

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

## INFORMATION MEMORANDUM



### FIVE-STAR BUSINESS FINANCE LIMITED

A public limited company incorporated under the Companies Act, 1956

**Date of Incorporation:** May 07, 1984

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

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

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

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

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

April 11, 2019

**Issue of 3,00,00,000 (Three Crore) Secured, Rated, Senior, Redeemable, Taxable, Transferable, Listed, Non-Convertible Debentures of face value of Rs. 10 /- (Rupees Ten Only) each, aggregating up to Rs. 30,00,00,000/- (Rupees Thirty Crores Only) issued on a fully paid basis**

### 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 authorized by the Issuer through resolutions passed by the shareholders of the Issuer on September 22, 2018 and the Board of Directors of the Issuer on February 28, 2018 and August 28, 2018 and the Memorandum and Articles of Association of the Company. Pursuant to the resolution passed by the Company’s shareholders dated September 22, 2018 in accordance with provisions of the Companies Act, 2013, the Company has been authorized to borrow, upon such terms and conditions as the Board may think fit, for amounts up to INR 1,500,00,00,000/- (Rupees Fifteen Hundred Crores only). The present issue of NCDs 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 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.



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### 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 Ratings Limited (“**Rating Agency / ICRA**”). The Rating Agency has, vide its letter dated March 25, 2019 assigned a rating of “ICRA A (Stable)” in respect of the Debentures. The above rating is not a recommendation to buy, sell or hold securities and Investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the rating agency and should be evaluated independently of any other ratings. Please refer to **Annexure III** of this Information Memorandum for the letter dated March 25, 2019 from the Rating Agency assigning the credit rating abovementioned and the letter dated March 25, 2019 issued by the Rating Agency disclosing the rating rationale adopted for the aforesaid rating.

### Issue Schedule

Issue Opens on: April 11, 2019  
Issue Closing on: April 11, 2019  
Deemed Date of Allotment: April 11, 2019

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”).

#### Sole Arranger



**Northern Arc Capital Limited**  
10th Floor-Phase 1, IIT-Madras  
Research Park, Kanagam Village,  
Taramani,  
Chennai 600113, India  
Website:  
[www.NorthernArccapital.com](http://www.NorthernArccapital.com)

#### Debenture Trustee



**Catalyst Trusteeship Limited**  
83-87, 8th Floor, B wing, Mittal  
Tower, Nariman Point, Mumbai,  
Maharashtra -400021  
Tel.: +91-22-49220503  
Fax: +91-22-49220505  
Email: [umesh.salvi@ctltrustee.com](mailto:umesh.salvi@ctltrustee.com)

#### Registrar and Transfer Agent



**NSDL Database  
Management Limited**  
Trade World, A – Wing, 4th & 5th  
Floors, Kamala Mills Compound,  
Lower Parel, Mumbai – 400013  
Tel: 91-22-24994200  
Email: [info\\_ndml@nsdl.co.in](mailto:info_ndml@nsdl.co.in)



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**I. DISCLAIMER CLAUSE:**

THIS INFORMATION MEMORANDUM OF PRIVATE PLACEMENT (HEREINAFTER REFERRED TO AS THE “**INFORMATION MEMORANDUM**” IS NEITHER A PROSPECTUS NOR A STATEMENT IN LIEU OF PROSPECTUS. THE ISSUE OF RATED, SECURED, LISTED, REDEEMABLE NON-CONVERTIBLE DEBENTURES (HEREINAFTER REFERRED TO AS “**DEBENTURES**”) TO BE ISSUED IS BEING MADE STRICTLY ON A PRIVATE PLACEMENT BASIS. IT IS NOT INTENDED TO BE CIRCULATED TO MORE THAN 49 (FORTY-NINE) PERSONS. MULTIPLE COPIES HEREOF GIVEN TO THE SAME ENTITY SHALL BE DEEMED TO BE GIVEN TO THE SAME PERSON AND SHALL BE TREATED AS SUCH. IT DOES NOT CONSTITUTE AND SHALL NOT BE DEEMED TO CONSTITUTE AN OFFER OR AN INVITATION TO SUBSCRIBE TO THE DEBENTURES ISSUED TO THE PUBLIC IN GENERAL. APART FROM THIS INFORMATION MEMORANDUM, NO OFFER DOCUMENT OR PROSPECTUS HAS BEEN PREPARED IN CONNECTION WITH THE OFFERING OF THIS ISSUE OR IN RELATION TO THE COMPANY NOR IS SUCH A PROSPECTUS REQUIRED TO BE REGISTERED UNDER THE APPLICABLE LAWS. ACCORDINGLY, THIS INFORMATION MEMORANDUM HAS NEITHER BEEN DELIVERED FOR REGISTRATION NOR IS IT INTENDED TO BE REGISTERED.

THIS INFORMATION MEMORANDUM HAS BEEN PREPARED TO PROVIDE GENERAL INFORMATION ABOUT THE COMPANY TO POTENTIAL INVESTORS TO WHOM IT IS ADDRESSED AND WHO ARE WILLING AND ELIGIBLE TO SUBSCRIBE TO THE DEBENTURES. THIS INFORMATION MEMORANDUM DOES NOT PURPORT TO CONTAIN ALL THE INFORMATION THAT ANY POTENTIAL INVESTOR MAY REQUIRE. 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 NOR SHOULD ANY RECIPIENT OF THIS INFORMATION MEMORANDUM CONSIDER SUCH RECEIPT A RECOMMENDATION TO PURCHASE ANY DEBENTURES. EACH INVESTOR CONTEMPLATING THE PURCHASE OF ANY DEBENTURES SHOULD MAKE HIS OWN INDEPENDENT INVESTIGATION OF THE FINANCIAL CONDITION AND AFFAIRS OF THE COMPANY, AND HIS OWN APPRAISAL OF THE CREDITWORTHINESS OF THE COMPANY. POTENTIAL INVESTORS SHOULD CONSULT THEIR OWN FINANCIAL, LEGAL, TAX AND OTHER PROFESSIONAL ADVISORS AS TO THE RISKS AND INVESTMENT CONSIDERATIONS ARISING FROM AN INVESTMENT IN THE DEBENTURES AND SHOULD POSSESS THE APPROPRIATE RESOURCES TO ANALYSE SUCH INVESTMENT AND THE SUITABILITY OF SUCH INVESTMENT TO SUCH INVESTOR'S PARTICULAR CIRCUMSTANCES. IT IS THE RESPONSIBILITY OF INVESTORS TO ALSO ENSURE THAT THEY WILL SELL THESE DEBENTURES IN STRICT ACCORDANCE WITH THIS INFORMATION MEMORANDUM AND OTHER APPLICABLE LAWS, SO THAT THE SALE DOES NOT CONSTITUTE AN OFFER TO THE PUBLIC WITHIN THE MEANING OF THE COMPANIES ACT, 1956 OR THE COMPANIES ACT, 2013, AS APPLICABLE. NONE OF THE INTERMEDIARIES OR THEIR AGENTS OR ADVISORS ASSOCIATED WITH THIS ISSUE UNDERTAKE TO REVIEW THE FINANCIAL CONDITION OR AFFAIRS OF THE COMPANY DURING THE LIFE OF THE ARRANGEMENTS CONTEMPLATED BY THIS INFORMATION MEMORANDUM OR HAVE ANY RESPONSIBILITY TO ADVISE ANY INVESTOR OR POTENTIAL INVESTOR IN THE DEBENTURES OF ANY INFORMATION AVAILABLE WITH OR



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SUBSEQUENTLY COMING TO THE ATTENTION OF THE INTERMEDIARIES, AGENTS OR ADVISORS.

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

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

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

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

EACH PERSON RECEIVING THIS INFORMATION MEMORANDUM ACKNOWLEDGES THAT:



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

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

THIS INFORMATION MEMORANDUM 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 IN ANY JURISDICTION WHERE SUCH ACTION IS REQUIRED. THE DISTRIBUTION OF THIS INFORMATION MEMORANDUM AND THE OFFERING AND SALE OF THE DEBENTURES MAY BE RESTRICTED BY LAW IN CERTAIN JURISDICTIONS. 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

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

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

The Issuer has prepared this Information Memorandum and the Issuer is solely responsible for its contents. The Issuer will comply with all laws, rules and regulations and has obtained all regulatory, governmental and corporate approval for the issuance of the Debentures. All the information contained in this Information Memorandum has been provided by the Issuer or is publicly available information, and such information has not been independently verified by the Arranger. No representation or warranty, expressed or implied, is or will be made, and no



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responsibility or liability is or will be accepted, by the Arranger or its affiliates for the accuracy, completeness, reliability, correctness or fairness of this Information Memorandum or any of the information or opinions contained therein, and the Arranger hereby expressly disclaims, to the fullest extent permitted by law, any responsibility for the contents of this Information memorandum and any liability, whether arising in tort or contract or otherwise, relating to or resulting from this Information Memorandum or any information or errors contained therein or any omissions therefrom. By accepting this Information Memorandum, you agree that the Arranger will not have any such liability.

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

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



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## II. DEFINITIONS AND ABBREVIATIONS

<b>Act</b>	Means Companies Act, 2013, and for any matters or affairs prior to the notification of the relevant provisions of the Companies Act, 2013, the Companies Act, 1956 and shall include any re-enactment, amendment or modification of the Companies Act, 2013, as in effect from time to time
<b>Agreement of Hypothecation</b>	Means the unattested agreement of hypothecation, dated on or about the Deemed Date of Allotment, to be executed and delivered by the Company in a form acceptable to the Debenture Trustee securing the due repayment of the Secured Obligations in respect of the Debentures
<b>Applicant</b>	Means a person who has submitted a completed Application Form to the Company
<b>Applicable Laws</b>	includes all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority and any modifications or re-enactments thereof
<b>Application Form</b>	Means the application form in the Debt Disclosure Document
<b>Application Money</b>	Means the subscription monies paid by the Applicants at the time of submitting the Application Form
<b>Arranger</b>	Such Person(s)/entities as have been authorized by the Issuer for the marketing of the Issue in this case Northern Arc Capital Limited.
<b>Assets</b>	Means, for any date of determination, the assets of the Company on such date as the same would be determined in accordance with Indian GAAP at such date
<b>Beneficial Owners</b>	means the holder(s) of the Debentures in dematerialized form whose name is recorded as such with the Depository in the Register of Beneficial Owners
<b>BSE</b>	Means the BSE Limited
<b>Business Day</b>	Means any day (other than a Saturday, a Sunday or a Bank Holiday) on which banks are open for general business in Mumbai and Chennai.
<b>Call Option</b>	Not Applicable
<b>Call Option Interest Rate</b>	Not Applicable
<b>Capital Adequacy Ratio</b>	Means the capital adequacy ratio prescribed by the RBI for non-banking financial companies from time to time, currently being the aggregate of Tier I Capital and Tier II Capital divided by Risk Weighted Assets
<b>CERSAI</b>	means Central Registry of Securitization Asset Reconstruction and Security Interest of India
<b>CDSL</b>	Means Central Depository Services Limited
<b>CITES</b>	Means the Convention on International Trade in Endangered Species or Wild Fauna and Flora, including the protected flora and faunae as demonstrated on the website: <a href="http://www.cites.org">www.cites.org</a>
<b>Charged Receivables</b>	means the book debts / loan receivables of the Company over



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	which a first ranking exclusive and continuing charge has to be created pursuant to an unattested Deed of Hypothecation, dated on or about the Deemed Date of Allotment, executed or to be executed and delivered by the Company in a form acceptable to the Debenture Trustee.
<b>Client Loan</b>	Means each loan made by the Company as a lender
<b>Companies Act or Act</b>	means the Companies Act, 2013 ("2013 Act"), and for any matters or affairs prior to the notification of the relevant provisions of the Companies Act, 2013, the Companies Act, 1956 ("1956 Act"), and shall include any re-enactment, amendment or modification of the Companies Act, 2013, as in effect from time to time
<b>Credit Rating Agency/ Credit Rating Agencies</b>	Any SEBI registered Rating Agency appointed from time to time
<b>Control</b>	Means and includes the right to appoint a majority of directors, or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner
<b>Constitutional Documents</b>	Means the memorandum of association and the articles of association of the Company
<b>Debentures/NCDs/Debt Securities/Securities</b>	Means 3,00,00,000 rated, secured, senior, redeemable, taxable, transferable, listed, non-convertible debentures denominated in Indian Rupees ('INR') each having a face value of INR 10 /- (Indian Rupees Ten Only) aggregating to a face value of INR 30,00,00,000/- (Indian Rupees Thirty Crore Only);
<b>Debenture Holders</b>	Mean collectively the Debenture Holders of this issuance
<b>Debenture Trustee</b>	Trustee for the Debenture holders, in this case being Catalyst Trusteeship Limited
<b>Debenture Holder Representative</b>	Means Karvy Capital Limited
<b>Debenture Trustee Agreement</b>	The Debenture Trustee and the Company have entered into a debenture trustee agreement executed by and between the Debenture Trustee and the Company ("Debenture Trustee Agreement"), whereby the Company has appointed the Debenture Trustee and the Debenture Trustee has agreed to be appointed as a debenture trustee on behalf of and for the benefit of the Debenture Holder(s) and for purposes related thereto, including for holding the security to be created by the Company in favour of the Debenture Trustee to secure the payment and other obligations of the Company in respect of the issuance of the Debentures, for the benefit of the Debenture Holder(s)
<b>Debenture Trust Deed or DTD</b>	Shall mean the debenture trust cum mortgage deed executed/to be executed by and between the Debenture Trustee and the Company which will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer
<b>Debenture Trustees Regulations</b>	Means the Securities Exchange Board of India (Debenture Trustees) Regulations, 1993 (as amended or restated from time to time)





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<b>Debt</b>	Means the aggregate of: a) all long-term outstanding, whether secured or unsecured; b) all contingent liabilities pertaining to corporate or financial guarantees given on behalf of any company, special purpose vehicle, subsidiary, or affiliate of the Company (to the extent of outstanding of such guaranteed debt); c) any short term debt outstanding whether secured or unsecured, availed of in lieu of long term debt or by way of bridge financing for long term debt; d) any amount raised by acceptance under any acceptance credit facility; e) receivables sold or discounted (other than receivables to the extent they are sold on a non-recourse basis); f) any put option, shortfall/liquidity support undertaking, debt service reserve account undertaking, keep fit letter(s) which give or may give rise to any financial obligation(s); and g) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing.
<b>Debt Disclosure Document</b>	Means the information memorandum dated April 11, 2019 issued by the Company for the issue of the Debentures on a private placement basis
<b>Debt Listing Regulations</b>	Means the Securities Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (as amended or restated from time to time)
<b>Deed of Hypothecation</b>	The deed of hypothecation entered into/to be entered into between the Issuer and the Debenture Trustee, pursuant to which hypothecation over Hypothecated Assets shall be created by the Issuer in favour of the Debenture Trustee (acting for and on behalf of the Debenture Holder(s)).
<b>Depository</b>	Means the depository with whom the Company has made arrangements for dematerializing the Debentures, being CDSL and NSDL
<b>Designated Proceeds Account</b>	Means the account number 409000464102 maintained with RBL Bank Limited Limited in the name of Company, being the separate bank account opened by the Company for receipt of and utilization of the proceeds of the Issue
<b>DRR</b>	Debenture Redemption Reserve
<b>Due Date</b>	Means the date on which any interest or liquidated damages, any Redemption Instalment and all other monies payable, are due and payable. If the due date in respect of any interest or liquidated damages and all other monies payable under this Deed falls on a day which is not a Business Day, then the immediately succeeding Business Day shall be the due date for such payment. Further, if the due date in respect of any Redemption Installment falls on a day which is not a Business Day, then the immediately preceding Business Day shall be the due date for such payment
<b>Equity</b>	Means (A) the aggregate of the issued and paid up equity shares of the Company, all compulsorily convertible instruments and preference share capital of the Company, and all reserves



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	(excluding revaluation reserves) of the Company, less (B) the aggregated of any dividend declared, any deferred tax liability, deferred tax assets, intangibles (including but not restricted to brand valuation, goodwill etc) as per the latest audited financials of the Company
<b>Event of Default</b>	Means each of the events specified in the Mortgage cum Debenture Trust Deed
<b>Exclusion List</b>	Means any activity including (a) production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, PCBs, wildlife or products regulated under CITES, (b) production or trade in weapons and munitions, (c) production or trade in alcoholic beverages (excluding beer and wine), (d) production or trade in tobacco, (e) gambling, casinos and equivalent enterprises, (f) production or trade in radioactive materials (this does not apply to the purchase of medical equipment, quality control (measurement) equipment), (g) production or trade in unbonded asbestos fibers (this does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%), (h) drift net fishing in the marine environment using nets in excess of 2.5 km. in length, (i) production or activities involving harmful or exploitative forms of forced labor, or harmful child labour, (j) production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals (hazardous chemicals include gasoline, kerosene, and other petroleum products), (k) production or activities that impinge on the lands owned, or claimed under adjudication, by indigenous peoples, without full documented consent of such peoples, (l) which may result in funding or supporting any individual or organization designated as: (i) terrorists or terrorist organizations by the United Nations, the European Union and any other applicable country; (ii) persons, groups or entities which are subject to United Nations, European Union and the US Office of Foreign Asset Control (OFAC) sanctions'
<b>Exercise Date</b>	Not Applicable
<b>Final Redemption Date</b>	Means April 11, 2024
<b>Final Settlement Date</b>	Means the date on which all obligations of the Company have been irrevocably and unconditionally paid and discharged in full to the satisfaction of the Debenture Holders
<b>Financial Year</b>	Means each period of 12 (twelve) months commencing on April 1 of any calendar year and ending on March 31 of the subsequent calendar year
<b>Governmental Authority</b>	Shall mean any government (central, state or otherwise) or any governmental agency, semi-governmental or judicial or quasi-judicial or administrative entity, department or authority, agency or authority including any stock exchange or any self-regulatory organization, established under any Law
<b>Gross Loan Portfolio</b>	Means the outstanding principal balance of all of the Company's



