Trustee (for the benefit of the Debenture Holders) and sufficient to maintain the security cover on monthly basis within the 15th day of every calendar month.</p> <p>Security Cover Ratio:- 1.10 X (One point One Zero times)</p> <p>The security cover shall be confirmed by the Issuer on a monthly basis on each Monthly Security Cover Determination Date commencing from Deemed Date of Allotment.</p> <p style="text-align: center;">ELIGIBILITY CRITERIA</p> <p>(a) Each Receivable(s) comprising the Hypothecated Asset must be a Loan (but not a Loan that has been sold or assigned by the Company);</p>

	<p>(b) The hypothecated Loans must have been originated while complying with all the extant 'know your customer' norms specified by the RBI;</p> <p>(c) The hypothecated Loans must have been originated at the branches owned, controlled and operated by the Company directly and not through branches operated by the Company's origination partners and must existing at the time of Hypothecation;</p> <p>(a) The hypothecated Loans must be current and not overdue at the time of inclusion in the Hypothecated Assets and should not have been terminated or prepaid;</p> <p>(b) The Loans constituting the Hypothecated Assets shall be unencumbered and no security interest of any kind shall exist over them except in accordance with the Transaction Documents.</p> <p>(c) All loans hypothecated must comply with RBI norms and guidelines</p> <p>(d) Company's Receivables must be 'standard' as on the Date of Allotment;</p> <p>(e) Company's Receivables to be assigned to the Debenture Holders must be in line with the portfolio;</p> <p>(f) The Receivables have not been restructured or rescheduled and are 'standard'. It is clarified that in the event the Receivables forming part of the Hypothecated Assets becomes non-performing assets (i.e. on crossing 90DPD) during the tenor of the Debentures, they shall be replaced by Receivables that are "current" within 30 days of such Receivables becoming 90 DPD.</p>
<p>Transaction Documents</p>	<p>Including but not limited to the following documents:</p> <ol style="list-style-type: none"> 1. Debenture Trust Deed 2. Information Memorandum 3. Debenture Trustee Appointment Agreement; 4. Deed of Hypothecation; 5. Term Sheet;

	<p>6. Board and Shareholders Resolution authorising the Issue; and Any other documentation as may be desired by the Debenture Trustee and mutually agreed with Issuer</p>
<p>Conditions Precedent to Disbursement</p>	<p>(i) A certified true copy of the constitutional documents of the Company (being its Memorandum and Articles of Association and Certificate of Incorporation) shall have been submitted to the Debenture Trustee.</p> <p>(ii) All corporate approvals from the Board of Directors and shareholders of the Company, if applicable, shall have been received for the issuance of the Debentures and the execution, delivery and performance by the Company of the Transaction Documents in accordance with the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other rules prescribed.</p> <p>(iii) Execution of the Transaction Documents shall have taken place;</p> <p>(iv) Identification of Hypothecated Assets for purpose of security creation in terms of the Transaction Documents.</p> <p>(v) Rating of the Debentures being completed and the rating agency having provided a minimum rating of 'ICRA AA-' for the Debentures and the rating letter issued by the Rating Agency being in a form and manner satisfactory to the Debenture Trustee;</p> <p>(vi) The Company shall have provided to the Debenture Trustee a certificate from a director/company secretary of the Company certifying that:-</p> <ol style="list-style-type: none"> a. the Company and its Directors have the necessary powers under the Memorandum and Articles of Association of the Company to borrow moneys pursuant to the issuance of the Debentures; b. the borrowing of moneys pursuant to the issuance of the Debentures will not cause any limit binding on the Company to be exceeded; c. no Material Adverse Effect has occurred in the Company, and/or the business of the Company; d. there are no Event of Default, any potential Event of Default, any force majeure event;

	<p>e. all representations and warranties contained in this Deed are true and correct in all material respects on and as of the Deemed Date of Allotment, before and after giving effect to the Issue and to the application of the proceeds therefrom; and</p> <p>(vii) Due execution of the Depository Agreements by, inter-alia, the Depository and the Company;</p> <p>(viii) Due execution of the Tripartite Agreement by, inter-alia, the Registrar and Transfer Agent, Depository and the Company;</p> <p>(ix) The Company shall have submitted to the Debenture Trustee, all required documents for the purpose of satisfying its respective KYC requirements;</p> <p>(x) The Company shall have submitted to the Debenture Trustee, its audited account statements for the most recent financial year or financial half-year.</p> <p>(xi) Copy of the Disclosure Documents.</p> <p>(xii) a copy of the in-principle approval provided by the BSE in respect of the listing of the Debentures;</p>
<p>Conditions Subsequent to Disbursement</p>	<p>Subsequent to subscription of the Debentures, the Company shall deliver to the Debenture Trustee (and within the timelines specified below):</p> <p>(a) the Company shall make the application for listing of the Debentures and obtain listing of the Debentures within the time period prescribed under SEBI Operational Circular;</p> <p>(b) the record of private placement offers maintained by the Company, including the offer of the Debentures, in Form PAS - 5, on the Deemed Date of Allotment;</p> <p>(c) the details of the depository accounts of the Debenture Holders with the Depositories confirming that such account has been credited with the relevant Debentures as soon as possible but in event within 2 (two) Business Days from the closure of the Issue;</p> <p>(d) the return of allotment in Form PAS - 3, along with a complete list of allottees and containing the prescribed particulars, filed with the relevant Registrar of</p>

	<p>Companies within 15 (fifteen) days of the Deemed Date of Allotment of the Debentures;</p> <p>(e) evidence that the Security shall have been perfected in a form and manner acceptable to the Debenture Trustee and that the Form CHG-9 in respect of creation of hypothecation over the Hypothecated Assets has been filed with the relevant Registrar of Companies within 30 (thirty) days of the Deemed Date of Allotment of the Debentures.</p> <p>(f) a copy of the certificate of registration of charge issued by the relevant Registrar of Companies in connection with the Security Interest created under the Deed of Hypothecation within 1 (one) Business Day of the receipt thereof by the Company.</p> <p>(g) comply with such other condition and provide such other information and documents and execute such documents as are customary for a financing similar to the issuance of the Debentures or as the Debenture Holders may reasonably request or as may be required under Applicable Law (including without limitation, the Act and any guidelines/circulars issued by the SEBI).</p>
<p>Events of Default (including manner of voting /conditions of joining Inter Creditor Agreement)</p>	<p>Please also refer Section 10 below</p>
<p>Creation of recovery expense fund</p>	<p>Details and purpose of the recovery expense fund</p> <p>The Issuer shall create and maintain the Recovery Expense Fund up to the amounts prescribed under the SEBI Debenture Trustee Circular, in accordance with and within the timelines prescribed in the SEBI Debenture Trustee Circular.</p> <p>The Company shall create a Recovery Expense Fund which shall be equal to 0.01% (Zero decimal point Zero - One percent) of the Issue Size in the form of cash or cash equivalent(s) (including bank guarantees) maintained with the designated stock exchange.</p>

	<p>The Recovery Expense Fund shall be created to enable the Debenture Trustee to take prompt action in relation to the enforcement of the Security in accordance with the Transaction Documents.</p> <p>The amounts in the Recovery Expense Fund shall be utilised in the manner as may be prescribed by the Debenture Holders by a Special Resolution duly passed at the meeting of the Debenture Holders held in accordance with the provisions set out in the Transaction Documents.</p> <p>On the occurrence of an Event of Default, if the Security is proposed to be enforced, the Debenture Trustee shall follow the procedure set out in the SEBI Debenture Trustee Circular for utilisation of the Recovery Expense Fund.</p>
Conditions for breach of covenants (as specified in Debenture Trust Deed)	Please also refer Section 10 below
Provisions related to Cross Default Clause	Please also refer Section 10 below
Role and Responsibilities of Debenture Trustee	Please also refer Section 10 below
Risk factors pertaining to the issue	Refer to Section 4 of the Disclosure Document
Governing Law and Jurisdiction	Indian laws. Non-exclusive jurisdiction of the courts of Chennai

The issuer shall provide granular disclosures in their placement memorandum, with regards to the "Object of the Issue" including the percentage of the issue proceeds earmarked for each of the "object of the issue".

The proceeds of the Debentures will be utilised for (a) deployment in business and growth of asset book; (b) general Corporate Purpose in the ordinary course of business, including refinance of existing debt.

The Proceeds of the Issue shall not be utilised for:

- vi. any capital market instrument such as equity, debt, debt linked, and equity linked instruments or any other capital market related activities (whether directly or indirectly); it is clarified that placement of the issue proceeds in liquid mutual funds for a period of upto 90 days from the Deemed Date

of Allotment pending utilization for the Purpose by the Company would not be violative of this requirement.

- vii. investment in the real estate sector/real estate business (including the acquisition/purchase of land);
- viii. any speculative purposes;
- ix. any purpose, that is not eligible for the providing of financing by banks to non-banking financial companies for bank finance to non-banking financial companies, or, which results in a breach of the RBI's master circular no. DOR.CRE.REC.No.77/21.04.172/2021-22 dated January 5, 2022 on "Bank Finance to Non-Banking Financial Companies (NBFCs)"; and
- x. in contravention of Applicable Law (including without limitation, any guidelines, rules or regulations of the RBI and/or SEBI).
- xi. While the debt securities are secured to the tune of 100% of the principal and interest amount or as per the terms of offer document/ information Memorandum, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained.
- xii. Debt securities shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee.
- xiii. Before making the application for listing of debt securities, the Issuer shall create charge as specified in the Debenture Trust Deed/ Disclosure Document, in favour of the debenture trustee and also execute debenture trust deed (DTD) with the Debenture trustee. The Stock Exchange(s) shall list the debt securities only upon receipt of a due diligence certificate as per format specified in SEBI NCS Regulations from debenture trustee confirming creation of charge and execution of the Debenture Trust Deed. The charge created by Issuer shall be registered with Sub-registrar, Registrar of Companies, CERSAI, Depository etc., as applicable, within 30 days of creation of such charge. In case the charge is not registered anywhere or is not independently verifiable, then the same shall be considered a breach of covenants/ terms of the issue by the Issuer.
- xiv. In case of default (including delay) in payment of interest and/ or redemption of principal on the due dates for debt securities issued on private placement additional interest of at least @ 2% p.a. over the coupon rate shall be payable by the issuer for the defaulting period.

SECTION 9 DISCLOSURE PERTAINING TO WILFUL DEFAULT

The issuer or its promoter or director has not been declared as a wilful defaulter.

- (a) The following disclosures shall be made if the issuer or its promoter or director is declared wilful defaulter:
- (i) Name of the bank declaring as a wilful defaulter: **NA**
 - (ii) The year in which it was declared as a wilful defaulter: **NA**
 - (iii) Outstanding amount when declared as a wilful defaulter: **NA**
 - (iv) Name of the entity declared as a wilful defaulter: **NA**
 - (v) Steps taken, if any, for the removal from the list of wilful defaulters: **NA**
 - (vi) Other disclosures, as deemed fit by the issuer in order to enable investors to take informed decisions: **NA**
 - (vii) Any other disclosure as specified by the Board: **NA**
- (b) The fact that the issuer or any of its promoters or directors is a wilful defaulter shall be disclosed prominently on the cover page with suitable cross-referencing to the pages: **NA**

SECTION 10 KEY TERMS OF THE ISSUE

10.1. AFFIRMATIVE COVENANTS

The Company shall comply with the following covenants until the Final Redemption Date.

(a) ***Amendment of Articles of Association***

Issuer undertakes to amend and incorporate provisions in their Articles of Association, authorizing the Debenture Holders and the Debenture Trustee to appoint a nominee director on the board of directors of the Company as per Clause 15 (1)(e) of the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 and Rule 18(3) (e) of Companies (Share Capital and Debentures) Rules, 2014 by September 30, 2023 as specified in press release of SEBI Board Meeting (PR No. 37/2022).

(b) ***Management covenant***

Mr Lakshmipathy Deendayalan to continue to hold an executive position on the Board of Directors of the Issuer until the Final Redemption Date.

(c) ***Notice of winding up or other legal process***

Company shall promptly inform the Debenture Trustee if it has notice of any application for winding up having been made or any statutory notice of winding up under the provisions of the Act or any other notice under any other statute relating to winding up or otherwise of any suit or other legal process intended to be filed or initiated against the Company;

(d) ***Change in the shareholding and Control***

The Company during the tenure of the Debentures shall be no change in the Control of the Company.

(e) ***Credit rating***

The Company shall ensure that the Debentures at all times are rated in accordance with the provisions of the Transaction Documents and the Company will ensure that the rating of the Debentures is not downgraded throughout the tenor of the Debentures and/or the rating of the Debentures is not withdrawn for any reason.

(f) ***Loss or damage by uncovered risks***

Company shall promptly inform the Debenture Trustee of any material loss or significant damage which the Company may suffer due to any force majeure circumstances or act of God, such as earthquake, flood, tempest or typhoon, etc. against which the Company may not have insured its properties;

(g) ***Costs and expenses***

Company shall pay all costs, charges and expenses in any way incurred by the Debenture Trustee towards protection of Debenture Holders' interests, including traveling and other allowances and such taxes, duties, costs, charges and expenses in connection with or relating to the Debentures subject to such expenses, costs or charges being approved in writing by the Company before they are incurred and shall not include any foreign travel costs;

(h) ***Payment of Rents, etc.***

Company shall punctually pay all rents, royalties, taxes, rates, levies, cesses, insurance premium, assessments, impositions and outgoings, governmental, municipal or otherwise imposed upon or payable by the Company as and when the same shall become payable and when required by the Debenture Trustee produce the receipts of such payment and also punctually pay and discharge all debts and obligations and liabilities which may have priority over the Debentures and observe, perform and comply with all covenants and obligations which ought to be observed and performed by the Company under this Deed;

(i) ***Preserve corporate status; authorisations***

Company shall

- (i) diligently preserve and maintain its corporate existence and status and all rights, contracts privileges, franchises and concessions now held or hereafter acquired by it in the conduct of its business and comply with each and every term of the said franchises and concessions and all acts, authorizations, consents, permissions, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to its Assets or any part thereof PROVIDED THAT the Company may contest in good faith the validity of any such acts, rules, regulations, orders and directions and pending the determination of such contest may postpone compliance therewith if the rights enforceable under the Debentures are not thereby materially endangered or impaired. The Company will not do or voluntarily suffer or permit to be done any act or thing whereby its right to transact its business might or could be terminated or whereby payment of the principal of or interest on the Debentures might or would be hindered or delayed; and
- (ii) conduct its business with due diligence and efficiency and in accordance with sound technical, managerial and financial standards and business practices with qualified and experienced management and personnel;
- (iii) promptly obtain all consents and authorizations as maybe necessary for performing its obligations in relation to the issue of the Debentures;

(j) ***Pay stamp duty***

Company shall pay all such stamp duty (including any additional stamp duty), other duties, taxes, charges and penalties, if and when the Company may be required to pay according to the applicable state laws and in the event of the Company failing to pay such stamp duty, other duties, taxes and penalties as

aforesaid, the Debenture Trustee will be at liberty (but shall not be bound) to pay the same and the Company shall reimburse the same to the Debenture Trustee on demand;

(k) ***Furnish information to trustee***

Company shall give to the Debenture Trustee or its nominee(s)/ agent(s) such information/copies of relevant extracts as they shall require as to all matters relating to the business of the Company or any part thereof and to investigate the affairs thereof and the Company shall allow the Debenture Trustee to make such examination and investigation as and when felt necessary and shall furnish him with all such information as they may require and shall pay all reasonable costs, charges and expenses incidental to such examination and investigation;

(l) ***Grievance***

Promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holders. The Company further undertakes that it shall promptly comply with the suggestions and directions that may be given in this regard, from time to time, by the Debenture Trustee and shall advise the Debenture Trustee periodically of the compliance;

(m) ***Specific Information to be provided to the Debenture Trustee***

Company shall inform and provide the Debenture Trustee with applicable documents in respect of the following:

- (i) notice of any Event of Default or potential Event of Default, each as listed in **Schedule XII (Events of Default)** of this Deed;
- (ii) periodic review of the ratings obtained by the Company by the credit rating agencies and any revision in the rating;
- (iii) details of any material litigation, arbitration or administrative proceedings, etc. including those that are required to be disclosed to Debenture Trustee;
- (iv) any and all information required to be provided to the Debenture Holders under the listing agreement that may be entered into between the Company and the BSE; and
- (v) the declaration or distribution of dividend;

(n) ***Comply with Investor Education and Protection Fund requirements***

Company shall comply with the provisions of the Act relating to transfer of unclaimed/ unpaid amounts of interest on Debentures and redemption of Debentures to Investor Education and Protection Fund (IEPF), if applicable to it;

(o) ***Further assurances***

Company shall

- (i) execute and/or do, at their own expense, all such deeds, assurances, documents, instruments, acts, matters and things, in such form and otherwise as the Debenture Trustee may reasonably or by Law require or consider necessary in relation to enforcing or exercising any of the rights and authorities of the Debenture Trustee;
- (ii) furnish to the Debenture Trustee details of all grievances received from the Debenture Holders and the steps taken by the Company to redress the same. At the request of any Debenture Holder, the Debenture Trustee shall, by notice to the Company call upon the Company to take appropriate steps to redress such grievance and the Company shall comply with the instructions of the Debenture Trustee issued in this regard;
- (iii) obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all authorisations necessary to enable it to lawfully enter into and perform its obligations under this Deed or to ensure the legality, validity, enforceability or admissibility in evidence in India of this Deed;
- (i) If the Company avails any additional credit facility from third party after the Deemed Date of Allotment which is guaranteed by Holding Company, or Mrs Ruchi Kalra, during the tenor of the Debentures, then the aforesaid entity and/or people shall provide similar guarantee in favour of Debenture Trustee guaranteeing the amounts outstanding under the Debentures set out under this Deed. Company shall procure and furnish the Debenture Trustee with undertaking to that effect as a condition precedent for paying of this instrument or any part thereof.
- (ii) comply with:
 - (A) all Laws, rules, regulations and guidelines (including but not limited to environmental, social and taxation related Laws), as applicable in respect of the Debentures and obtain such regulatory approvals as may be required from time to time;
 - (B) the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 as in force from time to time, in so far as they are applicable to the Debentures and furnish to the Debenture Trustee such data, information, statements and reports as may be deemed necessary by the Debenture Trustee in order to enable them to comply with the provisions of Regulation 15 thereof in performance of their duties in accordance therewith to the extent applicable to the Debentures;
 - (C) the provisions of the Act in relation to the issue of the Debentures;
 - (D) procure that the Debentures are rated and continued to be rated until the redemption of the Debentures; and
 - (E) The Company shall ensure that, at time of making any payment of interest or repayment of the principal amount of the Debentures in full or in part, the Company shall do so in the

manner that is most tax efficient for the Debenture Holders (including withholding tax benefit) but without, in any way, requiring the Company to incur any additional costs, expenses or taxes and the Company shall avail of all the benefits available under any treaty applicable to the Company and/or the Debenture Holders.

- (F) In the event of failure by the Issuer to meet standards with respect to collection quality, management, governance, internal systems and processes, and data integrity, as may be required by the Debenture Holder. The Debenture Trustee shall be authorised by the Debenture Holders to conduct such discretionary audits on its behalf.
- (G) Issuers undertakes to amend and incorporate provisions in their Articles of Association, authorizing the Debenture Holders and the Debenture Trustee to appoint a nominee director on the board of directors of the Company as per Clause 15 (1)(e) of the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 and Rule 18(3) (e) of Companies (Share Capital and Debentures) Rules, 2014.

(p) ***Filings***

The Company shall file with the BSE such information as required under Chapter V of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, Operating Circular and NCS Regulations.

(q) ***Security***

The Company hereby further agrees, declares and covenants with the Debenture Trustee as follows:

- (i) the Debentures shall be secured with first ranking exclusive continuing security by way of a first ranking exclusive charge on the Hypothecated Assets in favour of the Debenture Trustee for the benefit of the Debenture Holders;
- (ii) that all the Hypothecated Assets that shall be charged to the Debenture Trustee under the Hypothecation Agreement shall always be kept distinguishable and held as the exclusive property of the Company specifically appropriated to this security and be dealt with only under the directions of the Debenture Trustee. The Company shall not create any charge, lien or other encumbrance upon or over the same or any part thereof except in favour of the Debenture Trustee nor suffer any such charge, lien or other encumbrance or any part thereof nor do or allow anything that may prejudice this security and the Debenture Trustee shall be at liberty to incur all costs and expenses as may be necessary to preserve this security and to maintain the same undiminished and claim reimbursement thereof;
- (iii) shall, on the First Security Cover Determination Date and at all times thereafter, ensure that the Security Cover Ratio is maintained and towards this end, it shall on or before each Monthly Security Cover Determination Date, Top-up the Hypothecated Assets with additional Receivables and/or Replace any Receivables constituting the Hypothecated Assets in accordance with the Hypothecation

Agreement so as to ensure that Security Cover Ratio is maintained at all times from the First Security Cover Determination Date until the redemption of the Debentures in full

- (iv) perfect the first ranking and exclusive charge over Hypothecated Assets in favor of the Debenture Trustee over modified Hypothecated Assets (modified by way of Top-Up/Replacement etc.) by filing Form CHG-9 with the concerned ROC and the required filing with the Central Registry in relation thereto as soon as practicable on a quarterly basis and no later than 30 (thirty) days therefrom;
- (v) shall, on the First Security Cover Determination Date and on each Monthly Hypothecated Assets Reporting Date, as also whenever required by the Debenture Trustee, give full particulars to the Debenture Trustee of all the Hypothecated Assets from time to time and shall furnish and verify all statements, reports (including Monitoring Reports as prescribed in the Hypothecation Agreement), returns, certificates and information from time to time and as required by the Debenture Trustee and furnish and execute all necessary documents to give effect to the Hypothecated Assets;
- (vi) the security interest created on the Hypothecated Assets shall be a continuing security as described in the Hypothecation Agreement;
- (vii) the Hypothecated Assets shall satisfy the eligibility criteria set out in **Schedule II (Eligibility Criteria)**;
- (viii) nothing contained herein shall prejudice the rights or remedies of the Debenture Trustee and/ or the Debenture Holders in respect of any present or future security, guarantee obligation or decree for any Financial Indebtedness or liability of the Company to the Debenture Trustee and/ or the Debenture Holders; and
- (ix) the Debenture Holders shall have a beneficial interest in the moveable Assets of the Company which have been charged to the Debenture Trustee to the extent of the Outstanding Principal Amounts of the Debentures under this Deed;
- (r) ***Amounts to be reimbursed to the Debenture Trustee***

Company shall, forthwith upon demand by the Debenture Trustee, reimburse to the Debenture Trustee all amounts paid by the Debenture Trustee to reasonably protect the Hypothecated Assets and such amounts shall be deemed to be secured by the Hypothecated Assets;

- (s) ***Delay in Security Creation***

Company shall in the event of any delay in the creation of first ranking and exclusive charge over the Hypothecated Assets within the timelines stipulated in the Hypothecation Agreement or in the event the Security Cover Ratio is not met on or prior to the First Security Cover Determination Date, the Company will, at the option of the Debenture Holders, either:

- (i) refund the Application Money as set out in Clause 2.6 of this Deed, to the Debenture Holders; or

- (ii) pay to the Debenture Holders additional interest at Default Interest Rate on the Outstanding Principal Amounts from the Deemed Date of Allotment till the creation of first ranking and exclusive charge over the Hypothecated Assets pursuant to the terms of the Hypothecation Agreement such that the Security Cover Ratio is met.

(t) ***Books of Account***

Company shall maintain proper books of account as required by the Act and therein make true and proper entries of all dealings and transactions of and in relation to the Hypothecated Assets and the business of the Company and keep such books of account and all other books, registers and other documents relating to the affairs of the Company at its registered office or, where permitted by Law, at other place or places where the books of account and documents of a similar nature may be kept. The Company will ensure that all entries in the same relating to the Hypothecated Assets and the business of the Company shall at all reasonable times be open for inspection of the Debenture Trustee and such person or persons as the Debenture Trustee shall, from time to time, in writing for the purpose, appoint.

(u) ***Material Adverse Effect***

Company shall promptly inform the Debenture Trustee in writing of the occurrence of any, or the occurrence of any event that is likely to have a, Material Adverse Effect, together with explanation of the reasons thereof;

(v) ***Corporate Governance***

- (i) the Company shall maintain the highest standards of corporate governance in accordance with the NBFC Master Directions;
- (ii) shall at all times until the redemption of all outstanding Debentures, ensure that there is at least 2 (two) independent directors; and
- (iii) the Company shall at all times comply with the NBFC Master Directions.

(w) ***General***

- (i) the Company shall perform all of its obligations under the terms of the Transactions Documents and maintain in full force and effect each of the Transaction Documents;
- (ii) the Company shall promptly pay and discharge all its financial obligations and regularly make all payments due and payable by the Company, including but not limited to taxes and also such payment due and payable under or in respect of the Issue or any documents executed in connection there with;
- (iii) the Company shall give the Debenture Trustee any information, relating to the business, property, affairs of the Company, that materially impacts the interests of the Debenture Holders;

- (iv) the Company shall comply with the 'Guidelines on Fair Practices Code for Non-Banking Financial Companies' as prescribed by the RBI from time to time;
- (v) the Company shall obtain, comply with and maintain all necessary licenses / authorisations; and
- (vi) the Company shall at all times act and proceed in relation to its affairs and business in compliance with applicable Law.

(x) ***Access***

Company shall permit the Debenture Trustee (and the Debenture holders) and/or accountants or other professional advisers and contractors appointed by the Debenture Trustee access at all reasonable times and on reasonable notice of the Company to:

- (i) check the management of the funds made available through subscription to the Debentures;
- (ii) inspect and take copies and extracts from the books, accounts and records of the Company;
- (iii) visit and inspect the premises of the Company; and
- (iv) meet and discuss matters with senior management employees of the Company.

(y) ***Conditions Subsequent***

Company shall comply with the conditions stipulated in **Schedule VII** (*Conditions Subsequent*).

(z) ***Financial Covenants***

Company shall comply with the financial covenants stipulated in **Schedule IX** (*Financials Covenants*).

(aa) ***Issue Terms and Conditions***

At all times during the term of these presents comply with each of the Issue Terms and Conditions.

(bb) ***Internal Controls***

Company shall maintain appropriate internal controls for the purpose of (i) preventing fraud on monies lent by the Company; and (ii) preventing money being used for money laundering or illegal purposes.

(cc) ***Information to Debenture Trustee***

The Company shall promptly provide all assistance, documents and information to the Debenture Trustee on a quarterly basis and as may be required from time to time.

Company undertakes to comply with all the directions/guidelines/ circulars/regulations issued by any regulatory authority with regard to the Debenture issue including latest amendments i.e. SEBI (Debenture Trustee) Amendment Regulation, 2020, SEBI (Issue and Listing of Non-Convertible Securities) Regulation, 2021 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 as may be amendment by SEBI from time to time and further company shall take such steps as may be required from time to time.

10.2. NEGATIVE COVENANTS

Without the prior written consent of the Debenture Trustee the Company shall not take any action/ permit any action to be taken in relation to the items set out herein:

a. *Change of business*

Change the general nature of its business from that which is permitted by the RBI. The Issuer shall not undertake any new major new business outside financial services or any diversification of its business outside financial services, without approval of Majority Debenture Holders.

b. *Change in Constitutional Documents*

Change or make any alteration to its Constitutional Documents where such amendment in the opinion of the Debenture Trustee would adversely affect the interest of the Debenture Holders, including changes in clauses pertaining to main objects, share capital, business or operation of the Company, borrowing powers, without prior consent of the Debenture Trustee.

c. *Dividend*

Declare or pay any dividend or make any distributions on its share capital (other than dividends or distributions payable on shares of the Company), unless:

- (i) the proposed payment or distribution is out of net income of the current Financial Year (excluding any amount resulting from the revaluation of any of the Company's assets);
- (ii) no Event of Default has occurred and is then continuing, or could occur or is reasonably likely to occur, as a result of such payment or declaration of any dividend or distribution and after giving effect to any such action;
- (iii) the Company is in compliance with the financial covenants set forth in **Schedule IX** (*Financial Covenants*); and

- (iv) the company has paid or made satisfactory provision for the payment of the installments of principal and interest due on the Debentures.

d. Arrangement/compromise, etc.

Undertake or permit scheme of arrangement or compromise with its creditors or shareholders.

e. Merger, Acquisition etc

Enter into any merger, demerger, consolidation, re-organization, or effect any scheme of amalgamation or reconstruction, acquire any other companies, business or undertaking during that financial year in excess of 10% (Ten percent) of the net worth of the Company.

f. Joint Venture

Without the prior written consent of the Debenture Holders as stated herein:

- (i) acquire (or agree to acquire) any shares, stocks, securities or other interest in any joint venture; or
- (ii) transfer any assets or lend to or guarantee or indemnify or give security for the obligations of a joint venture (or agree to transfer, lend, guarantee, indemnify or give security for the obligations of a joint venture).
- (a) Any sale of assets/business/division that has the effect of exiting the business or re-structuring of the existing business

g. Loans and Guarantees

The Company shall not undertake any loan guarantee other than in the ordinary course of business.

h. Arm's length basis; No profit-sharing arrangements

The Company shall not, without the prior written consent of the Majority Debenture Holders:

- (i) enter into any transaction with any person or enter into or continue business relations with its shareholders, employees, affiliate(s), holding company(ies), and/or subsidiary(ies) except on proper commercial terms negotiated on an arm's length basis;
- (ii) enter into or establish any partnership, profit sharing, royalty agreement or other similar other arrangement whereby the Company's income or profits are, or might be, shared with any other person; or
- (iii) enter into any management contract or similar arrangement whereby its business or operations are managed by any other person.

(a) ***Immunity***

Claim any immunity or limitation of liability against any payment obligations arising towards the Debenture Holders.

(b) ***Change of control***

Issue any additional shares or equity interests and shall not have its existing shares or equity interests transferred, sold, pledged or otherwise encumbered, if such action results in change in Control of the Company.

(c) ***Disposal of Assets***

Sell, transfer, or otherwise dispose of in any manner whatsoever any material Assets constituting 20% of total assets of the Company, other than any securitization/portfolio sale of assets undertaken by the Company in its ordinary course of business.

(d) ***Management Control***

- i. Any change in Management Control of the Company.
- ii. If Mr Lakshmipathy Deendayalan steps down from executive position on the Board of Directors of the Issuer prior to the Final Redemption Date.

(e) ***Material compromise or Settlement***

Enter into material compromise or arrangement or settlement with any of its creditors (secured and unsecured) that would prejudicially affect the interest of the Debenture Holders.

(f) ***Anti-money laundering***

Permit any of the Debenture proceeds to be used to fund any form of violent political activity, terrorists or terrorist organizations, nor any money laundering process or scheme to disguise illegally obtained funds, nor any other criminal activity including arms sales, drug trafficking, robbery, fraud or racketeering.

(g) ***Related Party Transactions***

The Issuer shall not enter into or perform any transaction(s) with a related party other than in the ordinary course of business.

(h) ***Financial Year***

Company shall not change its financial year-end from 31st March (or such other date as may be approved by Majority Debenture Holders) without the prior written consent of the Debenture Trustee.

(i) ***Change in terms of the Debenture***

The Company shall not make any material modification to the structure of the Debentures in terms of coupon, redemption, or otherwise without the prior approval of the stock exchange (if and such prior approval of the stock exchange would be obtained only after: (a) approval of the Board and the Debenture Trustee; and (b) complying with the provisions of Companies Act, 2013 including approval of the requisite majority of Debenture Holder(s). Further, any proposal of restructuring received by Debenture Trustee shall be communicated to Debenture Holder(s) immediately.

PROVIDED THAT the Trustee shall provide the response to any request where prior written consent of the Trustee acting for the Debenture Holders is required in a timely manner, and any such response shall not be unreasonably withheld by the Trustee; and if such response is not received within 15 days, it would be taken as deemed consent thereof except in an Event of Default, breach of terms of Transaction Documents, Acceleration Event where the consent of the Debenture Holders/ Debenture Trustee shall be obtained as per the applicable SEBI regulation, SEBI Operating Circulars, SEBI Debenture Trustee Circular and any amendments from time to time and in terms of process set out *Section 6 (Provisions of the Meeting of Debenture Holders)* and this Deed.

10.3. TRUSTEE'S RIGHTS, POWERS, DISCRETIONS, REPRESENTATIONS AND RESPONSIBILITIES

1. Representations and Warranties of Trustee

The Debenture Trustee hereby represents, warrants and covenants in favour of the Company that as on the date hereof:

- (a) The Debenture Trustee is a company duly incorporated and validly existing under applicable Law and the Debenture Trustee is duly qualified and authorized to enter into the Transaction Documents.
- (b) This Deed has been duly and validly executed and delivered by Debenture Trustee and constitutes a legal and binding obligation of Debenture Trustee, enforceable against Debenture Trustee in accordance with its terms.
- (c) The execution, delivery and performance by Debenture Trustee of this Deed does not and will not, with or without the giving of notice or lapse of time or both, violate, conflict with, require any consent under or result in a breach of or default under:
 - (i) any Law to which Debenture Trustee is subject; or
 - (ii) any order, judgment or decree applicable to Debenture Trustee; or
 - (iii) any term, condition, covenant, undertaking, agreement or other instrument to which Debenture Trustee is a party or by which Debenture Trustee is bound;
- (d) The Debenture Trustee is in a position to observe, comply with and carry out all its obligations hereunder to be performed and complied with by it;

- (e) The Debenture Trustee is registered as a debenture trustee with the Securities and Exchange Board of India under the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993;
- (f) The Debenture Trustee shall not have any claim or exercise any right of deduction, lien or set-off on, over or in respect of any of the amounts, writings or things held by it or continued to be held by it or coming within its power or possession pursuant to or in connection with these presents; and
- (g) All information set forth in this Deed, and all information furnished and/or to be furnished by the Debenture Trustee to the Debenture Holder/s is true and correct and was/is not misleading whether by reason of omission to state a material fact or otherwise.

2. **General Rights, Powers and Discretions**

In addition to the other powers conferred on the Debenture Trustee and provisions for their protection and not by way of limitation or derogation of anything contained in this Deed or of any statute limiting the liability of the Debenture Trustee, IT IS EXPRESSLY DECLARED as follows:

- (a) the Debenture Trustee may, in relation to these presents, act on the opinion or advice of or any information obtained from any solicitor, counsel, advocate, valuer, surveyor, broker, auctioneer, qualified accountant or other expert whether obtained by the Company or by the Debenture Trustee or otherwise;
- (b) the Debenture Trustee shall be the attorney of the Company and shall have the right to execute, sign and do any deeds, documents, assurances, acts and things in the name and on behalf of the Company, which shall in the opinion of the Debenture Trustee be necessary or expedient that the Company should execute, sign and do for the purpose of carrying out any of the trusts or obligations declared or imposed upon the Debenture Trustee;
- (c) the Debenture Trustee is not permitted to release / exclude any part of the Hypothecated Assets temporarily or permanently from the security created / to be created for the Debentures except in accordance with a Special Resolution;
- (d) subject to the approval of the Debenture Holders by way of Special Resolution passed at a meeting of Debenture Holders held for determining the liability of the Debenture Trustee, the Debenture Trustee shall, as regards all trusts, powers, authorities and discretions, have absolute and uncontrolled discretion as to the exercise thereof and to the mode and time of exercise thereof and in the absence of any fraud, gross negligence, willful misconduct or breach of trust shall not be responsible for any loss, costs, charges, expenses or inconvenience that may result from the exercise or non-exercise thereof and in particular they shall not be bound to act at the request or direction of the Debenture Holders under any provisions of these presents unless sufficient monies shall have been provided or provision to the satisfaction of the Debenture Trustee made for providing the same and the Debenture Trustee are indemnified to their satisfaction against all

further costs, charges, expenses and liability which may be incurred in complying with such request or direction;

- (e) with a view to facilitating any dealing under any provisions of these presents the Debenture Trustee shall have full power to consent (where such consent is required) to a specified transaction or class of transactions conditionally;
- (f) the Debenture Trustee shall not be responsible for the monies paid by Applicants for the Debentures;
- (g) without prejudice to the rights to indemnity by Law given to the Debenture Trustee, the Debenture Trustee and every receiver, attorney, manager, agent or other person appointed by them shall, subject to the provisions of the Act, be entitled to be indemnified by the Company in respect of all liabilities and expenses incurred by them or him in the execution or purported execution of the powers and trusts thereof and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted and the Debenture Trustee may retain and pay out of any monies in their hands the amount of any liabilities and expenses necessary to effect such indemnity and also remuneration of the Debenture Trustee as herein provided or otherwise howsoever arising out of or in connection with these presents or the issue of the Debentures;
- (h) the Debenture Trustee shall have full power to determine all questions and doubts arising in relation to any of the provisions hereof and every such determination bonafide made (whether or not the same shall relate wholly or partially to the acts or proceedings of the Debenture Trustee) in the absence of any fraud, gross negligence, willful misconduct or breach of trust, shall be conclusive and binding upon all persons interested hereunder;
- (i) subject to the approval of the Debenture Holders by way of Special Resolution passed at a meeting of Debenture Holders held for determining the liability of the Debenture Trustee, the Debenture Trustee shall not be liable for anything whatsoever except any fraud, gross negligence, willful misconduct or breach of trust by the Debenture Trustee;
- (j) subject to the approval of the Debenture Holders by way of Special Resolution passed at a meeting of Debenture Holders held for determining the liability of the Debenture Trustee, the Debenture Trustee, except for any fraud, gross negligence, willful misconduct or breach of trust, shall not be liable for any default, omission or delay in performing or exercising any of the powers or trusts herein expressed or contained or any of them or in enforcing the covenants herein contained or any of them or in giving notice to any person or persons of the execution hereof or in taking any other steps which may be necessary, expedient or desirable or for any loss or injury which may be occasioned by reason thereof unless the Debenture Trustee shall have been previously requested by notice in writing to perform, exercise or do any of such steps as aforesaid given in writing by the Special Majority Debenture Holder(s) or by a Special Resolution duly passed at a meeting of the Debenture Holders and the Debenture Trustee shall not be bound to perform, exercise or do any such acts, powers or things or to take any such steps unless and until sufficient moneys shall have been provided or provision to the satisfaction of the Debenture Trustee made

for providing the same by or on behalf of the Debenture Holders or some of them in order to provide for any costs, charges and expenses which the Debenture Trustee may incur or may have to pay in connection with the same and the Debenture Trustee are indemnified to their satisfaction against all further costs, charges, expenses and liabilities which may be incurred in complying with such request;

- (k) notwithstanding any contained to the contrary in this Deed, the Debenture Trustee shall before taking any action on behalf of the Debenture Holders or providing any consent on behalf of the Debenture Holders, obtain the written consent of the Majority Debenture Holders;
- (l) the Debenture Trustee shall forward to the Debenture Holders copies of any information, documents from the Company pursuant to this Deed within 2 (two) Business Days of receiving the same from the Company; and
- (m) The Debenture Trustee shall take all reasonable steps to realize the monies due to the Trust.
- (n) The Debenture Trustee shall have the right to rely on notices, communications, advertisement, website information of Issuer and any other related party with respect to issue etc.

