



(Please scan this QR Code to view the Red Herring Prospectus)

FIVE STAR



Business Finance Limited

FIVE-STAR BUSINESS FINANCE LIMITED

Our Company was incorporated as Five-Star Business Credits Private Limited at Chennai, Tamil Nadu as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated May 7, 1984, issued by the Registrar of Companies, Tamil Nadu at Chennai ("RoC"). Our Company was converted from a private limited company to a public limited company pursuant to board resolution dated September 7, 1988 and special resolution passed by the Shareholders at the EGM dated October 3, 1988. Consequently, the name of our Company was changed from "Five-Star Business Credits Private Limited" to "Five-Star Business Credits Limited" and the certificate of incorporation was amended on October 3, 1988. The name of our Company was subsequently changed to "Five-Star Business Finance Limited" pursuant to board resolution dated March 25, 2015 and special resolution passed by our Shareholders at the EGM held on April 12, 2016, and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on May 13, 2016. For further details see, "History and Certain Corporate Matters" on page 219 of the red herring prospectus of the Company dated November 1, 2022 filed with the RoC ("RHP" or "Red Herring Prospectus"). Our Company is registered with the Reserve Bank of India ("RBI") to carry on the business of non-banking financial institution without accepting public deposits (certificate of registration no. B-07.00286). For details, see "Government and Other Approvals" beginning on page 390 of the RHP.

Registered and Corporate Office: New No. 27, Old No. 4, Taylor's Road, Kilpauk, Chennai 600 010, Tamil Nadu, India; Tel: +91 44 4610 6260; Website: www.fivestargroup.in; Contact Person: Shalini Baskaran, Company Secretary and Compliance Officer; E-mail: cs@fivestargroup.in; Corporate Identity Number: U65991TN1984PLC010844

OUR PROMOTERS: LAKSHMIPATHY DEENADAYALAN, HEMA LAKSHMIPATHY, SHRITHA LAKSHMIPATHY, MATRIX PARTNERS INDIA INVESTMENT HOLDINGS II, LLC AND SCI INVESTMENTS V

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH ("EQUITY SHARES") OF FIVE-STAR BUSINESS FINANCE LIMITED (OUR "COMPANY" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ 19,600.05 MILLION (THE "OFFER") THROUGH AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES (THE "OFFER FOR SALE"), CONSISTING OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 1,667.42 MILLION BY SCI INVESTMENTS V, UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 7,194.14 MILLION BY MATRIX PARTNERS INDIA INVESTMENT HOLDINGS II, LLC, UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 120.87 MILLION BY MATRIX PARTNERS INDIA INVESTMENTS II EXTENSION, LLC, UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 3,614.47 MILLION BY NORWEST VENTURE PARTNERS X – MAURITIUS AND UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 7,003.15 MILLION BY TPG ASIA VII SF PTE. LTD. (COLLECTIVELY, THE "SELLING SHAREHOLDERS", AND SUCH EQUITY SHARES, THE "OFFERED SHARES").

The Offer is being made under Regulation 6(1) of the SEBI ICDR Regulations.

QIB Portion: Not more than 50% of the Offer | Non-Institutional Portion: Not less than 15% of the Offer

Retail Portion: Not less than 35% of the Offer

PRICE BAND: ₹ 450 TO ₹ 474 PER EQUITY SHARE

THE FLOOR PRICE IS 450 TIMES THE FACE VALUE OF THE EQUITY SHARES AND
THE CAP PRICE IS 474 TIMES THE FACE VALUE OF THE EQUITY SHARES.

BIDS CAN BE MADE FOR A MINIMUM OF 31 EQUITY SHARES AND IN MULTIPLES OF 31 EQUITY SHARES THEREAFTER.

Risks to Investors:

- We require substantial capital for our business and any disruption in our sources of capital could have an adverse effect on our business, results of operations and financial condition.
- The risk of non-payment or default by our borrowers may adversely affect our business, results of operations and financial condition and our customers may delay and/or default on their repayment obligations due to various reasons. For our customers who earned not more than ₹ 25,000 per month, during the three months ended June 30, 2022 and the Financial Years 2022, 2021 and 2020, ₹ 309.58 million, 0.58% of our total Gross Term Loans, ₹ 259.40 million, 0.51% of our total Gross Term Loans, ₹ 150.79 million, 0.34% of our total Gross Term Loans, ₹ 162.30 million and 0.42% of our total Gross Term Loans of our total Gross Term Loans, respectively, experienced default in repayment obligations, (i.e. were in the 90+ DPD category).
- Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements, could adversely affect our business, results of operations and financial condition. As of June 30, 2022, our Total Borrowings were ₹ 25,203.19 million.
- We have had negative net cash flows in the past and may continue to have negative cash flows in the future.
- The Price/ Earnings ratio based on diluted EPS for FY 2022 for our Company at upper end of price band is as high as 29.77x compared to the average industry peer group P/E ratio of 40.84x.
- The weighted average cost of acquisition of Equity Shares transacted by the Promoters, Promoter Group and Selling Shareholders in the one year, three years and eighteen months immediately preceding the date of the Red Herring Prospectus is as follows:

Period	Weighted Average Cost of Acquisition (in ₹)*^	Cap Price (₹ 474) is 'X' times the Weighted Average Cost of Acquisition	Range of acquisition price: lowest price-highest price (in ₹)^
Last one year	490.67	0.97	490.67
Last three years	241.77	1.96	1 - 490.67
Last eighteen months	386.59	1.23	1 - 490.67

^ As certified by RPS V & Co., Chartered Accountants by way of their certificate dated November 1, 2022.

* Weighted average cost means total Equity Share capital including securities premium issued during last one year, three years and eighteen months preceding the date of the Red Herring Prospectus divided by total number of Equity Shares.

- Average cost of acquisition of Equity Shares held by the Promoters and Selling Shareholders ranges from ₹ 0.50 to ₹ 186.04 per Equity Share and the Offer Price at upper end of the Price Band is ₹ 474 per Equity Share.
- The Four Book Running Lead Managers associated with the Offer have handled 64 public issues of equity shares in past three years out of which 22 issues closed below the issue price on listing date.

Name of the BRLMs	Total Issues	Issues Closed below IPO pricing on listing day
ICICI Securities Limited*	22	9
Nomura Financial Advisory and Securities (India) Private Limited*	-	-
Kotak Mahindra Capital Company Limited*	9	1
Edelweiss Financial Services Limited*	4	2
Common Issues of above BRLMs	29	10
Total	64	22

*Issues handled where there were no common BRLMs

- Weighted average return of Net Worth for FY 2022, FY 2021 and FY 2020 is 15.11% and Return on Net Worth for the three months ended June 30, 2022 is 3.69% (not annualised).

BID/ OFFER SCHEDULE

BID/ OFFER OPENS ON NOVEMBER 9, 2022⁽¹⁾
BID/ OFFER CLOSING ON NOVEMBER 11, 2022⁽²⁾

Job market grew after dip in Covid: Survey

8 m jobs added in last two quarters

FE BUREAU
New Delhi, November 2

THE JOB MARKET has gained momentum in 2022, with addition of 8 million jobs in the past two quarters as Covid-19 pandemic abated, according to a survey by Avasar, a talent management firm. The momentum will likely be sustained in the last quarter of the year too, it said, adding that, "both white-collar and blue-collar jobs are expected to grow significantly."