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	outstanding Client Loans including current, delinquent and restructured Client Loans, and includes principal balance of all Client Loans securitized, assigned, originated on behalf of other institutions or otherwise sold off in respect of which the Company has provided credit enhancements in any form or manner whatsoever, but not Client Loans that have been charged off. It does not include interest receivables and accrued interest
<b>Gross NPA</b>	Shall mean the entire outstanding principal value of the relevant portfolio of the Issuer that has one or more instalments of payments (including principal or interest) overdue for more than 90 days and any restructured loans;
<b>Hypothecated Property</b>	Shall have the meaning given to it in the Agreement of Hypothecation
<b>Immovable Property</b>	Means the identified immovable property of the Company more particularly described in Schedule XV of the Mortgage cum Debenture Trust Deed
<b>Indebtedness</b>	Means any obligation of the Company (whether incurred as principal, independent guarantor or as surety) for the payment or repayment of borrowed money, whether present or future, actual or contingent
<b>Indian GAAP</b>	Means the generally accepted accounting principles, standards and practices in India or any other prevailing accounting standard in India as may be applicable
<b>Indian Accounting Standard (IND AS)</b>	Means Accounting standard adopted by companies in India and issued under the supervision of Accounting Standards Board (ASB)
<b>Initial Debenture Holders</b>	Means Karvy Capital Limited Excel Portfolio
<b>Interest Expense</b>	Means all interest payable by the Company on all borrowings of the Company and all financial assistance availed by the Company from any bank, financial institution or any other person
<b>Interest Payment Date</b>	Means Payment of Interest date as ascribed in Section 15
<b>Interest Rate</b>	Means 11.40% per annum, compounded monthly, payable month
<b>Issue</b>	The Company has proposed to issue 3,00,00,000 (Three Crore) Secured, Rated, Senior, Redeemable, Taxable, Transferable, Listed Non-Convertible Debentures of face value of Rs. 10 /- (Rupees Ten Only) each, aggregating up to Rs. 30,00,00,000/- (Rupees Thirty Crores Only) issued on a fully paid basis
<b>Law</b>	Means any applicable law, code, ordinance, interpretation, guideline, directive, judgment, injunction, decree, treaty, regulation, rule or order of any court, tribunal or Governmental Authority, in force in India
<b>Liability</b>	Means, for any date of determination, the liabilities of the Company on such date as the same would be determined in accordance with the Indian GAAP at such date
<b>Local Currency</b>	Means Indian Rupees (denoted as "INR" or "Rs."), the lawful currency of India
<b>LODR Regulations</b>	Means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be amended from time to time
<b>Majority Debenture</b>	Means such number of Debenture Holders collectively holding



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<b>Holders</b>	more than 51% (Fifty One percent) of the value of the Outstanding Principal Amounts of the Debentures
<b>Majority Resolution</b>	Means resolution approved by such number of Debenture Holders that represent more than 51% (Fifty One percent) of the value of the Outstanding Principal Amounts of the Debentures held by the Debenture Holders who are present and voting or if a poll is demanded, by such number of Debenture Holders that represent more than 51% (Fifty One percent) of the value of the Outstanding Principal Amounts of the Debentures held by the Debenture Holders who are present and voting in such poll
<b>Material Adverse Effect</b>	Means the effect or consequence of an event, circumstance, occurrence or condition which has caused, as of any date of determination, or could reasonably be expected to cause a material and adverse effect on (a) the financial condition, business or operation of the Company, environmental, social or otherwise or prospects of the Company; (b) the ability of the Company to perform its obligations under the Transaction Documents; or (c) the validity or enforceability of any of the Transaction Documents (including the ability of any party to enforce any of its remedies thereunder)
<b>Mortgage-cum-debenture Trust Deed or Debenture Trust Deed</b>	Agreement between the Issuer and the Debenture Trustee will be executed on or before April 11, 2019
<b>Net Income</b>	Shall mean, for any particular period and with respect to the Company, all revenue (including Donations and grants) less all expenses (including taxes, if any for such period)
<b>Net Owned Funds</b>	Has the meaning ascribed to it under Section 45IA of the RBI Act, 1934
<b>Nominee Director</b>	As defined in the Securities and Exchange Board of India (Debenture Trustee) Regulations
<b>NBFC Master Directions</b>	Means the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company prescribed by the RBI from time to time, as may be applicable
<b>NSDL</b>	Means National Securities Depository Limited
<b>Off Balance Sheet Portfolio</b>	Shall mean principal balance of loans securitized, assigned to, originated on behalf of other institutions in respect of which the Issuer has provided credit enhancements in any form or manner whatsoever
<b>Outstanding Principal Amounts</b>	Means, at any date, the Local Currency principal amount outstanding under the Debentures
<b>Outstanding Amounts</b>	Means the Outstanding Principal Amounts, together with all interest, fees, costs, commissions, charges, Trustee fees and other amounts due and payable by the Company under or in respect of this Deed or any Transaction Document
<b>Payment Default</b>	Shall mean any event, act or condition which with notice or lapse of time, or both, would constitute an Event of Default
<b>Person</b>	Shall mean any individual, partnership, joint venture, firm, corporation, association, limited liability company, trust or other enterprise or any government or political subdivision or any agency, department or instrumentality thereof



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<b>Portfolio At Risk Over 90 Days</b>	Shall mean the outstanding principal amounts of all Client Loans that have one or more installments of principal, interest, penalty interest (equated monthly installment) due for more than 90 (Ninety) days
<b>Private Placement Offer Letter</b>	Document as per Section 42 of the Companies Act, 2013 read with the Companies(Prospectus and Allotment of Securities) Rules, 2014
<b>Promoter</b>	Means collectively Lakshmi. D, Hema. L, Deenathayalan. R, Varalakshmi. D and Sritha. L
<b>Purpose</b>	To raise debt to augment long term resources of the Company towards general corporate purposes in its ordinary course of business including repayment/re-financing of the existing debt. No part of the proceeds shall be utilized directly/indirectly towards capital markets (debt and equity), land acquisition or usages that are restricted for bank financing.
<b>Put Option</b>	Not Applicable
<b>Put Option Interest Rate</b>	Not Applicable
<b>Quarterly Date</b>	Means each of December 31, June 30, September 30 and March 31 and Quarterly Dates shall be construed accordingly
<b>Rating Agency</b>	Means ICRA Limited or any rating agency approved by SEBI for carrying out debt ratings in India
<b>Rating Downgrade</b>	Not Applicable
<b>RBI</b>	Means the Reserve Bank of India
<b>Receivables</b>	Has the meaning ascribed to it in the Agreement of Hypothecation
<b>Redemption Payment</b>	Means the payment of the Outstanding Principal Amounts of the Debentures on the Exercise Date or the respective Final Redemption Dates
<b>Register of Beneficial Owners</b>	Means the register of beneficial owners of the Debentures maintained in the records of the Depository, as the case may be
<b>Register of Debenture Holders</b>	Means the register maintained by the Company at its registered office and containing the names of the Debenture Holders
<b>Registrar</b>	Shall mean the registrar and transfer agent appointed for the issue of Debentures, being NSDL Database Management Limited
<b>Restructured Portfolio</b>	Means with respect to the Company, the outstanding principal balance of all past due Client Loans that have been renegotiated or modified to either lengthen or postpone the originally scheduled installments of principal, or to substantially alter the original terms of such Client Loans
<b>Revised Interest Rate</b>	Not Applicable
<b>Risk Weighted Assets</b>	Shall be calculated as per the method prescribed in the NBFC Master Directions
<b>ROC</b>	Means the jurisdictional Registrar of Companies
<b>SEBI</b>	Means the Securities and Exchange Board of India
<b>Secured Obligations</b>	Means all present and future obligations (whether actual or contingent and whether owed jointly or severally or in any capacity whatsoever) obligations of the Company to the Debenture Holders or the Debenture Trustee under this Deed and shall include the obligation to redeem the Debentures in terms thereof, any outstanding remuneration of the Debenture Trustee, default interest payable, if any, and all fees, costs, charges and expenses and other monies payable by the Company under the Transaction Documents



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<b>Security Cover</b>	Means the ratio of Receivables comprising the Hypothecated Property to the Outstanding Principal Amounts to be maintained in accordance with the provisions of the Agreement of Hypothecation
<b>Debenture Holders</b>	Means the Applicants whose names and addresses are set out in the Application Form and who have agreed to subscribe to the Debentures, and for any subsequent Debenture Holders, each person that fulfils the following requirements:  (a) Persons who are registered as Beneficial Owners; and  (b) Persons who are registered as a debenture holder in the Register of Debenture Holders.  Sub-paragraphs (a) and (b) shall be deemed to include transferees of the Debentures registered with the Company and the Depository from time to time, and in the event of any inconsistency between sub-paragraph (a) and (b) above, sub paragraph (a) shall prevail
<b>Deemed Date of Allotment</b>	Means April 11, 2019
<b>Interest Payment Dates</b>	Means the dates as specified in Annexure VI on which payment of Interest
<b>Offer Schedule</b>	Means the schedule of offer and allotment of Debentures as specified in Annexure VII
<b>Outstanding Principal Amounts</b>	Means, at any date, the principal amounts outstanding under the Debentures
<b>Private Placement Offer Letter</b>	Means the private placement offer letter dated April 11, 2019
<b>Redemption Date</b>	Means the dates as specified in Annexure VI on which payment of Interest shall be made in respect of the Debentures
<b>Exercise Date</b>	Not Applicable
<b>Special Majority Debenture Holders</b>	Means such number of Debenture Holders collectively holding more than 75% (seventy five percent) of the value of the Outstanding Principal Amounts of the Debentures
<b>Special Resolution</b>	Means resolution approved by such number of Debenture Holders that represent more than 75% (seventy five percent) of the value of the Outstanding Principal Amounts of the Debentures held by the Debenture Holders who are present and voting or if a poll is demanded, by such number of Debenture Holders that represent more than 75% (seventy five percent) of the value of the Outstanding Principal Amounts of the Debentures held by the Debenture Holders who are present and voting in such poll
<b>Subordinated Debt</b>	Means any financial obligation of the Company, which is unsecured and subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder/provider of the subordinated debt, or without the consent of the supervisory authority of the non-banking financial company
<b>Tangible Net Worth</b>	Means the net worth (as defined in the Act) of the Company according to the latest available audited balance sheet, net of redeemable capital, intangible assets and deferred tax assets
<b>Tax</b>	Means any present or future tax, levy, duty, charge, fees,



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	deductions, withholdings, turnover tax, transaction tax, stamp tax or other charge of a similar nature (including any penalty or interest payable on account of any failure to pay or delay in paying the same), now or hereafter imposed by Law by any Governmental Authority and as maybe applicable in relation to the payment obligations of the company under this Deed
<b>Testing Date</b>	Means each of March 31 and September 30 and "Testing Dates" shall be construed accordingly
<b>Tier I Capital</b>	Has the meaning ascribed to it in the NBFC Master Directions
<b>Tier II Capital</b>	Has the meaning ascribed to it in the NBFC Master Directions
<b>Top-up Date</b>	Shall have the meaning given to it in the Agreement of Hypothecation
<b>Total Assets</b>	Means, for any date of determination, the total Assets of the Company on such date, including owned, securitised and managed (non-owned) portfolio
<b>Transaction Documents</b>	Mortgage cum Debenture Trust Deed, the Debt Disclosure Document, the Agreement of Hypothecation, Debenture Trustee Agreement, the letters issued by the Rating Agency and the Registrar, resolutions passed by the board of directors and members of the Company and all other documents in relation to the issuance of the Debentures shall be collectively referred to as the "Transaction Documents"

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

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

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

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



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

- A. Memorandum and Articles of Association and necessary resolution(s) for the allotment of the debt securities;
- B. Copy of last three years' audited Annual Reports;
- C. Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- D. Latest Audited / Limited Review Half Yearly Consolidated (wherever available) and Standalone Financial Information (Profit & Loss statement, Balance Sheet and Cash Flow statement) and auditor qualifications, if any;
- E. An undertaking to the effect that the Issuer would, till the redemption of the debt securities, submit the details mentioned in point (D) above to the Trustee within the timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular No.SEBI/IMD/BOND/1/2009/11/05 dated May11, 2009 as amended from time to time, for furnishing / publishing its half yearly/ annual result. Further, the Issuer shall within 180 days from the end of the financial year, submit a copy of the latest annual report to the Trustee and the Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' (QIBs) and other existing debenture-holders within two working days of their specific request.

**V. NAME AND ADDRESS OF THE FOLLOWING:**

- (i) **Registered office of the Issuer**  
New No. 27, Old No. 4, Taylor's Road, Kilpauk, Chennai – 600010  
Phone No.: 044-46106200  
Fax No.: 044-46106200
- (ii) **Corporate office of the Issuer**  
New No. 27, Old No. 4, Taylor's Road, Kilpauk, Chennai – 600010  
Phone No.: 044-46106200  
Fax No.: 044-46106200
- (iii) **Compliance/Nodal officer of the Issuer**  
Ms. Shalini B  
Phone No.: 044-46106200  
Fax No.: 044-46106200
- (iv) **CFO of the Issuer**  
Mr. Srikanth G  
Phone No.: 044-46106200  
Fax No.: 044-46106200
- (v) **Arrangers of the issue**  
Northern Arc Capital Limited  
10th Floor-Phase 1, IIT-Madras Research Park,  
Kanagam Village, Taramani, Chennai - 600113  
Website: <http://northernarc.com>
- (vi) **Trustee of the issue**





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Catalyst Trusteeship Limited  
Office No. 83 – 87, 8th Floor,  
'Mittal Tower', B' Wing, Nariman Point  
Mumbai – 400021  
T: (91) (20) 2528 0081  
Mail ID: [dt@clltrustee.com](mailto:dt@clltrustee.com)

(vii) **Registrar of the issue**  
NSDL Database Management Limited (NDML)  
4th Floor, Trade World, 'A' Wing  
Kamala Mills Compound  
Lower Parel, Mumbai - 400 013  
Tel: 91-22-24994200  
Mail ID: [info\\_ndml@nsdl.co.in](mailto:info_ndml@nsdl.co.in)

(viii) **Credit Rating Agency of the issue**  
ICRA Limited  
3rd Floor, Electric Mansion,  
Appasaheb Marathe Marg, Prabhadevi,  
Mumbai - 400 025.  
Tel: +91 22 6169 3300

(ix) **Auditors of the Issuer**  
B S R & Co. LLP  
KRM Tower, 1st and 2nd Floor,  
No. 1, Harrington Road, Chetpet,  
Chennai - 600031

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

**i. Overview**

Five-Star Business Finance Limited (formerly known as Five-Star Business Credits Limited) is a Systemically Important Non-Deposit taking Non-Banking Financial Company (“NBFC-ND-SI”) registered with the Reserve Bank of India. The company was established in 1984 and has been operating in the financial services space for over the last 30 years.

The company was originally promoted by Mr V K Ranganathan and is currently being managed by Mr D Lakshmipathy, who joined the Board of the company in 2002, and is currently its Chairman and Managing Director. Under his leadership, over the last 8 years, the company has grown from a branch network of 6 to more than 170 today and from an AUM of Rs.18 Crores to about Rs.2000 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

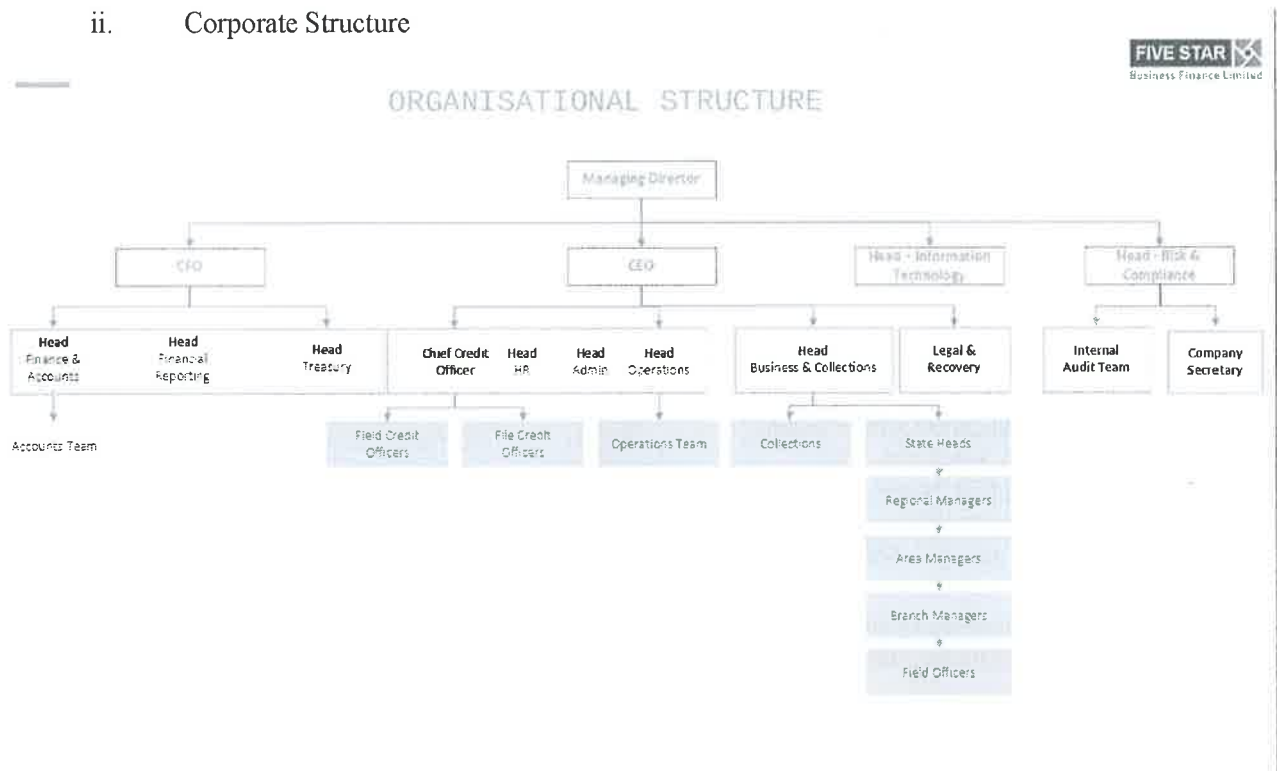


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with Five-Star. The loans disbursed by the company are to small businessmen engaged predominantly in service oriented businesses with loans typically ranging from Rs.1 Lakh to Rs.10 Lakh and Average Loan Ticket Size of about Rs. 4 Lakhs and tenor of upto 7 years.

