

## INFORMATION MEMORANDUM



### FIVE-STAR BUSINESS FINANCE LIMITED

A public limited company incorporated under the Companies Act, 1956

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

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

**Telephone No.:** 044-4610 6200 **Website:** [www.fivestargroup.in](http://www.fivestargroup.in)

**Information Memorandum for issue of Debentures on a private placement basis**

**Dated: September 28, 2020**

**Issue of 700 (Seven Hundred) Secured, Rated, Listed, Redeemable, Transferable, Non-convertible Debentures of face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, aggregating up to Rs. 70,00,00,000/- (Rupees Seventy Crores only) on a private placement basis (the "Issue").**

### Background

This Information Memorandum is related to the Debentures to be issued by Five-Star Business Finance Limited (the "**Issuer**" or "**Company**") on a private placement basis and contains relevant information and disclosures required for the purpose of issuing of the Debentures. The issue of the Debentures comprised in the Issue and described under this Information Memorandum has been authorised by the Issuer through resolutions passed by the shareholders of the Issuer on August 31, 2020 and the Board of Directors of the Issuer on June 10, 2020 read together with the resolution passed by Business and Resource Committee of the Board of Directors on September 22, 2020 and the Memorandum and Articles of Association of the Company. Pursuant to the resolution passed by the Company's shareholders dated August 31, 2020 in accordance with provisions of the Companies Act, 2013, the Company has been authorised to borrow and raise funds, upon such terms and conditions as the Board may think fit for aggregate amounts not exceeding INR 7000,00,00,000/- (Rupees Seven Thousand Crores only). The present issue of Debentures in terms of this Information Memorandum is within the overall powers of the Board as per the above shareholder resolution(s).

### General Risks

Investment in debt and debt related securities involve a degree of risk and Investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments and only after reading the information carefully. For taking an investment decision, the Investors must rely on their own examination of the Company and the Issue including the risks involved. The Debentures have not been recommended or approved by Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of Investors is invited to the statement of Risk Factors at 0 of this memorandum of private placement for issue of Debentures on a private placement basis ("**Information Memorandum**" or "**Disclosure Document**"). This Information Memorandum has not been submitted, cleared or approved by SEBI.

### Issuer's Absolute Responsibility

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

### Credit Rating

The Debentures proposed to be issued by the Issuer have been rated by ICRA Limited. The Rating Agency has, vide its letter dated September 22, 2020 assigned a rating of "[ICRA]A (Stable)" (pronounced as "ICRA A") with "Stable" outlook in respect of the Debentures. The above rating is not a recommendation to buy, sell or hold securities and Investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the rating agency and should be evaluated independently of any other ratings. Please refer to **Annexure II** of this Information Memorandum for the letter dated September 22, 2020 from the Rating Agency assigning the credit rating above mentioned.

### Issue Schedule

Issue Opening on: September 28, 2020  
Issue Closing on: September 28, 2020  
Deemed Date of Allotment: September 30, 2020

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

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

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

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

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**SECTION 1: DEFINITIONS AND ABBREVIATIONS**

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

Allot/Allotment/Allotted	Unless the context otherwise requires or implies, the allotment of the Debentures pursuant to this Issue.
Application Form	The form used by the recipient of this Disclosure Document and/or the Private Placement Offer cum Application Letter, to apply for subscription to the Debentures, which is annexed to this Information Memorandum and marked as <b>Annexure IV</b> .
Board/Board of Directors	The Board of Directors of the Issuer.
Business Day	Any day of the week (excluding Saturdays, Sundays and any other day which is a 'public holiday' for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881)) on which banks are normally open for business in Mumbai, India and New York, United States of America and " <b>Business Days</b> " shall be construed accordingly.
CDSL	Central Depository Services Limited
Client Loan	Each loan made by the Issuer as a lender, and " <b>Client Loans</b> " shall refer to the aggregate of such loans.
Debentures / NCDs	700 (Seven Hundred) Secured Rated Listed Redeemable Transferable Non-Convertible Debentures bearing a face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, aggregating to Rs. 70,00,00,000/- (Rupees Seventy crores only).
Debenture Holders / Investors	The holders of the Debentures issued by the Issuer and shall include the registered transferees of the Debentures from time to time.
Deemed Date of Allotment	September 30, 2020.
Debenture Trustee	Catalyst Trusteeship Limited
Debenture Trustee Agreement	Agreement executed by and between the Debenture Trustee and the Company <i>inter alia</i> for the purposes of appointment of the Debenture Trustee to act as debenture trustee in connection with the issuance of the Debentures.
Debenture Trust Deed	Shall mean the debenture trust deed executed/to be executed by and between the Debenture Trustee and the Company <i>inter alia</i> setting out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer.
Deed of Hypothecation	The deed of hypothecation entered/to be entered into between the Issuer and the Debenture Trustee, pursuant to which the hypothecation over the Secured Property shall be created by the Issuer in favour of the Debenture Trustee (acting for and on behalf of the Debenture Holders).
Demat	Refers to dematerialized securities which are securities that are in electronic form, and not in physical form, with the entries noted by the Depository.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository	A Depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 2018, as amended from time to time.
Depository Participant / DP	A depository participant as defined under the Depositories Act

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Director(s)	Board of Director(s) of the Issuer.
Disclosure Document / Information Memorandum	This document which sets out the information regarding the Debentures being issued on a private placement basis.
DP ID	Depository Participant Identification Number.
Due Date	Any date on which the holders of the Debentures are entitled to any payments, whether on maturity or earlier (upon any Event of Default or upon the exercise of the Put Option or Call Option), prior to the scheduled Maturity Date or acceleration.
EBP Guidelines	The guidelines issued by SEBI with respect to electronic book mechanism under the terms of the SEBI Circular dated January 5, 2018 (bearing reference number SEBI/HO/DDHS/CIR/P/2018/05) read with the SEBI Circular dated August 16, 2018 (bearing reference number SEBI/HO/DDHS/CIR/P/2018/122) and the operational guidelines issued by the relevant Electronic Book Provider, as may be amended, clarified or updated from time to time.
EFT	Electronic Fund Transfer.
Electronic Book Provider / EBP	shall have the meaning assigned to such term under the EBP Guidelines.
Fee Letter	Shall mean the letter dated September ____, 2020 issued by the Company to the Debenture Holder(s) in respect of certain one-time upfront fees payable by the Company to the Debenture Holder(s).
Financial Year/ FY	Twelve months period commencing from April 1 of a particular calendar year and ending on March 31 of the subsequent calendar year.
Final Settlement Date	shall mean the date on which the payments to be made by the Company in relation to the Issue have been irrevocably discharged in full and/or the Debentures have been redeemed by the Company in full in accordance with the terms of the Transaction Documents.
GAAP	Generally Accepted Accounting Principles prescribed by the Institute of Chartered Accountants of India from time to time and consistently applied by the Issuer.
IBC	shall mean the Insolvency and Bankruptcy Code, 2016, and the rules and regulations made thereunder which are in effect from time to time and shall include any other statutory amendment or re-enactment thereof;
ICCL	Indian Clearing Corporation Limited
Indian GAAP	Means the generally accepted accounting principles, standards and practices in India or any other prevailing accounting standard in India as may be applicable
Indian Accounting Standard (IND AS)	Means Accounting standard adopted by companies in India and issued under the supervision of Accounting Standards Board (ASB)
Issue	Private Placement of the Debentures.
Issue Closing Date	September 28, 2020.
Issue Opening Date	September 28, 2020.
Issuer/ Company	Five-Star Business Finance Limited
Majority Debenture Holders	Debenture Holders whose participation or share in the principal amount(s) outstanding with respect to the Debentures aggregate to more than 51% (Fifty One Percent) of the value of the nominal amount of the Debentures for the time being outstanding.

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Material Adverse Effect	The effect or consequence of an event, circumstance, occurrence or condition which has caused, as of any date of determination, a material and adverse effect on (i) the financial condition, business or operation of the Issuer; (ii) the ability of the Issuer to perform their obligations under the Transaction Documents; or (iii) the validity or enforceability of any of the Transaction Documents (including the ability of any party to enforce any of its remedies thereunder).
Maturity Date	September 30, 2029 being 108 (One Hundred and Eight) months from the Deemed Date of Allotment, subject to a Put Option or Call Option or, such other date on which the final payment of the principal amount of the Debentures becomes due and payable as therein or herein provided, whether at such stated maturity date, by declaration of acceleration, or otherwise.
Net Assets	Net Assets shall mean the total assets on the balance sheet of the Issuer excluding any securitised assets and managed (non-owned) loan portfolio.
N.A.	Not Applicable.
NBFC Directions	RBI Master Direction on Non- Banking Financial Company- Systemically Important Non- Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (Master Direction DNBR. PD. 008/03.10.119/2016-17)
NSDL	National Securities Depository Limited.
PAN	Permanent Account Number.
Private Placement Offer cum Application Letter	Shall mean the private placement offer cum application letter prepared in compliance with Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014.
RBI	Reserve Bank of India.
Rating Agency	ICRA Limited, being a credit rating agency registered with SEBI pursuant to SEBI (Credit Rating Agencies) Regulations 1999, as amended from time to time.
Record Date	The date which will be used for determining the Debenture Holders who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 15 (Fifteen) calendar days prior to any Due Date.
R&T Agent	Registrar and Transfer Agent to the Issue, in this case being NSDL Database Management Limited.
ROC	Registrar of Companies.
Rs. / INR	Indian Rupee.
RTGS	Real Time Gross Settlement.
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time).
SEBI Debt Listing Regulations	The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008 issued by SEBI, as amended from time to time.
Security	The security for the Debentures as specified in <b>Annexure I</b> .
Tax or Taxes	shall mean any and all present or future, direct or indirect, claims for tax, withholding tax, surcharge, levy, impost, duty, cess, statutory due or other charge of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) including on gross receipts, sales, turn-over, value addition, use, consumption,

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	property, service, income, franchise, capital, occupation, license, excise, documents (such as stamp duties) and customs and other taxes, duties, assessments, or fees, however imposed, withheld, levied, or assessed by any Government;
TDS	Tax Deducted at Source.
The Companies Act/ the Act	The Companies Act, 2013 or where applicable, the provisions of the Companies Act, 1956, still in force.
Terms & Conditions	Shall mean the terms and conditions pertaining to the Issue as outlined in the Transaction Documents.
Transaction Documents	Shall mean the documents executed or to be executed in relation to the issuance of the Debentures as more particularly set out in <b>Annexure I</b> .
WDM	Wholesale Debt Market.
Wilful Defaulter	Shall mean an Issuer who is categorized as a wilful defaulter by any Bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such in accordance with Regulation 2(n) of SEBI (Issue and Listing of Debt Securities) Regulations, 2008.

## SECTION 2: NOTICE TO INVESTORS AND DISCLAIMERS

### 2.1 ISSUER'S DISCLAIMER

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

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

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

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

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



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

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

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

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

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

## **2.2 DISCLAIMER CLAUSE OF STOCK EXCHANGES**

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

### **2.3 DISCLAIMER CLAUSE OF SEBI**

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

### **2.4 DISCLAIMER IN RESPECT OF RBI**

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

### **2.5 DISCLAIMER IN RESPECT OF JURISDICTION**

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

### **2.6 DISCLAIMER IN RESPECT OF RATING AGENCIES**

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

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

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

### **SECTION 3: RISK FACTORS**

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

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

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

#### **3.2 THE SECONDARY MARKET FOR DEBENTURES MAY BE ILLIQUID.**

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

#### **3.3 CREDIT RISK & RATING DOWNGRADE RISK**

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

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

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

#### **3.5 TAX CONSIDERATIONS AND LEGAL CONSIDERATIONS**

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

### **3.6 ACCOUNTING CONSIDERATIONS**

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

### **3.7 SECURITY MAYBE INSUFFICIENT TO REDEEM THE DEBENTURES**

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

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

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

### **3.9 LEGALITY OF PURCHASE**

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

### **3.10 POLITICAL AND ECONOMIC RISK IN INDIA**

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

### **3.11 RISKS RELATED TO THE BUSINESS OF THE ISSUER**

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

A majority of the Issuer's loans are to the socially motivated double bottom line enterprises 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 it can be difficult to verify all client details and assess the risk. Such non-performing or low credit quality loans can negatively impact our results of operations.

The Issuer has various procedures and process controls in place to mitigate the risk.

As on June 30, 2020, the gross NPA was Rs. 53.37 Cr on a gross portfolio of Rs. 3,867.43 Cr (1.38% of gross portfolio).

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

The current loan loss reserves of the Issuer may not be adequate to cover an increase in the amount of NPAs or any future deterioration in the overall credit quality of Client Loans. As a result, if the quality of its total loan portfolio deteriorates the Issuer may be required to increase its loan loss reserves, which will adversely affect its financial condition and results of operations.

The clients are from different industries spread across several geographies with limited access to finance and, as a result, might be vulnerable if economic conditions worsen or growth rates decelerate in India, or if there are natural disasters such as floods and droughts in areas where the Issuer's members live. Moreover, there is no precise method for predicting loan and credit losses, and the Issuer cannot assure that its monitoring and risk management procedures will effectively predict such losses or that loan loss reserves will be sufficient to cover actual losses. If the Issuer are unable to control or reduce the level of its NPAs or poor credit quality loans, its financial condition and results of its operations could be materially and adversely affected.

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

Issuer's core business is to provide loans to Microfinance Institutions (MFI), Farmer Producer Companies (FPCs) and Micro, Small and Medium Enterprise ("MSME") segments primarily in the urban and semi-urban areas. Any downturn in the area of activity by borrowers could adversely affect the ability of borrowers to make loan repayment on time and in turn negatively impact the Issuer's operation. Due to the precarious circumstances of borrowers and non-traditional lending practices the Issuer may, in the future experience increased level of non-performing loans and related provisions and write-offs that negatively impact its business and results of operations.

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

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

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

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 growth. The Issuer's business is also dependent on its team of personnel who directly manage its relationships with its customers. 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 customers 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.

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

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

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

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

In addition, there are various types of risks and losses for which the Issuer does not maintain insurance, such as losses due to business interruption and natural disasters, because they are either uninsurable or because insurance is not available to the Issuer on acceptable terms. A successful assertion of one or more large claims against the Issuer that exceeds its available insurance coverage or results in changes in its insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect the Issuer's business, financial condition and results of operations.

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

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

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

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

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

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

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

The COVID-19 virus pandemic is adversely affecting, and is expected to continue to adversely affect, our operations, business, liquidity and cashflows, and we have experienced and expect to continue to experience unpredictable reductions in demand for certain of our products and services. Further, since a good fraction of our borrowers are small transport road operators, the disruption due to COVID-19 virus will also have an impact on their business as well as repayment capacity of the loans taken from us.

However, the extent of negative financial impact cannot be reasonably estimated at this time but a sustained economic slowdown may significantly affect our business, financial condition, liquidity, cashflows and results of operations and the same will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the COVID-19 virus and the actions to contain the COVID-19 virus or treat its impact, among others. Consequently, there may be a negative effect on the Company's ability to service the obligations in relation to the Debentures.

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

#### **SECTION 4: FINANCIAL STATEMENTS**

The audited financial statements of the Issuer for the FY ended 31<sup>st</sup> March 2020 are set out in **Annexure V** hereto.



## SECTION 5: REGULATORY DISCLOSURES

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

### 5.1 Documents Submitted to the Exchanges

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

- A. Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
- B. Copy of last 3 (Three) years audited Annual Reports;
- C. Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- D. Copy of the resolution passed by the shareholders of the Company at the Annual General Meeting held on August 31, 2020, authorizing the issue/offer of non-convertible debentures by the Company for aggregate amounts not exceeding INR 3000,00,00,000/- (Rupees Three Thousand Crores only);
- E. Copy of the resolution passed by the Board of Directors dated June 10, 2020 read with the resolution passed by the Business and Resource Committee of the Board of Directors dated September 22, 2020 authorizing the issuance of the Debentures and the list of authorized signatories;
- F. Copy of the resolution passed by the Company at the Annual General Meeting held on August 31, 2020 authorising the Company to borrow and create security in relation to such borrowings, upon such terms as the Board may think fit, upto an aggregate limit of INR 7000,00,00,000/- (Rupees Seven Thousand Crores only);
- G. An undertaking from the Issuer stating that the necessary documents for the creation of the charge, including the Debenture Trust Deed would be executed within the time frame prescribed in the relevant regulations/acts/rules etc. and the same would be uploaded on the website of the BSE, where the debt securities have been listed, within 5 (Five) working days of execution of the same;
- H. Where applicable, an undertaking that permission / consent from the prior creditor for a second or *pari passu* charge being created, in favour of the trustees to the proposed issue has been obtained; and
- I. Any other particulars or documents that the recognized stock exchange may call for as it deems fit.

