

**Dhruva XXI 2023
Information Memorandum**

171 (one hundred and seventy one) Series A1(a) PTCs aggregating to INR 85,50,00,000 (Indian Rupees Eighty Five Crore Fifty Lakhs) and 218 (two hundred and eighteen) and Series A1(b) PTCs aggregating to INR 21,80,00,000, each having a rating of AA (SO) by ICRA Limited and offering a yield as more particularly set out in Annexure 1 hereto, maturing on the dates identified under Annexure 1 hereto, price identified under Annexure 1 hereto, evidencing beneficial interest in loan receivables originated by Five-Star Business Finance Limited and issued pursuant to the terms of the Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 as amended/supplemented/replaced from time to time.

Indicative Issue Schedule	
Issue Opening Date	September 28, 2023
Issue Closing Date	September 28, 2023
Deemed Date of Allotment	September 28, 2023
Issue Size (Series A1(a) PTCs)	INR 85,50,00,000 (Indian Rupees Eighty Five Crore and Fifty Lakh)
Issue Size (Series A1(b) PTCs)	INR 21,80,00,000 (Indian Rupees Twenty One Crore and Eighty Lakh)

SELLER AND SERVICER

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REGISTRAR & TRANSFER AGENT

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Each Pass Through Certificate (PTC) represents a proportionate undivided beneficial interest in the underlying pool of receivables arising from loans extended by Five-Star Business Finance Limited, in the ordinary course of business. It does not represent an interest or obligation of Dhruva XXI 2023 or Catalyst Trusteeship Limited nor are the underlying loan contracts insured or guaranteed by Five-Star Business Finance Limited save to the extent of credit enhancement provided by Five-Star Business Finance Limited as described herein. Further all the concerned are hereby informed that the PTCs do not represent deposits, liabilities of the Originator, the Servicer, the Trust or the Trustee and that they are not insured. The Trustee, the Originator, the Servicer, or the Trust does not guarantee the capital value of PTCs and the performance of PTC issued, or collectability of receivables pool. The investments in the PTCs are subject to prepayment risk, interest rate risk, credit risk, possible delays in repayment and loss of income and principal invested.



Disclaimer

All the expressions used in this disclaimer shall unless repugnant to the context or meaning thereof carry the same meanings herein as assigned to them in the paragraph under the heading "Definitions and Glossary of Terms"

This Information Memorandum of Private Placement ("**this Information Memorandum / this Offer Document/ this IM**") is neither a prospectus nor a statement in lieu of a prospectus. This document does not constitute an offer or an invitation for offer by or on behalf of Five-Star Business Finance Limited ("**Seller / Originator / Assignor**") or Catalyst Trusteeship Limited ("**Trustee**") to subscribe to, or purchase Series A1(a) PTCs (as defined below) and Series A1(b) PTCs (as defined below), to be issued by the Dhruva XXI 2023 trust ("**Trust**" / "**Issuer**" / "**Assignee**"). This Information Memorandum seeks to provide relevant details of the proposed securitisation of loan receivables arising from the loans provided by the Originator in the ordinary course of business through finance extended by the Originator to the borrowers for various business activities ("**Loans**" or "**Facilities**"). Apart from this Information Memorandum, no other document has been prepared in connection with the proposed securitisation of loan receivables and the Information Memorandum is not required to be registered under any applicable law. Accordingly, this Information Memorandum has neither been delivered for registration nor is it intended to be registered. Prospective investors must make their own assessment as to the suitability of investing in these PTCs (as defined below).

Information in this Information Memorandum has been compiled by the Trustee on the basis of information provided *inter alia* by the Seller. To the best of its knowledge and belief the information as contained in this Information Memorandum is in conformity with the facts as available on the date of this Information Memorandum.

Further, the Seller and the Issuer has not authorised any other person to provide any information or make any representations other than those contained in this document. Further, the information contained in this document may undergo changes with time.

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 PTCs. Any application by a person to whom this Information Memorandum has not been sent by the Issuer shall be liable to 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 the contents without the prior written consent of the Issuer.

The rating is not a recommendation to purchase, hold or sell the PTCs in as much as the rating does not comment on the market price of the PTCs or its suitability to a particular Investor. The rating currently is a provisional rating and the final rating is contingent upon the receipt of final documents conforming to information already received by the Rating Agency. There is no assurance either that the rating will remain at the same level for any given period or that the rating will not be lowered or withdrawn entirely by the Rating Agency.

The PTCs represent an undivided beneficial interest in the underlying loan assets and do not represent an obligation of the Trustee, or the Seller (other than to the extent of the credit enhancement provided, if any), or any affiliate of the Trustee.

This Information Memorandum is not intended to form the sole basis of evaluation for the potential investors to whom it is addressed and who are willing and eligible to subscribe to PTCs. This Information Memorandum has been prepared to give general information regarding the Seller and the transactions contemplated under



the Securitisation Documents, to parties proposing to invest in this issue of PTCs and it does not purport to contain all the information that any such party may require. This Information Memorandum and the other Securitisation Documents reflect only the future cash flows arising from the Receivables. Cash flows received prior to the Commencement Date and which are not intended to be assigned by the Originator to the Trust, irrespective of whether the same constitute advance or upfront payments, or otherwise, are not reflected in the Information Memorandum and the other Securitisation Documents and are not being considered for arriving at the Purchase Consideration payable by the Trust for the Receivables. The Investor Payouts payable to the Investors shall be as per the payout schedule set out in **Annexure 2** hereto and in the applicable Securitisation Documents.

For preparing this Information Memorandum, the Trustee has relied upon the information supplied by the Seller. The Trustee neither has verified independently, nor assumes responsibility for the accuracy and completeness of this Information Memorandum, or any other information or documents supplied or approved by the Seller. The Trustee holds no responsibility for any mis-statement in or omission from the Trustee in publicly available information or any other information about the Trustee available in the market. The Seller and the Trustee do not undertake to update this Information Memorandum to reflect subsequent events and thus it should not be relied upon without first confirming its accuracy with the Seller.

Potential investors are required to make their own independent evaluation and judgment before making the purchase and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in the PTCs. It is the responsibility of potential investors to obtain all consents, approvals or authorisations required by them to make an offer to subscribe for and purchase the PTCs. Potential investors should not rely solely on this Information Memorandum or any other information given by the Seller nor would providing of such information by the Seller be construed as advice or recommendation by the Seller to subscribe to and purchase the PTCs. The potential investors acknowledge that the Seller does not owe the Investors any duty of care in respect of this offer/invitation to subscribe for and purchase of the PTCs. It is the responsibility of potential investors to also ensure that they will sell these PTCs in strict accordance with this Information Memorandum and other applicable laws, so that the sale does not constitute an offer to the public. Potential investors should also consult their own tax advisors on the tax implications of the acquisitions, ownership, sale and redemption of the PTCs and income arising thereon.

This Information Memorandum is a medium of sharing information to potential investors with an objective to provide an investment opportunity in the PTCs outline the transaction structure. This IM may also contain information about parties to the transaction, which are of confidential nature and not publicly available. Any dissemination of this Information Memorandum to a party other than to whom it has been sent and use of the information contained in this information Memorandum for purposes other than of a potential investor for this issue is strictly prohibited.

GENERAL RISK

Investment in structured products or structured obligations (SO) and such related securities involve a degree of risk and investors should not invest any funds in such instruments, unless they can afford to take the risks attached to such investments. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue including the risks involved. Specific attention of investors is invited to statement of Risk Factors contained in Chapter 9 of this Offer Document. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the PTCs or investor's decision to purchase the PTCs. Please be advised that the relevant Receivables will be assigned to the Issuer by the Originator on a no-recourse basis (save for the Credit Enhancement provided by the Originator) and any investor shall carefully assess the risks associated with such assignment before proceeding with a decision to make an investment in the PTCs.

DISCLAIMER CLAUSE OF SEBI



As per the provisions of the Securitisation Listing Framework, a copy of this Offer Document may need to be filed with or submitted to SEBI for its review/approval. It is to be distinctly understood that this Offer Document should not in any way be deemed or construed to have been approved or vetted by SEBI and that this Issue is not recommended or approved by SEBI nor does SEBI guarantee the adequacy and accuracy of this Offer Document. SEBI does not take any responsibility either for the financial soundness of any proposal for which the PTCs issued thereof is proposed to be made or for the correctness of the statements made or opinions expressed in this Offer Document.

Neither SEBI nor the stock exchanges are responsible for the correctness of any statements, opinions or other disclosures contained in this offer document. The registration granted by SEBI to the trustee should not be taken as an indication of the merits of the issuer, the originator or the securitised debt instruments.

The PTCs have not been recommended or approved by the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGE

As required, a copy of this Offer Document has been filed with Stock Exchange in terms of the SEBI (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008, as amended/ supplemented/ replaced from time to time and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended/ supplemented/ replaced from time to time. It is to be distinctly understood that submission of this Offer Document to the Stock Exchange should not in any way be deemed or construed to mean that this Offer Document has been reviewed, cleared or approved by the Stock Exchange, nor does the Stock Exchange in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Offer Document. The Stock Exchange does not warrant that the PTCs will be listed or will continue to be listed on the Stock Exchange nor does the Stock Exchange take any responsibility for the soundness of the financial and other conditions of the Issuer, its promoters, its management or any scheme or project of the Issuer.

DISCLAIMER IN RESPECT OF JURISDICTION

Issue of the PTCs have been/ will be made in India to investors as specified under clause "Who Can Apply" in this Offer Document, who have been/shall be specifically approached by the Issuer. This Offer Document is not to be construed or constituted as an offer to sell or an invitation to subscribe to PTCs offered hereby to any person to whom it is not specifically addressed. This Offer Document does not constitute an offer to sell or an invitation to subscribe to the PTCs herein, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. The PTCs are governed by and shall be construed in accordance with the laws of India, and all disputes thereof shall be subject to the jurisdiction of the courts and tribunal set out in the Securitisation Documents.

DISCLAIMER IN RESPECT OF RATING AGENCY

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

ISSUE OF PTCs IN DEMATERIALISED FORM

The PTCs will be issued in dematerialised form. The Issuer has made arrangements with National Securities Depositories Limited and Central Depository Services (India) Limited for the issue of the PTCs in dematerialised



form. The investors will have to hold the PTCs in dematerialised form as per the provisions of the Depositories Act, 1996. The Issuer shall take necessary steps to credit the PTCs allotted to the beneficiary account maintained by the investor with its depository participant. The Issuer will make the allotment to investors on the Deemed Date of Allotment after verification of the Application Form, the accompanying documents and on realisation of the application money.

ADDITIONAL ASSUMPTIONS

Each subscriber, by subscribing to the PTCs, and any subsequent purchaser, by purchasing the PTCs, shall be deemed to have agreed that and accordingly the Issuer and the Trustee shall be entitled to presume that each of the investors:

- (a) has reviewed the terms and conditions applicable to the PTCs as contained in the Offer Document and has understood the same, and, on an independent assessment thereof, found the same acceptable for the investment made and has also reviewed the risk disclosures contained herein and has understood the risks, and determined that the investment in the PTCs are a suitable investment and that the investors can bear the economic risk of that investment;
- (b) has received all the material information provided by the Originator to the Issuer in connection with, and for investment in the PTCs;
- (c) has understood that information contained in this Offer Document is not to be constructed as business or investment advice;
- (d) has legal ability to invest in the PTCs and the investment does not contravene any provision of any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the investors or its assets.

Attention of the persons interested in subscribing to the Certificates is specifically drawn to the section titled Special Considerations and Risk Factors.