PROVIDED THAT nothing contained in this Clause shall exempt the Debenture Trustee or any receiver, attorney, manager, agent or other person appointed by the Debenture Trustee from or indemnify them against any liability for breach of trust nor any liability which by virtue of any rule or Law would otherwise attach to them in respect of any negligence, default or breach of trust which they may be guilty of in relation to their duties hereunder.

3. Power of Trustee to Delegate

The Debenture Trustee hereof being a corporation may, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in them act by an officer or officers for the time being of the Debenture Trustee and the Debenture Trustee may also, whenever they think it expedient, delegate by power of attorney or otherwise to any such officer all or any of the trusts, powers, authorities and discretions vested in them be these presents and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate) as the Debenture Trustee may think fit. The Debenture Trustee shall however be liable for any negligence, illegality, fraud, breach of trust, bad faith and wilful misconduct of the officer or Person to whom the Debenture Trustee has delegated its powers and shall not be absolved of its obligations under this Deed. PROVIDED THAT the Debenture Trustee shall ensure that any powers under this Clause shall be exercised with reasonable care to ensure the competency of the officer or Person to whom the Debenture Trustee has delegated its powers.

4. Powers of Trustee to Employ Agents

The Debenture Trustee hereof being a corporation may, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in them act by an agent/ agents.

5. Powers of Trustee to Inspect

The Debenture Trustee or its authorized representatives may carry out inspections of the Company's offices records, registers and books of accounts upon giving a 15 (fifteen) calendar days' notice in writing to the Company, to the extent such inspection is necessary for exercising any of the powers or discharging any of the duties of the Debenture Trustee under this Deed. The cost of inspection, including travelling and other related expenses shall be borne and paid by the Company.

6. Trustee may Contract with the Company

Neither the Debenture Trustee nor any agent of the Debenture Trustee shall be precluded from making any contract or entering into any arrangement or transaction with the Company or with itself in the ordinary course of business of the Debenture Trustee or from undertaking any banking, financial or agency services for the Company or for itself or from underwriting or guaranteeing the subscription of or placing or subscribing for or otherwise acquiring, holding or dealing with any of the stocks or shares or debentures or bond stocks or any other securities whatsoever of the Company or in which the Company may be interested either with or without a commission or other remuneration or otherwise at any time entering into any contract of loan or deposit or any other contract or arrangement or transaction with the Company or being concerned or interested in any such contract or arrangement or transaction which any other company or person not being a Debenture Trustee would be entitled to enter into with the Company and they shall not be in anywise liable to account either to the Company or to the Debenture Holders for any profits made by them thereby or in connection therewith and the Debenture Trustee or any agent of the Debenture Trustee shall also be allowed to retain for their or his own benefit any customary share of brokerage, fee, commission, interest, discount or other compensation or remuneration allowed to them or him.

7. When Trustee May Interfere

Until the happening of one or more of the events upon the happening of which the security created pursuant to the Hypothecation Agreement shall become enforceable as provided therein, the Debenture Trustee shall not be in any manner required, bound or concerned to interfere with the management or the affairs of the Company or its business or the custody, care, preservation or repair of the Hypothecated Assets or any part thereof.

8. Application to Court

The Debenture Trustee may at any time after the security created pursuant to the Hypothecation Agreement becomes enforceable, apply to the courts for an order that the powers and trusts hereof be exercised and carried into execution under the direction of the court and for the appointment of a receiver and manager of the Hypothecated Assets or any of them and for any other order in relation to the execution and administration of the powers and limits hereof as the Debenture Trustee shall deem expedient and they may assent to approve of any application to the court made at the instance of any of the beneficial owner(s) and shall be indemnified by the Company against all costs, charges and expenses incurred for or in relation to any such applications or proceedings.

9. **Nominee Director**

The Debenture Holders and the Debenture Trustee shall have a right to appoint a nominee director as per Clause 15 (1)(e) of the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 and Rule 18(3) (e) of Companies (Share Capital and Debentures) Rules, 2014 on the board of directors of the Company (hereinafter referred to as the “**Nominee Director**”) upon the occurrence of any of the following:

- (a) 2 (two) consecutive defaults in the payment of the Interest on the relevant Interest Payment Dates;
or
- (b) default in redemption of Debentures; or
- (c) default in creation of Security for the Debentures.

The Nominee Director shall not be liable to retire by rotation nor required to hold any qualification shares. The Company shall appoint the Nominee Director forthwith on receiving a nomination notice from the Debenture Trustee. The Nominee Director shall be appointed on all key committees of the board of directors of the Company.

10. **Receipt of Debenture Holders**

The receipt of each Debenture Holder or if there be more than one holder of any such Debentures, then the receipt of the first named Debenture Holder or of the survivor or survivors for the principal monies or of the nominee or nominees, if any, of the Debenture Holder of such Debentures for the interest payable in respect of each of such Debentures, shall be a good discharge to the Debenture Trustee.

11. **Purchasers and Persons Dealing with the Trustee not put on Enquiry**

No purchaser or other Person dealing with the Debenture Trustee and/or the receiver appointed by them or their attorneys or agents shall be bound or concerned to see or to inquire whether the power exercised or purported to be exercised has become exercisable or whether any money remains owing on the security interest created pursuant to the Hypothecation Agreement and under these presents or as to the necessity or expediency of the stipulations and conditions subject to which any sale and/or assignment shall have been made or otherwise as to the propriety or regularity of any sale and/or assignment, calling in, collection or to see to the application of any money paid to the Debenture Trustee or receiver and in the absence of *mala fides* on the part of such purchaser or other Person such dealing shall be deemed, so far as regards the safety and protection of such Person, to be within the powers hereby conferred and be valid and effectual accordingly and the remedy of the Company or its assigns in respect of any impropriety or irregularity whatsoever in the exercise of such power shall be in damages.

12. **Retirement and Removal of Trustee**

- (g) ***Resignation***

The Debenture Trustee may resign as the Debenture Trustee with the prior written approval of the Majority Debenture Holders, provided that they shall continue to act as Debenture Trustee until a New Trustee is appointed by the Company with consent of the Majority Debenture Holders and such New Trustee accepts its appointment pursuant to this **Clause 5.12** (*Retirement and Removal of Trustee*).

(h) ***Removal***

The Debenture Holders may for sufficient cause but, after giving not less than two months' notice in writing, remove the Debenture Trustee by passing a Special Resolution to that effect, and by the same resolution nominate an entity competent to act as their trustee and require the Company to appoint such entity as the trustee (the "**New Trustee**"). The Company shall within 15 (fifteen) Business Days of receipt of such resolution passed by the Debenture Holders take all necessary steps to appoint the entity named in the resolution as the New Trustee and complete all necessary formalities to give effect to such appointment.

(i) ***New Trustee as the trustee***

Upon appointment of the New Trustee pursuant to the preceding sub-Clause(a) or (b), all references in this Deed to the Debenture Trustee shall, unless repugnant to the context, mean and refer to the New Trustee and the New Trustee shall without any further act or deed succeed to all the powers and authorities of the Debenture Trustee as if it had been originally appointed as the Debenture Trustee.

13. Trustee's Remuneration

The remuneration of the Debenture Trustee shall be as per the terms of the Consent Letter dated [•] reference no. [•]. Subject to **Clause 5.5** (*Power of Trustee to Inspect*), the Company shall pay to the Debenture Trustee all legal, traveling and other costs, charges and expenses incurred by them, their officers, employees, agents in connection with execution of these presents including costs, charges and expenses of and incidental to the approval and execution of these presents and will indemnify them against all actions, proceedings, costs, charges, expenses, claims and demands whatsoever which may be brought or made against or incurred by them in respect of any matter or thing done or omitted to be done without their willful default in respect of or in relation to the properties charged/to be charged to the Debenture Trustee.

Arrears of installments or annual service charges, if any, shall carry interest at the rate of twelve per cent per annum from the date till the actual payment.

14. Decision making by Debenture Trustee in an Event of Default

- a. In an Event of Default or breach of the covenants by the Company or any such acts/omissions which may have Material Adverse Effect on the Debentures the Debenture Trustee may, in its discretion, that is, without requiring any consent or confirmation of the Company and upon request in writing of 75% of

the Debenture Holders or by a Special Resolution duly passed at the meeting of the Debenture Holders held in accordance with the provisions set out in Clause 6 (Provisions for the meetings of the Debenture Holders) the Debenture Trustee shall take all such steps required as stated in this Clause or elsewhere in the Deed or as per applicable laws to enforce security and protect the rights of the Debentures Holders including entering into ICA to protect the interest of the Debenture Holders.

- b. Debenture Trustee shall take all such steps as provided in Operational Circular for transactions in defaulted debt securities post maturity date/ redemption date under provisions of NCS Listing Regulations.
- c. Debenture Trustee shall take all steps for the enforcement of security in an event of default including as stated in SEBI Debenture Trustee Circular.
- d. Any notice for a meeting in respect of the SEBI Debenture Trustee Circular shall contain the details prescribed in the SEBI Debenture Trustee Circular, including without limitation, positive consent for signing the inter-creditor agreement, the time period within which the consent needs to be provided, and the date of meeting to be convened.
- e. Any action of the Debenture Trustee in respect of the occurrence of an Event of Default and the application of the SEBI Debenture Trustee Circular shall be in accordance with the decision of the Debenture Holders taken at any meeting convened in accordance with this clause, subject to the exceptions (if any) set out in the SEBI Debenture Trustee Circular.
- f. For the purposes of a meeting convened in accordance with this Clause, in accordance with the SEBI Defaults (Procedure) Circular, all decisions shall require the consent of 75% (seventy five percent) of the Debenture Holders (by value) and 60% (sixty percent) of the Debenture Holders (by numbers) at the ISIN level.

10.4. FINANCIAL COVENANTS

The Company shall ensure that, on an annual basis, it complies with the following Financial Covenants

1. The capital adequacy ratio (as defined in NBFC Regulations) shall not be less than 20%.
2. Total debt to equity ratio <3 times.
3. Gross NPA<4.00% and Net NPA <2.75%;
4. Interest Coverage Ratio for all debt outstanding will be >2 times
5. No cumulative mismatches in any of the RBI stipulated maturity buckets upto 1 year.

For the purpose of aforementioned Financial Covenants, following terms shall have the following meanings:

“Debt” shall mean aggregate of

- i. All long-term debt outstanding, whether secured or unsecured, plus
- ii. Contingent liability pertaining to corporate/ financial guarantees given on behalf of any company / partnership firm/SPV / subsidiary / affiliate to the extent of outstanding of such guaranteed debt, plus

- iii. 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
- iv. Any amount raised by acceptance under any acceptance credit facility
- v. Receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis)
- vi. Any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing

“**Equity**” shall mean issued and paid-up Equity and Compulsorily Convertible Preference Share capital (+) all reserves (excluding revaluation reserves) (-) any dividend declared (+) deferred tax liability (-) deferred tax asset (-) intangibles (including but not restricted to brand valuation, goodwill etc) as per the latest audited/ Unaudited financials of the Company for the relevant period.

“**Assets Under Management (AUM)**” means and includes the outstanding principal amounts of the loans originated by the Issuer on its own books, securitized portfolio as well as loans originated on behalf of other entities by entering into partnership agreements but not included on the Issuer's own book.

“**Gross NPA**” shall be computed as per the Master Circular - Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances, 2022 (as amended from time to time).

“**Net NPA**” shall be computed as per the Master Circular - Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances, 2022 (as amended from time to time).

All financial covenants would be tested on a quarterly basis i.e. as on 31st March, 30th June, 30th September and 31st December every year starting from 30th June 2023 till the redemption of the Debentures and the Issuer shall furnish the compliance status with respect to financial covenants certified by statutory auditor to Debenture the Debenture Trustee as specified under SEBI Debenture Trustee Circular. The Financial covenants shall be certified by the Company within 45 days from end of each reporting quarter.

10.5. REPORTING COVENANTS

Company shall provide or cause to be provided to the Debenture Trustee (and to the Debenture Holders if so requested), in form and substance reasonably satisfactory to the Debenture Trustee, each of the following items:

- (a) Monthly Reporting

The Security Cover must be tested on a monthly basis on each Monthly Hypothecated Assets Reporting Date.

(b) Quarterly Reports

As soon as available and in any event within 60 (Sixty) calendar days after the end of each quarterly reporting period of the Company, the quarterly reporting required and in form and substance satisfactory to the Debenture Trustee and the Debenture Holders. Such reporting will include information detailing:

- (i) the shareholding structure and composition of the board of directors in the Company;
- (ii) Financials and other operational metrics as per the requirement and format agreed with the Trustee from time to time. Financial covenant compliance certificate signed by a Director or the Chief Financial Officer or authorized signatory
- (iii) The Company shall furnish quarterly report to the Debenture Trustee containing the following particulars:
 - a. Updated list of the names and addresses of the Debenture Holders.
 - b. Details of the Interest due, but unpaid and reasons thereof.
 - c. The number and nature of grievances received from the Debenture Holders and (A) resolved by the Company (B) unresolved by the Company and the reasons for the same.
 - d. The Issuer shall prepare the security cover certificate on quarterly basis and the statutory auditor of the listed entity shall certify the book values of the assets provided in such certificate. The certificate shall mention that the Hypothecated Assets are sufficient to discharge the claims of the Debenture Holders as and when they become due.

On quarterly basis, the Issuer shall furnish the compliance status with respect to financial covenants of the Debentures certified by statutory auditor to Debenture Trustee.

- a. The Company shall, while submitting quarterly/annual financial results, accordingly shall provide Debenture Trustee the following information, on the letter head of the Company, addressed to the Stock Exchange/(s):
 - i. debt equity ratio;
 - ii. debt service coverage ratio;
 - iii. interest service coverage ratio;
 - iv. outstanding redeemable preference shares (quantity and value);
 - v. capital redemption reserve/debenture redemption reserve, as applicable;
 - vi. net worth;
 - vii. net profit after tax;
 - viii. earnings per share;

- ix. current ratio;
- x. long term debt to working capital;
- xi. bad debts to Account receivable ratio;
- xii. current liability ratio;
- xiii. total debts to total assets;
- xiv. debtors turnover;
- xv. inventory turnover;
- xvi. operating margin (%);
- xvii. net profit margin (%); and
- xviii. sector specific equivalent ratios, as applicable.

Provided that if the information mentioned in sub-regulation (4) above is not applicable to the listed entity, it shall disclose such other ratio/equivalent financial information, as may be required to be maintained under applicable laws, if any

(c) Half Yearly Reports -

The Issuer shall provide to the Debenture Trustee as per Regulation 56 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 on a half-yearly basis certificate regarding maintenance of hundred percent security cover or higher security cover] as per the terms of offer document/ Information Memorandum and/or Debenture Trust Deed, including compliance with all the covenants, in respect of listed non-convertible debt securities, by the statutory auditor, along with the financial results, in the manner and format as specified by SEBI:

(d) Annual Reports

As soon as available, and in any event within 180 (One Hundred and Eighty) calendar days after the end of each Financial Year of the Company, the annual reporting required and in form and substance satisfactory to the Debenture Trustee and the Debenture Holders. Such reporting will include information detailing:

- (i) certified copies of its audited consolidated and non-consolidated (if any) financial statements for its most recently completed fiscal year, prepared in accordance with IND-AS including its balance sheet, income statement and statement of cash flow. All such information shall be complete and correct in all material respects and fairly represents the financial condition, results of operation and changes in cash flow of the Company as of the date thereof;
- (ii) a certificate of the Chief Financial Officer or a Director of the Company confirming that his or her review has not disclosed the existence of any potential Event of Default or Event of Default;

(e) (iii) Event Based Reports

- (i) As soon as available and in any event within 10 (Ten) Business Days of the occurrence of such event, the details of any change in board of directors and Key Managerial Personnel (KMP);
- (ii) The Company shall provide/cause to be provided information to the Debenture Trustee (and to the Debenture Holders, if so requested) as soon as practicable, and in any event within 10 (Ten) Business Days from the occurrence of such event:
 - (a) the Company obtains or reasonably should have obtained actual knowledge thereof, notice of the occurrence of any event or circumstance that could reasonably be expected to result in a Material Adverse Effect;
 - (b) the Company obtains or reasonably should have obtained actual knowledge thereof, notice of any dispute, litigation, investigation or other proceeding affecting the Company or its property or operations, which, if adversely determined, could result in a Material Adverse Effect;
 - (c) the Company obtains actual knowledge thereof, notice of the occurrence of any Event of Default or potential Event of Default, specifying the nature of such event and any steps the Company is taking and proposes to take to remedy the same;
 - (d) the Company makes any prepayment or receives a notice of any prepayment of any Financial Indebtedness of the Company that would result in a Material Adverse Effect;
 - (e) the Company alters its Constitutional Documents; and
 - (f) any application for winding up has been admitted before the court.

(f) Reporting to stock exchange

The Company shall disclose all such information to the Debenture Trustee under applicable laws and shall file with the BSE all such information as required under Chapter V of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, Operating Circular and NCS Regulations including as required under SEBI Debenture Trustee Circular as amended from time to time. ”

10.6. EVENTS OF DEFAULT AND REMEDIES

PART A

Each of the events or circumstances set out in this schedule shall constitutes an Event of Default.

(a) ***Payment Defaults***

The Company does not pay on the Due Date any amount payable pursuant to this Deed and the Debentures (including but not limited to penal interest, if any) at the place at and in the currency in which it is expressed to be payable, unless its failure to pay is caused by administrative or technical error and payment is made within 3 (Three) Business Days of its Due Date.

(b) ***Insolvency / Inability to Pay Debts / Distress***

- (i) The Company is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its Financial Indebtedness.
- (ii) The Company is (or deemed by Law or declared by a court to be) insolvent or unable to pay its debts or stops or suspends payments of all its debts, makes a general assignment or an arrangement or composition with or for benefit of the relevant creditors in respect of any such debts or a moratorium is agreed or declared in respect of or affecting all the debts of the Company.
- (iii) Any distress, attachment, execution or other legal process is levied, enforced or sued out on or against any material part of the property, assets, or revenues of the Company and is not discharged or quashed or stayed within 15 (fifteen) days.

(c) ***Charge over Hypothecated Assets***

The Company creates or attempts to create any charge/encumbrance on the Hypothecated Assets or any part thereof, in addition to the charge created pursuant to the Hypothecation Agreement without the consent of the Special Majority Debenture Holders.

(d) ***Business***

The Company without obtaining the prior consent of the Special Majority Debenture Holders ceases to carry on its business or gives notice of its intention to do so.

(e) ***Security in Jeopardy***

- (i) In the opinion of the Debenture Trustee the Hypothecated Assets is in jeopardy;
- (ii) If, the security provided pursuant to the Hypothecation Agreement depreciates in value to such an extent that in the reasonable opinion of the Trustee further security should be given and on advising the Company to that effect such security has not been given to the Debenture Trustee to their satisfaction;
- (iii) If, without the prior written approval of the Debenture Trustee, the Hypothecated Assets or any part thereof is transferred, assigned, charged, encumbered or alienated but no prior approval shall be required for the replacement of assets comprising the Hypothecated Assets with other similar assets; or

- (iv) the value of the Hypothecated Assets is insufficient to maintain the Security Cover Ratio and Company fails to maintain the minimum-Security Cover Ratio specified in the Hypothecation Agreement within the stipulated timelines in the Hypothecation Agreement.

(f) ***Misrepresentation***

Any representation or warranty made by the Company in any Transaction Document or in any certificate, financial statement or other document delivered to the Debenture Trustee/Debenture Holders by the Company shall prove to have been incorrect, false or misleading in any material respect when made or deemed made.

(g) ***Material Adverse Change***

There shall have occurred a change in the business, operations, property, Assets, liabilities, condition (financial or otherwise) or prospects of the Company since the date hereof that has resulted in a Material Adverse Effect and such Material Adverse Effect has not been remedied or rectified for a period of 30 (Thirty) Business Days.

The occurrence of a Material Adverse Effect as determined by the Debenture Trustee, acting solely on the instructions of the Majority Debenture Holders.

(h) ***Liquidation or Dissolution of the Company / Appointment of Receiver or Liquidator***

- (i) Any corporate action, legal proceedings or other procedure or step is taken in relation to:
 - (A) the suspension of payments, a moratorium of any Indebtedness, winding-up, dissolution, administration or re-organisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Company;
 - (B) a composition, compromise, assignment or arrangement with any creditor of the Company;
 - (C) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Company; or
 - (D) the Company, in respect of any reference or enquiry or proceedings commenced, before the National Companies Law Tribunal or under any mechanism or prescription of the RBI in respect of resolution/restructuring of stressed assets (including without limitation, under the RBI's circular no. DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on "Prudential Framework for Resolution of Stressed Assets" (as amended or modified or restated from time to time));
 - (E) admission of an insolvency resolution process under the (Indian) Insolvency and Bankruptcy Code, 2016 (to the extent applicable) or under any other applicable Law, in respect of the Company or its Affiliate; or

(F) enforcement of any security over any Assets of the Company.

Any other event occurs or proceeding instituted under any applicable Law that would have an effect analogous to any of the events listed in sub-Clauses (A) to (F) above.

(ii) An order is made or an effective resolution passed for the winding up or dissolution, judicial management or administration of the Company, or the Company ceases to carry on all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, re-organization, merger or consolidation on terms approved by Special Resolution of Debenture Holders.

(i) ***Cross Default***

The Company (i) defaults in any payment of any Financial Indebtedness beyond the period of grace (not to exceed 30 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 (iii) any Financial Indebtedness of the Company 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.

(i) ***Creditors' Process***

(i) 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 any Government Authority.

(ii) The Company does not inform the Debenture Trustee of one or more of the other creditors of the Company accelerating the payment obligations on the grounds of a material adverse change (howsoever described) or a material adverse effect (howsoever described) in the financial, operational or regulatory conditions governing the Company.

(iii) The Company has voluntarily or involuntarily becomes the subject of proceedings under any bankruptcy or insolvency laws and such proceedings have been admitted by a competent court or the Company is voluntarily or involuntarily dissolved.

(iv) The Company is adjudged insolvent by a competent court or takes advantage of any law for the relief of insolvent debtors.

- (v) Any expropriation, attachment, garnishee, sequestration, distress or execution affects any Receivables constituting Hypothecated Assets or part thereof.

(k) ***Judgments Defaults***

One or more judgments or decrees entered against the Company involving a liability (not paid or not covered by a reputable and solvent insurance company), individually or in the aggregate, exceeding 5% (five percent) of the Total Assets of the Company PROVIDED THAT such judgments or decrees are either final and non-appealable or have not been applied for vacation, discharge or stay pending appeal for any period of 30 (thirty) consecutive calendar days.

(l) ***Transaction Documents***

- (i) This Deed or any other Transaction Document in whole or in part, are terminated or cease to be effective or cease to be a legally valid, binding and enforceable obligation of the Company.
- (ii) In the opinion of the Debenture Trustee, any of the Transaction Documents fails to provide the security interest, rights, title, remedies, power or privileges intended to be created thereby (including the priority intended to be created thereby), or such security interests do not have the priority contemplated under the Transaction Documents, or the security interest created thereunder become unlawful, invalid, or unenforceable.

(m) ***Unlawfulness***

It is or becomes unlawful for the Company to perform any of its obligations under the Transaction Documents and/or any obligation or obligations of the Company under any Transaction Document are not or cease to be valid, binding or enforceable.

(n) ***Repudiation***

The Company repudiates any of the Transaction Documents, or evidences an intention to repudiate any of the Transaction Documents.

(o) ***Government Intervention***

- (i) Any step is taken by Governmental Authority or agency or any other competent authority, with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or (in the opinion of the Debenture Trustee) a material part of the assets of the Company which is material to the Company;
- (ii) Any Governmental Authority having assumed custody or control of the business or operations of the Company or having taken any action for the dissolution of the Company or any action that would prevent the Company or its officers from carrying on its business or operations thereof; or

(iii) The Company's organizational or legal status, or any license or franchise is revoked or suspended by any Governmental Authority or authority after the Company has exhausted all remedies and appeals relating thereto.

(p) ***Delisting***

If the Debentures are listed and any Debenture is subsequently delisted from any exchange on which it is listed without the prior written consent of the Debenture Trustee.

(q) ***Rating Downgrade***

If rating of the Debentures by the Rating Agency is downgraded by 4 notches or more below from present rating, the Debenture Holders shall have the right to accelerate the redemption of the Debentures and require the Issuer to mandatorily redeem the debenture and repay the principal amount, interest accrued, costs, fees, penalty, default interest if any. Issuer has to pay the amount due within 30 (thirty) days of receipt of such notice. There will be no cure period available for Rating downgrade incidence.

(r) ***Cessation***

The Company ceases or threatens to cease to carry on the main business it is currently engaged in.

(s) ***Alteration in Constitutional Documents***

The Company, without the previous consent in writing of the Debenture Trustee, makes or attempts to make any alteration in the provisions of its Constitutional Documents where (i) such change might in the opinion of the Debenture Trustee detrimentally affect the interests of the Debenture Holder(s) and (ii) the Company refuses or neglects to or is unable to rescind such alteration.

(t) ***Non-compliance with judicial order***

The Company fails to comply with or fulfil any judicial order passed against it provided however that such order shall not include any order against which appeal is available or for which an appeal is pending.

(u) ***Erosion of Net Worth***

The Debenture Holders' assessment from quarterly or annual financial reporting from the company, or at any time certified by an accountant of a firm or chartered accountant appointed by the Debenture Trustee (which the Debenture Trustee is entitled and hereby authorized to do so at any time), that the net worth (as defined in the Act) of the Company has eroded by 50% or more.

(v) ***Merger***

The rearrangement or consolidation or amalgamation with or merger with or into, or receiving of all or substantially all the assets or obligations of, another entity, or any action for reorganisation of capital without the prior written consent of the Debenture Trustee.

(w) ***Sale, disposal***

Sale, transfer, or other disposition of all or substantially all of the Company's Assets other than in the normal course of business of the Company.

(x) ***Third party***

A default or Event of Default occurs on account of a breach of representation or breach of an information covenant under the terms of any other agreement involving borrowed money or the extension of credit or any other Financial Indebtedness under which the Company may be obligated as a borrower or guarantor and pursuant to which the Company is called upon to and makes a prepayment to a 3rd party without the prior written consent of the Debenture Holder. Such consent shall not be unreasonably delayed or withheld by the Debenture Holders.

(y) ***Wilful default***

Any director or key management personnel of the Company is/are declared as wilful defaulter by any competent authority or accused of, charged with, arrested or convicted a criminal offence involving moral turpitude, any material act of fraud, embezzlement, misstatement, misappropriation or siphoning off of the Company / Holding Company funds or revenues, dishonesty or which otherwise impinges on the integrity of the director, including any accusations, charges and/or convictions of any offence relating to bribery or any other act having a similar effect being committed by the management or an officer of the Company.

(z) ***Breach of Covenants***

Any breach of financial covenants stipulated in **Schedule IX** (*Financial Covenants*), negative covenants as stated in **Schedule XI** (*Negative Covenants*), affirmative covenants as stated in mentioned in **Schedule VIII** (*Affirmative Covenants*), reporting covenants prescribed in **Schedule X** (*Reporting Covenants*) and any other covenants as set out in this Deed, the same is not cured within the Cure Period.

(aa) ***Breach of other terms of this Deed***

A breach by the Company of any of its obligations and covenants provided in terms of this Deed or other Transaction Documents (other than (a) to (dd) above) and such breach is not remedied (if capable of remedy) within the expiry of Cure Period for breach of Other Covenants from the date of such breach.

Part B- ACCELERATION EVENT

The Debenture Holders shall have the right to redeem the Debentures on happening of any of the following event:

(a) ***Rating downgrade:***

If external rating given to the Debentures by the Rating Agency is downgraded by 4 notches or more, or below from present rating -, the Debenture Holders shall have the right to accelerate the redemption of the Debentures and call upon 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. There is no cure period of such rating downgrade. The Company shall within 30 (thirty) Business Days of receipt of such notice from the Debenture Trustee, redeem such Debentures as is mentioned in the notice by making payment of all principal amounts along with the coupon, outstanding dues, if any.

(b) *Event of Default*

On happening of Events of Default as stated in **Schedule XII** of this Deed.

(c) *Breach of covenants*

In case of breach of any Covenants (Financial covenants, Affirmative Covenants, Negative Covenants, Reporting Covenants or any other covenants as set out in these Deed) which results in an Event of Default as stated in **Schedule XII** below, and as mentioned in Disclosure Documents or in Transaction Documents, if the Issuer is unable to cure the breach within 30 days, then the Debenture Holder shall call upon the Issuer to redeem the Debentures held by such Debenture Holders. Such acceleration shall be exercised by the Debenture Holders within 30 Business Days of expiry of the Cure Period allowed, by issuance of a notice on the Company by the Debenture Trustee calling upon the Company to redeem such Debentures. Upon receipt of such notice of acceleration by the Debenture Trustee, the Company shall within 30 (thirty) Business Days of receipt of such notice of acceleration, redeem such debentures as is mentioned in the notice by making payment of all principal amounts, interest accrued, due, penalty, default interest.

PART C

Remedies for Event of Default

If one or more of the events specified in PART A **Schedule XII** (*Events of Default*) occur(s), the Debenture Trustee may after the expiry of the Cure Period, in its discretion, that is, without requiring any consent or confirmation of the Company, and upon request in writing of Majority Debenture Holders in accordance with the provisions set out in **Clause 6** (*Provisions for the meetings of the Debenture Holders*) hereto by a notice in writing of 30 (thirty) Business Days ("**Notice of Acceleration**") to the Company initiate the following course of action:

- (a) require the Company to mandatorily redeem the Debentures and repay the principal amount, interest accrued, default interest and all other dues on the Debentures, along with accrued but unpaid interest, and other costs, charges and expenses incurred under or in connection with this Deed and other Transaction Documents;
- (b) declare all or any part of the Debentures to be immediately (or on such dates as the Debenture Trustee may specify) due and payable, whereupon it shall become so due and payable;

- (c) enforce any security created pursuant to the Hypothecation Agreement in accordance with its terms, as may be set out herein or therein, towards repayment of the Debentures;
- (d) appoint any independent agency to inspect and examine the working of the Company and give a report to Debenture Holders/ the Debenture Trustee. The Company shall give full co-operation and provide necessary assistance to such agency and bear all costs and expenses of the examination including the professional fees and travelling and other expenses;
- (e) to appoint a nominee director as per the SEBI (Debenture Trustee) Regulations, 1993 on the board of directors of the Company or to appoint an observer to all meetings of the board of directors of the Company,
- (f) take necessary action of either enforcing the Security or entering into the Inter Creditor Agreement (“ICA”) or take any other action as decided in the meeting of Debenture Holder(s) based on the decision of the Debenture Holder(s) with Special Majority, including the decision of formation of a committee of the Debenture Holder(s) to participate in the ICA or to enforce the Security or as may be decided in the meeting of Debenture Holder(s). Such a committee, if decided to be formed, may comprise of the designated members representing the interest of the ISIN level Debenture Holder(s) under the Debentures and be responsible to take decisions which shall be binding on the specific ISIN level Debenture Holder(s) relating to ICA matters, or in relation to enforcement of the Security, or take any other action as may be decided by the Debenture Holder(s), from time to time. The Debenture Trustee(s) may in accordance with the decision of the Debenture Holder(s), sign the ICA and consider the resolution plan, if any, on behalf of the Debenture Holder(s)/ Beneficial Owners in accordance with the requirements under the extant RBI guidelines, SEBI circulars, guidelines and other Applicable Laws.
- (g) The Debenture Trustee after obtaining consent of Debenture Holder(s) for enforcement shall inform the designated stock exchange seeking release of the Recovery Expense Fund. The Debenture Trustee shall follow the procedure set out in by Issuers of listed or proposed to be listed debt securities towards creation of “Recovery Expense Fund” issued by SEBI, as amended from time to time for utilization of the Recovery Expense Fund and be obligated to keep proper account of all expenses, costs including but not limited to legal expenses, hosting of meetings etc., incurred out of the Recovery Expense Fund towards enforcement of Security. All expenses over and above those met from the Recovery Expense Fund incurred by the Beneficial Owners(s)/Trustee after an Event of Default has occurred.
- (h) take all such other action expressly permitted under this Deed or in the other Transaction Documents or permitted under the Law.
- (i) to initiate any enforcement action including without limitation under SARFAESI Act, 2002, Insolvency and Bankruptcy Code, 2016 (wherever applicable), or any other Applicable Law;
- (k) exercise such other rights as the Debenture Trustee may deem fit under applicable Law to protect the interest of the Debenture Holders.

- (l) The Debenture Trustee shall be entitled to appoint any independent agency to inspect and examine the working of the Company and give a report to Debenture Holders/ the Debenture Trustee. The Company shall give full co-operation and provide necessary assistance to such agency and bear all costs and expenses of the examination including the professional fees and travelling and other expenses; The Debenture Trustee may exercise any other right that the Debenture Trustee and / or Debenture Holder(s) may have under the Transaction Documents or under applicable law;

SECTION 11 DECLARATION

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

The Issuer accepts no responsibility for the statement made otherwise than in the Disclosure Document or in any other material issued by or at the instance of the issuer and that any one placing reliance on any other source of information would be doing so at his own risk.

Without prejudice to the above, the Company and each of the directors of the Company, confirm that:

- a. The Issuer undertake that this Disclosure Document contain full disclosures in accordance with SEBI NCS Regulations, as amended, and Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended and Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992,
- b. the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of non-convertible securities, is guaranteed by the Central Government;
- c. the monies received under the offer shall be used only for the purposes and objects indicated in the Offer document;
- d. whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

I, Srikanth G, Chief Financial Officer, am authorized by the Business & Resource Committee of the Board of Directors of the Company vide Resolution dated February 23, 2023 to sign this Information Memorandum and declare that all the requirements of the Companies Act, 2013 and the rules made there under in respect of the subject matter of this Information Memorandum and matters incidental thereto have been complied with. Whatever is stated in this Information Memorandum and in the attachments thereto is true, correct and complete and no information material to the subject matter of this Disclosure Document has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum and Articles of Association.

It is further declared and verified that all the required attachments have been completed, correctly and legibly attached to this form.

For Five-Star Business Finance Limited

Srikanth G
Chief Financial Officer

Date: June 12, 2023

Place: Chennai

ANNEXURE I: LAST AUDITED FINANCIAL STATEMENTS

B S R & Co. LLP

Chartered Accountants

KRM Tower, 1st & 2nd Floors,
No. 1, Harrington Road, Chetpet,
Chennai - 600 031, India

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

INDEPENDENT AUDITORS' REPORT

To the Members of Five-Star Business Finance Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Five-Star Business Finance Limited** ("the Company"), which comprise the balance sheet as at 31 March 2021, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Emphasis of matter

As more fully described in Note 51 to the financial statements, the extent to which the ongoing COVID-19 pandemic will have impact on the Company's financial performance including the Company's estimates of impairment of loans, are dependent on future developments, the severity and duration of the pandemic, which are highly uncertain.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



B S R & Co. LLP

Independent Auditors' Report

To the Members of Five-Star Business Finance Limited

Page 2 of 12

Key Audit Matters (Continued)

Key Audit Matter	How the matter was addressed in our audit
Impairment of loans – refer Note 6 and 51 to the financial statements	
<p>Recognition and measurement of impairment of loans involve significant management judgement</p> <p>Under Ind AS 109 - Financial Instruments, credit loss assessment is based on expected credit loss (ECL) model. The Company's impairment allowance is derived from estimates including the historical default, loss ratios etc. Management exercises judgement in determining the quantum of loss based on a range of factors.</p> <p>Further, in relation to COVID-19 pandemic, judgements and assumptions include the extent and duration of the pandemic, the impacts of actions of governments and other authorities, and the responses of businesses and consumers in different industries, along with the associated impact on the economy</p> <p>The determination of impairment loss allowance is inherently judgmental and relies on managements' best estimate due to the following:</p> <ul style="list-style-type: none"> • Segmentation of loans given to the customer • Criteria selected to identify significant increase in credit risk, particularly in respect of the regional lockdowns at various geographies along with the history of moratorium benefit given to eligible borrowers as per the Company's board approved policy, read with the RBI COVID 19 regulatory package. This also includes evaluation of adverse impact of COVID-19 pandemic and mitigants in form of the RBI / Government financial relief package. • Increased level of data inputs for capturing the historical data to calculate the Probability of Default ("PDs") and Loss Given Default ("LGD") and the completeness and accuracy of that data 	<p>In view of the significance of the matter, we applied the following key audit procedures, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> • Evaluation of the appropriateness of the impairment principles based on the requirements of Ind AS 109. • Performed process walkthroughs to identify the controls used in the impairment allowance processes. • Assessed the design and implementation of controls in respect of the Company's impairment allowance process such as the timely recognition of impairment loss, the completeness and accuracy of reports used in the impairment allowance process and management review processes over the calculation of impairment allowance. • Obtained understanding of management's processes and controls implemented in relation to impairment allowance process, providing moratorium as per board approved policy read with RBI COVID-19 regulatory package including management rationale for determination of criteria of significant increase in credit risk due adverse impact of COVID-19 pandemic. • As at the year end, evaluated whether the methodology applied by the Company is compliant with the requirements of the relevant accounting standards and confirmed that the calculations are performed in accordance with the approved methodology, including checking mathematical accuracy of the workings.

Independent Auditors' Report

To the Members of Five-Star Business Finance Limited

Page 3 of 12

Key Audit Matters (Continued)

Key Audit Matter	How the matter was addressed in our audit
Impairment of loans – refer Note 6 and 51 to the financial statements (Continued)	
<ul style="list-style-type: none"> Use of management overlays to adjust the model-driven ECL results, considering the probability weighted scenarios, the forward looking macro-economic factors, economic environment, emerging trends, the timing of cash flows and impact of the pandemic along with restriction on economic activities at various geographies on the Company's customers and their ability to repay dues on asset classification and provisioning. <p>The underlying forecasts and assumptions used in the estimates of impairment loss allowance are subject to uncertainties which are often outside the control of the Company. The extent to which the COVID-19 pandemic will impact the Company's current estimate of impairment loss allowances is dependent on future developments, which are highly uncertain at this point.</p> <p>The management judgment involved in estimates has significant impact, considering the size of loan portfolio relative to the balance sheet. Therefore, we identified impairment allowance of loans as key audit matter.</p>	<ul style="list-style-type: none"> Tested the periods considered for capturing underlying data as base to PD and LGD calculations are in line with Company's recent experience of past observed periods. Tested the accuracy of the key inputs used in the calculation and independently evaluated the reasonableness of the assumptions made. Challenged completeness and validity of impairment allowance including the management overlays, particularly in response to COVID 19 with assistance of our financial risk modelling experts by critically evaluating the risks that have been addressed by management. We also tested management's workings supporting the overlay quantum. Performed test of details, on a sample basis, on underlying data relating to segmentation, management overlays, staging as at 31 March 2021, the key inputs for computation of ECL. Assessing the factual accuracy and appropriateness of the additional financial statements disclosures made by the Company regarding impact of COVID-19

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

B S R & Co. LLP

Independent Auditors' Report

To the Members of Five-Star Business Finance Limited

Page 4 of 12

Information Other than the Financial Statements and Auditors' Report Thereon (Continued)

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as required under applicable laws and regulations.