### 5.2 Documents Submitted to Debenture Trustee

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

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

### 5.3 Name and Address of Registered Office of the Issuer:

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

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

#### (a) Overview:

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

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

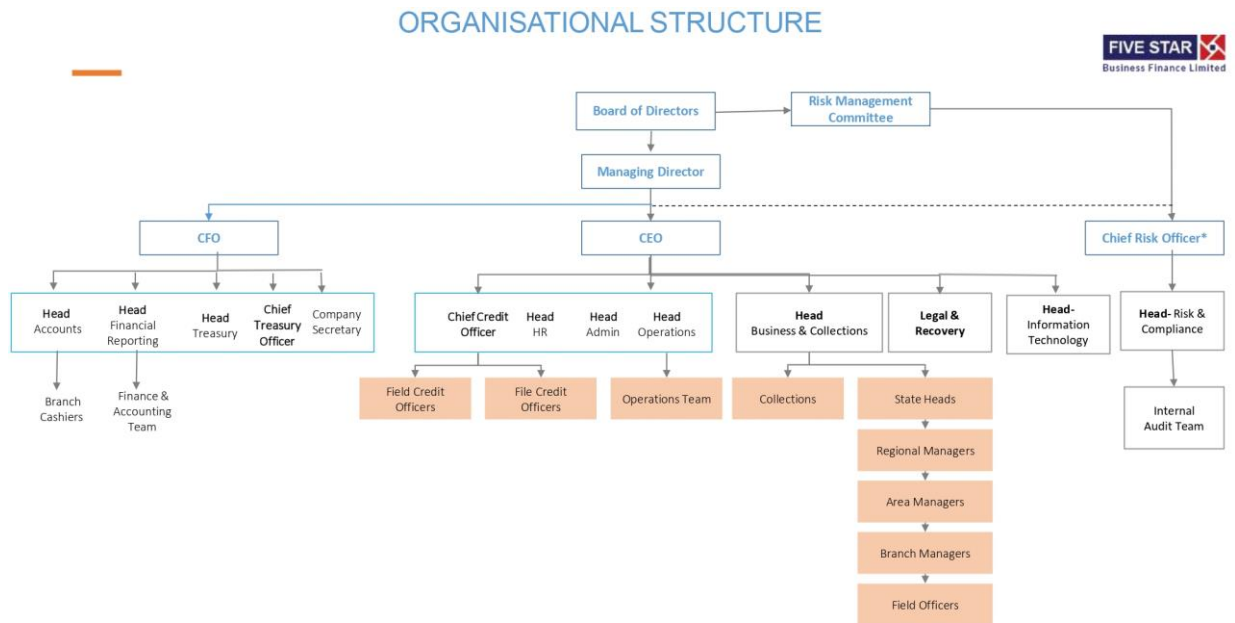
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grown from a branch network of 6 to more than 200 today and from an AUM of Rs.18 Crores to more than Rs.2500 Crores (consolidated) in this period. The management comprises of professionals who have longstanding experience and expertise in the financial services industry and have the necessary skills to carry out their responsibilities

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

As at June 30, 2020, Five-Star operated 258 branches in 8 states – Tamil Nadu (87 branches; including 2 in Puducherry), Andhra Pradesh (66 branches), Telangana (38 branches), Karnataka (30 branches), Maharashtra (4 branches) Madhya Pradesh (27 branches), Chhattisgarh (3 Branches) and Uttar Pradesh (1 Branch) with a borrower base of more than 1,42,563 customers and a total portfolio under management of about Rs. 3,867.43 Crores.

(b) **Corporate Structure/Organization Structure:**



\*Appointed w.e.f April 2020

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

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

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<b>Name</b>	<b>Work Experience</b>
<p><b>L R Raviprasad</b> <i>Independent Director</i></p>	<p>Mr. Raviprasad holds a Bachelor's degree from Madras University. He hails from a business family and continues the family business of brick manufacturing. He joined the Board of Five-Star in 2002.</p>
<p><b>Ling Wei Ong</b> <i>Nominee Director - NHPEA Chocolate Holdings B.V.</i></p>	<p>Ling Wei Ong is an Executive Director of Morgan Stanley. He joined Morgan Stanley in 2005 and monitors the group's investments, including structuring and valuation, finance and compliance. Prior to joining Morgan Stanley, Ling was with Deloitte &amp; Touche in Singapore for over seven years. Mr.Ling holds a BS in Accountancy from Nanyang Technological University and is a Chartered Accountant (Singapore).</p>
<p><b>Arjun Saigal</b> <i>Alternate Director - NHPEA Chocolate Holdings B.V.</i></p>	<p>Arjun Saigal is an Executive Director of Morgan Stanley. He joined Morgan Stanley in 2012 and focuses on the Group's Private Equity transactions in India. Prior to joining Morgan Stanley, Arjun was with Baring Private Equity Partners India. He is a graduate of the London School of Economics and received his MBA from Columbia Business School.</p>
<p><b>V Thirulokchand</b> <i>Independent Director</i></p>	<p>Thirulokchand is a Hotel Management Graduate with over 17 years of experience in the Hospitality business. His areas of expertise include Team Management, Customer satisfaction and Process Optimisation.</p>
<p><b>Ganapathygraharam Venkataraman Ravishankar</b> <i>Nominee Director - SCI Investments V</i></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. 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><b>Sanjeev Mehra</b> <i>Nominee Director - TPG Asia VII SF Pte. Ltd.</i></p>	<p>Sanjeev Mehra is a Director at TPG Capital Asia where he covers the Financial Services and Consumer sectors. He is based in Mumbai and has over 10 years of investing experience. Sanjeev has an MBA from London Business School and an undergraduate degree in Economics from Delhi University.</p>

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

<b>Name &amp; Designation</b>	<b>Profile and Experience</b>
<p><b>Rangarajan Krishnan</b> <i>Chief Executive Officer</i></p>	<p>Rangarajan is a well rounded finance professional with about 15 years of work experience across commercial banking, private equity investment, project finance and advisory. He started his career with HDFC Bank in the Corporate Banking division and then moved on to Standard Chartered Bank in the Mid-Market Commercial Banking division catering to a wide range of fund/ non-fund, trade and treasury requirements of these corporates. He then worked with the South Asia Infrastructure Investment team at International Finance Corporation, World Bank, and led a wide array of equity/ debt investments in projects across different economies. Over the last five years before joining Five-Star, he was with Spark Capital where he headed their advisory/ investment banking initiatives across the financial services and consumer sectors. He joined Five-Star in August 2015 as Chief Operating Officer and heads business, credit and operations.</p> <p>By qualification, he is a commerce graduate and has done two Masters in Business Administration (one from Sri Sathya Sai Institute of Higher Learning and one from The Indian School of Business) with specialization in Analytical Finance and Leadership.</p>
<p><b>Srikanth G</b> <i>Chief Financial Officer</i></p>	<p>Srikanth is a seasoned banking and finance professional with a combined experience of about 15 years across multiple functions. He spent the first 8 years of his career in Citibank and other Citigroup entities working across various functions like financial planning and analysis, Securitization and Structuring, Treasury, and Operations. He was the Vice President and Head of Business Planning and Analysis for the Consumer portfolio of Citibank when he moved out of the bank to take up the role of Chief Financial Officer at Asirvad Microfinance Private Limited.</p> <p>For over the last 5 years prior to joining Five-Star, he had been managing the finance, treasury and technology at Asirvad and had been an integral part of the senior management team. He was instrumental in shepherding the organization when the entire Microfinance industry was hit by the crisis in 2010 and was also instrumental in Manappuram Finance Limited taking a majority stake in Asirvad.</p> <p>He joined Five-Star in October 2015 as the Chief Financial and Information Officer and heads the finance function.</p> <p>By qualification, he is a commerce graduate and holds an MBA in Finance and General Management from Sri Sathya Sai Institute of Higher Learning (Deemed University) and has been a gold medalist in both the UG and PG courses.</p>
<p><b>Vishnuram Jagannathan</b> <i>Chief Risk Officer</i></p>	<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 &amp; 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>
<p><b>Sanjay Chaturvedi</b> <i>Chief Treasury Officer</i></p>	<p>Sanjay is a management graduate and comes with about 18 years of treasury work experience across multiple banks and NBFCs for Managing their ALM, fund raising, investor relationships, market Risks &amp; Securitization markets. Sanjay was also instrumental in helping set up the front-end treasury desk in Mumbai for Cholamandalam Investment &amp; Finance Co. Prior to joining Five-Star, he was the Senior Vice President and Head Treasury for Motilal Oswal Home Finance Corporation.</p>

Name & Designation	Profile and Experience
<b>Prashanth S</b> <i>Head – Treasury</i>	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.

(c) **Key Operational and Financial Parameters for the last 3 audited years on a consolidated basis (wherever available) else on a standalone basis.**

(Amount in Rs.)

Parameters (Amount in Rs. Crores)	Audited	Audited	Audited
(Rs. In Crores)	31-Mar-18	31-Mar-19	31-Mar-20
Net Worth	599.94	1365.08	1944.58
Total Debt	530.7	921.7	2363.69
Cash and Cash equivalents	126.51	219.73	451.13
Assets Under Management	979.94	2112.8	3892.23
Off balance sheet assets	-	-	-
Interest Income	169.63	389.74	746.82
Interest Expense	55.55	75.92	216.94
Provisioning & Write Offs	9.18	7.55	49.34
Total comprehensive income	56.18	156.28	260.83
Gross NPA (%)	1.45%	0.87%	1.37%
Net NPA (%)	0.96%	0.67%	1.13%
Capital Adequacy Ratio (%)	58.05%	64.24%	52.94%

\*FY 2019, FY 2020 and FY 2021 Q1 figures are as per IND-AS. Figures for 2018 are as per IGAAP and hence may not be directly comparable.

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

**\*\*AUM & Debt for FY19, FY20 are net of unamortized processing fee as per Ind AS; AUM is gross of provisions.**

(Rs. Crores)

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

Before the issue of debt securities	1.31
After the issue of debt securities	1.34

**Calculations**

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

(Rs. Crores)

Debt	2662.29
Equity	2033.28
Debt/Equity	1.31

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

(Rs. Crores)

Debt	2732
Equity	2033.28
Debt/Equity	1.34

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

Not applicable

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

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

Share Capital	Rs. In Lakhs
<b>Authorised</b>	
Equity Share Capital	5500
<b>Issued and Subscribed</b>	
Equity Shares	2712.79
<b>Fully Paid- up</b>	
Equity Shares	2558.21

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

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

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

**C. Equity Share Capital History of the Company as on last quarter end i.e. June 30, 2020, for the last five years:**

Date of Allotment	No. of Shares allotted (lakhs)	Face value (Rs.)	Issue Price (Rs.)	Consideration (Rs. In Crores)	Nature of Allotment	Cummulative		
						No of Equity Shares Issued / Paid-up	Equity Share Capital (Rs. In lakhs)	Equity Share Premium (Rs. In lakhs)
21-Feb-14	20	10	85	1,700.00	Private Placement	90,00,000	900	1500



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03-Feb-15	12	10	130	1,560.00	Private Placement	1,02,00,000	1,020	1440
29-Sep-15	3.5	10	130	455	Private Placement	1,05,50,000	1,055	420
30-Nov-15	1.5	10	130	195	Private Placement	1,07,00,000	1,070	180
30-Jun-16	35.65	10	319.63	11,394.98	Private Placement	1,42,65,052	1,427	11038
09-Jun-17	1.88	10	10	18.8	ESOP	1,44,53,052	1,445	0
18-Aug-17	47.15	10	674.4	31,800.00	Private Placement	1,91,68,354	1,917	31328
25-Sep-17	0.01	10	85	0.43	ASOP	1,91,68,854	1,917	0.3
24-Jul-18	0.08	10	130	10.4	ASOP	1,91,76,854	1,918	10
03-Aug-18	46.87	10	1320.72	61,899.87	Private Placement	2,38,63,682	2,386	61431
12-Sep-18	0.01	10	85	0.43	ESOP	2,38,64,182	2,386	0.3
12-Dec-18	0.01	10	130	1.3	ESOP	2,38,65,182	2,387	1.2
27-Dec-18	0.25	10	10	3	ESOP	2,38,90,182	2,389	0
08-Feb-19	0.02	10	130	2.08	ESOP	2,38,91,782	2,389	1.92
28-Feb-19	0.07	10	130	9	ESOP	2,38,98,782	2,390	8.4
29-Mar-19	0.01	10	130	1	ESOP	2,38,99,582	2,390	0.96
16-May-19	0.01	10	130	2	ESOP	2,39,00,982	2,390	10.02
28-Jun-19	0	10	130	0	ESOP	2,39,01,182	2,390	1.43
11-Jul-19	0	10	130	0	ESOP	2,39,01,232	2,390	0.34
22-Jul-19	13.32	10	2364.4	31,500	Private Placement	2,52,33,494	2,523	31366.78
08-Aug-19	0.01	10	130	1.56	ESOP	2,52,34,694	2,523	4.86
24-Sep-19	0	10	130	0.13	ESOP	2,52,35,294	2,524	2.03
24-Sep-19	0.01	10	85	0.43	ESOP			
06-Dec-19	1.19	10	10	11.92	ESOP	2,53,54,532	2,535	146.52
12-Dec-19	0.56	10	10	5.58	ESOP	2,54,10,294	2,541	68.70
25-Feb-20	7.50**	10	2,364.40	75	Private Placement	2,61,60,294	2,616	67.5
21-Mar-20	9.68**	10	1037.94	96.76	Rights Issue	2,71,27,891	2,713	87.08
17-Aug-20	0.52	10	10	5.20	ESOP	2,71,79,891	2,718	87.08

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

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

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

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

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

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

**A. Shareholding pattern of the Company as on June 30, 2020:**

S.No	Category	Paid-up Capital		Number of shares held in demat form
		No. of shares Held	% of shareholding	
<b>A</b>	<b>Promoters Holding</b>			
<b>1</b>	<b>Indian:</b>			
	Individual – D Lakshmipathy and Immediate Relatives	60,27,801	22.22	60,27,801
	Bodies Corporate	-	-	
	<b>Sub Total</b>	<b>60,27,801</b>	<b>22.22</b>	<b>60,27,801</b>
<b>2</b>	<b>Foreign Promoters</b>	-	-	
	<b>Sub Total (A)</b>	<b>60,27,801</b>	<b>22.22</b>	<b>60,27,801</b>
<b>B</b>	<b>Non Promoters' Holding</b>			
	Matrix Partners India Investment Holdings II, LLC	41,00,999	15.12	41,00,999
	Matrix Partners India Investments II Extension, LLC	68,897	0.25	68,897
	NHPEA Chocolate Holding B.V.	35,98,051	13.26	35,98,051
	Norwest Venture Partners X – Mauritius	25,69,650	9.47	25,69,650
	SCI Investments V	25,69,650	9.47	25,69,650
	TPG Asia VII SF Pte. Ltd.	61,10,673	22.53	61,10,673
	Indian Public	19,48,870	7.18	14,80,970
	Directors and relatives	1,33,300	0.49	1,33,300
	<b>Sub Total (B)</b>	<b>2,11,00,190</b>	<b>77.78</b>	<b>2,06,32,190</b>
	<b>GRAND TOTAL</b>	<b>2,71,27,891</b>	<b>100.00</b>	<b>2,66,59,991</b>

Notes: Details of shares pledged or encumbered by the promoters (if any): 67,100

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

S. no	Name of Shareholder	No. of Shares	% of Holding
1	TPG Asia VII SF PTE Ltd	6110673	22.53%
2	Matrix Partners India Investment Holdings II, LLC	4100999	15.12%
3	D Lakshmipathy	3710771	13.68%
4	NHPEA Chocolate Holding B.V.	3598051	13.26%
5	SCI Investments V	2569650	9.47%
6	Norwest Venture Partners X - Mauritius	2569650	9.47%
7	Hema	2089060	7.70%
8	Atma Ram Builders (P) Ltd.	545510	2.01%
9	Krishnan Rangarajan	233793	0.86%
10	Ramasamy Jayachandran	212368	0.78%

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

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

S. No.	Name	Designation	Address	DIN	Other Directorship
1	D Lakshmipathy	Chairman & Managing Director	Old No.22, New No.39, Outer Circular Road, Kilpauk Garden, Kilpauk, Chennai - 600 010.	01723269	-
2	A Ramanathan	Independent Director	Plot No.28, 18th Street, TANSI Nagar, Velachery, Chennai - 600 042.	02645247	1.Samasta Microfinance Limited 2. Svasti Microfinance Private Limited 3. Unnati Microfin Private Limited 4. Hindusthan Microfinance Private Ltd 5. United Overseas Facilities Management Private Limited 6. Mangal Credit And Fincorp Limited 7. South India Finvest Private Limited 8. Asirvad Micro Finance Limited