For Catalyst Trusteeship Limited

Trustee for Dhruva XXI 2023

Authorised Signatory

Date: September 28, 2023



List of Contact Persons

With regard to this Information Memorandum, the following people at the Trustee and the Seller can be contacted:

Originator/ Seller/ Servicer: Five-Star Business Finance Limited F				
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Trustee – : Catalyst Trusteeship Limited				
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CHAPTER 1: DEFINITIONS AND GLOSSARY OF TERMS

Capitalised terms used in this Offer Document and not otherwise defined shall have the meanings given to them in the Securitisation Documents. For the purposes of this Offer Document, except as otherwise expressly provided or as the context or meaning thereof otherwise requires, the following expressions shall have the meanings assigned to them respectively hereinafter:

- (1) **"Allottee"** means any PTC Applicant who has received an Allotment Advice
- (2) **"Allotment Advice"** means the advice issued by the Trust confirming that the subscription by any potential investor in the PTCs, has been accepted.
- (3) **"Applicant"** or **"Subscriber"** means an applicant who has made an Application for subscribing to the Certificate.
- (4) **"Application"** means the submission of a duly filled up and signed Application Form by a prospective investor to the Trustee.
- (5) **"Application Form"** means the form annexed hereto and marked as Annexure 3.
- (6) **"Application Money"** means the monies paid by any potential investor to the Trust for the purposes of subscribing to the PTCs.
- (7) **"Accounts"** means, collectively, the Collection and Payment Account and the Cash Collateral, or any one or more of them, as the context may require.
- (8) **"Accounts Agreement"** means the accounts agreement dated on or about the date of execution of the Trust Deed by and among the Seller/Facility Provider, the Servicer and the Trustee setting out the terms and conditions for opening, operating and maintaining the Collection and Payment Account with the Collection Bank and the Cash Collateral with the Approved Bank.
- (9) **"Applicable Law"** means any statute, law, regulation, ordinance, rule, judgment, order, decree, ruling, bye-law, approval of any Competent Authority, directive, guideline, policy, requirement or other governmental restriction or any similar form of decision of or determination by, or any interpretation or administration having the force of law of any of the foregoing by any Competent Authority having jurisdiction over the matter in question, whether in effect as of the date of any of the Securitisation Documents or at any time thereafter.
- (10) **"Approved Bank"** means a scheduled commercial bank, which is acceptable to the Rating Agency and with which the Cash Collateral and other accounts as may be required in terms of the Securitisation Documents are maintained, as more particularly set out in the Accounts Agreement.
- (11) **"Assigned Assets"** has the meaning given to it in Section 2.2(a).
- (12) **"Assignment Agreement"** means the assignment agreement dated on or about the date of the Trust Deed between the Seller and the Trustee, setting out the detailed terms and conditions of the assignment of the Assigned Assets to the Trust by the Seller.
- (13) **"Auditor"** means the chartered accountants who will be appointed by the Investors and/or the Trustee to facilitate any audit of the Receivables constituting the Pool to verify, *inter alia*, whether these exist, whether these meet with the eligibility criteria mentioned in Section 6.1 and whether these are supported by adequate and appropriate documentation.



- (14) "Beneficiaries" the PTC Holders from time to time, the Residual Beneficiary and such other persons who have any right over the Trust Property at any time in terms of the Trust Deed.
- (15) "BSE" means BSE Limited.
- (16) "Business Day" means a day that is not a Saturday or a Sunday or a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881, and on which banks are open in the normal course of business in Mumbai, India.
- (17) "Cash Collateral" means all or any fixed deposit account(s) established by the Seller/Facility Provider with the Approved Bank, aggregating to INR 5,77,32,773 (Indian Rupees Five Crore Seventy Seven Lakh Thirty Two Thousand Seven Hundred and Seventy Three) as stipulated by the Rating Agency, including any reimbursements and replenishments thereto (but excluding all interest accruing thereupon) available to meet any shortfall in payments which were due and payable and were scheduled to be made under the Waterfall Mechanism on any Payout Date.
- (18) "Clean Up Call Option" has the meaning given to it in Section 2.3 below.
- (19) "Clean Up Purchase Consideration" means the price to be paid by the Seller to repurchase Facilities in the event that the Seller exercises the Clean Up Call Option under the Assignment Agreement.
- (20) "Collection and Payment Account" or "Collection and Payout Account" or "Collection & Payout Account" or "CPA" means an account to be opened and maintained by the Trustee with the Collection Bank, in accordance with the terms of the Accounts Agreement and the Trust Deed.
- (21) "Collection Bank" means a scheduled commercial bank, which is acceptable to the Rating Agency and with whom the Collection and Payment Account and other accounts as may be required in terms of the Securitisation Documents are maintained, as more particularly set out in the Accounts Agreement.
- (22) "Collection Period" means each period between a collections start date and the corresponding collections end date as set out in Annexure 2.
- (23) "Commencement Date" means September 1, 2023, being the date following the Pool Cut Off Date.
- (24) "Competent Authority" means the Government of India or the government of any state in India or any ministry, department, board, authority, instrumentality, agency, corporation (to the extent acting in a legislative, judicial or administrative capacity) or commission under the direct or indirect control of such government or any political subdivision of any of them or owned or controlled by the government or any of their subdivisions, or any court, tribunal, judicial or regulatory body within India or any other court, administrative agency or arbitrator, and "Competent Authorities" shall be construed accordingly.
- (25) "Credit Enhancement" means the Cash Collateral. For the avoidance of doubt, it is clarified that the subordinated facilities principal/over-collateralisation and the Excess Interest Spread are part of the Receivables and form a part of the internal credit enhancement (as defined in the Securitisation Directions).
- (26) "Default" means any amount(s) due, but not received, from any Obligor in respect of the Receivables constituting the Pool.
- (27) "Default Interest Rate" means the aggregate of the Series A1(a) Interest Rate or the Series A1(b) Interest Rate (whichever is higher) and 2% (two percent) per annum.



- (28) **"Discretionary Audit"** means an audit conducted by the Trustee (or any person authorised by the Trustee) to (a) monitor the Servicer's processes relating to collections and data integrity, (b) monitor the governance, management, systems and internal operations of the Servicer, and (c) audit, at the instructions of the Trustee, the reports submitted by the Servicer to the Trustee.
- (29) **"Effective Date"** means the date on which the Assigned Assets are purchased by the Trust in consideration of the payment of the Purchase Consideration in accordance with the terms of the Assignment Agreement and the other Securitisation Documents, which shall be no later than September 28, 2023. It is clarified that although the Assigned Assets are being assigned pursuant to the Securitisation Documents with effect from the Effective Date, the Receivables comprising the Assigned Assets attributable to the period commencing from the Commencement Date are being transferred to the Trust in accordance with the terms of the Securitisation Documents.
- (30) **"Excess Interest Spread" or "EIS"** means, for the purposes of the transactions contemplated under the Securitisation Documents, the excess spread arising due to the difference between the interest amounts on the Facilities comprising the Pool and the Interest payable to the PTC Holders.
- (31) **"Facilities"** means the financial assistances by way of loans provided by the Seller to the Obligors under the Facility Agreements and secured by way of Security Interest in respect of the Secured Assets, and **"Facility"** shall be construed accordingly.
- (32) **"Facility Agreements"** means all agreements in respect of the Facilities comprising the Pool, entered into between the Seller and the Obligors setting out the terms and conditions on which the Seller has agreed to provide the Facilities to the Obligors, and **"Facility Agreement"** shall be construed accordingly.
- (33) **"Facility Provider"** means Five-Star Business Finance Limited, a company incorporated under the Companies Act, 1956, and a non-banking financial company registered with the Reserve Bank of India, having its registered office at New No. 27, Old No. 4, Taylor's Road, Kilpauk, Chennai, Tamil Nadu - 600010, India.
- (34) **"Information Memorandum"** means the document issued on or about the date of execution of the Trust Deed by the Trustee supplying information of the transaction contemplated for issuance of PTCs.
- (35) **"Initial Contribution"** means the initial corpus of the Trust, being INR 1,000 (Indian Rupees One Thousand).
- (36) **"Interest"** means the Series A1(a) Interest, the Series A1(b) Interest, or any one or more of them, as the context may require.
- (37) **"Interest Rate"** means the Series A1(a) Interest Rate, the Series A1(b) Interest Rate, or any one or more of them, as the context may require.
- (38) **"Investor Payouts"** means the Series A1(a) Investor Payouts, the Series A1(b) Investor Payouts, and/or any one or more of them, as the context may require.
- (39) **"Investors" or "PTC Holders"** means the individuals, banking companies, financial institutions, mutual funds, insurance companies, companies and bodies corporate, primary dealers or any other person, who will subscribe to or be the holders of the PTCs from time to time in accordance with Applicable Law.
- (40) **"Majority Consent"** means the decision taken by the Investors holding Majority Interest, which decision will be binding on the Trustee.



- (41) "**Majority Interest**" means the Investors collectively constituting 51% (fifty one percent) of the aggregate of the outstanding amount of the PTCs.
- (42) "**Maturity Date**" means the Series A1 Final Maturity Date.
- (43) "**Monitoring Reports**" or "**Monthly Reports**" means the detailed reports, *inter alia*, on the realisation of the Receivables to be submitted by Servicer to the Trustee in accordance with the Servicing Agreement, and "**Monitoring Report**" or "**Monthly Report**" shall be construed accordingly.
- (44) "**Moratorium Directions (COVID-19)**" means, collectively, the RBI's circular no. DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 on "**COVID-19 – Regulatory Package**", the RBI circular no. DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 on "**COVID19 Regulatory Package - Asset Classification and Provisioning**", the RBI circular no. DOR.No.BP.BC.71/21.04.048/2019-20 dated May 23, 2020 on "**COVID-19 – Regulatory Package**", and the RBI circular no. DOR.No.BP.BC.72/21.04.048/2019-20 dated May 23, 2020 on "**COVID19 Regulatory Package - Review of Resolution Timelines under the Prudential Framework on Resolution of Stressed Assets**" (each as amended, modified or restated from time to time).
- (45) "**MRR**" has the meaning given to it in Section 2.2(g) below.
- (46) "**Obligors**" or "**Borrowers**" means, collectively, all the persons who have availed the Facilities comprising the Pool from the Seller under the terms of the Facility Agreements entered into between such persons and the Seller and who are liable to make payments of amounts due to the Seller as stipulated thereunder, and all persons that have provided any guarantee(s) and/or security in respect of the Facilities, and "**Obligor**" or "**Borrower**" shall be construed accordingly.
- (47) "**Overdue Series A1(a) Interest**" means the amount of the Series A1(a) Interest that is due and payable and scheduled to be paid on any Payout Date to the Series A1(a) Investors but not so paid.
- (48) "**Overdue Series A1(b) Interest**" means the amount of the Series A1(b) Interest that is due and payable and scheduled to be paid on any Payout Date to the Series A1(b) Investors but not so paid.
- (49) "**Pass Through Certificate(s)**" or "**PTC(s)**" or "**Certificate(s)**" or "**SN(s)**" or "**Securitisation Note(s)**" or "**SDI(s)**" or "**Securitized Debt Instrument(s)**" means the Series A1(a) PTCs, the Series A1(b) PTCs, and/or any one or more of them, as the context may require.
- (50) "**Payin Dates**" means, collectively, the payin dates set out in Annexure 2 on or prior to which the Servicer is required to deposit the collections for the relevant Collection Period in the Collection and Payment Account, and "**Payin Date**" shall be construed accordingly.
- (51) "**Payout Dates**" means, collectively, the payout dates set out in Annexure 2 on which Investor Payouts are due or expected to be paid (as the case may be) to the PTC Holders, and "**Payout Date**" shall be construed accordingly.
- (52) "**Pool**" means the securitised Receivables, being the Facilities, which are identified in the Assignment Agreement and are based on the eligibility criteria mentioned in Section 6.1. The expected cash flows of the Facilities (prepared on the basis of the Effective Date being September 28, 2023 and assuming no Prepayments and/or Defaults) have been set out in Annexure 2.
- (53) "**Pool Cut Off Date**" means August 31, 2023.
- (54) "**Prepayment**" means:



- (a) the early payment by any Obligor(s) of any principal instalments outstanding on any Facility Agreement(s) and balance interest thereon, where applicable (as per the provisions of such Facility Agreement(s));
- (b) the early payment by any Obligor(s) of any amounts, including balance interest (if any) for the remaining period of any Facility(ies), where applicable (as per the provisions of such Facility Agreement(s)), and principal instalments outstanding under such Facility Agreement(s) pursuant to the termination of any Facility Agreement(s), whether voluntary or pursuant to any order(s) of any court or tribunal; or
- (c) the early payment of any amounts, including balance interest (if any) in respect of any Facility, pursuant to the foreclosure of any of such Facility and/or enforcement of any Security Interest created in respect of the Secured Assets underlying the Facilities, whether voluntary or pursuant to any order(s) of any court or tribunal.
- (55) "**Prepayment Proceeds**" means the amounts paid by any Obligor(s) on any Prepayment, including pursuant to any legal proceedings (including for the enforcement of any Security Interest in respect of the Secured Assets underlying the Facilities) for the recovery of any amounts from any Obligor(s) under the relevant Underlying Document.
- (56) "**Principal**" means the Series A1(a) Principal, the Series A1(b) Principal, and/or any one or more of them, as the context may require.
- (57) "**Prospective Investor**" means a person eligible to be an Investor and to whom a PTC Holder wishes to transfer any PTC held by it.
- (58) "**PTC Register**" means the register of PTC Holders maintained in accordance with the Trust Deed.
- (59) "**Purchase Consideration**" means the amount payable by the Trustee, from the subscription amounts paid by the Investors, to the Seller in consideration of the Seller assigning the Receivables to the Trustee to be held by the Trustee for the benefit of the Investors.
- (60) "**Rating Agency**" means ICRA Limited, which has been appointed for the purpose of rating the PTCs.
- (61) "**RBI**" means the Reserve Bank of India.
- (62) "**Receivables**" means the aggregate of all amounts payable by the Obligors to the Seller from the Commencement Date, including all principal amounts, interest (both accrued and unpaid interest as at the Commencement Date and all future interest), additional interest, overdue charges, liquidated damages, penalties/premium received on prepayment and/or foreclosure, penal charges, Prepayment Proceeds, all amounts due and payable on account of delayed payments, any penal charges, any costs, charges, expenses, fees collected by the Seller and any other amounts stipulated in the Facility Agreements and/or the Underlying Documents, together with the amounts realised from enforcement of Security Interest created in respect of the Secured Assets underlying the Facilities.
- (63) "**Record Date**" means the date for determination of the registered Investors with the Registrar and Transfer Agent, being the day that occurs 3 (three) days prior to each Payout Date.
- (64) "**Registrar and Transfer Agent**" means a person who has agreed to act as the registrar and transfer agent for the PTCs or such other person who may be appointed as the registrar and transfer agent in its place by the Trustee.
- (65) "**Regular Collections**" in respect of any Collection Period, means all amounts collected in such



Collection Period, in respect of Facility Agreements relating to the Receivables (including premium on Prepayment, if any) and any withdrawals from the Cash Collateral but excluding Prepayment Proceeds received in such Collection Period.