Highlighting the "progressive" white-collar employment scenario, the report stated that sectors such as tech, pharma and BFSI have been the highest job generators so far. IT, financial and industrial sectors would continue to grow and create maximum jobs during the last quarter of 2022.

The survey also showed that Pune is leading the job generation market this year with a 78.11% employment rate followed by Lucknow and Trivandrum at 74.32% and 64.48% respectively.

The hiring in Tier 1 cities like Bengaluru, Delhi and Mumbai is projected to increase in the last quarter of 2022. Sales and business development has been the highest job creator with 26.99% and IT/ITES created 20.6% employment followed by the marketing sec-



RISE IN HIRING

■ The job market has gained momentum in 2022, with addition of 8 million jobs in the past two quarters

■ The momentum is likely to be sustained in the last quarter of the year too

tor with 9.9%. Furthermore, the survey hints that a mild recession is expected to hit India in 2023 which will impact the country's white-collar workforce.

According to the study, blue-collar hiring is growing rapidly this year as 22.9% jobs were created across delivery and retail segments. Navneet Singh, CEO of Avasar, said: "A mild recession might hit India next year and is expected to impact the white-collar workforce. However, we are hopeful that just like the pandemic, we will be able to sail through this road-block as well."

British PM committed to a balanced FTA with India, says Downing Street

PRESS TRUST OF INDIA
London, November 2

INTENSIVE NEGOTIATIONS CONTINUE towards a free trade agreement (FTA) between India and the UK and new British Prime Minister

Rishi Sunak is committed to achieving a balanced deal, Downing Street said on Wednesday.

Sunak, who took charge at 10 Downing Street last week, had a "very warm" introductory call with Prime Minister

Narendra Modi during which both sides expressed their commitment towards an FTA.

The UK Prime Minister's office also reiterated that the focus remains on a balanced trade deal that benefits both sides and therefore no time-


frame is being specified after a proposed Diwali timeline had to be abandoned last month amid political turmoil in the United Kingdom.


"Both sides are very committed to it, intensive negotiations are continuing led by

the Department for International Trade (DIT)," a spokesperson told reporters at a Downing Street briefing.

"The Prime Minister had a very warm, introductory call with Prime Minister Modi last week. In terms of the speed of

it [FTA], we have been very clear that we won't sacrifice quality to achieve speed. We will sign when we have a balanced deal that represents both of our interests but both sides remain committed," the spokesperson said.





EXTRACTS OF UNAUDITED STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2022

(₹ in crores except per share data)

Sr. No.	Particulars	Standalone				Consolidated			
		For the quarter ended		For the half year ended		For the quarter ended		For the half year ended	
		30 September 2022	30 September 2021	30 September 2022	31 March 2022	30 September 2022	30 September 2021	30 September 2022	31 March 2022
		Unaudited			Audited	Unaudited			Audited
1	Total income from operations	5,442.44	4,814.99	10,778.85	20,311.94	5,604.51	5,026.72	11,078.63	21,223.40
2	EBITDA*	411.6	710.58	934.42	2,790.79	358.27	747.69	906.92	2,987.3
3	Net profit for the period (before tax, exceptional and/or extraordinary items)	258.16	557.22	641.34	2,170.06	198.73	587.40	600.19	2,339.44
4	Net profit for the period before tax (after exceptional and/or extraordinary items)	258.16	557.22	641.34	2,170.06	208.51	613.70	636.80	2,442.12
5	Net profit for the period after tax (after exceptional and/or extraordinary items)	189.21	362.63	475.95	1,674.45	159.11	407.47	480.43	1,881.26
6	Total comprehensive income for the period (comprising profit for the period (after tax) and other comprehensive income (after tax))	189.21	362.63	475.95	1,673.56	163.45	403.75	484.21	1,871.55
7	Paid up equity share capital (face value of ₹ 2/- each)	105.10	100.85	105.10	105.10	105.10	100.85	105.10	105.10
8	Other equity	5,306.27	3,734.55	5,306.27	4,830.32	5,564.87	3,861.52	5,564.87	5,080.66
9	Securities premium account	1,236.03	1,080.88	1,236.03	1,236.03	1,236.03	1,080.88	1,236.03	1,236.03
10	Net worth	5,411.37	3,835.40	5,411.37	4,935.42	5,669.97	3,962.37	5,669.97	5,185.76
11	Paid up debt capital #	474.00	375.00	474.00	375.00	474.00	375.00	474.00	375.00
12	Outstanding redeemable preference shares	-	-	-	-	-	-	-	-
13	Debt equity ratio	0.61	0.70	0.61	0.57	0.64	0.76	0.64	0.60
14	Earning per share (EPS) (face value of ₹ 2/- each)								
	a) Basic	3.60	7.36	9.06	33.65	3.03	8.27	9.14	37.81
	b) Diluted	3.60	7.02	9.06	32.39	3.03	7.90	9.14	36.39
	(EPS for the period not annualised)								
15	Capital redemption reserve	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
16	Debt service coverage ratio	4.51	8.73	5.46	8.10	3.67	8.80	4.95	8.30
17	Interest service coverage ratio	5.39	9.21	6.59	8.98	4.49	9.27	6.04	9.16

* EBITDA = Earnings before Interest, Tax, Depreciation & Amortization and Other Income

Listed debt instrument

Notes:

1. The above is an extract of the detailed format of quarterly/half yearly financial results filed with the Stock Exchanges under Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the standalone and consolidated quarterly/half yearly financial results are available on the Company's website: (www.jslindia.com) and on the websites of Bombay Stock Exchange (www.bseindia.com) and the National Stock Exchange of India Limited (www.nseindia.com).

2. The financial results of the Company Group for the quarter and half year ended 30 September 2022 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 02 November 2022 and a limited review of the same has been carried out by the statutory auditors.

3. These results have been prepared in accordance with the recognition and measurement principles of the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013, other accounting principles generally accepted in India and in compliance with the presentation and disclosure requirements of Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

4. At its meeting held on 29 December 2020, the Board considered and approved a Composite Scheme of Arrangement pursuant to Sections 230 to 232 and other relevant provisions of Companies Act, 2013, amongst the Company, Jindal Stainless (Hisar) Limited, JSL Lifestyle Limited, JSL Media Limited and Jindal Stainless Corporate Management Services Private Limited ('Scheme'). The aforementioned Scheme is subject to necessary statutory and regulatory approvals under applicable laws, including approval of the Hon'ble National Company Law Tribunal, Chandigarh Bench ('Hon'ble NCLT'). The Company has received the approval of Hon'ble NCLT on its first motion application for convening the meeting of the Shareholders and Creditors on 25 February 2022. Shareholders and creditors approval with requisite majority on the Scheme has been obtained. The Company has filed the second motion application before the Hon'ble NCLT and the Hon'ble NCLT vide its Order dated 13 July 2022 has directed to issue notice to sectoral regulators. The next date of hearing is 11 November 2022.