As at end December 2018, Five-Star operated 162 branches in 6 states – Tamil Nadu (68 branches; including 1 branch in Puducherry), Andhra Pradesh (46 branches), Telangana (31 branches), Karnataka (11 branches), Maharashtra (2 branches) and Madhya Pradesh (4 branches), with a borrower base of about 60,000 customers and a total portfolio under management of about Rs.1750 Crores (consolidated).

ii. Corporate Structure



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

Parameters	*Unaudited	Audited	Audited	Audited
	30-Sep-18	31-Mar-18	31-Mar-17	31-Mar-16
Net Worth	126,385.68	59,994.64	22,449.10	9,116.64
Total Debt	64,924.44	53,070.39	45,185.97	12,875.61
- Non current maturities of long term Borrowings	52,569.07	37,346.98	33,871.55	8,002.28
- Short term borrowings	44.35	4,979.68	4,687.75	1,382.16
- Current maturities of long term Borrowings	12,311.02	10,743.73	6,626.67	3,491.18
Net Fixed Assets	961.19	649.46	640.47	190.88
Non-Current Assets	122,684.35	83,298.76	41,047.45	16,530.78
Cash and Cash equivalents	40,902.30	12,651.08	18,002.71	246.58



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Current Investments	2,467.39	-	-	400.00
Current Assets	70,386.31	31,993.94	27,979.78	5,951.77
Current Liabilities	13,756.57	17,231.65	12,448.93	5,273.99
Assets Under Management	146,493.00	97,993.69	48,341.53	19,812.54
Off balance sheet assets	-	-	-	-
Interest Income	15,949.00	16,962.63	7,389.88	4,107.83
Interest Expense	3,657.00	5,554.58	2,373.25	1,407.29
Provisioning & Write Offs	431.00	918.55	279.54	72.77
PAT	5,598.00	5,618.12	1,937.48	1,341.49
Gross NPA (%)	1.11%	1.45%	0.03	0.02
Net NPA (%)	0.87%	0.96%	0.02	0.02
Tier I Capital Adequacy	82.38%	58.05%	0.44	0.39
Tier II Capital Adequacy	0.65%	0.95%	-	-

\*As per IND-AS. Figures for FY2016, 2017 & 2018 are as per IGAAP and hence may not be directly comparable.

#GNPA for FY2016 is calculated at 6 months past due while it is computed at 3 months past due from March 2017 onwards. Gross NPA for FY2019 is Stage 3 Assets while Net NPA for FY2019 is calculated as Stage 3 Assets less ECL for Stage 3 Assets

**Gross Debt: Equity Ratio of the Company (As of December 31, 2018):**

Before the issue of debt securities	0.51
After the issue of debt securities	0.53

**Calculations**

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

Debt	66556.93
Equity	131041.22
Debt/Equity	0.51

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

Debt	69556.93
Equity	131041.22
Debt/Equity	0.53

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

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

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

- i. Details of Share Capital as on December 31, 2018

Share Capital	Amount
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<b>Authorised</b>		
3,00,00,000 shares of Rs.10 each		30,00,00,000
<b>TOTAL</b>		<b>30,00,00,000</b>
<b>Issued, Subscribed and Fully Paid- up</b>		
2,38,90,182 shares of Rs.10 each		23,89,01,820
<b>TOTAL</b>		<b>23,89,01,820</b>

ii. Changes in its capital structure as on December 31, 2018, for the last five years:-

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

iii. Equity Share Capital History of the Company as on December 31, 2018, for the last five years:-

Date of Allotment	Name of Investor	No of Equity Shares	Face Value (in Rs.)	Issue Price (in Rs.)	Consideration	Nature of Allotment	Cumulative Paid Up Capital		
							No of Equity Shares	Equity Share Capital (Rs. in Cr.)	Equity Share Premium (Rs. in Cr)
27-Dec-18	Mr. G Srikanth	25,000	10	10	2,50,000	ESOP	2,38,90,182	23.89	0.00
12-Dec-18	Mr. S Prashanth	1000	10	130	1,30,000.00	ESOP	2,38,65,182	23.86	0.012
12-Sep-18	Mr. R M Veerappan	500	10	85	42,500.00	ESOP	2,38,64,182	23.86	0.003
03-Aug-18	TPG Asia VII SF Pte. Ltd.	28,84,784	10	1320.72	3,80,99,91,924.48	Private Placement			
03-Aug-18	Norwest Venture Partners X – Mauritius	5,67,871	10	1320.72	74,99,98,587.12	Private Placement			
03-Aug-18	SCI Investments V	5,67,871	10	1320.72	74,99,98,587.12	Private Placement	2,38,63,682	23.86	614.31

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Date of Allotment	Name of Investor	No of Equity Shares	Face Value (in Rs.)	Issue Price (in Rs.)	Consideration	Nature of Allotment	Cumulative Paid Up Capital		
							No of Equity Shares	Equity Share Capital (Rs. in Cr.)	Equity Share Premium (Rs. in Cr)
						t			
03-Aug-18	NHPEA Chocolate Holding B.V.	6,66,302	10	1320.72	87,99,98,377.44	Private Placement			
24-Jul-18	Mr. J Vishnuram	8,000	10	130	10,40,000.00	ASOP	1,91,76,854	19.17	0.10
23-Aug-17	Mr. R M Veerappan	500	10	85	42,500.00	ASOP	1,91,68,854	19.17	0.003
18-Aug-17	Norwest Venture Partners X – Mauritius	18,90,569	10	674.4	1,27,49,99,733.60	Private Placement			
18-Aug-17	SCI Investments V	18,90,569	10	674.4	1,27,49,99,733.60	Private Placement			
18-Aug-17	NHPEA Chocolate Holding B.V.	9,04,508	10	674.4	61,00,00,195.20	Private Placement			
18-Aug-17	Matrix Partners India Investment Holdings II LLC	20,759	10	674.4	1,39,99,869.60	Private Placement	1,91,68,354	19.17	313.28
18-Aug-17	Matrix Partners India Investments II Extension, LLC	8,897	10	674.4	60,00,136.80	Private Placement			
09-Jun-17	Mr. Rangarajan Krishnan	1,28,000	10	10	12,80,000.00	ASOP			
09-Jun-17	Mr. G Srikanth	40,000	10	10	4,00,000.00	ASOP	1,44,53,052	14.45	0.00
09-Jun-17	Mr. Seshadri	10,000	10	10	1,00,000.00	ASOP			
09-Jun-17	Mr. K Arun kumar	10,000	10	10	1,00,000.00	ASOP			
30-Jun-	NHPEA	35,65,052	10	319.	1,13,94,	Private	1,42,6	14.27	110.



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Date of Allotment	Name of Investor	No of Equity Shares	Face Value (in Rs.)	Issue Price (in Rs.)	Consideration	Nature of Allotment	Cumulative Paid Up Capital		
							No of Equity Shares	Equity Share Capital (Rs. in Cr.)	Equity Share Premium (Rs. in Cr.)
16	Chocolate Holding B.V.			63	97,571.00	Placement	5,052		38
30-Nov-15	Mr. D Lakshmipathy	1,50,000	10	130	1,95,00,000.00	Private Placement	1,07,00,000	10.70	1.80
29-Sep-15	Mr. D Lakshmipathy	3,50,000	10	130	4,55,00,000.00	Private Placement	1,05,50,000	10.55	4.20
03-Feb-15	Matrix Partners India Investment Holdings II LLC	12,00,000	10	130	15,60,00,000.00	Private Placement	1,02,00,000	10.20	14.40
21-Feb-14	Matrix Partners India Investment Holdings II LLC	20,00,000	10	85	17,00,00,000.00	Private Placement	90,00,000	9.00	15.00

iv. Details of any Acquisition or Amalgamation in the last 1 year. - NA

v. Details of any Reorganization or Reconstruction in the last 1 year – NA

#### H. DETAILS OF THE SHAREHOLDING OF THE COMPANY AS ON THE LATEST QUARTER END:-

i. Shareholding pattern of the Company as on March 31, 2019:-

Sl.	Name of shareholder	Total no of equity shares	Percentage (%) of holding	Number of shares held in demat form
1	<b>Promoter Group</b>			
	D. Lakshmipathy	22,87,551	9.57%	22,87,551
	L. Hema	20,83,060	8.72%	20,83,060
	R. Deenadayalan	1,63,200	0.68%	1,63,200
	D. Varalakshmi	44,770	0.19%	44,770
	L. Sritha	20,000	0.08%	0



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Sl.	Name of shareholder	Total no of equity shares	Percentage (%) of holding	Number of shares held in demat form
2	<b>Other Shareholders</b>	17,44,010	7.30%	7,30,940
3	<b>Foreign Investors</b>			
	Matrix Partners India Investment Holdings II, LLC	41,00,999	17.16%	41,00,999
	Matrix Partners India Investments II Extension, LLC	68,897	0.29%	68,897
	NHPEA Chocolate Holding B.V (Morgan Stanley)	51,35,862	21.49%	51,35,862
	Norwest Venture Partners X - Mauritius	25,69,650	10.75%	0
	SCI Investments V	25,69,650	10.75%	20,01,779
	TPG Asia VII SF Pte. Ltd.	31,11,933	13.02%	30,000
	<b>TOTAL</b>	<b>2,38,99,582</b>	<b>100.00%</b>	<b>1,66,47,058</b>

Notes:- Shares pledged or encumbered by the promoters (if any) - NIL

ii. List of top 10 holders of equity shares of the Company as on the latest quarter end:-

Sl.	Name of shareholder	Total no of equity shares	Percentage (%) of holding	Number of shares held in demat form
1	NHPEA Chocolate Holding B.V	51,35,862	21.50%	51,35,862
2	Matrix Partners India Investment	41,00,999	17.17%	41,00,999
3	TPG Asia Vii Sf Pte. Ltd.	31,11,933	13.03%	30,000
4	Norwest Venture Partners X-Mauritius	25,69,650	10.76%	0
5	SCI Investments V	25,69,650	10.76%	20,01,779
6	D. Lakshmipathy	22,87,551	9.57%	22,87,551
7	L. Hema	20,83,060	8.72%	20,83,060
8	Atma Ram Builders (P) Ltd.	4,25,510	1.78%	4,25,510
9	Jayachandran. R	1,83,780	0.76%	0
10	Deenathayalan. R	1,63,200	0.68%	1,63,200
	<b>TOTAL</b>	<b>2,26,30,995</b>	<b>94.73</b>	<b>1,62,27,961</b>

iii. FOLLOWING DETAILS REGARDING THE DIRECTORS OF THE COMPANY:

a. Details of the Current Directors of the Company

Sl.	Name of the Directors	Designation	Address	DIN	Director of the company since	Director in other company
1.	Anand Raghavan	Independent	22/1, Warren Road, Mylapore Chennai -	00243485	28/07/2016	<ul style="list-style-type: none"> <li>Mmtc Limited</li> <li>Sterling Holiday Resorts Limited</li> </ul>

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Sl.	Name of the Directors	Designation	Address	DIN	Director of the company since	Director in other company
		Director	600004			<ul style="list-style-type: none"> <li>• Ess Kay Fincorp Limited</li> <li>• Five-Star Housing Finance Private Limited</li> <li>• Chennai International Centre</li> <li>• Nani Palkhivala Arbitration Centre</li> </ul>
2.	Balaram Haribabu	Independent Director	Old No. 39, New No. 28, Gajapathy Street Shenoy Nagar Chennai -600030	01509249	16/09/1996	<ul style="list-style-type: none"> <li>• Five-Star Housing Finance Private Limited</li> </ul>
3.	Lankupalli Raviprasad Raghavan	Non Executive Director	E34, New No. 40, 2nd Main Road Anna Nagar East Chennai - 600102	01522796	21/06/2002	<ul style="list-style-type: none"> <li>• Vasumathi Properties Private Limited</li> </ul>
4.	Deenadayalan Lakshmiopathy	Chairman & Managing Director	No. 39, Outer Circular Road, Kilpauk Garden Colony, Kilpauk Chennai - 600010	01723269	21/06/2002	<ul style="list-style-type: none"> <li>• Five-Star Housing Finance Private Limited</li> </ul>
5.	Bhama Krishnamurthy	Independent Director	401, Fourth Floor, Avarsekars Srushti, Old Prabhadevi Road, Prabhadevi, Mumbai 400025	02196839	12/04/2016	<ul style="list-style-type: none"> <li>• Reliance Industrial Infrastructure Limited</li> <li>• Paisalo Digital Limited</li> <li>• Muthoot Microfin Limited</li> <li>• The Catholic Syrian Bank Ltd</li> <li>• Jain Sons Finlease Limited</li> <li>• Reliance Payment Solutions Limited</li> <li>• Tab Capital Limited</li> <li>• Kogta Financial (India) Ltd</li> <li>• India Sme Asset Reconstruction Company Limited</li> </ul>
6.	Ling Wei Ong	Nominee Director	Flat B 33/F One Pacific Heights I Wo Fung St Hongkong 00000 Hk	02405458	30/06/2016	<ul style="list-style-type: none"> <li>• ZCL Chemicals Limited</li> </ul>
7.	Ravi	Nom	Villa Gw09, 77	02604007	18/08/2017	<ul style="list-style-type: none"> <li>• Prataap Snacks Limited</li> </ul>





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Sl.	Name of the Directors	Designation	Address	DIN	Director of the company since	Director in other company
	Shankar Venkataraman Ganapathy Agraharam	Independent Director	East, 77 Town Centre Yemlur Main Road, Marathahalli Colony Bangalore Karnataka India 5600 Bangalore 560037 Ka In			<ul style="list-style-type: none"> <li>• Pure N Sure Food Bites Private Limited</li> <li>• Go Fashion (India) Private Limited</li> <li>• Indigo Paints Private Limited</li> <li>• Faces Cosmetics India Private Limited</li> <li>• Wildcraft India Private Limited</li> <li>• Manappuram Finance Tamil Nadu Limited</li> <li>• India Shelter Finance Corporation Limited</li> <li>• Suburban Diagnostics (India) Private limited</li> <li>• Indigo Paints Private Limited</li> <li>• Capfloat Financial Services Private limited</li> <li>• Finova Capital Private Limited</li> <li>• Homevista Decor And Furnishings Private limited</li> <li>• K12 Techno Services Private Limited</li> <li>• Think &amp; Learn Private Limited</li> <li>• Kids Clinic India Private Limited</li> <li>• Glocal Healthcare Systems Private limited</li> <li>• Rebel Foods Private Limited</li> <li>• Sequoia Capital India Advisors Private limited</li> <li>• Sequoia Capital India L</li> </ul>
8.	Ramanathan Annamalai	Independent Director	Plot No. 28, 18th Street, Tansi Nagar, Velachery Chennai 600042 TN IN	02645247	26/02/2016	<ul style="list-style-type: none"> <li>• Gilada Finance And Investments Limited</li> <li>• Mangal Credit And Fincorp Limited</li> <li>• Village Financial Services Limited</li> <li>• United Overseas Facilities Management Private Limited</li> <li>• Samasta Microfinance Limited</li> <li>• South India Finvest Private Limited</li> <li>• Unnati Microfin Private Limited</li> </ul>



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Sl.	Name of the Directors	Designation	Address	DIN	Director of the company since	Director in other company
						<ul style="list-style-type: none"> <li>Asirvad Micro finance Limited</li> <li>Five-Star housing Finance private limited</li> <li>Hindusthan microfinance private limited</li> </ul>
9.	Gaurav Trehan	Nominee Director	101-A, Embassy Apartments 46 Napeansea Road, Mumbai Mumbai 400026 Mh In	03467781	03/08/2018	<ul style="list-style-type: none"> <li>Ess Kay Fincorp Limited</li> <li>Shriram General Insurance Company Limited</li> <li>Shriram Life Insurance Company Limited</li> <li>Jana Capital Limited</li> <li>Manipal Health Enterprises Private Limited</li> </ul>
10.	Vikram Vaidyanathan	Nominee Director	Gw 45, Divyasree 77 , East Yemalur Main Road Yemalur , Bangaluru Bangaluru 560037 Ka In	06764019	21/08/2015	<ul style="list-style-type: none"> <li>Sarvaloka Services-On-Call Private Limited</li> <li>Ver Se Innovation Private Limited</li> <li>Mswipe Technologies Private Limited</li> <li>OFB Tech Private Limited</li> </ul>
11.	Arjun Saigal	Alternate director to Mr. Ling Wei Ong	House No - 536, Lane W-8-C/12, Western Avenue, Sainik Farms , Deoli, So Uth Delhi Delhi 110062 Dl In	07556188	26/09/2016	<ul style="list-style-type: none"> <li>Southern Health Foods Private Limited</li> <li>Sahajanand Medical Technologies Private Limited</li> <li>Kogta Financial (India) Ltd</li> </ul>
12.	Thirulokchand Vasam	Non Executive Director	1/143/1c, Thilak Street, Paneer Nagar, Mogappair East Tiruvallur 600037 Tn In	07679930	15/12/2016	

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

**b. Details of change in directors since last three years:-**

Name	Designation	DIN	Date of Appointment/ Resignation	Director of the Company since (in case of resignation)



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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	-

c. **Brief particulars of the management of the Company:**

**Board of Directors:**

Sl.	Name & Designation	Experience
1.	<b>D Lakshmi</b> <i>Chairman &amp; Managing Director</i>	<ul style="list-style-type: none"> <li>Mr. Lakshmi 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.</li> <li>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.</li> <li>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.</li> <li>He is responsible for the wider presence of the company in a short span of 8 years from 6 branches to more than 160 currently, which has helped the company to make its presence felt in Tamil Nadu, Andhra Pradesh, Telengana and Karnataka.</li> </ul>
2.	<b>A Ramanathan</b> <i>Independent Director</i>	<ul style="list-style-type: none"> <li>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</li> </ul>



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Sl.	Name & Designation	Experience
		has more than 35 years of rich experience in the banking industry.
3.	<b>Bhama Krishnamurthy</b> <i>Independent Director</i>	<ul style="list-style-type: none"> <li>She was Country Head and Chief General Manager of SIDBI. She has closely dealt with Multilateral and Bilateral Agencies in close co-ordination with the Government of India. Her areas of specialization include, inter-alia, handling of Human Resources Development Division covering recruitment, training and promotion aspects. She was also associated with drafting of CSR Policy guidelines for the Bank.</li> </ul>
4.	<b>R Anand</b> <i>Independent Director</i>	<ul style="list-style-type: none"> <li>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 MMTC Limited.</li> </ul>
5.	<b>Vikram Vaidyanathan</b> <i>Nominee Director - Matrix Partners</i>	<ul style="list-style-type: none"> <li>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.</li> </ul>
6.	<b>B Haribabu</b> <i>Independent Director</i>	<ul style="list-style-type: none"> <li>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.</li> </ul>
7.	<b>L R Raviprasad</b> <i>Non-Executive Director</i>	<ul style="list-style-type: none"> <li>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.</li> </ul>
8.	<b>Ling Wei Ong</b> <i>Nominee Director - Morgan Stanley</i>	<ul style="list-style-type: none"> <li>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).</li> </ul>
9.	<b>Arjun Saigal</b> <i>Alternate Director - Morgan Stanley</i>	<ul style="list-style-type: none"> <li>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.</li> </ul>
10.	<b>V Thirulokchand</b> <i>Non-Executive Director</i>	<ul style="list-style-type: none"> <li>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.</li> </ul>