- (66) **"Residual Beneficiary"** means the Seller.
- (67) **"SEBI"** means the Securities and Exchange Board of India.
- (68) **"Secured Assets" or "Underlying Assets"** means the immovable assets that are the subject matter of Security Interest created in favour of the Seller (or any trustee/agent acting for the Seller) to secure the Facilities.
- (69) **"Securitisation Directions"** means the Master Direction bearing reference number DOR.STR.REC.53/21.04.177/2021-22 dated September 24, 2021 issued by the RBI on "Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021", read together with, to the extent applicable, the Master Direction bearing reference number DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021 issued by the RBI on "Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021", each as amended, modified, supplemented or restated from time to time.
- (70) **"Securitisation Documents"** means the Trust Deed, the Assignment Agreement, the Servicing Agreement, the Accounts Agreement, the power of attorney and includes all other instruments, deeds and documents executed or entered into by or between or among the Trustee, the Seller and the Servicer from time to time, for the purpose of securitising the Receivables.
- (71) **"Securitisation Listing Framework"** means the Securities and Exchange Board of India (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008 read together with the master circular issued by SEBI bearing the reference number SEBI/HO/DDHS/PoD1/P/CIR/2023/119 dated August 10, 2021 on "Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper", each as amended, restated, supplemented or modified from time to time.
- (72) **"Security Documents"** means all documents, deeds, writings, indentures or instruments including any hypothecation or endorsement of any insurance policies, pursuant to which Security Interest in respect of the Secured Assets has been created in favour of the Seller (or any trustee/agent acting for the Seller) to secure the Facilities.
- (73) **"Security Interest"** means any mortgage, pledge, lien, charge, assignment, hypothecation, encumbrance or security interest or any other agreement or arrangement having a similar effect including, without limitation, any easement, right of way or encumbrance on real property.
- (74) **"Seller" or "Assignor" or "Originator" or "Five-Star" or "FSBFL"** means Five-Star Business Finance Limited, a company incorporated under the Companies Act, 1956, and a non-banking financial company registered with the Reserve Bank of India, having its registered office at New No. 27, Old No. 4, Taylor's Road, Kilpauk, Chennai, Tamil Nadu - 600010, India.
- (75) **"Senior Costs"** means the costs incurred by the Trustee, which are to be paid/reimbursed in the following order of priority:
- (a) all statutory and regulatory dues. However, if such statutory or regulatory dues relate to the Receivables on or prior to the Pool Cut Off Date and are due and unpaid by the Seller, the Trustee will call upon the Seller to reimburse such amounts;
 - (b) any fees or expenses incurred or payable by the Trustee in relation to the obligations and



duties contained in the Securitisation Documents, including any payments made to any service providers (including Servicing Fee) as may be required under the terms of the Securitisation Documents. This will include the costs relating to any legal advice, legal proceedings, the cost of advocates, solicitors and counsel, any expenses incurred by the Trustee or any funds payable to the Rating Agency, the Auditor, the Collection Bank and/or the Approved Bank whether such expenses are payable by the Seller but have not been paid by the Seller or otherwise; and

- (c) all other expenses or costs enumerated in Clause 4.6 of the Trust Deed and not forming part of (a) or (b) above.
- (76) "Series A1 Final Maturity Date" means September 19, 2029.
- (77) "Series A1(a) Interest" means the interest payable to the Series A1(a) Investors at the applicable Series A1(a) Interest Rate, calculated as the product of outstanding Series A1(a) Principal, the applicable Series A1(a) Interest Rate and the actual number of days between 2 (two) consecutive Payout Dates divided by the actual number of days in the relevant calendar year, and due and payable on the Payout Dates as set out in Annexure 2.
- (78) "Series A1(a) Interest Rate" means 9.10% (nine decimal one zero percent) per annum per month.
- (79) "Series A1(a) Investor Payouts" means the amounts to be paid to the Series A1(a) Investors as per the Waterfall Mechanism, in the manner and on the relevant Payout Dates set out in Annexure 2, wherein:
- (a) the Series A1(a) Interest is payable to the Series A1(a) Investor on each Payout Date until the Payout Date on which the Series A1(a) Principal is paid in full, and is payable in the manner set out in the Waterfall Mechanism;
- (b) the Series A1(a) Principal is only expected to be paid on each Payout Date, in the manner set out in the Waterfall Mechanism;
- (c) the Series A1(a) Principal is due and payable on the Series A1 Final Maturity Date, and is payable in the manner set out in the Waterfall Mechanism;
- (d) any shortfalls in the payment of the expected Series A1(a) Principal will be carried forward as payment in arrears and will be paid out on a future Payout Date as and when there are sufficient Total Collections to meet the shortfall, in accordance with the Waterfall Mechanism; and
- (e) all Investor Payouts shall follow the priority of payments as set out in the Waterfall Mechanism.
- (80) "Series A1(a) Principal" means the principal amounts aggregating to INR 85,50,00,000 (Indian Rupees Eighty Five Crore and Fifty Lakh) expected to be paid to the Series A1(a) Investors on each Payout Date, and due to be paid to the Series A1(a) Investors on the Series A1 Final Maturity Date.
- (81) "Series A1(a) PTC Holder(s)" or "Series A1(a) Investor(s)" means the Investors holding the Series A1(a) PTCs from time to time.
- (82) "Series A1(a) PTCs" means the certificates issued by the Trustee to any Investor(s) evidencing the undivided beneficial interest of such Investor(s) and entitling such Investor(s) to receive the Series A1(a) Investor Payouts in the manner specified herein.



- (83) **"Series A1(b) Interest"** means the interest payable to the Series A1(b) Investors at the applicable Series A1(b) Interest Rate, calculated as the product of outstanding Series A1(b) Principal, the Series A1(b) Interest Rate and the actual number of days between 2 (two) consecutive Payout Dates divided by 365 (three hundred and sixty five) days, and due and payable on the Payout Dates as set out in Annexure 2.
- (84) **"Series A1(b) Interest Rate"** means 9.62% (nine decimal six two percent) per annum per month.
- (85) **"Series A1(b) Investor Payouts"** means the amounts to be paid to the Series A1(b) Investors as per the Waterfall Mechanism, in the manner and on the relevant Payout Dates set out in Annexure 2, wherein:
- (a) the Series A1(b) Interest is payable to the Series A1(b) Investor on each Payout Date until the Payout Date on which the Series A1(b) Principal is paid in full, and is payable in the manner set out in the Waterfall Mechanism;
 - (b) the Series A1(b) Principal is only expected to be paid on each Payout Date, in the manner set out in the Waterfall Mechanism;
 - (c) the Series A1(b) Principal is due and payable on the Series A1 Final Maturity Date in the manner set out in the Waterfall Mechanism;
 - (d) any shortfalls in the payment of the expected Series A1(b) Principal will be carried forward as payment in arrears and will be paid out on a future Payout Date as and when there are sufficient Total Collections to meet the shortfall, in accordance with the Waterfall Mechanism; and
 - (e) all Investor Payouts shall follow the priority of payments as set out in the Waterfall Mechanism.
- (86) **"Series A1(b) Principal"** means the principal amounts aggregating to INR 21,80,00,000 (Indian Rupees Twenty One Crore and Eighty Lakh) expected to be paid to the Series A1(b) Investors on each Payout Date, and due to be paid to the Series A1(b) Investors on the Series A1 Final Maturity Date.
- (87) **"Series A1(b) PTC Holder(s)"** or **"Series A1(b) Investor(s)"** means the Investors holding the Series A1(b) PTCs from time to time.
- (88) **"Series A1(b) PTCs"** means the certificates issued by the Trustee to any Investor(s) evidencing the undivided beneficial interest of such Investor(s) and entitling such Investor(s) to receive the Series A1(b) Investor Payouts in the manner specified herein.
- (89) **"Servicer"** means Five-Star Business Finance Limited, a company incorporated under the Companies Act, 1956, and a non-banking financial company registered with the Reserve Bank of India, having its registered office at New No. 27, Old No. 4, Taylor's Road, Kilpauk, Chennai, Tamil Nadu - 600010, India, or any other person appointed as the servicer in accordance with the Servicing Agreement.
- (90) **"Servicer Event(s) of Default"** means, in respect of the Servicer, the occurrence of any of the following events:
- (a) inability to pay its debts within the meaning of Applicable Law, or the filing of a petition/application for insolvency/bankruptcy;
 - (b) any resolution being passed, resolving or to consider resolving that the Servicer be wound up voluntarily;



- (c) an order for winding up or insolvency of the Servicer is made by any competent court or tribunal, including under the (Indian) Insolvency and Bankruptcy Code, 2016 and any rules and regulations made thereunder;
 - (d) a moratorium or an interim moratorium is declared in respect of the Servicer under the (Indian) Insolvency and Bankruptcy Code, 2016 and any rules and regulations made thereunder;
 - (e) a receiver, liquidator, administrator or insolvency professional has been appointed or allowed to be appointed for all or substantial part of the undertaking of the Servicer including under the (Indian) Insolvency and Bankruptcy Code, 2016 and any rules and regulations made thereunder;
 - (f) an order for suspension of business or winding up, liquidation, administration or resolution of the Servicer is made by any Competent Authority;
 - (g) any default or negligence on the part of the Servicer as a result of which the Trustee is prevented from or is unable to enforce any proceedings for recovery of any Receivables;
 - (h) any breach of the Servicing Agreement or any other Securitisation Documents by the Servicer or any other failure on the part of the Servicer to observe or perform in any respect any covenant or obligation or undertaking under the Transaction Documents that (i) has a material adverse effect on the ability of the Servicer to continue to perform its obligations under the Transaction Documents, or (ii) is likely to be prejudicial to the Receivables in any way, including in respect of either the collection of the Receivables or enforcement proceedings in respect of the Receivables;
 - (i) any failure of the Servicer to collect amounts constituting the Receivables and remit/deposit them into the Collection and Payment Account on or prior to each Payin Date;
 - (j) any Underlying Document becoming unenforceable due to the failure of the Servicer to obtain any Authorisation required by or from any Competent Authority; or
 - (k) the failure of 2 (two) successive Discretionary Audits testing the ability of the Servicer to meet the standards with respect to collection standards, management, governance, internal systems and processes, and data integrity as may be required by the Trustee.
- (91) "Servicing Agreement" means the servicing agreement dated on or about the date of execution of the Trust Deed by and among the Servicer, the Seller and the Trustee, whereby, *inter alia*, the Servicer is appointed to manage the collection of the Receivables as per the Underlying Documents.
- (92) "Servicing Fee" means the fees payable to the Servicer on each Payout Date in lieu of the services provided by the Servicer in terms of the Servicing Agreement, which fees shall be ascertained on the basis of 0.03% (zero decimal zero three percent) (plus the applicable goods and services tax) of the outstanding principal of the Facilities comprising the Pool on the relevant Payout Date, payable in accordance with the Servicing Agreement and the Trust Deed.
- (93) "Settlement Date" means the date of execution of the Trust Deed.
- (94) "Settlor" or "Sponsor" means Catalyst Trusteeship Limited, a company incorporated under the Companies Act, 1956, having its registered office at GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune, Maharashtra - 411038, India and acting through its office at Office No. 604, 6th floor, Windsor, off CST Road, Kalina, Santacruz (East), Mumbai, Maharashtra - 400098, India.