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



B S R & Co. LLP

Independent Auditors' Report

To the Members of Five-Star Business Finance Limited

Page 5 of 12

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



B S R & Co. LLP

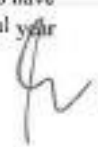
Independent Auditors' Report

To the Members of Five-Star Business Finance Limited

Page 6 of 12

Report on Other Legal and Regulatory Requirements (Continued)

2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
3. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its financial statements - Refer Note 34 to the financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company does not have any derivative contracts. Refer Note 6 and 28 to the financial statements.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.



B S R & Co. LLP

Independent Auditors' Report

To the Members of Five-Star Business Finance Limited

Page 7 of 12

Report on Other Legal and Regulatory Requirements (Continued)

4. With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for B S R & Co. LLP

Chartered Accountants

Firm's Registration No.-101248 W/W-100022



K. Raghuram

Partner

Membership No. 211171

UDIN: 21211171AAAAAR8241

Place: Chennai

Date: 28 May 2021

BSR & Co. LLP

Independent Auditors' Report

To the Members of Five-Star Business Finance Limited

Page 8 of 12

Annexure A to the Independent Auditors' Report

To the Members of Five-Star Business Finance Limited for the year ended 31 March 2021

(referred to in our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme certain fixed assets were physically verified by the management during the year and as explained to us, no material discrepancies were noticed on such verification.
 - (c) According to information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
 - (ii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is primarily engaged in business of lending activities, accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.
 - (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable.
 - (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or provided any guarantee or security to parties which requires compliance under section 185 and 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable.
 - (v) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
 - (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable.
-

BSR & Co. LLP

Independent Auditors' Report

To the Members of Five-Star Business Finance Limited

Page 9 of 12

- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of accounts in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, cess and other material statutory dues have generally been deposited regularly during the year by the Company with the appropriate authorities. As explained to us, the Company did not have dues on account of sales tax, service tax, duty of customs, duty of excise and value added tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and services tax, cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of income-tax and goods and services tax which have not been deposited with the appropriate authorities on account of dispute except the following:

Name of the statute	Nature of the dues	Amount (In Rs.)	Period to which the amount relates	Forum where the dispute is pending
Income-Tax Act, 1961	Income-tax	673,698	2006-2007	Commissioner of Income-tax (Appeals)
Income-Tax Act, 1961	Income-tax	3,368,426	2018-2019	Commissioner of Income-tax (Appeals)

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers, or to any financial institutions or to debenture holders. The Company did not have any outstanding loans or borrowings to Government during the year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). However, the Company has raised term loans during the year. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
- (x) According to the information and explanations given to us, no material fraud by or on the Company by its officers or employees has been noticed or reported during the course of our audit. Also refer Note 47-Z to the financial statements.

B S R & Co. LLP

Independent Auditors' Report

To the Members of Five-Star Business Finance Limited

Page 10 of 12

- (xi) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act.
- (xii) According to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required by the relevant accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained certificate of registration from Reserve Bank of India.

for B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W / W-100022



K. Raghuram

Partner

Membership No. 211171

UDIN: 21211171AAAAAR8241

Place: Chennai

Date: 28 May 2021

B S R & Co. LLP

Annexure "B" to the Independent Auditors' report on the financial statements of Five Star Business Finance Limited for the year ended 31 March 2021

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Page 11 of 12

Opinion

We have audited the internal financial controls with reference to financial statements of Five Star Business Finance Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Emphasis of Matter

As described in Emphasis of Matter paragraph of our report to the financial statements, the extent to which the COVID-19 pandemic will have impact on the Company's internal financial controls with reference to the financial statements is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of the above matter.

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

B S R & Co. LLP

Independent Auditors' Report

To the Members of Five-Star Business Finance Limited

Page 12 of 12

Auditors' Responsibility (Continued)

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

for B S R & Co. LLP

Chartered Accountants

Firm's Registration No.-101248 W/W-100022



K. Raghuram

Partner

Membership No. 211171

UDIN: 21211171AAAAAR8241

Place: Chennai

Date: 28 May 2021

Five-Star Business Finance Limited
Balance Sheet as at March 31, 2021
 (All amounts are in Indian Rupees in lakhs, except share data and as stated otherwise)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
ASSETS			
Financial assets			
Cash and cash equivalents	4	1,26,718.28	28,977.95
Bank balances other than cash and cash equivalents	5	8,853.59	16,134.94
Loans	6	4,35,874.94	3,81,060.44
Other financial assets	7	474.34	524.57
		<u>5,71,921.15</u>	<u>4,26,717.90</u>
Non-financial assets			
Current tax assets (net)	8	795.79	435.46
Deferred tax assets (net)	36	3,698.94	2,822.96
Investment property	9	3.56	3.56
Property, plant and equipment	11	845.60	1,106.09
Right of use asset	37	1,452.63	1,488.00
Other intangible assets	12	190.30	192.80
Other non-financial assets	10	452.77	548.62
		<u>7,439.59</u>	<u>6,597.49</u>
Total assets		<u>5,79,361.14</u>	<u>4,35,315.39</u>
LIABILITIES AND EQUITY			
Financial liabilities			
Payables			
Trade payables	13	-	-
total outstanding dues of micro and small enterprises		-	-
total outstanding dues of creditors other than micro and small enterprises		867.17	662.40
Debt securities	14	1,30,578.55	1,07,886.42
Borrowings (other than debt securities)	15	2,12,141.12	1,28,482.89
Other financial liabilities	16	1,717.91	1,568.10
		<u>3,45,193.85</u>	<u>2,38,599.81</u>
Non-financial liabilities			
Current tax liabilities (net)	17	-	74.80
Provisions	18	719.80	577.61
Other non-financial liabilities	19	1,720.27	1,605.12
		<u>2,440.07</u>	<u>2,257.53</u>
Equity			
Equity share capital	20	2,564.49	2,558.21
Other equity	21	2,39,252.73	1,91,899.84
		<u>2,31,817.22</u>	<u>1,94,458.05</u>
Total liabilities and equity		<u>5,79,361.14</u>	<u>4,35,315.39</u>

Significant accounting policies
 See accompanying notes to the financial statements

2 and 3

As per our report of even date
 for BSR & Co. LLP
 Chartered Accountants
 Firm's registration number: 101248W/W-100322


K Raghuram
 Partner
 Membership No: 211171

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


P Lakshminarayana
 Chairman and Managing Director
 DIN: 01723269


R Anand
 Director
 DIN: 00243485


G Srikanth
 Chief Financial Officer


K Rangaraj
 Chief Executive Officer


B Shalini
 Company Secretary
 ACS: A51334

Place : Chennai
 Date : May 28, 2021

Place : Chennai
 Date : May 28, 2021

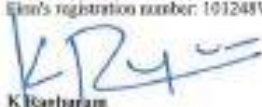
Five-Star Business Finance Limited
Statement of Profit and loss for the year ended March 31, 2021
(All amounts are in Indian Rupees in lakhs, except share data and as stated otherwise)

Particulars	Note	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations:			
Interest income	22	1,01,487.58	74,682.42
Fee income	23	2,167.61	2,970.84
Net gain on fair value changes	24	1,319.03	1,018.22
Total revenue from operations		1,04,974.22	78,671.48
Other income	25	151.25	63.25
Total Income		1,05,125.47	78,734.73
Expenses			
Finance costs	26	32,519.12	21,693.51
Fees expenses	27	266.83	42.52
Impairment on financial instruments	28	3,517.57	4,934.19
Employee benefits expenses	29	16,371.78	12,710.78
Depreciation and amortization	30	1,138.39	1,006.85
Other expenses	31	3,687.70	3,416.83
Total Expenses		57,491.39	43,804.68
Profit before tax		47,644.08	34,930.05
Tax expense			
Current tax	32 A	12,594.12	10,956.07
Deferred tax (net)	36	(849.48)	(1,321.06)
		11,744.64	8,735.01
Profit for the year		35,899.44	26,195.04
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurements of the defined benefit plan		(105.27)	(148.80)
Income tax relating to items that will not be reclassified to profit or loss		26.49	37.45
Net other comprehensive income / (deficit) not to be reclassified subsequently to profit or loss		(78.78)	(111.35)
Other comprehensive income / (deficit) for the year, net of income tax		(78.78)	(111.35)
Total comprehensive income		35,820.66	26,083.69
Earnings per equity share (face value Rs.10 each)			
Basis (in rupees)		140.13	103.24
Diluted (in rupees)		136.06	100.70

Significant accounting policies
See accompanying notes to the financial statements


2 and 3

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


K Raghuram
Partner
Membership No: 211171


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


C Lakshminarayana
Chairman and Managing Director
DIN: 01925269


R Anand
Director
DIN: 00243485


G Srikanth
Chief Financial Officer


K Rangarajan
Chief Executive Officer


B Shalini
Company Secretary
ACS: A51334

Place : Chennai
Date : May 28, 2021

Place : Chennai
Date : May 28, 2021

Five-Star Business Finance Limited
Statement of Cash Flow for the year ended March 31, 2021
 (All amounts are in Indian Rupees in lakhs, except share data and as stated otherwise)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A. Cash Flow from Operating Activities		
Net profit before tax	47,644.08	34,930.05
Adjustments for:		
Depreciation and amortization	1,138.39	1,006.85
Provision for impairment on financial instruments and write-offs	3,517.57	4,934.19
Loss on sale/retirement of property, plant and equipment (net)	2.32	0.75
Profit on sale of current investments (net)	(1,319.03)	(1,018.22)
Interest income on deposits with banks / others	(1,937.47)	(2,886.62)
Interest on loans	(99,550.11)	(71,795.80)
Finance costs	32,519.12	21,693.51
Gain recognised on derecognition of leases	(42.32)	(6.60)
Employee stock option expenses	1,509.39	168.03
Operating cash flow before working capital changes	(16,518.06)	(12,973.86)
Changes in Working Capital:		
<i>Adjustments for (Increase) / Decrease in Operating Assets:</i>		
Loans	(55,972.13)	(1,76,889.78)
Other non- financial assets	95.85	(182.64)
Other financial assets	50.22	(238.68)
<i>Adjustments for Increase / (Decrease) in Operating Liabilities:</i>		
Trade payables	204.76	369.71
Provisions	36.92	52.56
Other financial liabilities	174.88	5.89
Other non financial liabilities	115.14	33.68
Net cash (used in) operations	(71,812.42)	(1,89,823.12)
Finance cost paid	(30,095.27)	(22,543.27)
Interest income received	99,210.18	70,257.31
Direct taxes paid (net)	(13,029.26)	(10,218.89)
Net Cash Used in Operating Activities (A)	(15,726.77)	(1,52,327.97)
B. Cash Flow from Investing Activities		
Purchase of fixed assets	(324.36)	(970.97)
Proceeds from sale of fixed assets	0.98	0.78
Profit on sale of current investments	1,319.03	1,018.22
Interest income on deposits with banks / others	1,778.77	2,662.85
Movement in bank balances other than cash and cash equivalents	7,439.65	(15,904.28)
Net Cash from / (used in) Investing Activities (B)	10,214.07	(13,193.40)
C. Cash Flow from Financing Activities		
Proceeds from issue of equity shares	6.28	168.25
Proceeds from securities premium (net off utilisation)	22.83	31,525.28
Fresh borrowings during the year	2,36,179.00	1,78,166.33
Repayments of borrowings (including process fee)	(1,32,452.49)	(36,950.21)
Payment towards leases (excluding interest)	(502.59)	(376.06)
Net Cash from Financing Activities (C)	1,03,253.03	1,72,533.59
Net Increase in Cash and Cash Equivalents [(A) + (B) + (C)]	97,740.33	7,012.22
Cash and Cash Equivalents at the beginning of the year	28,977.95	21,965.73
Cash and Cash Equivalents at the end of the year	1,26,718.28	28,977.95



Five-Star Business Finance Limited
Statement of Cash Flow for the year ended March 31, 2021 (Continued)
 (All amounts are in Indian Rupees in lakhs, except share data and stated otherwise)

Particulars	As at March 31, 2021	As at March 31, 2020
Notes		
1 Cash and cash equivalents		
Cash on hand	425.85	57.75
Balances with banks		
(i) In current accounts	31,454.90	13,050.95
(ii) In other deposit accounts (original maturity less than 3 months)	94,837.53	15,869.25
	1,26,718.28	28,977.95

2 Change in liabilities arising from financing activities

Particulars	Debt securities	Borrowings (other than debt securities)
As at March 31, 2019	43,350.77	52,652.18
Cash flows (net)	65,534.66	76,519.77
Others*	(999.01)	(689.06)
As at March 31, 2020	1,07,886.42	1,28,482.89
Cash flows (net)	22,158.93	84,103.62
Others*	333.21	(445.39)
As at March 31, 2021	1,30,378.55	2,12,141.12

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

Significant accounting policies
 See accompanying notes to the financial statements

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


K. Raghuram
 Partner
 Membership No: 211171

2 and 3

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


D. Lakshmi pathy
 Chairman and Managing Director
 DIN: 01723269


R. Anand
 Director
 DIN: 00243485


G. Srikanth
 Chief Financial Officer


K. Rangarajan
 Chief Executive Officer


B. Shalini
 Company Secretary
 ACS: A51334

Place : Chennai
 Date : May 28, 2021

Place : Chennai
 Date : May 28, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of **Five-Star Business Finance Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Five-Star Business Finance Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters	How our audit addressed the key audit matter
Impairment of Loans based on expected credit loss model	
Loans to customers represent a significant portion of the total assets of	Our audit procedures included the following:



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Key audit matters	How our audit addressed the key audit matter
<p>the Company. The Company has loans aggregating INR 520,529.65 lakhs as at March 31, 2022.</p> <p>As per the expected credit loss model of the Company developed in accordance with the principles set out in Ind-AS 109 on Financial Instruments, the Company is required to estimate the probability of loss / expected loss based on past experience and future considerations. This involves a significant degree of estimation and judgement, including determination of staging of financial assets; estimation of probability of defaults, loss given defaults, exposure at defaults; and forward-looking factors, micro and macro-economic factors, in estimating the expected credit losses.</p> <p>Additionally, having regard to the moratorium extended as part of restructuring packages announced by the Reserve Bank of India and other regulatory changes in asset classification, the Company has considered additional provision as part of its Expected Credit Loss provision on loans.</p> <p>Due to the significance of the amounts involved, judgments involved in classification of loans, relative complexity of various assumptions and estimates used, and other macro economic factors, this audit area is considered a key audit matter.</p>	<ul style="list-style-type: none"> ▶ We read and assessed the Company's Expected Credit Loss policy with reference to Ind-AS 109 and the credit loss framework approved by the Board of Directors as well as relevant regulatory guidelines and pronouncements in this regard. ▶ For expected credit loss provision against outstanding exposures classified across various stages, we obtained an understanding of the Company's provisioning methodology (including factors that affect the probability of default, loss given defaults and exposure at default; various forward looking, micro- and macro-economic factors), the underlying assumptions and the sufficiency of the data used by management, and tested the same on a sample basis. ▶ We performed tests of controls and test of details on a sample basis in respect of the staging of outstanding exposures, and other relevant data used in impairment computations prepared by management as compared to the Company's policy. ▶ Assessed the considerations applied by the management for staging of loans as Significant Increase in Credit Risk. ▶ We enquired with the management regarding significant judgments and estimates involved in the impairment computation and additional credit loss provisions having regard to macroeconomic environment, management overlay provision arising from the effects of the restructuring as per packages announced by the Reserve Bank of India, and evaluated the same. ▶ We tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets. ▶ Involved risk modelling experts for quantitative and qualitative back-testing of ECL model to assess reasonability of estimates used in ECL model. ▶ Assessed disclosures included in the financial statements in respect of expected credit losses, including the specific disclosures made with regard to the impact of COVID-19 on ECL estimation.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- † Obtain an understanding of internal control relevant to the audit in order to design audit procedures



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The financial statements of the Company for the year ended March 31, 2021, included in these financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those financial statements on May 28, 2021.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of these books;



- (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 35 to the financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 6, Note 14 and Note 19 to the financial statements;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 52 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 52 to the financial statements, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and



S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004



per **Bharath N S**
Partner
Membership Number: 210934
UDIN: 22210934AHWOMH8359
Place of Signature: Chennai
Date: April 27, 2022



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Five-Star Business Finance Limited (the "Company")

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i)(a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (i)(a)(B) The Company has maintained proper records showing full particulars of intangibles assets.
- (i)(b) All Property, Plant and Equipment were physically verified by the management in accordance with a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets.
- (i)(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 10 to the financial statements included in property, plant and equipment are held in the name of the Company.
- (i)(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.
- (i)(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii)(a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
- (ii)(b) As disclosed in note 17 to the financial statements, the Company has been sanctioned working capital limits in excess of rupees five crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.
- (iii)(a) The company's principle business is to give loans and is a registered NBFC, accordingly, reporting under clause (iii)(a) is not applicable.
- (iii)(b) During the year the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees to companies, firms, Limited Liability Partnerships or any other parties are not prejudicial to the Company's interest.
- (iii)(c) In respect of loans and advances in the nature of loans, granted by the Company as part of its business of providing loans to retail customers, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Having regard to the voluminous nature of loan transactions, it is not practicable to furnish entity-wise details of amounts, due date for repayment or receipt and the extent of delay (as suggested in the Guidance Note on CARO 2020, issued by the Institute of Chartered Accountants of India for reporting under this



clause) in this Annexure I, in respect of loans and advances which were not repaid / paid when they were due or were repaid / paid with a delay, in the normal course of lending business.

Further, except for those instances where there are delays or defaults in repayment of principal and / or interest as at the balance sheet date, in respect of which the Company has disclosed asset classification in note 6 to the financial statements in accordance with Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.

- (iii)(d) In respect of loans and advances in the nature of loans, the total amount overdue for more than ninety days as at March 31, 2022 and the details of the number of such cases, are disclosed in note 6 to the financial statements. In such instances, in our opinion, reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest.
- (iii)(e) The company's principle business is to give loans and is a registered NBFC, accordingly, reporting under clause (iii)(e) is not applicable.
- (iii)(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(ii)(f) of the Order is not applicable to the Company.
- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 of the Companies Act, 2013 are applicable and provisions of section 186 of the Companies Act, 2013 are not applicable to the Company and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.
- (vii)(a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (vii)(b) The following dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute:

Rs. In lakhs

Name of the statute	Nature of the dues	Amount (Rs)	Period to which the amount relates	Forum where the dispute is pending
Income-tax Act, 1961	Income-tax	6.74	AY 2006-07	Commissioner of Income-tax (Appeals)



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Income-tax Act, 1961	Income-tax	33.68	AY 2018-19	Commissioner of Income-tax (Appeals)
----------------------	------------	-------	------------	--------------------------------------

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix)(a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (ix)(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority
- (ix)(c) Based on the information and explanation given to us by the management, term loans were applied for the purpose for which the loans were obtained, though idle/surplus funds which were not required for immediate utilization have been gainfully invested in liquid assets payable on demand..
- (ix)(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (ix)(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (ix)(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- (x)(a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (x)(b) The Company has complied with provisions of sections 42 and 62 of the Companies Act, 2013 in respect of the preferential allotment or private placement of shares/ fully or partially or optionally convertible debentures respectively during the year. The funds raised, have been used for the purposes for which the funds were raised.
- (xi)(a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (xi)(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (xi)(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv)(a) The Company has an internal audit system commensurate with the size and nature of its business.
- (xiv)(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi)(a) The Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934)
- (xvi)(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (xvi)(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvi)(d) There are no other Companies part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current or immediately preceding financial year.
- (xviii) The previous statutory auditors of the Company have resigned during the year pursuant to the requirements of the Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021, issued by the Reserve Bank of India, and there are no issues, objections or concerns raised by the outgoing auditors.
- (xix) On the basis of the financial ratios disclosed in note 48 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx)(a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 32.2 to the financial statements.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

(xx)(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 32.2 to the financial statements.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per **Bharath N S**

Partner

Membership Number: 210934

UDIN: 22210934AHWOMH8359

Place of Signature: Chennai

Date: April 27, 2022



ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF FIVE-STAR BUSINESS FINANCE LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Five-Star Business Finance Limited (the "Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these financial statements.

Meaning of Internal Financial Controls with Reference to these Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Bharath N S

Partner

Membership Number: 210934

UDIN: 22210934AHWOMH8359

Place of Signature: Chennai

Date: April 27, 2022



Five-Star Business Finance Limited
Balance Sheet as at March 31, 2022
 (All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Financial assets			
Cash and cash equivalents	4	61,316.28	1,26,718.28
Bank balances other than cash and cash equivalents	5	26,677.50	8,853.99
Loans	6	5,10,241.07	4,35,874.94
Investments	7	24,818.38	-
Other financial assets	8	1,797.93	474.34
		6,24,851.16	5,71,921.55
Non-financial assets			
Current tax assets (net)	9	220.07	795.79
Deferred tax assets (net)	37	4,666.74	3,698.94
Investment property	10	3.56	3.56
Property, plant and equipment	12	1,214.45	845.60
Right of use asset	38	1,978.10	1,452.63
Other intangible assets	13	88.74	190.30
Other non-financial assets	11	1,283.79	452.77
		9,455.40	7,439.89
Total Assets		6,34,306.56	5,79,361.44
LIABILITIES AND EQUITY			
Financial Liabilities			
Derivative financial instruments	14	138.92	-
Payables			
Trade payables			
Total outstanding dues of micro and small enterprises			
Total outstanding dues of creditors other than micro and small enterprises	15	1,300.31	867.17
Debt securities	16	1,00,853.38	1,30,378.55
Borrowings (other than debt securities)	17	1,55,029.75	2,12,141.12
Other financial liabilities	18	4,146.84	1,717.01
		2,61,069.20	3,45,103.85
Non-financial liabilities			
Provisions	19	900.03	719.80
Other non-financial liabilities	20	902.23	1,720.27
		1,802.26	2,440.07
Equity			
Equity share capital	21	2,913.43	2,564.49
Other equity	22	3,68,121.67	3,29,252.73
		3,71,035.10	3,31,817.22
Total Liabilities and Equity		6,34,306.56	5,79,361.44

Significant accounting policies
 The accompanying notes are integral part of the financial statements

2 and 3

As per our report of even date
 for S.R. Batliboi & Associates LLP
 Chartered Accountants
 ICAI Firm registration number: 101049W/E300004


 per Bharath N S
 Membership No: 210934



Place: Chennai
 Date: April 27, 2022

For and on behalf of the Board of Directors of
Five-Star Business Finance Limited
 CIN : U6599(TN1984PLC010844


 D Lakshminarayana
 Chairman and Managing Director
 DIN: 01723269


 R Anand
 Independent Director
 DIN: 0043485


 G Srikanth
 Chief Financial Officer


 K Ranganarajan
 Chief Executive Officer


 B Shalini
 Company Secretary
 ACS: A51334

Place: Chennai
 Date: April 27, 2022

Five-Star Business Finance Limited
Statement of Profit and loss for the year ended March 31, 2022
 (All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	Note	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations			
Interest income	23	1,20,376.55	1,01,487.58
Fee income	24	2,939.60	2,167.61
Net gain on fair value changes	25	2,090.21	1,319.03
Total revenue from operations (I)		1,25,406.36	1,04,974.22
Other income (II)	26	210.56	151.25
Total income (III) = (I) + (II)		1,25,616.92	1,05,125.47
Expenses			
Finance costs	27	30,060.00	32,519.12
Fee expenses	28	-	266.83
Impairment on financial instruments	29	4,551.81	3,517.57
Employee benefits expense	30	23,611.52	16,271.78
Depreciation and amortisation	31	1,224.47	1,138.39
Other expenses	32	5,748.21	3,607.70
Total Expenses (IV)		65,196.01	67,481.39
Profit before tax (V) = (III) - (IV)		60,420.91	47,644.08
Tax expense (VI)			
Current tax	33	15,959.12	12,594.12
Deferred tax (net)	37	(892.66)	(849.48)
		15,066.46	11,744.64
Profit for the year (A) = (V) - (VI)		45,354.45	35,899.44
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurements of the defined benefit plan		(171.63)	(105.27)
Income Tax impact		43.20	26.49
		(128.43)	(78.78)
Items that will be reclassified subsequently to profit or loss			
Cash Flow Hedge Reserve		(126.92)	-
Income Tax impact		31.94	-
		(94.98)	-
Other comprehensive income/ (loss) out of tax for the year (B)		(223.41)	(78.78)
Total comprehensive income net of tax for the year (A) + (B)		45,131.04	35,820.66
Earnings per equity share (Face value Rs.1 each)			
Basic (in rupees)	39	16.09	14.01
Diluted (in rupees)		15.92	13.61

Significant accounting policies

2 and 3

The accompanying notes are integral part of the financial statements

As per our report of even date
 For S.R. Balakrishna & Associates LLP
 Chartered Accountants
 ICAI Firm registration number: 101049W/E300004

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


 per Bharath N S
 Membership No: 210934




 P. Eadshripathy
 Chairman and Managing Director
 DIN: 01723269


 R Anand
 Independent Director
 DIN: 00243485


 G Srinivas
 Chief Financial Officer


 K Rangarajan
 Chief Executive Officer


 B Shalini
 Company Secretary
 ACS: A51334

Place : Chennai
 Date : April 27, 2022

Place : Chennai
 Date : April 27, 2022

Five-Star Business Finance Limited
Statement of Cash Flows for the year ended March 31, 2022
 (All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A. Cash Flow from Operating Activities		
Net profit before tax	60,420.91	47,644.68
Adjustments for:		
Depreciation and amortisation	1,224.47	1,138.39
Impairment on financial instruments	4,551.80	3,517.57
Loss on sale/retirement of property, plant and equipment (net)	1.32	2.32
Profit on sale of current investment (net)	(2,090.21)	(1,319.63)
Interest income on deposits with banks / others	(2,783.35)	(1,937.47)
Interest on loans	(1,17,673.20)	(99,556.11)
Finance costs	36,066.00	32,785.95
Gain recognised on derecognition of leases	(21.73)	(42.32)
Employee stock option expenses	3,544.18	1,509.39
Operating cash flow before working capital changes	(22,685.81)	(16,251.23)
Changes in Working Capital:		
<i>Adjustments for (Increase) / Decrease in Operating Assets:</i>		
Loans	(77,227.15)	(55,972.13)
Other non-financial assets	(830.97)	95.85
Other financial assets	(1,323.59)	50.22
<i>Adjustments for (Increase) / (Decrease) in Operating Liabilities:</i>		
Trade payables	453.14	204.76
Provisions	8.60	36.92
Other financial liabilities	1,845.80	(859.70)
Other non-financial liabilities	(818.05)	1,189.72
Net cash (used in) operations	(1,00,297.97)	(71,545.55)
Finance cost paid	(27,395.14)	(30,362.09)
Interest income received	1,15,660.55	99,210.18
Direct taxes paid (net)	(15,383.41)	(13,029.26)
Net Cash Used in Operating Activities (A)	(27,715.97)	(13,726.76)
B. Cash Flow from Investing Activities		
Purchase of fixed assets	(862.85)	(324.36)
Proceeds from sale of fixed assets	0.90	0.98
Profit on sale of current investments	2,090.21	1,319.03
(Purchase)/redemption of investments (Net)	(24,818.38)	-
Interest income on deposits with banks / others	2,155.27	1,778.77
Movement in bank balances other than cash and cash equivalents	(16,953.57)	7,439.65
Net Cash from / (used in) Investing Activities (B)	(38,388.42)	10,214.07
C. Cash Flow from Financing Activities		
Proceeds from issue of equity shares	348.94	6.28
Proceeds from securities premiums	90,363.87	22.83
Share Issue Expenses	(170.10)	0
Fresh Borrowings during the year	31,541.00	2,36,179.03
Repayment of Borrowings during the year	(1,20,830.40)	(1,32,452.53)
Payment towards loans (excluding interest)	(550.92)	(502.59)
Net Cash from Financing Activities (C)	702.39	1,63,283.02
Net Increase in Cash and Cash Equivalents [(A) + (B) + (C)]	(65,402.00)	97,740.33
Cash and Cash Equivalents at the beginning of the year	1,26,718.28	28,977.95
Cash and Cash Equivalents at the end of the year	61,316.28	1,26,718.28



Five-Star Business Finance Limited
 Statement of Cash Flows for the year ended March 31, 2022
 (All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	As at	
	March 31, 2022	March 31, 2021
Notes		
1 Cash and cash equivalents		
Cash on hand	504.00	425.85
Balances with banks		
(i) In current accounts	4,741.93	31,454.90
(ii) In deposit accounts (original maturity less than 3 months)	56,070.35	94,837.53
	61,316.28	1,26,718.28

Significant accounting policies

2 and 3

The accompanying notes are integral part of the financial statements

As per our report of even date

for S.R. Baliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

For and on behalf of the Board of Directors of

Five-Star Business Finance Limited

CIN : U65991TN1984PLC010844


 per Bharath N S
 Membership No: 210934




 B Lakshminarayana
 Chairman and Managing Director
 DIN: 01722069


 R Anand
 Independent Director
 DIN: 00245485


 G Srikanth
 Chief Financial Officer


 K Rangarajan
 Chief Executive Officer


 B Shalini
 Company Secretary
 ACS: A51334

Place : Chennai
 Date : April 27, 2022

Place : Chennai
 Date : April 27, 2022

INDEPENDENT AUDITOR'S REPORT
To the Members of Five-Star Business Finance Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Five-Star Business Finance Limited (the "Company"), which comprise the Balance sheet as at March 31 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Key audit matters	How our audit addressed the key audit matter
Impairment of Loans based on expected credit loss model (Refer Note 6 of the financial statements)	
<p>Loans to customers represent a significant portion of the total assets of the Company. The Company has loans aggregating INR 693,325.45 lakhs as at March 31, 2023.</p> <p>As per the expected credit loss model of the Company developed in accordance with the principles set out in Ind-AS 109 on Financial Instruments, the Company is required to estimate the probability of loss / expected loss based on past experience and future considerations. This involves a significant degree of estimation and judgement, including determination of staging of financial assets; estimation of probability of defaults, loss given defaults, exposure at defaults; and forward-looking factors, micro and macro-economic factors, in estimating the expected credit losses.</p> <p>Additionally, regulatory changes on asset classification due to changes pursuant to RBI Circular dated November 12, 2021 read with RBI Circular February 15, 2022, have been collectively considered by the management in the classification / staging of financial assets including additional provision as part of its Expected Credit Loss provision on loans.</p> <p>In view of the high degree of management's judgement involved in estimation of ECL and the overall significance of the impairment loss allowance to the financial statements, it is considered as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Read and assessed the Company's accounting policies for impairment of financial assets considering the requirements of Ind AS 109 and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines. • Evaluated the management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction, validation and computation. • Assessed the criteria for staging of loans based on their past due status as per the requirements of Ind AS 109. Tested a sample of performing loans to assess whether any SICR or loss indicators were present requiring them to be classified under higher stages. • Involved internal experts for testing of the ECL model and computation, including factors that affect the PD, LGD and EAD considering various forward looking, micro and macro-economic factors. • Tested assumptions used by the management in determining the overlay for macro-economic and other factors. • Assessed disclosures included in the financial statements in respect of expected credit losses.

We have determined that there are no other key audit matters to communicate in our report.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Chairman's Message, Director's Report including annexures, Management Discussion and Analysis, Business Responsibility and Sustainability Report, Corporate Governance Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 35 to the financial statements;
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 6, Note 14 and Note 19 to the financial statements;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
- iv.
 - a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 49 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 49 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company;
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049WE300004



per **Bharath N S**
Partner
Membership Number: 210934
UDIN: 23210934BGYJLR8142
Place of Signature: Chennai
Date: May 9, 2023



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Five-Star Business Finance Limited (the "Company")

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i)(a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (i)(a)(B) The Company has maintained proper records showing full particulars of intangibles assets.
- (i) (b) All Property, Plant and Equipment were physically verified by the management in accordance with a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets.
- (i) (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 10 to the financial statements included in property, plant and equipment are held in the name of the Company.
- (i)(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.
- (i)(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii)(a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
- (ii)(b) As disclosed in note 17 to the financial statements, the Company has been sanctioned working capital limits in excess of rupees five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks are in agreement with the unaudited books of accounts of the Company. The Company do not have sanctioned working capital limits in excess of rupees five crores in aggregate from financial institutions during the year on the basis of security of current assets of the Company.
- (iii) (a) The company's principle business is to give loans and is a registered NBFC, accordingly, reporting under clause (iii)(a) is not applicable.
- (iii)(b) During the year the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans, investments and guarantees to companies, firms, Limited Liability Partnerships or any other parties are not prejudicial to the Company's interest.
- (iii)(c) In respect of loans and advances in the nature of loans, granted by the Company as part of its business of providing loans to customers, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Having regard to the voluminous nature of loan transactions, it is not practicable to furnish entity-wise details of amounts, due date for repayment or receipt and the extent of delay (as suggested in the Guidance Note on CARO 2020, issued by the Institute of Chartered Accountants of India for reporting under this clause), in respect of



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

loans and advances which were not repaid / paid when they were due or were repaid / paid with a delay, in the normal course of lending business.

Further, except in respect of 49,703 loans with aggregate exposure of principal and interest of Rs. 111,410.15 lakhs where there are delays or defaults in repayment of principal and / or interest as at the balance sheet date, in respect of which the Company has disclosed staging in note to the financial statements in accordance with Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.

- (iii)(d) In respect of loans and advances in the nature of loans, the total amount outstanding of loans classified as credit impaired ("Stage 3") is Rs. 9,393.85 lakhs in respect of 3,166 loans as at March 31, 2023, as disclosed in note 49 to the financial statements. In such instances, in our opinion, reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest.
- (iii)(e) The company's principle business is to give loans and is a registered NBFC, accordingly, reporting under clause (iii)(e) is not applicable.
- (iii)(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and sub-section (1) of Section 186 of the Act in respect of the loans and investments made and guarantees and security provided by it. The provisions of sub-sections (2) to (11) of Section 186 are not applicable to the Company as it is a non-banking financial company registered with the RBI engaged in the business of giving loans.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.
- (vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few instances in case of provident fund. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (vii) (b) The following dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute:



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Rs. In lakhs

Name of the statute	Nature of the dues	Amount (Rs)	Period to which the amount relates	Forum where the dispute is pending
Income-tax Act, 1961	Income-tax	6.74	AY 2006-07	Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Income-tax	33.68	AY 2018-19	Commissioner of Income-tax (Appeals)

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix)(a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (ix)(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority
- (ix)(c) Monies raised during the year by the Company by way of term loans has been applied for the purpose for which they were raised other than temporary deployment pending application of proceeds
- (ix)(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (ix)(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (ix)(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- (x)(a) During the year, the Company made an initial public offer of equity shares to the public through an offer for sale by existing shareholders which has not resulted in cash inflows into the Company. Accordingly, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (x)(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi)(a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (xi)(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (xi)(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Rs. In lakhs

Name of the statute	Nature of the dues	Amount (Rs)	Period to which the amount relates	Forum where the dispute is pending
Income-tax Act, 1961	Income-tax	6.74	AY 2006-07	Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Income-tax	33.68	AY 2018-19	Commissioner of Income-tax (Appeals)

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix)(a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (ix)(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority
- (ix)(c) Monies raised during the year by the Company by way of term loans has been applied for the purpose for which they were raised other than temporary deployment pending application of proceeds
- (ix)(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (ix)(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (ix)(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- (x)(a) During the year, the Company made an initial public offer of equity shares to the public through an offer for sale by existing shareholders which has not resulted in cash inflows into the Company. Accordingly, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (x)(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi)(a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (xi)(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (xi)(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- (xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv)(a) The Company has an internal audit system commensurate with the size and nature of its business.
- (xiv)(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi)(a) The Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934)
- (xvi)(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (xvi)(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvi)(d) There are no other Companies part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current or immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 50 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx)(a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 31.2 to the financial statements.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

(xx)(b) All amounts that are unspent under section (5) of section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance of with provisions of sub section (6) of section 135 of the said Act. This matter has been disclosed in note 31.2 to the financial statements.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049WE300004



per **Bharath N S**

Partner

Membership Number: 210934

UDIN: 23210934BGYJLR8142

Place of Signature: Chennai

Date: May 9, 2022



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF FIVE-STAR BUSINESS FINANCE LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls with reference to financial statements of Five-Star Business Finance Limited (the "Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these financial statements.