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Sl.	Name & Designation	Experience
11.	<b>Ganapathyagraharam Venkataraman Ravishankar</b> <i>Nominee Director - Sequoia Capital</i>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>
12.	<b>Gaurav Trehan</b> <i>Nominee Director - TPG Group</i>	<ul style="list-style-type: none"> <li>Gaurav Trehan is a Partner at TPG Capital Asia, based in Mumbai. Since joining TPG in 2004, Gaurav has spent time at TPG's Hong Kong and Mumbai offices and has evaluated and executed private equity transactions in India and Southeast Asia. Prior to joining TPG, he has worked in the Mergers, Acquisitions and Restructurings Department of Morgan Stanley at Menlo Park with a focus on the technology sector. Gaurav received a BS in Mathematics, Applied Science and Economics from UCLA.</li> </ul>

#### Details of Key Managerial Personnel of the Company

Sl.	Name & Designation	Experience
1.	<b>Rangarajan Krishnan</b> <i>Chief Executive Officer</i>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>
2.	<b>Srikanth G</b> <i>Chief Financial Officer</i>	<ul style="list-style-type: none"> <li>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.</li> <li>For over the last 5 years prior to joining Five-Star, he had been managing the</li> </ul>



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Sl.	Name & Designation	Experience
		<p>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> <ul style="list-style-type: none"> <li>• He joined Five-Star in October 2015 as the Chief Financial and Information Officer and heads the finance function.</li> <li>• Srikanth is a commerce graduate and holds an MBA in Finance and General Management from Sri Sathya Sai Institute of Higher Learning (Deemed University) and has been a gold medalist in both the UG and PG courses.</li> </ul>
3.	<b>Vishnuram Jagannathan</b> Head – Operations	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
4.	<b>Parthasarathy S</b> Chief Credit Officer	<ul style="list-style-type: none"> <li>• Parthasarathy is a Chartered Accountant with 14+ years of banking experience. He started his career with ICICI Bank and then moved to Standard Chartered Bank as a Credit Analyst. His last assignment was with DBS Bank (Development Bank of Singapore) as a Vice President, where he worked close to 9 years in the Risk Analytical Unit of Large Corporates managing the portfolio of clients based in Tamilnadu and Kerala.</li> </ul>
5.	<b>Parthasarathi Asuri</b> Head – Risk & Compliance	<ul style="list-style-type: none"> <li>• Sarathi has multiple qualifications to his credit viz., M.Com, ACA, ACMA, ACS, CAIIB. He has diversified professional work experience of over 16 years, including a decade long stint in the Banking Industry, followed by his experience in the fields of Finance, Accounts, Taxation and Secretarial Functions. His last employment was with FL Smidth Private Limited. At Five Star, he oversees the Risk and Compliance (including Secretarial compliances) and Internal Audit functions.</li> </ul>
6.	<b>Sathya Ganesh T</b> Head - Business & Collections	<ul style="list-style-type: none"> <li>• Sathya comes with 18+ years of experience with Banks &amp; NBFCs and had worked with various organisations including ICICI Bank, Cholamandalam and Equitas. Prior to joining Five Star, Sathya headed Shriram Housing in Tamilnadu. At Five Star, Sathya heads the Business and Collections vertical of Tamilnadu, Andhra Pradesh and Telangana. He is a Post Graduate in Commerce from Madras University and holds an MBA in Banking &amp; Finance from Symbiosis, Pune.</li> </ul>
7.	<b>Vishnu Prasad C</b> Head – Technology	<ul style="list-style-type: none"> <li>• Vishnu is a Software Professional with 12 years of experience in Program Management and Product Development. He began his career with Polaris Financial Technologies, moved to HCL Technologies subsequent to which he had worked with Microsoft in the US for a period of about 9 years. Prior to joining Five Star, he was with SKS Microfinance working on architecting and designing online technology solutions for their products.</li> </ul>
8.	<b>Mahesh Gourishetty</b> Head – Human Resources	<ul style="list-style-type: none"> <li>• Mahesh has over 15 years of experience in various organizations in the field of HR and in leading the entire lifecycle of human capital management. In his last assignment he was the HR Business Partner at Sterlite Power. Prior to that he has worked in organizations such as Infosys and L&amp;T in their HR teams.</li> </ul>
9.	<b>Prashanth S</b>	<ul style="list-style-type: none"> <li>• Prashanth is an MBA with more than 16 years' cross-functional experience</li> </ul>



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Sl.	Name & Designation	Experience
	<i>Head – Treasury</i>	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.
10.	<b>Seshathri S M</b> <i>Head - Credit</i>	<ul style="list-style-type: none"> <li>Seshadri has more than two decades experience in Business development, understanding customer requirements and offering tailor made products. He has led the company in the areas of Credit Management, operations, Risk Management, Fraud control, property valuation. His experience and interest on Small Business Loans has helped the company to get a stronghold in MSME segment. He has started his career with Five-Star. Seshadri is a Post graduate in Commerce from Madras University. He also holds B.L. Degree from Yogi Vemanna University.</li> </ul>
11.	<b>K Arun Kumar</b> <i>Head - Finance and Accounts</i>	<ul style="list-style-type: none"> <li>Arun has more than 2 decades of experience in the areas of treasury operations, finance and accounting. He possesses a demonstrated record of success in strategic planning and execution, business finance and monitoring, financial risk management, audit and control. He has started his career with Five-Star. Arun is a Post Graduate in Commerce from Annamalai University. He also holds Post Graduate Diploma in Computer Applications.</li> </ul>
12.	<b>Venkatesh B</b> <i>Head – Financial Reporting</i>	<ul style="list-style-type: none"> <li>Venkatesh is a qualified Chartered Accountant &amp; Company Secretary with industry experience of about a decade having previously worked with PWC and Equitas Small Finance Bank. He has worked across audit, accounts, finance, fund-raise, treasury, diligence and related areas.</li> </ul>
13.	<b>Veerappan R M</b> <i>Head – Credit</i>	<ul style="list-style-type: none"> <li>He is a graduate and a professional banker since 1977. He has held various positions in Canara Bank and Can Fin Homes Ltd. He was associated with formulation of policies relating to housing sector, and was also a member of various committees like Risk Management, Liability Management, etc.</li> </ul>
14.	<b>Shylasree Padmanabhan</b> <i>Head - Admin</i>	<ul style="list-style-type: none"> <li>Shylashree has over 20 years of experience in human resources, secretarial and office administration. She had worked with Sutherland Global Services and Asirvad Microfinance before moving to Five-Star.</li> </ul>

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

Rs in Lakhs

Particulars	2015-2016	2016-2017	2017-2018
Sitting fee	2.50	3.80	7.30
Commission to directors	4.50	10.50	15.75
Salary and Commission to MD	60.21	173.22	225.22

**VIII. FOLLOWING DETAILS REGARDING THE AUDITORS OF THE COMPANY:-**

i. Details of the auditor of the Company:-

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



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ii. Details of change in auditor since last three years:

Name	Address	Date of Appointment / Resignation	Auditor of the Company since (in case of resignation)	Remarks
M/s Brahmayya & Co.	No.48, Masilamani Road, Balaji Nagar, Royapettah, Chennai - 600 014.	September 22, 2018	August 20, 2014	NIL
M/s B S R & Co. LLP	KRM Tower, 1st and 2nd Floor, No. 1, Harrington Road, Chetpet, Chennai - 600031	September 22, 2018	-	NIL

iii. Auditors Qualifications:

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

For the year 2013-14

Auditors' reservations or qualifications or adverse remarks: - NIL

For the year 2014-15

Auditors' reservations or qualifications or adverse remarks: - NIL

For the year 2015-16

Auditors' reservations or qualifications or adverse remarks: - NIL

For the year 2016-17

Auditors' reservations or qualifications or adverse remarks: - NIL

For the year 2017-18

Auditors' reservations or qualifications or adverse remarks: - NIL





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## IX. DETAILS REGARDING THE EXTERNAL INTERNAL AUDITORS OF THE COMPANY:-

Details of the external internal auditor of the Company:-

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

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

i. Details of Secured Loan Facilities as on December 31, 2018:-

(Rs. in Lakhs)

Lenders Name	Type of Facility	Amount Sanctioned	Principal Amt O/s	Repayment Date / Schedule	Primary Security
RBL Bank Ltd- Term Loan-3	Term Loan	1,500.00	272.73	June-2019	Exclusive Charge on the receivables of the Company
RBL Bank Ltd- Term Loan-4	Term Loan	5,000.00	1,588.24	June-2020	Exclusive Charge on the receivables of the Company
RBL Bank Ltd- Term Loan-5	Term Loan		1,529.41	Feb-2021	Exclusive Charge on the receivables of the Company
RBL Bank Ltd- Term Loan-6	Term Loan	5,000.00	4,500.00	Dec-2021	Exclusive Charge on the receivables of the Company
Karnataka Bank-Term Loan-1	Term Loan	500.00	266.54	Feb-2021	Exclusive Charge on the receivables of the Company
South Indian Bank-Term Loan-1	Term Loan	500.00	264.73	March-2021	Exclusive Charge on the receivables of the Company
South Indian Bank-Term Loan-2	Term Loan	500.00	388.89	March-2022	Exclusive Charge on the receivables of the Company
Hdfc Bank - Car Loan	Term Loan	53.00	23.28	Nov-2020	Exclusive Charge on the receivables of the Company
Hdfc Bank- Term Loan-2	Term Loan	1,000.00	484.96	May-2020	Exclusive Charge on the receivables of the Company
Federal Bank - Term Loan-2	Term Loan	1,000.00	562.50	March-2021	Exclusive Charge on the receivables



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Lenders Name	Type of Facility	Amount Sanctioned	Principal Amt O/s	Repayment Date / Schedule	Primary Security
					of the Company
Federal Bank - Term Loan-3	Term Loan	1,000.00	800.72	March-2022	Exclusive Charge on the receivables of the Company
State Bank Of India -Term Loan-1	Term Loan	4,000.00	2,592.10	Jan-2022	Exclusive Charge on the receivables of the Company
SBM Bank (Mauritius) Ltd - Term Loan 1	Term Loan	500.00	250.00	June-2020	Exclusive Charge on the receivables of the Company
Au Small Finance-Term Loan-1	Term Loan	2,000.00	1,125.00	March-2021	Exclusive Charge on the receivables of the Company
Equitas Small Finance Bank - Term Loan 1	Term Loan	2,500.00	1,967.38	April-2021	Exclusive Charge on the receivables of the Company
Kotak Mahindra Bank Ltd - Term Loan 1	Term Loan	2,000.00	1,500.00	Feb-2021	Exclusive Charge on the receivables of the Company
Yes Bank - Term Loan 1	Term Loan	2,500.00	1,944.44	April-2021	Exclusive Charge on the receivables of the Company
Equitas Small Finance Bank TL2	Term Loan	2,500.00	2,500.00	Jan-2022	Exclusive Charge on the receivables of the Company
Sundaram Finance-Term Loan-3	Term Loan	500.00	210.72	Sep-2020	Exclusive Charge on the receivables of the Company
Sundaram Finance-Term Loan-4	Term Loan	1,500.00	1,064.87	March-2022	Exclusive Charge on the receivables of the Company
Nabkisan Finance Limited-Term Loan-1	Term Loan	1,300.00	730.70	Jan-2021	Exclusive Charge on the receivables of the Company
Bajaj Finance - Term Loan 1	Term Loan	2,000.00	1,800.00	Feb-2021	Exclusive Charge on the receivables of the Company
Hinduja Leyland Finance TL3	Term Loan	2,000.00	2,000.00	Dec-2022	Exclusive Charge on the receivables of the Company
<b>TOTAL</b>			<b>28,367.22</b>		

b. Details of Unsecured Loan Facilities as on December 31, 2018:-

Lender's Name	Type of Facility	Amount Sanctioned	Principal Amount O/s	Repayment Date/Schedule
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(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Loan from Directors & Others	Unsecured Loan	-	70.98	May-2019
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c. Details of Non-convertible debentures as of December 31, 2018

(Rs in Lakhs)

Debenture Series	Tenor/ Period of Maturity	Coupon (Rate of Interest)	Amount	Date of allotment	Redemption Date/ Schedule	Credit Rating	Secured / Unsecured	Primary Security
INE128S07010	60 months	13.60%	3000	17-12-2015	06-12-2020	CRISIL BBB+	Secured	Exclusive Charge on the receivables of the Company
INE128S07275	48 months	11.50%	4500	28-12-2016	28-12-2020	CARE A	Secured	Exclusive Charge on the receivables of the Company
INE128S07259	48 months	11.50%	3000	28-12-2016	28-12-2020	CARE A	Secured	Exclusive Charge on the receivables of the Company
INE128S07069, INE128S07077, INE128S07085, INE128S07093, INE128S07101, INE128S07119, INE128S07127, INE128S07135 & INE128S07143	48 months	11.45%	2500	07-02-2017	07-02-2021	CARE A	Secured	Exclusive Charge on the receivables of the Company
INE128S07168, INE128S07176, INE128S07184, INE128S07192, INE128S07200, INE128S07218, INE128S07226, INE128S07234 & INE128S07242	48 months	11.45%	1500	15-03-2017	15-03-2021	CARE A	Secured	Exclusive Charge on the receivables of the Company
INE128S07267	48 months	11.25%	2400	28-02-2017	26-02-2021	ICRA A	Secured	Exclusive Charge on the receivables of the Company
INE128S07309	72	11.50%	2500	12-04-2017	30-03-2023	ICRA A	Secured	Exclusive

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Debenture Series	Tenor/ Period of Maturity	Coupon (Rate of Interest)	Amount	Date of allotment	Redemption Date/ Schedule	Credit Rating	Secured / Unsecured	Primary Security
	months							Charge on the receivables of the Company
INE128S07317	60 months	10.21%	500	28-03-2018	28-03-2023	CARE A	Secured	Exclusive Charge on the receivables of the Company
INE128S07325	60 months	10.21%	6500	27-04-2018	28-03-2023	CARE A	Secured	Exclusive Charge on the receivables of the Company
INE128S07333	60 months	10.21%	6500	28-05-2018	28-03-2023	CARE A	Secured	Exclusive Charge on the receivables of the Company
INE128S07341	60 months	10.21%	6500	28-06-2018	28-03-2023	CARE A	Secured	Exclusive Charge on the receivables of the Company

d. List of Top 10 Debenture Holders as on December 31, 2018: -

Sl.	Name of the Transaction	(Rs in Lakhs) Amount (o/s)
1	FRANKLIN INDIA CREDIT RISK FUND	6500
2	FRANKLIN INDIA CREDIT RISK FUND	6500
3	A. K CAPITAL FINANCE PVT. LTD.	2500
4	NEDERLANDSE FINANCIERINGS-MAATSCHAPPIJ VOOR ONTWIKKELINGSLANDEN N.V. (FMO)	3000
5	A K CAPITAL FINANCE PVT LTD	1500
6	HINDUJA LEYLAND FINANCE LIMITED	3000
7	FRANKLIN INDIA CREDIT RISK FUND	2600
8	IFMR FIMPACT LONG TERM MULTI ASSET CLASS FUND	2510
9	AU SMALL FINANCE BANK LIMITED	2400
10	FRANKLIN INDIA SHORT TERM INCOME PLAN	2400

- e. The amount of corporate guarantee issued by the Issuer along with name of the counterparty (like name of the subsidiary, JV entity, group company, etc) on behalf of whom it has been issued. - NIL
- f. Details of Commercial Paper:- The total Face Value of Commercial Papers Outstanding as on the latest quarter end to be provided and its breakup in following table:- NIL
- g. Details of Rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on December 31, 2018 – NIL



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- 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

## XI. DETAILS OF PROMOTERS OF THE COMPANY:-

- i. Details of Promoter Holding in the Company as on the latest quarter end:-

Sr No	Name of the shareholders	Total No of Equity shares	No .of shares in Demat form	Total shareholding as % of total no of equity shares	No of shares Pledged	% of shares pledged with respect to shares owned
1	D. Lakshmipathy	22,87,351	22,87,351	9.57%	Nil	Nil
2	L. Hema	20,83,060	20,83,060	8.72%	Nil	Nil
3	R. Deenadayalan	1,63,200	1,63,200	0.68%	Nil	Nil
4	D. Varalakshmi	44,770	44,770	0.19%	Nil	Nil
5	L. Sritha	20,000	0	0.08%	Nil	Nil

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

Profit and Loss Statement (INR)	31.03.2016	31.03.2017	31.03.2018
	Audited	Audited	Audited
Interest Income	46,28,18,141	83,07,68,598	1,88,54,36,000
Less: Interest Expenses	14,07,28,963	23,73,24,652	55,54,58,000
Net Interest Income	<b>32,20,89,178</b>	<b>59,34,43,946</b>	<b>1,32,99,78,000</b>
Other Income	1,02,62,272	2,83,20,561	15,61,70,000
Total Income	<b>33,23,51,450</b>	<b>62,17,64,507</b>	<b>1,48,61,48,000</b>
Operating Expenses	11,67,74,045	27,67,32,146	57,80,68,000
Provisions & Write Offs	72,76,578	2,79,53,775	9,18,55,000
Operating Profit	<b>20,83,00,827</b>	<b>31,70,78,586</b>	<b>81,62,25,000</b>
Depreciation	51,13,527	92,30,453	2,59,31,000
Profit Before Tax	<b>20,31,87,300</b>	<b>30,78,48,133</b>	<b>79,02,94,000</b>
Provisions for tax	6,90,38,520	11,40,99,682	22,84,81,000
<b>Profit After Tax</b>	<b>13,41,48,780</b>	<b>19,37,48,451</b>	<b>56,18,13,000</b>

Balance Sheet (INR)	31.03.2016	31.03.2017	31.03.2018
Equity capital	10,70,00,000	14,26,50,520	19,16,88,540
Reserve & Surplus	80,46,64,224	2,10,22,59,726	5,80,77,76,000
<b>TNW ( A )</b>	<b>91,16,64,224</b>	<b>2,24,49,10,246</b>	<b>5,99,94,65,000</b>
Total Debt	80,91,91,747	3,41,29,19,093	5,30,70,39,000
Current Liabilities+ Provisions	52,73,98,946	1,24,48,93,178	22,27,66,000
<b>Total Outside Liabilities ( B )</b>	<b>1,33,65,90,693</b>	<b>4,65,78,12,271</b>	<b>5,52,98,05,000</b>