- (95) **"Total Collections"** means, in respect of any Collection Period, the aggregate of the Regular Collections and the Prepayment Proceeds received in such Collection Period.
- (96) **"Transaction Documents"** means the Securitisation Documents and the Underlying Documents, or one or more of them, as the context may require.
- (97) **"Trust"** or **"Issuer"** or **"SPV"** or **"SPDE"** means the **Dhruva XXI 2023** trust, a private trust settled in India in accordance with the Indian Trusts Act, 1882 by the Settlor/Sponsor under the terms of the the Trust Deed.
- (98) **"Trustee"** means Catalyst Trusteeship Limited, a company incorporated under the Companies Act, 1956, having its registered office at GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune, Maharashtra - 411038, India and acting through its office at Office No. 604, 6th floor, Windsor, off CST Road, Kalina, Santacruz (East), Mumbai, Maharashtra - 400098, India.
- (99) **"Trust Deed"** means the amended and restated declaration of trust dated on or about the date of this IM entered into by Catalyst Trusteeship Limited (in its capacity as the settlor of the Trust) and the Trustee, declaring that the Trustee will hold the Trust Property in trust and for the benefit of the Beneficiaries, as amended and/or restated from time to time .
- (100) **"Trust Property"** means the Initial Contribution, all other contributions received by the Trustee including contributions received from the Investors towards subscription amounts for the PTCs, the Receivables and all amounts deposited with the Trust on realisation of the Receivables from time to time in accordance with the Securitisation Documents, the Underlying Documents and the Cash Collateral.
- (101) **"Underlying Documents"** means, collectively, all documents, instruments, records pertaining to the Facilities, including without limitation, all Facility Agreements, the Security Documents, demand promissory notes and other negotiable instruments, guarantees and all other underlying indemnities and correspondence and records relating to the Receivables and the underlying Security Interest in respect thereof which are in the possession of the Seller, as amended and/or restated from time to time.
- (102) **"Waterfall Mechanism"** means the fund flow priorities as more particularly detailed in Section 2.3 below.



CHAPTER 2: EXECUTIVE SUMMARY

This Information Memorandum seeks to provide relevant details of securitisation of certain loan assets together with all other present and future rights and benefits arising there from.

All the expressions used in this document shall unless repugnant to the context or meaning thereof carry the same meanings herein as assigned to them in the paragraph under the heading "Definitions and Glossary of Terms".

2.1 INTRODUCTION TO SECURITISATION

Securitisation is a process whereby commercial or consumer credits are packaged and sold in the form of financial instruments. A typical process of asset securitisation involves sale of specific receivables to a Special Purpose Vehicle (SPV) set up in the form of a trust or a company. The SPV in turn issues financial instruments (promissory notes, participation certificates or other debt instruments) to the investors evidencing the beneficial ownership of the investors in the receivables. The financial instruments are rated by an independent credit rating agency. Additional credit support is provided in order that the instrument may receive the desired level of rating. Typically, the servicing of the receivables is continued by the seller. Cash flows as and when they are received are passed on to the investors. Features of securitisation transactions include:

- (a) Absolute and valid sale of assets to an SPV (with defined purposes and activities) in trust for the investors;
- (b) Reliance by the investors on the performance of the assets for repayment - rather than the credit of their originator (the seller) or the issuer (the SPV);
- (c) Consequent to the above, "bankruptcy remoteness" of the SPV from the originator;
- (d) Support for timely payments, *inter-alia*, in the form of suitable credit enhancements;
- (e) Securitised debt paper usually achieves a high investment grade credit rating.

2.2 BRIEF DESCRIPTION OF THE TRANSACTION

- (a) Dhruva XXI 2023 trust ("Trust") is proposed to be set up as a special purpose trust, settled by Catalyst Trusteeship Limited under the Trust Deed for acquiring:
 - (i) the Receivables together with all rights, title and interest therein;
 - (ii) all its rights, title and interests under the Facility Agreements and other Underlying Documents (but excluding the Security Interest created in respect of the Secured Assets underlying the Facilities) and all documents and data pertaining to the Receivables; and
 - (iii) and the right, title and interest in the Cash Collateral,



free and clear of any lien or encumbrance, save and except the rights that are personal in nature ((i) to (iii) are collectively referred to as the "Assigned Assets"), as property of the Trust in trust for and for the benefit of the certain investors, who subscribe to the pass through certificates issued by the Trust.

- (b) The objectives and permitted activities of the SPV are as laid out in Section 7.
- (c) **Objects of the Offer:** The issue proceeds received from the Investors for subscribing to the PTCs, will be used by the Trust to pay to the Seller consideration for the Assigned Assets.
- (d) After acquiring the aforesaid Assets, the Issuer will issue Pass Through Certificates (PTCs) to the Investors. The PTCs shall be listed in terms of the Securitisation Listing Framework.
- (e) The Series A1(a) Investors shall be entitled to obtain the Series A1(a) Interest together with the principal amount of the Series A1(a) PTCs, and the Series A1(b) Investors shall be entitled to obtain the Series A1(b) Interest together with the principal amount of the Series A1(b) PTCs. The PTCs would be issued in dematerialised form and shall be listed on BSE as securitised debt instruments under the Securitisation Listing Framework, within the time period prescribed under the Securitisation Listing Framework.
- (f) The Originator will provide or cause to be provided certain credit enhancement in relation to the Assigned Assets which will be in line with the recommendations set out by the Rating Agency for achieving the rating for the PTCs.
- (g) To meet the minimum retention requirement ("MRR") stipulated by the RBI, in relation to the Assigned Assets being sold, the Originator is providing Cash Collateral which amounts to 5% (five percent) of the principal outstanding under the Pool as of the Pool Cut Off Date, wherein all the Facilities comprising the Pool and all the PTCs issued/to be issued by the Trust are issued against/secured against residential mortgages (i.e., the Secured Assets are in the form of immovable property classified (in accordance with the prescriptions of the RBI, if any) as residential property which are the subject matter of Security Interest by way of mortgage).
- (h) Five-Star Business Finance Limited will be appointed as the servicer in relation to the Assigned Assets and in that capacity the Servicer shall be entitled to enforce the Receivables for and on behalf of the Trust.
- (i) Claims or rights of the Investors of a particular series or tranche to receive payment of the Receivables shall rank *pari passu* inter-se and there shall be no difference in the rights, title and interest between the Investors vis-à-vis that particular series or tranche, irrespective of the date on which the Application Money shall have been paid by them.
- (j) Each PTC of a particular series or tranche, will evidence the Investor's respective *pro-rata* share and undivided beneficial interest in the Assigned Assets on a *pari-passu* basis.
- (k) The Series A1(a) PTCs and the Series A1(b) PTCs have each been assigned a provisional rating of AA (SO) by the Rating Agency. The rating rationale of the Rating Agency is annexed to this Information Memorandum and marked as Annexure 4. However, this is an indicative rating and is contingent upon the receipt of final documents conforming to information already received.
- (l) The Seller will have the Clean Up Call Option.

2.3 PRINCIPAL TERMS OF THE SECURITISATION TRANSACTION



Nature of Instrument	Securitized Debt Instruments being Pass Through Certificate evidencing beneficial interest in the Receivables as more particularly set out under Annexure 2 hereto.
Issuer	Dhruva XXI 2023
Originator / Seller	Five-Star Business Finance Limited
Trustee	Catalyst Trusteeship Limited
Credit Enhancement Provider	Five-Star Business Finance Limited
Collection Bank	ICICI Bank acting through its branch located at ICICI Bank Towers, BKC, Mumbai, Maharashtra
Servicer	Five-Star Business Finance Limited
Rating Agency	ICRA Limited
Legal Counsel	Phoenix Legal
Obligors	means, collectively, all the persons who have availed the Facilities comprising the Pool from the Seller under the terms of the Facility Agreements entered into between such persons and the Seller and who are liable to make payments of amounts due to the Seller as stipulated thereunder, and all persons that have provided any guarantee(s) and/or security in respect of the Facilities, and "Obligor" shall be construed accordingly.
Receivables	Please refer Chapter 1 above. The details of the Receivables are more particularly provided in Annexure 6 herein.
Structure	Par
Aggregate Principal	Pool INR 1,15,46,55,458 (Indian Rupees One Hundred and Fifteen Crore Forty Six Lakhs Fifty Five Thousand Four Hundred and Fifty Eight) as on the Pool Cut-Off Date
Aggregate Cashflows	Pool INR 2,17,46,63,318 (Indian Rupees Two Hundred and Seventeen Crore Forty-Six Lakh Sixty Three Thousand Three Hundred and Eighteen) as on the Pool Cut Off Date.
Aggregate Interest Spread	Excess INR 66,67,20,729 (Indian Rupees Sixty Six Crore Sixty Seven Lakh Twenty Thousand Seven Hundred and Twenty Nine) as on the Pool Cut Off Date.
Series A1(a) PTC Subscription Amount	INR 85,50,00,000 (Indian Rupees Eighty Five Crore and Fifty Lakh)
Series A1(b) PTC Subscription Amount	INR 21,80,00,000 (Indian Rupees Twenty One Crore and Eighty Lakh)
Pool Cut-off Date	August 31, 2023
Transfer Date/Commencement Date	September 01, 2023
PTCs	Series A1(a) PTCs and Series A1(b) PTCs
Purchase Consideration	INR 107,30,00,000 (Indian Rupees One Hundred and Seven Crore and Thirty Lakh)
Rating of Series A1(a) PTCs	AA (SO) by ICRA Limited for Series A1(a) PTCs
Rating of Series A1(b) PTCs	AA (SO) by ICRA Limited for Series A1(b) PTCs
Servicer Fees	means the fees payable to the Servicer on each Payout Date in lieu of the services provided by the Servicer in terms of the Servicing Agreement, which fees shall be ascertained on the basis of 0.03% (zero decimal zero three percent) (plus the applicable goods and services tax) of the outstanding principal of the Facilities comprising the Pool on the relevant Payout Date, payable in accordance with the Servicing Agreement and the Trust Deed.
Series A1(a) Interest	Please refer the definition of "Series A1(a) Interest Rate" in Chapter 1 above.



Rate	
Series A1(b) Interest Rate	Please refer the definition of "Series A1(b) Interest Rate" in Chapter 1 above.
Face Value of Series A1(a) PTCs	INR 50,00,000 (Indian Rupees Fifty Lakh)
Face Value of Series A1(b) PTCs	INR 10,00,000 (Indian Rupees Ten Lakh)
Series A1(a) Investor Payouts	<p>means the amounts to be paid to the Series A1(a) Investors as per the Waterfall Mechanism, in the manner and on the relevant Payout Dates set out in Annexure 2, wherein:</p> <ul style="list-style-type: none"> (a) the Series A1(a) Interest is payable to the Series A1(a) Investor on each Payout Date until the Payout Date on which the Series A1(a) Principal is paid in full, and is payable in the manner set out in the Waterfall Mechanism; (b) the Series A1(a) Principal is only expected to be paid on each Payout Date, in the manner set out in the Waterfall Mechanism; (c) the Series A1(a) Principal is due and payable on the Series A1 Final Maturity Date, and is payable in the manner set out in the Waterfall Mechanism; (d) any shortfalls in the payment of the expected Series A1(a) Principal will be carried forward as payment in arrears and will be paid out on a future Payout Date as and when there are sufficient Total Collections to meet the shortfall, in accordance with the Waterfall Mechanism; and (e) all Investor Payouts shall follow the priority of payments as set out in the Waterfall Mechanism.
Series A1(b) Investor Payouts	<p>means the amounts to be paid to the Series A1(b) Investors as per the Waterfall Mechanism, in the manner and on the relevant Payout Dates set out in Annexure 2, wherein:</p> <ul style="list-style-type: none"> (a) the Series A1(b) Interest is payable to the Series A1(b) Investor on each Payout Date until the Payout Date on which the Series A1(b) Principal is paid in full, and is payable in the manner set out in the Waterfall Mechanism; (b) the Series A1(b) Principal is only expected to be paid on each Payout Date, in the manner set out in the Waterfall Mechanism; (c) the Series A1(b) Principal is due and payable on the Series A1 Final Maturity Date in the manner set out in the Waterfall Mechanism; (d) any shortfalls in the payment of the expected Series A1(b) Principal will be carried forward as payment in arrears and will be paid out on a future Payout Date as and when there are sufficient Total Collections to meet the shortfall, in accordance with the Waterfall Mechanism; and