Meaning of Internal Financial Controls with Reference to these Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049WE300004



per Bharath N S
Partner
Membership Number: 210934
UDIN: 23210934BGYJLR8142
Place of Signature: Chennai
Date: May 9, 2023



Five-Star Business Finance Limited
Balance Sheet as at March 31, 2023

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
Financial Assets			
Cash and cash equivalents	4	1,34,035.80	61,316.28
Bank balances other than cash and cash equivalents	5	24,050.41	26,677.50
Loans	6	6,82,219.59	5,10,241.07
Investments	7	14,461.42	24,818.38
Derivative financial instruments	14	346.09	-
Other financial assets	8	3,212.42	1,797.93
Total Financial Assets		8,58,325.73	6,24,851.16
Non Financial Assets			
Current tax asset (Net)	9	193.57	220.07
Deferred tax asset (Net)	33	5,332.60	4,666.74
Investment property	10	3.56	3.56
Property, plant and equipment	12	1,543.01	1,214.45
Right of use asset	37	2,846.18	1,978.10
Other intangible assets	13	97.71	88.74
Other non-financial assets	11	1,940.43	1,283.74
Total Non Financial Assets		11,957.06	9,455.40
Total Assets		8,70,282.79	6,34,306.56
LIABILITIES AND EQUITY			
Financial Liabilities			
Derivative financial instruments	14	-	138.92
Payables			
Trade payables	15		
Total outstanding dues of micro and small enterprises			
Total outstanding dues of creditors other than micro and small		2,009.01	1,300.31
Debt securities	16	52,483.00	1,00,853.38
Borrowings (Other than debt securities)	17	3,72,244.91	1,55,029.75
Other financial liabilities	18	6,070.01	4,046.83
Total Financial Liabilities		4,32,806.93	2,61,369.19
Non-Financial Liabilities			
Current tax liabilities (Net)	9A	539.85	-
Provisions	19	1,158.17	900.03
Other non-financial liabilities	20	1,824.37	1,002.24
Total Non-Financial Liabilities		3,522.39	1,902.27
Total Liabilities		4,36,329.32	2,63,271.46
Equity			
Equity share capital	21	2,913.66	2,913.43
Other equity	22	4,31,039.81	3,68,121.67
Total Equity		4,33,953.47	3,71,035.10
Total Liabilities and Equity		8,70,282.79	6,34,306.56

Significant accounting policies

2 and 3

The accompanying notes are integral part of the financial statements

As per our report of even date
for S R Badilol & Associates LLP
Chartered Accountants
ICAI Firm Registration No: 101049W/ E300004



per Bharath N S
Membership No: 210934

Place : Chennai
Date : May 09, 2023



For and on behalf of the Board of Directors of
Five-Star Business Finance Limited
CIN: U65991TN1884PLC010844


D Lakshminipathy
Chairman and Managing Director
DIN: 01723269


G Srikanth
Chief Financial Officer

Place : Chennai
Date : May 09, 2023


K Rangarajan
Chief Executive Officer



R Anand
Independent Director
DIN: 00243485


B Shalini
Company Secretary
ACS: A51334

Five-Star Business Finance Limited
Statement of Profit and Loss for the year ended March 31, 2023
 (All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations			
Interest income	23	1,49,878.37	1,20,376.55
Fee income	24	1,375.89	2,939.60
Net gain on fair value changes	25	830.59	2,090.21
Total revenue from operations (I)		1,52,084.85	1,25,406.36
Other income (II)	26	807.90	210.56
Total Income (III) = (I) + (II)		1,52,892.75	1,25,616.92
Expenses			
Finance costs	27	26,625.10	30,060.00
Impairment on financial instruments	28	2,014.70	4,551.81
Employee benefits expenses	29	34,642.66	23,611.52
Depreciation and amortization	30	1,731.24	1,224.47
Other expenses	31	7,405.56	5,748.21
Total Expenses (IV)		72,419.26	65,196.01
Profit before tax (V) = (III) - (IV)		80,473.49	60,420.91
Tax expense			
Current tax	32	20,715.40	15,959.12
Deferred tax (net)	32	(591.52)	(892.66)
Total tax expenses (VI)		20,123.88	15,066.46
Profit for the year (A) = (V) - (VI)		60,349.61	45,354.45
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of the Defined Benefit Plan	40	(144.06)	(171.63)
Income tax relating to items that will not be reclassified to profit or loss	32.1	36.26	43.20
Net other comprehensive income / (deficit) not to be reclassified subsequently to profit or loss		(107.80)	(128.43)
Items that will be reclassified subsequently to profit or loss			
Net movement on effective portion of cashflow hedge	47	(151.28)	(126.92)
Income tax relating to items that will be reclassified to profit or loss	32.1	38.07	31.94
Net other comprehensive income / (deficit) to be reclassified subsequently to profit or loss		(113.21)	(94.98)
Other comprehensive income / (deficit) for the year, net of income tax (B)		(221.01)	(223.41)
Total comprehensive income for the year (A) + (B)		60,128.60	45,131.04
Earnings per equity share (face value Re.1 each)			
Basic (in rupees)		20.71	16.09
Diluted (in rupees)	38	20.49	15.92

Significant accounting policies 2 and 3
 The accompanying notes are integral part of the financial statements

As per our report of even date
 for S R Batliboi & Associates LLP
 Chartered Accountants
 ICAI Firm Registration No: 101049W/ E300004



per Bharath N S
 Membership No: 210934

Place : Chennai
 Date : May 09, 2023



For and on behalf of the Board of Directors of
Five-Star Business Finance Limited
 CIN: U65991TN0984PLC010844


D Lakshminpathy
 Chairman and Managing Director
 DIN: 01723269


G Srikanth
 Chief Financial Officer

Place : Chennai
 Date : May 09, 2023


K Rangarajan
 Chief Executive Officer


R Anand
 Independent Director
 DIN: 00243485


B Shalini
 Company Secretary
 ACS: A51334

Five-Star Business Finance Limited
Statement of Cashflows for the year ended March 31, 2023
(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cashflow from Operating Activities		
Profit Before Tax	80,473.49	60,420.91
Adjustments for:		
Interest income on loans	(1,46,303.00)	(1,17,673.21)
Interest income on deposit with banks/ others	(3,575.37)	(2,703.35)
Finance costs	26,625.10	30,060.00
Impairment on financial instruments	2,014.70	4,551.80
Depreciation and amortisation expense	1,731.24	1,224.47
Loss on sale/ retirement of property, plant and equipment (net)	2.83	1.32
Net gain on fair value changes on mutual fund investments	(830.59)	(2,090.21)
Gain recognised on derecognition of leases	(39.16)	(21.73)
Employee stock option expenses	2,764.19	3,544.18
Operating cash flow before working capital changes	(37,136.57)	(22,685.82)
Changes in working capital		
<i>Adjustment for (increase)/ decrease in operating assets</i>		
Loans	(1,77,196.71)	(77,227.15)
Other financial assets	(1,452.18)	(1,323.59)
Other non-financial assets	(656.69)	(830.97)
<i>Adjustment for increase/ (decrease) in operating liabilities</i>		
Trade payables	708.70	433.14
Provision	114.08	8.60
Other financial liabilities	1,150.45	1,845.86
Other non-financial liabilities	822.13	(818.05)
Net cash used in operations	(2,13,646.79)	(1,00,597.98)
Finance cost paid	(27,991.40)	(27,395.14)
Interest income received	1,49,506.49	1,15,660.55
Direct taxes paid (net)	(20,149.07)	(15,383.41)
Net cash used in operating activities (A)	(1,12,280.77)	(27,715.98)
Cashflow from investing activities		
Purchase of property plant and equipment	(1,213.40)	(862.85)
Proceeds from sale of property plant and equipment	1.78	0.90
(Purchase)/ redemption of mutual funds (net)	830.59	2,090.21
(Purchase)/ redemption of investments (net)	10,100.99	(24,818.38)
Interest income on deposit from banks/ others	3,314.01	2,155.27
Movement in bank balances other than cash & cash equivalents	3,144.40	(16,953.57)
Net cashflow from / (used in) investing activities (B)	16,178.37	(38,388.42)
Cashflow from financing activities		
Proceeds from issue of equity shares	0.23	348.94
Proceeds from securities premium (net off utilisation)	25.35	90,363.87
Share issue expenses	-	(170.10)
Proceeds from borrowings during the year	3,10,356.20	31,541.00
Repayment of borrowings during the year	(1,40,781.36)	(1,20,830.40)
Payment towards leases (excluding interest)	(778.50)	(550.92)
Net cashflow from financing activities (C)	1,68,821.92	702.40
Net increase / (decrease) in cash and cash equivalents [A + B + C]	72,719.52	(65,402.00)
Cash and cash equivalents at the beginning of the year	61,316.28	1,26,718.28
Cash and cash equivalents at the end of the year	1,34,035.80	61,316.28



Five-Star Business Finance Limited
Statement of Cashflows for the year ended March 31, 2023
 (All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Notes:

I. Components of Cash and Cash Equivalents

Notes	Particulars	As at 31 March 2023	As at 31 March 2022
I	Cash and cash equivalents		
	Cash on hand	585.33	504.00
	Balances with bank		
	(i) In current accounts	13,875.11	4,741.93
	(ii) In deposit accounts (original maturity less than 3 months)	1,19,575.36	56,070.35
		1,34,035.80	61,316.28

The accompanying notes are integral part of the financial statements

As per our report of even date
 for **S R Batliboi & Associates LLP**
 Chartered Accountants
 ICAI Firm Registration No: 101049W/ E300004



per **Bharath N S**
 Membership No: 210934

Place : Chennai
 Date : May 09, 2023



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



D Lakshmi pathy
 Chairman and Managing Director
 DIN: 01723269



R Anand
 Independent Director
 DIN: 00243485



G Srikanth
 Chief Financial Officer



K Rangarajan
 Chief Executive Officer

Place : Chennai
 Date : May 09, 2023


B Shalini
 Company Secretary
 ACS: A51334

Five-Star Business Finance Limited
Statement of Changes in Equity for the year ended March 31, 2023
 (All amounts are in Indian Rupees in lakhs, unless otherwise stated)

A Equity Share Capital

Particulars	Number of Shares	For the year ended March 31, 2023	Number of Shares	For the year ended March 31, 2022
Opening balance of equity shares of INR 1 each	29,13,43,120	2,913.43	2,71,90,741	2,564.49
Changes in equity share capital during the year				
Additional shares pursuant to share split issued during the year	-	-	24,47,16,669	-
Add: Issue during the year				
1 Fresh issue of equity shares	-	-	1,77,17,710	177.18
2 Issue of equity shares under employee stock option	23,000	0.23	17,18,000	17.18
3 Calling up unpaid capital	-	-	-	154.58
Closing balance	29,13,66,120	2,913.66	29,13,43,120	2,913.43

B Other equity

Particulars	Reserves and Surplus						Total
	Statutory Reserve	Securities Premium	Share option Outstanding Account	General Reserve	Retained Earnings	Effective portion of Cashflow Hedges	
Balance as at April 01, 2021	18,041.71	1,39,234.46	1,795.27	719.60	69,461.69	-	2,29,252.73
Premium received on shares issue during the year	-	90,363.86	-	-	-	-	90,363.86
Profit for the year	-	-	-	-	45,354.45	-	45,354.45
Other comprehensive income/ (deficit) for the year	-	-	-	-	-	(94.98)	(94.98)
Transfer to statutory reserve	9,070.89	-	-	-	(9,070.89)	-	-
Remeasurement of defined benefit plan	-	-	-	-	(128.43)	-	(128.43)
Share based payment expense for the year	-	-	3,544.18	-	-	-	3,544.18
Share issue expenses	-	(170.10)	-	-	-	-	(170.10)
Transfer to securities premium on exercise of ESOP	-	1,933.65	(1,933.65)	-	-	-	-
Balance as at March 31, 2022	27,112.60	2,31,361.87	3,405.80	719.60	1,05,616.78	(94.98)	3,68,121.67
Balance as at April 01, 2022	27,112.60	2,31,361.87	3,405.80	719.60	1,05,616.78	(94.98)	3,68,121.67
Premium received on shares issue during the year	-	25.35	-	-	-	-	25.35
Profit for the year	-	-	-	-	60,349.61	-	60,349.61
Other comprehensive income/ (deficit) for the year	-	-	-	-	-	(113.21)	(113.21)
Transfer to statutory reserve	12,069.92	-	-	-	(12,069.92)	-	-
Remeasurement of defined benefit plan	-	-	-	-	(107.80)	-	(107.80)
Share based payment expense for the year	-	-	2,764.19	-	-	-	2,764.19
Transfer to securities premium on exercise of ESOP	-	49.59	(49.59)	-	-	-	-
Balance as at March 31, 2023	39,182.52	2,31,436.81	6,120.40	719.60	1,53,788.67	(208.19)	4,31,039.81

The accompanying notes are integral part of the financial statements

As per our report of even date
 for S R Batliboi & Associates LLP
 Chartered Accountants
 ICAI Firm Registration No: 101049W/ E300004



per Bharath N S
 Membership No: 210934

Place : Chennai
 Date : May 09, 2023



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


D Lalithapathy
 Chairman and Managing Director
 DIN: 01723269


G Srinanth
 Chief Financial Officer

Place : Chennai
 Date : May 09, 2023


K Rangarajan
 Chief Executive Officer



R Anand
 Independent Director
 DIN: 00243485


B Shalini
 Company Secretary
 ACS: A51334

ANNEXURE II: CREDIT RATING LETTER



ICRA Limited

CONFIDENTIAL

ICRA/Five-Star Business Finance Limited/07062023/6

June 07, 2023

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

Dear Sir,

Re: ICRA assigned Credit Rating for Rs. 360.00 crore Non-Convertible Debenture (NCD) of Five-Star Business Finance Limited (instrument details in *Annexure*)

Please refer to your request dated June 07, 2023 for revalidating the rating letter issued for the captioned programme.

We confirm that the “[ICRA]AA-” (pronounced as ICRA double A minus) rating assigned to your captioned programme and last communicated to you vide our letter dated June 07, 2023 stands. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The outlook on the rating is Stable. The amount unutilized against this is Rs. 205.00 crore.

The other terms and conditions for the credit rating of the aforementioned instrument shall remain the same as communicated vide our letter Ref. No. ICRA/Five-Star Business Finance Limited/07062023/2 & ICRA/Five-Star Business Finance Limited/07062023/5 dated June 07, 2023.

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

With kind regards,

Yours sincerely,
For ICRA Limited

SRINIVASAN RANGASWAMY
Digitally signed by SRINIVASAN RANGASWAMY
Date: 2023.06.07 20:56:12 +05'30'

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

Building No. 8, 2nd Floor, Tower A
DLF Cyber City, Phase II
Gurgaon – 122002, Haryana

Tel.: +91 124 4545300
CIN : L74999DL1991PL0042740

Website: www.icra.in
Email: info@icraindia.com
Helpdesk: +91 9054738909

Registered Office: B-710, Statesman House, 148, Barakhamba Road, New Delhi 110001. Tel. +91 11 23557040-41

RATING • RESEARCH • INFORMATION



ICRA

ICRA Limited

Annexure

LIST OF INSTRUMENTS RATED

ISIN No	Instrument Name	Amount Rated (Rs. crore)	Rating
INE128S07366	NCD	30.00	[ICRA]AA-(Stable)
INE128S07424		15.00	
INE128S07432		15.00	
INE128S07440		25.00	
INE128S07507		70.00	
Unallocated		205.00	
Total		360.00	

Building No. 8, 2nd Floor, Tower A
DLF Cyber City, Phase II
Gurgaon - 122002, Haryana

Tel: +91 124 4545500
CIN : L74999DL1001PLC042740

Website: www.icra.in
Email: info@icraindia.com
Helpdesk: +91 9054758900

Registered Office: B-710, Statesman House, 148, Barakhamba Road, New Delhi 110001. Tel: +91 11 23557940-41

RATING • RESEARCH • INFORMATION

ANNEXURE III: CONSENT LETTER FROM THE DEBENTURE TRUSTEE

CATALYST
Believe in yourself... Trust us!



CL/DEB/23-24/287

Date: 02-Jun-2023

To,
Mr. Prashanth S,
Five-Star Business Finance Limited,
New No. 27, Old No. 4,
Taylors Road, Kilpauk,
Chennai Tamil Nadu,
India 600010.

Dear Sir/ Madam,

Re: Consent to act as a Debenture Trustee for Private Placement of Rated, Listed, Senior, Secured, Redeemable, Taxable, Transferable Non-Convertible Debentures aggregating to 200.00 Crores.

We refer to your e-mail dated 01.06.2023, requesting us to convey our consent to act as the Debenture Trustee for captioned issue of Debentures.

We hereby convey our acceptance to act as Debenture Trustees for the said issue Debentures, subject to execution of Debenture Trustee Agreement as per Regulation 13 of SEBI (Debenture Trustee) Regulations, 1993, thereby agreeing to execute Debenture Trust Deed and to create the security if applicable within the timeline as per relevant Laws / Regulations and in the Offer Document / Information Memorandum / Disclosure Document / Placement Memorandum and company agreeing / undertaking to comply with the provisions of SEBI (Debenture Trustee) Regulations, 1993, SEBI (Issue and Listing of Non-Convertible Securities) Regulations 2021, SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015, Companies Act, 2013 and Rules thereunder and other applicable laws as amended from time to time.

Fee Structure for the proposed transaction will be as per annexure A.

Assuring you of the best professional services.

Thanking you.
Yours Faithfully,

For Catalyst Trusteeship Limited

Name: Pankaj Kumar Rohilla

Designation: Manager

CATALYST TRUSTESHIP LIMITED

Mumbai Office Windsor, 8th Floor, 804, C.S.T. Road, Kalina, Santacruz (East), Mumbai 400 098 Tel: +91 (22) 4922 0655 Fax: +91 (22) 4922 0505
Regd. Office GDA House, Plot No. 85, Bhuvan Colony (Right), Paud Road, Pune 411 038 Tel: +91 (20) 66807200
Delhi Office Office No. 910, 8th Floor, Kallesh Building, 26, Kasturba Gandhi Marg, New Delhi - 110001 Tel: +91 (11) 430 2301/02.
CIN No. U74699PN1907PLCN0282 Email: ch@cttrustee.com Website: www.catalysttrustee.com

Pune | Mumbai | Bangalore | Delhi | Chennai | GIFT City | Kolkata



Annexure A

Fee Structure for transaction CL/DEB/23-24/287

PARTICULARS	AMOUNT
Acceptance fees (one-time, non-refundable, payable on our appointment)	₹ 100000.00
Annual Trusteeship Fees (Amount)	₹ 100000.00

Annual Trusteeship Fees are payable in advance each year from date of execution till termination of the transaction. Pro-rata charges would apply for the first year till FY end, as applicable.

The taxes on above fee structure are payable at applicable rates from time to time.

All out of pocket expenses incurred towards legal fees, travelling, inspection charges, etc shall be levied and reimbursed on actual basis.

Please return the second copy this letter duly signed by Authorized Officer from your company.

Yours Faithfully,

We accept the above terms.

For Catalyst Trusteeship Limited

For Five-Star Business Finance Limited

Name: Pankaj Kumar Rohilla

Name: SRIKANTH . G

Designation: Manager

Designation: Chief Financial Officer

CATALYST TRUSTEESHIP LIMITED

Mumbai Office Windsor, 6th Floor, 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai 400 098 Tel +91 (22) 4322 0555 Fax +91 (22) 4922 0505
 Regd. Office GDA House, Plot No. 85, Shyam Colony (Right), Peasd Road, Pune 411 035 Tel +91 (20) 66807200
 Delhi Office Office No. 810, 8th Floor, Kallesh Building, 26, Kasturba Gandhi Marg, New Delhi - 110001 Tel +91 (11) 430 2910/02.
 CIN No. U74999PH1997PLC190282 Email: ds@cttrustee.com Website: www.catalysttrustee.com

Pune | Mumbai | Bangalore | Delhi | Chennai | GIFT City | Kolkata

an IRB Group Company



ANNEXURE IV: BOARD RESOLUTION

Approval for issuance of Non-Convertible Debentures (NCDs) on private placement basis

RESOLVED THAT pursuant to sections 42, 71, 179 and all other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the provisions of the Issuance of Non-Convertible Debentures (Reserve Bank) Directions, 2010 (as amended from time to time) issued by the Reserve Bank of India (NCD Directions), the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (as amended from time to time) (Debt Listing Regulations), and other applicable provisions of the Companies Act, 2013, and in accordance with the Memorandum of Association and Articles of Association of the Company, and listing agreements to be entered into with BSE Limited and/ or NSE (Stock Exchange) where the non-convertible debentures of the Company are proposed to be listed, and subject to approvals, consents, sanctions, permissions as may be necessary from the Securities and Exchange Board of India (SEBI), the Stock Exchange, all other appropriate statutory and regulatory authorities, and subject to such conditions and modifications as may be prescribed by the respective statutory and/or regulatory authorities while granting such approvals, consents, sanctions, permissions and subject to such conditions or modifications which may be agreed to by the Board, and subject to the approval of the shareholders of the Company, the approval of the Board be and is hereby accorded for issue, offer and allotment of all kinds and types of non-convertible debentures aggregating upto Rs 4,000 Crores, on private placement basis.

RESOLVED FURTHER THAT the Business & Resource Committee be and is hereby authorized to do all such necessary acts and things as may be required to offer and allot the aforesaid debentures including the following:

- a. Identifying the potential subscribers / offerees for the debentures;
- b. Administer the entire debenture offer and allotment process;
- c. Determining the number of Debentures to be offered to the Offeree;
- d. To finalise and approve private placement offer letter in Form PAS 4;
- e. To finalise and approve record of private placement offers in Form PAS 5;
- f. Determining the consideration for the offer;
- g. To open/designate a separate bank account;
- h. To approve circulation of offer letter (PAS 4) to the offeree and to determine offer period;
- i. To do all acts, deeds and things to give effect to and complete the Debentures offer and allotment process;
- j. Finalizing the terms and conditions of the offer for private placements, and the letter of Offer to be sent to the subscriber, consideration/acceptance of the offers received from the subscriber;
- k. The allotment of the debentures in dematerialized form;
- l. Entering into necessary arrangements/agreements with Registrar & Share transfer agent and the depositories, namely, NSDL and/ or CDSL;
- m. Taking necessary steps for listing of the NCDs with stock exchanges;
- n. Finalizing and executing the transaction documents on behalf of the company including the debenture trust deed, trustee appointment letter, deed of hypothecation, information memorandum, any other document relating to the NCDs, etc.;
- o. Filing of necessary applications, forms, returns, documents with the Registrar of Companies, Registrar and Transfer Agent, Depositories, etc.;
- p. Affixing of the Common Seal of the Company to the stamped engrossment(s) of the Documents/Agreements and such other instruments for the aforesaid Transaction as may be

Five-Star Business Finance Limited

Registered Office : New No. 27, Old No. 4, Taylor's Road, Kilpauk, Chennai - 600 010.
Phone : 044 - 4610 6200, e-mail : info@fivestargroup.in, Website : www.fivestargroup.in
CIN : U65991TN1984PLC010844






- finalized by the Company in the presence of any one Director of the Company, CFO or CEO or Company Secretary who shall sign the same in token thereof;
- q. To delegate one or more of the powers vested in the Committee by the Board vide this resolution to any member of the Committee and to do all acts, deeds and things to give effect to and complete the debenture offer and allotment process.

RESOLVED FURTHER THAT each member of the Business & Resource Committee, be and is hereby authorized to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or desirable with regard to the offer and allotment of the above debentures and to finalise and execute all such deeds and documents as may be necessary or expedient including (i) signing the letter of offer /allotment, approving the allotment, and (ii) filing the return of allotment and other necessary forms with the Registrar of Companies, Registrar and Transfer Agent, Depositories, etc.

//Certified True Copy//


Shalini Baskaran
Company Secretary
Membership No. A51334



Five-Star Business Finance Limited

Registered Office : New No. 27, Old No. 4, Taylor's Road, Kilpauk, Chennai - 600 010.
Phone : 044 - 4610 6200, e-mail : info@fivestargroup.in, Website : www.fivestargroup.in
CIN : U65991TN1984PLC010844

ANNEXURE V: SHAREHOLDERS RESOLUTION



EXTRACT OF THE SPECIAL RESOLUTION PASSED AT THE EXTRA ORDINARY GENERAL MEETING OF THE COMPANY HELD ON THURSDAY, 22ND DAY OF APRIL, 2021 AT 11:00 AM THROUGH VIDEO CONFERENCING ("VC") / OTHER AUDIO VISUAL MEANS ("OAVM") AT THE REGISTERED OFFICE - NEW NO. 27, OLD NO.4, TAYLOR'S ROAD, KILPAUK, CHENNAI-600010

Fixing of borrowing limits for the Company

RESOLVED THAT pursuant to the provisions of section 180(1)(c) of the Companies Act, 2013 and other applicable provisions if any, or any other law for the time being in force (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force) and in terms of Articles of Association of the Company, the Company hereby accords its consent to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Business & Resource Committee or any such committee which the Board may constitute / authorize for this purpose) of the Company to borrow such sum or sums of moneys and for availing all kinds and types of loans, advances and credit / financing / debt facilities including issuance of all kinds of debentures / bonds and other debt instruments, from time to time, upto a sum of Rs 7000 Crores (Rupees Seven Thousand Crores only) outstanding at any point of time on account of principal, for and on behalf of the Company, from its bankers, other banks, Non-Banking Financial Companies (NBFCs), financial institutions, companies, firms, bodies corporate, Cooperative Banks, investment institutions and their subsidiaries, mutual funds, trusts, or from any other person as may be permitted under applicable laws, whether unsecured or secured.

RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to include the Business & Resource Committee and any such Committee which the Board may constitute/authorize for this purpose) be and is hereby authorized and empowered to arrange, negotiate or settle the terms and conditions on which all such loans, advances, financing and credit facilities including debentures and other debt instruments are to be borrowed / availed / issued from time to time, as to interest, repayment, security or otherwise howsoever as it may think fit and to take all such steps as may be necessary to give effect to this resolution.

//Certified True Copy//



Shalini Baskaran
Company Secretary
Membership No: A51334



Five-Star Business Finance Limited

Registered Office : New No. 27, Old No. 4, Taylor's Road, Kilpauk, Chennai - 600 010.
Phone : 044 - 4610 6200, e-mail : info@fivestargroup.in, Website : www.fivestargroup.in
CIN : U65991TN1984PLC010844

Statement pursuant to section 102(1) of The Companies Act, 2013 ("the Act") setting out all material facts relating to the special business to be transacted at the EGM is detailed hereunder:

Fixing of borrowing limits for the Company

In terms of provisions of section 180(1)(c) of the Companies Act, 2013, the Board of Directors of the Company cannot, except with the consent of the Company in a general meeting, borrow monies (together with the monies already borrowed by the Company) apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid-up capital and its free reserves, i.e. to say, reserves not set apart for any specific purpose.

The approval of the shareholders is being sought to retain the limit of outstanding borrowings to Rs. 7000 Crores (with an increase in sub-limit for borrowings through Non-Convertible Debentures within this overall limit of upto Rs 4,000 Crores).

Since the borrowing limit as proposed in the special resolution appearing in item no. 6 of this notice, i.e. Rs. 7000 crores, is in excess of paid up capital and its free reserves, the proposal requires the approval of shareholders by means of a special resolution.

None of the Directors, Key Managerial Persons of the Company and their relatives are concerned or interested financially or otherwise in the resolution.

Accordingly, the Board recommends the adoption of the resolution as set out in item no. 6 of the Notice as special resolution.

//Certified True Copy//


Shalini B
Company Secretary
Membership No: A51334



Five-Star Business Finance Limited

Registered Office : New No. 27, Old No. 4, Taylor's Road, Kilpauk, Chennai - 600 010.
Phone : 044 - 4610 6200, e-mail : info@fivestargroup.in, Website : www.fivestargroup.in
CIN : U65991TN1984PLC010844

EXTRACT OF THE SPECIAL RESOLUTION PASSED AT THE EXTRA ORDINARY GENERAL MEETING OF THE COMPANY HELD ON THURSDAY, 22ND DAY OF APRIL, 2021 AT 11:00 AM THROUGH VIDEO CONFERENCING ("VC") / OTHER AUDIO VISUAL MEANS ("OAVM") AT THE REGISTERED OFFICE - NEW NO. 27, OLD NO.4, TAYLOR'S ROAD, KILPAUK, CHENNAI-600010

Creation of charges on the assets of the Company

RESOLVED THAT pursuant to the provisions of section 180(1)(a) of the Companies Act, 2013 and all other applicable provisions if any, or any other law for the time being in force (including any statutory modification or amendment(s) thereto or re-enactment(s) thereof for the time being in force) and in terms of Articles of Association of the Company, consent be and is hereby accorded to the Board of Directors of the Company (which term shall be deemed to include the Business & Resource Committee and any such Committee which the Board may constitute / authorize for this purpose) for mortgaging / charging / hypothecating all or any of the properties and assets of the Company both present and future and the whole or substantially the whole of the undertaking or the undertakings of the Company on such terms and conditions, as may be agreed to between the Board and Lender(s), Debenture holders and providers of credit and debt facilities to secure the loans / borrowings / credit / financing / debt facilities obtained or as may be obtained, or Debentures/Bonds and other debt instruments issued or to be issued by the Company to or in favour of the financial institutions, NBFCs, Co-operative Banks, investment institutions and their subsidiaries, its bankers and other banks, mutual funds, trusts and bodies corporate or trustees for the holders of debentures/bonds and/or other instruments, or any other person, which may exceed the paid-up capital and free reserves provided that the total amount of monies borrowed / credit / debt / financing facilities / monies raised by issuance of debentures / bonds / instruments and through all of the aforesaid means shall not at any time exceed a sum of Rs 7000 Crores (Rupees Seven Thousand Crores) outstanding at any point of time on account of principal.

RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to include the Business & Resource Committee and any such Committee which the Board may constitute/authorize for this purpose) be and is hereby authorized and empowered to arrange, negotiate or settle the terms and conditions on which all such mortgaging / charging / hypothecating / assigning all or any of the immovable and movable properties and assets of the Company, both present and future, and the whole or substantially the whole of the undertaking or the undertakings of the Company, from time to time, howsoever as it may think fit and to take all such steps as may be necessary to give effect to this resolution.

//Certified True Copy//

B. Shalini

Shalini B
Company Secretary
Membership No: A51334



Five-Star Business Finance Limited

Registered Office : New No. 27, Old No. 4, Taylor's Road, Kilpauk, Chennai - 600 010.
Phone : 044 - 4610 6200, e-mail : info@fivestargroup.in, Website : www.fivestargroup.in
CIN : U65991TN1984PLC010844

Statement pursuant to section 102(1) of The Companies Act, 2013 ("the Act") setting out all material facts relating to the special business to be transacted at the EGM is detailed hereunder:

Creation of charges on the assets of the Company

For creation of security through mortgage or pledge / or hypothecation or otherwise or through a combination of the same for securing the limits / credit / debt / financing facilities as may be availed by the Company, or funds raised by issuance of debentures / debt instruments, the Company would be required to secure all or any of the movable and immovable assets of the Company, present and future.

Section 180(1)(a) of the Companies Act, 2013, provides that the Board of Directors of a Company shall not, without the consent of members in general meeting, sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company. Hence, it is necessary for the members to pass a resolution under section 180(1)(a) of the Companies Act, 2013 authorizing the Board of Directors (which term shall be deemed to include the Business & Resource Committee and any such Committee which the Board may constitute/authorize for this purpose) to mortgage/ charge/ hypothecate / assign the assets, properties and/ or the whole or substantially the whole of the undertaking of the Company.

None of the Directors, Key Managerial Persons of the Company and their relatives are concerned or interested financially or otherwise in the above resolution.

Accordingly, the Board recommends the adoption of the resolution as set out in item no. 7 of the Notice as special resolution.

//Certified True Copy//



Shalini B
Company Secretary
Membership No: A51334



Five-Star Business Finance Limited

Registered Office : New No. 27, Old No. 4, Taylor's Road, Kilpauk, Chennai - 600 010.
Phone : 044 - 4610 6200, e-mail : info@fivestargroup.in, Website : www.fivestargroup.in
CIN : U65991TN1984PLC010844

EXTRACT OF THE SPECIAL RESOLUTION PASSED AT THE 38TH ANNUAL GENERAL MEETING OF THE COMPANY HELD ON FRIDAY, SEPTEMBER 02, 2022 AT 10:30 AM AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT NEW NO.27, OLD NO.4, TAYLOR'S ROAD, KILPAUK, CHENNAI 600010

Offer / invitation to subscribe to Non-Convertible Debentures (NCDs) on private placement basis

RESOLVED THAT pursuant to sections 42, 71, 179, 180 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules under the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the provisions of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (as amended from time to time), the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (as amended from time to time), and in accordance with the Memorandum of Association and Articles of Association of the Company, and listing agreements to be entered into with BSE Limited and / or National Stock Exchange of India Limited ("Stock Exchanges"), where the non-convertible debentures of the Company are proposed to be listed, and subject to approvals, consents, sanctions, permissions as may be necessary from the Securities and Exchange Board of India (SEBI), Stock Exchanges, all other appropriate statutory and regulatory authorities, approval of the members be and is hereby accorded to authorize the Board of Directors of the Company (which term shall be deemed to include the Business & Resource Committee and any such Committee which the Board may constitute/authorize for this purpose) to issue, offer or invite subscriptions for all kinds and types of Non-Convertible Debentures (NCDs), in one or more series / tranches, aggregating up to INR 4,000 Crores (Rupees Four Thousand Crores only), on private placement basis, on such terms and conditions as the Board of Directors of the Company may, from time to time, determine and consider proper and most beneficial to the Company including as to when the said NCDs are to be issued, the consideration for the issue, utilization of the issue proceeds and all matters connected therewith or incidental thereto.


RESOLVED FURTHER THAT the Board of Directors (which term shall be deemed to include the Business & Resource Committee and any such Committee which the Board may constitute/authorize for this purpose) be and is hereby instructed to act upon the resolution within a period of 12 months from the date of passing this resolution.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer or allotment of NCDs, the Board (which term shall be deemed to include the Business & Resource Committee and any such Committee which the Board may constitute/authorize for this purpose) be and is hereby authorized on behalf of the Company to take all such actions and do all such deeds, matters, and things as it may, in its absolute discretion, deem necessary, desirable or expedient and to settle any question, difficulties or doubts that may arise in this regard including but not limited to the offering and allotment of NCDs as it may in its absolute discretion deem fit and proper.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to the Business & Resource Committee or any Committee of Directors or any Director or Directors or to any officer or officers of the Company to give effect to this resolution.

RESOLVED FURTHER THAT any of the Directors and/or the Company Secretary of the Company is authorised to certify the true copy of the aforesaid resolutions and the same may be forwarded to any concerned authorities for necessary action.

//Certified True Copy//


Shalini Baskaran
Company Secretary
Membership No: A51334



Five-Star Business Finance Limited

Registered Office : New No. 27, Old No. 4, Taylor's Road, Kilpauk, Chennai - 600 010.
Phone : 044 - 4610 6200, e-mail : info@fivestargroup.in, Website : www.fivestargroup.in
CIN : U65991TN1984PLC010844



Business Finance Limited

Statement pursuant to section 102(1) of The Companies Act, 2013 ("the Act") setting out all material facts relating to the special business to be transacted at the AGM is detailed hereunder:

Offer / invitation to subscribe to Non-Convertible Debentures (NCDs) on private placement basis

As part of its fundraising plans, the Company proposes to issue NCDs aggregating upto INR 4,000 crores, on private placement basis as per the recommendation of the Board of Directors at their meeting held on May 12, 2022, to persons including but not limited to individuals, institutions, and bodies corporate, both domestic and non-domestic as may be identified by the Board of Directors or any Committee of the Board authorised in this behalf from time to time. The Company may offer or invite subscription for all kinds and types of NCDs including secured redeemable NCDs, in one or more series / tranches on private placement basis.

Pursuant to Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, in case of an offer or invitation to subscribe for Non - Convertible Debentures ("NCDs") on private placement basis, the Company has an option to obtain omnibus approval from its shareholders by means of a special resolution only once in a year for all the offers or invitations for such debentures during the year.


Accordingly, Omnibus approval of the members is sought for passing a Special Resolution as set out at item no. 4 of the Notice.

This resolution enables the Board of Directors of the Company to offer or invite subscription for NCDs, as may be required by the Company, from time to time for one year from the conclusion of this General Meeting.

None of the Directors, Key Managerial Persons of the Company and their relatives are concerned or interested financially or otherwise in the above resolution.

Accordingly, your directors recommend the Special Resolution in item no. 4 for your approval.

//Certified True Copy//


Shalini Baskaran
Company Secretary
Membership No: A51334



Five-Star Business Finance Limited

Registered Office : New No. 27, Old No. 4, Taylor's Road, Kilpauk, Chennai - 600 010.
Phone : 044 - 4610 6200, e-mail : info@fivestargroup.in, Website : www.fivestargroup.in
CIN : U65991TN1984PLC010844

ANNEXURE VI: DUE DILIGENCE CERTIFICATE FROM DEBENTURE TRUSTEE

CATALYST
Believe in yourself... Trust us!



CTL/ 23-24/01070

(Annexure II A)

DUE DILIGENCE CERTIFICATE TO BE GIVEN BY THE DEBENTURE TRUSTEE AT THE TIME OF FILING THE DRAFT OFFER DOCUMENT OR PRIVATE PLACEMENT MEMORANDUM/ INFORMATION MEMORANDUM (Applicable for Secured and Unsecured Issuances)

To,
The Manager,
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai- 400001.

Dear Sir / Madam,

SUB.: ISSUE OF 20,000 SENIOR, SECURED, UNSUBORDINATED, RATED, LISTED, TRANSFERABLE, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE INR 1,00,000/- (RUPEES ONE LAKH ONLY) EACH AGGREGATING TO RS.200 CRORES (RUPEES TWO HUNDRED CRORES ONLY) INCLUDING GREEN SHOE OPTION OF Rs. 100 CRORES BY FIVE STAR BUSINESS FINANCE LIMITED ON PRIVATE PLACEMENT BASIS.

We, the debenture trustee(s) to the above-mentioned forthcoming Issue state as follows:

- 1) We have examined documents pertaining to the said issue and other such relevant documents, reports and certifications.
- 2) On the basis of such examination and of the discussions with the Issuer, its directors and other officers, other agencies and on independent verification of the various relevant documents, reports and certifications:

We confirm that:

- a) The Issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued and listed.
- b) The Issuer has obtained the permissions / consents necessary for creating security on the said property(ies).
- c) The Issuer has made all the relevant disclosures about the security and its continued obligations towards the holders of debt securities.
- d) Issuer has adequately disclosed all consents/ permissions required for creation of further charge on assets in offer document or private placement memorandum/ information memorandum and all disclosures made in the offer document or private placement memorandum/ information memorandum with respect to creation of security are in confirmation with the clauses of debenture trustee agreement.
- e) Issuer has given an undertaking that charge shall be created in favour of debenture trustee as per terms of issue before filing of listing application.

CATALYST TRUSTEESHIP LIMITED INCORPORATED IN INDIA
Mumbai Office: Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalfra, Santacruz (East), Mumbai-400 090 Tel: +91 (022) 4822 0505 Fax: +91 (022) 4822 0505
Regd. Office: CDA House, Plot No. 85, Bhamburda Colony (Right), Paud Road, Pune-411 030 Tel: +91 (020) 25260081 Fax: +91 (020) 25260275
Delhi Office: Office No. 810, 8th Floor, Kalkaji Building, 26, Kasturba Gandhi Marg, New Delhi - 110001 Tel: 11 430 29101/02.
CIN No. U74999MH9999PLC99262 Email: dt@ctltrustee.com Website: www.catalysttrustee.com
Pune | Mumbai | Bengaluru | Delhi | Chennai

As ISO9001 Company



- f) Issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc.), offer document or private placement memorandum/ information memorandum and given an undertaking that debenture trust deed would be executed before filing of listing application.

- g) All disclosures made in the draft offer document or private placement memorandum/ information memorandum with respect to the debt securities are true, fair and adequate to enable the investors to make a well-informed decision as to the investment in the proposed issue.

We have satisfied ourselves about the ability of the Issuer to service the debt securities.

Place: Mumbai

Date: June 08, 2023

For Catalyst Trustee Limited

For CATALYST TRUSTEE LIMITED



Kalyani Pandey
Authorized Signatory

Ms. Kalyani Pandey
Compliance Officer

CATALYST TRUSTEESHIP LIMITED FORMERLY CDA TRUSTEESHIP LIMITED

An ISO9001 Company

Mumbai Office Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai 400 030 Tel +91 (022) 4922 0555 Fax +91 (022) 4922 0505
Regd. Office CDA House, Plot No. 85, Bhamburda Colony (Right), Paud Road, Pune 411 030 Tel +91 (020) 25280001 Fax +91 (020) 25280275
Delhi Office Office No. 810, 8th Floor, Kalash Building, 26, Kasturba Gandhi Marg, New Delhi - 110001 Tel 11 430 29101/02.
CIN No. U74999PN9999PLC99262 Email dt@ctstrustee.com Website www.catalysttrustee.com
Pune | Mumbai | Bengaluru | Delhi | Chennai



**ANNEXURE VII: UNDERTAKING PURSUANT TO REGULATION 43 (2) OF THE SEBI NCS
REGAULTIONS**

Undertaking on Creation of Security

The Issuer hereby undertakes that the assets on which charge is proposed to be created as security for the Debentures are free from any encumbrances. The Issuer further undertakes that the charge proposed to be created is a first ranking exclusive charge and therefore no permission or consent to create a second or pari-passu charge on the assets of the Issuer is required to be obtained from any creditor (whether or not existing) of the Issuer.