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3	Bhama Krishnamurthy	Independent Director	No. B1/23, Tecnocrat, Cooperative Housing Society, Twin Tower Lane, Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025.	02196839	<ol style="list-style-type: none"> <li>1. Reliance Industrial Infrastructure Limited</li> <li>2. Cholamandalam Investment And Finance Company Limited</li> <li>3. Network18 Media &amp; Investments Limited</li> <li>4. Muthoot Microfin Limited</li> <li>5. Reliance Payment Solutions Limited</li> <li>6. CSB Bank Limited</li> </ol>
4	R Anand	Independent Director	No. 22, Warren Road, Mylapore, Chennai – 600 004.	00243485	<ol style="list-style-type: none"> <li>1. Sterling Holiday Resorts Limited</li> <li>2. Ess Kay Fincorp Limited</li> <li>3. Nani Palkhivala Arbitration Centre</li> <li>4. Chennai International Centre</li> <li>5. Jasmine Concrete Exports Private Limited</li> </ol>
5	Vikram Vaidyanathan	Nominee Director - Matrix Partners	B-602, Zen Garden, No.6, Artillery Road, Ulsoor, Behind Cambridge Hospital, Bangalore - 560 008.	06764019	<ol style="list-style-type: none"> <li>1. Blue Jay Finlease Limited</li> <li>2. Ver Se Innovation Private Limited</li> <li>3. Mswipe Technologies Private Limited</li> <li>4. Sarvaloka Services-On-Call Private Limited</li> <li>5. OFB Tech Private Limited</li> <li>6. Goddard Technical Solutions Private Limited</li> <li>7. Mswipe Capital Private Limited</li> <li>8. Amica Financial Technologies Private Limited</li> <li>9. AF Capital Private Limited</li> <li>10. Atv Ventures Llp</li> <li>11. Matrix Partners India Advisors Llp</li> <li>12. OLA Financial Services Private Limited</li> </ol>

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6	B Haribabu	Independent Director	No.39/28, Gajapathy Street, Shenoy Nagar, Chennai - 600 030.	01509249	-
7	L R Raviprasad	Non-Executive Director	Old No.59, New No.11, Gajapathy Street, Shenoy Nagar, Chennai - 600 030.	01522796	1.Vasumathi Properties Private Limited
8	Ling Wei Ong	Nominee Director - Morgan Stanley	Flat B, 33 Floor, One Pacific Heights, No.1, Wo Fung Street, Hong Kong.	02405458	ZCL chemicals limited
9	Arjun Saigal	Alternate Director to Ling Wei Ong- Morgan Stanley	536, Sainik Farms, New Delhi - 110 062.	07556188	1. Southern Health Foods Private Limited 2. Sahajanand Medical Technologies Private Limited 3. Kogta Financial (India) Ltd 4. Centrum Housing Finance Limited
10	V Thirulokchand	Non-Executive Director	Door No.1, 11th Block, MMDA Colony, Mogappair East, Chennai - 600 037.	07679930	-
11	G V Ravishankar	Nominee Director - Sequoia Capital	17A, ETA Binny Crescent Apts., Benson Cross Road, Benson Town, Bangalore - 560046.	02604007	1. Prataap Snacks Limited 2. Pure N Sure Food Bites Private Limited 3. Go Fashion (India) Private Limited 4. Indigo Paints Private Limited 5. Faces Cosmetics India Private Limited 6. Manappuram Finance Tamil Nadu Limited 7. India Shelter Finance Corporation Limited 8. Capfloat Financial Services Private Limited

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12	Sanjeev Mehra	Nominee Director – TPG Asia VII SF Pte. Ltd.	2A Nibbana Annexe 95-A, Pali Hill Road, Pali Hill, Bandra (W), Mumbai 400 050	07491208	-
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\*Company to disclose name of the current directors who are appearing in the RBI defaulter list and/or ECGC default list, if any: None

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

Name	Designation	DIN	Date of Appointment/Resignation	Director of the Company since (in case of resignation)
M K Ganeshram	Director	01385144	30-01-2015	24-04-1985
Rishi Navani	Nominee Director	01758427	05-08-2015	12-03-2014
M Anandan	Chairman	00033633	21-08-2015	21-04-2010
Vikram Vaidyanathan	Nominee Director	06764019	21-08-2015	-
M K Mohan	Independent Director	00481064	09-06-2016	20-09-1984
Ramanathan Annamalai	Independent Director	02645247	26-02-2016	-
Kalpana Iyer	Independent Director	01874130	12-04-2016	-
Bhama Krishnamurthy	Independent Director	02196839	12-04-2016	-
Ling Wei Ong	Nominee Director	02405458	30-06-2016	-
Arjun Saigal	Alternate director to Mr. Ling Wei Ong	07556188	28-07-2016	-
Anand Raghavan	Independent Director	00243485	28-07-2016	-
Vasan Thirulokchand	Non Executive Director	07679930	15-12-2016	-
Ganapathyagraharam Venkataraman Ravishankar	Nominee Director	01522796	18-08-2017	-
Kalpana Iyer	Independent Director	01874130	30-04-2018	12-04-2016
Gaurav Trehan	Nominee Director	03467781	03-08-2018	22-05-2020
Sanjeev Mehra	Nominee Director	07491208	10-06-2020	-

## 5.8 Following details regarding the auditors of the Company:

### A. Details of the auditor of the Company:

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

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

Name	Address	Date of Appointment / Resignation	Remarks
M/s Brahmayya & Co.	No.48, Masilamani Road, Balaji Nagar, Royapettah, Chennai - 600 014.	September 22, 2018	NIL
M/s B S R & Co. LLP	KRM Tower, 1st and 2nd Floor, No. 1, Harrington Road, Chetpet, Chennai - 600031	September 22, 2018	NIL

## 5.9 Details of borrowings of the Company, as on latest quarter end i.e. June 30, 2020:

### A. Details of Secured Loan Facilities as on June 30, 2020:

(Rs. In Cr.)

Institution	Category	Availed Rs. Crores	O/s 30.06.2020 Rs. Crores	Security - Secured	Maturity
Aditya Birla Finance Ltd	Term Loan	25.00	25.00	115%	01-Feb-23
AK Capital	Term Loan	20.00	1.90	110%	31-Dec-20
Andhra Bank	Term Loan	50.00	50.00	115%	25-Feb-25
AU Small Finance Bank	Term Loan	10.00	6.83	110%	05-Nov-23
AU Small Finance Bank	Term Loan	20.00	3.72	110%	15-Mar-21
AU Small Finance Bank	Term Loan	38.00	27.87	110%	03-Feb-24
Bajaj Finance Ltd	Term Loan	10.00	6.43	110%	29-Sep-22
Bajaj Finance Ltd	Term Loan	20.00	6.00	110%	19-Feb-21
Bajaj Finance Ltd	Term Loan	25.00	16.15	120%	31-Jan-23
Bandhan Bank	Term Loan	30.00	18.33	115%	28-Mar-22
Bandhan Bank	Term Loan	40.00	37.78	115%	01-Apr-23
Bank of Baroda	Term Loan	50.00	37.50	120%	30-Mar-24
Bank of India	Term Loan	40.00	20.00	115%	27-Mar-30
Capital Small Finance Bank	Term Loan	15.00	15.00	110%	01-Sep-24
Central Bank of India	Securitization	100.00	94.91	Cash Collateral	14-May-25
Cholamandalam Finance	Term Loan	10.00	8.15	110%	01-Apr-24
DCB	Securitization	98.35	55.05	Cash Collateral	17-Apr-22
Equitas Small Finance Bank	Term Loan	25.00	13.20	110%	05-Jan-22
Equitas Small Finance Bank	Term Loan	15.00	4.18	110%	05-Apr-21

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Equitas Small Finance Bank	Term Loan	10.00	3.08	110%	05-Apr-21
Equitas Small Finance Bank	Term Loan	21.00	18.67	110%	05-Feb-23
Federal Bank	Term Loan	15.00	11.25	125%	29-Jun-23
Federal Bank	Term Loan	10.00	1.88	125%	30-Mar-21
Federal Bank	Term Loan	10.00	4.31	125%	23-Mar-22
HDFC Bank	Term Loan	0.53	0.05	100%	05-Nov-20
Hinduja Leyland Finance	Term Loan	20.00	13.55	110%	28-Dec-22
IndusInd Bank	Term Loan	30.00	26.67	120%	31-Jan-23
Karnataka Bank	Term Loan	5.00	0.86	133%	28-Feb-21
Karur Vyasya	Term Loan	10.00	8.24	115%	28-Feb-21
Kotak Mahindra Bank	Term Loan	20.00	5.00	115%	31-May-24
Nabkisan	Term Loan	13.00	2.43	115%	31-Jan-21
Nabkisan	Term Loan	13.40	10.72	110%	01-Jun-24
Nabsamruddhi Finance	Term Loan	15.00	13.50	110%	30-Nov-24
Navi Technologies	Securitization	131.37	122.31	Cash Collateral	17-May-25
Oriental Bank of Commerce	Term Loan	30.00	27.00	120%	31-Dec-24
Poonawalla Finance	Securitization	99.05	74.81	Cash Collateral	17-Jul-24
Poonawalla Finance	Securitization	70.10	59.80	Cash Collateral	22-Jun-23
RBL Bank	Term Loan	20.00	4.71	120%	21-Feb-21
RBL Bank	Term Loan	50.00	22.50	120%	31-Dec-21
RBL Bank	Term Loan	50.00	29.41	120%	18-Feb-22
RBL Bank	Term Loan	75.00	75.00	120%	16-May-23
SBM Bank	Term Loan	19.00	17.42	110%	26-Feb-23
South Indian Bank	Term Loan	5.00	0.90	111%	02-Mar-21
South Indian Bank	Term Loan	5.00	2.22	133%	28-Mar-22
State Bank of India	Term Loan	40.00	12.58	125%	31-Jan-22
State Bank of India	Term Loan	200.00	183.11	125%	31-Dec-24
State Bank of India	Term Loan	50.00	50.00	120%	31-May-23
Sundaram Finance	Term Loan	5.00	0.33	118%	22-Sep-20
Sundaram Finance	Term Loan	15.00	6.21	118%	22-Mar-22
Sundaram Finance	Term Loan	10.00	8.53	118%	22-Dec-22
Sundaram Finance	Term Loan	30.00	26.33	118%	22-Jan-23
Tata Capital	Term Loan	10.00	5.63	110%	20-Feb-22
Tata Capital	Term Loan	7.80	7.15	110%	05-Feb-24
Ujjivan	Term Loan	25.00	19.70	110%	30-Aug-22
Union Bank of India	Term Loan	40.00	38.00	115%	31-Mar-25
Utkarsh	Term Loan	20.00	14.44	110%	31-Aug-22
Vivriti Capital	Term Loan	5.00	4.00	110%	30-Mar-24
Vivriti Capital	Term Loan	25.00	23.74	110%	13-May-26
Woori Bank	Term Loan	45.00	27.50	105%	30-Apr-22
YES Bank	Term Loan	25.00	6.94	115%	05-Apr-21
YES Bank	Term Loan	30.00	19.17	115%	31-May-22
		-	1,432.65		

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

NIL



**C. Details of Non-Convertible Debentures as on June 30, 2020:**

(Rs. In Cr.)

ISIN Number	Maturity Date	Coupon (%)	Amount in Crores	Secured / Unsecured	Rating	Primary Security Exclusive charge on receivables of the company	Tenure
INE128S07010	06-12-2020	13.60%	30	Secured	CRISIL BBB+	1.05 times	60
INE128S07275	28-12-2020	11.50%	45	Secured	CARE A; Stable	1.00 times	48
INE128S07259	28-12-2020	11.50%	30	Secured	CARE A; Stable	1.10 times	48
INE128S07119, INE128S07127, INE128S07135 & INE128S07143	07-02-2021	11.45%	25	Secured	CARE A; Stable	1.1 times	48
INE128S07218, INE128S07226, INE128S07234 & INE128S07242	15-03-2021	11.45%	15	Secured	CARE A; Stable	1.1 times	48
INE128S07267	26-02-2021	11.25%	24	Secured	ICRA A; Stable	1.1 times	48
INE128S07317	28-03-2023	10.21%	5	Secured	CARE A; Stable	1.1 times	60
INE128S07325	28-03-2023	10.21%	65	Secured	CARE A; Stable	1.1 times	60
INE128S07333	28-03-2023	10.21%	65	Secured	CARE A; Stable	1.1 times	60
INE128S07341	28-03-2023	10.21%	65	Secured	CARE A; Stable	1.1 times	60
INE128S07358	29-03-2022	12.64%	55	Secured	ICRA A; Stable	1.1 times	36
INE128S07366	11-04-2024	11.40%	30	Secured	ICRA A; Stable	1.1 times	60
INE128S07374	16-04-2022	12.64%	180	Secured	ICRA A; Stable	1.1 times	36
INE128S07382	03-07-2022	Linked with movement of Nifty 50 Index	20	Secured	CARE PP-MLD A; Stable	1.1 times	38
INE128S07390	28-05-2022	12.64%	180	Secured	ICRA A; Stable	1.1 times	36
INE128S07408	28-06-2022	12.64%	185	Secured	ICRA A; Stable	1.1 times	36
INE128S07416	28-08-2025	11.88%	125	Secured	CARE A; Stable	1.1 times	72
INE128S07424	13-05-2026	12.75%	15	Secured	ICRA A; Stable	1.1 times	36
INE128S07432	28-05-2023	10.50%	15	Secured	ICRA A; Stable	1.1 times	36

INE128S07457	21-04-2023	11.00%	50	Secured	ICRA A; Stable	1.25 times	33
INE128S07457	21-04-2023	11.00%	15	Secured	ICRA A; Stable	1.25 times	33
INE128S07457	21-04-2023	11.00%	50	Secured	ICRA A; Stable	1.25 times	33
INE128S07440	12-06-2023	11.00%	25	Secured	ICRA A; Stable	1.25 times	36

**D. List of Top 10 Debenture Holders (as on June 30, 2020):**

(Rs. in Lakhs)

S. No.	Name of the Lender	Amount Outstanding
1	Franklin India Short Term Income Plan	28400.00
2	Franklin India Credit Risk Fund	24500.00
3	UTI International Wealth Creator 4	12500.00
4	Franklin India Dynamic Accrual Fund	8100.00
5	A K Capital Finance Limited	6643.00
6	Franklin India Income Opportunities Fund	5000.00
7	State Bank of India	5000.00
8	Bank of India	5000.00
9	Franklin India Low Duration Fund	4000.00
10	Chaitanya Rural Intermediation Development Services Private Limited	3000.00

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

Nil

**F. Details of Commercial Paper:**

Nil

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

Nil

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

Nil

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

Nil

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

S. No.	Name of Shareholders	Total No. of Equity shares	No. of shares held in dematerialised form	Total Shareholding as percentage (%) of total no. of equity shares	No. of shares Pledged	Percentage (%) of shares pledged with respect to shares owned
1	D. Lakshmipathy	3710771	3710771	13.68%	67100	0.25%
2	L. Hema	2089060	2089060	7.70%	Nil	Nil
3	R. Deenadayalan	163200	163200	0.60%	Nil	Nil
4	D. Varalakshmi	44770	44770	0.17%	Nil	Nil
5	L. Sritha	20000	20000	0.07%	Nil	Nil

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

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

<b>PROFIT &amp; LOSS STATEMENT (Rs. In lakhs)</b>	<b>FY 2018 Audited</b>
Revenue	
Revenue from Operations	18,854.36
Other Income	1,561.70
Total Revenue	20,416.06
Expenses	
Finance Costs	5,554.57
Employee Benefits Expense	4,293.18
Other Expenses	1,487.50
Provisions, Loan Losses & Other Charges	918.55
Depreciation	259.31
Total Expenses	12,513.12
Profit Before Tax	7,902.94
Tax Expenses	
- Current Tax	2,404.37
- Deferred Tax	-119.55
Total Tax Expenses	2,284.82
Profit for the Year	5,618.12

<b>Balance sheet (Rs. in lakhs)</b>	<b>FY 2018 Audited</b>
<b>EQUITY AND LIABILITIES</b>	
Shareholders' Funds	
Share Capital	1,916.89
Reserves and Surplus	58,077.76
	59,994.65
Non-current liabilities	
Long Term Borrowings	37,346.98
Other Long Term Liabilities	0.84
Long Term Provisions	718.58
	38,066.40
Current liabilities	
Short Term Borrowings	4,979.68
Trade Payables	
i) Dues to Micro and Small Enterprises	-
ii) Other Trade Payables	475.18
Other Current Liabilities	11,357.37
Short-term Provisions	419.42
	17,231.65
<b>TOTAL</b>	<b>1,15,292.70</b>
<b>ASSETS</b>	
Non Current Assets	
Fixed Assets	
-Tangible Assets	454.24
-Intangible Assets	181.09
-Capital Work in Progress	14.13
-Software Under Development	-
Non Current Investments	1,500.00
Deferred Tax Assets	364.03
Long Term Receivables Under Financing Activities	80,344.28
Long Term Loans and Advances	417.95
Other Non Current Assets	23.04
	83,298.76
Current Assets	
Current Investments	-
Cash and Bank Balances	12,651.08
Short Term Receivables Under Financing Activities	17,649.41
Short Term Loans and Advances	64.98
Other Current Assets	1,628.47
	31,993.94
<b>TOTAL</b>	<b>1,15,292.70</b>