	(e) all Investor Payouts shall follow the priority of payments as set out in the Waterfall Mechanism.
Yield/Interest Type	Fixed
Default Interest Rate	means the aggregate of the Series A1(a) Interest Rate or the Series A1(b) Interest Rate (whichever is higher) and 2% (two percent) per annum.
Aggregate Cashflows	As set out in Annexure 2.
Form of Credit Enhancement	The credit enhancement would comprise of: <ul style="list-style-type: none"> ➤ External credit enhancement comprising Cash Collateral ➤ Internal credit enhancement comprising the Excess Interest Spread and subordinated facilities principal/over-collateral
Utilisation of Credit Enhancement	<p>(I) The Cash Collateral shall amount to 5% (five percent) of the principal outstanding under the Pool as of the Pool Cut Off Date. The Seller/Facility Provider will transfer the Cash Collateral, in the form and manner provided under the Assignment Agreement and the other Securitisation Documents, or in such other form and manner as may be acceptable to the Rating Agency and the Trustee. In addition to the Cash Collateral, internal credit enhancement by way of the EIS and the subordinated facilities principal/over-collateral in respect of the Facilities shall also be available to the Trust, and shall be utilized in accordance with the Waterfall Mechanism as part of the Total Collections on the Payout Dates. The Cash Collateral shall be drawn upon only to make payments towards Investor Payouts due to any shortfall/insufficiency of the Total Collections arising out of Defaults and/or Prepayments, in accordance with the Securitisation Directions. In this regard, it is confirmed that:</p> <p>(a) the Cash Collateral is fully provided at the initiation of the securitisation transaction contemplated under the Trust Deed and the other Transaction Documents; and</p> <p>(b) the Trust Deed and the Assignment Agreement do not contain any provisions that would require the amount of the Cash Collateral provided to be increased during the life of the securitisation transaction contemplated under the Trust Deed and the other Transaction Documents.</p> <p>(II) When Cash Collateral is required to be utilised, the Trustee will:</p> <p>(a) call upon the Approved Bank in writing, not later than 4:00 p.m. on such day which is 1 (one) Business Day prior to the relevant Payout Date or the Series A1 Final Maturity Date (as the case may be), to remit such amounts available under the Cash Collateral as are required to meet the shortfall into the Collection and Payment Account; and</p> <p>(b) on receiving the above written instructions, the Approved Bank will forthwith make the credit of the amount instructed by the Trustee into the Collection and Payment Account.</p> <p>In the event such day is not a Business Day, then the Trustee will call upon the Approved Bank in writing, not later than 4:00 p.m. on such day which is 2 (two) Business Days prior to the relevant</p>



Payout Date or the Series A1 Final Maturity Date, to remit such amounts available under the Cash Collateral as are required to meet the shortfall into the Collection and Payment Account.

- (III) On the Payin Date immediately preceding a Payout Date or the Series A1 Final Maturity Date, if there is a shortfall in the Total Collections in meeting the Series A1(a) Interest due (including any Overdue Series A1(a) Interest) and/or the Series A1(b) Interest due (including any Overdue Series A1(b) Interest) to be paid to the Series A1(a) Investors and the Series A1(b) Investors on the relevant Payout Date or the Series A1 Final Maturity Date in accordance with the Waterfall Mechanism, then the Trustee will follow the procedure set out in paragraph (II) above, wherein the amounts/proceeds of the utilisation of the Cash Collateral pursuant to paragraph (II) above shall be used to make payments of the Series A1(a) Interest due (including any Overdue Series A1(a) Interest) and/or the Series A1(b) Interest due (including any Overdue Series A1(b) Interest) to the Series A1(a) Investors and the Series A1(b) Investors on a *pari passu* basis.
- (IV) On the Payin Date immediately preceding the Series A1 Final Maturity Date, if there is a shortfall in the amount required for the repayment of the Series A1(a) Principal to the Series A1(a) Investors, then the Trustee will follow the procedure set out in paragraph (II) above.
- (V) On the Payin Date immediately preceding the Series A1 Final Maturity Date, if there is a shortfall in the amount required for the repayment of the Series A1(b) Principal to the Series A1(b) Investors, then the Trustee will follow the procedure set out in paragraph (II) above.
- (VI) [INTENTIONALLY LEFT BLANK]
- (VII) The Cash Collateral provided by the Seller/Facility Provider will be drawn down to the extent of any losses (whether due to Prepayment and/or Default) in the Pool. The Cash Collateral will be replenished on each Payout Date from amounts lying in the Collection and Payment Account in the manner set out in Waterfall Mechanism. However, replenishments to the Cash Collateral will be made only to the extent that the Cash Collateral was drawn upon to meet prior shortfalls.
- (VIII) Any interest that may accrue on the Cash Collateral shall be to the credit of the Seller/Facility Provider and shall be remitted by the Approved Bank into such account of the Seller/Facility Provider as may be designated by it and in the manner set out in the Accounts Agreement.
- (IX) All or part of the Cash Collateral may, at any time, be reset in accordance with the Securitisation Directions and with the prior written consent of the Investors holding Majority Interest. Any reset of the Cash Collateral can take place only after at least 25% (twenty five percent) of the aggregate principal amounts of the PTCs have been amortised and the credit enhancement thresholds are met, and thereafter, at such steps/thresholds and with such minimum period between resets of credit enhancements as are prescribed in the Securitisation Directions.



	<p>In this regard, it is agreed that:</p> <ul style="list-style-type: none"> (a) the Seller/Facility Provider shall provide a notice for request for reset of the Cash Collateral to all Investors ("Reset Request Notice"); (b) if no response is received by the Seller/Facility Provider in respect of the Reset Request Notice within 30 (thirty) days from the date of receiving the Reset Request Notice, the Seller/Facility Provider shall provide a reminder to the Investors in respect of the Reset Request Notice at the expiry of a period of within 30 (thirty) days from the date of the Reset Request Notice; and (c) if, following the reminder in accordance with paragraph (b) above, the Investors do not provide their response within 45 (forty five) days from the Reset Request Notice above, then the Seller/Facility Provider and the Trustee may consider that the Investors have provided their implicit consent for the purposes of the reset of the Cash Collateral and Clause 48(c) of the Securitisation Directions, in which case the Trustee and the Seller/Facility Provider may initiate the process of reset of the Cash Collateral in accordance with the Securitisation Directions. <p>(X) Any unused Cash Collateral provided by the Seller/Facility Provider in relation to the Receivables together with applicable interest thereon may be remitted to the Seller/Facility Provider in accordance with the Securitisation Directions and the Securitisation Documents, subject to all amounts payable to the Investors under the Trust Deed having been paid. All costs and expenses for such transfer shall be borne by the Seller/Facility Provider. Any unused Cash Collateral remitted to the Seller in accordance with this paragraph (X) cannot be clawed back for any reason whatsoever.</p>
<p>Liquidity Support</p>	<p>Not applicable.</p>
<p>Payment Mechanism/ Waterfall Mechanism</p>	<p>(I) The Waterfall Mechanism is based on the following principles:</p> <ul style="list-style-type: none"> (a) Until the Series A1(a) Principal is redeemed in full: <ul style="list-style-type: none"> (i) the Series A1(a) Interest and the Series A1(b) Interest shall be due and payable on each Payout Date on a <i>pari passu</i> basis; (ii) the Series A1(a) Principal shall be expected to be paid on each Payout Date, and shall be due and payable on the Series A1 Final Maturity Date; and (iii) all Prepayment Proceeds shall be utilised only for payment of the expected Series A1(b) Principal on each Payout Date, and the Series A1(b) Principal shall be due and payable on the Series A1 Final Maturity Date.



	<p>(b) In the event that the Series A1(a) PTCs are completely redeemed prior to the Series A1(b) PTCs, then until the Series A1(b) PTCs are completely redeemed:</p> <ul style="list-style-type: none">(i) the Series A1(b) Interest shall be due and payable on each Payout Date; and(ii) the Series A1(b) Principal shall be expected to be paid on each Payout Date, and shall be due and payable on the Series A1 Final Maturity Date. <p>(c) If the Series A1(b) PTCs are completely redeemed prior to the Series A1(a) PTCs, then until the Series A1(a) PTCs are completely redeemed:</p> <ul style="list-style-type: none">(i) the Series A1(a) Interest shall be due and payable on each Payout Date;(ii) the Series A1(a) Principal shall be expected to be paid on each Payout Date, and shall be due and payable on the Series A1 Final Maturity Date; and(iii) the Total Collections (including the Prepayment Proceeds) shall be utilised for payment of the expected Series A1(a) Principal on each Payout Date. <p>(d) All collections in the Pool will be used to make the Series A1(a) Investor Payouts and the Series A1(b) Investor Payouts in accordance with the priority of payments set out in the Waterfall Mechanism.</p> <p>(II) On each Payout Date, the proceeds realised and deposited in the Collection and Payment Account by the Servicer, along with any amounts withdrawn by the Trustee from the Cash Collateral, will be utilised in the following order of priority:</p> <ul style="list-style-type: none">(a) So long as the Series A1(a) PTCs and/or the Series A1(b) PTCs have not been fully redeemed, the Total Collections, all amounts remaining in the Collection and Payment Account from any previous Collection Period (if any), the Clean Up Purchase Consideration (if such amounts have been received), and any amounts recovered pursuant to any legal proceedings (including for the enforcement of any Security Interest underlying the Facilities), shall be utilised by the Trustee in the following order of priority:<ul style="list-style-type: none">(i) payment of Senior Costs (including Servicing Fee);(ii) payment of the Overdue Series A1(a) Interest and the Overdue Series A1(b) Interest on a <i>pari passu</i> basis;
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	<ul style="list-style-type: none">(iii) payment of the Series A1(a) Interest due and the Series A1(b) Interest due on a <i>pari passu</i> basis;(iv) payment of the expected Series A1(a) Principal (including any unpaid expected amounts in respect of the Series A1(a) Principal pertaining to earlier Collection Periods);(v) any Prepayment Proceeds will be utilised only for payment of the expected Series A1(b) Principal (including any unpaid expected amounts in respect of the Series A1(b) Principal pertaining to earlier Collection Periods);(vi) reimbursement of the Cash Collateral (to the extent drawn on any Payout Date and not reimbursed already); and(vii) payment to the Residual Beneficiary. <p>(b) In the event that the Series A1(b) PTCs are completely redeemed prior to the Series A1(a) PTCs, then until the Series A1(a) PTCs are completely redeemed, the Total Collections, all amounts remaining in the Collection and Payment Account from any previous Collection Period (if any), the Clean Up Purchase Consideration (if such amounts have been received), and any amounts recovered pursuant to legal proceedings, shall be utilised by the Trustee in the following order of priority:</p> <ul style="list-style-type: none">(i) payment of Senior Costs (including Servicing Fee);(ii) payment of the Overdue Series A1(a) Interest;(iii) payment of the Series A1(a) Interest due;(iv) payment of the expected Series A1(a) Principal (including any unpaid expected amounts in respect of the Series A1(a) Principal pertaining to earlier Collection Periods);(v) any Prepayment Proceeds will be utilised for pre-payment/accelerated redemption of the Series A1(a) Principal;(vi) reimbursement of the Cash Collateral (to the extent drawn on any Payout Date and not reimbursed already); and(vii) payment to the Residual Beneficiary. <p>(c) In the event that the Series A1(a) PTCs are completely redeemed prior to the Series A1(b) PTCs, then until the Series A1(b) PTCs are completely redeemed, the Total Collections, all amounts</p>
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	<p>remaining in the Collection and Payment Account from any previous Collection Period (if any), the Clean Up Purchase Consideration (if such amounts have been received), and any amounts recovered pursuant to legal proceedings, shall be utilised by the Trustee in the following order of priority:</p> <ul style="list-style-type: none">(i) payment of Senior Costs (including Servicing Fee);(ii) payment of the Overdue Series A1(b) Interest;(iii) payment of the Series A1(b) Interest due;(iv) payment of the expected Series A1(b) Principal (including any unpaid expected amounts in respect of the Series A1(b) Principal pertaining to earlier Collection Periods);(v) any Prepayment Proceeds will be utilised for prepayment/accelerated redemption of the Series A1(b) Principal;(vi) reimbursement of the Cash Collateral (to the extent drawn on any Payout Date and not reimbursed already); and(vii) payment to the Residual Beneficiary. <p>(d) On complete redemption of the Series A1(a) PTCs and the Series A1(b) PTCs, the Total Collections, all amounts remaining in the Collection and Payment Account from any previous Collection Period (if any), the Clean Up Purchase Consideration (if such amounts have been received), and any amounts recovered pursuant to any legal proceedings (including for the enforcement of any Security Interest underlying the Facilities), shall be utilised by the Trustee in the following order of priority:</p> <ul style="list-style-type: none">(i) payment of Senior Costs; and(ii) payment to the Residual Beneficiary. <p>(e) Any amounts recovered pursuant to any legal proceedings (including for the enforcement of any Security Interest underlying the Facilities) and the Clean Up Purchase Consideration (if such amounts have been received) shall be utilised by the Trustee in the following order of priority:</p> <ul style="list-style-type: none">(i) for application towards payments in accordance with paragraph II(a) above;(ii) for application towards payments in accordance with paragraph II(b) above; and
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	(iii) application towards payments in accordance with paragraph II(c) above.
Collection & Payout Account / CPA	<p>The Collection & Payout Account / CPA means the account designated as "Dhruva XXI 2023", opened and maintained by the Trustee with the Collection Bank, in accordance with terms of the Accounts Agreement and the other Securitisation Documents.</p> <p>The Servicer shall deposit all collections from the Receivables in the CPA and the amounts available in the CPA shall be utilized by the Trustee for making the payments due in terms of the Waterfall Mechanism.</p>
Prepayments	<p>means:</p> <p>(a) the early payment by any Obligor(s) of any principal instalments outstanding on any Facility Agreement(s) and balance interest thereon, where applicable (as per the provisions of such Facility Agreement(s));</p> <p>(b) the early payment by any Obligor(s) of any amounts, including balance interest (if any) for the remaining period of any Facility(ies), where applicable (as per the provisions of such Facility Agreement(s)), and principal instalments outstanding under such Facility Agreement(s) pursuant to the termination of any Facility Agreement(s), whether voluntary or pursuant to any order(s) of any court or tribunal; or</p> <p>(c) the early payment of any amounts, including balance interest (if any) in respect of any Facility, pursuant to the foreclosure of any of such Facility and/or enforcement of any Security Interest created in respect of the Secured Assets underlying the Facilities, whether voluntary or pursuant to any order(s) of any court or tribunal.</p>
Prepayment Proceeds	means the amounts paid by any Obligor(s) on any Prepayment, including pursuant to any legal proceedings (including for the enforcement of any Security Interest in respect of the Secured Assets underlying the Facilities) for the recovery of any amounts from any Obligor(s) under the relevant Underlying Document.
Clean-up Call Option	<p>(a) Subject to Applicable Law, at any time after the residual value i.e., value of outstanding principal of the Facilities comprising the Pool, falls below the thresholds prescribed under the Securitisation Directions, the Seller will have the option to buy fully performing Facilities, exercisable by the Seller in its sole discretion ("Clean Up Call Option"), in accordance with the Securitisation Directions. This option may be exercised only if, at the time of exercise of the Clean Up Call Option by the Seller, the amount available under the Cash Collateral is greater than the principal balance of non-performing Facilities belonging to the Pool.</p> <p>(b) Upon exercise of the Clean Up Call Option by the Seller, the price payable by the Seller will be an amount arrived at on the basis of the net present value of the outstanding amounts of such fully performing Facilities as of the date of exercising the Clean Up Call Option.</p> <p>(c) It is clarified that pursuant to the Clean Up Call Option, the Seller only has</p>