5. During the quarter ended 30 September 2022, the shareholders of the Company, through postal ballot, had approved to make Jindal United Steel Limited ('JUSL'), a wholly owned subsidiary of the Company, through acquisition of 341,589,679 equity shares comprising 74% of the paid-up equity share capital of JUSL, subject to requisite approval(s), for an aggregate consideration of ₹ 958.00 crores.

Place: Gurugram

Date: 02 November 2022

By Order of the Board of Directors

For Jindal Stainless Limited

Tarun Kumar Khulbe
Whole Time Director

JINDAL STAINLESS LIMITED

(CIN: L26922HR1980PLC010901)

Regd. Office: O.P. Jindal Marg, Hisar-125 005 (Haryana)

Tel: (01662) 222471-83 | Fax: (01662) 220499

Email Id. for Investors: investorcare@jindalstainless.com


Website: www.jslindia.com

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ASBA* Simple, Safe, Smart way of Application!!!

*Applications Supported by Blocked Amount ("ASBA") is a better way of applying to offers by simply blocking the fund in the bank account. For further details, check section on ASBA below. Mandatory in public issues. No cheque will be accepted.

THE EQUITY SHARES OF OUR COMPANY WILL GET LISTED ON MAIN BOARD PLATFORM OF BSE AND NSE



UPI-Now available in ASBA for UPI Bidders applying through Registered Brokers, DPs and RTAs.
Retail Individual Investors also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account.
Investors are required to ensure that the bank account used for bidding is linked to their PAN. Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021

ASBA has to be availed by all the investors except Anchor Investors. UPI may be availed by (i) Retail Individual Bidders in the Retail Portion and (ii) Non-Institutional Bidders with an application size of up to ₹ 500,000 in the Non-Institutional Portion. For details on the ASBA and UPI process, please refer to the details given in ASBA form and abridged prospectus and also please refer to the section "Offer Procedure" on page 416 of the RHP. The process is also available on the website of Association of Investment Bankers of India ("AIBI") and Stock Exchanges and in the General Information Document. ASBA bid-cum-application forms and the Abridged Prospectus can be downloaded from the websites of BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), and together with BSE, the "Stock Exchanges" and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=35 and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=43>, respectively as updated from time to time. For the list of UPI apps and banks live on IPO, please refer to the link: www.sebi.gov.in. UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appear on the website of SEBI, as updated from time to time. ICICI Bank Limited and HDFC Bank Limited have been appointed as the Sponsor Banks for the Offer, in accordance with the requirements of SEBI circular dated November 1, 2018 as amended. For Offer related queries, please contact the Book Running Lead Managers ("BRLMs") on their respective email IDs as mentioned below. For UPI related queries, investors can contact NPCI at the toll free number: 18001201740 and mail id: ipo.upi@npci.org.in.

In case of any revision in the Price Band, the Bid/ Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company and the Selling Shareholders, in consultation with the BRLMs, for reasons to be recorded in writing, may extend the Bid/ Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Syndicate Members and by intimation to the Designated Intermediaries and the Sponsor Banks, as applicable.

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 31 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"). This Offer is in compliance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") and such portion the "QIB Portion" provided that our Company and the Selling Shareholders, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors) including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders out of which (a) one third of such portion shall be reserved for applicants with application size of more than ₹ 200,000 and up to ₹ 1,000,000, and (b) two third of such portion shall be reserved for applicants with application size of more than ₹ 1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders ("RIB") in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA accounts and UPI ID (in case of UPI Bidders)(as defined hereinafter), in which case the corresponding Bid Amounts will be blocked by the SCSBs or under the UPI Mechanism, as applicable to participate in the Offer. Anchor Investors are not permitted to participate in the Anchor Investor Portion of the Offer through the ASBA process. For details, see "Offer Procedure" on page 416 of the RHP.

Bidders/Applicants should ensure that DP ID, PAN and the Client ID and UPI ID (for UPI Bidders bidding through UPI Mechanism) are correctly filled in the Bid cum Application Form. The DP ID, PAN and Client ID provided in the Bid cum Application Form should match with the DP ID, PAN, Client ID available in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active. Bidders/Applicants should note that on the basis of the PAN, DP ID and Client ID as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving Allotment Advice or unblocking of ASBA Account or for other correspondence(s) related to the Offer. Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press release dated June 25, 2021.

CONTENTS OF THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY AS REGARDS ITS OBJECTS: For information on the main objects of our Company, investors are requested to see "History and Certain Corporate Matters" beginning on page 219 of the RHP and Clause III(A) of the Memorandum of Association of our Company. The Memorandum of Association of our Company is a material document for inspection in relation to the Offer. For further details, see "Material Contracts and Documents for Inspection" beginning on page 447 of the RHP.

LIABILITY OF THE MEMBERS OF OUR COMPANY: Limited by shares.

AMOUNT OF SHARE CAPITAL OF OUR COMPANY AND CAPITAL STRUCTURE: As on the date of the RHP, the authorised share capital of our Company is ₹ 550,000,000 divided into 550,000,000 Equity Shares of face value of ₹ 1 each. The issued, subscribed and paid-up Equity share capital of our Company is ₹ 291,366,120 divided into 291,366,120 Equity Shares of face value ₹ 1 each. For details of the capital structure of our Company, see "Capital Structure" beginning on page 66 of the RHP.

NAMES OF THE INITIAL SIGNATORIES TO THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY AND THE NUMBER OF EQUITY SHARES SUBSCRIBED BY THEM: The initial signatories to the Memorandum of Association of our Company are R. Varalakshmi, R. Baskaran, D.Meera, R. Suguna, M.K. Mohan, S.D.V Chandru, K.Dhinakaran, C.Kalavathy and C.Suganthi who subscribed to 10 equity shares each, bearing face value of ₹ 100. For details of the share capital history and capital structure of our Company see "Capital Structure" beginning on page 66 of the RHP.

LISTING: The Equity Shares to be Allotted through the RHP are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated December 2, 2021 and December 3, 2021, respectively. For the purposes of the Offer, the Designated Stock Exchange shall be NSE. A signed copy of the RHP has been delivered and the Prospectus shall be delivered to the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the RHP up to the Bid/ Offer Closing Date, see "Material Contracts and Documents for Inspection" beginning on page 447 of the RHP.

DISCLAIMER CLAUSE OF SEBI: SEBI only gives its observations on the offer documents and this does not constitute approval of either the Offer or the specified securities stated in the Offer Document. The investors are advised to refer to page 394-395 of the RHP for the full text of the disclaimer clause of SEBI.

DISCLAIMER CLAUSE OF BSE: It is to be distinctly understood that the permission given by BSE Limited should not in any way be deemed or construed that the RHP has been cleared or approved by BSE Limited nor does it certify the correctness or completeness of any of the contents of the RHP. The investors are advised to refer to the page 397 of the RHP for the full text of the disclaimer clause of the BSE Limited.

DISCLAIMER CLAUSE OF NSE (the Designated Stock Exchange): It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the Offer Document. The investors are advised to refer to page 397 of the RHP for the full text of the disclaimer clause of NSE.