For Five-Star Business Finance Limited

Authorised Signatory

Name: Mr. G Srikanth

Title: Chief Financial Officer

Date: June 12, 2023

ANNEXURE IX- TRANSACTION DOCUMENTS

The list of documents which has been executed in connection with the issue and subscription of debt securities shall be annexed.

Including but not limited to the following documents:

1. Debenture Trust Deed
2. Information Memorandum
3. Debenture Trustee Appointment Agreement;
4. Deed of Hypothecation;
5. Term Sheet;
6. Board and Shareholders Resolution authorising the Issue; and

Any other documentation as may be desired by the Debenture Trustee and mutually agreed with Issuer

ANNEXURE IX: APPLICATION FORM
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, Taylor's Road, Kilpauk, Chennai - 600010
Telephone No: 044- 46106200 Website: www.fivestargroup.in

DEBENTURE APPLICATION FORM SERIAL NO.																				
---------------------------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Issue of Rated, Listed, Senior, Secured, Redeemable, Non-Convertible Debentures

DEBENTURE APPLIED FOR: Number of Debentures: _____ In words: _____ only Amount Rs. _____ In words Rupees: _____

DETAILS OF PAYMENT: Cheque / Demand Draft / RTGS No. _____ Drawn on _____ Funds transferred to Five Star Business Finance Limited Dated _____ Total Amount Enclosed (In Figures) Rs. _____ /- (In words) _____ Only

APPLICANT'S NAME IN FULL (CAPITALS)
SIGNATURE

SPECIMEN

--	--

APPLICANT'S ADDRESS

ADDRESS					
STREET					
CITY					
PIN		PHONE		FAX	
EMAIL					

APPLICANT'S PAN/GIR NO. _____ IT CIRCLE/WARD/DISTRICT ____ WE ARE () COMPANY () OTHERS
 () SPECIFY _____

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

Name of the Authorised Signatory(ies)	Designation	Signature

Applicant's Signature:

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

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

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

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

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

We understand that: i) in case of allotment of Debentures to us, our Beneficiary Account as mentioned above would get credited to the extent of allotted Debentures, ii) we must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with our Depository Participant, iii) if the names of the Applicant in this application are not identical and also not in the same order as the Beneficiary Account details with the above mentioned Depository Participant or if the Debentures cannot be credited to our

Beneficiary Account for any reason whatsoever, the Company shall be entitled at its sole discretion to reject the application or issue the Debentures in physical form.

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

Applicant's

Signature

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

(Note : Cheque and Drafts are subject to realisation)

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

ACKNOWLEDGMENT SLIP

(To be filled in by Applicant) SERIAL NO.									
-------------------------------------------	--	--	--	--	--	--	--	--	--

Received from _____

Address _____	

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

INSTRUCTIONS

1. Application form must be completed in full, IN ENGLISH.
2. Signatures must be made in English or in any of the Indian languages. Thumb Impressions must be attested by an authorized official of the Bank or by a Magistrate/Notary Public under his/her official seal.
3. Application form, duly completed in all respects, must be submitted with the respective Collecting Bankers.

	[•]	[•]	[•]
Beneficiary Name	[•]	[•]	[•]
Account Number	[•]	[•]	[•]
IFSC Code	[•]	[•]	[•]
Mode	[•]	[•]	[•]

The Company undertakes that the application money deposited in the above-mentioned bank account shall not be utilized for any purpose other than

- a) for adjustment against allotment of securities; or
- b) for the repayment of monies where the company is unable to allot securities.

4. Receipt of applicants will be acknowledged by the Company in the "Acknowledgement Slip" appearing below the application form. No separate receipt will be issued.
5. All applicants should mention their Permanent Account No. or their GIR No. allotted under Income Tax Act, 1961 and the Income Tax Circle/Ward/District. In case where neither the PAN nor the GIR No. has been allotted, the fact of non-allotment should be mentioned in the application form in the space provided. Income Tax as applicable will be deducted at source at the time of payment of interest including interest payable on application money.
6. The application would be accepted as per the terms of the manner outlined in the transaction documents for the private placement.

ANNEXURE X- ILLUSTRATION OF CASH FLOW

Company	FIVE STAR BUSINESS FINANCE LIMITED (the "Issuer")
Tenure	1297 days from Deemed Date of Allotment
Face Value	Rs. 1,00,000/-
Issue Price	Rs. 1,00,000/-
Date of Allotment	15 June 2023
Final Redemption Date	15 December 2026
Coupon Rate	Coupon shall be payable annually (as set out below) at 9.20% per annum
Frequency of the interest payment with specified dates	Coupon will be paid on 15 th December 2023 and annually thereafter as set out below 15 December 2023 15 December 2024 15 December 2025 15 December 2026
Day count Convention	Actual / Actual

Interest Payment Date/Redemption Date	No. of days	Amount payable per Debentures (in Rupees)	Payment Type
15 December 2023	183	4562.47	Interest
15 December 2024	366	9100.00	Interest
15 December 2025	365	9100.00	Interest
15 December 2026	365	9100.00	Interest
15 December 2026	1279	1,00,000	Redemption Amount per Debenture (Face Value)
	1279	1,31,826.47	

ANNEXURE XI- DECLARATION OF PROMOTER

We/ hereby declare that the that the Permanent Account Number, Aadhaar Number, Driving License Number, Bank Account Number(s) and Passport Number of the promoters and Permanent Account Number of directors have been submitted to the stock exchanges on which the nonconvertible securities are proposed to be listed.

LAKSHMIPATHY DEENADAYALAN

ANNEXURE XII- PAS 4

Addressed to:

Serial No:

June 12, 2023



Pursuant to Section 42 and Rule 14 (1) of Companies (Prospectus and Allotment of Securities) Rules, 2014

ISSUE OF UPTO 20,000 SENIOR, SECURED, UNSUBORDINATED, RATED, LISTED, TRANSFERABLE, REDEEMABLE, NON-CONVERTIBLE DEBENTURES EACH HAVING A FACE VALUE OF INR 1,00,000 (INDIAN RUPEES ONE LAKH ONLY) AGGREGATING TO INR 200,00,00,000 (RUPEES TWO HUNDRED CRORES ONLY) (“**DEBENTURES**”) COMPRISING OF BASE ISSUE OF 10,000 RATED, LISTED, SENIOR, SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF RS.1,00,000 (INDIAN RUPEES ONE LAKHS ONLY) EACH, AGGREGATING TO RS.100,00,00,000 (INDIAN RUPEES ONE HUNDRED CRORES ONLY), (“**BASE ISSUE**”) AND GREEN SHOE OPTION OF 10,000 RATED, LISTED, SENIOR, SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF RS.1,00,000 (INDIAN RUPEES ONE LAKHS ONLY) EACH, AGGREGATING TO RS.100,00,00,000 (INDIAN RUPEES ONE HUNDRED CRORES ONLY), (“**GREEN SHOE OPTION**”) BY WAY OF A PRIVATE PLACEMENT (THE “**ISSUE**”), BY FIVE-STAR BUSINESS FINANCE LIMITED (THE “**COMPANY**” OR “**ISSUER**”).

PART A

(To be filled in by the Company/ Issuer)

THIS OFFER LETTER IS AN OFFER IN RESPECT OF ISSUE OF 20,000 RATED, LISTED, SENIOR, SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES (“DEBENTURE(S)” OR “NCD(S)”) OF FACE VALUE OF RS.1,00,000 (INDIAN RUPEES ONE LAKHS ONLY) EACH, AGGREGATING TO RS.200,00,00,000 (INDIAN RUPEES TWO HUNDRED NINE CRORES ONLY), BY WAY OF A PRIVATE PLACEMENT (THE “ISSUE”), BY FIVE-STAR BUSINESS FINANCE LIMITED (THE “COMPANY” OR “ISSUER”) COMPRISING OF BASE ISSUE OF 10,000 RATED, LISTED, SENIOR, SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF RS.1,00,000 (INDIAN RUPEES ONE LAKHS ONLY) EACH, AGGREGATING TO RS.100,00,00,000 (INDIAN RUPEES ONE HUNDRED CRORES ONLY), (“BASE ISSUE”) AND GREEN SHOE OPTION OF 10,000 RATED, LISTED, SENIOR, SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF RS.1,00,000 (INDIAN RUPEES ONE LAKHS ONLY) EACH, AGGREGATING TO RS.100,00,00,000 (INDIAN RUPEES ONE HUNDRED CRORES ONLY), (“GREEN SHOE OPTION”) BY WAY OF A PRIVATE PLACEMENT (THE “ISSUE”), BY FIVE-STAR BUSINESS FINANCE LIMITED (THE “COMPANY” OR “ISSUER”).

General Information:

- a. **Name, address, website and other contact details of the Company, indicating both registered office and the corporate office:**

Issuer / Company: FIVE-STAR BUSINESS FINANCE LIMITED

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

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

Telephone No: 044-4610 6200

Website: www.fivestargroup.in

Contact Person: Ms. Shalini Baskaran

Email: secretary@fivestargroup.in

Corporate Identity Number: U65991TN1984PLC010844

Date of incorporation of the Company: May 07, 1984

b. Business carried on by the Company and its subsidiaries with the details of branches or units, if any.

- Established in 1984, Five-Star Business Finance Limited is a Systemically Important Non-Deposit taking Non-Banking Finance Company (NBFC-ND-SI).
- The equity shares of the company are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).
- The company is currently managed by Mr.D.Lakshmiopathy who joined the Board of the company in 2002 and is currently the Managing Director.
- As at March 31, 2023, Five-Star operated 373 branches in 8 states – Tamil Nadu (106 branches; including 2 in Puducherry), Andhra Pradesh (121 branches), Telangana (59 branches), Karnataka (33 branches), Maharashtra (6 branches), Madhya Pradesh (44 branches), Chhattisgarh (3 branches) and Uttar Pradesh (1 branch) - with a borrower base of about 2.7 lakh customers and a total portfolio under management of more than Rs.6,200 Crores.
- The company provides secured financial solutions – primarily “small” business loans - to micro-entrepreneurs and self-employed individuals who are largely ignored by the formal financial ecosystem, predominantly in urban and semi-urban markets. **All the 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 mainly to small businessmen engaged predominantly in service-oriented businesses with loans ranging from Rs.1 Lakh to Rs.10 Lakh and Average Loan Ticket Size of about Rs.3.50 Lakhs and tenor of upto 7 years.
- The company follows low Loan to Value (LTV) and Debt Burden Ratio (DBR) norms of 50% at the time of origination, which ensure that the loan is more than adequately provided for during the tenure of the loan.
- Smaller ticket sizes, longer tenors, lower EMIs and significant emotional attachment to collateral ensure that borrowers accord high priority to repayment and very low delinquencies.

Details of branches or units of the Company.

S.No	State	Name of the Branch	Branch Address
1	Andhra Pradesh	Adoni	1st floor, D.No.19-394, Opposite Bheemas Hotel, Fareed Saheb Mohalla, Adoni, Kurnool District, Andhra Pradesh - 518 301.
2	Andhra Pradesh	Amalapuram	2nd floor, D.No.5-3-84, Opposite Naga Surya Hospital, College Road, Amalapuram, East Godavari District, Andhra Pradesh - 533 201.
3	Andhra Pradesh	Anantapur	H.No.13-3-425, 13-3-426, 2nd Floor, Khaja Nagar, APSRTC Bus Stand Road, Anantapur, Andhra Pradesh - 515 001.

4	Andhra Pradesh	Bhimavaram	2nd floor, D.No.3-6-3, Town Railway Station Road, Bhimavaram, West Godavari District, Andhra Pradesh - 534 202.
5	Andhra Pradesh	Chirala	1st floor, 12-4-58,59, Muthyalapeta, Perala, Chirala, Prakasam District, Andhra Pradesh - 523 155.
6	Andhra Pradesh	Chittoor	1st Floor No:10-199, TMR Tower, 1st Floor, Gandhi Road, Chittoor-517 001
7	Andhra Pradesh	Dharmavaram	1st floor, VJP Complex, 16-333, Market Street, Dharmavaram, Andhra Pradesh - 515 671.
8	Andhra Pradesh	Dhone	1st Floor, D.No. 9-44, Near Axis Bank, KVS Colony, Ward No.9, Dhone, Kurnool District, Andhra Pradesh - 518 222.
9	Andhra Pradesh	Eluru	No.23-B-5-11/1, Venkataraoopeta School Road, R R Peta, Eluru, West Godavari 534 001
10	Andhra Pradesh	Gudiwada	D.No:15/232, 1st Floor, Opposite NTR Indoor Stadium, Near Indian Bank, Satyanarayanapuram, Gudiwada, Krishna District, Andhra Pradesh - 521 301.
11	Andhra Pradesh	Guntakkal	1st floor, D.No.8/37, Guntha Bavi Street, Revenue Ward No.3, Guntakal, Anantapur District, Andhra Pradesh - 515 801.
12	Andhra Pradesh	Guntur	1st floor, D.No.5/1, Arundelpeta, B.R.K.Complex, Guntur, Andhra Pradesh - 522 002.
13	Andhra Pradesh	Hindupur	2nd floor, 18-1-143, M.F.Road, Hindupur, Anantapur District, Andhra Pradesh - 515 201.
14	Andhra Pradesh	Jangareddy Gudem	No:18/110, Kontham Complex, Aswaraopet Road, Near Canara Bank, Jangareddygudem - 534 447
15	Andhra Pradesh	Kadapa	Old No: 7/108, New No.42/108, Second Floor, SVR complex, RTC Bus Stand Road, NGO Colony, Kadapa - 516 002.
16	Andhra Pradesh	Kadiri	1st Floor, D.No.657/2, Opposite Girls High School, Bypass Road, Kadiri, Andhra pradesh - 515 591
17	Andhra Pradesh	Kakinada	D.No:13-1-62, GSPR Towers, Main Road, Kakinada-533 002.
18	Andhra Pradesh	Kandukur	Satya Sai Complex, 2nd Floor, Opp.Ramalayam, Pamuru Road, Kandukur, Prakasam Dist - 523105.
19	Andhra Pradesh	Kurnool	D.No.40/581-A, S.V.Complex, 2nd floor, R.S.Road, Kurnool - 518 004.
20	Andhra Pradesh	Machilipatnam	No:7/29, 2nd Floor, Godugupetta, Machilipatnam Mandal, Krishna-521 001.
21	Andhra Pradesh	Madanapalli	2nd Floor, D.No.15-6-1, CTM Road, Madanapalle, Andhra Pradesh -517 325.

22	Andhra Pradesh	Naidupet	3-2-15, Bazar Street, Opposite Municipal Office, Above SBI, Naidupet, Andhra Pradesh - 524 126
23	Andhra Pradesh	Nandyal	2nd floor, H.No.25/577-1, Ramakrishna Degree College Arch, Srinivasa Nagar, Nandyal, Kurnool District, Aandhra Pradesh - 518 501.
24	Andhra Pradesh	Narasaraopet	2nd floor, D.No.9-7-42, Opposite IDBI Bank, Arundelpet, Narasaraopet Post, Guntur District, Andhra Pradesh - 522 601
25	Andhra Pradesh	Nellore I	No.16-3-245 2nd Floor, Trendset Towers, Ramalingapuram, Nellore, Andhra Pradesh - 524 002
26	Andhra Pradesh	Nuzvid	2nd floor, No.19-193, 19th Block, Dwaka Center, Opposite SBI Bank, Hanuman Junction Road, Nuzvid, Andhra Pradesh - 521 201.
27	Andhra Pradesh	Ongole	3rd Floor, A Block, Shop No.1, Gupthas Enclave, Near Satyam Theatre, 60 Feet Road, Ongole, Andhra Pradesh - 523 001.
28	Andhra Pradesh	Palamaner	1st Floor, Madanapalli Road, Opp Gundu Bhavi, Upstairs of Rajesh Multispeciality Hospital, Beside ICICI Bank, Palamaner, 517 408
29	Andhra Pradesh	Prodattur	No: 7/300, Second Floor, Prabhakar Reddy Complex, Shivalayam Street, Prodduttur, Kadapa - 516 360.
30	Andhra Pradesh	Rajahmundry	1st Floor, D.No. 86-26-13/1, Above SBI Bank, Tilak Road, V.L.Puram, Rajahmundry, East Godavari District, Andhra Pradesh - 533 103.
31	Andhra Pradesh	Rajampet	1st Floor, D.No. 6/1015, RS Road, Opposite Axis Bank, Behind Dhanlakshmi Bank, Rajampet, Andhra Pradesh - 516 115.
32	Andhra Pradesh	Samalkota	1st floor, D.No.17-4-18, Matam Center, Near Vigneswara Theatre, Peddapuram Road, Samalkota, East Godavari District, Andhra Pradesh - 533 440.
33	Andhra Pradesh	Srikakulam	2nd floor, 2-2-80/2, Illisipuram Junction, Srikakulam, Andhra Pradesh - 532 001.
34	Andhra Pradesh	Tadepalligudem	No:1-47-9, First Floor, Opp:RTC Complex, IN Gate Road, West Godavari , Tadepalligudem - 534 101.
35	Andhra Pradesh	Tadipatri	No.15-1836 C.B.Road, Tadipatri Po, Anantapuram- 515 411.
36	Andhra Pradesh	Tenali	1st floor, No.21-1-52, Jandhyala Vari Street, Ramalingeswara Peta, Tenali, Guntur District, Andhra Pradesh - 522 201.

37	Andhra Pradesh	Tirupathi	D.No: 20-1-91/J, Tirumala Bypass Road, Tirupati - 517 501.
38	Andhra Pradesh	Vijayawada	D NO:40-27-41, Opp.Alankar Bakery & Sweets, Vijayawada, Krishna -520008.
39	Andhra Pradesh	Vizag	1st Floor, D.No.17-90/8, Pendurthi Main Road, Pendurthi Mandal, Visakhapatnam, Andhra Pradesh - 531 173.
40	Andhra Pradesh	Vizianagaram	1st floor, D.No.22-1-23, Ambatisatram, Poolbagh Road, Ward-22, Vizianagaram, Andhra Pradesh - 535 002.
41	Andhra Pradesh	Yemmiganur	1st floor, No.1/3453, SMT Colony, Yemmiganur, Kurnool District, Andhra Pradesh - 518 360.
42	Karnataka	Bagalkot	2nd Floor, BB Tower Building, Sector No.5, Near Kalidasa Circle, Government Hospital Road, Navanagar, Bagalkot, Karnataka - 587 103.
43	Karnataka	Bangalore	2nd Floor, No.712, Dr.Modi Hospital Road, Mahalakshmpuram, Bangalore, Karnataka - 560 079.
44	Karnataka	Belgaum	No:2, CTS No:4833/11A/1, 2nd Floor, Ayodhy Nagar, Dr.Ambedkar Road, Civil Hospital Road, Belgaum, Karnataka - 590 019.
45	Karnataka	Bijapur	2nd Floor, Vaibhav Complex, Opposite Ameer Theatre, Vijayapur - 586 101.
46	Karnataka	Davangere	1st floor, Old No.432/2, New No.1013/2, 3rd Cross, K B Extension, Lawyer Road, Davanagere. Karnataka - 577 002.
47	Karnataka	Hubli	CTS No:610-B, Plot No:31 Ward No:35, ZEEKAY Complex, Neharu Nagar, Gokul Road, Hubli-580 030.
48	Karnataka	Mudhol	1st floor CTS No:225/B, Near Dasanoor Motors, Devpooje Complex, Opp Jamakhandi, Mudhol - 587 313.
49	Karnataka	Ranebennur	1st Floor, Umashankar Nagar, 1st Cross Near I B, Opposite Axis Bank, P B Road, Ranebennur - 581 115.
50	Karnataka	Shimoga	1st floor, D.No.10 & 11, Neha Nihal Arcade, Near Isiri Hotel, Savarline Road, Shimoga, Karnataka - 577 204.
51	Karnataka	Tiptur	2nd Floor, Linganna Complex, Above Ujjivan Small Bank, B.H.Road, Tiptur, Tumkur District, Karnataka - 572 201.

52	Karnataka	Tumkur	Shree Siddalingeshwara Swamy Aracade, 1st Floor, Above Karur Vysya Bank Ltd, Vivekananda Road, Tumkur, Karnataka - 572 101
53	Madhya Pradesh	Bhopal	Madhu Chambers, 2nd Floor, F 1 Block, 62, Zone, II M P Nagar, Bhopal, Madhya Pradesh - 462 011.
54	Madhya Pradesh	Dewas	No.10, 2nd Floor, Ram Nagar Colony, Beside Allahabad Bank, A B Road, Dewas - 455 001.
55	Madhya Pradesh	Indore	1st Floor, 65/4, Infront of Axis Bank, Sanvid Nagar, Kandiya Road, Indore, Madya Pradesh - 452 018.
56	Madhya Pradesh	Sehore	2nd floor, Samrat Complex, Shop No.2, Opposite Bus Stand, Sehore, Madhya Pradesh - 466 001.
57	Maharashtra	Sangli	1st Floor, S.No.35A/A1/1A BF 5 & 6, Plot No.3 & 23, Swadeshi Heights, Sangli Miraj Main Road, Near District Court, Vijaynagar, Sangli, Maharashtra - 416 416.
58	Maharashtra	Solapur	2nd Floor, Haripriya Offices, H No.267/45, East Side, Raviwar Peth, Solapur, Maharashtra - 413 005
59	Tamilnadu	Aminjikarai	1st Floor, No.91, P.H. Road, Above City Union Bank, Nerkundram, Chennai - 600 107.
60	Tamilnadu	Arani	2nd floor, No.1889/3A, Sri Renugambal Durairaj Complex, Arani to Arcot Road, Sevoor, Arani Taluk, Thiruvannamalai District, Tamil Nadu - 632 316.
61	Tamilnadu	Aruppukottai	2nd Floor, No:105, Main Bazaar, Thangamayil Jewellery Upstairs, Agamudaiyar Uravin Murai Complex, Aruppukottai-626 101.
62	Tamilnadu	Athur	No.464/6B, Second Floor, Nehru Nagar, North Udayarpalayam, Near Royal Enfield Showroom, Attur Taluk, Salem Dist - 636 102
63	Tamilnadu	Coimbatore I	2nd floor, No.1023, RG Chambers, Avanashi Road, Coimbatore, Tamil Nadu - 641 018.
64	Tamilnadu	Coimbatore II	1st floor, No:7/1B, Sree Balaji Complex, MTP Road, NSN Palayam, Coimbatore - 641 031.
65	Tamilnadu	Cumbum	W-1, New W-7, Yadhavar Street, Uthamapuram Village, Cumbum 625516
66	Tamilnadu	Dharapuram	2nd floor, No.1/28, KSP complex, Bypass Road, Near Arthi Restaurant, Opposite New Bus Stand, Dharapuram, Tamil Nadu - 638 656.
67	Tamilnadu	Dharmapuri	2nd Floor, 91/1, 4 Road, Salem Main Road, Opposite Adhiyamaan Palace, Dharmapuri, Tamil Nadu - 636 701.

68	Tamilnadu	Dindigul	No.95C, 1st Floor, Thiruvalluvar salai, Nearby Rajarajeshwari hospital, Opp to Raj Scans, Dindigul - 624003.
69	Tamilnadu	Erode	No:5, Palaniappa Street, Second Floor, Opp:KMCH Surampatti, Erode - 638 009.
70	Tamilnadu	Gobichettypalayam	1st floor, 42A, Mill Road, Gobichettipalayam, Erode District, Tamil Nadu - 638 452.
71	Tamilnadu	Hosur	D.No.11/6C, Second Cross, Kamaraj Colony, Hosur, Krishnagiri District, Tamil Nadu - 635 109
72	Tamilnadu	Kallakurichi	No :21, 1st floor, Gandhi Road, First Floor, Kallakurichi, Villupuram dist - 606 202
73	Tamilnadu	Kanchipuram	Old No:29, New No:92, Second Floor, Kamarajar Salai, Near NAC Jewellery, Kanchipuram - 631 501
74	Tamilnadu	Karaikudi	1st floor, No.358/15, Matha Towers, Near Periyar Statue, Karaikudi - 630 001.
75	Tamilnadu	Karur	1st floor, No.997, Jawahar Bazzar, Kovai Road, Karur, Tamil Nadu - 639 002.
76	Tamilnadu	Kovilpatti	2nd floor, No.16L, Baba Complex, Kadalayur Main Road, Kovilpatti, Tamil Nadu - 628 501.
77	Tamilnadu	Krishnagiri	No:13V Colony East Link Road, Bkbn Complex, K-Theater Opposite, Sri Venkateswara Jewellery Up-Stairs, Krishnagiri-635001
78	Tamilnadu	Kumbakonam	No :45, First Floor, Nageshwaran Kovil Sannathi Street, Near, Syndicate Bank, Kumbakonam - 612 001
79	Tamilnadu	Madurai I	24A, 2nd floor, Pechi amman Padidurai Road, Simmakal, Madurai - 625 001
80	Tamilnadu	Manapparai	2nd floor, Balaji Thanga Maligai, Mandikadai Line, Opposite Church Complex, Manapparai Taluk, Trichy District, Tamil Nadu - 621 306.
81	Tamilnadu	Marthandam	1st floor, D.No.1-66/1G, Pammam, Kulasekharam Road, Marthandam, Marthandam P.O., Kanyakumari District, Tamil Nadu - 629 165.
82	Tamilnadu	Mayiladudurai	2nd Floor, No.35, Periyakannara Street, Near Municipal Court, Tharangambadi Main Road, Mayiladuthurai, Tamil Nadu - 609 001.
83	Tamilnadu	Nagercoil	First Floor, Sivakami Jayakrishna Complex, No:251, M.S.Road, Krishnancoil, Near By William Hospital, Nagercoil - 629 001.

84	Tamilnadu	Pattukottai	2nd floor, No - 80, Above City Union Bank, Thalayari Street, Pattukottai, Tanjavur District, Tamil Nadu - 614 601.
85	Tamilnadu	Pollachi	2nd floor, D.No.36/2, K.A.Complex, New Scheme Road, Pollachi, Tamil Nadu - 642 001.
86	Tamilnadu	Poonamallee	No: 40, Trunk Road, Poonamallee, Chennai-600 056.
87	Tamilnadu	Pudukottai	No:9954, Second Floor, MSKM Towers, Alangudi Road, Pudukottai - 622 001
88	Tamilnadu	Rajapalayam	2nd Floor, No.402B/1449, Tenkasi Road, Rajapalayam, Virudhunagar District, Tamil Nadu - 626 117.
89	Tamilnadu	Ranipet	1st floor, No.136, Mahaveer Plaza, MBT Road, Ranipet, Tamil Nadu - 632 402.
90	Tamilnadu	Rasipuram	2nd floor, D.No.37/1, Kavarai Theradi Street, Old Bus Stand, Rasipuram, Tamil Nadu - 637 408.
91	Tamilnadu	Salem	No:318/2, Block 2,(Amara Complex), Second Floor, Meyanur Main Road, Salem -636 004.
92	Tamilnadu	Sivagangai	2nd Floor T.S.44, Block 6, Badhrinath Towers, Sathiyamoorthy Street, Sivagangai, Tamil Nadu - 630 561.
93	Tamilnadu	Sivakasi	1st floor, No.310, Chairman P.K.S.A Arumugam Road, Sivakasi, Tamil Nadu - 626 189.
94	Tamilnadu	Sulur	No: 44, Second Floor, Thangam Complex, Sulur - 641 402
95	Tamilnadu	Tambaram	No: 76 , First Floor Velachery Main Road, Mahalakshmi Nagar , Selaiyur, Chennai- 600 073
96	Tamilnadu	Tanjore	No:1658, First Floor, (Above City Union Bank), South Main Street, Tanjore - 613 001
97	Tamilnadu	Tenkasi	1st Floor, No.7/2, JPK Complex, Old Bus Stand Road, Opposite Mela Sankaran Kovil, Tenkasi Taluk, Tenkasi District - 627 811.
98	Tamilnadu	Theni	2nd floor, 22, Forest By-pass Road, Ward 32, Theni, Tamil Nadu - 625 531.
99	Tamilnadu	Tirunelveli	No: 142/8, Second Floor, Sri Balaji Arcot Complex, Trivandrum Road, First part, Palayamkottai, Tirunelveli- 627 002
100	Tamilnadu	Tirupur	1st Floor, No.52, P.N.Road, Nesavalur Colony, Tirupur, Tamil Nadu - 641 602.
101	Tamilnadu	Tiruvannamalai	2nd floor, SS.F.No.179/201-A, Kanji Road, Vengikkal, Tiruvannamalai, Tamil Nadu - 606 604.

102	Tamilnadu	Tiruvarur	2nd floor, 41/1, South Street, Lakshmi Heights, Tiruvarur, Tamil Nadu - 610 001.
103	Tamilnadu	Tiruvottiyur	1st Floor, Door No.879, Thiruvottiyur High Road, Near Theradi Bus Stop, Thiruvottiyur, Chennai - 600 019
104	Tamilnadu	Trichy	No.2, Second Floor, Bharathidasan Salai, Cantonment, Trichy -620001
105	Tamilnadu	Tuticorin	1st floor, 52B, East Car Street, Tuticorin, Tamil Nadu - 628 002.
106	Tamilnadu	Valliyur	1st Floor, No.308, Vadakku Valliyur, Tirunelveli District, Tamil Nadu - 627 117.
107	Tamilnadu	Vaniyambadi	No.1302/1, Jailabthin Street, Opp to Old Sukkoor Hospital, P J Nehru Road, Vaniyambadi Town, Vellore 635 751
108	Tamilnadu	Vellore	No:293/8A, Second Floor, Chittoor, Katpadi main Road, Near Silk Mill Bus Stop, katpadi, Vellore - 632 006.
109	Tamilnadu	Villupuram	2nd floor, 43-B, Hospital Road, Villupuram, Tamil Nadu - 605 602.
110	Tamilnadu	Virudhachalam	1st Floor, D.No.86/B, Poovaragavan Nagar, Uluthurpettai Road, Virudhachalam Taluk, Virudhachalam Tamil Nadu - 606001.
111	Telangana	Bhuvanagiri	D.No.1-4-296/A, Beside Shilpa Hotel, Meena Nagar, Bhuvanagiri - 508116.
112	Telangana	Gadwal	No:7-10-14, Lingambagh Colony, 1st floor, Gadwal-509 125.
113	Telangana	Hanamkonda	No:2-4-161, Shiram Reddy Hospital, Near Lifeline Hospital, Old Bus Depot Road, Hanamkonda - 506 001
114	Telangana	Hyderabad I	D No:11-5-154, Bhavani Nagar, 2nd floor, Moosapet Cross Road, Hyderabad-500018
115	Telangana	Hyderabad II	D NO: 3-2/2, Mallikarjuna Nagar Colony, Boduppal Road, Peerzadiguda, Ranga Reddy- 500098.
116	Telangana	Jagithyal	2nd Floor, D.No.1-2-201/A/2, Opposite to Jagitial Bus Depot, Karimnagar Road, Telangana - 505 327
117	Telangana	Janagam	2nd Floor, S No.340, Hyderabad Road, Jangam 506 167.
118	Telangana	Kamareddy	1st floor, H.No.5-2-188, NH 7 Road, Kamareddy Town, Kamareddy District, Telangana - 503 111.
119	Telangana	Karim Nagar	No.8-6-13, Kothirampoor, Opp Muthoot Finance, KarimNagar 505 001

120	Telangana	Khammam	3rd Floor, Road No.11, Kaviraj Nagar, Khammam - 507 002.
121	Telangana	Mahaboob Nagar	3rd floor, H.No.1-4-92, Opposite TRS Party Office, New Town, Rajendra Nagar, Mahaboob Nagar, Telangana - 509 001.
122	Telangana	Mancherial	2nd Floor, D.No. 5-188/1, Near City Union Bank, Iqbal Ahmed Nagar, Market Road, Mancherial, Telangana - 504 208.
123	Telangana	Miryalaguda	1st Floor, Beside Shriram City Union Finance 2nd Branch, Sagar Road, Hanumanpet, Miryalguda - 508 207.
124	Telangana	Nalgonda	First Floor, No:6-2-9 & 11, B.D.R Complex, Beside ICICI Bank , Hyderabad Road, Nalgonda - 508 001
125	Telangana	Nirmal	1st floor, 8-1-81/86/A, 8-1-81/6/B, Shanti Nagar, Nirmal, Telangana - 504 106.
126	Telangana	Nizamabad	2nd floor, S.V.Constructions, H.No.1-1-221/6a, Hyderabad Road, Vinayak Nagar, Nizamabad, Telangana - 503 003.
127	Telangana	Sanga Reddy	H.No.5-1-106/2/1, Sanjeevanagar, Sanga Reddy, Sanga Reddy (Dist) Telangana 502 001
128	Telangana	Shad Nagar	2nd floor, H.No.7-1-Su003, Suleman Colony, Beside Post Office, Shadnagar, Telangana - 509 216.
129	Telangana	Siddipet	1st floor, D.No.18-19-28/3/A, Mahashakthi Nagar, Siddipet, Telangana - 502 103.
130	Telangana	Sircilla	1st Floor, D.No.8-4-123, 124, 125, Gopal Nagar, Sircilla, Karim Nagar, Andhra Pradesh - 505 301.
131	Telangana	Suryapet	H.No:1-2-270/44/4, Beside ICICI Bank, Opposite Hotel Brundhavan, M.G. Road, Suryapet - 508 213.
132	Telangana	Tandur	2nd Floor, D.No.1-8-7/1, Gareeb Nagar, Shivaji Chowk, Tandur, Telangana - 501 141.
133	Telangana	Wanaparthy	3rd Floor, J B Complex, Old H.No.16-81, Opposite Old Bus Stand Road, Wanaparthy, Telangana - 509 103.
134	Telangana	Warangal	1st floor, Shop.No.S-28 to S-34, Nirmala Mall, JPN Road, Warangal, Telangana - 506 002.
135	Tamilnadu	Edapaddi	No.1c/1c, Vellandivalasu New Street II, Chinnamanali, Edappadi, Salem-637 105
136	Tamilnadu	Tirupathur	No.352/3, First Floor, Saibaba Nagar, Vaniyambadi Main Road, Pachal, Tirupattur, Tamil Nadu - 635 602.

137	Tamilnadu	Udumalpet	2nd floor, No.10-F, Namadhu Plaza, North Tank Street, Dhali Road, Udumalpet, Tiruppur District, Tamil Nadu - 642 126.
138	Tamilnadu	Kangeyam	2nd floor, 158, Chennimalai Road, Kangeyam, Tamil Nadu - 638 701.
139	Tamilnadu	Polur	1st floor, R.K.Subramaniyan Gounder Complex, C.C. Road, Opposite Fire Station, Polur, Tiruvannamalai District, Tamil Nadu - 606 803.
140	Tamilnadu	Virudhunagar	2nd floor, No.102/15G, Pullalakottai Road, Virudhunagar, Tamil Nadu - 626 001.
141	Tamilnadu	Ambasamudaram	8A, Nettapuli, North Street, Agasthiyarkovil Opposite, Ambasamudram, Ambasamudram Taluk, Tirunelveli Dist- 627 401
142	Tamilnadu	Bodinayakanur	No.24/25, 1st Floor, Arun Akash Complex, AXIS Bank Upstairs, Thevaram Main Road , Bodinayakanur, Theni District, Tamil Nadu - 625 513.
143	Tamilnadu	Cuddalore	No.165, Nethaji Road, Manjakuppam, Cuddalore - 607 001
144	Andhra Pradesh	Piler	D.No.2-1859/2, First Floor, Kadapa Road, Beside JNN Hosital, Piler - 517 214
145	Andhra Pradesh	Mandapeta	No.31-9-7, Yeditha Road, Above HDFC Bank, Opposite E-Seva, Mandapeta, East Godavari Dist - 533 308, AP
146	Tamilnadu	Tindivanam	G.6, Ground floor, Shree Towers, No.6/6A, Perumal Koil Street, Tindivanam, Tamil Nadu - 604 001.
147	Tamilnadu	Panruti	2nd floor, No.65, Link Road, Panruti, Cuddalore District, Tamil Nadu - 607 106.
148	Tamilnadu	Chengam	1st Floor, No.19/3G, Guna Complex, Banglore Main Road, Thukkapettai, Chengam, Tamil Nadu - 606 709.
149	Tamilnadu	Ariyalur	2nd floor, 16 E, Ponnusamy Aranmanai Street, Ariyalur, Tamil Nadu - 621 704.
150	Puducherry	Pondicherry	No.1, Eillaipillaichavady Main Road, 2nd floor, Upstairs to Vijaya Bank (Opposite to Rajiv Gandhi Square), Puducherry - 605 013.
151	Telangana	Metpally	2nd floor, H.No.1-23/A/1, Venkatraopet, Metpally, Opposite Keerthi Function Hall, Nizamabad Road, Jagtial District, Telangana - 505 325.
152	Andhra Pradesh	Rayadurgam	D/No: 15-1-1/1-3, Ground floor, Dasappa Road, Revenue Ward No. 15, Rayadurgam, Ananthapur, Andhra Pradesh - 515 865

153	Telangana	Zaheerabad	Ground floor, H.No.2-1-1/1, Life Style Complex, Subash Gunj, Near HDFC Bank, Opposite Rajsh Petrol Pump, Main Road, Zaheerabad, Sanga Reddy District, Telangana - 502 220.
154	Andhra Pradesh	Gooty	1st floor, No.8/864, In-front of KPS Theatre, Revenue Ward No.8, Gooty, Andhra Pradesh - 515 401.
155	Telangana	Kodada	H-No.1-26/8, 1st Floor, Suryapet Road, Opp Bank of Baroda, Kodada - 508 206
156	Telangana	Jammikunta	2nd floor, H.No.2-2-58/12/9, Near Sriram Hospital, Main Road, Jammikunta, Karim Nagar District, Telangana - 505 122.
157	Tamilnadu	Gudiyatham	1st Floor, A.B. Complex, No.9, Police Line Street, Thazhaiyatham, Gudiyatham - 632 602.
158	Andhra Pradesh	Darsi	D.No.4-550/8, 2nd floor, Besides LIC Office, Podili Road, Darsi, A.P - 523 247
159	Telangana	Peddapalli	2nd floor, H.No.4-3-208/C/1, Bhoom Nagar, Peddapalli, Telangana - 505 172.
160	Telangana	Nagarkurnool	2nd floor, No.13-89/A, Opposite Police Station, Nagarkurnool, Telangana - 509 209.
161	Telangana	Medchal	H.NO.13-120/2, Vill & Mandal, Medchal - Malkajigri, Medchal District, Telangana 501 401
162	Tamilnadu	Devakottai	No.494/300A1, Thirupathur Road, Devakottai - 630 302
163	Tamilnadu	Melur	2nd floor, No.1498, Sivagangai Road, Melur, Madurai District, Tamil Nadu - 625 106.
164	Tamilnadu	Sankarankoil	1st floor, 38/4, North Car Street, Sankarankovil, Tirunelveli District, Tamil Nadu - 627 756.
165	Tamilnadu	Batlagundu	Srinivas Tower, D No.14.13.1/6, Melamandai Street, Landmark M V Lodge Street, Batlagundu 624 202.
166	Tamilnadu	Chidambaram	1st floor, No.3, SP Koil Street, Chidambaram, Cuddalore District, Tamil Nadu - 608 001.
167	Madhya Pradesh	Ujjain	1st Floor, 65, Amar Singh Road, Freeganj, Ujjain, Madhya Pradesh - 456 010.
168	Tamilnadu	Aranthangi	1st Floor, No.79/2, Gangadarapuram, Pattukkottai Road, Near IDBI Bank, Aranthangi, Pudukottai District, Tamil Nadu - 614 616.
169	Tamilnadu	Illuppur	2nd floor, 23/3, KR Complex, Above Sri Sastha Bharat Gas Agencies, Chinnakadaiveethi, Illuppur, Tamilnadu - 622 102.