	<p>an option (and not an obligation) to re-purchase the Receivables that are performing and that the Clean Up Call Option is to be exercised in accordance with the Securitisation Directions. The Clean Up Call Option is exercisable at its sole discretion at the thresholds prescribed under the Securitisation Directions, only if, at the time of exercise of the Clean Up Call Option, the amount available under the Cash Collateral is greater than the principal balance of non-performing Facilities belonging to the Pool. Therefore, the Clean Up Call Option is not structured to avoid allocating losses to credit enhancements or positions held by the Investors or structured to provide any credit enhancements.</p>
Any class or tranche not being offered to public	The PTCs are privately placed and are not offered to the public.
Interest Payment Date	On the Payout Date as set out in Annexure 2 hereto.
Principal Payment Date	On the Payout Date as set out in Annexure 2 hereto.
Optional Redemption	Not Applicable
Possibility of extension or shortening of period of PTC	Upon the delay in payments by the Obligors, the tenor of the PTCs may be increased.
Risk of prepayment in respect of the PTCs	Please refer the rating rationale issued by the Rating Agency, annexed hereto as Annexure 4 .
First Payout Date	As set out in Annexure 1 .
Last Payout Date/Maturity Date	As set out in Annexure 1 .



2.4 PRINCIPAL TERMS OF THE PTCs

SERIES A1(a) PTCs	
Issue Opening Date	September 28, 2023
Issue Closing Date	September 28, 2023
Deemed Date of Allotment	September 28, 2023
First Payout Date	October 19, 2023
Last Payout Date in relation to Series A1(a) PTCs	August 19, 2028
Legal Final Maturity in relation to Series A1(a) PTCs (in months)	September 19, 2029
No. of Series A1(a) PTCs	171 (one hundred and seventy one)
Price Per Series A1(a) PTC	INR 50,00,000 (Indian Rupees Fifty Lakh)
Minimum Subscription / Minimum Ticket Size for Series A1(a) PTCs	INR 1,00,00,000 (Indian Rupees One Crore) (i.e., Series A1(a) Investor has to acquire at least 2 (two) Series A1(a) PTCs and multiples of 1 thereafter)
SERIES A1(b) PTCs	
Issue Opening Date	September 28, 2023
Issue Closing Date	September 28, 2023
Deemed Date of Allotment	September 28, 2023
First Payout Date	October 19, 2023
Last Payout Date in relation to Series A1(b) PTCs	May 19, 2029
Legal Final Maturity in relation to Series A1(b) PTCs (in months)	September 19, 2029
No. of Series A1(b) PTCs	218 (two hundred and eighteen)
Price Per Series A1(b) PTC	INR 10,00,000 (Indian Rupees Ten Lakh)
Minimum Subscription / Minimum Ticket Size for Series A1(b) PTC	INR 1,00,00,000 (Indian Rupees One Crore) (i.e., Series A1(b) Investor has to acquire at least 10 (ten) Series A1(b) PTCs and multiples of 1 thereafter)

2.5 RATING

The Rating Agency has given a provisional rating of AA (SO) for each of the Series A1(a) PTCs and the Series A1(b) PTCs. However, this is an indicative rating and is contingent upon the receipt of final documents conforming to information already received in relation to the Certificates. The ratings are not a recommendation to subscribe to or purchase, hold or sell or redeem the Series A1(a) PTCs or the Series A1(b) PTCs in as much as the ratings do not comment on its suitability to a particular Investor. There is no assurance either that the rating will remain at the same level for any given period of time or that the credit rating will not be lowered or withdrawn entirely by the Rating Agency. Also the Rating Agency will issue the final ratings after the compliance with the terms of the provisional rating.

2.6 APPLICATION FOR CERTIFICATES



The subscription period will open on September 28, 2023 and close on a date not later than September 28, 2023. The investors have to submit applications (by submitting the duly filled up and signed form annexed hereto and marked as **Annexure 3**) and make payment of the subscription amounts by a cheque/ demand draft payable high value in Mumbai by RTGS such that the credit is received no later than 4.00 p.m. on or prior to the day of closure of issue. The Deemed Date of Allotment for the Certificates shall be September 28, 2023 ("Deemed Date of Allotment").



A handwritten signature in black ink, appearing to be "S. Srinivasan".

CHAPTER 3: THE TRANSACTION STRUCTURE

3.1 TRANSACTION STRUCTURE

- (a) Five-Star Business Finance Limited is the Originator/Seller/Service of the Assigned Assets.
- (b) The Originator shall assign and sell the Receivables to a Special Purpose Vehicle (SPV), which is a Trust, namely "Dhruva XXI 2023" settled by Catalyst Trusteeship Limited under the Trust Deed for acquiring the Assigned Assets as property of the Trust in trust for and for the benefit of the Investors.
- (c) The Trust will purchase the Assigned Assets from the Originator, by using the monies received from the Investors as advances for issuing the PTCs, and upon acquisition of the Assigned Assets issue the PTCs to the Investors.
- (d) To meet the MRR in relation to the Assigned Assets being sold, the Seller shall provide the Cash Collateral of INR 5,77,32,773 (Indian Rupees Five Crore Seventy Seven Lakh Thirty Two Thousand Seven Hundred and Seventy Three) which constitutes 5% (five percent) of the principal outstanding under the Pool as of the Pool Cut Off Date, wherein all the Facilities comprising the Pool and all the PTCs issued/to be issued by the Trust are issued against/secured against residential mortgages (i.e., the Secured Assets are in the form of immovable property classified (in accordance with the prescriptions of the RBI, if any) as residential property which are the subject matter of Security Interest by way of mortgage).
- (e) The Seller shall maintain the MRR as a percentage of the unamortised principal on an ongoing basis.
- (f) The PTCs issued by the Trust shall represent the undivided beneficial interest of the holder thereof in the Assigned Assets.
- (g) The Series A1(a) PTCs and the Series A1(b) PTCs have been given a provisional rating of AA (SO) by the Rating Agency. The provisional ratings shall be confirmed by the Rating Agency after the compliance with all the terms for the issue of the provisional ratings.
- (h) Catalyst Trusteeship Limited acting as the Trustee shall monitor the overall transaction on behalf of the beneficiaries of the Trust (being the investors in the PTCs) and shall be responsible for performing various actions to protect their interests.
- (i) The Trustee will open and operate the Collection and Payout Account. The Cash Collateral which has been made available in the form of fixed deposits, will be lien marked in favour of the Trustee.



- (j) The Cash Collateral shall be available to the Trust for the benefit of the Investors at all times until the Investor Payouts are made to the Investors.
- (k) The Seller shall be responsible for bearing all initial costs in relation to the securitisation transaction, including but not limited to the fees of the Trustee, the Rating Agency, the Collection Bank, the stamp duty payable on the Securitisation Documents, the fees of the legal counsel and the fees of any auditors appointed for inspecting the pool of Loans.
- (l) The credit enhancement for the PTCs, will comprise of the Excess Interest Spread and Cash Collateral, which Cash Collateral shall be provided by the Originator in such manner and to such extent as is required to ensure that the provisional rating of the PTCs is confirmed by the Rating Agency.
- (m) The Seller will be appointed as the Servicer in relation to the Assigned Assets. The Servicer shall collect the Receivables from the Obligors, and deposit all the collections realised therefrom into the CPA as per the terms of the Transaction Documents. The Servicer shall prepare the Monitoring Reports in relation to the collections and the outstanding dues, and make the same available to the Trustee at least 2 (two) days prior to each Payout Date.
- (n) The Servicer shall not be entitled to any fees for the performance of various functions and activities as the Servicer other than as specifically set out in the Securitisation Documents and shall act as the Servicer in accordance with the provisions thereof.
- (o) The Investor Payouts for the PTCs has been detailed in **Annexure 2**.
- (p) The Seller will have the Clean Up Call Option.
- (q) After all the Investor Payouts are made to the Investors, the balance amounts lying in the CPA as well as the outstanding Receivables and all right title and interest in relation thereto shall belong to the Seller.

3.2 RECEIVABLES

"Receivables" means the aggregate of all amounts payable by the Obligors to the Seller from the Commencement Date, including all principal amounts, interest (both accrued and unpaid interest as at the Commencement Date and all future interest), additional interest, overdue charges, liquidated damages, penalties/premium received on prepayment and/or foreclosure, penal charges, Prepayment Proceeds, all amounts due and payable on account of delayed payments, any penal charges, any costs, charges, expenses, fees collected by the Seller and any other amounts stipulated in the Facility Agreements and/or the Underlying Documents, together with the amounts realised from enforcement of Security Interest created in respect of the Secured Assets underlying the Facilities.



3.3 INSTRUMENTS ON OFFER

The Series A1(a) PTCs and Series A1(b) PTCs, each having a rating of AA (SO) by the Rating Agency.