DISCLAIMER CLAUSE OF RBI: The Company is having a valid certificate of registration dated June 9, 2016 issued by the Reserve Bank of India under Section 45 IA of the Reserve Bank of India Act, 1934. However, the RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representations made or opinion expressed by the Company and for the repayment of deposits/discharge of liabilities by the Company.

GENERAL RISKS: Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of the RHP. Specific attention of the investors is invited to "Risk Factors" beginning on page 22 of the RHP.

BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE OFFER	COMPANY SECRETARY AND COMPLIANCE OFFICER
 <div>ICICI Securities Limited ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025 Maharashtra, India Tel: +91 22 6807 7100 E-mail: five-star ipo@icicisecurities.com Investor grievance e-mail: customerservice@icicisecurities.com Website: www.icicisecurities.com Contact person: Sumit Singh/ Rupesh Khant SEBI registration no.: INM000011179</div>	 <div>Edelweiss Financial Services Limited 6th Floor, Edelweiss House Off CST Road, Kalina Mumbai 400 098 Maharashtra, India Tel: +91 22 4009 4400 E-mail: investar ipo@edelweissfin.com Investor grievance e-mail: customerservice.mb@edelweissfin.com Website: www.edelweissfin.com Contact person: Manish Tejwani SEBI Registration No.: INM0000010650</div>	 <div>Kotak Mahindra Capital Company Limited 1st Floor, 27 BKC, Plot No. C-27, G Block, Bandra Kurla Complex, Bandra (East) Mumbai 400 051 Maharashtra, India Tel: +91 22 4336 0000 E-mail: five-starbusinessfinance.ipo@kotak.com Investor grievance e-mail: kmccredressal@kotak.com Website: https://investmentbank.kotak.com/ Contact person: Ganesh Rane SEBI Registration No.: INM000008704</div>	 <div>Nomura Financial Advisory and Securities (India) Private Limited Cejay House, Level 11 Plot F, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai 400 018 Maharashtra, India Tel: +91 22 4037 4037 E-mail: fivestaripo@nomura.com Investor grievance e-mail: investorgrievances-in@nomura.com Website: www.nomuraholdings.com/company/group/asia/ india/index.html Contact person: Vishal Kanjani / Radhika Shah SEBI Registration No.: INM000011419</div>	 <div>KFin Technologies Limited (formerly known as KFin Technologies Private Limited) Selenium, Tower B, Plot No. 31 and 32 Financial District, Nanakramguda, Serilingampally Hyderabad, Rangareddy 500 032 Telangana, India Tel: +91 40 6716 2222 E-mail: fsbl ipo@kfintech.com Website: www.kfintech.com Investor grievance e-mail: einward.ris@kfintech.com Contact person: M Murali Krishna SEBI Registration Number: INR000000221</div>	<div>Shalini Baskaran FIVE-STAR BUSINESS FINANCE LIMITED New No. 27, Old No. 4, Taylor's Road, Kilpauk, Chennai 600 010 Tamil Nadu, India Tel: +91 44 4610 6260 E-mail: cs@fivestargroup.in Website: www.fivestargroup.in Investors may contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related grievances including non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, investors may also write to the BRLMs.</div>

AVAILABILITY OF RHP: Investors are advised to refer to the RHP and the "Risk Factors" beginning on page 22 of the RHP before applying in the Offer. A copy of the RHP will be made available on the website of the SEBI at www.sebi.gov.in, the websites of the BRLMs, ICICI Securities Limited at www.icicisecurities.com, Edelweiss Financial Services Limited at www.edelweissfin.com, Kotak Mahindra Capital Company Limited at <https://investmentbank.kotak.com/> and Nomura Financial Advisory and Securities (India) Private Limited at www.nomuraholdings.com/company/group/asia/india/index.html and the websites of the Stock Exchanges, for BSE at www.bseindia.com and for NSE at www.nseindia.com.

AVAILABILITY OF BID CUM APPLICATION FORM: Bid cum Application Form can be obtained from the Registered Office of Company, **FIVE-STAR BUSINESS FINANCE LIMITED:** Tel: +91 44 4610 6260; **BRLMs: ICICI Securities Limited:** Tel: +91 22 6807 7100; **Edelweiss Financial Services Limited:** Tel: +91 22 4009 4400; **Kotak Mahindra Capital Company Limited:** Tel: +91 22 4336 0000 and **Nomura Financial Advisory and Securities (India) Private Limited:** Tel: +91 22 4037 4037. **Syndicate Members:** Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited), Tel: +91 22-40635569 and Kotak Securities Limited, Tel: +91 22 6218 5470 and at selected locations of Sub-Syndicate Members (as given below), Registered Brokers, SCSBs, Designated RTA Locations and Designated CDP Locations for participating in the Issue. Bid cum Application Forms will also be available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com and at all the Designated Branches of SCSBs, the list of which is available on the websites of the Stock Exchanges and SEBI.

SUB-SYNDICATE MEMBERS: Almondz Global Securities Ltd.; Amrapali Capital & Finance Services Ltd.; Anand Rathi Share & Stock Brokers Ltd.; Axis Capital Limited; Centrum Broking Limited; Centrum Wealth Management Ltd.; Choice Equity Broking Private Limited; Dalal & Broacha Stock Broking Private Limited; DB(International) Stock Brokers Ltd.; Eureka Stock & Share Broking Services Ltd.; Finwizard Technology Pvt. Ltd.; HDFC Securities Limited; IDBI Capital Markets & Securities Limited; IFCI Financial Services Ltd.; IIFL Securities Ltd.; JM Financial Services Limited; Jobanputra Fiscal Services Private Limited; KJMC Capital Market Services Limited; LKP Securities Limited; Inventure Growth & Securities Ltd.; Motilal Oswal Securities Limited; Nirmal Bang Securities Pvt. Ltd.; Prabhudas Lilladher Pvt Ltd.; Pravin Ratilal Share & Stock Brokers Limited; Religare; RR Equity Brokers Private Limited; SBICap Securities Limited; Sharekhan Ltd.; SMC Global Securities Limited; Systematix Shares and Stocks (India) Limited; Trade Bulls Securities (P) Ltd.; Viren M Shah; Way2Wealth Brokers Private Limited and YES Securities (India) Limited.

ESCROW COLLECTION BANK(S), REFUND BANK(S) AND PUBLIC OFFER BANK(S): ICICI Bank Limited.

SPONSOR BANKS: ICICI Bank Limited and HDFC Bank Limited.

UPI: UPI Bidders can also Bid through UPI Mechanism.

All capitalised terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

THIS IS A PUBLIC ANNOUNCEMENT FOR INFORMATION PURPOSES ONLY AND IS NOT A PROSPECTUS ANNOUNCEMENT. THIS DOES NOT CONSTITUTE AN INVITATION OR OFFER TO ACQUIRE, PURCHASE OR SUBSCRIBE FOR SECURITIES. NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, OUTSIDE INDIA.