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

<b>Particulars (Rs. In lakhs)</b>	<b>Year ended March 31, 2018</b>
Cash Flow from Financing Activities	
Proceeds from issue of equity shares (including securities premium)	32,046.00
Utilisation of Securities Premium	(440.62)
Proceeds from long term borrowings (repaid) / availed (Net)	7,597.25
Short-term Borrowings (repaid) / availed (Net)	291.93
Net Cash from Financing Activities (C)	39,494.56
Net Increase in Cash and Cash Equivalents [ (A) + (B) + (C) ]	(5,392.25)
Cash and Cash Equivalents at the beginning of the year	18,043.33
Cash and Cash Equivalents at the end of the year	12,651.08

<b>Particulars</b>	<b>Year ended</b>	<b>Year ended</b>
	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Revenue from operations		
Interest income	74,682.42	38,286.54
Dividend income	-	0
Fee income	2,970.84	1,317.08
Net gain on fair value changes	1,018.22	559.86
Total revenue from operations	78,671.48	40,163.48
Other income	63.25	120.03
Total Income	78,734.73	40,283.51
Expenses		
Finance costs	21,693.51	7,285.60
Fees expenses	42.52	94.77
Impairment / write off on financial instruments	4,934.19	700.54
Employee benefits expenses	12,710.78	7,478.89
Depreciation and amortization	1,006.85	419.42
Other expenses	3,416.83	2,505.58
Total Expenses	43,804.68	18,484.80
Profit before tax	34,930.05	21,798.71
Tax expense		
Current tax	10,056.07	6,954.97
Deferred tax (net)	-1,321.06	-785.94
	8,735.01	6,169.03
Profit for the period	26,195.04	15,629.68
Other comprehensive income		
Items that will not be reclassified to profit or loss		

Particulars	Year ended	Year ended
	March 31, 2020	March 31, 2019
Re-measurements of the defined benefit plan	148.8	50.09
Income tax relating to items that will not be reclassified to profit or loss	-37.45	-14.58
Net other comprehensive income not to be reclassified subsequently to profit or loss	111.35	35.50
Other comprehensive income / (deficit) for the year, net of income tax	111.35	35.50
Total comprehensive income	26,083.69	15,594.18

Particulars	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>		
<b>Financial Assets</b>		
Cash and cash equivalents	28,977.95	20,992.65
Bank balances other than cash and cash equivalents	16,134.94	6.88
Loans	3,83,080.44	2,05,743.73
Investments	-	1,500.00
Other financial assets	524.57	283.68
	<b>4,28,717.90</b>	<b>2,28,526.94</b>
<b>Non-financial Assets</b>		
Current tax assets (net)	435.46	348.17
Deferred tax assets (net)	2,822.97	1,422.06
Investment property	3.56	3.56
Property, plant and equipment	1,106.09	744.41
Right of use asset	1,488.00	
Other intangible assets	192.80	201.80
Other non-financial assets	548.62	357.39
	<b>6,597.51</b>	<b>3,077.39</b>
<b>Total assets</b>	<b>4,35,315.40</b>	<b>2,31,604.33</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Financial Liabilities</b>		
Payables		
Trade payables		
total outstanding dues of micro and small enterprises	-	-

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
total outstanding dues of creditors other than micro and small enterprises	662.40	281.39
Debt securities	1,07,886.42	42,972.28
Borrowings (other than debt securities)	1,28,482.89	49,198.22
Other financial liabilities	1,568.10	510.91
	<b>2,38,599.81</b>	<b>92,962.80</b>
<b>Non-financial Liabilities</b>		
Current tax liabilities (net)	74.80	159.89
Provisions	577.61	365.19
Other non-financial liabilities	1,605.12	1,608.12
	<b>2,257.53</b>	<b>2,133.20</b>
<b>Equity</b>		
Equity share capital	2,558.21	2,389.96
Other equity	1,91,899.85	1,34,118.37
	<b>1,94,458.06</b>	<b>1,36,508.33</b>
<b>Total Liabilities and Equity</b>	<b>4,35,315.40</b>	<b>2,31,604.33</b>

<b>Particulars</b>	<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
Cash Flow from Operating Activities		
Net profit before tax	34,930.05	21,798.71
Adjustments for:		
Depreciation and amortization	1,006.85	419.42
Provision for gratuity		58.51
Provision for compensated absences		86.33
Provision for impairment on financial instruments and write-offs	4,934.19	700.54
Loss on sale/retirement of property, plant and equipment (net)	0.75	0.93
Profit on sale of current investments (net)	(1,018.22)	(559.86)
Interest income on deposits with banks / others	(2,886.62)	(1,335.21)
Interest on loans	(71,795.80)	
Finance costs	21,693.51	7,285.60
Gain recognised on derecognition of leases	(6.60)	
Employee stock option expenses	168.03	267.83
Operating cash flow before working capital changes	(12,973.86)	28,722.80
Changes in Working Capital:		



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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net Increase / (Decrease) in Cash and Cash Equivalents [ (A) + (B) + (C) ]	7,012.22	8,349.54
Cash and Cash Equivalents at the beginning of the year	21,965.73	12,643.11
Cash and Cash Equivalents at the end of the year	28,977.95	20,992.65

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

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

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

Particulars	March 31, 2019	March 31, 2020
<b>ASSETS</b>		
<b>Financial Assets</b>		
Cash and cash equivalents	20,992.65	28,977.95
Bank balances other than cash and cash equivalents	6.88	16,134.94
Loans	2,05,743.73	3,83,080.44
Investments	1,500.00	-
Other financial assets	283.68	524.57
	<b>2,28,526.94</b>	<b>4,28,717.90</b>
<b>Non-financial Assets</b>		
Current tax assets (net)	348.17	435.46
Deferred tax assets (net)	1,422.06	2,822.97
Investment property	3.56	3.56
Property, plant and equipment	744.41	1,106.09
Capital work-in-progress	-	
Intangibles under development	-	1,488.00
Other intangible assets	201.80	192.80
Other non-financial assets	357.39	548.62
	<b>3,077.39</b>	<b>6,597.51</b>
<b>Total</b>	<b>2,31,604.33</b>	<b>4,35,315.40</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Financial Liabilities</b>		
Payables		
Trade payables		
total outstanding dues of micro and small enterprises	-	
total outstanding dues of creditors other than micro and small enterprises	281.39	662.40
Debt securities	42,972.28	1,07,886.42
Borrowings (other than debt securities)	49,198.22	1,28,482.89

Other financial liabilities	510.91	1,568.10
	<b>92,962.80</b>	<b>2,38,599.81</b>
<b>Non-financial Liabilities</b>		
Current tax liabilities (net)	159.89	74.80
Provisions	365.19	577.61
Other non-financial liabilities	1,608.12	1,605.12
	<b>2,133.20</b>	<b>2,257.53</b>
<b>Equity</b>		
Equity share capital	2,389.96	2,558.21
Other equity	1,34,118.37	1,91,899.85
	<b>1,36,508.33</b>	<b>1,94,458.06</b>
<b>Total</b>	<b>2,31,604.33</b>	<b>4,35,315.40</b>

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

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

**5.14 Names of the Debentures Trustees and Consents thereof**

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

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

The Rating Agency has assigned ratings of “[ICRA] A (Stable)” (pronounced as “ICRA A”) with “Stable” outlook to the Debentures. Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk.

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

Not Applicable.

**5.17 Names of all the recognized stock exchanges where the debt securities are proposed to be listed:**

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

**5.18 Other details:****A. Debenture Redemption Reserve Creation:**

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

**B. Issue / instrument specific regulations:**

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

**C. Application process:**

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

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

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

S. No.	Nature of Contract
1	Certified true copy of the Memorandum & Articles of Association of the Issuer.
2	Board Resolution dated June 10, 2020 read together with the resolution passed by Business and Resource Committee of the Board of Directors on September 22, 2020 authorizing the issue of Debentures offered under terms of this Disclosure Document
3	Shareholder Resolution dated August 31, 2020 authorizing the issue of non-convertible debentures by the Company.
4	Shareholder Resolution dated August 31, 2020 authorizing the borrowing limits of the Company and the creation of security in respect of such borrowings.
5	Copies of Annual Reports of the Company for the last three financial years.
6	Credit rating letter from the Rating Agency dated September 22, 2020.
7	Letter from Catalyst Trusteeship Limited dated September 18, 2020 giving its consent to act as Debenture Trustee.

8	Letter for Register and Transfer Agent.
9	Certified true copy of the certificate of incorporation of the Company.
10	Certified true copy of the tripartite agreement between the Company, the Registrar & Transfer Agent and NSDL.
11	Copy of application made to BSE for grant of in-principle approval for listing of Debentures

## 5.20 Details of Debt Securities Sought to be Issued

Under the purview of the current document, the Issuer intends to raise an amount of up to Rs. 70,00,00,000/- (Rupees Seventy Crores only) by issue of Secured Rated Listed Redeemable Transferable Non-Convertible Debentures, on a private placement basis. For further details of the Debentures, please refer to the terms and conditions of the debentures set out in Section 5.23 of this Information Memorandum.

### 5.21 Issue Size

The aggregate issue size for the Debentures is upto Rs. 70,00,00,000/- (Rupees Seventy Crores only).

### 5.22 Utilization of the Issue Proceeds

The Issuer undertakes that the proceeds of this Issue shall be used for loan portfolio growth of the Company and shall be utilized for the deployment of funds on its own balance sheet and not to facilitate resource requests of its group entities/parent company/associates.

The Issue shall not be utilised towards acquisition financing: viz buyback of shares/securities, purchase of shares of other companies and/or promoter contribution towards the equity capital of a company or as a bridge loan

The Company undertakes that proceeds of this Issue shall not be utilized for the following purposes as specified in the RBI Master Circular No. DBOD.BP.BC.No.5/21.04.172/2015-16 dated July 1, 2015 including *inter alia*:

- 1) Bills discounted / rediscounted by NBFCs, except for rediscounting of bills discounted by NBFCs arising out of: Commercial vehicles (including light commercial vehicles) and two wheeler and three wheeler vehicles, subject to the following conditions: The bills should have been drawn by the manufacturer on dealers only; The bills should represent genuine sale transactions as may be ascertained from the chassis / engine number and; Before rediscounting the bills, the bona fides and track record of NBFCs which have discounted the bills would be verified.
- 2) Investments of NBFCs both of current and long-term nature, in any company / entity by way of shares, debentures, etc. However, Stock Broking Companies may be provided need-based credit against shares and debentures held by them as stock-in-trade.
- 3) Unsecured loans / inter-corporate deposits by NBFCs to / in any company.
- 4) All types of loans and advances by NBFCs to their subsidiaries, group companies / entities.
- 5) Finance to NBFCs for further lending to individuals for subscribing to Initial Public Offerings (IPO) and for purchase of shares from secondary market.

**5.23 Issue Details**

Security Name	10.91%FSFBFL2029
Issuer	Five-Star Business Finance Limited
Type of Instrument	Non-Convertible Debentures
Nature of Instrument	Secured Rated Listed Redeemable Transferable Non-Convertible Debentures
Seniority	Senior
Mode of Issue	Private placement
Eligible/Identified Investors	As provided in Clause 8.14 below
Listing	<p>The Debentures are proposed to be listed on the WDM segment of the BSE within a maximum period of 15 (Fifteen) calendar days from the Deemed Date of Allotment.</p> <p>In the event of the Issuer's failure to do so, to the extent that any Debenture Holders are Foreign Institutional Investors/Qualified Foreign Investors/Foreign Portfolio Investors, the Issuer shall immediately redeem any and all Debentures which are held by such Foreign Institutional Investors/Qualified Foreign Investors/Foreign Portfolio Investor(s).</p> <p>In case of delay in listing of the debt securities beyond 20 (Twenty) calendar days from the Deemed Date of Allotment, the Issuer will pay penal interest of at least 1% (One Percent) over the Coupon Rate from the expiry of 30 (Thirty) days from the Deemed Date of Allotment till the listing of such Debentures</p>
Rating of Instrument	"[ICRA] A (Stable)" (pronounced as "ICRA A" with "stable" outlook)
Issue Size	Rs. 70,00,00,000/- (Rupees Seventy Crores only).
Option to retain oversubscription	N.A.
Objects of the Issue	To raise senior secured debt to the extent up to Rs. 70,00,00,000/- (Rupees Seventy Crores only).
Details of the utilization of the Proceeds	The issue proceeds will be utilized for growing the loan portfolio of the Issuer.
Coupon Rate	<p>10.91% (Ten Decimal Point Nine One Percent) per annum, net of Taxes, payable semi-annually from the Deemed Date of Allotment until the Maturity Date and subject to the obligation of the Issuer as provided for in Section 8.25 below of this Information Memorandum. The Coupon Rate shall be subject to reset as per the mechanism set out in the Section on "Coupon Reset Process" and paragraph 2.3 (<i>Coupon Rate Reset</i>) of Schedule II of the Debenture Trust Deed.</p> <p>For the period between the Coupon Reset Date and the Maturity Date, the Coupon Rate, shall, in the absence of any communication on the revised Coupon Rate between the Majority Debenture Holders and the Company, be the existing Coupon Rate until the Maturity Date.</p>
Step Up Coupon Rate / Step Down Coupon Rate	N.A.

Coupon Payment Frequency	Semi-annually
Coupon Payment Dates	Semi-annually on September 30 and March 30 of every calendar year until Maturity Date (subject to adjustments on account of Business Day Convention).
Coupon Type	Fixed Coupon rate subject to reset as per Coupon Reset Process.
Coupon Reset Date	Shall be the date falling on the completion of (i) 36 (Thirty Six) months from the Deemed Date of Allotment being September 30, 2023; and (ii) 72 (Seventy Two) months from the Deemed Date of Allotment being September 30, 2026.
Coupon Reset Process	<p>(a) Coupon shall be payable at the rate of 10.91% (Ten Decimal Point Nine One Percent) (net of Taxes) per annum payable semi-annually from the Deemed Date of Allotment until the Maturity Date and shall be subject to reset as set out under this paragraph.</p> <p>(b) The Coupon Rate may be reset on the Coupon Reset Date.</p> <p>(c) The Majority Debenture Holders shall decide the revised Coupon Rate which shall be applicable on and from the Coupon Reset Date. The revised Coupon Rate so approved by the Majority Debenture Holders, shall be communicated to the Debenture Trustee no later than 12 (Twelve) Business Days prior to the Coupon Reset Date.</p> <p>(d) The Debenture Trustee shall communicate the revised Coupon Rate to the Issuer, by way of a written notice, no later than 11 (Eleven) Business Days prior to the Coupon Reset Date (“<b>Coupon Reset Notice</b>”).</p> <p>(e) Upon receiving the Coupon Reset Notice, the Issuer shall communicate their written acceptance or rejection of the revised Coupon Rate to the Debenture Holders and the Debenture Trustee, no later than 9 (Nine) Business Days prior to the Coupon Reset Date.</p> <p>(f) Without prejudice to the foregoing, the Majority Debenture Holders reserve the right to further amend the Coupon Rate and communicate the same via a written notice to the Issuer, with a copy marked to the Debenture Trustee, at any time on or before 5 (Five) Business Days prior to the Coupon Reset Date, the written acceptance or rejection of which revised Coupon Rate, in such event, shall have to be communicated by the Issuer directly to the Majority Debenture Holders on the same Business Day, on which it is communicated by the Majority Debenture Holders to the Issuer.</p> <p>(g) If the Issuer accepts the revised Coupon Rate pursuant to the written acceptance notice, as provided for herein above, the revised Coupon Rate shall be applicable on and from the Coupon Reset Date until the Maturity date.</p> <p>(h) If the Issuer rejects the revised Coupon Rate by way of the written rejection notice, then (i) the Issuer shall have the option to buy back all or any of the Debentures on the Call Option Date, by issuing a written notice to such Debenture Holders with a copy marked to the Debenture Trustee (“<b>Call Notice</b>”), which shall be</p>

	<p>no later than 4 (Four) Business Days prior to the Coupon Reset Date as mentioned above; or (ii) all the Debenture Holders and/or any Debenture Holder shall have the option to require the Issuer to purchase any and/or all of the Debentures as may be held by such Debenture Holder, on the relevant Put Option Date, by issuing a written notice to the Issuer with a copy marked to the Debenture Trustee (“<b>Put Notice</b>”), which shall be no later than 4 (Four) Business Days prior to the Coupon Reset Date as mentioned above.</p> <p>(i) Upon issuance of the Call Notice / Put Notice, the Issuer shall compulsorily redeem the Debentures, as set out in the Call Notice / Put Notice, by making payment to the relevant Debenture Holders, the outstanding face value of the said Debentures and accrued Coupon in relation thereto, on the Put Option Date or the Call Option Date, as the case may be.</p> <p>(j) It is hereby clarified that if the Issuer fails in communicating their acceptance or rejection of the revised Coupon Rate in the manner stated herein above, then the revised Coupon Rate as communicated by the Debenture Trustee and/or the Debenture Holder to the Issuer, in the Coupon Reset Notice, shall be applicable on and from the Coupon Reset Date until the Maturity Date.</p>
Day Count Basis	Actual/Actual
Interest on Application Money	Interest shall be payable on the application monies received at the Coupon Rate of 10.91% (Ten Decimal Point Nine One Percent) per annum, net of Taxes. Such interest shall be payable from the date of realisation of application monies in the account of ICCL in relation to the Debentures by the Issuer until the Deemed Date of Allotment and the same shall be paid to the relevant Investors within 7 (Seven) Business Days from the Deemed Date of Allotment
Default Interest Rate	In the event of a payment default of the amounts due under this Issue or any other Event of Default (whether by way of acceleration, at maturity or otherwise), the Issuer shall pay an additional 2% (Two Percent) per annum over and above the applicable Coupon Rate on the outstanding principal amount of the Debentures, calculated from the date of the occurrence of the default until such default is cured or the Debentures are redeemed pursuant to such default, as applicable.
Delay Penalty	In the case of a delay in the execution of Debenture Trust Deed and the Security documents, the Issuer shall refund the subscription with the agreed rate of interest or shall pay penal interest of 2% (Two Percent) per annum over the and above the applicable Coupon Rate until such time the conditions have been complied with at the option of the Investor.
No Early Payments	Any early redemption of the Debentures can only be pursuant to the applicable SEBI, RBI Regulations and subject to the prior written consent of the Majority Debenture Holder(s). The Majority Debenture Holder(s) at its sole discretion may permit an early redemption, under the condition that the Company shall hold the Debenture Holder(s) harmless from all costs, expenses, losses or liability incurred due to the prepayment in accordance with Clause 28 ( <i>Indemnity</i> ) of the Debenture Trust Deed.