Each PTC represents a proportionate undivided beneficial interest in the Assigned Assets as specified in this Information Memorandum and will be issued pursuant to the various Securitisation Documents entered into by and between different parties to this transaction of securitisation. The PTCs do not represent an interest or obligation of the Trustee, the Originator/ Seller (other than to the limited extent of the Credit Enhancement provided by the Seller), the Servicer or any of their respective affiliates nor are the PTCs or the underlying Receivables insured or guaranteed by the Trustee, the Originator/ Seller (other than to the limited extent of the Credit Enhancement provided by the Seller) the Servicer or any of their respective affiliates.

3.4 PAYIN DATES AND PAYOUT DATES

If:

- (a) a Payin Date does not fall on a Business Day then the Total Collections from the previous Collection Period shall be credited/deposited into the Collection and Payment Account on the preceding Business Day; or
- (b) a Payout Date or the Maturity Date does not fall on a Business Day, then the Investor Payouts will be made on the preceding Business Day.

Such preceding Business Day will be considered the relevant Payin Date, the relevant Payout Date or the Maturity Date, as the case may be, for the purposes of the Trust Deed and the other Securitisation Documents.

3.5 PAYMENT OF INTEREST

Interest at the Series A1(a) Interest Rate shall be payable on the Series A1(a) PTCs and interest at the Series A1(b) Interest Rate shall be payable on the Series A1(b) PTCs, each on the Payout Dates as specified in Annexure 2.

"Series A1(a) Interest" means the interest payable to the Series A1(a) Investors at the applicable Series A1(a) Interest Rate, calculated as the product of outstanding Series A1(a) Principal, the applicable Series A1(a) Interest Rate and the actual number of days between 2 (two) consecutive Payout Dates divided by the actual number of days in the relevant calendar year, and due and payable on the Payout Dates.

"Series A1(b) Interest" means the interest payable to the Series A1(b) Investors at the applicable Series A1(b) Interest Rate, calculated as the product of outstanding Series A1(b) Principal, the Series A1(b) Interest Rate and the actual number of days between 2 (two) consecutive Payout Dates divided by 365 (three hundred and sixty five) days, and due and payable on the Payout Dates.

3.6 PREPAYMENT AMOUNTS

Please refer the definitions of "Prepayments" and "Prepayment Proceeds" in Chapter 1 above and Section 2.3 above.

3.7 CREDIT ENHANCEMENT

Please refer Section 2.3 above.



3.8 IMPORTANT STRUCTURAL TRIGGERS

In the event of any Prepayments or Defaults, the cash flow schedules set out in the Trust Deed and the other Securitisation Documents will be updated by the Trustee in accordance with the Trust Deed and the other Securitisation Documents, wherein the Trustee shall (acting on the instructions of the Investors holding Majority Interest) prescribe a new schedule of payment of the Investor Payouts on all subsequent Payout Dates and/or a new schedule of expected cash flows from the Receivables comprising the Pool, each adjusted for the impact of Prepayments/Defaults and the expected cash flows from the Pool.

3.9 MATERIAL CONTRACTS

The Originator has entered into the Facility Agreements with the Obligors under the terms of which the Facilities have been advanced by the Originator to the Obligors.

3.10 NO RECOURSE

(A) No recourse against the Trustee

- (a) The Trustee has not, nor will it be deemed to have made any representation or warranty whatsoever, whether express or implied in relation to the Receivables or the Obligors, including as to the financial condition or creditworthiness of the Obligors.
- (b) Without limiting the generality of the foregoing, the Trustee has not and will not be deemed to have made any representation or warranty of any kind to the Investors with respect to:
 - (A) the due execution of the Facility Agreements;
 - (B) any representation, warranty or statement made by the Seller or any other person;
 - (C) inspection of any of the property, books or records of the Seller or any other person; and
 - (D) realisation of the Receivables.
- (c) The Investors have no recourse against the Trustee, save and except to the extent of the Trust Property realised and in possession of the Trustee to be distributed by the Trustee amongst the Investors in accordance with the terms herein contained, on account of any reason including:
 - (i) a breach of any covenant (including the representations, warranties and indemnities) by the Seller or the Obligors under the Facility Agreements and/or by any of the other parties to the Securitisation Documents and pursuant to the objects of the Trust and/or any Default or non-payment of any amount constituting the Receivables;
 - (ii) any cost, charge and expense incurred (including stamp duty and/or registration fees, if any) payable in relation to any underlying documentation;
 - (iii) the financial condition or credit worthiness of the Seller, the Obligors or any other person;
 - (iv) any shortfall in the Receivables whether arising out of inadequate recovery or realisation of the Receivables, or otherwise; and



- (v) any of the obligations of the Seller or any Obligor under or pursuant to any provisions of the Facility Agreements being or becoming void, voidable, unenforceable or ineffective for any reason whatsoever.

(B) No recourse against the Seller

- (a) Subject to terms and provisions of the Securitisation Documents, it is agreed and confirmed that in respect of the Assigned Assets, the Trustee will not have any recourse against the Seller on account of any reason whatsoever.
- (b) Further, it is expressly agreed that the Seller shall not be required to make good any losses suffered by the Trustee, on behalf of the Trust, and/or the Beneficiaries due to the non-receipt of the Receivables except to the extent of the Credit Enhancement provided by it.
- (c) Any re-scheduling, restructuring or re-negotiation of the terms of the Underlying Documents after the transfer of the Receivables to the Trustee will be done only with the consent of the Trustee and shall be binding on the Trust and not on the Seller.
- (d) Subject to paragraph (e) below, if any representation or warranty set forth in the Assignment Agreement by the Seller is found to be incorrect and which materially and adversely affects the interests of the Trustee in the Assigned Assets and if such misrepresentation has not been rectified by the Seller within 30 (thirty) days after a notice for rectification/claim in respect thereof has been given to the Seller by the Trustee, the Seller will, at the option of the Trustee acting as per the instructions of the Investors holding Majority Interest, either:
- (i) substitute the Receivables in respect of which there is a misrepresentation with any other receivables, which, in the opinion of the Trustee, are similar to the substituted Receivables as to the principal amount, maturity, interest and frequency of payments. PROVIDED THAT any substitution of receivables pursuant to this paragraph (i) shall be done with the prior approval of the Rating Agency; or
- (ii) repurchase the Receivables in respect of which there is a misrepresentation by credit to the Collection and Payment Account of an amount equal to the principal amount of such Receivables.

However, if the Seller is unable to substitute the Receivables with receivables as contemplated in paragraph (i) above, it may instead elect to repurchase such Receivables in the manner set out in this paragraph (ii).

- (e) The Seller's obligation under paragraph (d) above is subject to the breach of representation and warranty being exercised no later than 120 (one hundred and twenty) days from the Effective Date and any subsequent assignment will be deemed to be on the same terms and conditions as applicable to the original assignment under the Securitisation Documents. It is also agreed and acknowledged that this is an additional remedy and other remedies as set out in the Assignment Agreement and Applicable Law (subject to the Securitisation Directions) continue to be available to the Trustee until all the Investor Payouts have been made in full to the Investors.
- (f) The Trustee acknowledges that save as set out in paragraphs (d) and (e) above, the Seller is not under any obligation to re-purchase or fund the re-payment of the Assigned Assets (or any part thereof) or, substitute or provide additional Assigned Assets to the Trust.

3.11 CASH FLOW APPROPRIATION AND DISTRIBUTION



(a) **Collection of Instalment**

The Trustee shall open the CPA with the Collection Bank. The Servicer shall remit all collections on the pools pertaining to the CPA.

(b) **Investor Payouts determination**

All amounts constituting the Receivables, including any advance payments and Prepayment Proceeds, collected by the Servicer in a single Collection Period will be credited/deposited into the Collection and Payment Account on the Payin Date following such Collection Period.

The Trustee will determine the adequacy of the funds contained in the Collection and Payment Account, on each Payin Date, to make the Investor Payouts to the Investors in the manner provided herein and in the Accounts Agreement. In the event that the funds in the Collection and Payment Account are inadequate or insufficient to make the Investor Payouts to the Investors, the Trustee will utilise the Cash Collateral to make good such shortfall, in the manner provided in the Trust Deed, and in the Accounts Agreement.

3.12 WATERFALL MECHANISM

Please refer Section 2.3 above.

3.13 METHOD OF PAYMENT

All payments by the Trustee to the Investors shall be made by a RTGS/NEFT/Funds Transfer and payable in Mumbai.

3.14 WITHHOLDING TAXES

(a) On deduction of tax at source ("TDS") from the payment of the Receivables made by the Obligors to the Seller, the Seller will, in consideration for subsequently availing of the benefit of the TDS credit, make payment of the amount of TDS into the Collection and Payment Account which will be used for distribution to the Investors. Such payment will be made by the Seller during the Collection Period preceding each Payout Date.

(b) Only against actual deduction of TDS by the Obligors on payments collected by the Seller would the Seller be required to make payment of the amount of TDS. The Seller has no obligation to make any such payment if the Obligors default in making payments or make payment without TDS.

3.15 AUDIT

The Auditor shall facilitate any audit of the Receivables constituting the Pool to verify, *inter alia*, whether these exist, whether these meet with the eligibility criteria mentioned in Section 6.1 and whether these are supported by adequate and appropriate documentation.

3.16 REPRESENTATIONS AND WARRANTIES

(I) **Representations and Warranties of the Trustee**

The Trustee hereby represents and warrants as follows:

(a) the Trustee is a limited liability company duly organised and validly existing under Applicable



- Law and is duly qualified and licensed to do business in each jurisdiction in which the character of its properties or the nature of its activities requires such qualifications;
- (b) the Trustee is registered with SEBI and is eligible to act as the trustee of the Trust for the purposes of the Securitisation Listing Framework;
- (c) the Trustee has full corporate power and authority to enter into the Trust Deed and to take any action and execute any documents required by the terms hereof including the Securitisation Documents and the execution of the Trust Deed has been duly authorised by all necessary corporate proceedings;
- (d) there exists no consent, approval, order, registration or qualification of or with, any court, tribunal or any Competent Authority having jurisdiction over the Trustee, the absence whereof would adversely affect the legal and valid execution, delivery and performance by the Trustee of its obligations under the Trust Deed;
- (e) neither the execution and delivery of the Trust Deed nor the fulfilment of or compliance with the terms and conditions thereof, conflict with or result in a breach of or a default under Applicable Law or any covenant or agreement or instrument to which the Trustee is now a party, or by which the Trustee or any of the Trustee's property is bound, nor does such execution, delivery, consummation of, or compliance with, violate or result in the violation of the memorandum of association and articles of association of the Trustee;
- (f) the Trustee shall comply with all obligations and conditions stipulated under Applicable Law;
- (g) the Trustee shall execute/has executed a listing agreement (as specified by SEBI pursuant to the circular dated October 13, 2015 or as may be prescribed from time to time) with a recognised stock exchange for listing of the PTCs on a recognised stock exchange;
- (h) the Trustee does not have any beneficial interest in the Receivables;
- (i) all transactions between the Trustee/Trust and the Seller are on an arm's length basis;
- (j) neither the Trust nor the Trustee resembles in name or implies any connection or relationship with the Seller in its title or name;
- (k) the Seller has no representatives on the board of the Trust and/or the Trustee;
- (l) neither the Seller nor any of its associates exercises control, directly or indirectly, over the Trust and/or the Trustee;
- (m) the Seller has not settled the Trust Deed;
- (n) the Seller does not have any ownership, proprietary or beneficial interest in, or any association with, the Trustee;
- (o) the Trust is a non-discretionary trust established under the Indian Trust Act, 1882;
- (p) the Trust is bankruptcy remote and shall not be affected by the bankruptcy of the Seller or the Trustee;
- (q) this Section 3.16(l) and the other provisions of the Trust Deed prescribe the functions to be performed by the Trustee, and their rights and obligations;



- (r) the Trust Deed, generally, together with the other Securitisation Documents prescribes the rights and obligations of the Investors in relation to the Assigned Assets;
- (s) the Trust Deed does not prescribe for any discretion to the Trustee as to the manner of disposal and management or application of the Trust Property;
- (t) the Investors are empowered to change the Trustee at any time in accordance with the provisions of the Trust Deed;
- (u) the Trustee only performs trusteeship functions in relation to the Trust and has not undertaken any other business with the Trust;
- (v) the PTCs issued by the Trust do not represent the obligations of the Seller and only represent the claim of the Investors in respect of the Assigned Assets;
- (w) the PTCs issued by the Trust are not insured and these do not represent deposit liabilities or debt obligations of the Seller, the Servicer, the Trust or the Trustee;
- (x) the Trust, the Trustee and the Seller are not a part of the same group or under the same management, each as determined in accordance with the requirements prescribed under the Securitisation Listing Framework; and
- (y) the Trustee is not aware of any evidence indicating a material increase in expected losses or of enforcement actions with respect to the Facilities comprising the Pool.