(Please scan this QR Code to view the Red Herring Prospectus)



Business Finance Limited

FIVE-STAR BUSINESS FINANCE LIMITED

Our Company was incorporated as Five-Star Business Credits Private Limited at Chennai, Tamil Nadu as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated May 7, 1984, issued by the Registrar of Companies, Tamil Nadu at Chennai ("RoC"). Our Company was converted from a private limited company to a public limited company pursuant to board resolution dated September 7, 1988 and special resolution passed by the Shareholders at the EGM dated October 3, 1988. Consequently, the name of our Company was changed from "Five-Star Business Credits Private Limited" to "Five-Star Business Credits Limited" and the certificate of incorporation was amended on October 3, 1988. The name of our Company was subsequently changed to "Five-Star Business Finance Limited" pursuant to board resolution dated March 25, 2015 and special resolution passed by our Shareholders at the EGM held on April 12, 2016, and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on May 13, 2016. For further details see, "History and Certain Corporate Matters" on page 219 of the red herring prospectus of the Company dated November 1, 2022 filed with the RoC ("RHP" or "Red Herring Prospectus"). Our Company is registered with the Reserve Bank of India ("RBI") to carry on the business of non-banking financial institution without accepting public deposits (certificate of registration no. B-07.00286). For details, see "Government and Other Approvals" beginning on page 390 of the RHP.

Registered and Corporate Office: New No. 27, Old No. 4, Taylor's Road, Kilpauk, Chennai 600 010, Tamil Nadu, India; Tel: +91 44 4610 6260; Website: www.fivestargroup.in; Contact Person: Shalini Baskaran, Company Secretary and Compliance Officer; E-mail: cs@fivestargroup.in; Corporate Identity Number: U65991TN1984PLC010844

OUR PROMOTERS: LAKSHMIPATHY DEENADAYALAN, HEMA LAKSHMIPATHY, SHRITHA LAKSHMIPATHY, MATRIX PARTNERS INDIA INVESTMENT HOLDINGS II, LLC AND SCI INVESTMENTS V

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH ("EQUITY SHARES") OF FIVE-STAR BUSINESS FINANCE LIMITED (OUR "COMPANY" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ 19,600.05 MILLION (THE "OFFER") THROUGH AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES (THE "OFFER FOR SALE"), CONSISTING OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 1,667.42 MILLION BY SCI INVESTMENTS V, UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 7,194.14 MILLION BY MATRIX PARTNERS INDIA INVESTMENT HOLDINGS II, LLC, UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 120.87 MILLION BY MATRIX PARTNERS INDIA INVESTMENTS II EXTENSION, LLC, UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 3,614.47 MILLION BY NORWEST VENTURE PARTNERS X - MAURITIUS AND UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 7,003.15 MILLION BY TPG ASIA VII SF PTE. LTD. (COLLECTIVELY, THE "SELLING SHAREHOLDERS", AND SUCH EQUITY SHARES, THE "OFFERED SHARES").

The Offer is being made under Regulation 6(1) of the SEBI ICDR Regulations.
QIB Portion: Not more than 50% of the Offer | Non-Institutional Portion: Not less than 15% of the Offer
Retail Portion: Not less than 35% of the Offer
PRICE BAND: ₹ 450 TO ₹ 474 PER EQUITY SHARE
THE FLOOR PRICE IS 450 TIMES THE FACE VALUE OF THE EQUITY SHARES AND
THE CAP PRICE IS 474 TIMES THE FACE VALUE OF THE EQUITY SHARES.
BIDS CAN BE MADE FOR A MINIMUM OF 31 EQUITY SHARES AND IN MULTIPLES OF 31 EQUITY SHARES THEREAFTER.

Risks to Investors:

- We require substantial capital for our business and any disruption in our sources of capital could have an adverse effect on our business, results of operations and financial condition.
- The risk of non-payment or default by our borrowers may adversely affect our business, results of operations and financial condition and our customers may delay and/or default on their repayment obligations due to various reasons. For our customers who earned not more than ₹ 25,000 per month, during the three months ended June 30, 2022 and the Financial Years 2022, 2021 and 2020, ₹ 309.58 million, 0.58% of our total Gross Term Loans, ₹ 259.40 million, 0.51% of our total Gross Term Loans, ₹ 150.79 million, 0.34% of our total Gross Term Loans, ₹ 162.30 million and 0.42% of our total Gross Term Loans of our total Gross Term Loans, respectively, experienced default in repayment obligations, (i.e. were in the 90+ DPD category).
- Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements, could adversely affect our business, results of operations and financial condition. As of June 30, 2022, our Total Borrowings were ₹ 25,203.19 million.
- We have had negative net cash flows in the past and may continue to have negative cash flows in the future.
- The Price/ Earnings ratio based on diluted EPS for FY 2022 for our Company at upper end of price band is as high as 29.77x compared to the average industry peer group P/E ratio of 40.84x.
- The weighted average cost of acquisition of Equity Shares transacted by the Promoters, Promoter Group and Selling Shareholders in the one year, three years and eighteen months immediately preceding the date of the Red Herring Prospectus is as follows:

Period	Weighted Average Cost of Acquisition (in ₹)*^	Cap Price (₹ 474) is 'X' times the Weighted Average Cost of Acquisition	Range of acquisition price: lowest price-highest price (in ₹)^
Last one year	490.67	0.97	490.67
Last three years	241.77	1.96	1 - 490.67
Last eighteen months	386.59	1.23	1 - 490.67

^ As certified by RPS V & Co., Chartered Accountants by way of their certificate dated November 1, 2022.
* Weighted average cost means total Equity Share capital including securities premium issued during last one year, three years and eighteen months preceding the date of the Red Herring Prospectus divided by total number of Equity Shares.

- Average cost of acquisition of Equity Shares held by the Promoters and Selling Shareholders ranges from ₹ 0.50 to ₹ 186.04 per Equity Share and the Offer Price at upper end of the Price Band is ₹ 474 per Equity Share.
- The Four Book Running Lead Managers associated with the Offer have handled 64 public issues of equity shares in past three years out of which 22 issues closed below the issue price on listing date.

Name of the BRLMs	Total Issues	Issues Closed below IPO pricing on listing day
ICICI Securities Limited*	22	9
Nomura Financial Advisory and Securities (India) Private Limited*	-	-
Kotak Mahindra Capital Company Limited*	9	1
Edelweiss Financial Services Limited*	4	2
Common Issues of above BRLMs	29	10
Total	64	22

- *Issues handled where there were no common BRLMs
- Weighted average return of Net Worth for FY 2022, FY 2021 and FY 2020 is 15.11% and Return on Net Worth for the three months ended June 30, 2022 is 3.69% (not annualised).

BID/ OFFER SCHEDULE

BID/ OFFER OPENS ON NOVEMBER 9, 2022⁽¹⁾
BID/ OFFER CLOSES ON NOVEMBER 11, 2022⁽²⁾

⁽¹⁾ Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/ Offer Opening Date.
⁽²⁾ UPI mandate end time and date shall be at 5.00 pm on the Bid/ Offer Closing Date.

...continued from previous page.