Tenor	108 (One Hundred and Eight) months from the Deemed Date of Allotment.
Maturity Date	September 30, 2029 being 108 (One Hundred and Eight) months from the Deemed Date of Allotment, subject to a Put Option or Call Option or, such other date on which the final payment of the principal amount of the Debentures becomes due and payable as therein or herein provided, whether at such stated maturity date, by declaration of acceleration, or otherwise;
Principal payment	The principal amount of the Debentures shall be payable by the Company on the Maturity Date (or earlier upon the exercise of the Put Option or Call Option), subject to adjustments on account of business day convention, in the manner set out in <b>Annexure VI (Illustration of Bond Cashflows)</b> of this Information Memorandum.
Redemption Amount	Rs. 10,00,000/- (Rs. Ten Lakhs only) per Debenture on the Maturity Date plus accrued Coupon along with the Default Interest (if any), and other such costs, charges and expenses if any, payable on the Due Date(s) under the Transaction Documents.
Redemption Premium/ Discount	N.A.
Issue Price	Rs. 10,00,000/- (Rs. Ten Lakhs only) per Debenture
Discount at which security is issued and the effective yield as a result of such discount	N.A.
Put Option Date	Shall be the date falling on the completion of (i) 36 (Thirty Six) months from the Deemed Date of Allotment being September 30, 2023; and (ii) 72 (Seventy Two) months from the Deemed Date of Allotment being September 30, 2026.
Put Option	Any Debenture Holder and/or all Debenture Holder(s) desirous of exercising the Put Option shall send a notice to the Company in writing (with a copy marked to the Debenture Trustee), to be received at least 4 (Four) Business Days prior to the relevant Put Option Date, communicating the intent of such Debenture Holder(s) to exercise the Put Option (“ <b>Put Option</b> ”). Upon issuance of such notice, the Company shall, on or before the relevant Put Option Date, redeem the relevant Debentures as set out in the notice thereto.
Put Option Price	Amount equivalent to the face value of all the Debentures and accrued Coupon, due and payable as on the date of the Put Notice.
Call Option Date	Shall be the date falling on the completion of (i) 36 (Thirty Six) months from the Deemed Date of Allotment being September 30, 2023; and (ii) 72 (Seventy Two) months from the Deemed Date of Allotment being September 30, 2026.
Call Option	To exercise the Call Option on the relevant Call Option Date, the Company shall send a notice to the relevant Debenture Holder(s) for whom the Company intends to exercise the Call Option, in writing (with a copy marked to the Debenture Trustee) at least 4 (Four) Business Days prior to the relevant Call Option Date, communicating the intent of the Company to exercise the Call Option on the relevant Call Option Date (“ <b>Call Option</b> ”). Upon issuance of such notice, the Company shall, on or before the relevant Call Option Date, redeem the relevant Debentures as set out in the notice thereto.

Call Option Price	Amounts equivalent to the face value of all the Debentures and accrued Coupon, due and payable as on the date of the Call Notice.																								
Face Value	Rs 10,00,000/- (Rs. Ten Lakhs only) per Debenture																								
Minimum Application size and in multiples of 1 thereafter	10 Debentures and in multiples of 1 Debenture thereafter																								
Issue Timing	Issue Opening Date: September 28, 2020 Issue Closing Date: September 28, 2020 Pay-in Dates: September 28, 2020 – September 30, 2020 Deemed Date of Allotment: September 30, 2020  All documentation including, but not limited to, the Information Memorandum, Board Resolution, Rating Letter, Appointment of Trustees to be completed 1 (One) business day prior to Issue Opening Date.																								
Issuance mode of the Instrument	Demat only																								
Trading mode of the Instrument	Demat only																								
Settlement mode of the Instrument	The pay-in of subscription monies for the Debentures shall be made by way of transfer of funds from the bank account(s) of the Eligible Investors (whose bids have been accepted) as registered with the Electronic Book Provider into the account of the ICCL, as specified in this regard below: <table border="1" data-bbox="657 1055 1466 1245"> <tr> <td>Name of Bank</td> <td>HDFC BANK</td> </tr> <tr> <td>IFSC Code</td> <td>HDFC0000060</td> </tr> <tr> <td>Account number</td> <td>ICCLEB</td> </tr> <tr> <td>Name of beneficiary</td> <td>INDIAN CLEARING CORPORATION LIMITED</td> </tr> </table> <table border="1" data-bbox="657 1279 1466 1469"> <tr> <td>Name of Bank</td> <td>ICICI Bank Ltd.</td> </tr> <tr> <td>IFSC Code</td> <td>ICIC0000106</td> </tr> <tr> <td>Account number</td> <td>ICCLEB</td> </tr> <tr> <td>Name of beneficiary</td> <td>INDIAN CLEARING CORPORATION LTD</td> </tr> </table> <table border="1" data-bbox="657 1503 1466 1693"> <tr> <td>Name of Bank</td> <td>YES BANK</td> </tr> <tr> <td>IFSC Code</td> <td>YESB0CMSNOC</td> </tr> <tr> <td>Account number</td> <td>ICCLEB</td> </tr> <tr> <td>Name of beneficiary</td> <td>INDIAN CLEARING CORPORATION LTD</td> </tr> </table> <p>Cheque(s)/ electronic clearing services (ECS)/credit through RTGS system/funds transfer to the specified bank account of the Debenture Holder.</p>	Name of Bank	HDFC BANK	IFSC Code	HDFC0000060	Account number	ICCLEB	Name of beneficiary	INDIAN CLEARING CORPORATION LIMITED	Name of Bank	ICICI Bank Ltd.	IFSC Code	ICIC0000106	Account number	ICCLEB	Name of beneficiary	INDIAN CLEARING CORPORATION LTD	Name of Bank	YES BANK	IFSC Code	YESB0CMSNOC	Account number	ICCLEB	Name of beneficiary	INDIAN CLEARING CORPORATION LTD
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Name of beneficiary	INDIAN CLEARING CORPORATION LTD																								
Depositories	NSDL																								
Business Days	Means a day (other than a Saturday, Sunday or a 'public holiday' for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881)) on which banks are open for business in Mumbai, India and New York, United States of America.																								

Business Day Convention	<p>If any Coupon Payment Date or the due date for the performance of any event falls on a day that is not a Business Day, the payment shall be made on the immediately succeeding Business Day.</p> <p>If the Maturity Date (also being the last Coupon Payment Date) and/or the Put Option Date and/or the Call Option Date, in respect of the Debentures falls on a day that is not a Business Day, the redemption proceeds shall be paid on the immediately preceding Business Day.</p>
Record Date	The date which will be used for determining the Debenture Holders who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 15 (Fifteen) calendar days prior to any Due Date.
Security (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security)	<p>The Issue shall be secured by a charge created by the Issuer in favour of the Debenture Trustee (for the benefit of the Debenture Holders) being an exclusive first ranking charge by way of hypothecation over specific identified loan receivables / book debts, present and future, representing amounts due from the various borrowers of the Company at all times to the extent equal to an amount aggregating to the total outstanding in relation to the Issue (“<b>Secured Property</b>”) such that the value of security shall be equal to 1.10 (One Decimal Point One Zero) times the aggregate amount of principal amount outstanding of the Debentures (“<b>Asset Cover</b>”). The Issuer undertakes:</p> <ul style="list-style-type: none"> <li>(a) to maintain the value of the Asset Cover at all times till the obligations under the Issue are discharged;</li> <li>(b) to create the security over the Secured Property by executing a duly stamped deed of hypothecation (“<b>Deed of Hypothecation</b>”) on or before the Deemed Date of Allotment.</li> <li>(c) To register and perfect the security created over the Secured Property by filing the relevant form with the Registrar of Companies immediately and no later than 30 (Thirty) calendar days from the date of execution of the Deed of Hypothecation.</li> <li>(d) In the event of any fall in the Asset Cover, additional Secured Property shall be taken in the manner as provided for in the Deed of Hypothecation.</li> <li>(e) To provide a list, on a monthly basis, of specific loan receivables / identified book debt to the Debenture Trustee and over Debenture Holders over which charge is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) and sufficient to maintain the Asset Cover (“<b>Monthly Secured Property Report</b>”).</li> <li>(f) The selection criteria and the eligibility of the Secured Property shall be set out in detail in the Deed of Hypothecation.</li> </ul>
Transaction Documents	Shall be as set out in Clause 7.1 below
Conditions Precedent to Disbursement	<ol style="list-style-type: none"> <li>1. Execution of Debenture Trustee Agreement, Deed of Hypothecation and the Debenture Trust Deed.</li> <li>2. Such other undertaking as may be required from the Company.</li> </ol>
Conditions Subsequent to Disbursement	<ol style="list-style-type: none"> <li>1. Filing of the relevant documents <i>inter alia</i> Form PAS-3 for return of allotment with the Registrar of Companies within the timelines</li> </ol>

	<p>specified under the rules under the Companies Act, 2013.</p> <ol style="list-style-type: none"> <li>2. Completion of listing of Debentures on BSE within 15 (Fifteen) calendar days from the Deemed Date of Allotment.</li> <li>3. Filing of the relevant forms with the Registrar of Companies for the perfection of charge over the Secured Property with the Registrar of Companies within and no later 30 (Thirty) calendar days from the date of execution of the Deed of Hypothecation.</li> <li>4. Evidence that the Issuer has, within 30 (Thirty) days of the Deemed Date of Allotment, paid all applicable stamp duty in relation to the Debentures.</li> <li>5. Execution of any other documents as customary for transaction of a similar nature and size.</li> <li>6. The Issuer shall also obtain a legal opinion on the enforceability of the transaction documents.</li> </ol>
Events of Default	As mentioned in Clause 7.4 below
Provisions related to Cross Default Clause	The Issuer defaults under any other contract evidencing its financial indebtedness and binding on its capacity as a company, borrower or guarantor and such default or event of default permits or causes (or with the giving of notice or the passage of time or both would permit or cause) the acceleration of any such indebtedness (whether or not such right shall have been waived) or the termination of any commitment to lend.
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holders
Covenants	As mentioned in Clause 7.3 below
Representation and warranties	As mentioned in Clause 7.2 below
Illustration of Bond Cashflows	Kindly refer to <b>Annexure VI</b> of this Information Memorandum
Governing Law	The Debentures and documentation will be governed by and construed in accordance with the laws of India and the parties submit to the exclusive jurisdiction of the courts in Chennai. Provided that the Debenture Trustee, may, however, in its absolute discretion commence any Proceedings arising out of the Debenture Trust Deed in any other court and tribunal in India, and the Issuer irrevocably submits to and accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of such court or tribunal, and the Issuer irrevocably waives any objection it may have now or in the future to the laying of the venue of any proceedings and any claim that any such proceedings have been brought in an inconvenient forum.

**Note:**

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

## **SECTION 6: DISCLOSURES PERTAINING TO WILFUL DEFAULT**

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

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

## SECTION 7: TRANSACTION DOCUMENTS AND KEY TERMS

### 7.1 Transaction Documents

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

- A. Debenture Trustee Agreement, which will confirm the appointment of Catalyst Trusteeship Limited as the Debenture Trustee (“**Debenture Trustee Agreement**”);
- B. Debenture Trust Deed, which will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer (“**Debenture Trust Deed**”);
- C. Deed of Hypothecation whereby the Issuer will create an exclusive charge by way of hypothecation over the Secured Property in favour of the Debenture Trustee to secure its obligations in respect of the Debentures (“**Deed of Hypothecation**”); and
- D. Such other documents as agreed between the Issuer and the Debenture Trustee.

The Debenture Trustee Agreement, the Debenture Trust Deed and the Deed of Hypothecation shall be executed on or prior to the Issue Closing Date.

### 7.2 Representations and Warranties of the Issuer

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

#### A. Authority and Capacity

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

#### B. Corporate Matters

- i. All the legal and procedural requirements specified in the constitutional documents have been duly complied with in all respects in relation to the Issue.
- ii. The registers, and minute books (including the minutes of board and shareholders meeting) required to be maintained by the Issuer under applicable law:

- a. are up-to-date and have been maintained in accordance with applicable law;
- b. comprise complete and accurate records of all information required to be recorded in such books and records; and
- c. no notice or allegation that any of them are incorrect and/ or should be rectified has been received.

**C. Organization and Authority**

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

**D. Non-conflict with other obligations**

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

**E. Validity and admissibility in evidence:**

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

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

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

**F. Accounts and Records**

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

**G. Taxation Matters**

- i. The Issuer has complied with all the requirements as specified under the respective Tax laws as applicable to it in relation to returns, computations, notices and information which are or are required to be made or given by the Issuer to any Tax authority for taxation and for any other Tax or duty purposes, have been made and are correct.

- ii. As on date, the Issuer has not received any written notice of any Tax disputes or other liabilities of Taxes in respect of which a claim has been made or notice has been issued against the Issuer.

#### H. **Legal / Litigation Matters**

- i. There are no claims, investigations or proceedings before any court, tribunal or governmental authority in progress or pending against or relating to the Issuer, other than in the normal course of business, which would have a Material Adverse Effect on the Debentures (or the holders thereof) or on the ability of the Company to make the scheduled payments in relation to the Debentures.
- ii. There are no unfulfilled or unsatisfied judgments or court orders of which the Company has notice and which is outstanding against the Issuer, which would have a Material Adverse Effect on the Debentures (or the holders thereof) or on the ability of the Company to make the scheduled payments in relation to the Debentures.
- iii. The Issuer has not taken any action nor has any order been passed for its winding-up, dissolution or re-organisation or for the enforcement of any security over its assets or for the appointment of a liquidator, supervisor, receiver, administrator, administrative receiver, compulsory manager, trustee or other similar officer for it or in respect of its assets.

#### I. **Assets**

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

#### J. **Employees**

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

#### K. ***Pari Passu* Ranking**

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

#### L. **Event of Default**

The Issuer hereby represents that there is no event of default that has currently occurred or is continuing as on the date hereof.



**M. Material Adverse Effect**

The Company hereby represents that there is no Material Adverse Effect existing and that there are no circumstances existing which could give rise, with the passage of time or otherwise, to a Material Adverse Effect on the Debentures (or the holders thereof) or on the ability of the Company to make the scheduled payments in relation to the Debentures.

**N. Audit**

The annual accounts of the Company are audited by an auditor from a reputable firm of independent chartered accountants.

**O. Good Business Standard**

The Company in its business transactions with its shareholders, partners, managers, staff, affiliates or affiliates of such entities or persons keeps within normal, good and acceptable business standards, including transactions being on arm's length.

**P. No Immunity**

Neither, the Issuer nor any of its assets is entitled to immunity from suit, execution, attachment or other legal process in its jurisdiction of incorporation. This Issue (and the documents to be executed in relation thereto) constitutes, and the exercise of its rights and performance of and compliance with its obligations in relation thereto, will constitute, private and commercial acts done and performed for private and commercial purposes.

**Q. Security**

Save and except the charge created to secure the Debentures (and any other charges disclosed to the Debenture Trustee), the Secured Property hereinbefore expressed to be granted, conveyed, assigned, transferred and assured unto the Debenture Trustee is the sole and absolute property of the Company and is free from any other mortgage, charge or encumbrance and is not subject to any attachment, or other order or process issued by any governmental authority and that the Company has a clear and marketable title to the Secured Property.

**R. Information**

All information provided by the Issuer is true and accurate in all material respects as at the date it was provided or as at the date at which it was stated.

**S. Nature of Representations and Warranties**

Each of the representations and warranties set out above shall be true and accurate on the date as on the date of the execution of the Debenture Trust Deed, the Deemed Date of Allotment and on each Coupon Payment Date and the Maturity Date.

Provided that the representations and warranties as stated under Clause 7.2 above, sub-clause(s) (A), (B), (C), (D), (E), (G), (I), (J), (M) and (N) shall be repeated on each date commencing from the date of the execution of the Debenture Trust Deed until the Maturity Date.