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

<b>Total Liabilities (A + B )</b>	<b>2,24,82,54,917</b>	<b>6,90,27,22,517</b>	<b>11,52,92,70,000</b>
Fixed assets (Net)	1,84,30,760	4,46,38,056	4,68,37,000
Investments	4,00,00,000	0	15,
Gross Advances	1,98,12,53,628	4,83,41,53,067	9,84,76,61,000
Cash / Liquid Investments	3,06,57,625	1,80,96,71,195	1,26,51,08,000
Non-Current assets	97,54,578	16,78,95,366	23,04,000
Other current assets	15,67,95,529	25,08,860	16,28,48,000
Deferred Tax Assets	1,00,87,770	2,44,47,474	3,64,03,000
Intangible Assets	6,57,127	1,94,08,499	1,81,09,000
Other Long Term Assets	6,17,900	0	-
<b>Total Assets</b>	<b>2,24,82,54,917</b>	<b>6,90,27,22,517</b>	<b>11,52,92,70,000</b>
<b>Cash Flow Statement (INR)</b>	<b>31.03.2016</b>	<b>31.03.2017</b>	<b>31.03.2018</b>
<b>A) Cash Flow From Operating Activities</b>			
<b>Net Profit</b>	<b>13,41,48,780</b>	<b>19,37,48,451</b>	<b>56,18,13,000</b>
Provision for Taxation	6,90,38,520	11,40,99,682	22,84,81,000
Total	20,31,87,300	30,78,48,133	79,02,94,000
Add: Financial Expenses	14,07,28,963	23,73,24,652	55,54,58,000
Depreciation	51,13,527	92,30,453	2,59,31,000
Provision against Non - Performing assets	14,85,008	1,39,67,084	2,86,52,000
General Provision on Standard Assets	16,35,373	1,39,86,691	2,94,36,000
Provision for Gratuity	13,54,604	19,92,658	3,22,05,000
(Profit)/loss on sale of Fixed Assets	0	-2,41,767	8,42,000
Interest/Dividend Income	-	-	(14,72,80,000)
<b>Operating Profit Before Working Capital Changes</b>	<b>35,35,04,775</b>	<b>58,41,07,904</b>	<b>1,31,55,38,000</b>
Add:			
(Increase) Decrease in Loans and Advances	(66,61,08,504)	(2,85,28,99,439)	(5,00,97,58,000)
(Increase) Decrease in Other Receivables	93,37,758	(50,90,736)	(2,72,82,000)
(Increase) Decrease in Other Current Assets	32,78,499	(22,44,162)	(11,61,15,000)
(Increase) Decrease in Other Non Current Assets	(3,03,436)	6,17,900	(1,17,000)
Increase (Decrease) in Current Liabilities	1,84,968	82,94,968	2,42,30,000
Increase (Decrease) in Other Current Liabilities	(61,437)	2,08,49,571	1,18,92,000
Financial Expenses	(13,36,92,818)	(21,80,21,416)	(54,95,84,000)
Direct Taxes Paid	(7,35,24,496)	(11,73,43,534)	(25,74,48,000)
<b>Net Cash from Operating Activities (A)</b>	<b>(50,73,84,691)</b>	<b>(2,58,17,28,944)</b>	<b>(4,60,86,44,000)</b>
<b>B) Cash Flow From Investing Activities</b>			
Purchase of Fixed Assets	(1,64,26,838)	5,46,51,357	(2,77,22,000)
Sale of Fixed Assets	0	7,04,000	4,05,000

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Investments in Fixed Deposit	37,50,000	80,424	7,97,59,000
Sale of Investments	(18,84,80,615)	4,00,00,000	6,75,21,000
<b>Net Cash from Investing Activities (B)</b>	<b>(20,11,57,453)</b>	<b>(1,38,66,933)</b>	<b>11,99,63,000</b>
<b>C) Cash Flow From Financing Activities</b>			
<b>Long Term &amp; Medium Term</b>			
Increase in Share Capital	50,00,000	3,56,50,520	
Increase in Share Premium	6,00,00,000	1,10,38,47,051	3,16,05,37,000
Proceeds from Issue of Debentures	30,00,00,000	1,37,27,25,000	-
Debentures Redeemed	(6,49,70,000)	-	-
Increase (Decrease) in Term Loans from Banks & Others	19,44,95,495	1,19,45,87,163	75,97,25,000
Increase (Decrease) in Loan from Directors	(48,11,000)	-1,38,93,000	
Increase (Decrease) in Other Borrowings	(6,71,23,218)	22,66,24,544	2,91,92,000
<b>Short Term</b>			
Increase (Decrease) in Bank Borrowings	5,30,70,599	45,16,67,814	-
Dividend paid (Including Corporate Dividend Tax)	(1,98,97,189)	-	-
<b>Net Cash from Financing Activities (C)</b>	<b>45,57,64,687</b>	<b>4,37,12,09,092</b>	<b>3,94,94,54,000</b>
<b>Net Increase in Cash and Cash Equivalents (A) + (B) + (C)</b>	<b>(25,27,77,457)</b>	<b>1,77,56,13,215</b>	<b>(53,92,27,000)</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>27,74,35,082</b>	<b>2,46,57,625</b>	<b>1,80,43,33,000</b>
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>2,46,57,625</b>	<b>1,80,02,70,840</b>	<b>1,26,51,06,000</b>
<b>Components of Cash and Cash Equivalents at the end of the Year</b>			
Cash on Hand	31,08,914	1,01,85,935	1,66,72,000
Cash with Scheduled Banks	2,15,48,711	1,79,00,84,905	1,24,84,36,000
<b>Cash and Cash Equivalents</b>	<b>2,46,57,625</b>	<b>1,80,02,70,840</b>	<b>1,26,51,08,000</b>

**Abridged version of Latest Audited / Limited Review Half Yearly Consolidated (wherever available) and Standalone Financial Information (like Profit & Loss statement, and Balance Sheet) and auditors qualifications, if any\*.**

PARTICULARS	As at 30 Sep 2018
<b>EQUITY AND LIABILITIES</b>	
<b>Shareholders' funds</b>	
Share capital	2,386.42
Reserves and surplus	123,999.26
	126,385.68
<b>Non-current liabilities Long term</b>	
term borrowings Other Long term	52,569.07
Liabilities Long term	47.09
	312.25



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provisions	52,928.41
<b>Current liabilities</b>	<b>44.35</b>
Short term borrowings	146.57
Trade payables	13,347.43
Other current liabilities	218.21
Short term provisions	13,756.57
	193,070.66
<b>TOTAL</b>	
<b>ASSETS</b>	
<b>Non- current assets</b>	
Fixed assets	787.21
-Tangible assets	173.98
-Intangible assets	-
-Capital work in progress	-
-Software under development	3.56
-Investment property	1,500.00
Non-current investments	1,010.20
Deferred tax assets (net)	118,830.83
Long term receivables under financing activity	301.14
Long term loans and advances	77.42
Other non current assets	122,684.35
<b>Current assets</b>	<b>2,467.39</b>
Current Investments	40,902.30
Cash and Bank Balances	26,326.03
Short term receivables under financing activity	183.86
Short term loans and advances	506.74
Other current assets	70,386.31
	193,070.66
<b>TOTAL</b>	

**PARTICULARS**

For the Period ended  
30 Sep 2018

<b>REVENUE</b>	
Revenue from Operations	15,948.72
Other income	979.61
<b>Total revenue</b>	<b>16,928.33</b>
<b>EXPENSES</b>	
Finance costs	3,656.56
Employee benefit expenses	3,601.19
Other expenses	1,145.90
Provision, loan loss and other charges	431.20
Depreciation	168.36
<b>Total Expenses</b>	<b>9,003.21</b>
<b>Profit Before Tax</b>	<b>7,925.11</b>
<b>Tax expenses</b>	
Current tax expenses	2,701.51
Deferr ed tax	-393.72
	2,307.79





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	5,617.32
Profit for the Period	
	-19.43
Other comprehensive income (net of tax)	
	5,597.89
Total comprehensive income (after tax)	

\* The Issuer undertakes that it shall provide latest Audited or Limited Review Financials in line with timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular No.SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 as amended from time to time , for furnishing / publishing its half yearly/ annual result. Further, the Issuer shall within 180 days from the end of the financial year, submit a copy of the latest annual report to the debenture trustee and the debenture trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' (QIBs) and other existing debenture-holders within two working days of their specific request.

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

NIL

**XIII. RISK FACTORS**

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

**a. 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.

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b. 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.

c. 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.

d. 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.

e. 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.

f. 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.

g. 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.

h. 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



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

i. **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.

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

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

As at December 31, 2018, the gross NPA was 19.74 crores on a gross portfolio of Rs.1710.06 crores (1.15% of gross portfolio).

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

The Issuer's current loan loss reserves may not be adequate to cover an increase in the amount of NPAs or any future deterioration in the overall credit quality of the Issuer's total loan portfolio. As a result, if the quality of the Issuer's total loan portfolio deteriorates the Issuer may be required to increase the loan loss reserves, which will adversely affect the Issuer's financial condition and results of operations. The Issuer's borrowers are from the middle and lower middle class segments and, as a result, might be vulnerable if economic conditions worsen or growth rates decelerate in India, or if there are natural disasters such as floods and droughts in areas where the Issuer's members live. Moreover, there is no precise method for predicting loan and credit losses, and the Issuer cannot assure that the Issuer's monitoring and risk management procedures will effectively predict such losses or that loan loss reserves will be sufficient to cover actual losses. If the Issuer is unable to control or reduce the level of its NPAs or poor credit quality loans, the Issuer's financial condition and results of the Issuer's operations could be materially and adversely affected.

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



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Due to the nature of its operations, the Issuer is exposed to political, regulatory and concentration risks.

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

The Issuer plans to expand its operations in all the six (6) states in which it has a presence currently and new states across India. The Issuer believes that this strategy is advisable from a financial perspective and that it will provide risk diversification benefits and enable it to achieve its corporate objectives. However, if the Issuer is not effectively able to manage such operations and expansion, it may lose money invested in such expansion, which could adversely affect its business and results of operations.

d. *Competition from other financial institutions may adversely affect the Issuer's profitability*

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

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

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

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

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

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

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

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

The Issuer's future success will depend in large part on its ability to identify, attract and retain highly skilled managerial and other personnel. Competition for individuals with



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such specialized knowledge and experience is high, and the Issuer may be unable to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain its quality and reputation or to sustain or expand its operations. The loss of the services of such personnel or the inability to identify, attract and retain qualified personnel in the future would make it difficult for the Issuer to manage its business and growth and to meet key objectives.

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

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

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

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

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

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

Non-Banking Financial Companies in India are subject to strict regulation and supervision by the RBI. The Issuer requires certain approvals, licenses, registrations and permissions for operating, including registration with the RBI as a NBFC. Further, such approvals, licenses, registrations and permissions must be maintained/renewed over time, applicable requirements may change and may not be aware of or comply with all requirements all of the time. Additionally, the Issuer may need additional approvals from regulators to introduce new insurance and other fee based products to its members. In particular, the Issuer is required to obtain a certificate of registration for carrying on business as a NBFC that is subject to numerous conditions. In addition, branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishment laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. If the Issuer fails to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, business may be adversely affected. If the Issuer fails to comply, or a regulator claims that it has not complied, with any of these conditions, its

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certificate of registration may be suspended or cancelled and the Issuer shall not be able to carry on such activities.

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

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

## **SECTION 2: TRUSTEES**

Catalyst Trusteeship Limited has agreed to act as the trustees for and on behalf of the Debenture holder vide their letter dated March 22, 2019 and have given their consent to the Company for their appointment as the trustee under regulation 4 (4) of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 dated June 6, 2008, as amended from time to time and in all the subsequent periodical communications sent to the holders of debt securities.

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

## **SECTION 3: RATING RATIONALE ADOPTED BY THE RATING AGENCIES**

The Company proposes to issue 3,00,00,000 (Three Crore) Secured, Rated, Senior, Redeemable, Taxable, Transferable, Listed Non-Convertible Debentures of face value of Rs. 10 /- (Rupees Ten Only) each, aggregating up to Rs. 30,00,00,000/- (Rupees Thirty Crores Only) issued on a fully paid basis and on a private placement basis (the "Issue") of the proposed issue of 3,00,00,000 (Three Crore) Secured, Rated, Redeemable, Listed Non-Convertible Debentures of face value of Rs. 10 /- (Rupees Ten Only) each, aggregating up to Rs. 30,00,00,000/- (Rupees Thirty Crores Only) .

Rating: The NCDs are rated 'A/ Stable' by ICRA vide their letter dated March 25, 2019. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

Please note that the rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating obtained is subject to revision at any point of time in the future. The rating agencies have a right to suspend, withdraw the rating at any time on the basis of new information etc.

The rating rationale has been provided in Annexure III.



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#### **SECTION 4: SECURITY**

The Debentures issued by the Company shall be secured by

- (i) a first ranking exclusive charge created by way of hypothecation over the Hypothecated Property in terms of the Security Documents, and
- (ii) a first ranking pari passu charge created over the Company Mortgaged Property in terms of this Deed, in favour of the Trustee (acting for the benefit of the Debenture Holders).

#### **SECTION 5: LISTING**

The Issuer shall list the Debentures at the WDM segment of BSE Limited within 20 (twenty) calendar days from the Deemed Date of Allotment failing which the Company shall be required to redeem or buy back the Debentures issued along with all interest accrued till such redemption or buy back and the Issuer shall also maintain continuous listing till the term of the Debentures. The Issuer shall comply with all the listing requirements including payment of listing fee to ensure continued listing of the Debentures during the tenor of the Debentures.

#### **SECTION 6: DRR**

The Company undertakes that, if required to do so, it would create a Debenture Redemption Reserve (“DRR”) as per the provisions of the Act and the guidelines issued by SEBI, and if during the currency of the Debentures, any guidelines are formulated (or modified or revised) by any government agency having authority under Law in respect of creation of DRR, the Company shall abide by such guidelines and execute all such supplemental letters, agreements and deeds of modifications as may be required by the Trustee. Where applicable, the Company shall submit to the Trustee, within 45 (forty five) days from the end of each Financial Year, a certificate issued by its auditors certifying that the Company has created and maintained the DRR in accordance with the provisions of the Act.

#### **SECTION 7: ISSUE/INSTRUMENT SPECIFIC REGULATIONS – RELEVANT DETAILS**

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

- a) Companies Act, 1956, to the extent applicable;
- b) Companies Act, 2013, to the extent applicable;
- c) Companies (Share Capital and Debentures) Rules, 2014;
- d) Companies (Prospectus and Allotment of Securities) Rules, 2014;
- e) RBI circular on *Raising Money through Private Placement of Non-Convertible Debentures (NCDs) by NBFCs*, dated February 20, 2015
- f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time; and
- g) The Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended from time to time.
- h) Securities and Exchange Board of India (Listing Obligations and Disclosure) Requirements Regulations, 2015, as applicable



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**SECTION 8: DETAILS OF THE ISSUE**

Security Name	11.40% Five Star Business Finance Limited 2024
Issuer	Five-Star Business Finance Limited
Type of Instrument	Non-Convertible Debentures
Nature of Instrument	Secured, Rated, Senior, Redeemable, Taxable, Transferable, Listed Non-Convertible Debentures
Seniority	Senior Secured
Mode of Issue	Private placement
Eligible Investors	As per Clause XXV below
Listing (including name of stock Exchange(s) where it will be listed and timeline for listing)	<p>To be listed on the wholesale debt market segment of the BSE Limited</p> <p>(a) Within 20 calendar days of the relevant Deemed Date of Allotment, the Company shall submit all duly completed documents to the BSE, SEBI, ROC or any other Governmental Authority, as are required under Applicable Law and obtain the listing of the Debentures within 20 (Twenty) calendar days from the Deemed Date of Allotment ("<b>Listing Period</b>").</p> <p>(b) If the Company fails to redeem or buyback the Debentures in accordance with (a) above, then any Debenture Holder that is a foreign portfolio investor, may, at its option, sell the Debentures to a third party. The Company shall (i) indemnify such Debenture Holders for any loss, damage, costs, charges, expenses and liability that the Debenture Holder(s) may incur in relation to such sale to a third party, and (ii) co-operate in such sale by taking all necessary corporate actions, and other actions required by Applicable Law.</p> <p>(c) The Company shall ensure that the Debentures continue to be listed on the wholesale debt market segment of the BSE.</p> <p>(d) The Company shall ensure that the Debentures at all times are rated in accordance with the provisions of the Transaction Documents and that the rating of the Debentures is not downgraded or withdrawn throughout the tenor of the Debentures.</p> <p>In the event there is any delay in listing of the Debentures beyond 20 (twenty) calendar days from the relevant Deemed Date of Allotment, the Company will pay to the Debenture Holders, penal interest of 1% per annum over the Interest Rate, from the expiry of 30 (thirty) calendar days from the Deemed Date of Allotment till the listing of the Debentures is completed.</p>
Rating of the Instrument	A (Stable) by ICRA Limited
Issue Size	Rs 300,000,000/- (Rupees Thirty Crores only)
Number of debentures	3,00,00,000
Option to retain oversubscription (Amount)	N.A.