The Price Band and the Offer Price will be determined by our Company and the Selling Shareholders, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 1 each and the Offer Price is [●] times the Floor Price and [●] times the Cap Price, and Floor Price is 450 times the face value and the Cap Price is 474 times the face value. Investors should also see "Risk Factors", "Summary of Financial Information", "Our Business", "Financial Statements", and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 22, 53, 173, 272 and 346 of the RHP, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for computing the Offer Price are as follows:

- Fastest Gross Term Loans growth among our compared peers with more than ₹ 30,000 million in Gross Term Loans, with strong return and growth metrics and a significant potential addressable market: (CRISIL Report)
- Among the select institutions to develop an underwriting model that evaluates the cash-flows of small business owners and self-employed individuals in the absence of traditional documentary proofs of income
- Strong on-ground collections infrastructure leading to our ability to maintain a robust asset quality
- Ability to successfully expand to new underpenetrated geographies through a calibrated expansion strategy
- 100% in-house sourcing, comprehensive credit assessment and robust risk management and collections framework, leading to good asset quality
- Access to diversified and cost-effective long-term financing with a conservative approach to asset liability and liquidity management
- Experienced, cycle-tested leadership with an experienced longstanding promoter, and a professional management team and supported by marquee investors.

For details, see "Our Business – Our Competitive Strengths" on page 178 of the RHP.

Quantitative Factors

Some of the information presented below relating to our Company is derived from the Restated Financial Information. For details, see "Financial Statements" and "Other Financial Information" on pages 272 and 344 of the RHP, respectively.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

A. Basic and Diluted Earnings Per Equity Share ("EPS") as adjusted of sub-division (face value of each Equity Share is ₹ 1):

Fiscal	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2022	16.09	15.92	3
March 31, 2021	14.01	13.61	2
March 31, 2020	10.32	10.07	1
Weighted Average	14.44	14.18	
June 30, 2022 (not annualized)	4.79	4.74	
June 30, 2021 (not annualized)	3.80	3.66	

NOTES:

1. Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights.
2. The face value of each Equity Share is ₹ 1 each.
3. Earnings per Equity Share (₹) = Profit of the Company for the year/Weighted Average No. of shares at the end of the year
4. Basic and diluted earnings per equity share: Basic and diluted earnings per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).
5. The Company in its extraordinary general meeting held on October 8, 2021, has approved sub-division of each equity share of ₹10 each into Equity Shares of ₹1 each. The computation given above is after taking into account share sub-division.

B. Price/Earnings ("P/E") ratio in relation to Price Band of ₹ 450 to ₹ 474 per Equity Share:

Particulars	P/E at the Floor Price (number of times)	P/E at the Cap Price (number of times)
Based on basic EPS for year ended March 31, 2022	27.97	29.46
Based on diluted EPS for year ended March 31, 2022	28.27	29.77

C. Industry Peer Group P/E ratio

	P/E Ratio (x)
Highest	46.02
Lowest	33.19
Industry Composite	40.84

NOTES:

- (1) The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section. For further details, see "Basis of Offer Price – Comparison with listed Industry Peers" on page 107 of the RHP.
- (2) P/E figures for the peer are computed based on closing market price as on October 20, 2022 at BSE, divided by Diluted EPS based on the annual report of the company for the Financial Year 2021. The Diluted EPS for AU Small Finance Bank Limited has been adjusted for the bonus issue allotment in 1:1 ratio on June 12, 2022.

For further details, please see the chapter titled "BASIS FOR OFFER PRICE" beginning on page 107 of the RHP.

BASIS FOR THE OFFER PRICE

D. Return on Average Net worth ("RoNW")

Fiscal	RoNW (%)	Weight
March 31, 2022	13.86	3
March 31, 2021	16.85	2
March 31, 2020	15.35	1
Weighted Average	15.11	
June 30, 2022*	3.69	

* Not Annualized.

Notes:

1. Return on Average Net Worth ratio: Restated profit for the period / year divided by the simple average of our monthly Total equity, as of the last day of the month, starting from the last month of the previous Financial Year and ending with the last month of the current Financial Year.
2. The weighted average return on net worth is a product of return on net worth and respective assigned weight, dividing the resultant by total aggregate weight.
3. Net Worth is equivalent to Total Equity, which represents Equity share capital plus Other equity.

E. Net Asset Value ("NAV") per Share, as adjusted of sub-division

Financial Year ended/ Period ended	Amount (₹)
As on June 30, 2022	132.38
As on March 31, 2022	127.35
After the completion of the Offer	
- At the Floor Price	132.38
- At the Cap Price	132.38
Offer Price	[●]

Notes:

1. Net assets value per share (in ₹): Net asset value per share is calculated as Restated Total Equity of the company at the end of the year divided by number of shares as at period end and adjusted for sub-division of shares carried out subsequent to year end as detailed below

F. Comparison with Listed Industry Peers

Name of Company	Face Value (₹ Per Share)	Closing price on October 20, 2022 (₹)	Total Income, for Financial Year 2022 (in ₹ million)	EPS (₹)		NAV ⁽³⁾ (₹ per share)	P/E (x) ⁽⁴⁾	P/B (x)(5)	RoNW ⁽⁶⁾ (%)
				Basic ⁽¹⁾	Diluted ⁽²⁾				
Five-Star Business Finance Limited	1	N.A.	12,561.69	16.09	15.92	127.35	●	●	13.86
Aavas Financiers Limited	10	2,175.85	13,056.48	45.10	44.81	355.53	46.02x	5.80x	12.66
Aptus Value Housing Finance Limited*	2	312.30	8,402.17	7.58	7.53	58.68	43.29x	5.56x	12.69
AU Small Finance Bank Limited	10	637.75	69,154.25	18.03*	17.85*	119.31*	33.19x	4.96x	15.04

Notes:

- *Adjusted for the bonus issues allotment in 1:1 ratio on June 12, 2022
- Source: All the financial information for listed industry peer mentioned above is sourced from the annual report of the relevant company for the year ended March 31, 2022.
- (1) Basic EPS sourced from the annual report of the company for the year ended March 31, 2022. The Basic EPS for AU Small Finance Bank Limited has been adjusted for the bonus issue allotment in 1:1 ratio on June 12, 2022.
 - (2) Diluted EPS refers to the Diluted EPS sourced from the annual report of the peers for the year ended March 31, 2021. The Diluted EPS for AU Small Finance Bank Limited has been adjusted for the bonus issue allotment in 1:1 ratio on June 12, 2022.
 - (3) NAV is computed as the closing net worth divided by the closing outstanding number of equity shares as on March 31, 2022. The NAV for AU Small Finance Bank Limited has been adjusted for the bonus issue allotment in 1:1 ratio on June 12, 2022.
 - (4) P/E Ratio has been computed based on the closing market price of equity shares on October 20, 2022 on BSE, divided by the Diluted EPS provided under Note 1 above.
 - (5) P/B is computed as closing market price of equity shares on BSE as on October 20, 2022 divided by NAV, as on March 31, 2022.
 - (6) RoNW is computed as net profit after tax (including profit attributable to non-controlling interest) divided by closing net worth. Net worth has been computed as sum of paid-up share capital and other equity


G. The Offer price is [●] times of the face value of the Equity Shares

The Offer Price of ₹ [●] has been determined by our Company and the Selling Shareholders, in consultation with the BRLMs, on the basis of market demand from investors for Equity Shares through the Book Building Process.

Investors should read the above mentioned information along with "Risk Factors", "Our Business", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 22, 173, 272 and 346 of the RHP, respectively, to have a more informed view.