170	Madhya Pradesh	Hosangabad	2nd Floor, Near Sai Darshan Shopping Mall, Sadar Bazar, Ward No.07, Hoshangabad, Madhya Pradesh 461 001.
171	Puducherry	Karaikal	1st floor, 246, Bharathiyar Road, Gowri Studio, Karaikkal, Puducherry - 609 602.
172	Madhya Pradesh	Khandwa	No.131, Babu Sadan, Anand Nagar Main Road, Khandwa, Madhya Pradesh 450 001
173	Tamilnadu	Tiruvallur	2nd Floor, No.155/7, J N Road, Thiruvallur - 602 001
174	Madhya Pradesh	Ratlam	1st Floor, House No.54, Near Clubfox, Infront of Hotel Shivang Palace, Station Road, Ratlam, Madhya Pradesh - 457 001.
175	Karnataka	Hospet	H.No.305, 1st floor, 3rd Ward, Indira Nagar, Hospet - 583 201.
176	Karnataka	Chikkodi	KEB office, Nippani Chikkodi Main Road, Kavatagimath Nagar (North), Chikkodi - 591 201.
177	Karnataka	Gangavathi	No.3-2-186/A1, 3-2-128 and 3-2-186/7A, Ward No.13, Near IDFC Bank and Opposite to Mallikarjuna Multi Specialty Hospital, Kampli Rice Mill, Badavane Gundamma Camp, Kampli Road, Gangavathi - 583 227.
178	Telangana	Armoor	1st floor, D.No.1-25/3/10, Near Vijetha Apartment, Localty Perkit, Armoor, Nizamabad District, Telangana - 503 224.
179	Madhya Pradesh	Satna	3rd floor, Ekta Tower, Opposite CMA School, Rewa Road, Satna, Madya Pradesh - 485 001.
180	Madhya Pradesh	Katni	H.No.216, Near Reliance Petrol Pump, Madhavnagar Gate, Jabalpur Road, Katni 483 501.
181	Madhya Pradesh	Shujalpur	1st Floor, Brij Nagar Chourah, M G Road, Shujalpur Mandi, Shajapur District, Madhya Pradesh - 465 333
182	Telangana	Sathupally	4-18/3, Beside Balaji Theatre, Sathupally, Telangana - 507 303
183	Madhya Pradesh	Mandsaur	2nd Floor, Ashirwad Plaza, Near Digambar Jain School, Ramtekri Choraha, Mandsaur, Madhya Pradesh - 458 001.
184	Madhya Pradesh	Vidisha	H No.52, Sanchi Bhopal Road, Near Indian Overseas Bank, Vidisha, Madhya Pradesh 464 001
185	Madhya Pradesh	Jabalpur	2nd floor, 210/1, Rameshwaran Colony Main MR-4, Vijayanagar, Jabalpur - Madya Pradesh - 482 002.

186	Madhya Pradesh	Gwalior	1st Floor, Siddhi Vinayak Tower, Patel Nagar Main Road, City Centre, Gwalior, Madhya Pradesh 474 011
187	Madhya Pradesh	Chindwara	Parasia Road, Above Taj Kirana, Near LIC Office, Chindwara, Madhya Pradesh 480 001.
188	Karnataka	Bellary	Ward No.10, CTS Ward No.9, Block No.3, TS No.540 & 540 A, Door No.123(1), 123(2), 123(3), Car Street, Near Kanekal Bus Stand, Bellary, Karnataka - 583 101
189	Maharashtra	Kolhapur	3rd Floor, Shiya Road, Jagadmb Complex, Near Shri Ram Society Petrol Pump, Kasaba Bawda, Kolhapur, Maharashtra 416 006
190	Andhra Pradesh	Tuni	C/o Sri Rama Trade Center, D.No. 4-13-3, 2nd floor, Girls High School Junction, Main Road, Opp Balaji Lodge, Tuni , E.G.District, Andhra Pradesh - 533 401.
191	Karnataka	Haveri	1st floor, Hangal Road, Opposite Fire Extension, Haveri, Karnataka - 581 110.
192	Karnataka	Raichur	H.No.12/11/107/21, AP Complex, Gowshala Road, Behind Honda Showroom, Raichur - 584 101
193	Tamilnadu	Thuckalay	No.14/29, First Floor, Sreedharam, Near Bus Stand, Thuckalay - 629 175.
194	Madhya Pradesh	Sagar	H.No.48, 2nd Floor, Yadav Complpax, Near VC Building, Civil Line, Sagar, Madhya Pradesh - 470 002.
195	Madhya Pradesh	Bina	Plot No.A-346, M-347, Door No.02, 2nd Floor, Bina Station Raod, Bina, Sagar District, Madhya Pradesh - 470 113.
196	Telangana	Mahabubabad	1st floor, H.No.6-3-35, Ayyappa Towers, Near MRO Office, Mahabubabad, Telangana - 506 101.
197	Madhya Pradesh	Shivpuri	2nd floor, New Ward No.01, Old Ward No.13, Village Shivpuri Tukda No.01, Bypass Chouraha AB Road, Shivpuri Madhya Pradesh - 473 551.
198	Madhya Pradesh	Guna	2nd Floor, Plot No.11, Royal Heights Building, Above Bandhan Bank, Guna, Madhya Pradesh - 473 001.
199	Madhya Pradesh	Seoni	1st floor, In-front of LIC Office, Jabalpur Road, Akta Colony, Akbar Ward, Seoni, Madya Pradesh - 480 999.
200	Madhya Pradesh	Betul	1st floor, Above Union Bank, Abkari Road, Near Jain Mandir, Betul Ganj, Betul, Madhya Pradesh - 460 001.

201	Madhya Pradesh	Khargone	Above Raymond Showroom, 1st floor, C-Block, Radha Vallabh Market, Khargone, Madhya Pradesh - 451 001.
202	Karnataka	Dharwad	Harsha Hubli Toll Naka, P B Road, Dharwad Vidyagiri, Dharwad- 580 004
203	Tamilnadu	Musiri	No.22/5, Vijay Complex, Second Floor, Bye Pass Road, Near ICICI Bank, Musiri, Tiruchirappalli, Tamil Nadu - 621 211.
204	Uttarpradesh	Jhansi	2nd Floor, Old No.234, New No.810, Infront of Allahabad Bank, Nandanpura, Shivpuri Road, Jhansi, Uttarpradesh - 284 003.
205	Andhra Pradesh	Narasapur	1st Floor, 3-1-17/2 (Kamakshi Nilayam), Koil Street, Narasapur, West Godavari.District, Andhra Pradesh - 534 275
206	Madhya Pradesh	Chhatarpur	Khasra No.562/2, Rakwa No.0.015, Gram Bagota, Chhatarpur, Madhya Pradesh - 471 001.
207	Andhra Pradesh	Tanuku	D.No:20-10-16/4, Rashtrapathi Road (North), Achantavari Street, Revenue Ward No:11, Upstairs of Andhra Bank, Tanuku - 534 211.
208	Andhra Pradesh	Kuppam	1st floor, D.No.14-196, Palace Road, Kuppam, Chittoor District, Andhra Pradesh - 517 425.
209	Chhattisgarh	Raipur	1st Floor, Door No. 39/9.10, Shesh Bada Tatya Para, Kankali Talab Road, Beside Andhra Bank, Raipur, Chhattisgarh - 492 001.
210	Tamilnadu	Namakkal	1st floor, 47/21, S P Pudur, Karuppanan Street, Namakkal, Tamil Nadu - 637 001.
211	Telangana	Narayanpet	1st floor, 1-6-63/1/D, Hyderabad Road, Narayanpet, Telangana - 509 210.
212	Andhra Pradesh	Allagadda	1st floor, D.No.7-8-154, T.B.Road, Allagadda, Nandyal District, Andhra Pradesh - 518 543.
213	Andhra Pradesh	Gudur	1st floor, D.No.26, Konetimitta, East Gudur, Gudur, Tirupati District, Andhra Pradesh - 524 101.
214	Tamilnadu	Annur	1st Floor, No:3/161-B, Karuna Theatre Complex, Coimbatore Main Road, Annur, Tamil Nadu - 641 653.
215	Andhra Pradesh	Kavali	2nd floor, D.No.7-1-3A/3B, Janda Chettu Center, GNT Road, Revenue Ward No.6, Kavali, SPSR Nellore District, Andhra Pradesh - 524 201.
216	Andhra Pradesh	Addanki	1st Floor, D.No.30-175-2, Bungala Road, Upstairs Muthoot Finance, Addanki, Andhra Pradesh - 523 201.

217	Chattisgarh	Bhilai	1st floor, Shop No.216, Khichariya Complex, 2/2 Nehru Parisar (West), Nehru Nagar, Bhilai, Chhattisgarh - 490 020.
218	Andhra Pradesh	Bobbili	H.No.250-1, Antyakula Veedhi, Near Sai Ganapathi Theater, Balijipeta Road, Bobbili, Andhra Pradesh - 535 558.
219	Andhra Pradesh	Palasa	1st floor, Opposite Maruthi Car Showroom, K.T.Road, Purushottapuram, Palasa, Andhra Pradesh - 532 221.
220	Karnataka	Chitradurga	1st Floor, Sri Amurtheshwara Plaza #13, Above Indian Bank, Behind BSNL & Head Post Office Road, Chitradurga - 577 501.
221	Karnataka	Koppal	Vishwa Kamal Complex, Opposite Fedral Bank, Above M.Oswal Silk House, Jawhar Road, Koppal, Karnataka - 583 231.
222	Maharashtra	Pandharpur	1st Floor, S.No.4196/1, Bhosale chowk, Yuvraj Complex, Pandharpur, Solapur District, Maharashtra - 413 304.
223	Karnataka	Sindhanur	1st Floor, Ward No.8, G.Venkat Rao Colony, Behind KSRTC Bus Stand, Sindhanur, Karnataka - 584 128.
224	Andhra Pradesh	Srikalahasti	1st floor, D.No.1-2107/3, Jaya Ram Rao Street, V.M.C. Circle, Near RTC Bus-Stand, Srikalahasti, Andhra Pradesh - 517 644.
225	Karnataka	Mysore	1st Floor, No.474K - 7/1B, Chamaraja Double Road, K R Mohalla, Mysore, Karnataka - 570 010.
226	Karnataka	Badravathi	1st Floor Ward No.6, Hanumanthappa Colony, Shankar Mutta Circle, Bhadravathi - 577 301.
227	Karnataka	Athani	2nd Floor, CTS No.4360/A/2/27, Shanthi Nagar, Athani, Belagavi District, Karnataka - 591 304.
228	Tamilnadu	Mannargudi	1st floor, 7, Kelavedam, Bokki Street, Taluk Office Road, Mannargudi, Thiruvarur District, Tamil Nadu - 614 001.
229	Andhra Pradesh	Rayachoti	1st floor, D.No.33/63A, Sanjeev Nagar Colony, Rayachoti, Andhra Pradesh - 516 269.
230	Telangana	Vikarabad	1st Floor, Singarapu Ramachandraiah Complex, H.No.4-6-89 to 4-6-102, 4-6-104 & 4-6-105, Old Gunj, Above Laxmi Vilas Bank, Railway Station Road, Vikarabad Mandal, Vikarabad District, Telangana - 501 101

231	Karnataka	Gulbarga	2nd Floor, CTS No.3441/2, Corporation No.3-295/SF4 to 3-295/7, Situated at Gazipur, Chakkarkatta Road, Gulbarga, Karnataka - 585 101.
232	Karnataka	Gokak	2nd floor, Sushil Complex No.4555/A, Guruwar Peth, Gokak Taluk, Gokak District, Belgaum District, karnataka - 591 307.
233	Tamilnadu	Mettur	1st Floor, ESR Complex, No-24/14, Square Market, Mettur Dam, Salem District, Tamil Nadu - 636 401.
234	Andhra Pradesh	Tiruvuru	1st Floor, D.No.2-1A, Factory Center, Tiruvuru Mandalam, Nadimi Tiruvuru, Krishna District, Andhra Pradesh - 521 235.
235	Karnataka	Sira	2nd floor, Balaji Nagara Main Road, Opposite Shankar Hospital, Above Hutsun Dairy, Sira Town, Tumkur District, Karnataka - 572 137.
236	Andhra Pradesh	Narsipatnam	2nd floor, H.No.117, Saradanagar, Opposite Head Post Office, Narsipatnam, Visakhapatnam District, Andhra Pradesh - 531 116.
237	Andhra Pradesh	Atmakur (Kurnool)	1st floor, 1-94-2-3, K.G. Road, Atmakur, Kurnool District, Andhra Pradesh - 518 422.
238	Tamilnadu	Thirukovilur	1st floor, No.27G, Rameez Complex, Sevalai Road, Tirukovilur, Kallakurichi District, Tamil Nadu - 605 757
239	Andhra Pradesh	Venkatagiri	1st floor, Tribhuvani Heights, Railway Station Road, Venkatagiri, Nellore District, Andhra Pradesh - 524 132.
240	Tamilnadu	Karambakkudi	1st floor, Sri Renga Complex, Pudukottai Main Road, Karambakkudi, Pudukottai District, Tamil Nadu - 622 302.
241	Chhattisgarh	Bilaspur	2nd Floor, Shop No.2, Gaurav Tower, Vyapar Vihar, Near ICAI Building, Bilaspur, Chhattisgarh - 495 001.
242	Andhra Pradesh	Anakapalle	1st Floor, D.No.9-20-1/16, C/O Canara Bank, Opposite NTR Market Yard, Anakapalle, Vishakapatnam District - 531 001.
243	Madhya Pradesh	Rewa	2nd Floor, Nehru Nagar Main Road, Near New Bus Stand, Opposite Mishra Petrol Pump, Rewa, Madhya Pradesh - 486 001.
244	Karnataka	Sindagi	1st floor, Hugar Complex, Near Vivekanand Circa, Golageri Road, Sindagi, Karnataka - 586 128.
245	Tamilnadu	Perambalur	2nd floor, 56/C2, Venkatasapuram, Perambalur, Tamil Nadu - 621 212.

246	Tamilnadu	Cheyyar	1st Floor, No.4/6C1, New Kanchipuram Road, Near State Bank of India, Cheyyar Taluk, Thiruvannamalai District, Tamil Nadu - 604 407.
247	Andhra Pradesh	Atmakur (Nellore)	1st Floor, Former Society Bank Road, Near Bus Stand, Atmakur, SPSR Nellore, Andhra Pradesh - 524 322.
248	Karnataka	Channagiri	1st Floor, H.No.129/18, Banjara Heritage Building, Near Samajakalyana Office, Madakari Nayakara Beedi, Channagiri Town, Davanagere District, Karnataka - 577 213.
249	Madhya Pradesh	Biaora	Ground floor, Vishnu Dangi, A.B.Road, Near Akhand Param Dham Ashram, Infront Equitas Bank, Biaora, Rajgarh District, Madhya Pradesh - 465 674.
250	Karnataka	Shahapur	1st floor, 35-4-184, B B Road, Shahapur, Yadgiri District, Karnataka - 585 223.
251	Tamilnadu	Vandavasi	1st floor, No.21 A, Gandhi Road, Vandavasi, Tiruvannamalai District, Tamil Nadu - 604 408.
252	Tamilnadu	Thuraiyur	1st floor, No.57A/3, Sri Balaji Complex, Trichy Road, Thuraiyur, Trichy District, Tamil Nadu - 621 010.
253	Madhya Pradesh	Balaghat	2nd Floor, Prakash Rao Complex, Ward No.27, Gondia Road, Near New Ram Mandir, Balaghat, Madhya Pradesh - 481 001.
254	Andhra Pradesh	Markapur	2nd floor, D.No.1/203-A-1-D6, Tarlupadu Road, Revenue Ward No.1, Opposite EB Office, Markapur, Prakasam District, Andhra Pradesh - 523 316.
255	Tamilnadu	Sholinghur	2nd Floor, No.82, Subba Rao Street, Sholinghur Town, Sholinghur Taluk, Ranipettai District, Tamil Nadu - 631 102.
256	Telangana	Devarakonda	1st Floor, H.No.19-198/118,119,120, Vishnu Complex, Devarakonda, Nalgonda District, Telangana - 508 248.
257	Telangana	Kalwakurthy	1st Floor, H.No.6-27, Gandhinagar, Kalwakurthy, Nagarkurnool District, Telangana - 509 324.
258	Andhra Pradesh	Banaganapalle	1st floor, D.No. 8-289-21, Opposite KDCC Bank, Officers Colony, Near RTC Bus Stand, Banaganapalle, Kurnool District, Andhra Pradesh - 518 124.
259	Andhra Pradesh	Repalle	1st Floor, D.No.10-14-123, Municipal Office Road, 11th Ward, Repalle Mandal, Guntur District, Andhra Pradesh - 522 265.

260	Karnataka	Bidar	2nd floor, Padma Complex, Basweshwar Circle, Bidar, Karnataka - 585 401.
261	Karnataka	Chamarajanagara	Ground Floor, No.1006/970C, Double Road, Bramarambha Extension, Near Bramarambha Theatre, Chamarajanagara, Karnataka - 571 313.
262	Andhra Pradesh	Jaggampeta	1st Floor, D.No.6-76-A, Devi Center, Jaggampeta, East Godavari District, Andhra Pradesh - 533 435.
263	Karnataka	Tuuvakere	2nd floor, Vijayalakshmi Tiles Depo Building, Opposite Sathya Ganapathi Pandal, Tiptur Road, Turuvekere, Karnataka - 572 227.
264	Madhya Pradesh	Karond	1st floor, H.No.5, Krishak Nagar, Karond, Bhopal, Madhya Pradesh - 462 038.
265	Madhya Pradesh	Ashta	1st floor, H.No.519, Front of Vinayak Netralay Hospital, Kannod Road, Ashta, Madhya Pradesh - 466 116.
266	Madhya Pradesh	Mandla	2nd floor, Plot No.10/8, Street No.17, Mandla Nazul, Main Road, Rani Awanti Bai Ward, Nehru Smarak, Mandla, Madhya Pradesh - 481 661.
267	Madhya Pradesh	Damoh	1st floor, H.No.1467, Killai Road, Ciwil Ward No.5, Damoh, Madya Pradesh - 470 661.
268	Madhya Pradesh	Badnawar	1st floor, H.No.135, Choudhary Building, Above Bikaner Sweets Shop, Bheru Ukhaliya Choraha, Petlawad Road, Badnawar, District Dhar, Madya Pradesh - 454 660.
269	Andhra Pradesh	Ravulapalem	1st floor, Dwaraka Complex, Opposite Bus Stand Road, besides Victory Garden Restaurant, Ravulapalem(V)(M), East Godavari District, Andhra Pradesh - 533 235.
270	Andhra Pradesh	Nidadavole	1st floor, D.No.3-1-35, Near Ganapathi Center, Nidadavolu, West Godavari District, Andhra Pradesh - 534 301
271	Andhra Pradesh	Rajam	1st floor, Ward.No.4-20, S.No.109, Part Telaga Veedhi, Main Road, Rajam, Srikakulam District, Andhra Pradesh - 532 127.
272	Madhya Pradesh	Harda	2nd floor, Plot No. C-36/2, Maharana Pratap Word No.19, New Sabji Mandi, Above Bank Of Baroda, Infront of HDB Finance, Harda, Madya Pradesh - 461 331.
273	Madhya Pradesh	Pipariya	1st floor, Shop No.59, Bhagat Singh Ward, Pachmmdi Road, Ward No.1, Pipariya, Hoshangabad, Madya Pradesh - 461 775.

274	Andhra Pradesh	Kalluru	3rd floor, D.No.50/760-A-126-A-1, Krishna Complex, Gayatri Estate, Ward No.50, Vishwa Bharathi Hospital line, Kurnool, Andhra Pradesh - 518 002.
275	Andhra Pradesh	Badvel	1st floor, D.No.8-3-85, Mydukuru, Main Road Revenue, Badvel, Kadapa District, Andhra Pradesh - 516 227.
276	Madhya Pradesh	Narsinghpur	2nd floor, Near Petrol Pump, Kathal Building, Subhash Parak Chouraha, Kandeli, Narsinghpur, Madya Pradesh - 487 001.
277	Tamilnadu	Tiruchendur	1st floor, 235 C, North Car Street, Tiruchendur, Tuticorin District, Tamil Nadu - 628 215.
278	Tamilnadu	Ulundurpet	2nd floor, R.Ambigapathi Complex, Salem Main Road, Ulundurpet, Villupuram District, Tamil Nadu - 606 107.
279	Tamilnadu	Omalur	2nd floor, No.9/4, Upstairs Canara Bank, Mettur Main Road, Omalur, Salem District, Tamil Nadu - 636 455.
280	Tamilnadu	Perundurai	2nd floor, D.No.395, P K Mahendaran Complex, Perundurai, Erode District, Tamil Nadu - 638 052.
281	Andhra Pradesh	Kathipudi	2nd Floor, D.No.12-13, Kathipudi Plaza, Kathipudi, Sankhavaram Mandal, East Godavari District, Andhra Pradesh - 533 444.
282	Andhra Pradesh	Puttur	1st floor, D.No.8-193/1, Tirupathi Road, Revenue Ward No.8, Opposite Railway Station, Puttur, Chittoor District, Andhra Pradesh - 517 583.
283	Tamilnadu	Palani	1st floor, Dr.Thirumalai Plaza, No.82, New Dharapuram Road, Palani, Dindigul District, Tamil Nadu - 624 601.
284	Telangana	Banswada	1st floor, H.No.1-1-83, Girmaiah Complex, Bichukunda Road, Banswada, Nizamabad District, Telangana - 503 187.
285	Tamilnadu	Palladam	1st floor, No.164-7/10, Trichy Road, Palladam, Tiruppur District, Tamil Nadu - 641 664.
286	Tamilnadu	Paramathi Velur	2nd floor, No.183, Chakkara Tower, Old Bye-pass Road, Paramathi-Velur Post & Taluk, Namakkal District, Tamil Nadu - 638 182.
287	Telangana	Bhainsa	1st floor, H.No.4-3-3/118, Vinayak Nagar, Bhainsa, Nirmal District, Telangana - 504103.
288	Telangana	Shanti Nagar	1st floor, H.No.9-30/6 & 9-30/7, Chakali Iamma Statue Building, Shanti Nagar, Telangana - 509 126.

289	Tamilnadu	Harur	1st floor, No.6/369-13, Melbatchapet, Harur, Dharmapuri District, Tamil Nadu - 636 903.
290	Telangana	Khanapur	1st floor, No.13-170/10, Court Building, Vidyanagar, Khanapur, Nirmal District, Telangana - 504 203.
291	Tamilnadu	Kinathukadavu	1st floor, No.2/296, Gandhi Nagar, Kinathukadavu, Coimbatore District, Tamil Nadu - 641 032.
292	Andhra Pradesh	Ramachandrapuram	2nd floor, D.No.19-1-42, Above SBI LIFE Insurance, Sahithi Complex, Main Road, Ramachandrapuram, East Godavari District, Andhra Pradesh - 533 255.
293	Andhra Pradesh	Inkollu	1st floor, D.No.1-146/2, KVS Plaza, Purchur Road, Inkollu, Prakasam District, Andhra Pradesh - 523 167.
294	Andhra Pradesh	Sullurpet	1st floor, 5-196/1, Gandla Street, Near Panduranga Temple, Sullurpet, Nellore District, Andhra Pradesh - 524 121.
295	Telangana	Shamshabad	1st floor, H.No.20-170/1/2, R.B. Nagar, Rallaguda Road, Shamshabad, Ranga Reddy District, Telangana - 501 218.
296	Telangana	Choutuppal	1st floor, H.No.5-391, Choutuppal Municipality & Mandal, Choutuppal, Yadadri, Bhuvanagiri District, Telangana - 508 252.
297	Madhya Pradesh	Ashok Nagar	1st floor, Saluja Tower, Near Old Bus Stand, Ashok Nagar, Madhya Pradesh - 473 331.
298	Madhya Pradesh	Neemuch	1st floor, Ward No.23, Building No.101, Pheerozshaw Road, Bhagwati Plaza, Neemuch, Madhya Pradesh - 458 441.
299	Andhra Pradesh	Chodavaram	2nd floor, RR Square, Near Vijayalaxmi Hospital, Gandhi Gramam, Chodavaram, Visakhapatnam District, Andhra Pradesh - 531 036.
300	Telangana	Kollapur	1st floor, H.No.1-7-21, Waridyala Street, Kollapur, Mahabub Nagar District, Telangana - 509 102.
301	Tamilnadu	Sankarapuram	1st floor, 167/A, Kallai Main Road, Sankarapuram, Kallakurichi District, Tamil Nadu - 606 401.
302	Telangana	Medak	1st floor, 1-9-31/1/C, M.G.Road, Near Old Bus Stop, Medak, Telangana - 502 110.
303	Andhra Pradesh	Narasannapeta	2nd floor, Main Road, Narasannapeta, Srikakulam District, Andhra Pradesh - 532 421.
304	Andhra Pradesh	Parvathipuram	1st floor, Bypass Colony, Revenue Ward No.3, Parvathipuram, Vizianagaram District, Andhra Pradesh - 535 501.

305	Telangana	Gajwel	1st floor, H.No.10-3/C, Main Road, Lakshmi Prasanna Colony, Gajwel, Siddipet District, Telangana - 502 278.
306	Andhra Pradesh	Piduguralla	2nd floor, D.No.1-16/2, Near Kamakadurga Temple, Bus Stand Road, Piduguralla, Guntur District, Andhra Pradesh - 522 413.
307	Andhra Pradesh	Chimakurthi	1st floor, 7-420/00, Main Road, Revenue Ward No.7, Chimakurthi, Prakasam District, Andhra Pradesh - 523 226.
308	Tamilnadu	Sirkali	1st floor, 79A, North Car Street, Sirkali, Mayiladudurai District, Tamil Nadu - 609 110.
309	Andhra Pradesh	Nandigama	1st floor, Golden Plaza, 3-160, B1 Block, Rythupeta, Nandigama, NTR Krishna District, Andhra Pradesh - 521 185.
310	Telangana	Ibrahim Patnam	Ground floor, H.No.5-37/2/E (Old), H.No.1-7-Ma0022 (New), Khalsa Ibrahim Patnam Village, Ibrahim Patnam, Rangareddy District, Telangana - 501 506.
311	Maharashtra	Barshi	1st floor, Shivaji Akhada, Near Post Office, Barshi, Solapur District, Maharashtra - 413 401.
312	Tamilnadu	Gingee	1st floor, Opposite Sozhan Arunai Valen Complex, Tindivanam Road, Gingee, Villupuram District, Tamil Nadu - 604 202.
313	Andhra Pradesh	Kalikiri	1st floor, D.No.7-24, Cross Road, Kalikiri, Chittoor District, Andhra Pradesh - 517 234.
314	Andhra Pradesh	Singarayakonda	1st floor, Shirdi Sai Baba Complex, 3/94, Trunk Road, Near Kandukur Road, Singarayakonda, Prakasam District, Andhra Pradesh - 523 101.
315	Andhra Pradesh	Vinukonda	2nd floor, Lakshmi Plaza, Layers street, Kothapeta, Vinukonda Post office & Mandal, Palnadu District, Andhra Pradesh - 522 647.
316	Andhra Pradesh	Kanigiri	1st floor, D.No.9-403, Garlapeta Bus Stand Center, Near Girls High School, Kanigiri, Prakasam District, Andhra Pradesh - 523 230.
317	Andhra Pradesh	Noonepalli	1st floor, 28/920-A10, 28/920-A11, 28/920-A12, 28/920-A13, PAV Sri Vasavi Complex, Opposite Government Hospital, Noonepalli, Nandyal District, Andhra Pradesh - 518 501.
318	Andhra Pradesh	Kodumur	1st floor, 1-2/H/1, Near Tulja Bhavani Temple, Kurnool Road, Kodumur, Kurnool District, Andhra Pradesh - 518 464.
319	Andhra Pradesh	Vempalli	1st floor, 13-338-2, Pulivendula Road, Vempalle, Kadapa District, Andhra Pradesh - 516 329.

320	Maharashtra	Ichalakarangi	1st floor, 22/1616/1, Hotel Rajdoot, Station Road, Ichalakarangi, Maharashtra - 416 115.
321	Andhra Pradesh	Amaravathi	2nd floor, 8-67, Main Road, Modduru Down, Amaravathi, Palnadu District, Andhra Pradesh - 522 020.
322	Telangana	Ramayampet	1st floor, H.No.15-1/1 to 15-1/6, Siddipet Road, Ramayampet Village & Mandal, Medak District, Telangana - 502 101.
323	Andhra Pradesh	Kalyandurgam	1st floor, 9D-10-1, Revenue Colony, Revenue Ward No.9, Kalyandurgam, Anantapur District, Andhra Pradesh - 515 761.
324	Andhra Pradesh	Razole	1st floor, 4 Shows Cini Complex Road, Razole, East Godavari District, Andhra Pradesh - 533 242.
325	Andhra Pradesh	Pithapuram	2nd floor, D.No.4-2-141, State Bank Road, Pithapuram Municipality, Kakinada District, Andhra Pradesh - 533 450.
326	Andhra Pradesh	Biccavolu	1st floor, D.No.16-159, G.Mamidada Road, Biccavolu, East Godavari District, Andhra Pradesh - 533 343.
327	Telangana	Vemulawada	1st floor, 2nd Bypass Road, Vemulawada, Rajanna Sircilla District, Telangana - 505 302.
328	Andhra Pradesh	Devarapalli	1st floor, 3-113, 3rd Ward, Meraka Street, Devarapalli Mandal, Devarapalli, West Godavari District, Andhra Pradesh - 534 313.
329	Andhra Pradesh	Srungavarapukota	1st floor, D.No.2-118, Near Gayatri Temple, Visakhapatnam Road, Srungavarapukota, Vizianagaram District, Andhra Pradesh - 535 145.
330	Andhra Pradesh	Uravakonda	Ground floor, Plot No.31&32, Indira Nagar Road, Opposite RTC Bus Stand Uravakonda, Anantapur District, Andhra Pradesh - 515 812.
331	Telangana	Narsapur	1st floor, 3-49/1/A, Near Old Petrol Bunk, Narsapur Mandal, Narsapur, Medak District, Telangana - 502 313.
332	Andhra Pradesh	Muthukuru	2nd floor, Sivalayam Street, Muthukuru, Nellore District, Andhra Pradesh - 524 344.
333	Andhra Pradesh	Kaikaluru	2nd floor, 10/130/1, Opposite TTD Kalyana Mandapam, Railway Station Road, Kaikaluru, Eluru District, Andhra Pradesh - 521 333.
334	Andhra Pradesh	Vidya Nagar	1st floor, 4-26, Opposite Balabarathi School, Chendodu, Vidya Nagar, Nellore District, Andhra Pradesh - 524 413.

335	Andhra Pradesh	Ranastalam	1st floor, D.No.3-11, Girikipalam, Jagannadhapuram, Ranastalam, Srikakulam District, Andhra Pradesh - 532 407.
336	Andhra Pradesh	Allur	2nd floor, Near Old Bus Stand, Main Road, Allur, Andhra Pradesh - 524 315.
337	Andhra Pradesh	Chintalapudi	1st floor, 16-265, Koppulavariveedhi, PVR Complex, Old Bus Stand Counter, Chintalapudi, West Godavari District, Andhra Pradesh - 534 460.
338	Andhra Pradesh	Ichapuram	1st floor, 3-4-71/1, V K Peta, Ichapuram, Srikakulam District, Andhra Pradesh - 532 312.
339	Telangana	Yellareddypet	Ground floor, 2nd By-Pass Road, Near New Bus Stand, Yellareddypet Village & Mandal, Yellareddypet, Rajanna Siricilla District, Telangana - 505 301.
340	Andhra Pradesh	Yelamanchili	1st floor, D.No.HV23+ J7Q, Janaseva Eye Hospital, Near Railway Station, Yelamanchili, Visakhapatnam District, Andhra Pradesh - 531 055.
341	Telangana	Narayanakhed	1st floor, 2-3-146, Near Shetkar Petrol Pump, Main Road, Mangalpet, Narayankhed, Sangareddy District, Telangana - 502 286.
342	Telangana	Bodhan	1st floor, H.No.1-4-875, Ghoshala Road, Near Railway Gate, Bodhan, Nizamabad District, Telangana - 503 180.
343	Madhya Pradesh	Multai	1st floor, Betul Road, Ambedkar Ward, Multai, Betul District, Madhya Pradesh - 460 661.
344	Telangana	Husnabad	1st floor, H.No.11-56/1/4, Mallikarjuna Plaza, Near Ambedkar Statue, Akkannapet Road, Husnabad, Telangana - 505 467.
345	Madhya Pradesh	Sanawad	Ground floor, 146, Ward No.2, Near Gurudwara, Sanawad, West Nimar, Madhya Pradesh - 451 111.
346	Andhra Pradesh	B.Kothakota	1st floor, 9-974, Baba Takies, Revenue Ward No.1, B.Kothakota, Annamayya District, Andhra Pradesh - 517 370.
347	Tamilnadu	Aundipatti	2nd floor, No.1097/73. PRP complex, Opposite Old Fire Service, Madurai to Theni Main Road, Aundipatti, Theni District, Tamil Nadu - 625 512.
348	Tamilnadu	Gantharvakkottai	Ground floor, No.15/168, Shanthinilayam, Tanjore Main Road, Gandarvakottai, Pudukkottai District, Tamil Nadu - 613 301.
349	Tamilnadu	Vadalar	1st floor, 9/1, Azhvaar Nagar, Parvathipuram, Vadalar (P), Kurinjipadi Taluk, Cuddalore District, Tamil Nadu - 607 303.

350	Andhra Pradesh	Gajapathinagaram	2nd floor, New Puritipent Colony, Gajapathinagaram Main Road, Gajapathinagaram Mandalam, Vizianagaram District, Andhra Pradesh - 535 270.
351	Tamilnadu	Tiruvayaru	1st floor, No.211, South Street, Tiruvayaru, Tanjore District, Tamil Nadu - 613 204.
352	Andhra Pradesh	Sarpavaram	2nd floor, 3-18, Benda Complex, Sarpavaram Junction, Kakinada, Andhra Pradesh - 533 005.
353	Andhra Pradesh	Bhimadole	1st floor, D.No.1-111, Srihari Nagar, Bhimadole Village & Mandal, Bhimadole, Eluru District, Andhra Pradesh - 534425.
354	Andhra Pradesh	Bantumilli	1st floor, SBI Complex, Opposite Pedana Road, Bantumilli, Krishna District, Andhra Pradesh - 521 324.
355	Andhra Pradesh	Penugonda	2nd floor, D.No.1-81, Gandhi Bommala Center, Opposite Main Road, Penugonda, West Godavari District, Andhra Pradesh - 534 320.
356	Andhra Pradesh	Ganapavaram	1st floor, H.No.3-382, Bhuavanapalli, Ganapavaram, West Godavari District, Andhra Pradesh - 534 198.
357	Andhra Pradesh	Yanam	1st floor, D.No.3-32, Vishnu Alayam Veedhi, Yanam, East Godavari District, Andhra Pradesh - 533 464.
358	Telangana	leeja	1st floor, 4-123/10, New Bus Stand, Opposite LIC Office, leeja Mandal, leeja, Gadwal District, Telangana - 509 127.
359	Andhra Pradesh	Shankar Nagar	1st floor, D.No.17/133, Alur Road, Opposite Main Current Office, Near Thimmareddy Bus-stand, Adoni, Kurnool District, Andhra Pradesh - 518 301.
360	Telangana	Nakrekal	2nd floor, H.No.6-120/4, Main Road, Nakrekal Mandal, Nakrekal, Nalgaoda District, Telangana - 508 211.
361	Andhra Pradesh	Palakonda	1st floor, Seethampeta Road, Yalam Junction, Palakonda, Srikakulam District, Andhra Pradesh - 532 440.
362	Telangana	Kosigi	1st floor, H.No.1-46-4-A-1, Opposite Honda Showroom, Mahabub Nagar, Kosigi, Narayanpet District, Telangana - 509 339.
363	Andhra Pradesh	Tekkali	1st floor, D.No.1-177/A, Near Ravindra Barathi School, Main Road, Tekkali, Srikakulam District, Andhra Pradesh - 532 201.
364	Andhra Pradesh	Rajanagaram	1st floor, D.No.3-8/10A, Near Sub Registrar office, Rajanagaram, Korukonda Road, East Godavari District, Andhra Pradesh - 533 294.