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Security Name	11.40% Five Star Business Finance Limited 2024
Objects of the Issue	To raise senior secured debt to the extent up to Rs 30,00,00,000/- (Rupees Thirty Crores only)
Details of the utilization of the Proceeds	The proceeds of the Issuance will be utilized for the following purposes: <ul style="list-style-type: none"> <li>• General corporate purposes</li> <li>• for the ordinary course of business of the Issuer including repayment/re-financing of existing debt</li> </ul> No part of the proceeds shall be utilized directly/indirectly towards capital markets (debt and equity), land acquisition or usages that are restricted for bank financing.
Coupon Rate	11.40% Coupon, monthly compounding, payable monthly
Coupon Payment Frequency	Monthly
Coupon payment dates	As mentioned in Annexure VI below
Coupon Type	Fixed Coupon Rate
Day Count Basis	Actual/ Actual
Interest on Application Money	11.40% Coupon, monthly compounding, payable monthly
Default Interest Rate	(a) The Company agrees to pay a default interest rate of 2% (Two per cent) per annum above the applicable Interest Rate on the Outstanding Principal Amounts from the date of the occurrence of a Payment Default or any other Event of Default until such Payment Default or Event of Default is cured. (b) The Company agrees to pay an additional interest rate of 2% (Two per cent) per annum above the applicable Interest Rate on the Outstanding Principal Amounts from the date of the occurrence of any breach of its obligations set out under the Transaction Documents until such breach is cured. (c) If the Company fails to create and perfect security on the Hypothecated Receivables within 60 (Sixty) days from the Deemed Date of Allotment, the Company will either refund the subscription amounts with interest at the Interest Rate, or the Company will pay default interest at the rate of 2% (Two Percent) per annum above the Interest Rate on the Outstanding Principal Amounts until the security is created in accordance with the DTD and the security is perfected in accordance with Applicable Law.
Pre-Payment Penalty	In case of early redemption of the Debentures at the instance of the Issuer, on any date other within 36 months from the deemed date of allotment and not arising due to an Event of Default, the Issuer shall pay a penalty of 2% (Two Percent) on the principal amount prepaid. Prepayment shall be subject to the consent of the Majority Debenture Holders. The Issuer shall give the Debenture Trustee and the Debenture Holders at least 15 (Fifteen) Business Days written notice prior to the date of such meeting where consent of the Debenture Holders shall be sought. For the sake of clarity, any prepayment of the Debentures at the instance of the Issuer after 36 months from the deemed date of allotment will be without any prepayment penalty and subject to a prior written notice of atleast 15 business days to the debenture holders.
Tenor	60 Months from the Deemed Date of Allotment
Redemption Dates	April 11, 2024



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<b>Security Name</b>	<b>11.40% Five Star Business Finance Limited 2024</b>
Redemption Amount	The sum of the principal outstanding on the Debentures, accrued Coupon, Default Interest payable (if any) and other charges and fees payable.
Redemption Premium /Discount	Not Applicable
Issue Price	At par
Discount at which security is issued and the effective yield as a result of such discount.	Not Applicable
Put option Date	Not Applicable
Put option Price	Not Applicable
Call Option Date	Not Applicable
Call Option Price	Not Applicable
Put Notification Time	Not Applicable
Call Notification Time	Not Applicable
Face Value	Rs. 10/- (Rupees Ten Only) per Debenture
Minimum Application and in multiples of 1 Debt securities thereafter	1 Debentures and in multiple of 1 Debentures thereafter.
Issue Timing 1. Issue Opening Date 2. Issue Closing Date 3. Pay-in Date 4. Deemed Date of Allotment	April 11, 2019 April 11, 2019 April 11, 2019 April 11, 2019
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	RTGS
Depository	NSDL/CDSL
Business Day Convention	If any coupon payment date falls on a day that is not a working day, the payment shall be made on the immediately succeeding working day. If the redemption date/exercise date/maturity date (also being the last coupon payment date) of the Debentures falls on a day that is not a working day, the redemption proceeds shall be paid on the immediately preceding working day.
Record Date	3 (Three) Business days prior to each Coupon Payment / Redemption date.
Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security).	The Debentures shall be secured (i) by a parri passu charge over an immovable property to be created in favour of Debenture Trustee, (ii) by way of a first ranking, exclusive and continuing charge on identified receivables ("Hypothecated Receivables") created pursuant to the Deed of Hypothecation to be executed between the Company and the Debenture Trustee as described below:



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Security Name	11.40% Five Star Business Finance Limited 2024
	<p>(a) to maintain the value of security at all times equal to 1.1 (One decimal point one) time or 110.0% (One Hundred and Ten Percent) the aggregate amount of principal outstanding of the NCDs where at least 1.10 (One decimal point one) time or 110.0% (One Hundred Percent) of the security cover is from principal receivables (“Security Cover”);</p> <p>(b) to create, register and perfect the security over the Hypothecated Assets as contemplated above no later than 60 (Sixty) calendar days after the Deemed Date of Allotment by executing a duly stamped deed of hypothecation (“Deed of Hypothecation”) and filing CHG-9 within the time period applicable;</p> <p>(c) to pay a penal interest of 2.0% (Two Percent) p.a. over the coupon date in case there is any delay in the creation, registration and perfection of the security over the Hypothecated Assets;</p> <p>(d) to provide a list on a monthly basis, of specific loan receivables/identified book debts to the Debenture Trustee over which the charge is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) (“Monthly Hypothecated Asset Report”)</p> <p>(e) to add fresh loan assets to the Security Cover to ensure that the value of the Hypothecated Assets is equal to 1.1 (One decimal point one) time or 110.0% (One Hundred and Ten Percent) the aggregate amount of principal outstanding of the NCDs where at least (One decimal point one) time or 110.0% (One Hundred and Ten Percent) of the security cover is from principal receivables.</p> <p>(f) to replace any Hypothecated Receivables that become non performing (NPA) with standard receivables. Such replacement shall be effected within 30 (Fifteen) Business Days of the receivables becoming non performing.</p> <p>(g) Eligibility Criteria for the Hypothecated Receivables:</p> <ul style="list-style-type: none"><li>i. the receivables are existing at the time of selection and have not been terminated or pre-paid;</li><li>ii. the receivables are “standard” (&lt;=90DPD) at the time of selection</li><li>iii. the receivables have not been restructured or rescheduled</li><li>iv. all “Know Your Customer” norms have been complied with as prescribed by the Reserve Bank of India;</li></ul>



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Security Name	11.40% Five Star Business Finance Limited 2024
Financial Covenants	<p>1. The capital adequacy ratio (as defined in NBFC Regulations) shall be equal to 20% at all points in time.</p> <p>For the purpose of the calculations of the capital adequacy as mentioned above:</p> <ul style="list-style-type: none"> <li>- The first loss credit enhancement provided by the Company on securitization shall be reduced from capital funds and the deduction shall be capped at 15% of the outstanding securitized portfolio.</li> <li>- The first loss credit enhancement provided by the Company on loans originated on behalf of other institutions shall be reduced from capital funds without any ceiling.</li> <li>- The deduction shall be made at 50 per cent from Tier I and 50 per cent from Tier II capital.</li> </ul> <p>It is also clarified that in computing the amount of subordinated debt eligible for inclusion in Tier II capital, the aforementioned subordinated debt shall be subject to discounting as provided in the NBFC Master Circular</p> <p>2. PAR 90 (on the Borrower's entire portfolio, including receivables sold or discounted on a non-recourse basis) in a financial year shall not exceed 3% (Three Percent) of the Borrower's Gross Loan Portfolio;</p> <p>3. PAR 30 (on the Borrower's entire portfolio, including receivables sold or discounted on a non-recourse basis) in a financial year shall not exceed 20% (Twenty Percent) of the Borrower's Gross Loan Portfolio;</p> <p>4. Debt to Equity ratio should not exceed 4.0x, at all times</p> <p>All covenants would be tested on semi-annual basis for the Company, i.e. as on 31st March and 30th Sept every year, starting from 30th September 2019 on consolidated and standalone balance sheet till the redemption of the Debentures.</p> <p>The covenants shall be certified by the Company within 45 (Forty Five) calendar days from the end of each financial half year.</p>
Transaction Documents	<p>Shall mean collectively the Mortgage-cum-Debenture Trust Deed, the Offer Documents, the Debenture Trustee Agreement, the Security Documents, the letters issued by the credit rating agency and the registrar and transfer agent, in principle approval of the Stock Exchange, listing agreement with the Stock Exchange, fee letter, all other letters, arrangements and documents in relation to the issuance of the Debentures and any other document designated as a Transaction Document by the Trustee or the</p>

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Security Name	11.40% Five Star Business Finance Limited 2024
	Debenture Holders.
Conditions Precedent to Disbursement	<p>(a) The Company shall fulfil the following Conditions Precedent the satisfaction of the Debenture Trustee and submit Conditions Precedent documentation where applicable to the Debenture Trustee, prior to the Pay in Date:</p> <p>(b) All corporate approvals from the Board of Directors and shareholders of the Issuer, if applicable, shall have been received for the issuance of the NCDs, and the execution, delivery and performance by the Issuer of the Transaction Documents in accordance with the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other rules prescribed;</p> <p>(c) Execution of the Debenture Trustee Agreement, the Deed of Hypothecation and Debenture Trust Cum Mortgage Deed, in a form and manner satisfactory to the Debenture Trustee shall have taken place;</p> <p>(d) The Issuer shall have submitted to the Debenture Trustee the rating letter and rating rationale;</p> <p>(e) The Issuer shall have submitted to the Debenture Holders / Debenture Trustee, all required documents for the purpose of satisfying its respective KYC requirements;</p> <p>(f) The Issuer shall have submitted to the Debenture Trustee a certified true copy of the constitutional documents of the Company (the Memorandum and Articles of Association and the Certificate of Incorporation)</p>
Condition Subsequent to Disbursement	<p>The Issuer shall ensure that the following documents are executed/activities are completed as per the time frame stipulated in the Debenture Trust Deed</p> <ol style="list-style-type: none"> <li>1. The Issuer shall immediately on receipt of funds, take on all necessary steps to, including making all applicable filings in the Registrar of Companies and obtaining all necessary approvals including filing Form PAS 5 along with the Information Memorandum and Form PAS 3 along with requisite fee within prescribed timelines;</li> <li>2. To create, register and perfect the security over the Hypothecated Assets no later than 60 (Sixty) calendar days from the Deemed Date of Allotment or as applicable under relevant regulation and Law, whichever is earlier;</li> <li>3. Receive final listing approval from the BSE within 20 calendar days from the Deemed Date of Allotment;</li> </ol>



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	<p>4. The Issuer shall ensure credit of demat account(s) of the allottee(s) with the number of NCDs allotted within 2 (Two) Business Days of the Deemed Date of Allotment;</p> <p>5. The Issuer shall ensure compliance with SEBI / Companies Act 2013 (as applicable) for issuance of NCDs.</p>
Events of Default	As mentioned in the Transaction Documents
Reporting Covenants	<p>1. <b>Quarterly Reports</b> – within 45 (Forty Five) calendar days from the end of each financial quarter</p> <p>a) Information on financials Financial covenant compliance certificate signed by a Director or the Chief Financial Officer</p> <p>2. <b>Annual Reports</b> – within 120 (One Hundred and Twenty) calendar days from the end of each financial year</p> <p>a) Audited financial statements b) A certificate from a Director/Chief Financial Officer confirming that there is no Potential Default or Event of Default; and</p> <p>3. <b>Event Based Reports</b> – within 5 (Five) Business Days of the event occurring</p> <p>a) Change in list of Board of Directors b) Material change in Shareholding structure c) Change in senior management officials (any CXO or equivalent) d) Debarment of any of the board of directors e) Board approval of annual business plan f) Any fraud amounting to more than 1% of Gross Loan Portfolio g) Changes in accounting policy h) New products introduced or change in existing product features i) New business corresponding relationships or discontinuance of existing relationships j) Revision in business plan k) Change in the constitutional documents of the Company l) Material Adverse Effect m) Any dispute, litigation, investigation or other proceeding which could result in a Material Adverse Effect. n) Winding up proceedings o) Any Event of Default or Potential Default, and any steps taken / proposed to remedy the same. p) Any prepayment or notice of any prepayment of any Indebtedness of the Issuer</p>
Affirmative covenants	<p>1. To utilise the proceeds of this issue in accordance with applicable laws and regulations</p> <p>2. To comply with corporate governance, fair practices code prescribed by</p>



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Security Name	11.40% Five Star Business Finance Limited 2024
	<p>the RBI</p> <ol style="list-style-type: none"> <li>3. Notification of any potential Event of Default or Event of Default;</li> <li>4. Obtain, comply with and maintain all licenses / authorizations</li> <li>5. Provide details of any material litigation, arbitration or administrative proceedings (materiality threshold to be finalized during documentation)</li> <li>6. Maintain internal control for the purpose of (i) preventing fraud on monies lent by the Company; and (ii) preventing money being used for money laundering or illegal purposes</li> <li>7. Permit visits and inspection of books of records, documents and accounts to debenture holders as and when required by them</li> <li>8. Comply with any monitoring and/or servicing requests from Debenture Holders</li> </ol>
Negative covenants	<p>The Issuer shall not without the prior written permission of the Debenture Holders and Debenture Trustee, do or undertake to do any of the following:</p> <ol style="list-style-type: none"> <li>1. Change in promoter, ownership or control</li> <li>2. M&amp;A, acquisition, restructuring, amalgamation without approval of Debenture Holders</li> <li>3. The Issuer shall not, without the prior approval of Debenture Holders, enter into any transaction of merger, de-merger, consolidation, re-organization, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction; provided however that this restriction shall not apply in the event that the compliance with this restriction would result in the Issuer defaulting in relation to any of its payment obligations in relation to the Debentures.</li> <li>4. The Issuer will not purchase or redeem any of its issued shares or reduce its share capital without the Debenture Holders' prior written consent;</li> <li>5. Issuer shall not amend or modify clauses in its Memorandum of Association and Article of Association, where such amendment would have a Material Adverse Effect, without prior consent of the Debenture Trustee</li> <li>6. Issuer shall not change its financial year-end from 31st March (or such other date as may be approved by Debenture Holders) without prior consent of the Debenture Trustee</li> <li>7. Any sale of assets/business/division that has the effect of exiting the business or re-structuring of the existing business, to be with the prior consent of the debenture holder</li> <li>8. No dividend, if an Event of Default has occurred and is subsisting</li> <li>9. Not undertake any new major new business outside financial services or any diversification of its business outside financial services, without approval of NCD holders</li> </ol> <p>The Issuer shall not enter into or perform any transaction(s) with a related party other than the WOS Five-Star Housing Finance Pvt. Ltd. or anything that constitutes advancing or borrowing of monies during the Tenor of the NCD, without the prior written intimation to the Debenture holder. Notwithstanding Without prejudice to the foregoing, the Issuer shall not</p>



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	without the prior written consent of the Debenture holder enter into or perform any transaction(s) with a related party which is/are in the nature of loans or advances whereby the overall outstanding amount owed by or to the Issuer under all such transactions exceeds 10% (Ten per cent) of its Net Worth at any point of time during a financial year. For the purposes of this clause, the terms 'Net Worth' and 'Related Party' shall respectively have the meaning ascribed to in sections 2 (57) and 2 (76) of the Companies Act, 2013 (and the Rules framed thereunder). The Issuer shall be in compliance with this covenant throughout the Tenor of the NCD and shall also provide the Lender with access to additional information that the Debenture holder deems necessary to monitor and evaluate the compliance to this covenant during the Tenor.
Provisions related to Cross Default Clause	The Company (i) defaults in any payment of any Indebtedness beyond the period of grace (not to exceed 30 days), if any, provided in the instrument or agreement under which such Indebtedness was created;  (ii) defaults in the observance or performance of any agreement or condition relating to any Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause or to permit the holder or holders of such Indebtedness to cause (determined without regard to whether any notice is required) any such Indebtedness to become due prior to its stated maturity; or  (iii) any Indebtedness of the Company shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof.
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holders. As provided in the Debenture Trust Deed.
Governing Law and Jurisdiction	The Debentures and Transaction Documents 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, India.

## SECTION 9: DISCLOSURES PERTAINING TO WILFUL DEFAULT

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

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





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

#### **SECTION 10: MATERIAL CONTRACTS AND AGREEMENTS**

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

- Memorandum & Articles of Association
- Certificate of incorporation and certificate of registration as NBFC with the RBI
- Credit Rating Letter dated March 25, 2019 from ICRA.
- Consent from Catalyst Trusteeship Limited to act as trustee vide their Letter dated March 22, 2019.
- Audited Annual reports for the last 3 years starting from the Financial Year 2016
- Certified true copy of the resolution dated September 22, 2018, of the shareholders of the company u/s 42 of the Companies Act, 2013.
- Certified true copy of resolution dated February 28, 2018, and August 28, 2018, of the Board of Directors u/s 179 of the Companies Act, 2013.
- List of authorized signatories under the resolutions along with their specimen signatures
- Executed Drafts of the Mortgage cum Debenture Trust Deed and the Deed of Hypothecation

The above material documents and contracts are available for inspection between 10.00 AM and 5.00 PM on all working days at the registered office of the Company as mentioned below:

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

#### **SECTION 11: UNDERTAKING TO USE A COMMON TRANSFER FORM**

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

#### **SECTION 12: TERMS OF OFFER OR PURCHASE/ APPLICATION PROCESS**

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

**Issue:**



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Issue of 3,00,00,000 (Three Crore) Secured, Rated, Senior, Redeemable, Taxable, Transferable, Listed Non-Convertible Debentures of face value of Rs. 10 /- (Rupees Ten Only) each, aggregating up to Rs. 30,00,00,000/- (Rupees Thirty Crores Only) issued on a fully paid basis and on a private placement basis (the "Issue") of the proposed issue of 3,00,00,000 (Three Crore) Secured, Rated, Senior, Redeemable, Taxable, Transferable, Listed Non-Convertible Debentures of face value of Rs. 10 /- (Rupees Ten Only) each, aggregating up to Rs. 30,00,00,000/- (Rupees Thirty Crores Only).

### Who Can Apply

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

- a. Commercial Banks, Eligible Financial Institutions\* and Insurance Companies;
- b. Companies;
- c. Non Banking Finance Companies (NBFCs) and Residuary NBFCs and
- d. Mutual Funds
- e. Foreign Institutional Investors
- f. Provident Funds, Gratuity, Superannuation & Pension Funds, subject to their Investment guidelines

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

#### a. Application by Scheduled Commercial Banks/ Eligible Financial Institutions

The application must be accompanied by certified true copies of (i) Board Resolution authorising investments or letter of authorization or Power of Attorney and (ii) specimen signatures of authorized signatories.

#### b. Application by Insurance Companies

The applications must be accompanied by certified true copies of (i) Memorandum and Articles of Association/Constitution/Bye-laws, (ii) Resolution authorising investment and containing operating instructions, (iii) Specimen signatures of authorised signatories and (iv) Form 15 AA for claiming exemption from deduction of Tax on the interest income (including interest on application money), if applicable.

#### c. Applications by Corporate Bodies/ Companies/ Statutory Corporations/ NBFCs and RNBCs

The applications must be accompanied by certified true copies of (i) Memorandum and Articles of Association (ii) resolution authorizing investment and containing operating instructions, and (iii) specimen signatures of authorized signatories.

#### d. Application by Mutual Funds



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- (i) a separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and that such applications shall not be treated as multiple applications.
- (ii) the applications made by the asset management companies or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which application is being made.
- (iii) The applications must be accompanied by certified true copies of (i) SEBI registration certificate and trust deed (ii) resolution authorizing investment and containing operating instructions and (iii) specimen signatures of authorized signatories.