### 7.3 Covenants of the Issuer

The Issuer hereby agrees and undertakes as under and the same along with additional covenants shall also be set out in the Transaction Documents:

#### A. Informative Covenants

- i. The Issuer shall provide / cause to be provided information in respect of the following promptly and no later than 5 (Five) Business Days from the occurrence of such event (unless otherwise specifically provided):
  - a. As soon as practicable, and in any event within 5 (Five) Business Days upon the occurrence of the following event(s):
    - A. change in the shareholding structure of the Issuer;
    - B. change in the senior management officials including but not limited to the Key Managerial Personnel of the Issuer, Chief Executive Officer, Chief Financial Officer / Head of Finance, Treasury, Chief Operations Officer/ Head of Business and the Head of Audit;
    - C. approval by the Board of Directors of the annual business plan including a detailed investment budget and forecast accounts for the following Financial Year and financial projections for at least the next 5 (five) years;
    - D. after the Issuer obtains knowledge thereof or reasonably should have obtained actual knowledge thereof, notice of the occurrence of any event or circumstance that could be expected to result in a Material Adverse Effect;
    - E. after the Issuer obtains or reasonably should have obtained actual knowledge thereof, notice of any dispute, litigation, investigation or other proceeding affecting the Issuer or its property or operations, which, if adversely determined, could result in a Material Adverse Effect;
    - F. after the Issuer obtains knowledge thereof, notice of the occurrence of any event which constitutes in the opinion of the Issuer a potential Event of Default or an Event of Default specifying the nature of such event and any steps the Issuer is taking and proposes to take to remedy the same;
    - G. any prepayment or notice of any prepayment of any Financial Indebtedness of the Issuer;
    - H. any alteration of constitutional documents of the Issuer;
    - I. if there is any fraud, amounting to more than 1% (One Percent) of Gross Loan Portfolio; and
    - J. such other information, as may be required by the Debenture Trustee.
  - b. notify the Debenture Trustee in writing, of any notice of an application for winding up having been made or receipt of any statutory notice of winding up under the provisions of the Act or any other notice under any other law or otherwise of any suit or legal process intended to be filed affecting the title to the property of the Issuer.

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- c. notify the Debenture Trustee in writing, if it becomes aware of any fact, matter or circumstance which would cause any of the representations and warranties under any of the Transaction Documents to become untrue or inaccurate or misleading in any material respect.
- d. notify the Debenture Trustee promptly in writing, of any event which constitutes an Event of Default, specifying the nature of such event and any steps the Issuer is taking and proposes to take to remedy the same.
- e. notify the Debenture Trustee in writing, of any proposed change in the nature or scope or the business or operations of the Issuer or the entering into any agreement or arrangement by any person that may materially affect the assets and liabilities of the Issuer, at least 3 (Three) Business Days prior to the date on which such action is proposed to be given effect.
- f. provide to the Debenture Trustee such further information regarding the financial condition, business and operations of the Issuer as the Debenture Trustee may reasonably request in relation to the Payments due to be made on the Debentures;
- g. notify the Debenture Trustee promptly of any revision in the rating provided by the Rating Agency in the Issue.
- h. inform the Debenture Trustee of any major change in the composition of its Board of Directors, which may amount to change in 'control' as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- i. inform the Debenture Trustee promptly about any failure to create Security and about all orders, directions, notices of court/tribunal affecting the Secured Property.
- j. Inform the Debenture Trustee before declaring or distributing any dividend, unless the Issuer has paid the amounts then due and payable on the Debentures under the Debenture Trust Deed.
- k. inform the Debenture Trustee of one or more of the other creditors of the Issuer accelerating its payment obligations on the grounds of (a) a material adverse effect in the financial, operational or regulatory conditions governing the Issuer or (b) 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 indebtedness under which the Issuer may be obligated as a borrower or guarantor.
- l. The Issuer agrees that it shall forward to the Debenture Trustee promptly, which information can be forwarded in electronic form or fax:
  - A. a copy of the Statutory Auditors' and Directors' Annual Report, Balance Sheet and Profit & Loss Account and of all periodical and special reports at the same time as they are issued;
  - B. a copy of all notices, resolutions and circulars relating to new issue of debt securities at the same time as they are sent to shareholders/ holders of debt securities; and
  - C. a copy of all the notices, call letters, circulars, etc. of the meetings of debt security holders at the same time as they are sent to the holders of debt securities or advertised in the media.

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- m. As soon as available, and in any event within 120 (One Hundred and Twenty) calendar days after the end of each Financial Year of the Issuer, the annual reporting required and in form and substance satisfactory to the Debenture Trustee and the Debenture Holders. Such reporting will include information detailing:
  - A. certified copies of its audited consolidated and non-consolidated (if any) financial statements for its most recently completed Financial Year, prepared in accordance with Indian GAAP / Indian accounting standards (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 Issuer as of the date thereof;
  - B. a certificate of the Chief Financial Officer or a Director of the Issuer confirming that his or her review has not disclosed the existence of any potential Event of Default or any Event of Default;
  - C. all annual information submitted to the RBI; and
  - D. the corporate social responsibility report confirming adherence by the Issuer to its corporate social responsibility policy.
- ii. The Issuer shall submit to the Debenture Trustee (and to the Debenture Holder(s), if so requested), its duly audited annual accounts, within 120 (One Hundred and Twenty) days from the close of its accounting year.
- iii. The Issuer shall submit to the Debenture Trustee (and to the Debenture Holder(s), if so requested), its provisional quarterly financials, within 45 (Forty-Five) days from the close of each of its accounting quarters.
- iv. Give to the Debenture Trustee or their nominee(s) (and to the Debenture Holder(s), if so requested), information in respect of the following within a maximum of 15 (Fifteen) calendar days from the occurrence of such event:
  - a. Submit to the Debenture Holder (*in a format which shall be provided by the Debenture Holder from time to time*) such other information relevant to the Issue that the Debenture Holder may reasonably request on a monthly, quarterly and annual basis or pursuant to an annual diligence by the Debenture Holder, subject to such information being available with the Issuer.
  - b. Submit to the Debenture Trustee, if so requested, a statement that the assets of the Issuer which are available by way of security is/are sufficient to discharge the claims of the Debenture Holders as and when they become due.
  - c. As soon as practicable, and in any event within 1 (One) Business Day, upon the Issuer having knowledge of any winding up proceeding including filing of any application under the IBC or initiation of any insolvency resolution process against the Issuer under the IBC.
  - d. Such information as the Debenture Holders may require as to all matters relating to the business, property and affairs of the Issuer that materially impacts the interests of the Debenture Holders and provide access to relevant books of accounts and records in relation to this Issue and to enter into or upon and to view and inspect the state and condition of all the Secured Property, together with all records, registers in relation to the

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Secured Property as required by the Debenture Trustee.

- e. As soon as available and in any event within 15 (Fifteen) Business Days after the end of each calendar month, furnish to the Debenture Trustee and Debenture Holders, an updated List of Receivables constituting the Secured Property, sufficient to maintain the Asset Cover.
- f. Furnish quarterly (unless specified otherwise, in which case, reports shall be submitted according to the specified timeline) report to the Debenture Trustee (and to the Debenture Holders), containing the following particulars: -
  - A. Periodical status/performance reports from the Issuer within 7 (Seven) days of the relevant board meeting or within 45 (Forty Five) days of the respective quarter, whichever is earlier;
  - B. Financials, operations, portfolio growth and asset quality, funding in formats acceptable to the Debenture Holder(s)
  - C. the shareholding structure and composition of the board of directors in the Issuer;
  - D. If applicable, the financial and other returns filed by the Issuer with the RBI (including without limitation, the form NBS-7 filed by the Issuer with the RBI);
  - E. Updated list of the names and addresses of the Debenture Holder(s);
  - F. Details of the Coupon and principal payments to be made, but unpaid and reasons for the non-payment thereof;
  - G. The number and nature of grievances received from the Debenture Holder(s) and resolved by the Issuer, and those grievances not yet solved to the satisfaction of the Debenture Holder(s);
  - H. Certificate from the Director/ Managing Director of the Issuer, certifying the value of the book debts/receivables underlying the Secured Property and stating that those assets of the Issuer which are available by way of security are sufficient to discharge the claims of the Debenture Holders as and when they become due;
  - I. Certificate from an independent Chartered Accountant, certifying the value of book debts/receivables underlying the Secured Property;
  - J. A statement, signed by an authorized signatory of the Issuer, at least on a quarterly basis, certifying:
    - (a) the value of the book debts/receivables under the Secured Property. Provided that the statement under this sub-clause (a) above shall also be supported by the independent chartered accountant of the Issuer (on a quarterly basis) and shall be supported by the statutory auditor of the Issuer (on a yearly basis);
    - (b) that the Issuer is maintaining the Asset Cover in accordance with the provisions of the Debenture Trust Deed;
    - (c) that the Receivables constituting the Secured Property have not been charged or hypothecated in favour of any other party except the Debenture Trustee and that they are free from any encumbrances; and
    - (d) that the Receivables comprising the Secured Property are 'standard assets' as defined under the applicable Reserve Bank of India regulations in the books of the Issuer.

(hereinafter referred to as the “**Secured Property Certificate**”).

- K. Promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holder(s). The Issuer 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 its compliance.
- g. The Issuer shall provide to the Debenture Trustee such information as it may require for any filings, statements, reports that the Debenture Trustee is required to provide to any Governmental Authority under Applicable Law.
- v. Within 15 (Fifteen) Business Days of receipt of a request from the Debenture Trustee, the Issuer shall authenticate any information relating to the Debentures, to be submitted by the Debenture Trustee with the Information Utility.

**B. Affirmative Covenants**

The Issuer hereby covenants with the Debenture Trustee that the Issuer shall (except as may otherwise be previously agreed in writing by the Debenture Trustee (acting upon the instructions of the Majority Debenture Holders):

**i. Utilisation of proceeds of Debentures**

The Issuer shall utilise the monies received upon subscription of the Debentures solely towards the Purpose and procure and furnish to the Debenture Trustee, a certificate from an independent chartered accountant in respect of the utilisation of funds raised by the issue of Debentures, within 60 (Sixty) calendar days from the Deemed Date of Allotment and from the statutory auditors of the Issuer at the end of each financial year.

**ii. Validity of Transaction Documents**

Ensure that the Transaction Documents shall be validly executed and delivered and will continue in full force and effect and will constitute valid, enforceable and binding obligations of the Issuer.

**iii. Further documents and acts**

Execute all such deeds, documents, instruments and assurances and do all such acts and things the Debenture Trustee may reasonably require for exercising the rights under the Debenture Trust Deed and the Debentures and for perfecting the Debenture Trust Deed or for effectuating and completing the Security intended to be hereby created and shall from time to time and at all times after the Security hereby constituted shall become enforceable, execute and do all such deeds, documents, assurance, acts, and things as the Debenture Trustee may require for facilitating realisation of the Secured Property and in particular the Issuer shall execute all transfers, conveyances, assignments and assurance of the Secured Property whether to the Debenture Trustee or to their nominees and shall give all notices and directions which the Debenture Trustee may think expedient.

**iv. Make the Relevant filings with the Registrar of Companies/SEBI**

Pursuant to the Act and the relevant rules thereunder, the Issuer undertakes to make the necessary filings of the documents mandated therein including the Form PAS-3 for return of allotment with the Registrar of Companies and/or SEBI within the timelines stipulated under the Act and the relevant rules thereunder.

v. **Compliance with laws**

The Issuer shall comply with:

- a. all laws, rules, regulations and guidelines (including the Act) as applicable in respect to the Issue, and obtain such regulatory approvals as may be required from time to time, including but not limited, in relation to the following (i) the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as may be in force from time to time during the currency of the Debentures; (ii) the provisions of the listing agreement entered into by the Issuer with the stock exchange in relation to the Debentures including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), (iii) the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the other notified rules under the Act and (iv) the RBI Master Direction – Non Banking Financial Company- Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 as amended from time to time;
- b. comply with all the applicable provisions as mentioned in the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993, the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, the Act, Issuance of Non-Convertible Debentures (Reserve Bank) Directions, 2010, and/or any other notification, circular, press release issued by the SEBI/RBI, from time to time.
- c. The Issuer shall, while submitting half yearly/ annual financial results to the BSE disclose *inter alia* the following line items along with the financial results accompanied by a certificate from the Debenture Trustee confirming that it has taken note of the said content and the same shall be communicated to the Debenture Holder(s) on a half-yearly basis:
  - A. Credit rating of the Issue and change in credit rating, if any;
  - B. Debt- equity ratio of the Issuer;
  - C. Previous due date for the payment of interest/ repayment of principal and whether the same has been paid or not;
  - D. Next due date of payment along with the amount of interest/ principal along with the amount of interest payable;
  - E. Debenture Redemption Reserve (if applicable);
  - F. Net worth;
  - G. Net profit after tax; and
  - H. Earnings per share.

vi. **Preserve Corporate Status**

Diligently preserve its corporate existence and status and its license to conduct business as a non-banking financial company-microfinance institution and any other rights, licenses and franchises necessary for its obligations under the Debentures and the Transaction Documents and continue to be a validly existing organization in good standing and at all times act and proceed in relation to its affairs and business in compliance with Applicable Law.

vii. **Asset Cover**

Shall maintain the Asset Cover as required under the Deed of Hypothecation at all times until the Final Settlement Date.

viii. **Transfer of unclaimed Redemption Amounts.**

Comply with the provisions of the Act relating to transfer of unclaimed redemption and coupon amounts of Debentures to Investor Education and Protection Fund (“IEPF”), if applicable to it.

ix. **Security**

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

- a. The Debentures shall be secured by way of a first ranking exclusive charge on the Secured Property;
- b. It shall perfect the security over the Secured Property by filing Form CHG-9 with the Registrar of Companies in relation thereto within 30 (Thirty) calendar days from the date of execution of the Deed of Hypothecation;

Notwithstanding the above, the Issuer shall take all the necessary and requisite actions, including the making of all filings with the relevant authorities, such as the Registrar of Companies, in order to perfect the security over the Secured Property created or modified (by way of addition or substitution or replacement of Receivables, as provided for in the Deed of Hypothecation) by the Issuer, at least on a semi-annual basis, commencing from the date falling on the expiry of 6 (Six) months from the Deemed Date of Allotment and on every half-year thereafter. The Issuer shall submit the requisite proof of such perfection of security to the Debenture Trustee.

- c. The Issuer covenants that it shall co-operate and shall provide all necessary assistance and furnish such information or documents as may be required by the Debenture Trustee and/or the Debenture Holders, to the satisfaction of the Debenture Trustee to enable it to make necessary filings in connection with the creation of security over the Secured Property with the Central Registry of Securitisation Asset Reconstruction and Security Interest of India.

x. **Financial Terms and Conditions**

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

- xi. carry out subsequent valuation of the Secured Property, at the request of the Debenture Trustee;
- xii. The Issuer is aware that in terms of Regulation 14 of the SEBI (Debenture Trustees) Regulations, 1993 as amended from time to time, the Trust Deed has to contain the matters specified in Section 71 of the Companies Act, 2013 and Form No. SH.12 specified under the Companies (Share Capital and Debentures) Rules, 2014. The Issuer hereby agrees to comply with all the clauses of Form No. SH.12 as specified under the Companies (Share Capital and Debentures) Rules, 2014 as if they are actually and physically incorporated in the Debenture Trust Deed;

C. **Negative Covenants**

The Issuer hereby covenants with the Debenture Trustee that the Issuer shall not (except as may otherwise be previously agreed in writing by the Debenture Trustee, acting on behalf of the Majority Debenture Holders):

i. **Merger, Consolidation, etc.**

Enter into any agreement to effectuate any change of control, consolidate or amalgamate with or merge with or into, or receive all or substantially all the assets or obligations of, another entity.

ii. **Constitutional Documents**

The Issuer shall not make any amendments to its constitutional documents in a manner which would prejudicially affect the interests of the Debenture Holder(s).



iii. **Arrangement with creditors**

Enter into any material compromise or arrangement or settlement with any of its secured creditors that would prejudicially affect the interests of the Debenture Holder(s).

iv. **Payment of dividend**

Declare or pay any dividend to its shareholders during any financial year unless it has paid the amounts then due and payable on the Debentures or has made provisions satisfactory to the Debenture Trustee for making such payment.

v. **Disposal of Assets**

Sell, transfer, or otherwise dispose of in any manner whatsoever any material assets of the Issuer, other than in ordinary course of business including any securitization / portfolio sale of assets undertaken by the Issuer in its ordinary course of business.

vi. **No Encumbrance Over Secured Property**

The Issuer shall not, until the Final Settlement Date, create any further charge or encumbrance over the Secured Property, except as created in favour of the Debenture Trustee for the benefit of the Debenture Holders, under the terms of the Debenture Trust Deed and the Deed of Hypothecation.

vii. **Change of business**

Change the general nature of its business from that which is permitted as a non-deposit accepting or holding non-banking financial company-microfinance institution registered with the RBI.