365	Madhya Pradesh	Shajapur	2nd floor, 423/1, Near MPEB, Berchha Road, Shajapur, Madhya Pradesh - 465 001.
366	Madhya Pradesh	Pachore	1st floor, H.No.04, A B Road, Bhojpuriya, In Front of Railway Station, Pachore, Rajgarh District, Madhya Pradesh - 465 683.
367	Madhya Pradesh	Nasarullaganj	1st floor, Durga Mandir Chouraha, In Front Of Rathore Laj Dudi Complex, Nasarullaganj, Sehore District, Madhya Pradesh - 466 331.
368	Andhra Pradesh	Bethamcherla	1st floor, 4-193, Gayatri Estate, Revenue Ward, Opposite Seshareddy High School, Bethamcherla, Kurnool District, Andhra Pradesh - 518 599.
369	Telangana	Haliya	1st floor, H.No.4-450/6, Sagar Road, Haliya, Nalgonda District, Telangana - 508 377.
370	Madhya Pradesh	Tikamgarh	1st floor, R1/46, State Bank Naveen Shakha, Jatara Road, New Bus Stand, Tikamgarh, Madhya Pradesh - 472 001.
371	Andhra Pradesh	Korukonda	2nd floor, D.No.1-226/1, Main Road, Korukonda, East Godavari District, Andhra Pradesh - 533 289.
372	Tamilnadu	Ponnamaravathi	1st floor, D.No.158/A35, Sri Shanmuga Complex, Indhira Nagar Road, Ponnamaravathi, Pudukkottai District, Tamil Nadu - 622 407.
373	Madhya Pradesh	Sitamau	1st floor, Daseda Complex, Suwasara Road, Sitamau, Mandsaur District, Madhya Pradesh - 458 990.

c. **Brief particulars of the management of the Company:**

S.No.	Name	Designation	Profile
1	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>He is responsible for the wider presence of the company in a short span of 10 years from 6 branches to more than 300 currently, which has helped the company to make its presence felt in Tamil Nadu, Andhra Pradesh, Telengana, Karnataka, Madhya Pradesh, Maharashtra, Chhattisgarh and Uttar Pradesh.</p>
2	K Rangarajan	Chief Executive Officer	<p>Rangarajan is a well rounded finance professional with about 15 years of work experience across commercial banking, private equity investment, project finance and advisory. He started his career with HDFC Bank in the Corporate Banking division and then moved on to Standard Chartered Bank in the Mid-Market Commercial Banking division catering to a wide range of fund/ non-fund, trade and treasury requirements of these corporates. He then worked with the South Asia Infrastructure Investment team at International Finance Corporation, World Bank, and led a wide array of equity/ debt investments in projects across different economies. Over the last five years before joining Five-Star, he was with Spark Capital where he headed their advisory/ investment banking initiatives across the financial services and consumer sectors. He joined Five-Star in August 2015 as Chief Operating Officer and was promoted as the Chief Executive Officer in May 2018. He heads business, credit and operations.</p> <p>By qualification, he is a commerce graduate and has done two Masters in Business Administration (one from Sri Sathya Sai Institute of Higher Learning and one from The Indian School of Business) with specialization in Analytical Finance and Leadership.</p>

3	G Srikanth	Chief Financial Officer	<p>Srikanth is a seasoned banking and finance professional with a combined experience of about 15 years across multiple functions. He spent the first 8 years of his career in Citibank and other Citigroup entities working across various functions like financial planning and analysis, Securitization and Structuring, Treasury, and Operations. He was the Vice President and Head of Business Planning and Analysis for the Consumer portfolio of Citibank when he moved out of the bank to take up the role of Chief Financial Officer at Asirvad Microfinance Private Limited. For over the last 5 years prior to joining Five-Star, he had been managing the finance, treasury and technology at Asirvad and had been an integral part of the senior management team. He was instrumental in shepherding the organization when the entire Microfinance industry was hit by the crisis in 2010 and was also instrumental in Manappuram Finance Limited taking a majority stake in Asirvad. He joined Five-Star in October 2015 as the Chief Financial 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>
4	Vishnuram Jagannathan	Chief Operating 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>
5	Jayaraman S	Chief Risk Officer	<p>Jayaraman is a qualified Chartered Accountant and comes with about 22 years of work experience in areas of Finance & Treasury. He was with Redington for over 15 years handling areas like Investor Relations, Indirect Taxation and Internal Audit, etc.</p>
6	S Parthasarathy	Chief Credit Officer	<p>Parthasarathy is a Chartered Accountant with 14+ years of banking experience. He started his career with ICICI Bank and then moved to Standard Chartered Bank as a Credit Analyst. His last assignment was with DBS Bank (Development Bank of Singapore) as a Vice President, where he worked close to 9 years in the Risk Analytical Unit of Large Corporates managing the portfolio of clients based in Tamilnadu and Kerala.</p>
7	Sathya Ganesh T	Chief Business Officer	<p>Sathya comes with 18+ years of experience with banks & NBFCs and had worked with various organisations including ICICI Bank, Cholamandalam and Equitas. Prior to joining Five-Star, Sathya headed Shriram Housing in Tamilnadu. At Five-Star, Sathya heads the Business and Collections vertical of Tamilnadu, Karnataka, Andhra Pradesh and Telangana. He is a Post Graduate in Commerce from Madras University and holds an MBA in Banking & Finance from Symbiosis, Pune.</p>

8	Vanamali Sridharan	Chief Technology Officer	He is a banking and financial services professional with over three decades of experience in the industry. He has spent many years with international banks such as Standard Chartered & Royal Bank of Scotland in global roles spanning various businesses and functions. He has led many global technology transformation initiatives in these organizations, with a significant part of his career in the Middle East and South Asia markets, based in Dubai. In the recent past, he has been responsible for setting up technology at Equitas Small Finance Bank as CTO, leading their transformation from a NBFC to a bank. Prior to joining Five Star, he was the Chief Information Officer with Suryoday Small Finance Bank leading their technology initiatives as part of their SFB journey.
9	Naveen Raj R	Chief Audit Officer	Naveen is a Chartered Accountant with about 15 years of experience with 2 of the Big 4 audit firms – Deloitte and KPMG. He comes with significant experience having led audit assignments across companies in multiple industries with specialisation in financial services.
10	Ramesh Kannah	Chief Legal Officer	Ramesh is a Law Graduate from Government Law College, along with MBA in General & HR Management from Bharathiar University, Coimbatore. He is also a qualified CAIIB with Specialization in Rural Banking. He has 22+ years of experience, specializing in Collections & Recoveries and has worked in Legal divisions of Citi Bank, ICICI Bank, Cholamandalam Finance and HDFC Bank. In his last assignment, he was the Head – Collections Legal in Piramal Capital & Housing Finance.
11	Prashanth S	Chief Treasury Officer	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.
12	Parthasarathi Asuri	Head - Risk & Compliance	Sarathi has multiple qualifications to his credit viz., M.Com, ACA, ACMA, ACS, CAIIB. He has diversified professional work experience of over 16 years, including a decade long stint in the Banking Industry, followed by his experience in the fields of Finance, Accounts, Taxation and Secretarial Functions. His last employment was with FL Smidth Private Limited. At Five Star, he oversees the Risk and Compliance and Internal Audit functions.
13	Sridhar Vembu	Head of Engineering - Development & Data Sciences	Sridhar is a core technologist and has more than 22 years of experience in fintech, telecom and manufacturing. His work experience spans across organizations such as Infosys, Amdocs, Thoughtworks Technologies and Credit Mantri. In his last assignment at CreditMantri as Head of Engineering, Sridhar has lead the technology strategy and implementation for the company. He currently leads the new technology development and analytics initiatives
14	Daniel Wilson	Head Operations	Daniel Wilson has an extensive 20+ years of experience in Bank/NBFC industry , including L&T Finance and GE Finance looking after their sprawling operations department. Prior to joining Five-Star Business Finance Limited, he headed the Operations Department at Vistaar Finance.

15	S M Seshadri	Head - Credit	Seshadri has more than two decades experience in business development, understanding customer requirements and offering tailor made products. He has led the company in the areas of credit management, operations, risk management, fraud control and property valuation. His experience and interest in Small Business Loans has helped the company to get a stronghold in MSME segment. He started his career with Five-Star. Seshadri is a Post graduate in Commerce from Madras University. He also holds B.L. Degree from Yogi Vemanna University
16	M Sai Suryanarayana	Chief People Officer	Sai come with 26 years of experience across industries. He has worked with organizations link ING Vysa Bank, Toyota Financial Services and AU Small Finance Bank. He holds a PGDPM from Xavier Institute of Social Service Ranchi.
17	K Arun Kumar	Head - Accounts	Arun has more than 2 decades of experience in the areas of treasury operations, finance and accounting. He possesses a demonstrated record of success in strategic planning and execution, business finance and monitoring, financial risk management, audit and control. He has started his career with Five-Star. Arun is a Post Graduate in Commerce from Annamalai University. He also holds Post Graduate Diploma in Computer Applications.
18	B Venkatesh	Head - Financial Reporting	Venkatesh is a qualified Chartered Accountant & Company Secretary with industry experience of about a decade having previously worked with PWC and Equitas Small Finance Bank. He has worked across audit, accounts, finance, fund-raise, treasury, diligence and related areas.
19	Shylasree Padmanabhan	Head - Admin	Shylashree has over 20 years of experience in human resources, secretarial and office administration. She had worked with Sutherland Global Services and Asirvad Microfinance before moving to Five-Star.
20	Murali Krishnan	Deputy Head - Business & Collections	Murali comes with more than 26 years of Sales experience handling different Retail lending products in his career. He has grown from a Sales Manager till all the way to his last role as Business Head in Prayaan Capital. His experience spans across Business Development, Sales &Marketing, Channel Management, Building efficient Teams in organizations such as Bajaj Finserve, HSBC, ICICI Bank Ltd, Citicorp and GE Countrywide.
21	Shalini Baskaran	Company Secretary	Shalini is a Qualified Company Secretary and Commerce graduate who started her career with Five-Star Business Finance during the year 2017. She is currently the Company Secretary and Compliance Officer of Five Star , and is responsible for all the Secretarial compliances across various regulations

d. **Names, addresses, DIN and occupations of the directors:**

Sr. No.	Name of the Director	Designation	DIN	Address
1	Lakshmipathy Deenadayalan	Chairman and Managing Director	01723269	No. 39, Outer Circular Road, Kilpauk Garden Colony, Kilpauk, Chennai – 600010

2	Bhama Krishnamurthy	Independent Director	02196839	401, 4th Floor, Avarsekars Shruti, Old Prabhadevi Road, Prabhadevi, Mumbai 400025
3	Anand Raghavan	Independent Director	00243485	No. 22/1, Warren Road, Mylapore, Chennai - 600004
4	Srinivasaraghavan Thiruvallur Thattai	Independent Director	00018247	New No. 9, Old No.5, III Street Kasturi Estates, Chennai – 600086
5	Ramkumar Ramamoorthy	Independent Director	07936844	Flat B-13, Chaitanya Nest, Ratna Nagar, Teynampet, Chennai - 600 018
6	Vikram Vaidyanathan	Non-Executive Director	06764019	Gw 45, Divyasree 77, East Yemalur Main Road Yemalur, Bangaluru 560037
7	Ravishankar Ganapathyagraharam Venkataraman	Non-Executive Director	02604007	Villa Gw09, 77 East, 77 Town Centre Yemalur Main Road, Marathahalli, Bangalore 560037
8	Thirulokchand Vasana	Non-Executive Director	07679930	1/143/1C, Thilak Street, Panneer nagar, Mogappair East, Chennai - 600037

e. **Management's perception of Risk Factors:** Please refer Section 4 RISK FACTORS of the placement memorandum

- f. **Details of defaults, if any, including the amounts involved, duration of default, and present status, in repayment of:**
- (i) Statutory Dues: **Nil**
 - (ii) Debenture and interest thereon: **Nil**
 - (iii) Deposits and interest thereon: **Nil**
 - (iv) Loans from banks and financial institutions and interest thereon: **Nil**

g. **Name, designation, address and phone number, email ID of the nodal / compliance officer of the Company, if any, for the Issue:**

Name: Ms. Shalini Baskaran
Designation: Head-Compliance and Investor Relations
Address: New No. 27, Old No. 4, Taylor's Road, Kilpauk, Chennai TN 600010
Phone No: 044-46106200
Email: secretary@fivestargroup.in

h. **Any default in annual filing of the Company under the Companies Act, 2013 or the rules made thereunder:** Nil

i. **Particulars of the Offer:**

Financial position of the Company for the last 3 (three) financial years	Refer Annexure-I
Date of passing of Board Resolution	
Date of passing of resolution in general meeting, authorizing the offer of securities	September 02, 2022

<p>Kinds of securities offered (i.e. whether share or debenture) and class of security, the total number of shares or other securities to be issued</p>	<p>Total Issue Size: 20,000 senior, secured, unsubordinated, rated, listed, transferable, redeemable, non-convertible debentures each having a face value of INR 1,00,000 (Indian Rupees One Lakh Only) aggregating to INR 200,00,00,000 (Indian Rupees two hundred crores only) (“Debentures”) comprising of:</p> <p>Base Issue: 10,000 senior, secured, unsubordinated, rated, listed, transferable, redeemable, non-convertible debentures each having a face value of INR 1,00,000 (Indian Rupees One Lakh Only) aggregating to INR 100,00,00,000 (Rupees One Hundred Crores Only):</p> <p>Green Shoe Option: Up to 10,000 senior, secured, unsubordinated, rated, listed, transferable, redeemable, non-convertible debentures each having a face value of INR 1,00,000 (Indian Rupees One Lakh Only) aggregating to INR 100,00,00,000 (Rupees One Hundred Crores Only):</p>
<p>Price at which the security is being offered, including premium if any, along with justification of the price</p>	<p>Rs. 1,00,000 per debenture issued at par</p>
<p>Name and address of the valuer who performed valuation of the security offered, and basis on which the price has been arrived at along with report of the registered valuer</p>	<p>Not Applicable</p>
<p>Relevant date with reference to which the price has been arrived at [Relevant Date means a date at least 30 days prior to the date on which the general meeting of the Company is scheduled to be held]</p>	<p>Not Applicable</p>
<p>The class or classes of persons to whom the allotment is proposed to be made</p>	<p>The following categories of investors, when specifically approached, are eligible to apply for this private placement of Debentures:</p> <ul style="list-style-type: none"> • Resident Individuals, • Hindu Undivided Family, • Trust, • Limited Liability Partnerships, Partnership Firm(s), • Portfolio Managers and Foreign Institutional Investors (FII) registered with SEBI, • Association of Persons, • Companies and Bodies Corporate including Public Sector Undertakings. • Commercial Banks, Regional Rural Banks, Financial Institutions, • Insurance Companies, • Mutual Funds/ Alternative Investment Fund (AIF), and any other investor eligible to invest in these Debentures

Intention of promoters, directors or key managerial personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer) [Not required in case of issue of non-convertible debentures]	Not Applicable												
The proposed time within which the allotment shall be completed	Issue/ Bid Opening Date (T): Issue/ Bid Closing Date (T): Pay-in Date (T): Deemed Date of Allotment (T):												
The names of the proposed allottees and the percentage of post private placement capital that may be held by them [Not applicable in case of issue of non-convertible debentures].													
The change in control, if any, in the company that would occur consequent to the private placement	Nil												
The number of persons to whom allotment on preferential basis/ private placement/ rights issue has already been made during the year, in terms of securities as well as price	Nil												
The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer	Not Applicable												
Amount, which the Company intends to raise by way of securities	Up to Rs.200,00,00,000 (Rupees Two Hundred Crores Only)												
Terms of raising of securities:	<table border="1"> <tr> <td>Duration, if applicable:</td> <td>1297 days from Deemed Date of Allotment</td> </tr> <tr> <td>Deemed Date of Allotment:</td> <td>June 15, 2023</td> </tr> <tr> <td>Maturity Date:</td> <td>December 15, 2026</td> </tr> <tr> <td>Rate of Interest or dividend</td> <td>Fixed Coupon of 9.10% per annum</td> </tr> <tr> <td>Mode of Payment</td> <td>cheque(s)/ demand draft/ electronic clearing services (ECS)/credit through NEFT/ RTGS system/funds transfer</td> </tr> <tr> <td>Mode of Repayment</td> <td>cheque(s)/ electronic clearing services (ECS)/credit through NEFT/ RTGS system/funds transfer</td> </tr> </table>	Duration, if applicable:	1297 days from Deemed Date of Allotment	Deemed Date of Allotment:	June 15, 2023	Maturity Date:	December 15, 2026	Rate of Interest or dividend	Fixed Coupon of 9.10% per annum	Mode of Payment	cheque(s)/ demand draft/ electronic clearing services (ECS)/credit through NEFT/ RTGS system/funds transfer	Mode of Repayment	cheque(s)/ electronic clearing services (ECS)/credit through NEFT/ RTGS system/funds transfer
Duration, if applicable:	1297 days from Deemed Date of Allotment												
Deemed Date of Allotment:	June 15, 2023												
Maturity Date:	December 15, 2026												
Rate of Interest or dividend	Fixed Coupon of 9.10% per annum												
Mode of Payment	cheque(s)/ demand draft/ electronic clearing services (ECS)/credit through NEFT/ RTGS system/funds transfer												
Mode of Repayment	cheque(s)/ electronic clearing services (ECS)/credit through NEFT/ RTGS system/funds transfer												

Proposed time schedule for which the Issue/ Offer Letter is valid	Issue Opening Date: June 14, 2023 Issue Closing Date: June 14, 2023 Pay-in Date: June 15, 2023 Deemed Date of Allotment: June 15, 2023
Purpose and objects of the Issue	Issue proceeds will be utilized for following purposes a) For deployment in business & growth of asset book b) General Corporate Purpose in the ordinary course of business, including refinance of existing debt.
Contribution being made by the Promoters or directors either as part of the offer or separately in furtherance of the object	Nil
Principal terms of assets charged as security, if applicable	The issue amounts outstanding under the Debentures together with coupon, default interest, remuneration of the Trustee, charges, fees, expenses and all other monies due from the Company shall be secured on a first ranking exclusive and continuing charge basis by way of hypothecation up to the Security Cover Ratio in favour of the Debenture Trustee over identified loan receivables that meet the Eligibility Criteria with the prescribed Security Cover. Security Cover Ratio:- 1.10 X (One point One Zero times)
The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the Company and its future operations	Nil
The pre-issue and post-issue shareholding pattern of the Company.	Not Applicable

MODE OF PAYMENT FOR SUBSCRIPTION.

- Cheque
- Demand Draft
- **Other Banking Channels**

Cheque(s)/ demand draft/ electronic clearing services (ECS)/credit through RTGS system/funds transfer, wherein the subscription amounts on the Debentures should be paid into the account bearing the following details:

Beneficiary Name: Five-Star Business Finance Limited

Bank Account No.: 409001648998

IFSC Code: RATN0000113

Bank Name: RBL Bank Limited

Branch Address: Anand Business Centre, No 154/56, GN Chetty Road, T Nagar Chennai 600017

Disclosure with regard to interest of directors, litigation, etc:

<p>Any financial or other material interest of the directors, promoters or key managerial personnel in the Issue and the effect of such interest in so far as it is different from the interests of other persons</p>	<p>Nil</p>														
<p>Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any Promoter of the Company during the last 3 (three) years immediately preceding the year of the circulation of this private placement offer letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed.</p>	<p>Nil</p>														
<p>Remuneration of directors (during the current year and last 3 (three) financial years)</p>	<table border="1"> <thead> <tr> <th data-bbox="711 743 1026 827">Name of the Director</th> <th data-bbox="1026 743 1344 827">Remuneration (in Rs lakhs)</th> </tr> </thead> <tbody> <tr> <td data-bbox="711 827 1026 877">2021</td> <td data-bbox="1026 827 1344 877"></td> </tr> <tr> <td data-bbox="711 877 1026 928">D. Lakshmipathy</td> <td data-bbox="1026 877 1344 928">502.15</td> </tr> <tr> <td data-bbox="711 928 1026 978">2022</td> <td data-bbox="1026 928 1344 978"></td> </tr> <tr> <td data-bbox="711 978 1026 1029">D. Lakshmipathy</td> <td data-bbox="1026 978 1344 1029">631.88</td> </tr> <tr> <td data-bbox="711 1029 1026 1079">2023</td> <td data-bbox="1026 1029 1344 1079"></td> </tr> <tr> <td data-bbox="711 1079 1026 1134">D. Lakshmipathy</td> <td data-bbox="1026 1079 1344 1134">831.70</td> </tr> </tbody> </table>	Name of the Director	Remuneration (in Rs lakhs)	2021		D. Lakshmipathy	502.15	2022		D. Lakshmipathy	631.88	2023		D. Lakshmipathy	831.70
Name of the Director	Remuneration (in Rs lakhs)														
2021															
D. Lakshmipathy	502.15														
2022															
D. Lakshmipathy	631.88														
2023															
D. Lakshmipathy	831.70														
<p>Related party transactions entered during the last 3 (three) financial years immediately preceding the year of circulation of this private placement offer letter including with regard to loans made or, guarantees given or securities provided.</p>	<p>Refer Annexure-II</p>														
<p>Summary of reservations or qualifications or adverse remarks of auditors in the last 5 (five) financial years immediately preceding the year of circulation of this private placement offer letter 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</p>	<p>Nil</p>														
<p>Details of any inquiry, inspections or investigations initiated or conducted under the Act or any previous company law in the last 3 (three) years immediately preceding the year of circulation of the private placement offer letter in the case</p>	<p>Nil</p>														

of the Company and all of its subsidiaries. Also, if there were any were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last 3 (three) years immediately preceding the year of this private placement offer letter and if so, section-wise details thereof for the Company and all of its subsidiaries	
Details of acts of material frauds committed against the Company in the last 3 (three) years, if any, and if so, the action taken by the Company	Nil

Financial Position of the Company:

The capital structure of the company in the following manner in a tabular form:

The authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value)	Share Capital	Aggregate Nominal Value
	Authorised	
	Authorised Capital	
	Equity Shares of Re.1 each	Rs. 5,500.00
	Preference Share Capital	
	Compulsorily Convertible Preference Shares of Re.1 each	Rs. 0.00
	TOTAL	Rs. 5,500.00
	Issued, Subscribed and Paid-up Equity Capital	
	equity shares of Re.1 each,	Rs. 2,913.66
Issued, Subscribed and Paid-up Preference Share Capital		
TOTAL	Rs. 2,913.66	
Size of the Present Issue	Rs. 200.00 Crores	
Paid-up Capital: a. After the offer: b. After the conversion of Convertible Instruments (if applicable)	Not Applicable	
Share Premium Account: a. Before the offer: b. After the offer:	No change in share premium account of the Company as this is an NCD issuance	

Details of the existing share capital of the Issuer indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration:

Share Capital of the Company (Until before the issue since the incorporation)						
Date of allotment	Class of shares allotted	No. of shares allotted	Face value of the shares allotted (INR)	Premium per share (INR)	Subscription Amount (INR)	Form of consideration

Refer AnnexureIII

Details of allotments made by the Company in the last one year prior to the date of this Offer Letter for consideration other than cash and details of the consideration in each case.	Not Applicable												
Profits of the Company, before and after making provision for tax, for the 3 (three) financial years immediately preceding the date of circulation of this private placement offer letter [INR crores]	<table border="1"> <thead> <tr> <th>Year</th> <th>Fiscal 2023</th> <th>Fiscal 2022</th> <th>Fiscal 2021</th> </tr> </thead> <tbody> <tr> <td>Profit before tax</td> <td>804.73</td> <td>604.21</td> <td>476.44</td> </tr> <tr> <td>Profit after tax</td> <td>601.30</td> <td>451.31</td> <td>358.21</td> </tr> </tbody> </table>	Year	Fiscal 2023	Fiscal 2022	Fiscal 2021	Profit before tax	804.73	604.21	476.44	Profit after tax	601.30	451.31	358.21
Year	Fiscal 2023	Fiscal 2022	Fiscal 2021										
Profit before tax	804.73	604.21	476.44										
Profit after tax	601.30	451.31	358.21										
Dividends declared by the Company in respect of the said 3 (three) financial years; interest coverage ratio for last three years (cash profit after tax plus interest paid/interest paid) [INR crores]	<table border="1"> <thead> <tr> <th></th> <th>Fiscal 2023</th> <th>Fiscal 2022</th> <th>Fiscal 2021</th> </tr> </thead> <tbody> <tr> <td>Dividends Declared</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Interest Coverage Ratio</td> <td>4.14</td> <td>3.11</td> <td>2.57</td> </tr> </tbody> </table>		Fiscal 2023	Fiscal 2022	Fiscal 2021	Dividends Declared	-	-	-	Interest Coverage Ratio	4.14	3.11	2.57
	Fiscal 2023	Fiscal 2022	Fiscal 2021										
Dividends Declared	-	-	-										
Interest Coverage Ratio	4.14	3.11	2.57										
A summary of the financial position of the Company as in the 3 (three) audited balance sheets immediately preceding the date of circulation of this private placement offer letter	Refer-Annexure-1												
Audited Cash Flow Statement for the 3 (three) years immediately preceding the date of circulation of this private placement offer letter	Refer-Annexure-I												
Any change in accounting policies during the last 3 (three) years and their effect on the profits and the reserves of the Company	No Changes												

DECLARATION (To be provided by the Directors)

A. The Company has complied with the provisions of the Companies Act, 2013 and the rules made hereunder;

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

I am authorized by the Board of Directors of the Company vide resolution dated February 23, 2023 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of the Offer Letter has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

For Five-Star Business Finance Ltd

Authorised

Name: G. Srikanth

Title: Chief Financial Officer

Date: June xx, 2023

Place: Chennai

Enclosed

Copy of Board Resolution

Copy of Shareholders Resolution

Annexure I – Summary of Financial Position of the Company, Audited Cash Flow Statements

Annexure II – Related Party Transactions

Annexure III – Change in Share Capital

1.6 DECLARATION

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

I am authorized by the Board of Directors of the Company vide resolution dated February 23, 2023 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of the Offer Letter has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

For Five-Star Business Finance Limited

Authorised

Name: Lakshmipathy Deenadayalan

Title: Chairman & Managing Director

Date: June 12, 2023

Place: Chennai

Enclosed

Copy of Board Resolution

Copy of Shareholders Resolution

Annexure I - Summary of Financial Position of the Company, Audited Cash Flow Statements

Annexure II -Related Party Transactions

Annexure III - Change in Share Capital

Annexure-1 Financial Statements for Last 3 Years

Five-Star Business Finance Limited
Balance Sheet as at March 31, 2023
 (All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
Financial Assets			
Cash and cash equivalents	4	1,34,035.80	61,316.28
Bank balances other than cash and cash equivalents	5	24,050.41	26,677.50
Loans	6	6,82,219.59	5,10,241.07
Investments	7	14,461.42	24,818.38
Derivative financial instruments	14	346.09	-
Other financial assets	8	3,212.42	1,797.93
Total Financial Assets		8,58,325.73	6,24,851.16
Non Financial Assets			
Current tax asset (Net)	9	193.57	220.07
Deferred tax asset (Net)	33	5,332.60	4,666.74
Investment property	10	3.56	3.56
Property, plant and equipment	12	1,543.01	1,214.45
Right of use asset	37	2,846.18	1,978.10
Other intangible assets	13	97.71	88.74
Other non-financial assets	11	1,940.43	1,283.74
Total Non Financial Assets		11,957.06	9,455.40
Total Assets		8,70,282.79	6,34,306.56
LIABILITIES AND EQUITY			
Financial Liabilities			
Derivative financial instruments	14	-	138.92
Payables			
Trade payables	15		
Total outstanding dues of micro and small enterprises		-	
Total outstanding dues of creditors other than micro and small		2,009.01	1,300.31
Debt securities	16	52,483.00	1,00,853.38
Borrowings (Other than debt securities)	17	3,72,244.91	1,55,029.75
Other financial liabilities	18	6,070.01	4,046.83
Total Financial Liabilities		4,32,806.93	2,61,369.19
Non-Financial Liabilities			
Current tax liabilities (Net)	9A	539.85	-
Provisions	19	1,158.17	900.03
Other non-financial liabilities	20	1,824.37	1,002.24
Total Non-Financial Liabilities		3,522.39	1,902.27
Total Liabilities		4,36,329.32	2,63,271.46
Equity			
Equity share capital	21	2,913.66	2,913.43
Other equity	22	4,31,039.81	3,68,121.67
Total Equity		4,33,953.47	3,71,035.10
Total Liabilities and Equity		8,70,282.79	6,34,306.56

Significant accounting policies 2 and 3
 The accompanying notes are integral part of the financial statements

As per our report of even date
 for S R Batliboi & Associates LLP
 Chartered Accountants
 ICAI Firm Registration No: 101049W/ E300004



per Bharath N S
 Membership No: 210934

Place : Chennai
 Date : May 09, 2023



For and on behalf of the Board of Directors of
Five-Star Business Finance Limited
 CIN: U65991TN1084PLC010844


D Lalithampathy
 Chairman and Managing Director
 DIN: 01723269


G Srikanth
 Chief Financial Officer

Place : Chennai
 Date : May 09, 2023


K Rangarajan
 Chief Executive Officer


R Anand
 Independent Director
 DIN: 00243485


B Shalini
 Company Secretary
 ACS: A51334

Five-Star Business Finance Limited
Statement of Profit and Loss for the year ended March 31, 2023
 (All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations			
Interest income	23	1,49,878.37	1,20,376.55
Fee income	24	1,375.89	2,939.60
Net gain on fair value changes	25	830.59	2,090.21
Total revenue from operations (I)		1,52,084.85	1,25,406.36
Other income (II)	26	807.90	210.56
Total Income (III) = (I) + (II)		1,52,892.75	1,25,616.92
Expenses			
Finance costs	27	26,625.10	30,060.00
Impairment on financial instruments	28	2,014.70	4,551.81
Employee benefits expenses	29	34,642.66	23,611.52
Depreciation and amortization	30	1,731.24	1,224.47
Other expenses	31	7,405.56	5,748.21
Total Expenses (IV)		72,419.26	65,196.01
Profit before tax (V) = (III) - (IV)		80,473.49	60,420.91
Tax expense			
Current tax	32	20,715.40	15,959.12
Deferred tax (net)	32	(591.52)	(892.66)
Total tax expenses (VI)		20,123.88	15,066.46
Profit for the year (A) = (V) - (VI)		60,349.61	45,354.45
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of the Defined Benefit Plan	40	(144.06)	(171.63)
Income tax relating to items that will not be reclassified to profit or loss	32.1	36.26	43.20
Net other comprehensive income / (deficit) not to be reclassified subsequently to profit or loss		(107.80)	(128.43)
Items that will be reclassified subsequently to profit or loss			
Net movement on effective portion of cashflow hedge	47	(151.28)	(126.92)
Income tax relating to items that will be reclassified to profit or loss	32.1	38.07	31.94
Net other comprehensive income / (deficit) to be reclassified subsequently to profit or loss		(113.21)	(94.98)
Other comprehensive income / (deficit) for the year, net of income tax (B)		(221.01)	(223.41)
Total comprehensive income for the year (A) + (B)		60,128.60	45,131.04
Earnings per equity share (face value Re.1 each)			
Basic (in rupees)		20.71	16.09
Diluted (in rupees)	38	20.49	15.92

Significant accounting policies 2 and 3
 The accompanying notes are integral part of the financial statements

As per our report of even date
 for S R Batliboi & Associates LLP
 Chartered Accountants
 ICAI Firm Registration No: 101049W/ E300004



per Bharath N S
 Membership No: 210934

Place : Chennai
 Date : May 09, 2023



For and on behalf of the Board of Directors of
Five-Star Business Finance Limited
 CIN: U65991TN0984PLC010844


D Lakshminpathy
 Chairman and Managing Director
 DIN: 01723269


G Srikanth
 Chief Financial Officer

Place : Chennai
 Date : May 09, 2023


K Rangarajan
 Chief Executive Officer


R Anand
 Independent Director
 DIN: 00243485


B Shalini
 Company Secretary
 ACS: A51334

Five-Star Business Finance Limited
Statement of Cashflows for the year ended March 31, 2023
(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cashflow from Operating Activities		
Profit Before Tax	80,473.49	60,420.91
Adjustments for:		
Interest income on loans	(1,46,303.00)	(1,17,673.21)
Interest income on deposit with banks/ others	(3,575.37)	(2,703.35)
Finance costs	26,625.10	30,060.00
Impairment on financial instruments	2,014.70	4,551.80
Depreciation and amortisation expense	1,731.24	1,224.47
Loss on sale/ retirement of property, plant and equipment (net)	2.83	1.32
Net gain on fair value changes on mutual fund investments	(830.59)	(2,090.21)
Gain recognised on derecognition of leases	(39.16)	(21.73)
Employee stock option expenses	2,764.19	3,544.18
Operating cash flow before working capital changes	(37,136.57)	(22,685.82)
Changes in working capital		
<i>Adjustment for (increase)/ decrease in operating assets</i>		
Loans	(1,77,196.71)	(77,227.15)
Other financial assets	(1,452.18)	(1,323.59)
Other non-financial assets	(656.69)	(830.97)
<i>Adjustment for increase/ (decrease) in operating liabilities</i>		
Trade payables	708.70	433.14
Provision	114.08	8.60
Other financial liabilities	1,150.45	1,845.86
Other non-financial liabilities	822.13	(818.05)
Net cash used in operations	(2,13,646.79)	(1,00,597.98)
Finance cost paid	(27,991.40)	(27,395.14)
Interest income received	1,49,506.49	1,15,660.55
Direct taxes paid (net)	(20,149.07)	(15,383.41)
Net cash used in operating activities (A)	(1,12,280.77)	(27,715.98)
Cashflow from investing activities		
Purchase of property plant and equipment	(1,213.40)	(862.85)
Proceeds from sale of property plant and equipment	1.78	0.90
(Purchase)/ redemption of mutual funds (net)	830.59	2,090.21
(Purchase)/ redemption of investments (net)	10,100.99	(24,818.38)
Interest income on deposit from banks/ others	3,314.01	2,155.27
Movement in bank balances other than cash & cash equivalents	3,144.40	(16,953.57)
Net cashflow from / (used in) investing activities (B)	16,178.37	(38,388.42)
Cashflow from financing activities		
Proceeds from issue of equity shares	0.23	348.94
Proceeds from securities premium (net off utilisation)	25.35	90,363.87
Share issue expenses	-	(170.10)
Proceeds from borrowings during the year	3,10,356.20	31,541.00
Repayment of borrowings during the year	(1,40,781.36)	(1,20,830.40)
Payment towards leases (excluding interest)	(778.50)	(550.92)
Net cashflow from financing activities (C)	1,68,821.92	702.40
Net increase / (decrease) in cash and cash equivalents [A + B + C]	72,719.52	(65,402.00)
Cash and cash equivalents at the beginning of the year	61,316.28	1,26,718.28
Cash and cash equivalents at the end of the year	1,34,035.80	61,316.28



Five-Star Business Finance Limited
Statement of Cashflows for the year ended March 31, 2023
 (All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Notes:

I. Components of Cash and Cash Equivalents

Notes	Particulars	As at 31 March 2023	As at 31 March 2022
I	Cash and cash equivalents		
	Cash on hand	585.33	504.00
	Balances with bank		
	(i) In current accounts	13,875.11	4,741.93
	(ii) In deposit accounts (original maturity less than 3 months)	1,19,575.36	56,070.35
		1,34,035.80	61,316.28

The accompanying notes are integral part of the financial statements

As per our report of even date
 for **S R Batliboi & Associates LLP**
 Chartered Accountants
 ICAI Firm Registration No: 101049W/ E300004



per **Bharath N S**
 Membership No: 210934

Place : Chennai
 Date : May 09, 2023



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


D Lakshmi pathy
 Chairman and Managing Director
 DIN: 01723269


R Anand
 Independent Director
 DIN: 00243485

 
G Srikanth **K Rangarajan**
 Chief Financial Officer Chief Executive Officer

Place : Chennai
 Date : May 09, 2023


B Shalini
 Company Secretary
 ACS: A51334

Five-Star Business Finance Limited
Balance Sheet as at March 31, 2022
 (All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Financial assets			
Cash and cash equivalents	4	61,316.28	1,26,718.28
Bank balances other than cash and cash equivalents	5	26,677.50	8,853.99
Loans	6	5,10,281.07	4,35,874.94
Investments	7	24,818.38	-
Other financial assets	8	1,797.93	474.34
		<u>6,34,891.16</u>	<u>5,71,921.55</u>
Non-financial assets			
Current tax assets (net)	9	220.07	795.79
Deferred tax assets (net)	37	4,666.74	3,698.94
Investment property	10	3.56	3.56
Property, plant and equipment	12	1,214.45	845.60
Right of use asset	38	1,978.10	1,452.63
Other intangible assets	13	88.74	190.20
Other non-financial assets	11	1,283.74	452.77
		<u>9,455.40</u>	<u>7,439.89</u>
Total Assets		<u>6,34,306.56</u>	<u>5,79,361.44</u>
LIABILITIES AND EQUITY			
Financial Liabilities			
Derivative financial instruments	14	138.92	-
Payables			
Trade payables			
Total outstanding dues of micro and small enterprises			
Total outstanding dues of creditors other than micro and small enterprises	15	1,300.31	867.17
Debt securities	16	1,00,853.38	1,30,378.55
Borrowings (other than debt securities)	17	1,55,028.75	2,12,141.12
Other financial liabilities	18	4,146.84	1,717.01
		<u>2,61,469.20</u>	<u>3,45,103.85</u>
Non-financial liabilities			
Provisions	19	900.03	719.80
Other non-financial liabilities	20	902.23	1,728.27
		<u>1,802.26</u>	<u>2,448.07</u>
Equity			
Equity share capital	21	2,913.43	2,564.49
Other equity	22	3,68,121.67	1,29,232.73
		<u>3,71,035.10</u>	<u>2,31,817.22</u>
Total Liabilities and Equity		<u>6,34,306.56</u>	<u>5,79,361.44</u>

Significant accounting policies

The accompanying notes are integral part of the financial statements

2 and 3

As per our report of even date
 for S.R. Baliboi & Associates LLP
 Chartered Accountants
 ICAI Firm registration number: 101049W/E300004


 Bharath N S
 Membership No: 210934



Place : Chennai
 Date : April 27, 2022

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


 D Lakshminarayana
 Chairman and Managing Director
 DIN: 01723269


 G Srikanth
 Chief Financial Officer


 K Rangarajan
 Chief Executive Officer


 R Anand
 Independent Director
 DIN: 00043485


 B Shalini
 Company Secretary
 ACS: A51334

Place : Chennai
 Date : April 27, 2022

Five-Star Business Finance Limited
Statement of Profit and loss for the year ended March 31, 2022
 (All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	Note	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations			
Interest income	23	1,20,376.55	1,01,487.58
Fee income	24	2,939.60	2,167.61
Net gain on fair value changes	25	2,090.21	1,319.03
Total revenue from operations (I)		1,25,406.36	1,04,974.22
Other income (II)	26	210.56	151.25
Total income (III) = (I) + (II)		1,25,616.92	1,05,125.47
Expenses			
Finance costs	27	30,060.00	32,519.12
Fees expenses	28	-	266.83
Impairment on financial instruments	29	4,551.81	3,517.57
Employee benefits expense	30	23,611.52	18,371.78
Depreciation and amortisation	31	1,224.47	1,138.39
Other expenses	32	5,748.21	3,667.70
Total Expenses (IV)		65,196.01	57,481.39
Profit before tax (V) = (III) - (IV)		60,420.91	47,644.08
Tax expense (VI)			
Current tax	33	15,959.12	12,594.12
Deferred tax (net)	37	(892.66)	(849.48)
		15,066.46	11,744.64
Profit for the year (A) = (V) - (VI)		45,354.45	35,899.44
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurements of the defined benefit plan		(171.63)	(105.27)
Income Tax impact		43.20	26.49
		(128.43)	(78.78)
Items that will be reclassified subsequently to profit or loss			
Cash Flow Hedge Reserve		(126.92)	-
Income Tax impact		31.94	-
		(94.98)	-
Other comprehensive income/ (loss) net of tax for the year (B)		(223.41)	(78.78)
Total comprehensive income net of tax for the year (A) + (B)		45,131.04	35,820.66
Earnings per equity share (face value Rs.1 each)			
Basic (in rupees)		16.09	14.01
Diluted (in rupees)	39	15.92	13.61