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 COMPANY. THE COMPANY MAY, BUT IS NOT BOUND TO REVERT TO ANY INVESTOR FOR ANY ADDITIONAL DOCUMENTS / INFORMATION, AND CAN ACCEPT OR REJECT AN APPLICATION AS IT DEEMS FIT. INVESTMENT BY INVESTORS FALLING IN THE CATEGORIES MENTIONED ABOVE ARE MERELY INDICATIVE AND THE COMPANY DOES NOT WARRANT THAT THEY ARE PERMITTED TO INVEST AS PER EXTANT LAWS, REGULATIONS, ETC. EACH OF THE ABOVE CATEGORIES OF INVESTORS IS REQUIRED TO CHECK AND COMPLY WITH EXTANT RULES/REGULATIONS/ GUIDELINES, ETC. GOVERNING OR REGULATING THEIR INVESTMENTS AS APPLICABLE TO THEM AND THE COMPANY IS NOT, IN ANY WAY, DIRECTLY OR INDIRECTLY, RESPONSIBLE FOR ANY STATUTORY OR REGULATORY BREACHES BY ANY INVESTOR, NEITHER IS THE COMPANY REQUIRED TO CHECK OR CONFIRM THE SAME.

### How to Apply

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

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

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



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

### Instructions For Application

- 1) Application must be completed in BLOCK LETTERS IN ENGLISH. A blank must be left between two or more parts of the name.
- 2) Signatures should be made in English.
- 3) Minimum application shall be for 1 (One) Debenture[s] and in multiples of 1 (One) Debenture[s] thereafter.
- 4) The Debentures are being issued at par to the face value. Full amount has to be paid on application per Debenture applied for. Applications for incorrect amounts are liable to be rejected. Face Value: Rs. 10 (Rupees Ten only)
- 5) Cheques/drafts must be made in the favour of “Five-Star Business Finance Limited” and crossed “Account Payee only” payable at Chennai. Money orders or postal orders will not be accepted. The payments can be made by RTGS, the details of which are given above.
- 6) No cash will be accepted.
- 7) The Applicant should mention its permanent account number or the GIR number allotted to it under the Income Tax Act, 1961 and also the relevant Income-tax circle/ward/District.
- 8) Applications under Power of Attorney/Relevant Authority

In case of an application made under a power of attorney or resolution or authority to make the application a certified true copy of such power of attorney or resolution or authority to make the application and the Memorandum and Articles of Association and/or bye-laws of the Investor must be attached to the Application Form at the time of making the application, failing which, the Company reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason therefore. Further any modifications / additions in the power of attorney or authority should be notified to the Company at its registered office. Names and specimen signatures of all the authorised signatories must also be lodged along with the submission of the completed application.

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

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



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

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

### **Succession**

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

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

### **Option to Subscribe**

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

### **Nomination Facility**



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The Company does not offer any nomination facility to the investors of the Debentures issued under this Information Memorandum.

### **Minimum Subscription**

1 Debentures and in multiples of 1 Debentures thereafter.

### **Right to accept or reject applications**

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

### **Interest on Application Money**

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

### **Allotment Intimation**

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

### **Register of Debenturesholder(s)**

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

### **Transfer / Transmission**

The Debentures shall be transferable freely; however, it is clarified that no Investor shall be entitled to transfer the Debentures to a person who is not entitled to subscribe to the Debentures. The Debenture(s) shall be transferred and/or transmitted in accordance with the applicable provisions of the Act and other applicable laws. The Debentures held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transferor or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, amounts due will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the R&T Agent as on the Record Date, under all circumstances. In cases



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where the transfer formalities have not been completed by the transferor, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in dematerialised form. The seller should give delivery instructions containing details of the buyer's DP account to his DP.

### **Payment of Interest on Allotted Debenture**

The interest on allotted Debentures will be at a fixed rate of 11.40% Coupon, monthly compounding, payable monthly. The Company shall until the final Redemption Date, pay to the Debenture holders interest on the principal amounts of the Debentures outstanding from time to time at the Coupon Rate (subject to deduction of tax where applicable at the rate prescribed from time to time under the Income-tax Act, 1961 or any statutory modification or re-enactment thereof for the time-being in force) on each Interest Payment Date.

### **Authority for the Placement**

This private placement of Debentures is being made pursuant to the resolution of the Board of Directors passed at its meeting held on February 28, 2018 and August 28, 2018 which has approved the placement of Debentures upto Rs 1,500 Crores and shareholders resolution dated September 22, 2018 pursuant to section 42 of the Companies Act, 2013. The present issue of Rs. 30 Crores is within the general borrowing limits in terms of the resolution passed under Section 180(1)(c) of the Companies Act, 2013, at the Annual General Meeting of the shareholders of the Company held on September 22, 2018 giving their consent to the borrowing by the Directors of the Company from time to time not exceeding Rs. 1500 Crores subject to any restrictions imposed by the terms of the agreement entered into from time to time for grant of loans to the Company of all monies deemed by them to be requisite or proper for the purpose of carrying on the business of the Company. The borrowings under these Debentures will be within the prescribed limits as aforesaid.

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

### **Record Date**

This will be the date falling 3 (Three) Business Days prior to any Due Date. The list of beneficial owner(s) provided by the Depository as at the end of day of Record Date shall be used to determine the name(s) of person(s) to whom the interest and/or principal installment is to be paid.

### **Effect of Holidays**

If any interest payment date falls on a day which is not a Business Day, then such interest payment date shall be automatically changed to the next Business Day.

If a day on which any payment (other than interest) is required to be made is not a Business Day, then such payment will be made on the immediately preceding Business Day. It is clarified that if the payment of amount payable is required to be made on a preceding Business Day as mentioned aforesaid, then the amounts payable shall be calculated as if the amounts payable have been paid on the actual day on which such payment is due and not on the preceding Business Day.



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### **Tax Deduction at Source**

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

### **Redemption on Maturity of Debenture**

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

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

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

### **Compliance Officer**

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

### **Notices**

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

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

### **Debentures to Rank Pari-Passu**

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

### **Payments at Par**

Payment of the principal, all interest and other monies will be made to the registered Debenture holder(s)/ beneficial owner(s) and in case of joint holders to the one whose name stands first in





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

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

### **Future Borrowing**

The Company shall be entitled to make further issue of secured non convertible debentures and/or raise term loans or raise further funds, in any manner as deemed fit by the Company, from time to time from any persons/banks/financial institutions/body corporate or any other agency as per the prevailing guidelines/regulations of Reserve Bank of India and other authorities.

### **Tax Benefits**

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

### **Trustees**

Catalyst Trusteeship Limited vide their consent letter dated March 22, 2019 has agreed to act as the trustees for and on behalf of the Debenture holder(s). All the rights and remedies of the Debenture holder(s) shall vest in and shall be exercised by the said trustees without having it referred to the Debentures holder(s).

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

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

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

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



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### Governing Law

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

### SECTION 13: PERMISSION / CONSENT FROM THE PRIOR CREDITORS AND UNDERTAKING ON CREATION OF CHARGE

N/A

### SECTION 14: CONFLICT

In case of any repugnancy, inconsistency or where there is a conflict between the conditions as are stipulated in this Information Memorandum and any of the Transaction Documents to be executed by the Company, the provisions as contained in the Mortgage cum Debenture Trust Deed shall override the provisions contained hereunder.

### SECTION 15: AN ILLUSTRATION FOR CASH FLOW STATEMENT AS PER SEBI CIRCULAR CIR/IMD/DF/18/2013 DATED OCTOBER 29, 2013

#### DEBENTURES CASHFLOWS

Illustration of Bond Cash Flows to be shown in the Information Memorandum	
Company	Five-Star Business Finance Limited
Face Value (per Security)	Rs. 10 /-
Issue Date/Deemed Date of Allotment	April 11, 2019
Coupon Rate	11.40 % per annum, compounded monthly, payable monthly gross of withholding taxes.
Frequency of the Interest Payment with specified dates	Monthly , as per the below schedule
Day Count Convention	Actual/ Actual

Interest Payment Date	Amount (in INR)
31-May-19	4,683,109
30-Jun-19	2,903,527
31-Jul-19	2,809,865
31-Aug-19	3,090,852
30-Sep-19	2,622,541
31-Oct-19	2,903,527
30-Nov-19	2,997,190
31-Dec-19	2,716,203
31-Jan-20	2,895,594
29-Feb-20	2,895,594



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31-Mar-20	2,708,782
30-Apr-20	2,802,188
31-May-20	2,989,001
30-Jun-20	2,708,782
31-Jul-20	2,895,594
31-Aug-20	2,895,594
30-Sep-20	2,802,188
31-Oct-20	3,082,407
30-Nov-20	2,615,375
31-Dec-20	2,895,594
31-Jan-21	2,997,190
28-Feb-21	2,622,541
31-Mar-21	2,809,865
30-Apr-21	2,809,865
31-May-21	2,903,527
30-Jun-21	2,809,865
31-Jul-21	3,090,852
31-Aug-21	2,716,203
30-Sep-21	2,809,865
31-Oct-21	2,997,190
30-Nov-21	2,716,203
31-Dec-21	2,903,527
31-Jan-22	2,903,527
28-Feb-22	2,622,541
31-Mar-22	2,903,527
30-Apr-22	2,997,190
31-May-22	2,716,203
30-Jun-22	2,809,865
31-Jul-22	2,997,190
31-Aug-22	2,809,865
30-Sep-22	2,809,865
31-Oct-22	2,903,527
30-Nov-22	2,809,865
31-Dec-22	3,090,852
31-Jan-23	2,716,203
28-Feb-23	2,622,541
31-Mar-23	2,903,527
30-Apr-23	2,903,527
31-May-23	2,809,865
30-Jun-23	2,809,865
31-Jul-23	2,903,527
31-Aug-23	2,903,527
30-Sep-23	2,997,190
31-Oct-23	2,716,203
30-Nov-23	2,809,865
31-Dec-23	2,989,001
31-Jan-24	2,802,188
29-Feb-24	2,708,782
31-Mar-24	2,989,001
11-Apr-24	934,063



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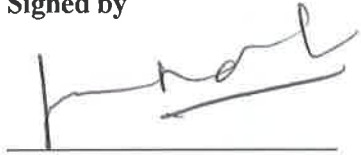
## Declaration

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

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

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

Signed by



Authorised Signatory  
Five-Star Business Finance Limited

Date: April 11, 2019  
Place: Chennai





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

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

Applicant's  
Signature

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

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

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

**ACKNOWLEDGMENT SLIP**

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

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

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



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## ANNEXURE – II – DEBENTURE TRUSTEE CONSENT LETTER

**CATALYST**  
*Believe in yourself. Trust us!*



CI/MUM/18-19/DEB/790

March 22, 2019

To,  
**Five-Star Business Finance Limited**  
39, Outer Circular Road,  
Kilpauk Garden Colony  
Chennai – 600010

Dear Sir,

**Consent to act as Trustee for Secured, Listed, Rated, Redeemable, Non- Convertible Debentures aggregating upto Rs. 50 Crores to be issued by your Company.**

The Company and the Trustee shall enter into relevant trustee agreements and other necessary documents for the aforesaid issue of NCDs and term loans and also agrees & undertakes to comply with the provisions of the SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended from time to time, SEBI Circular No. CIR/CFD/CMD/6/2015 dated October 13, 2015 and the Listing Agreement pursuant thereto to be executed with Bombay Stock Exchange(BSE)/ National Stock Exchange(NSE), the RBI Circular No. RBI/2012-13/560 dated June 27, 2013, the Companies Act, 2013 and any other applicable statutes, regulations and provisions as amended from time to time.

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

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

Yours faithfully,

For Catalyst Trusteeship Limited

Authorized Signatory

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

Authorized Signatory



CATALYST TRUSTESHIP LIMITED

An ISO 9001 Company

Mumbai Office Office No 03 - 07, 0th Floor, B Wing, Mittal Tower, Nairman Point, Mumbai 400 021 Tel +91 (022) 4922 0555 Fax +91 (022) 4922 0505  
Regd. Office GDA House, Plot No 05, Dhuradi Colony (Right), Paud Road, Pune 411 030 Tel - 91 (020) 25200001 Fax 191 (020) 25200275  
Delhi Office Office No 215, 2nd floor, Navrang Inn, 21 Kasturba Gandhi Marg, New Delhi- 110 001, Tel. 011 43029101  
CIN No U74999MH1997PLC110262 Email dt@clttrustee.com Website www.catalysttrustee.com  
Pune | Mumbai | Bangalore | Delhi | Chennai





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

## ANNEXURE – III – RATING LETTER & RATING RATIONALE



ICRA

ICRA Limited

### CONFIDENTIAL

Ref. No.: RTG/Chen/139/18-19

March 25, 2019

Mr. D Lakshminipathy  
Managing Director  
Five-Star Business Finance Limited  
39, Outer Circular Road  
Kilpauk Garden Colony  
Kilpauk  
Chennai-600 010

Dear Sir,

Re: **ICRA Credit Rating for the Rs. 30.00 crore Non-convertible debenture Programme of Five-Star Business Finance Limited**

Please refer to the Rating Agreement dated March 23, 2019 for carrying out the rating of the aforesaid Non-convertible debenture (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 our above rating, it should be stated as [ICRA]A (Stable). We would request if you can sign the acknowledgement and send it to us latest by March 29, 2019 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 credit rating by the aforesaid date, the credit 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 in the circular dated June 30, 2017 on 'Monitoring and Review of Ratings by Credit Rating Agencies (CRAs)' issued by the Securities and Exchange Board of India.

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

Karamulla Centre, 5<sup>th</sup> Floor  
634, Anna Salai, Nandanam  
Chennai 600035

Tel : +91 44 45964300  
CIN : L71999DL1981PLC042749

Website : www.icra.in  
Email : info@icraindia.com  
Helpdesk : +91 124 2866926

Registered Office : 1105, Kailash Building, 11<sup>th</sup> Floor, 26 Kasturba Gandhi Marg, New Delhi - 110001. Tel : 191 1123357940 45

**RATING • RESEARCH • INFORMATION**

**48436**



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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 issued by SEBI, 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

A handwritten signature in blue ink, appearing to read 'R. Srinivasan'.

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

A handwritten signature in blue ink, appearing to read 'Govindaraj Prabhlu M'.

(Govindaraj Prabhlu M)  
Senior Analyst  
govindaraj.m@icraindia.com



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

## ANNEXURE – IV – AUDITED FINANCIALS

### Balance Sheet as at 31<sup>st</sup> March, 2018

₹ in Lakhs

Particulars	Note No.	As at 31.03.2018	As at 31.03.2017
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's funds</b>			
Share Capital	3	1,916.89	1,426.50
Reserves and surplus	4	58,077.76	21,022.60
		<u>59,994.65</u>	<u>22,449.10</u>
<b>Non-current liabilities</b>			
Long Term Borrowings	5	37,346.98	33,442.98
Other Long Term Liabilities	6	0.84	0.67
Long Term Provisions	7	718.58	256.97
		<u>38,066.40</u>	<u>33,700.62</u>
<b>Current liabilities</b>			
Short Term Borrowings	8	4,979.68	4,687.75
Trade Payables			
i) Dues to Micro and Small Enterprises		-	-
ii) Other Trade Payables	9	475.18	328.59
Other Current Liabilities	10	11,357.37	7,486.63
Short Term Provisions	11	419.42	374.54
		<u>17,231.65</u>	<u>12,877.51</u>
<b>Total</b>		<u><b>1,15,292.70</b></u>	<u><b>69,027.23</b></u>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
<b>Fixed Assets</b>			
- Tangible Assets	12	454.24	449.94
- Intangible Assets		181.09	35.98
- Capital Work in Progress		14.13	-
- Software Under Development		-	158.11
Non Current Investments	13	1,500.00	1,500.00
Deferred Tax Assets	14	364.03	244.47
Long Term Receivables Under Financing Activities	15	80,344.28	38,483.55
Long Term Loans and Advances	16	417.95	157.82
Other Non Current Assets	17	23.04	21.87
		<u>83,298.76</u>	<u>41,051.74</u>
<b>Current assets</b>			
Cash and Bank Balances	18	12,651.08	18,043.33
Short Term Receivables Under Financing Activities	19	17,649.41	9,412.56
Short Term Loans and Advances	20	64.98	52.27
Other Current Assets	21	1,628.47	467.33
		<u>31,993.94</u>	<u>27,975.49</u>
<b>Total</b>		<u><b>1,15,292.70</b></u>	<u><b>69,027.23</b></u>
Significant Accounting Policies and Notes to the Accounts	2 to 35		

Per our report of event date attached

For Brahmaya & Co.

Chartered Accountants, Firm Registration Number 0005115

P. Babu

Partner

Membership No. 203358

Place Chennai

Date 22.05.2018

For and on behalf of Board of Directors

D Lakshminpathy

Chairman & Managing Director

R. Anand

Director

G Srikanth

Chief Financial Officer

B Shalini

Company Secretary



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

## Statement of Profit & Loss for the Year ended 31<sup>st</sup> March, 2018

₹ in Lakhs

Particulars	Note No.	2017 - 2018	2016 - 2017
<b>REVENUE</b>			
Revenue from Operations	22	18,854.36	8,307.69
Other income	23	1,561.70	283.21
<b>Total Revenue</b>		<b>20,416.06</b>	<b>8,590.90</b>
<b>EXPENSES</b>			
Finance Costs	24	5,554.58	2,373.25
Employee Benefits	25	4,293.18	1,856.21
Administrative and Other Expenses	26	1,487.50	909.12
Provisions, Loan Losses and Other Charges	27	918.55	279.54
Depreciation	12	259.31	92.30
<b>Total Expenses</b>		<b>12,513.12</b>	<b>5,512.42</b>
<b>Profit Before Tax</b>		<b>7,902.94</b>	<b>3,078.48</b>
<b>Tax expenses</b>			
Current Tax		2,404.37	1,284.59
Deferred Tax		(119.55)	(143.59)
<b>Profit for the Year</b>		<b>5,618.12</b>	<b>1,937.48</b>
Earnings per equity share of Rs. 10/- each	30.5		
- Basic (Rs.)		32.40	14.47
- Diluted (Rs.)		31.79	14.47

Significant Accounting Policies and Notes to the Accounts 2 to 35

Per our report of event date attached

For Brahmayya & Co.