D. **Financial Covenants**

Within 45 (Forty Five) calendar days from the end of each quarter, the Issuer shall submit a certificate signed by the chief financial officer or an authorised signatory of the Issuer confirming the Issuer's compliance with the Financial Covenants set out hereinafter. The Issuer shall ensure that as on the last day of each calendar quarter, (unless specified otherwise), until the redemption of Debentures:

- i. The Issuer shall at all times, until the Final Settlement Date, maintain a ratio of Foreign-Currency Assets minus Foreign-Currency Liabilities divided by Regulatory Capital comprised between 150% (One Hundred and Fifty Percent) and -50% (Minus Fifty Percent);
- ii. The Issuer shall at all times, until the Final Settlement Date, maintain Portfolio Quality 90 Days of less than or equal to 5% (Five Percent).
- iii. The Issuer shall at all times, until the Final Settlement Date, maintain a ratio of Open Loan Position 90 Days to the Issuer's Regulatory Capital of less than or equal to 20% (Twenty Percent); and
- iv. The Issuer shall at all times, until the Final Settlement Date, maintain a ratio of Regulatory Capital divided by the Risk Weighted Assets of whichever is higher: (a) seventeen percent (17%) or (b) the minimum ratio imposed on the Issuer according to the Local Requirements.

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

For the purpose of this Clause, the following terms shall have the meaning ascribed to them as provided below:

*“Foreign-Currency Assets”* shall mean the aggregate of all assets of the Issuer consisting of loans, deposits, claims or other assets that by their terms are payable in any currency other than the domestic currency. However, assets of the Issuer that are payable in domestic currency of the Issuer but whose value is indexed to a foreign currency shall be considered as Foreign-Currency Assets.

*“Foreign-Currency Liabilities”* shall mean the aggregate of all liabilities of the Issuer consisting of loans, deposits, claims or other liabilities that by their terms are payable in any currency other than the domestic currency. However, foreign currency liabilities that are indexed to the domestic currency of the Issuer or that are hedged against exchange rate fluctuations with the domestic currency of the Issuer shall not be considered as part of its Foreign-Currency Liabilities.

*“Gross Loan Portfolio”* shall mean the aggregate outstanding balance of all the Client Loans disbursed by the Issuer in the normal course of its activity.

*“Loan Loss Reserves”* shall mean the total reserve established to cover potential losses in the Issuer’s outstanding loans or other credit facilities.

*“Local Requirements”* shall mean all national and local laws, regulations, and specific decisions by any competent authority applicable to the Issuer.

*“Open Loan Position 90 Days”* shall mean the sum of the Gross Loan Portfolio with clients that are overdue with interest or principal payments for more than 90 (Ninety) days, plus all Restructured or Rescheduled or refinanced loans but not overdue for more than 90 (Ninety) days minus Loan Loss Reserves.

*“Portfolio Quality 90 Days”* shall mean the sum of the Issuer’s outstanding balance of loans and other credit facilities overdue for more than 90 (Ninety) days plus the outstanding balance of loans and other credit facilities Restructured or Rescheduled Loans, or refinanced but not overdue for more than 90 (Ninety) days, plus the gross amount of loans written off over any 12 (Twelve) month period ending on a day on which the Debenture is outstanding, divided by Gross Loan Portfolio.

*“Restructured or Rescheduled Loans”* shall mean, with respect to the Issuer, the outstanding principal balance of all past due Client Loans that have been renegotiated or modified to either lengthen or postpone the originally scheduled instalments of principal, or to substantially alter the original terms, of such Client Loans.

*“Regulatory Capital”* shall mean the capital applicable to the Issuer, according to the Local Requirements.

*“Risk Weighted Assets”* shall mean risk weighted assets according to the Local Requirements.

#### **7.4 Events of Default**

Each of the following shall constitute an Event of Default with respect to the Debentures and shall be set out in the Transaction Documents.

If any of the events listed below (each, an **“Event of Default”**) has occurred and pursuant thereto, if so required in writing by the Majority Debenture Holder(s), the Debenture Trustee shall, give notice to the Issuer that the Debentures are due and repayable.

- A. The failure to pay any outstanding sum due and payable under the Debentures, including Coupon/Redemption Amounts, on the Due Date(s) in full or in part, unless such failure to pay is caused by administrative or technical error and payment is made within 3 (Three) calendar days from the Due Date;
- B. The material failure to comply with any reasonably monitoring and/or servicing requests from the Debenture Holder(s), including its monthly, quarterly or annual reporting requirements as required under clause 10.1 of the Debenture Trust Deed, including such requests arising from the due diligence visits and documentation review of the Debenture Holder(s);
- C. Any representation or warranty made by the Issuer in any Transaction Document or in any certificate, financial statement or other document delivered to the Debenture Trustee/Debenture-Holder(s) by the Issuer shall prove to have been incorrect, false or misleading in any material respect when made or deemed made and such misrepresentation adversely affects the interest of the Debenture Holders in the reasonable opinion of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders);
- D. Failure of the Issuer to maintain the Asset Cover or top up the loan receivables within the timelines stipulated under the Deed of Hypothecation;
- E. Failure of the Issuer to create, register and perfect the charge created over the Secured Property, within the timelines stipulated in the relevant Transaction Documents.
- F. The Issuer is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts as they fall due, or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or stops or suspends payment of all its debts, by reason of actual or anticipated financial difficulties or proceedings for taking it into liquidation have been admitted by any competent court or any application has been filed or proceedings have been initiated against the Issuer under IBC or a moratorium is agreed or declared in respect of or affecting all the debts of the Issuer;
- G. A 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 Issuer and is not discharged or stayed within 45 (Forty Five) Business Days;
- H. An order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of the Issuer, or the Issuer ceases to carry on all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, re-organisation, merger or consolidation on terms approved by a Special Resolution of the Debenture Holder(s);
- I. The Issuer commences a voluntary proceeding under any applicable bankruptcy, insolvency, winding up or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary proceeding under any such law, or consent to the appointment or taking possession by a receiver, liquidator, assignee (or similar official) for any or a substantial part of its property or take any action towards its reorganization, liquidation or dissolution;
- J. In the opinion of the Debenture Trustee, any of the Transaction Documents failing to provide the security interests, rights, title, remedies, powers or privileges intended to be created thereby (including the priority intended to be created thereby), or such security interests failing to have

the priority contemplated under the Transaction Documents, or the security interests becoming unlawful, invalid or unenforceable;

- K. If the Issuer, in regards to any financial indebtedness: (A) defaults in any payment of any financial indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such financial indebtedness was created or (B) defaults in the observance or performance of any agreement or condition relating to any financial indebtedness, 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 (with the giving of notice or the passage of time or both would permit or cause) any such financial indebtedness to become due prior to its stated maturity; or (C) due to any default or an event of default, any financial indebtedness of the Issuer shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, (whether or not such right shall have been waived) prior to the stated maturity thereof;
- L. One or more judgments or decrees shall be entered against the Issuer 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 Issuer and such judgments or decrees either shall be final and non-appealable or shall not be vacated, discharged or stayed pending appeal for any period of 90 (Ninety) calendar days;
- M. There shall have occurred a change in the business, operations, property, assets, liabilities, condition (financial or otherwise) or prospects of the Issuer since the date hereof that has resulted in, or would result in, a Material Adverse Effect and such Material Adverse Effect has not been remedied or rectified for a period of 10 (Ten) Business Days;
- N. The Issuer finances clients listed on:
- i. any list of terrorists or terrorist organizations of the United Nations, the European Union and any other applicable country; or
  - ii. any Financial Sanctions list, being defined as lists of persons, groups or entities which are subject to United Nations, European Union and the US Office of Foreign Asset Control (OFAC) sanctions;
- O. Any other Event of Default(s) as set out in the Debenture Trust Deed;
- P. Other than as specifically provided above, the Issuer defaults in the performance of any other covenants, obligations, representations or warranties on the part of the Issuer under the Transaction Documents, unless such default is capable of being cured and is cured within 30 (Thirty) calendar days from the date of its first occurrence.

## **7.5 Consequences of Events of Default**

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

## **SECTION 8: OTHER INFORMATION AND APPLICATION PROCESS**

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

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

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

### **8.2 Debentures held in Dematerialised Form**

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

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

### **8.3 Trustee for the Debenture Holder(s)**

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

Debenture Trustee Agreement and the Debenture Trust Deed shall more specifically set out the rights and remedies of the Debenture Holder(s) and the manner of enforcement thereof.

#### **8.4 Sharing of Information**

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

#### **8.5 Debenture Holder not a Shareholder**

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

#### **8.6 Modification of Debentures**

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

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

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

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

#### **8.7 Right to accept or reject Applications**

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

#### **8.8 Notices**

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

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

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

## 8.9 Issue Procedure

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

The subscription to the Debentures shall be made by the Eligible Investors through the electronic book mechanism as prescribed by SEBI under the EBP Guidelines 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 investor on the said platform (as a one time exercise) and also complete the mandatory KYC verification process. The Eligible Investors should also refer to the operational guidelines of the EBP in this respect. The disclosures required pursuant to the EBP Guidelines are set out hereinbelow:

Details of size of the Issue including green shoe option, if any	Rs. 70,00,00,000/- (Rupees Seventy Crores only) to retain additional subscription on a private placement basis
Bid opening and closing date	Bid opening date: September 28, 2020; and Bid closing date: September 28, 2020
Minimum Bid lot	Rs. 1,00,00,000/- (Rupees One Crore only) and in the multiples of 1 (One) Debenture thereafter i.e. Rs. 10,00,000/- (Rupees Ten Lakh only).
Manner of bidding in the Issue	Closed Bidding
Manner of allotment in the Issue	Uniform Yield
Manner of settlement in the Issue	Pay-in of funds through ICCL.
Settlement cycle	T+2, where T refers to the date of bid opening date / issue opening date

### Process flow of settlement:

Eligible Investors whose bids have been accepted by the Issuer and to whom a signed copy of this Information Memorandum along with the Private Placement Offer Letter have been issued by the Issuer and who have submitted/shall submit the application form ("**Successful Bidders**"), shall make pay-in of subscription monies 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, on the Deemed Date of Allotment:

Name of Bank	HDFC BANK
IFSC Code	HDFC0000060
Account number	ICCLEB
Name of beneficiary	INDIAN CLEARING CORPORATION LIMITED

Name of Bank	ICICI Bank Ltd.
IFSC Code	ICIC0000106
Account number	ICCLEB
Name of beneficiary	INDIAN CLEARING CORPORATION LTD

Name of Bank	YES BANK
IFSC Code	YESB0CMSNOC
Account number	ICCLEB
Name of beneficiary	INDIAN CLEARING CORPORATION LTD

The pay-in 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 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:

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

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

### 8.10 Application Procedure

Potential Investors will be invited to subscribe by way of the Application Form prescribed in the Information Memorandum during the period between the Issue Opening Date and the Issue Closing Date (both dates inclusive). Subject to the EBP Guidelines, 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.

### 8.11 Fictitious Application

All fictitious applications will be rejected.

### 8.12 Basis of Allotment

Notwithstanding anything stated elsewhere, Issuer reserves the right to accept or reject any application, in part or in full, without assigning any reason. Subject to the aforesaid, in case of over subscription, allotment shall be made on a "yield-time" priority basis in accordance with the EBP Guidelines. The



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

### **8.13 Payment Instructions**

The pay-in of subscription monies in respect of the Debentures by the Successful Bidder shall be made in accordance with the procedure set out in Clause 8.9 above.

### **8.14 Eligible Investors**

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

- A. Mutual Funds
- B. Non-banking financial companies
- C. Provident Funds and Pension Funds
- D. Corporates
- E. Banks
- F. Foreign Portfolio Investors (FPIs)
- G. Foreign Institutional Investors (FIIs)
- H. Qualified Foreign Investors (QFIs)
- I. Insurance Companies
- J. Investment holding companies of high net worth individuals
- K. Any other person (not being an individual or a group of individuals) eligible to invest in the Debentures

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

Hosting of the Information Memorandum on the website of the BSE / NSE should not be construed as an offer or an invitation to offer to subscribe to the Debentures and the same has been hosted only as it is stipulated under the SEBI Debt Listing Regulations read with the EBP Guidelines. 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.

### **8.15 Procedure for Applying for Dematerialised Facility**

- A. The applicant must have at least one beneficiary account with any of the DPs of NSDL prior to making the application.

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

#### **8.16 Depository Arrangements**

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

#### **8.17 List of Beneficiaries**

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

#### **8.18 Application under Power of Attorney**

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

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

#### **8.19 Procedure for application by Mutual Funds and Multiple Applications**

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

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

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

#### **8.20 Documents to be provided by Investors**

Investors need to submit the following documents, as applicable

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

#### **8.21 Applications to be accompanied with Bank Account Details**

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

#### **8.22 Succession**

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

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

### **8.23 Mode of Payment**

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

### **8.24 Effect of Holidays**

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

### **8.25 Tax Deduction at Source**

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

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

### **8.26 Letters of Allotment**

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

### **8.27 Deemed Date of Allotment**

All the benefits under the Debentures will accrue to the Investor from the specified Deemed Date of Allotment. The Deemed Date of Allotment for the Issue is September 30, 2020 by which date the Investors would be intimated of allotment.

### **8.28 Record Date**

The Record Date will be 15 (Fifteen) calendar days prior to any Due Date.

### **8.29 Refunds**

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

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

### **8.30 Interest on Application Money**

Interest shall be payable on the application monies received at the Coupon Rate of 10.91% (Ten Decimal Point Nine One Percent) per annum, net of Taxes. Such interest shall be payable from the date of realisation of application monies in the account of ICCL in relation to the Debentures by the Issuer until the Deemed Date of Allotment and the same shall be paid to the relevant Investors within 7 (Seven) Business Days from the Deemed Date of Allotment.

### **8.31 PAN Number**

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

### **8.32 Payment on Redemption**

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

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

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

### **8.33 Right to further issue the Debentures**

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

### **8.34 Right to Re Purchase / prepay/buy back/ Reissue Debenture(s):**

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

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

### **8.35 Addition/extension/consolidation of securities under existing ISIN:**

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

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

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

## **SECTION 9: DECLARATION**

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

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

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

For **Five Star Business Finance Limited**

Authorised Signatory  
Name: Srikanth G  
Title: Chief Financial Officer  
Date: September 28, 2020

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

**ANNEXURE I: TERM SHEET**

**AS PER CLAUSE 5.23 ISSUE DETAILS**



## ANNEXURE II: RATING LETTER FROM THE RATING AGENCY



ICRA Limited

**CONFIDENTIAL**

Ref. No.: RTG/Chen/049/20-21

September 22, 2020

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

Dear Sir,

**Re: ICRA Credit Rating for the Rs. 70.00 crore Non-Convertible Debenture (NCD) Programme of Five-Star Business Finance Limited**

Please refer to the Rating Agreement dated September 17, 2020 and RRF No. CHN/2020-21/061 dated September 17, 2020 executed between ICRA Limited ("ICRA") and your company for carrying out the rating of the aforesaid NCD Programme. The Rating Committee of ICRA, after due consideration, has assigned [ICRA]A (pronounced as ICRA A) rating to the captioned NCD Programme. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. The outlook on the long-term rating is Stable.

In any of your publicity material or other document wherever you are using the above assigned rating, it should be stated as [ICRA]A(Stable). We would request if you can sign attached acknowledgement and send it to us latest by September 25, 2020 as acceptance on the assigned rating. In case you do not communicate your acceptance/non acceptance of the assigned credit rating, or do not appeal against the assigned rating by the aforesaid date, the rating will be treated by us as non accepted and shall be disclosed on ICRA's website accordingly. This is in accordance with requirements prescribed by the Securities and Exchange Board of India (SEBI) vide SEBI circular dated June 30, 2017.