Significant accounting policies

2 and 3

The accompanying notes are integral part of the financial statements

As per our report of even date
 for S.R. Balakrishna & Associates LLP
 Chartered Accountants
 ICAI Firm registration number: 1010498/E300004

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


 per Bharathi N S
 Membership No: 210934




 P Lakshminarayana
 Chairman and Managing Director
 DIN: 01723269


 G Srikanth
 Chief Financial Officer


 K Rangarajan
 Chief Executive Officer


 R Anand
 Independent Director
 DIN: 00243485


 B Shalini
 Company Secretary
 ACS: A51334

Place : Chennai
 Date : April 27, 2022

Place : Chennai
 Date : April 27, 2022

Five-Star Business Finance Limited
Statement of Cash Flows for the year ended March 31, 2022
(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A. Cash Flow from Operating Activities		
Net profit before tax	60,420.91	47,644.68
Adjustments for:		
Depreciation and amortisation	1,224.47	1,138.39
Impairment on financial instruments	4,551.80	3,517.57
Loss on retirement of property, plant and equipment (net)	1.32	2.32
Profit on sale of current investment (net)	(2,090.21)	(1,319.63)
Interest income on deposits with banks / others	(2,795.35)	(1,937.47)
Interest on loans	(1,17,673.20)	(99,550.11)
Finance costs	30,060.00	32,785.95
Gain recognised on derecognition of leases	(21.73)	(42.32)
Employee stock option expenses	3,544.18	1,500.39
Operating cash flow before working capital changes	(22,685.81)	(16,251.23)
Changes in Working Capital:		
Adjustments for (Increase) / Decrease in Operating Assets:		
Loans	(77,227.15)	(55,972.13)
Other non-financial assets	(836.97)	95.85
Other financial assets	(1,323.59)	50.22
Adjustments for Increase / (Decrease) in Operating Liabilities:		
Trade payables	433.14	204.76
Provisions	8.60	36.92
Other financial liabilities	1,845.86	(899.70)
Other non-financial liabilities	(818.05)	1,189.72
Net cash (used in) operations	(1,96,597.97)	(71,545.89)
Finance cost paid	(27,395.14)	(30,362.09)
Interest income received	1,15,660.55	99,210.18
Direct taxes paid (net)	(15,383.41)	(13,029.26)
Net Cash Used in Operating Activities (A)	(27,715.97)	(15,726.76)
B. Cash Flow from Investing Activities		
Purchase of fixed assets	(862.85)	(324.36)
Proceeds from sale of fixed assets	0.90	0.98
Profit on sale of current investments	2,090.21	1,319.03
(Purchase)/redemption of investments (Net)	(24,818.38)	-
Interest income on deposits with banks / others	2,155.27	1,778.77
Movement in bank balances other than cash and cash equivalents	(16,953.57)	7,439.65
Net Cash from / (used in) Investing Activities (B)	(38,388.62)	10,214.07
C. Cash Flow from Financing Activities		
Proceeds from issue of equity shares	348.94	6.28
Proceeds from securities premium	90,363.87	22.83
Share Issue Expenses	(170.10)	0
Fresh Borrowings during the year	31,541.60	2,36,179.03
Repayment of Borrowings during the year	(1,20,830.40)	(1,32,452.53)
Payment towards loans (excluding interest)	(550.92)	(502.59)
Net Cash from Financing Activities (C)	702.39	1,83,253.02
Net Increase in Cash and Cash Equivalents [(A) + (B) + (C)]	(65,402.00)	97,740.33
Cash and Cash Equivalents at the beginning of the year	1,26,718.28	28,977.95
Cash and Cash Equivalents at the end of the year	61,316.28	1,26,718.28



Five-Star Business Finance Limited
Statement of Cash Flows for the year ended March 31, 2022
 (All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Notes		
1 Cash and cash equivalents		
Cash on hand	504.00	425.85
Balances with banks		
(i) In current accounts	4,741.93	31,454.90
(ii) In deposit accounts (original maturity less than 3 months)	56,070.35	94,837.53
	61,316.28	1,26,718.28

Significant accounting policies
 The accompanying notes are integral part of the financial statements
 As per our report of even date
 for S.R. Batliboi & Associates LLP
 Chartered Accountants
 ICAI Firm registration number: 101049W/E300004

2 and 3

For and on behalf of the Board of Directors of
Five-Star Business Finance Limited
 CIN : U68991TN1984PLC010844


 per Bharath N S
 Membership No: 210934




 B. Lakshminarayana
 Chairman and Managing Director
 DIN: 01723209


 R. Anand
 Independent Director
 DIN: 00243485


 G. Srikanth
 Chief Financial Officer


 K. Rangarajan
 Chief Executive Officer


 B. Shalini
 Company Secretary
 ACS: A51334

Place : Chennai
 Date : April 27, 2022

Place : Chennai
 Date : April 27, 2022

Five-Star Business Finance Limited

Balance Sheet as at March 31, 2021

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

Particulars	Note	As at March 31, 2021	As at March 31, 2020
ASSETS			
Financial assets			
Cash and cash equivalents	4	1,26,718.28	28,977.95
Bank balances other than cash and cash equivalents	5	8,853.99	16,134.94
Loans	6	4,35,874.94	3,83,080.44
Other financial assets	7	474.34	524.57
		<u>5,71,921.55</u>	<u>4,28,717.90</u>
Non-financial assets			
Current tax assets (net)	8	795.79	435.46
Deferred tax assets (net)	36	3,698.94	2,822.96
Investment property	9	3.56	3.56
Property, plant and equipment	11	845.60	1,106.09
Right of use asset	37	1,452.63	1,488.00
Other intangible assets	12	190.30	192.80
Other non-financial assets	10	452.77	548.62
		<u>7,439.59</u>	<u>6,597.49</u>
Total assets		<u>5,79,361.14</u>	<u>4,35,315.39</u>
LIABILITIES AND EQUITY			
Financial liabilities			
Payables	13		
Trade payables			
total outstanding dues of micro and small enterprises		-	-
total outstanding dues of creditors other than micro and small enterprises		867.17	662.40
Debt securities	14	1,30,378.55	1,07,886.42
Borrowings (other than debt securities)	15	2,12,141.12	1,28,482.89
Other financial liabilities	16	1,717.01	1,568.10
		<u>3,45,103.85</u>	<u>2,38,599.81</u>
Non-financial liabilities			
Current tax liabilities (net)	17	-	74.80
Provisions	18	719.80	577.61
Other non-financial liabilities	19	1,720.27	1,605.12
		<u>2,440.07</u>	<u>2,257.53</u>
Equity			
Equity share capital	20	2,564.49	2,558.21
Other equity	21	2,29,252.73	1,91,899.84
		<u>2,31,817.22</u>	<u>1,94,458.05</u>
Total liabilities and equity		<u>5,79,361.14</u>	<u>4,35,315.39</u>

Significant accounting policies
See accompanying notes to the financial statements

2 and 3

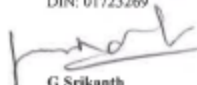
As per our report of even date
for **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022


K Raghuram
Partner
Membership No: 211171

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


D Lakshminathan
Chairman and Managing Director
DIN: 01723269


R Anand
Director
DIN: 00243485


G Srikanth
Chief Financial Officer


K Rangarajan
Chief Executive Officer


B Shalini
Company Secretary
ACS: A51334

Place : Chennai
Date : May 28, 2021

Place : Chennai
Date : May 28, 2021

Five-Star Business Finance Limited

Statement of Profit and loss for the year ended March 31, 2021

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

Particulars	Note	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations			
Interest income	22	1,01,487.58	74,682.42
Fee income	23	2,167.61	2,970.84
Net gain on fair value changes	24	1,319.03	1,018.22
Total revenue from operations		1,04,974.22	78,671.48
Other income	25	151.25	63.25
Total Income		1,05,125.47	78,734.73
Expenses			
Finance costs	26	32,519.12	21,693.51
Fees expenses	27	266.83	42.52
Impairment on financial instruments	28	3,517.57	4,934.19
Employee benefits expenses	29	16,371.78	12,710.78
Depreciation and amortization	30	1,138.39	1,006.85
Other expenses	31	3,667.70	3,416.83
Total Expenses		57,481.39	43,894.68
Profit before tax		47,644.08	34,930.05
Tax expense			
Current tax	32 A	12,594.12	10,056.07
Deferred tax (net)	36	(849.48)	(1,321.06)
		11,744.64	8,735.01
Profit for the year		35,899.44	26,195.04
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurements of the defined benefit plan		(105.27)	(148.80)
Income tax relating to items that will not be reclassified to profit or loss		26.49	37.45
Net other comprehensive income / (deficit) not to be reclassified subsequently to profit or loss		(78.78)	(111.35)
Other comprehensive income / (deficit) for the year, net of income tax		(78.78)	(111.35)
Total comprehensive income		35,820.66	26,083.69
Earnings per equity share (face value Rs.10 each)			
Basic (in rupees)		140.13	103.24
Diluted (in rupees)		136.06	100.70

Significant accounting policies
See accompanying notes to the financial statements

2 and 3

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

K Raghuram
Partner
Membership No: 211171

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

D Lakshminpathy
Chairman and Managing Director
DIN: 01723269

R Anand
Director
DIN: 00243485

G Srikanth
Chief Financial Officer

K Rangarajan
Chief Executive Officer

B Shalini
Company Secretary
ACS: A51334

Place : Chennai
Date : May 28, 2021

Place : Chennai
Date : May 28, 2021

Five-Star Business Finance Limited

Statement of Cash Flow for the year ended March 31, 2021

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A. Cash Flow from Operating Activities		
Net profit before tax	47,644.08	34,930.05
Adjustments for:		
Depreciation and amortization	1,138.39	1,006.85
Provision for impairment on financial instruments and write-offs	3,517.57	4,934.19
Loss on sale/retirement of property, plant and equipment (net)	2.32	0.75
Profit on sale of current investments (net)	(1,319.03)	(1,018.22)
Interest income on deposits with banks / others	(1,937.47)	(2,886.62)
Interest on loans	(99,550.11)	(71,795.80)
Finance costs	32,519.12	21,693.51
Gain recognised on derecognition of leases	(42.32)	(6.60)
Employee stock option expenses	1,509.39	168.03
Operating cash flow before working capital changes	(16,518.06)	(12,973.86)
Changes in Working Capital:		
<i>Adjustments for (Increase) / Decrease in Operating Assets:</i>		
Loans	(55,972.13)	(1,76,889.78)
Other non-financial assets	95.85	(182.64)
Other financial assets	50.22	(238.68)
<i>Adjustments for Increase / (Decrease) in Operating Liabilities:</i>		
Trade payables	204.76	369.71
Provisions	36.92	52.56
Other financial liabilities	174.88	5.89
Other non-financial liabilities	115.14	33.68
Net cash (used in) operations	(71,812.42)	(1,89,823.12)
Finance cost paid	(30,095.27)	(22,543.27)
Interest income received	99,210.18	70,257.31
Direct taxes paid (net)	(13,029.26)	(10,218.89)
Net Cash Used in Operating Activities (A)	(15,726.77)	(1,52,327.97)
B. Cash Flow from Investing Activities		
Purchase of fixed assets	(324.36)	(970.97)
Proceeds from sale of fixed assets	0.98	0.78
Profit on sale of current investments	1,319.03	1,018.22
Interest income on deposits with banks / others	1,778.77	2,662.85
Movement in bank balances other than cash and cash equivalents	7,439.65	(15,904.28)
Net Cash from / (used in) Investing Activities (B)	10,214.07	(13,193.40)
C. Cash Flow from Financing Activities		
Proceeds from issue of equity shares	6.28	168.25
Proceeds from securities premium (net off utilisation)	22.83	31,525.28
Fresh borrowings during the year	2,36,179.00	1,78,166.33
Repayments of borrowings (including process fee)	(1,32,452.49)	(36,950.21)
Payment towards leases (excluding interest)	(502.59)	(376.06)
Net Cash from Financing Activities (C)	1,03,253.03	1,72,533.59
Net Increase in Cash and Cash Equivalents [(A) + (B) + (C)]	97,740.33	7,012.22
Cash and Cash Equivalents at the beginning of the year	28,977.95	21,965.73
Cash and Cash Equivalents at the end of the year	1,26,718.28	28,977.95



Five-Star Business Finance Limited

Statement of Cash Flow for the year ended March 31, 2021 (Continued)

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

Particulars	As at March 31, 2021	As at March 31, 2020
Notes		
1 Cash and cash equivalents		
Cash on hand	425.85	57.75
Balances with banks		
(i) In current accounts	31,454.90	13,050.95
(ii) In other deposit accounts (original maturity less than 3 months)	94,837.53	15,869.25
	<u>1,26,718.28</u>	<u>28,977.95</u>

2 Change in liabilities arising from financing activities

Particulars	Debt securities	Borrowings (other than debt securities)
As at March 31, 2019	43,350.77	52,652.18
Cash flows (net)	65,534.66	76,519.77
Others*	(999.01)	(689.06)
As at March 31, 2020	<u>1,07,886.42</u>	<u>1,28,482.89</u>
Cash flows (net)	22,158.93	84,103.62
Others*	333.21	(445.39)
As at March 31, 2021	<u>1,30,378.55</u>	<u>2,12,141.12</u>

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

Significant accounting policies

See accompanying notes to the financial statements

As per our report of even date

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

Chartered Accountants

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


K. Raghuram

Partner

Membership No: 211171

2 and 3

For and on behalf of the Board of Directors of

Five-Star Business Finance Limited

CIN : U65991TN1984PLC010844


D. Lakshmi pathy

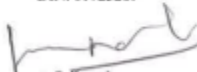
Chairman and Managing Director

DIN: 01723269


R. Anand

Director

DIN: 00243485


G. Srikanth

Chief Financial Officer


K. Rangaraj

Chief Executive Officer


B. Shalini

Company Secretary

ACS: A51334

Place : Chennai

Date : May 28, 2021

Place : Chennai

Date : May 28, 2021

Annexure-II Details of Related Party Transaction for Last 3 Financial Years (In Lakhs)

Details of related party transactions upto 31/03/2023				
(Rs in Lakhs)				
Name	Salary	Commission	Sitting Fees	Share Based Payments
D. Lakshmipathy	556.51	274.97		-
K.Rangarajan	209.13	84.35	-	1270.91
G.Srikanth	143.48	26.52	-	577.56
B. Shalini	21.91	-	-	12.09
T T Srinivasaraghavan	-	6.00	8.70	-
Anand Raghavan	-	6.00	12.70	-
Bhama Krishnamurthy	-	6.00	13.10	-
Ramanathan Annamalai	-	1.00	1.80	-
Thirulokchand Vasam	-	6.00	7.50	-
Ramkumar Ramamoorthy	-	5.00	6.90	-

Details of related party transactions for the financial year ended March 31, 2022				
(Rs. In Lakhs)				
<i>Name</i>	<i>Salary</i>	<i>Commission</i>	<i>Sitting Fees</i>	<i>Share Based Payments</i>
Lakshmipathy Deenadayalan	414.69	220.00	-	-
Rangarajan Krishnan	164.11	71.48	-	1,885.89
Srikanth Gopalakrishnan	112.61	22.47	-	624.12
Roopa Sampath Kumar	96.10	-	-	-
Shalini Baskaran	11.32	-	-	14.72
T T Srinivasaraghavan	-	4.00	4.30	-
Anand Raghavan	-	4.00	9.40	-
Bhama Krishnamurthy	-	4.00	9.40	-
Ramanathan Annamalai	-	4.00	9.80	-
Thirulokchand Vasam	-	4.00	5.00	-
B Haribabu	-	2.00	4.60	-
L R Raviprasad	-	2.00	4.60	-

Details of related party transactions upto 31/03/2021				
In INR Lakhs				
Name	Salary	Commission	Interest on Loan from Related parties	Equity Shares
D. Lakshmipathy	327.15	175.00	0.00	-
K.Rangarajan	1103.35	58.59	0.00	-
G. Srikanth	421.71	18.73	0.00	-
B. Shalini	8.38	0.00	0.00	-

Annexure-III- Change in Share Capital

Date of Allotment	No of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration (cash, other than cash)	Nature of Allotment	Cumulative			Remarks
						No of Equity Shares	Equity Shares Capital (Rs)	Equity Share Premium (Rs)	
August 17, 2020	52,000	10	10	Cash	Exercise of ASOP 2015	2,71,79,891	27,17,98,910	0	Nil
September 30, 2020	1,400	10	130	Cash	Exercise of ASOP 2015	2,71,81,291	27,18,12,910	168000	Nil
October 22, 2020	2,600	10	130	Cash	Exercise of ASOP 2015	2,71,83,891	27,18,38,910	312000	Nil
November 10, 2020	2,800	10	130	Cash	Exercise of ASOP 2015	2,71,86,691	27,18,66,910	336000	Nil
November 30, 2020	1,800	10	674.4	Cash	Exercise of ASOP 2018	2,71,88,491	27,18,84,910	1195920	Nil
December 4, 2020	1,000	10	130	Cash	Exercise of ASOP 2015	2,71,89,491	27,18,94,910	120000	Nil
March 5, 2021	1,250	10	130	Cash	Exercise of ASOP 2015	2,71,90,741	27,19,07,410	150000	Nil
April 26, 201	14,71,771	10	3,518.71	Cash	Preferential allotment	2,86,62,512	28,66,25,120	5164017625	Nil
June 18, 2021	200	10	130	Cash	Exercise of ASOP 2015	2,86,62,712	28,66,27,120	24000	Nil
June 23, 2021	2,600	10	130	Cash	Exercise of ASOP 2015	2,86,65,312	28,66,53,120	312000	Nil
August 04, 2021	5,570	10	130	Cash	Exercise of ASOP 2015	2,86,70,882	28,67,08,820	668400	Nil
August 9, 2021	3,00,000	10	130	Cash	Preferential allotment	2,89,70,882	28,97,08,820	36000000	Nil
August 13, 2021	3,800	10	130	Cash	Exercise of ASOP 2015	2,89,74,682	28,97,46,820	456000	Nil
August 25, 2021	750,000 partly paid-up equity shares allotted pursuant to				Preferential allotment	2,89,74,682	28,97,46,820	6,21,66,30,625	Nil
August 25, 2021	967,597 partly paid-up equity shares allotted pursuant to rights issue dated March 21, 2020 were made fully paid up.				Rights issue	2,89,74,682	28,97,46,820		
August 30, 2021	38,830	10	130	Cash	Exercise of ASOP 2015	2,90,13,512	29,01,35,120	4659600	Nil
October 8, 2021	Sub-division of equity shares of face value of ₹10 each to equity shares of face value of ₹1 each. The issued, subscribed and paid-up capital of the Company after the sub-division is ₹290,135,120 comprising of 290,135,120 Equity Shares of face value of ₹1 each					290135120	29,01,35,120	-	Nil
December 22, 2021	16,000	1	130	Cash	Exercise of ASOP 2015	290151120	29,01,51,120	2064000	Nil
December 22, 2021	20,000	1	67.44	Cash	Exercise of ASOP 2018	290171120	29,01,71,120	1328800	Nil
January 12, 2022	75,000	1	13	Cash	Exercise of ASOP 2018	290246120	29,02,46,120	900000	Nil
January 12, 2022	50,000	1	67.44	Cash	Exercise of ASOP 2018	290296120	29,02,96,120	3322000	Nil
January 17, 2022	9,25,000	1	67.44	Cash	Exercise of ASOP 2018	29,12,21,120	29,12,21,120	61457000	Nil
March 08, 2022	34,000	1	13	Cash	Exercise of ASOP 2015	291255120	29,12,55,120	408000	Nil
March 29, 2022	88,000	1	13	Cash	Exercise of ASOP 2015	291343120	29,13,43,120	1056000	Nil
June 08, 2022	4,000	1	13	Cash	Exercise of ASOP 2015	291347120	29,13,47,120	48000	Nil
June 08, 2022	19,000	1	132.072	Cash	Exercise of ASOP 2015	291366120	29,13,66,120	2490368	Nil

ANNEXURE XIII - DISCLOSURES ON ASSET LIABILITY MANAGEMENT (ALM)

1.a - Lending Policy: Should contain overview of origination, risk management, monitoring and collections

c. Origination, underwriting, sanction and disbursement process

Five-Star follows a 3-tier approach to Credit review, appraisal & underwriting:

Level 1 - Branch

- Initial screening of any prospective customer is done by the Branch Manager who collects information on income, property, loan requirement, purpose etc. and ensures if these fall within the Loan Policy guidelines of the company. Rejections at this stage could be for a variety of reasons like political affiliation, negative sectors / occupation, unsuitable property etc.
- Once screened and found “proper” the potential customer needs to deposit the initial processing fee along with basic KYC documents and application form.
- Branch Manager and Sales / Relationship Officer (RO) visits the customer location to verify property to be mortgaged, assess living standards, nature and place of business, understand market potential etc., basis which inspection report and valuation reports are prepared based on their assessment of the market rates in the vicinity.
- The Branch Manager/Officer undertakes an evaluation of the customer’s income through formal and observatory means relying on various surrogates (for example, the education level of the borrowers’ children and investment therein by the borrower, the way the collateral property is maintained, lifestyle of the prospective borrower etc.) in order to ascertain the repayment capacity of the borrower.
- As a part of credit assessment:
 - The income of the borrower is independently verified through formal and observatory means.
 - Multiple photographs of the property including the approach road from the branch to the property, the surrounding area, the exterior and interior of the property, one photograph with applicant and BM is taken (these photographs are uploaded on the ERP and can also be used by the Credit team to arrive at a credit decision).
 - Neighborhood checks on the borrowers’ background and credit history (existing loans) are done.
 - Interactions with customers and suppliers to the borrowers’ business are arranged to validate estimates reg. the business.
- The property visiting officer captures the photographs of original property documents to evidence the availability of original documents
- Branch Manager prepares the inspection report which contains recommended loan amount, tenor and rate of interest, assessment of collateral (property) value, assessment of borrowers’ income with the customer inputs on loan amount & tenor requested and property value. (The Branch has no powers to sanction, and its report is purely recommendatory in nature.)
- Branch inspection and valuation reports are uploaded on the ERP system and can be accessed by File Credit for further evaluation at the appropriate time.

Level 2 - Field Credit

- Second visit, this time by a Field Credit Officer, to the prospective borrower and property and a separate independent evaluation is prepared by the Field Credit Officer.
- The Field Credit Officer follows a process similar to the branch and evaluates the Income, property etc. and sends a report to the File Credit with similar parameters as the Branch inspection report. The Field Credit report is also accompanied by a set of about 20 or so photographs of the entire process and uploaded on the ERP system.

Level 3 - Loan Sanction

- File Credit Officer evaluates the 2 reports received separately and independently from the Branch & Field Credit Officer as well as the customer declared information in the application form.
- Basis this and verification of information through tele calling with all the co-applicants, the Loan Amount, Tenor, Interest Rate and EMI recommendations are decided and sent for approval.
- At this stage, file credit also receives the legal verification reports of property documents and completes the Credit Bureau check (Highmark/CIBIL).
- Post this, the file is reviewed by a credit approver and sanctioned basis an approval matrix which has limits on various parameters like loan ticket, LTV, FOIR etc.
- Encumbrance check is conducted pre and post sanctioning the case.
- Post approval sanction letter is issued to customer, and he/she is informed of the terms of sanction.
- Documentation is prepared as per sanction terms by team at HO and documents are sent to the branch for completion of documentation.
- Registration of the property is completed.
- Post obtaining all necessary loan documentation and after verification of Five-Star name appearing in the Encumbrance Certificate (EC), the loan is disbursed.

d. Collections & post disbursal monitoring process

The branch staff are responsible for both origination and collections on the loans advanced.

Reminders are sent to the borrowers a few days before the due date. The Field Officer reaches out to the borrower once the loan turns delinquent. There is an escalation matrix once a loan slips beyond 30 days, with the Branch Manager, Area Manager and Regional Managers getting involved at successive levels with appropriate support from the Legal team and Head Office.

Further, the incentive structure of the branch staff is a mix of both the new business performance as well as collections performance. To be eligible for any incentive, every field officer has to meet atleast a minimum collection target. This ensures that adequate diligence is undertaken by the branch staff while sourcing files itself.

To add further focus to collections, the company has added Collections Officers to branches in the last ~12 months. These Collections Officers will handle collections on all accounts in the branch with a vintage of more than 2 years. Thus, while ensuring responsibility remains with the Field Officer for the first 24 months of the loan, this would free the bandwidth of the Field Officers which would help maintain good productivity metrics over the long term

from an incremental business perspective while also ensuring focus on collections through a dedicated resource post the 24 month vintage. This effort will continue in the near future also with Collections Officers being recruited at branches where loans of vintage 2 years+ are present. The company also has a centralized Legal team to support branches if loans slip into deeper buckets.

1.b - Classification of Loans given to associate or entities related to Board, Senior management, promoters, etc

Nil

1.c - Classification of loans into several maturity profile denomination

Classification as at March 31, 2023 is as below:

9. Classification of loans/ advances given according to:

Sl. No.	Type of loans	Rs Crore
1	Secured	6,914.83
2	Unsecured	-
	Total assets under management (AUM)*^	6,914.83

10. Denomination of loans outstanding by loan-to-value:

Sl. No.	LTV (at the time of origination)	Percentage of AUM
1	Upto 20%	6.18%
2	>20-30%	18.55%
3	>30-40%	30.35%
4	>40-50%	41.93%
5	>50%	3.00%
	Total	100.00%

11. Sectoral exposure:

Sl. No.	Segment-wise break-up of AUM	Percentage of AUM
1.	Retail	
A	Mortgages (home loans and loans against property)	
B	Gold loans	
C	Vehicle finance	
D	MFI	
E	MSME	

F	Capital market funding (loans against shares, margin funding)	
G	Others (Small Business Loans)	100%
2	Wholesale	
A	Infrastructure	
B	Real estate (including builder loans)	
C	Promoter funding	
D	Any other sector (as applicable)	
E	Others	
	Total	100%

12. Denomination of loans outstanding by ticket size*:

Sl. No.	Ticket size (at the time of origination)	Percentage of AUM
1	Up to 3L	44.05%
2	Between 3L and 5L	44.42%
3	Between 5L and 10L	10.18%
4	Between 10L and 15L	0.83%
5	Greater than 15L	0.51%
	Total	100.00%

13. Geographical classification of borrowers:

Top 5 states borrower wise

Sl. No.	Top 5 states	Percentage of AUM
1	Tamil Nadu	35.40%
2	Andhra Pradesh	32.54%
3	Telangana	19.68%
4	Karnataka	6.56%
5	Madhya Pradesh	5.04%
	Total	99.22%

1.d - Aggregated exposure to top 20 borrowers

Rs. 7.59 Crores constituting 0.11% of AUM as of March 31, 2023.

1.e - Details of loans, overdue and classified as Non-performing assets (NPA)

Classification	As on March 31, 2023 (In Crores)
Standard	6,820.89
NPA	93.94
Total	6,914.83

Movement of gross NPA:

Movement of gross NPA*	Rs. Crore
Opening gross NPA	53.05
- Additions during the year	68.93
- Reductions during the year	28.04
Closing balance of gross NPA	93.94

*Please indicate the gross NPA recognition policy (Day's Past Due)

1. Segment-wise gross NPA:

Sl. No.	Segment-wise gross NPA	Gross NPA (%)
1	Retail	
A	Mortgages (home loans and loans against property)	
B	Gold loans	
C	Vehicle finance	
D	MFI	
E	MSME	
F	Capital market funding (loans against shares, margin funding)	
G	Others (Small Business Loans)	1.36%
2	Wholesale	
A	Infrastructure	
B	Real estate (including builder loans)	
C	Promoter funding	
D	Any other sector (as applicable)	
E	Others	
	Total	1.36%

2.a - Portfolio Summary of borrowings made by NBFC

Secured Borrowings

Details of the following liabilities of the issuer, as at the end of the last quarter, i.e March 31, 2023

Institution	Category	Availed (In Crores)	O/s 31.03.2023 (In Crores)
AU Small Finance Bank	Term Loan-Bank	38.00	6.97
Bank of Baroda	Term Loan-Bank	50.00	9.94
Karur Vysa Bank Ltd	Term Loan-Bank	10.00	2.45
Federal Bank	Term Loan-Bank	15.00	0.94
State Bank of India	Term Loan-Bank	200.00	71.19
Punjab National Bank (e-Oriental Bank of Commerce)	Term Loan-Bank	30.00	10.50
Union Bank of India (e-Andhra Bank)	Term Loan-Bank	50.00	17.59
Union Bank of India	Term Loan-Bank	40.00	14.81
RBL Bank	Term Loan-Bank	100.00	12.21
AU Small Finance Bank	Term Loan-Bank	10.00	1.33
Bank of India	Term Loan-Bank	40.00	19.95
State Bank of India	Term Loan-Bank	50.00	3.33
Utkarsh Small Finance Bank	Term Loan-Bank	25.00	9.24
Kotak Mahindra Bank	Term Loan-Bank	25.00	5.56
Equitas Small Finance Bank	Term Loan-Bank	23.00	10.52
Federal Bank	Term Loan-Bank	10.00	2.50
DCB Bank	Term Loan-Bank	25.00	7.46
AU Small Finance Bank	Term Loan-Bank	20.00	11.67
Federal Bank	Term Loan-Bank	5.00	1.67
Bandhan Bank	Term Loan-Bank	60.00	31.25
IndusInd Bank	Term Loan-Bank	75.00	24.92
Karnataka Bank	Term Loan-Bank	25.00	9.26
RBL Bank	Term Loan-Bank	20.00	12.35
RBL Bank	Term Loan-Bank	40.00	31.76
Axis Bank	Term Loan-Bank	50.00	29.15
HDFC Bank	Term Loan-Bank	20.00	14.58
HDFC Bank	Term Loan-Bank	30.00	23.13
IDFC First Bank	Term Loan-Bank	75.00	60.00
Karur Vysa Bank Ltd	Term Loan-Bank	49.50	41.68
State Bank of India Ltd	Term Loan-Bank	150.00	127.08

HSBC Bank Ltd	Term Loan-Bank	20.00	16.00
South Indian Bank	Term Loan-Bank	50.00	47.37
Federal	Term Loan-Bank	50.00	43.75
Bank of Maharashtra	Term Loan-Bank	100.00	98.33
Union Bank	Term Loan-Bank	50.00	48.15
IndusInd	Term Loan-Bank	100.00	87.50
IndusInd	Term Loan-Bank	50.00	46.87
Axis Bank	Term Loan-Bank	75.00	68.44
Bandhan Bank	Term Loan-Bank	200.00	190.00
Ujjivan Small Finance Bank	Term Loan-Bank	70.00	64.17
YES Bank	Term Loan-Bank	150.00	140.63
Kotak Mahindra Bank	Term Loan-Bank	100.00	93.75
Indian Bank	Term Loan-Bank	75.00	75.00
HSBC Bank Ltd	Term Loan-Bank	30.00	30.00
Karur Vysa Bank Ltd	Term Loan-Bank	75.00	75.00
Kotak Mahindra Bank Ltd	Term Loan-Bank	100.00	100.00
State Bank of India Ltd	Term Loan-Bank	250.00	250.00
IDFC First Bank	Term Loan-Bank	200.00	200.00
Bank of Baroda	Term Loan-Bank	100.00	100.00
FEDERAL BANK LTD	CC/OD/WCDL	5.00	-
CITY UNION BANK	CC/OD/WCDL	5.00	-
RBL BANK LTD	CC/OD/WCDL	5.00	0.85
YES BANK	CC/OD/WCDL	10.00	-
Kotak Mahindra Bank	CC/OD/WCDL	2.00	-
Bandhan Bank	CC/OD/WCDL	2.00	-
IndusInd Bank	CC/OD/WCDL	1.20	-
Axis Bank	CC/OD/WCDL	5.00	-
HDFC Bank	CC/OD/WCDL	5.00	-
IDFC First Bank	CC/OD/WCDL	1.00	-

Karur Vysa Bank Ltd	CC/OD/WCDL	0.50	-
State Bank of India Ltd	CC/OD/WCDL	9.00	-
Nabkisan Finance	Term Loan- NBFC/FI	13.40	3.33
Cholamandalam Finance	Term Loan- NBFC/FI	10.00	2.44
Tata Capital	Term Loan- NBFC/FI	7.80	1.79
MAS Financial Services	Term Loan- NBFC/FI	50.00	12.50
Bajaj Finance Ltd	Term Loan- NBFC/FI	30.00	7.50
Hero Fincorp	Term Loan- NBFC/FI	40.00	5.93
Nabkisan Finance	Term Loan- NBFC/FI	25.00	12.50
Nabsamruddhi Finance	Term Loan- NBFC/FI	18.00	6.63
Bajaj Finance Ltd	Term Loan- NBFC/FI	85.00	77.92
Nabkisan Finance Ltd	Term Loan- NBFC/FI	70.00	70.00
Adithya Birla Financial Limited	Term Loan- NBFC/FI	50.00	50.00
NCD-KARVY-30 Crs	NCD	30.00	30.00
NCD-Vivriti Samrath Bond	NCD	15.00	11.25
NCD-DCB-TLTRO-15 Crores	NCD	15.00	15.00
NCD-BOM-TLTRO-25Crs	NCD	25.00	25.00
NCD-SBI-TLTRO-50Crs	NCD	50.00	50.00
NCD-Union Bank-TLTRO-15Crs	NCD	15.00	15.00
NCD-Bank of India-TLTRO-50Crs	NCD	50.00	50.00
NCD-responsAbility-70 Crs	NCD	70.00	70.00
NCD-MLD-UNIFI-40Crs-Tranche 2-20Cr	NCD	20.00	20.00

NCD-MLD-Dhruva XI	NCD	150.00	150.00
NCD-9.20% NCD Five-Star 2026	NCD	49.00	49.00
Medici	Securitization	99.0543	1.87
Central Bank of India-PCG DA	Securitization	100.00	19.71
Bank of Baroda-PCG DA	Securitization	106.96	20.28
Dhruva III	Securitization	89.57	14.72
Dhruva IV	Securitization	85.91	22.80
Dhruva V	Securitization	46.02	8.00
Dhruva VIII	Securitization	25.00	4.01
Dhruva IX	Securitization	146.12	59.67
Dhruva X	Securitization	35.79	8.73
Dhruva XII	Securitization	68.00	31.13
Dhruva XIII	Securitization	82.42	27.46
Dhruva XIV	Securitization	175.76	162.33
Dhruva XV	Securitization	74.98	69.59
Indigo 022	Securitization	72.00	65.66
Dhruva XVI Jan 2023	Securitization	49.36	46.03
Dhruva XIX	Securitization	343.74	343.74
Dhruva XVII	Securitization	93.73	93.73

Unsecured Borrowings

The Company has availed unsecured loan as on the latest quarter end on **March 31, 2023**:

Institution	Category	Availed Rs. Crores	Principal O/s 31.03.2023 Rs. Crores
Swedfund International AB	ECB	75.91	82.17

2.b - Quantum and percentage of Secured vs. Unsecured borrowings

	O/s as at 31.03.2023 Rs. Crores	% of Total Borrowings

Secured Borrowings	4,136.04	98.05%
Unsecured Borrowings	82.17	1.95%
Total	3,178.50	100.00%

4. Disclosure of Assets under management

Total Assets Under Management as at 31.03.2023 was Rs.6914.83 Crores.

5. Details of borrowers

The company's borrowers are small business entrepreneurs and self employed individuals residing primarily in Tier 3 to Tier 6 cities and towns.

Sl. No.	Segment-wise break-up of AUM	Percentage of AUM
1.	Retail	
A	Mortgages (home loans and loans against property)	
B	Gold loans	
C	Vehicle finance	
D	MFI	
E	MSME	
F	Capital market funding (loans against shares, margin funding)	
G	Others (Small Business Loans)	100%
2	Wholesale	
A	Infrastructure	
B	Real estate (including builder loans)	
C	Promoter funding	
D	Any other sector (as applicable)	
E	Others	
	Total	100%

6. Details of Gross NPA

Gross NPA as at 31.03.2023 stood at Rs.93.94 Crores, constituting 1.36% of Assets Under Management (AUM).

Classification	As on March 31, 2023 (In Crores)
Standard	6,820.89

NPA	93.94
Off Book	Nil
Total	6,914.83

Movement of gross NPA:

Movement of gross NPA*	Rs. Crore
Opening gross NPA	53.05
- Additions during the year	68.93
- Reductions during the year	28.04
Closing balance of gross NPA	93.94

*Please indicate the gross NPA recognition policy (Day's Past Due)

1. Segment-wise gross NPA:

Sl. No.	Segment-wise gross NPA	Gross NPA (%)
1	Retail	
A	Mortgages (home loans and loans against property)	
B	Gold loans	
C	Vehicle finance	
D	MFI	
E	MSME	
F	Capital market funding (loans against shares, margin funding)	
G	Others (Small Business Loans)	1.36%
2	Wholesale	
A	Infrastructure	
B	Real estate (including builder loans)	
C	Promoter funding	
D	Any other sector (as applicable)	
E	Others	
	Total	1.36%

7. Details of Assets and Liabilities

Particulars	As at March 31, 2023
Financial Assets	8,583.26
Non-financial Assets	119.57
TOTAL ASSETS	8,702.83

Financial Liabilities	4,328.07
Non-financial Liabilities	35.22
Equity	4,339.53
TOTAL LIABILITIES	8,702.83

9. Disclosure of latest ALM statements to stock exchange

Residual maturity profile of assets and liabilities:

(INR In Crores)

Particulars	One Month	>1to<2 M	>2to <3M	>3to <6 M	>6to <1 Y	>1to <3 Y	>3to <5Y	>5 Y	Total
Liabilities									
Equity, Reserves and Surplus	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4339.53	4,339.53
Borrowings from banks	46.33	47.93	70.86	169.02	341.19	1056.62	581.94	86.91	2,400.79
Borrowings from other parties	25.19	27.20	29.14	87.31	165.57	531.44	378.28	5.86	1,249.99
Market borrowings	265.00	15.00	45.00	70.00	3.75	33.75	52.75	0.00	485.25
Others	99.42	3.79	7.11	9.61	10.42	76.25	52.95	158.49	418.03
Total	435.94	93.92	152.11	335.94	520.93	1698.05	1065.93	4590.79	8,893.60
Assets									
Advances	84.48	79.45	80.57	260.81	579.15	2479.12	2308.97	1109.14	6,981.70
Cash & cash Equivalents, Including Liquid Investments	1195.41	260.38	0.65	32.68	38.54	168.41	28.46	0.00	1,724.53
Other Assets	11.64	13.86	1.11	7.74	23.05	11.44	3.06	115.47	187.37
Total	1291.52	353.70	82.33	301.23	640.75	2658.98	2340.49	1224.61	8,893.60
Mismatch	855.58	259.78	-69.78	-34.72	119.82	960.93	1274.56	-3366.17	
Cumulative Mismatch	855.58	1115.36	1045.58	1010.86	1130.68	2091.61	3366.17		

ANNEXURE XIV - IN PRINCIPLE APPROVAL FROM STOCK EXCHANGE