Chartered Accountants, Firm Registration Number 0005115

For and on behalf of Board of Directors

**P. Babu**  
Partner  
Membership No. 203358

**D Lakshmi pathy**  
Chairman & Managing Director

**R. Anand**  
Director

Place : Chennai  
Date 22.05.2018

**G Srikanth**  
Chief Financial Officer

**B Shalini**  
Company Secretary



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

## Cash Flow Statement for the Year ended 31<sup>st</sup> March, 2018

₹ in Lakhs

Particulars	2017 - 2018	2016 - 2017
<b>A. Cash Flow from Operating Activities</b>		
Profit After Tax	5,618.12	1,937.48
Provision for Taxation	2,284.82	1,141.00
<b>Net Profit Before Tax</b>	<b>7,902.94</b>	<b>3,078.48</b>
<b>Adjustments for:</b>		
Finance costs	5,554.58	2,373.25
Depreciation	259.31	92.30
General Provision on Standard Assets	294.36	139.87
Provision against Non - Performing assets	286.52	139.67
(Profit)/loss on sale of Fixed Assets	8.42	(2.42)
Profit on sale of current investments (Net)	(675.21)	(110.22)
Interest Income on Deposits with Banks / Others	(797.59)	(135.94)
ESOP expenses	322.05	-
<b>Operating Profit Before Changes in Working Capital</b>	<b>13,155.38</b>	<b>5,574.99</b>
<b>Changes in Working Capital:</b>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Long term receivables under financing activity	(41,860.73)	(23,851.81)
Long term Loans and Advances	(260.13)	(60.28)
Other Non Current Assets	(1.17)	(15.69)
Short term receivables under financing activity	(8,236.85)	(4,231.77)
Short term Loans and Advances	(12.70)	7.37
Other current assets	(1,161.14)	(464.68)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Long term provision	69.94	14.59
Short term provision	25.78	126.83
Trade payables	146.58	271.41
Other Current liabilities	118.92	11.15
	(51,172.49)	(28,192.88)
<b>Cash used in operations</b>	<b>(38,016.11)</b>	<b>(22,617.89)</b>
Financial Expenses	(5,495.84)	(2,181.16)
Direct Taxes Paid	(2,574.49)	(1,284.59)
<b>Net Cash from Operating Activities (A)</b>	<b>(46,086.44)</b>	<b>(26,083.64)</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(277.22)	(546.51)
Proceeds from sale of fixed assets	4.05	7.04
Profit on sale of current investments	675.21	110.22
(Purchase)/ sale of current Investments (Net)	-	400.00
Interest income on deposits with banks / others	797.59	135.94
<b>Net Cash from Investing Activities (B)</b>	<b>1,199.63</b>	<b>106.69</b>



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

## Balance Sheet as at 31<sup>st</sup> March 2017

Particulars	Note No.	As at 31.03.2017	As at 31.03.2016
<b>A EQUITY AND LIABILITIES</b>			
<b>1. Shareholder's funds</b>			
(a) Share Capital	3	142,650,520	107,000,000
(b) Reserves and surplus	4	2,102,259,726	804,664,224
		<b>2,244,910,246</b>	<b>911,664,224</b>
<b>2. Non-current liabilities</b>			
(a) Long term borrowings	5	3,387,165,261	800,228,088
(b) Other Long term Liabilities	6	66,622	121,664
(c) Long term provisions	7	25,697,210	8,841,955
		<b>3,412,919,093</b>	<b>809,191,747</b>
<b>3. Current liabilities</b>			
(a) Short Term borrowings	8	468,774,796	138,215,578
(b) Trade payables: Total outstanding dues of			
(A) Micro Enterprises & Small Enterprises		-	-
(B) Creditors other than Micro enterprises & Small enterprises	9	12,271,680	5,717,853
(c) Other current liabilities	10	727,425,596	371,251,439
(d) Short term provisions	11	36,421,106	12,214,076
		<b>1,244,893,178</b>	<b>527,398,946</b>
	<b>Total</b>	<b>6,902,722,517</b>	<b>2,248,254,917</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	12	44,638,056	18,430,760
(ii) Intangible assets	12	3,567,872	657,127
(ii) Software under development	12	15,810,627	-
(b) Non-Current Investments	13	150,355,815	160,355,615
(c) Deferred tax assets(net)	14	24,447,474	10,087,770
(d) Long term receivables under financing activity	15	3,848,355,249	1,463,174,307
(e) Long term loans and advances	16	17,539,751	9,754,578
(f) Other Non Current Assets	17	-	617,900
		<b>4,104,744,644</b>	<b>1,653,078,057</b>
<b>2 Current assets</b>			
(a) Current Investments	18	-	40,000,000
(b) Cash and Bank Balances	19	1,806,401,914	30,869,123
(c) Short term receivables under financing activity	20	985,797,818	518,079,321
(d) Short term loans and advances	21	3,289,281	5,983,718
(e) Other Current Assets	22	2,508,860	264,898
		<b>2,797,977,873</b>	<b>595,176,860</b>
	<b>Total</b>	<b>6,902,722,517</b>	<b>2,248,254,917</b>

Significant Accounting Policies and Notes to the Accounts 2 to 30 As per our report of even date attached

For Brahmayya & Co.

Chartered Accountants, Firm Registration Number 0005115

L Ravi Sankar  
Partner  
Membership No. 025929

Place : Chennai  
Date: 23.05.2017

For and on behalf of Board of Directors

D Lakshmi pathy  
Chairman & Managing Director

Kalpna Iyer  
Director

G Srikanth  
Chief Financial Officer

B Shalini  
Company Secretary



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

## Statement of Profit & Loss for the Year ended 31<sup>st</sup> March 2017

Particulars	Note No.	2016 - 2017	2015 - 2016
<b>Revenue</b>			
Revenue from Operations	23	830,768,508	482,818,141
Other income	24	28,320,561	10,262,272
<b>Total Revenue</b>		<b>859,089,159</b>	<b>473,080,413</b>
<b>Expenses</b>			
Finance costs	25	237,324,652	140,728,963
Employee benefit expenses	26	185,820,781	78,410,238
Other expenses	27	90,911,385	38,363,809
Provision, loan loss and other charges	28	27,963,775	7,276,578
Depreciation	12	9,290,453	5,113,527
<b>Total Expenses</b>		<b>551,241,026</b>	<b>269,893,113</b>
<b>Profit Before Tax</b>		<b>307,848,133</b>	<b>203,187,300</b>
<b>Tax expenses</b>			
Current tax expenses (Refer Note 30.3)		128,488,386	73,548,231
Deferred tax		(14,359,704)	(4,509,711)
		114,099,682	69,038,520
<b>Profit for the Year</b>		<b>193,748,451</b>	<b>134,148,780</b>
<b>Earnings per share - (Refer Note 30.5)</b>			
<b>Weighted Average number of Shares (Face Value Rs.10/- per share)</b>		13,385,998	10,427,322
Basic (of Rs.10/- each)		14.47	12.87
Diluted		14.47	12.87

Significant Accounting Policies and Notes to the Accounts 2 to 30 As per our report of even date attached

**For Brahmayya & Co.**

Chartered Accountants, Firm Registration Number 000511S

**L Ravi Sankar**  
Partner  
Membership No. 025929

Place : Chennai  
Date: 23.05.2017

For and on behalf of Board of Directors

**D Lakshmiopathy**  
Chairman & Managing Director

**G Srikanth**  
Chief Financial Officer

**Kalpna Iyer**  
Director

**B Shalini**  
Company Secretary



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

## Cash Flow Statement for the Year ended 31<sup>st</sup> March 2017

₹

Particulars	As at 31.03.2017	As at 31.03.2016
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit	19,374,845	134,148,780
Provision for Taxation	114,099,682	68,038,520
	<b>307,848,133</b>	<b>203,187,300</b>
Add: Financial Expenses	237,324,652	140,728,983
	545,172,785	343,916,283
Depreciation	9,230,453	5,113,527
Provision against Non - Performing assets	13,967,084	1,495,008
General Provision on Standard Assets	13,986,091	1,635,373
Provision for Gratuity	1,992,658	1,354,604
(Profit)/ loss on sale of Fixed Assets	(241,767)	-
Operating Profit Before Working Capital Changes	<b>584,107,904</b>	<b>353,504,775</b>
(Increase) Decrease in Loans and Advances	(2,852,899,439)	(866,108,504)
(Increase) Decrease in Other Receivables	(5,090,736)	9,337,758
(Increase) Decrease in Other Current Assets	(2,244,162)	3,278,499
(Increase) Decrease in Other Non Current Assets	617,900	(303,436)
Increase (Decrease) in Current Liabilities	8,294,968	184,968
Increase (Decrease) in Other Current Liabilities	20,849,571	(61,437)
	(2,830,471,898)	(653,672,152)
	(2,246,363,994)	(300,167,376)
Financial Expenses	(218,021,418)	(133,692,818)
Direct Taxes Paid	(117,343,534)	(73,524,496)
	(335,364,950)	(207,217,314)
<b>Net Cash from Operating Activities (A)</b>	<b>(2,581,728,944)</b>	<b>(507,384,691)</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(64,651,357)	(16,426,838)
Sale of Fixed Assets	704,000	-
Investments in Fixed Deposit	80,424	3,750,000
(Purchase) / Sale of Current Investments	40,000,000	(38,125,000)
(Purchase) / Sale of Non Current investments	-	(150,355,615)
<b>Net Cash from Investing Activities (B)</b>	<b>(13,866,933)</b>	<b>(201,157,453)</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 31<sup>st</sup> March 2016**

Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
<b>A EQUITY AND LIABILITIES</b>			
<b>1. Shareholder's funds</b>			
(a) Share Capital	3	107,000,000	102,000,000
(b) Reserves and surplus	4	804,664,224	610,515,444
		911,664,224	712,515,444
<b>2. Non-current liabilities</b>			
(a) Long term borrowings	5	800,228,098	347,201,603
(b) Other Long term Liabilities	6	121,604	2,370,412
(c) Long term provisions	7	8,841,955	8,029,738
		809,191,747	355,601,753
<b>3. Current liabilities</b>			
(a) Short Term borrowings	8	138,215,578	157,454,001
(b) Trade payables: Total outstanding dues of			
(A) Micro Enterprises & Small Enterprises		-	-
(B) Creditors other than Micro enterprises & small enterprises	9	5,717,853	5,842,754
(c) Other current liabilities	10	371,251,439	385,044,341
(d) Short term provisions	11	12,214,078	30,424,762
		527,398,946	578,565,858
<b>Total</b>		<b>2,248,254,917</b>	<b>1,646,683,055</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	12	18,430,760	7,305,184
(ii) Intangible assets	12	657,127	469,361
(b) Non-Current Investments	13	150,355,615	-
(c) Deferred tax assets(net)	14	10,087,770	5,578,059
(d) Long term receivables under financing activity	15	1,463,174,307	882,642,145
(e) Long term loans and advances	16	9,754,578	10,771,232
(f) Other Non Current Assets	17	617,900	314,464
		1,653,078,057	907,080,475
<b>2 Current assets</b>			
(a) Current Investments	18	40,000,000	1,875,000
(b) Cash and Bank Balances	19	30,857,625	287,185,063
(c) Short term receivables under financing activity	20	518,079,321	432,502,980
(d) Short term loans and advances	21	5,983,718	14,284,822
(e) Other Current Assets	22	476,198	3,754,695
		595,176,860	739,602,580
<b>Total</b>		<b>2,248,254,917</b>	<b>1,646,683,055</b>

Significant Accounting Policies and Notes to the Accounts 2 to 30  
As per our report of even date attached

For Brahmayya & Co.



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

**Statement of Profit & Loss for the Year ended 31<sup>st</sup> March 2016**

₹

Particulars	Note No.	2015 - 2016	2014 - 2015
<b>Revenue</b>			
Revenue from Operations	23	482,818,141	329,887,387
Other income	24	10,262,272	8,149,138
<b>Total Revenue</b>		<b>473,080,413</b>	<b>336,036,525</b>
<b>Expenses</b>			
Finance costs	25	140,728,963	103,711,509
Employee benefit expenses	26	78,410,236	48,851,309
Other expenses	27	38,383,809	23,435,050
Provision, loan loss and other charges	28	7,278,578	4,445,844
Depreciation	12	5,113,527	3,618,843
<b>Total Expenses</b>		<b>269,893,113</b>	<b>184,062,555</b>
<b>Profit Before Tax</b>		<b>203,187,300</b>	<b>151,973,970</b>
<b>Tax expenses</b>			
Current tax expenses		73,548,231	54,694,831
Deferred tax		(4,509,711)	(1,940,484)
		<b>69,038,520</b>	<b>52,754,347</b>
<b>Profit for the Year</b>		<b>134,148,780</b>	<b>99,219,623</b>
<b>Earnings per share - (Refer Note 30.4)</b>			
<b>Weighted Average number of Shares (Face Value Rs.10/- per share)</b>		<b>10,427,322</b>	<b>9184,110</b>
Basic (of Rs 10/- each)		12.87	10.80
Diluted		12.87	10.80

Significant Accounting Policies and Notes to the Accounts 2 to 30  
As per our report of even date attached

**For Brahmayya & Co.**  
Chartered Accountants  
Firm Registration Number 000511S

**For and on behalf of Board of Directors**

**L. Ravi Sankar**  
Partner

**D. Lakshminpathy**  
Chairman & Managing Director

**B. Haribabu**  
Director



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

**Cash Flow Statement for the Year ended 31<sup>st</sup> March 2016**

<i>Particulars</i>	<i>As at 31.03.2016</i>	<i>As at 31.03 2015</i>
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit	134,148,780	99,210,623
Provision for Taxation	60,038,520	52,764,347
	<u>203,187,300</u>	<u>151,973,970</u>
Add: Financial Expenses	140,728,983	103,711,510
	343,916,283	255,685,480
Depreciation	5,113,527	3,818,843
Provision against Non - Performing assets	1,485,008	1,347,390
General Provision on Standard Assets	1,836,373	771,067
Provision for Gratuity	1,354,604	1,301,151
(Profit)/ loss on sale of Fixed Assets	-	(50,371)
Operating Profit Before Working Capital Changes	<u>353,504,775</u>	<u>262,664,560</u>
(Increase) Decrease in Loans and Advances	(666,108,504)	(307,135,246)
(Increase) Decrease in Other Receivables	9,337,758	2,550,426
(Increase) Decrease in Other Current Assets	3,278,499	(2,135,680)
(Increase) Decrease in Other Non Current Assets	(303,436)	360,856
Increase (Decrease) in Current Liabilities	184,988	4,062,706
Increase (Decrease) in Other Current Liabilities	(61,437)	(1,418,831)
	<u>(653,672,152)</u>	<u>(303,715,625)</u>
	<u>(300,167,377)</u>	<u>(41,051,065)</u>
Financial Expenses	(133,692,813)	(106,988,767)
Direct Taxes Paid	(73,524,498)	(50,330,536)
	<u>(207,217,314)</u>	<u>(157,319,323)</u>
<b>Net Cash from Operating Activities (A)</b>	<u>1507,384,691</u>	<u>(198,370,388)</u>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(16,428,839)	(4,214,869)
Sale of Fixed Assets	-	151,500
Investments in Fixed Deposit	3,750,000	(5,000,000)
(Purchase) / Sale of Current Investments	(38,125,000)	5,733,267
(Purchase) / Sale of Non Current Investments	(150,355,615)	-
<b>Net Cash from Investing Activities (B)</b>	<u>(201,157,453)</u>	<u>3,330,112</u>



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<i>Particulars</i>	<i>As at 31.03.2016</i>	<i>As at 31.03.2015</i>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>Long Term &amp; Medium Term</b>		
Increase in Share Capital	5,000,000	12,000,000
Increase in Share Premium	60,000,000	144,000,000
Proceeds from Issue of Debentures	300,000,000	17,500,000
Debentures Redeemed	(64,970,000)	(68,179,000)
Increase (Decrease) in Term Loans from Banks & Others	194,495,495	156,646,700
Increase (Decrease) in Loan from Directors	(4,811,000)	1,086,000
Increase (Decrease) in Other Borrowings	(67,123,218)	67,123,218
<b>Short Term</b>		
Increase (Decrease) in Bank Borrowings	53,070,599	60,013,015
Dividend paid (Including Corporate Dividend Tax)	(19,697,169)	(15,191,401)
<b>Net Cash from Financing Activities (C)</b>	<b>455,764,687</b>	<b>374,978,532</b>
<b>Net Increase in Cash and Cash Equivalents (A) + (B) + (C)</b>	<b>(252,777,457)</b>	<b>173,278,032</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>277,435,082</b>	<b>104,157,050</b>
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>24,657,625</b>	<b>277,435,082</b>
<b>Components of Cash and Cash Equivalents at the end of the Year</b>		
Cash on Hand	3,106,914	5,278,939
Cash with Scheduled Banks	21,548,711	272,158,143
<b>Cash and Cash Equivalents</b>	<b>24,657,625</b>	<b>277,435,082</b>

As per our report of even date attached

**For Brahmaya & Co.**  
Chartered Accountants  
Firm Registration Number 000511S

**I Ravi Sankar**

**For and on behalf of Board of Directors**

**D Lakshminathu**

**R Haribabu**



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### ANNEXURE – V – TERM SHEET

As mentioned in Section 8 above

### ANNEXURE – VI – INTEREST PAYMENT DATES

Interest Payment Date
31-May-19
30-Jun-19
31-Jul-19
31-Aug-19
30-Sep-19
31-Oct-19
30-Nov-19
31-Dec-19
31-Jan-20
29-Feb-20
31-Mar-20
30-Apr-20
31-May-20
30-Jun-20
31-Jul-20
31-Aug-20
30-Sep-20
31-Oct-20
30-Nov-20
31-Dec-20
31-Jan-21
28-Feb-21
31-Mar-21
30-Apr-21
31-May-21
30-Jun-21
31-Jul-21
31-Aug-21
30-Sep-21
31-Oct-21
30-Nov-21
31-Dec-21
31-Jan-22
28-Feb-22
31-Mar-22
30-Apr-22
31-May-22
30-Jun-22
31-Jul-22
31-Aug-22
30-Sep-22
31-Oct-22



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30-Nov-22
31-Dec-22
31-Jan-23
28-Feb-23
31-Mar-23
30-Apr-23
31-May-23
30-Jun-23
31-Jul-23
31-Aug-23
30-Sep-23
31-Oct-23
30-Nov-23
31-Dec-23
31-Jan-24
29-Feb-24
31-Mar-24
11-Apr-24

**ANNEXURE – VII – OFFER DATES**

Offer Open Date	11 April, 2019
Offer Close Date	11 April, 2019
Deemed Date of Allotment	11 April, 2019
Redemption Date	11 April, 2024