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

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

Karunkodu Centre, 3<sup>rd</sup> Floor  
504, Anna Salai, Nandanam  
Chennai 600 005

Tel : + 91-44-48004800  
CIN : L74999DL1991PLC042749

Website : www.icra.in  
Email : info@icraonline.com  
Helpline : + 91-124-2986928

Registered Office : 1100, Hafeez Building, 1<sup>st</sup> Floor, 88 Isapore Road, New Delhi - 110001. Tel : + 91-11-23267010-15

**RATING + RESEARCH + INFORMATION**

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



ICRA

ICRA Limited

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

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

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

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

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

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

With kind regards,

Yours sincerely,  
For ICRA Limited

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



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

**ANNEXURE IV: APPLICATION FORM**

**FIVE-STAR BUSINESS FINANCE LIMITED**

A public limited company incorporated under the Companies Act, 1956

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

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

**Telephone No.:** 044-4610 6200

**Website:** [www.fivestargroup.in](http://www.fivestargroup.in)

<b>DEBENTURE SERIES APPLICATION FORM SERIAL NO.</b>	<b>1</b>								
---	----------	--	--	--	--	--	--	--	--

**ISSUE OF UPTO 700 (SEVEN HUNDRED) SECURED RATED LISTED REDEEMABLE TRANSFERABLE NON-CONVERTIBLE DEBENTURES OF FIVE-STAR BUSINESS FINANCE LIMITED OF RS. 10,00,000/- (RUPEES TEN LAKHS ONLY) EACH AGGREGATING UPTO RS. 70,00,00,000/- (RUPEES SEVENTY CRORES ONLY), FULLY PAID UP FOR CASH AT PAR TO THE FACE VALUE**

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

<p><b>DETAILS OF PAYMENT:</b></p> <p>RTGS No. _____ Drawn on _____</p> <p>Funds transferred to Five-Star Business Finance Limited Dated _____</p> <p>Total Amount Enclosed (In Figures) _____ (In words) _____</p>
--

**APPLICANT'S NAME IN FULL (CAPITALS)**

**SPECIMEN SIGNATURE**

--	--

**APPLICANT'S ADDRESS**

<b>ADDRESS</b>					
<b>STREET</b>					
<b>CITY</b>					
<b>PIN</b>		<b>PHONE</b>		<b>FAX</b>	

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

WE ARE  COMPANY  OTHERS  SPECIFY \_\_\_\_\_

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

<b>Name of the Authorised Signatory(ies)</b>	<b>Designation</b>	<b>Signature</b>

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:

<b>DEPOSITORY</b>	<b>NSDL ( ) CDSL ( )</b>
<b>DEPOSITORY PARTICIPANT NAME</b>	
<b>DP-ID</b>	
<b>BENEFICIARY ACCOUNT NUMBER</b>	
<b>NAME OF THE APPLICANT(S)</b>	

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

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

*(Note: Cheque and Drafts are subject to realisation)*

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

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

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

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

Applicant's  
Signature

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

*(Note : Cheque and Drafts are subject to realisation)*

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

**- ACKNOWLEDGMENT SLIP -**

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

Received from \_\_\_\_\_

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

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

## ANNEXURE V: LAST AUDITED FINANCIAL STATEMENTS

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

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

See accompanying notes to the financial statements

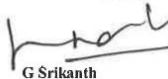
As per our report of even date  
for **B S R & Co. LLP**  
Chartered Accountants  
Firm's registration number: 101248W/W-100022

  
**K Raghuram**  
Partner  
Membership No: 211171

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

  
**D Lakshmi pathy**  
Chairman and Managing Director  
DIN No : 01723269

  
**Anand Raghavan**  
Director  
DIN No : 00243485

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

  
**Rangarajan K**  
Chief Executive Officer

  
**B Shalini**  
Company Secretary  
ACS: A51334

Place : Chennai  
Date : May 14, 2019


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

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

Particulars	Note	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
<b>ASSETS</b>				
<b>Financial Assets</b>				
Cash and cash equivalents	4	20,992.65	12,643.11	17,986.69
Bank balances other than cash and cash equivalents	5	6.88	7.98	56.64
Loans	6	205,743.73	96,859.91	47,380.65
Investments	7	1,500.00	1,500.00	1,500.00
Other financial assets	8	283.68	269.19	190.30
		<b>228,526.94</b>	<b>111,280.19</b>	<b>67,114.28</b>
<b>Non-financial Assets</b>				
Current tax assets (net)	9	348.17	344.41	-
Deferred tax assets (net)	37	1,422.06	621.54	346.62
Investment property	10	3.56	3.56	3.56
Property, plant and equipment	11	744.41	450.69	446.38
Capital work-in-progress	11	-	14.13	-
Intangibles under development	12	-	-	158.11
Other intangible assets	12	201.80	181.09	35.98
Other non-financial assets	13	357.39	413.86	60.39
		<b>3,077.39</b>	<b>2,029.28</b>	<b>1,051.04</b>
<b>Total assets</b>		<b>231,604.33</b>	<b>113,309.47</b>	<b>68,165.32</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Financial Liabilities</b>				
Payables	14			
Trade payables				
total outstanding dues of micro and small enterprises		-	-	-
total outstanding dues of creditors other than micro and small enterprises		281.39	221.10	109.26
Debt securities	15	42,972.28	19,322.09	19,078.05
Borrowings (other than debt securities)	16	49,198.22	33,483.42	25,836.73
Other financial liabilities	17	510.91	440.09	380.01
		<b>92,962.80</b>	<b>53,466.70</b>	<b>45,404.05</b>
<b>Non-financial Liabilities</b>				
Current tax liabilities (net)	18	159.89	-	170.12
Provisions	19	365.19	170.26	74.55
Other non-financial liabilities	20	1,608.12	451.38	284.24
		<b>2,133.20</b>	<b>621.64</b>	<b>528.91</b>
<b>Equity</b>				
Equity share capital	21	2,389.96	1,916.89	1,426.51
Other equity	22	134,118.37	57,304.24	20,805.85
		<b>136,508.33</b>	<b>59,221.13</b>	<b>22,232.36</b>
		<b>231,604.33</b>	<b>113,309.47</b>	<b>68,165.32</b>

See accompanying notes to the financial statements


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

  
**K Raghuram**  
Partner  
Membership No: 211171

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

  
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Chairman and Managing Director  
DIN No : 01723269

  
**Anand Raghavan**  
Director  
DIN No : 00243485

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

  
**Rangarajan K**  
Chief Executive Officer

  
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Company Secretary  
ACS: A51334

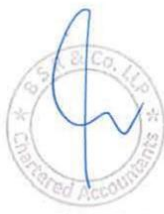
Place : Chennai  
Date : May 14, 2019



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

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>A. Cash Flow from Operating Activities</b>		
Net profit before tax	21,798.71	7,565.46
<b>Adjustments for:</b>		
Depreciation and amortization	419.42	259.30
Provision for gratuity	58.51	33.73
Provision for compensated absences	86.33	21.19
Provision for impairment on financial instruments and write-offs	700.54	903.00
Loss on sale/retirement of property, plant and equipment (net)	0.93	8.42
Profit on sale of current investments (net)	(559.86)	(675.21)
Interest income on deposits with banks / others	(1,335.21)	(797.59)
Finance costs	7,285.60	5,471.27
Employee stock option expenses	267.83	214.94
<b>Operating cash flow before working capital changes</b>	<b>28,722.80</b>	<b>13,004.51</b>
<b>Changes in Working Capital:</b>		
<i>Adjustments for (Increase) / Decrease in Operating Assets:</i>		
Loans	(109,584.36)	(50,382.26)
Other non- financial assets	(94.34)	(182.47)
Other financial assets	(59.35)	(52.00)
<i>Adjustments for Increase / (Decrease) in Operating Liabilities:</i>		
Trade payables	60.31	111.87
Other financial liabilities	(1.09)	1.34
Other non financial liabilities	1,156.74	167.14
<b>Net cash (used in) operations</b>	<b>(79,799.29)</b>	<b>(37,331.87)</b>
Finance cost paid	(7,409.26)	(5,410.96)
Direct taxes paid (net)	(6,798.84)	(2,918.89)
<b>Net Cash Used in Operating Activities (A)</b>	<b>(94,007.40)</b>	<b>(45,661.72)</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of fixed assets	(585.14)	(448.23)
Proceeds from sale of fixed assets	15.30	4.04
Profit on sale of current investments	559.86	675.21
Interest income on deposits with banks / others	1,380.07	770.69
Movement in bank balances other than cash and cash equivalents	1.09	48.66
<b>Net Cash from Investing Activities (B)</b>	<b>1,371.18</b>	<b>1,050.37</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from issue of equity shares	473.07	490.38
Proceeds from securities premium (net off utilisation)	61,453.65	31,328.84
Expenses towards issue of shares	(501.53)	(440.62)
Fresh borrowings during the year	60,140.00	19,500.00
Repayments of borrowings (including process fee)	(20,579.43)	(11,610.83)
<b>Net Cash from Financing Activities (C)</b>	<b>100,985.76</b>	<b>39,267.77</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents [ (A) + (B) + (C) ]</b>	<b>8,349.54</b>	<b>(5,343.58)</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>12,643.11</b>	<b>17,986.69</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>20,992.65</b>	<b>12,643.11</b>



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

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Notes to cash flow statement</b>		
1 Cash and cash equivalents		
Cash on hand	343.31	166.92
Balances with banks		
(i) In current accounts	19,930.86	1,269.22
(ii) In other deposit accounts (original maturity less than 3 months)	718.48	11,206.97
	<b>20,992.65</b>	<b>12,643.11</b>


2 Change in liabilities arising from financing activities

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

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

See accompanying notes to the financial statements

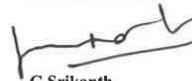
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Chartered Accountants  
Firm's registration number: 101248W/W-100022

  
**R Raghuram**  
Partner  
Membership No: 211171

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

  
**D Lakshmi pathy**  
Chairman and Managing Director  
DIN No : 01723269

  
**Anand Raghavan**  
Director  
DIN No : 00243485

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

  
**Rangarajan K**  
Chief Executive Officer  
Date : May 14, 2019

  
**B Shalini**  
ACS: A51334

Place : Chennai  
Date : May 14, 2019

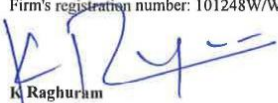
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**Five-Star Business Finance Limited**  
**Statement of Profit and loss for the year ended March 31, 2020**  
(All amounts are in Indian Rupees in lakhs, except share data and stated otherwise)

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

Significant accounting policies 2 and 3  
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

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

  
**D Lakshmi pathy**  
Chairman and Managing Director  
DIN No : 01723269

  
**R Anand**  
Director  
DIN No : 00243485

  
**G Srikanth**  
Chief Financial Officer

  
**K Rangarajan**  
Chief Executive Officer

  
**B Shalini**  
Company Secretary  
ACS: A51334

Place : Chennai  
Date : June 10, 2020

Place : Chennai  
Date : June 10, 2020

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

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

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

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

Significant accounting policies

2 and 3

See accompanying notes to the financial statements

As per our report of even date

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

Chartered Accountants

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

**K Raghuram**

Partner

Membership No: 211171

For and on behalf of the Board of Directors of

**Five-Star Business Finance Limited**

CIN : U65991TN1984PLC010844

**D Lakshmi pathy**

Chairman and Managing Director

DIN No : 01723269

**R Anand**

Director

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Chief Executive Officer

**B Shalini**

Company Secretary

ACS: A51334

Place : Chennai

Date : June 10, 2020

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Date : June 10, 2020

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

**Five-Star Business Finance Limited**

**Statement of Cash Flow for the year ended March 31, 2020**

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

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



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

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

2 Change in liabilities arising from financing activities

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


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

Significant accounting policies  
See accompanying notes to the financial statements

2 and 3

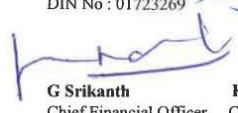
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Chartered Accountants  
Firm's registration number: 101248W/W-100022


For and on behalf of the Board of Directors of  
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CIN : U65991TN1984PLC010844

  
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Partner  
Membership No: 211171

  
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Chairman and Managing Director  
DIN No : 01723269

  
**R Anand**  
Director  
DIN No : 00243485

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

  
**K Rangarajan**  
Chief Executive Officer

  
**B Shalini**  
Company Secretary  
ACS: A51334

Place : Chennai  
Date : June 10, 2020

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**Five-Star Business Finance Limited**

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

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

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

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

**Five-Star Business Finance Limited**

**Balance Sheet as at June 30, 2020**

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

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

See accompanying notes to the financial statements



**ANNEXURE VI: ILLUSTRATION OF BOND CASH FLOWS**

<b>Illustration of Bond Cash Flows</b>	
Company	Five-Star Business Finance Limited
Face Value (per security)	Rs. 10,00,000/- (Rupees Ten Lakhs only)
Issue Date / Date of Allotment	Issue Opening Date: September 28, 2020 Deemed Date of Allotment: September 30, 2020
Maturity Date	September 30, 2029
Coupon Rate	10.91% (Ten Decimal Point Nine One Percent) per annum (computed on a simple interest basis), net of Taxes.
Frequency of the Coupon Payment with specified dates	Coupon payable semi-annually. First Coupon on March 30, 2021, and subsequently on March 30 and September 30 of every calendar year until the Maturity Date (subject to adjustments for Business Day Convention).
Day Count Convention	Actual / Actual

**Scenario 1: In case Put Option / Call Option is exercised on the first Put Option Date / first Call Option Date being September 30, 2023 and Coupon Rate is not reset at the Coupon Reset Date:**

Cash Flows	Coupon Accrual Date	Coupon Payment Date	No. of days in Coupon Period	Coupon Amount (in Rupees)	Principal payment date	Principal Amount (in Rupees)
1 <sup>st</sup> Coupon	March 30, 2021	March 30, 2021	181	37,817,985		
2 <sup>nd</sup> Coupon	September 30, 2021	September 30, 2021	184	38,498,849		
3 <sup>rd</sup> Coupon	March 30, 2022	March 30, 2022	181	37,871,151		
4 <sup>th</sup> Coupon	September 30, 2022	September 30, 2022	184	38,498,849		
5 <sup>th</sup> Coupon*	March 30, 2023	March 31, 2023	181	37,871,151		
6 <sup>th</sup> Coupon and Principal*	September 30, 2023	September 29, 2023	184	38,498,849	September 29, 2023	70,00,00,000
<b>TOTAL</b>						<b>70,00,00,000</b>

\*After adjusting for Non-Business Days

**Scenario 2: In case Put Option / Call Option is exercised on the second Put Option Date / second Call Option Date being September 30, 2026 and Coupon Rate is not reset at the Coupon Reset Date:**

Cash Flows	Coupon Accrual Date	Coupon Payment Date	No. of days in Coupon Period	Coupon Amount (in Rupees)	Principal payment date	Principal Amount (in Rupees)
1 <sup>st</sup> Coupon	March 30, 2021	March 30, 2021	181	37,817,985		
2 <sup>nd</sup> Coupon	September 30, 2021	September 30, 2021	184	38,498,849		
3 <sup>rd</sup> Coupon	March 30, 2022	March 30, 2022	181	37,871,151		
4 <sup>th</sup> Coupon	September 30, 2022	September 30, 2022	184	38,498,849		
5 <sup>th</sup> Coupon*	March 30, 2023	March 31, 2023	181	37,871,151		
6 <sup>th</sup> Coupon *	September 30, 2023	October 3, 2023	184	38,498,849		
7 <sup>th</sup> Coupon *	March 30, 2024	April 2, 2024	182	38,029,505		
8 <sup>th</sup> Coupon	September 30, 2024	September 30, 2024	184	38,393,661		
9 <sup>th</sup> Coupon*	March 30, 2025	April 2, 2025	181	37,817,985		
10 <sup>th</sup> Coupon	September 30, 2025	September 30, 2025	184	38,498,849		
11 <sup>th</sup> Coupon	March 30, 2026	March 30, 2026	181	37,871,151		
12 <sup>th</sup> Coupon and Principal	September 30, 2026	September 30, 2026	184	38,498,849	September 30, 2026	70,00,00,000
<b>TOTAL</b>						<b>70,00,00,000</b>

\*After adjusting for Non-Business Days

**Scenario 3: In case Put Option / Call Option is not exercised and Coupon Rate is not reset at the Coupon Reset Date:**

Cash Flows	Coupon Accrual Date	Coupon Payment Date	No. of days in Coupon Period	Coupon Amount (in Rupees)	Principal payment date	Principal Amount (in Rupees)
1 <sup>st</sup> Coupon	March 30, 2021	March 30, 2021	181	37,817,985		
2 <sup>nd</sup> Coupon	September 30, 2021	September 30, 2021	184	38,498,849		
3 <sup>rd</sup> Coupon	March 30, 2022	March 30, 2022	181	37,871,151		
4 <sup>th</sup> Coupon	September 30, 2022	September 30, 2022	184	38,498,849		
5 <sup>th</sup> Coupon*	March 30, 2023	March 31, 2023	181	37,871,151		
6 <sup>th</sup> Coupon*	September 30, 2023	October 3, 2023	184	38,498,849		
7 <sup>th</sup> Coupon*	March 30, 2024	April 2, 2024	182	38,029,505		
8 <sup>th</sup> Coupon	September 30, 2024	September 30, 2024	184	38,393,661		
9 <sup>th</sup> Coupon*	March 30, 2025	April 2, 2025	181	37,817,985		
10 <sup>th</sup> Coupon	September 30, 2025	September 30, 2025	184	38,498,849		
11 <sup>th</sup> Coupon	March 30, 2026	March 30, 2026	181	37,871,151		
12 <sup>th</sup> Coupon	September 30, 2026	September 30, 2026	184	38,498,849		
13 <sup>th</sup> Coupon	March 30, 2027	March 30, 2027	181	37,871,151		
14 <sup>th</sup> Coupon	September 30, 2027	September 30, 2027	184	38,498,849		
15 <sup>th</sup> Coupon	March 30, 2028	March 30, 2028	182	38,029,505		
16 <sup>th</sup> Coupon*	September 30, 2028	October 3, 2028	184	38,393,661		
17 <sup>th</sup> Coupon*	March 30, 2029	April 2, 2029	181	37,817,985		
18 <sup>th</sup> Coupon and Principal*	September 30, 2029	September 28, 2029	184	38,498,849	September 28, 2029	70,00,00,000
<b>TOTAL</b>						<b>70,00,00,000</b>

\*After adjusting for Non-Business Days