ASBA* | Simple, Safe, Smart way of Application!!! | *Applications Supported by Blocked Amount ("ASBA") is a better way of applying to offers by simply blocking the fund in the bank account. For further details, check section on ASBA below. Mandatory in public issues. No cheque will be accepted.

THE EQUITY SHARES OF OUR COMPANY WILL GET LISTED ON MAIN BOARD PLATFORM OF BSE AND NSE



UPI
UNIFIED PAYMENTS INTERFACE

UPI-Now available in ASBA for UPI Bidders applying through Registered Brokers, DPs and RTAs.

Retail Individual Investors also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account.

Investors are required to ensure that the bank account used for bidding is linked to their PAN. Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021

ASBA has to be availed by all the investors except Anchor Investors. UPI may be availed by (i) Retail Individual Bidders in the Retail Portion and (ii) Non-Institutional Bidders with an application size of up to ₹ 500,000 in the Non-Institutional Portion. For details on the ASBA and UPI process, please refer to the details given in ASBA form and abridged prospectus and also please refer to the section "Offer Procedure" on page 416 of the RHP. The process is also available on the website of Association of Investment Bankers of India ("AIBI") and Stock Exchanges and in the General Information Document. ASBA bid-cum-application forms and the Abridged Prospectus can be downloaded from the websites of BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), and together with BSE, the "Stock Exchanges" and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=35 and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=43>, respectively as updated from time to time. For the list of UPI apps and banks live on IPO, please refer to the link: www.sebi.gov.in. UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appear on the website of SEBI, as updated from time to time. ICICI Bank Limited and HDFC Bank Limited have been appointed as the Sponsor Banks for the Offer, in accordance with the requirements of SEBI circular dated November 1, 2018 as amended. For Offer related queries, please contact the Book Running Lead Managers ("BRLMs") on their respective email IDs as mentioned below. For UPI related queries, investors can contact NPCI at the toll free number: 18001201740 and mail id: ipo.upi@npci.org.in.

In case of any revision in the Price Band, the Bid/ Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company and the Selling Shareholders, in consultation with the BRLMs, for reasons to be recorded in writing, may extend the Bid/ Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Syndicate Members and by intimation to the Designated Intermediaries and the Sponsor Banks, as applicable.

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 31 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations"). This Offer is in compliance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") and such portion of the "QIB Portion" provided that our Company and the Selling Shareholders, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In accordance with the SEBI ICDR Regulations. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors) including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders out of which (a) one third of such portion shall be reserved for applicants with application size of more than ₹ 200,000 and up to ₹ 1,000,000; and (b) two third of such portion shall be reserved for applicants with application size of more than ₹ 1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders ("RIB") in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA accounts and UPI ID (in case of UPI Bidders)(as defined hereinafter), in which case the corresponding Bid Amounts will be blocked by the SCSBs or under the UPI Mechanism, as applicable to participate in the Offer. Anchor Investors are not permitted to participate in the Anchor Investor Portion of the Offer through the ASBA process. For details, see "Offer Procedure" on page 416 of the RHP.

Bidders/Applicants should ensure that DP ID, PAN and the Client ID and UPI ID (for UPI Bidders bidding through UPI Mechanism) are correctly filled in the Bid cum Application Form. The DP ID, PAN and Client ID provided in the Bid cum Application Form should match with the DP ID, PAN, Client ID available in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active. Bidders/Applicants should note that on the basis of the PAN, DP ID and Client ID as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving Allotment Advice or unblocking of ASBA Account or for other correspondence(s) related to the Offer. Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press release dated June 25, 2021.

CONTENTS OF THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY AS REGARDS ITS OBJECTS: For information on the main objects of our Company, investors are requested to see "History and Certain Corporate Matters" beginning on page 219 of the RHP and Clause III(A) of the Memorandum of Association of our Company. The Memorandum of Association of our Company is a material document for inspection in relation to the Offer. For further details, see "Material Contracts and Documents for Inspection" beginning on page 447 of the RHP.

LIABILITY OF THE MEMBERS OF OUR COMPANY: Limited by shares.

AMOUNT OF SHARE CAPITAL OF OUR COMPANY AND CAPITAL STRUCTURE: As on the date of the RHP, the authorised share capital of our Company is ₹ 550,000,000 divided into 550,000,000 Equity Shares of face value of ₹ 1 each. The issued, subscribed and paid-up Equity share capital of our Company is ₹ 291,366,120 divided into 291,366,120 Equity Shares of face value ₹ 1 each. For details of the capital structure of our Company, see "Capital Structure" beginning on page 66 of the RHP.

NAMES OF THE INITIAL SIGNATORIES TO THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY AND THE NUMBER OF EQUITY SHARES SUBSCRIBED BY THEM: The initial signatories to the Memorandum of Association of our Company are R. Varalakshmi, R. Baskaran, D.Meera, R. Suguna, M.K. Mohan, S.D.V Chandru, K.Dhinakaran, C.Kalavathy and C.Sugunthi who subscribed to 10 equity shares each, bearing face value of ₹ 100. For details of the share capital history and capital structure of our Company see "Capital Structure" beginning on page 66 of the RHP.

LISTING: The Equity Shares to be Allotted through the RHP are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated December 2, 2021 and December 3, 2021, respectively. For the purposes of the Offer, the Designated Stock Exchange shall be NSE. A signed copy of the RHP has been delivered and the Prospectus shall be delivered to the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the RHP up to the Bid/ Offer Closing Date, see "Material Contracts and Documents for Inspection" beginning on page 447 of the RHP.

DISCLAIMER CLAUSE OF SEBI: SEBI only gives its observations on the offer documents and this does not constitute approval of either the Offer or the specified securities stated in the Offer Document. The investors are advised to refer to page 394-395 of the RHP for the full text of the disclaimer clause of SEBI.

DISCLAIMER CLAUSE OF BSE: It is to be distinctly understood that the permission given by BSE Limited should not in any way be deemed or construed that the RHP has been cleared or approved by BSE Limited nor does it certify the correctness or completeness of any of the contents of the RHP. The investors are advised to refer to the page 397 of the RHP for the full text of the disclaimer clause of the BSE Limited.

DISCLAIMER CLAUSE OF NSE (the Designated Stock Exchange): It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the Offer Document. The investors are advised to refer to page 397 of the RHP for the full text of the disclaimer clause of NSE.

DISCLAIMER CLAUSE OF RBI: The Company is having a valid certificate of registration dated June 9, 2016 issued by the Reserve Bank of India under Section 45 IA of the Reserve Bank of India Act, 1934. However, the RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representations made or opinion expressed by the Company and for the repayment of deposits/discharge of liabilities by the Company.

GENERAL RISKS: Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of the RHP. Specific attention of the investors is invited to "Risk Factors" beginning on page 22 of the RHP.

BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE OFFER	COMPANY SECRETARY AND COMPLIANCE OFFICER
 <p>ICICI Securities Limited ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025 Maharashtra, India Tel: +91 22 6807 7100 E-mail: five-star-ipo@icicisecurities.com Investor grievance e-mail: customercare@icicisecurities.com Website: www.icicisecurities.com Contact person: Sumit Singh/ Rupesh Khant SEBI registration no.: INM000011179</p>	 <p>Edelweiss Financial Services Limited 6th Floor, Edelweiss House Off CST Road, Kalina Mumbai 400 098 Maharashtra, India Tel: +91 22 4009 4400 E-mail: fivestar.ipo@edelweissfn.com Investor grievance e-mail: customerservice.mb@edelweissfn.com Website: www.edelweissfn.com Contact person: Manish Tejwani SEBI Registration No.: INM0000010650</p>	 <p>Kotak Mahindra Capital Company Limited 1st Floor, 27 BKC, Plot No. C-27, G Block, Bandra Kurla Complex, Bandra (East) Mumbai 400 051 Maharashtra, India Tel: +91 22 4336 0000 E-mail: five-starbusinessfinance.ipo@kotak.com Investor grievance e-mail: kmccredressal@kotak.com Website: https://investmentbank.kotak.com/ Contact person: Ganesh Rane SEBI Registration No.: INM000008704</p>	 <p>Nomura Financial Advisory and Securities (India) Private Limited Ceeljay House, Level 11 Plot F, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai 400 018 Maharashtra, India Tel: +91 22 4037 4037 E-mail: fivestaripo@nomura.com Investor grievance e-mail: investorgrievances-in@nomura.com Website: www.nomuraholdings.com/company/group/asia/ India/index.html Contact person: Vishal Kanjani / Radhika Shah SEBI Registration No.: INM000011419</p>	 <p>KFin Technologies Limited (formerly known as KFin Technologies Private Limited) Selenium, Tower B, Plot No. 31 and 32 Financial District, Nanakramguda, Serilingampally Hyderabad, Rangareddy 500 032 Telangana, India Tel: +91 40 6716 2222 E-mail: tsbl.ipo@kfintech.com Website: www.kfintech.com Investor grievance e-mail: elward.ris@kfintech.com Contact person: M Murali Krishna SEBI Registration Number: INR000000221</p>	<p>Shalini Baskaran FIVE-STAR BUSINESS FINANCE LIMITED New No. 27, Old No. 4, Taylor's Road, Kilpauk Chennai 600 010 Tamil Nadu, India Tel: +91 44 4610 6260 E-mail: cs@fivestargroup.in Website: www.fvestargroup.in Investors may contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related grievances including non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-credit of refund orders or non-credit of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, investors may also write to the BRLMs.</p>

AVAILABILITY OF RHP: Investors are advised to refer to the RHP and the "Risk Factors" beginning on page 22 of the RHP before applying in the Offer. A copy of the RHP will be made available on the website of the SEBI at www.sebi.gov.in, the websites of the BRLMs, ICICI Securities Limited at www.icicisecurities.com, Edelweiss Financial Services Limited at www.edelweissfn.com, Kotak Mahindra Capital Company Limited at <https://investmentbank.kotak.com/> and Nomura Financial Advisory and Securities (India) Private Limited at www.nomuraholdings.com/company/group/asia/india/index.html and the websites of the Stock Exchanges, for BSE at www.bseindia.com and for NSE at www.nseindia.com.

AVAILABILITY OF BID CUM APPLICATION FORM: Bid cum Application Form can be obtained from the Registered Office of Company, **FIVE-STAR BUSINESS FINANCE LIMITED**, Tel: +91 44 4610 6260. **BRLMs: ICICI Securities Limited**, Tel: +91 22 6807 7100; **Edelweiss Financial Services Limited**, Tel: +91 22 4009 4400; **Kotak Mahindra Capital Company Limited**, Tel: +91 22 4336 0000 and **Nomura Financial Advisory and Securities (India) Private Limited**, Tel: +91 22 4037 4037. **Syndicate Members:** Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited), Tel: +91 22-40635569 and Kotak Securities Limited, Tel: +91 22 6218 5470 and at selected locations of Sub-Syndicate Members (as given below), Registered Brokers, SCSBs, Designated RTA Locations and Designated CDP Locations for participating in the issue. Bid cum Application Forms will also be available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com and at all the Designated Branches of SCSBs, the list of which is available on the websites of the Stock Exchanges and SEBI.

SUB-SYNDICATE MEMBERS: Almondz Global Securities Ltd.; Amrapali Capital & Finance Services Ltd.; Anand Rathi Share & Stock Brokers Ltd.; Axis Capital Limited; Centrum Broking Limited; Centrum Wealth Management Ltd.; Choice Equity Broking Private Limited; Dalal & Broacha Stock Broking Private Limited; DB(International) Stock Brokers Ltd.; Eureka Stock & Share Broking Services Ltd.; Finwizard Technology Pvt. Ltd.; HDFC Securities Limited; IDBI Capital Markets & Securities Limited; IFCI Financial Services Ltd.; IIFL Securities Ltd.; JM Financial Services Limited; Jobanputra Fiscal Services Private Limited; KJMC Capital Market Services Limited; LKP Securities Limited; Inventure Growth & Securities Ltd.; Motilal Oswal Securities Limited; Nirmal Bang Securities Pvt. Ltd.; Prabhudas Lilladher Pvt Ltd.; Pravin Ratilal Share & Stock Brokers Limited; Religare; RR Equity Brokers Private Limited; SBICap Securities Limited; Sharekhan Ltd.; SMC Global Securities Limited; Systematix Shares and Stocks (India) Limited; Trade Bulls Securities (P) Ltd.; Viren M Shah; Way2Wealth Brokers Private Limited and YES Securities (India) Limited.

ESCROW COLLECTION BANK(S), REFUND BANK(S) AND PUBLIC OFFER BANK(S): ICICI Bank Limited.

SPONSOR BANKS: ICICI Bank Limited and HDFC Bank Limited.

UPI: UPI Bidders can also Bid through UPI Mechanism.


All capitalised terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

Place: Chennai
Date: November 2, 2022

FIVE-STAR BUSINESS FINANCE LIMITED is proposing, subject to receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its Equity Shares and has filed a draft red herring prospectus dated November 9, 2021 read along with the addendum dated June 8, 2022 (the "DRHP") and has filed the RHP with the RoC and thereafter with Securities and Exchange Board of India ("SEBI") and the Stock Exchanges. The RHP shall be available on the website of the SEBI at www.sebi.gov.in as well as on the websites of the BRLMs i.e., ICICI Securities Limited at www.icicisecurities.com, Edelweiss Financial Services Limited at www.edelweissfn.com, Kotak Mahindra Capital Company Limited at <https://investmentbank.kotak.com/> and Nomura Financial Advisory and Securities (India) Private Limited at www.nomuraholdings.com/company/group/asia/india/index.html, the website of the National Stock Exchange of India Limited at www.nseindia.com and the website of the BSE Limited at www.bseindia.com, respectively. Any potential investor should note that investment in equity shares involves a high degree of risk and for details relating to such risks, see "Risk Factors" beginning on page 22 of the RHP. Potential investors should not rely on the DRHP for any investment decision.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or any state law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) under Section 4(a) of the Securities Act, and (ii) outside the United States in "offshore transactions" as defined in and in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales are made. There will be no public offering of the Equity Shares in the United States.

CONCEPT



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