(II) **Representations and Warranties of the Seller**

The Seller hereby makes the following representations and warranties as of the date of execution of the Assignment Agreement, which representations shall be deemed to be repeated on the Effective Date:

- (a) it (i) is duly organised and validly existing under Applicable Law and it is duly qualified and authorised to do and carry on its business, (ii) has obtained all corporate and other Authorisations required for the execution, delivery and performance by it of the Assignment Agreement and the assignment and transfer of the Assigned Assets. All Authorisations referred above are valid and effective and have not been amended, modified, replaced or substituted by any other Authorisation, and (iii) is a non-banking financial company registered with RBI and is eligible to undertake the transactions contemplated herein and is duly qualified and authorised to do and carry on its business;
- (b) the Assignment Agreement has been duly and validly executed and delivered by the Seller and constitutes a legal and binding obligation of the Seller enforceable against the Seller in accordance with its terms;
- (c) the execution, delivery and performance by the Seller of the Assignment Agreement, the assignment and transfer of the Assigned Assets on the terms contained herein, and the acts and transactions contemplated hereby do not and will not, with or without the giving of notice and/or lapse of time, violate, conflict with, require any Authorisation under or result in a breach of or default under:
 - (i) any Applicable Law (including the Securitisation Directions and the Securitisation Listing Framework);



- (ii) any order, judgment, decree or award of any court, tribunal, quasi-judicial body or any Competent Authority, in any jurisdiction, which applies to or is binding on the Seller, or which has the effect of making unlawful, or otherwise prohibiting the transactions contemplated in terms of the Assignment Agreement or in terms of the issue documents or any aspect thereof;
 - (iii) any term, condition, covenant, undertaking, agreement or other instrument to which the Seller is a party or which is binding on the Seller; or
 - (iv) its Constitutional Documents;
- (d) It is the full and absolute legal and beneficial owner of the Assigned Assets and has a clear and marketable title thereto free and clear from any and all encumbrances, set-off, counterclaims, impediments, charges or claims. The Seller has not created any Security Interest of any nature whatsoever whether by way of sale, transfer, assignment or otherwise in or upon any of the Assigned Assets;
- (e) It has full and absolute right to sell, transfer and assign all and any of the Assigned Assets to the Trustee without any impediment, restriction, limitation of any nature whatsoever, and the assignment and transfer of the Assigned Assets in accordance with the terms herein is valid, effective and enforceable;
- (f) the securitisation of the Facilities in accordance with the Securitisation Documents does not contravene the rights of the Obligor;
- (g) (to the extent applicable) all required consents from the Obligor, if so required under the Underlying Documents, have been obtained;
- (h) no Facility comprising the Pool is encumbered, hypothecated, charged or secured in favour of any other bank or financial institution, and, where, to the extent applicable, any Facility comprising the Pool was, prior to the Pool Cut Off Date, the subject matter of any prior encumbrance, hypothecation, charge or security in favour of any other bank or financial institution, such encumbrance, hypothecation, charge or security has been released prior to the Pool Cut Off Date;
- (i) each Underlying Document is genuine and has been duly executed in compliance with all Applicable Law. Each Underlying Document is legally valid and binding and enforceable against the parties thereto in accordance with the terms thereof except to the extent such enforcement is limited by the operation of law and the Underlying Documents enable the sale, transfer, assignment, conveyance, release of the Seller's rights, title and interest thereunder and none of the Underlying Documents restrict, limit or otherwise prevent it from transferring, assigning or otherwise disposing of, whether absolutely, contingently or otherwise, any of its rights, title or interest thereunder;
- (j) there are no legal, quasi-legal, administrative, arbitration, mediation, conciliation or other proceedings, claims, actions, governmental investigations, orders, judgments or decrees of any nature made, existing, threatened, anticipated or pending in respect of the Receivables including any counterclaims or claims by the Obligor or any Competent Authority which may prejudicially affect the due performance or enforceability of the Assignment Agreement or any obligation, act, omission or transaction contemplated hereunder or thereunder;
- (k) it is in a position to observe, comply with and perform all its obligations to be observed, complied with and/or performed by it hereunder;



- (l) all information set out in the Assignment Agreement and all information furnished by the Seller to the Trustee (acting on behalf of the Trust) and the Rating Agency is true and correct and is not misleading whether by reason of omission to state a material fact or otherwise;
- (m) it is aware and acknowledges that the Trustee has entered into the Assignment Agreement and the Trustee has agreed to purchase the Assigned Assets on the basis of and relying upon the representations, warranties, statements, covenants, agreements and undertakings on the part of the Seller contained in the Assignment Agreement, and that the Trustee would not have done so in the absence of such representations, warranties, statements, covenants, agreements and undertakings by the Seller;
- (n) the signatory(ies) to all the legal documentation on behalf of the Seller has/have been duly empowered and authorised to execute such documentation and to perform all the obligations in accordance with the terms set out herein;
- (o) all the required amounts of stamp duty and all other dues, duties, taxes, imposts and charges payable in respect of each of the Underlying Documents and the delivery thereunder and all documents connected therewith have been paid and each of them is thus legally binding and enforceable against the parties thereto in accordance with the terms thereof;
- (p) all the Underlying Documents have been executed by the Seller in the ordinary course of its business and each Facility granted under a Facility Agreement conforms to the credit criteria adopted by the Seller in the ordinary course of business at the time of its sanction, subject to its own management discretion or judgement to override or deviate therefrom, where the Seller considered appropriate. Further, the Underlying Documents have a fixed repayment schedule and the cash flows (as stated in the Trust Deed) are based on such repayment schedule;
- (q) there is only 1 (one) set of original Underlying Documents in the possession of the Seller and these will be handed over to the Trustee as and when instructed;
- (r) as on the Pool Cut Off Date, no Obligor was delinquent under any Underlying Documents and there were no arrears or Defaults in payment or other defaults by the Obligors under any of the Underlying Documents;
- (s) all Facilities comprising the Pool (i) have a maximum tenure of 84 (eighty four) months, and a monthly payment/repayment frequency, (ii) are compliant with the minimum holding period requirements prescribed under the Securitisation Directions, and (iii) are eligible for securitisation under Part A of Chapter II of the Securitisation Directions;
- (t) no Obligor is entitled to and/or will not be entitled to any right of set-off, counterclaim, deduction, recoupment, recovery, recourse or revision under the Facility Agreement(s) and the Underlying Documents. The Seller has not done or omitted to do anything which enables any of its debtors to exercise the right of set-off in relation to the Assigned Assets;
- (u) each Facility comprising the Pool has been fully disbursed and has been originated by the Seller;
- (v) the Facilities comprising the Pool have not been previously assigned or hypothecated to any person/financial institution;
- (w) the transactions contemplated under the Transaction Documents comply with Applicable Law (including the Securitisation Directions);



- (x) each Facility which comprises the Pool is in conformity with the eligibility criteria set out in Section 6.1;
- (y) the minimum retention requirement for the Pool is 5% (five percent) (as determined in accordance with the Securitisation Directions);
- (z) the Seller has provided credit enhancement in the form of Cash Collateral (comprising 5% (five percent) of the principal outstanding under the Pool as of the Pool Cut Off Date);
- (aa) the Assigned Assets are transferred at a price arrived at on arm's length basis and solely on commercial/market considerations;
- (bb) the terms and conditions contained in the respective Underlying Documents correctly reflect the entire agreement between the parties thereto and there are no other oral or written agreements or representations in connections therewith;
- (cc) the Underlying Documents do not prohibit the Seller from assigning the Assigned Assets;
- (dd) the Underlying Documents enable the sale, transfer, assignment, conveyance, release of the Seller's rights, title and interest thereunder and none of the Underlying Documents restrict, limit or otherwise prevent it from transferring, assigning or otherwise disposing of, whether absolutely, contingently or otherwise, any of its rights, title or interest thereunder;
- (ee) no material adverse effect has occurred prior to or as on the date of execution of the Assignment Agreement, which would affect the operations, financial condition, or prospects of the Seller or impair the Seller from performing its obligations under the Assignment Agreement or the other Securitisation Documents;
- (ff) no Underlying Document to which the Seller is a party has been terminated;
- (gg) no legal, quasi-legal, administrative, arbitration, mediation, conciliation or other proceedings have been initiated by the Seller in relation to the Receivables, or against any Obligor;
- (hh) the Seller has provided Prospective Investors (as defined in the Trust Deed) access to all materially relevant data on the credit quality and performance of the individual underlying exposures, cash flows and collateral supporting the securitisation exposures underlying the PTCs, as well as such information that is necessary to conduct comprehensive and well-informed stress tests on the cash flows and collateral values supporting the underlying exposures;
- (ii) other than for the limited purposes of the Credit Enhancement provided in accordance with the Securitisation Directions, the Seller is not required to support the losses of the Trust and is not liable to meet the recurring expenses of the Trust;
- (jj) the Seller does not maintain direct or indirect control over the Receivables, as (i) pursuant to the Clean Up Call Option to be exercised in accordance with the Securitisation Directions, the Seller only has an option (and not an obligation) to re-purchase the Receivables; and (ii) the Seller is providing certain servicing obligations pursuant to the Servicing Agreement in accordance with the Securitisation Directions;
- (kk) the Seller cannot repurchase the Receivables other than pursuant to the Clean Up Call Option to be exercised in accordance with the Securitisation Directions;



- (ll) with respect to the Credit Enhancement, the Seller confirms that:
- (i) the Cash Collateral is fully provided at the initiation of the securitisation transaction contemplated under the Trust Deed and the other Transaction Documents, and is subject to revisions only in accordance with the Securitisation Directions; and
 - (ii) the Trust Deed and the Assignment Agreement do not contain any provisions that would require the amount of the Cash Collateral provided to be increased during the life of the securitisation transaction contemplated under the Trust Deed and the other Transaction Documents;
- (mm) the Obligors/Seller have in a proper and timely manner filed, provided intimation, registered, or recorded all such Facility Agreements, Security Documents, Security Interest or instructions as may be required under Applicable Law (including under the Companies Act, 2013 and with the jurisdictional registrar of companies, the relevant sub-registrar of assurances of companies, and the Central Registry of Securitisation Asset Reconstruction and Security Interest (CERSAI) (as applicable)) and have obtained all necessary endorsements, notings, subordination, releases and/or waivers, to ensure that the Security Interest underlying the Facilities is duly created, recorded and registered and is a perfected senior/exclusive security interest; and
- (nn) as of the Pool Cut Off Date, all Security Documents have been duly executed in relation to Facilities and the Security Interest thereon has been perfected (including all filings, registrations etc.) in accordance with their terms and Applicable Law.

3.16A UNDERTAKINGS AND COVENANTS OF THE SELLER

3.16A.1 The Seller hereby makes, gives and provides the following covenants and undertakings:

- (a) it will bear all the costs, charges and expenses (including all legal costs, stamp duty, rating fees, listing fees, legal fees, trusteeship fees, "know-your-customer" compliance related costs, and any costs, fees and charges related to asset audit, due diligence, monitoring, structuring and arranging, risk services, compliance and syndication contemplated under the Assignment Agreement and the other Securitisation Documents), levies and duties including stamp duty expenses and all fees including legal and tax counsel fees, fees of the Approved Bank, fees of the Collection Bank, the Trustee, and of any other expenses incurred/to be incurred with respect to and prior to the assignment of the Assigned Assets;
- (b) it will bear all such duties and taxes which may be levied, by any Competent Authority (whether before or after the date of execution of the Assignment Agreement), pertaining to or in respect of the assignment of the Assigned Assets;
- (c) It will bear all such duties and taxes which may be levied, with respect to a period prior to the Commencement Date, by any Competent Authority, pertaining to or in respect of the Receivables. All rights thereunder with the understanding that all such duties and taxes which may be levied, with respect to a period after the Commencement Date will be borne by and be to the account of the Trust;
- (d) it will, if so required by the Trustee or the Investors, lend its name as plaintiff or co-plaintiff to any proceedings that the Trustee or the Investors may institute with respect to the Receivables;
- (e) as required by Applicable Law including the Securitisation Directions and other accounting



principles, it will make proper disclosures in its books of accounts regarding the assignment of the Assigned Assets and the Trustee's rights and claims therein for the benefit of the Investors. Further, it will, in case of other assignment of receivables transactions where the assignee has recourse against it, make proper disclosures in its books of accounts regarding the assignment of such Receivables;

- (f) It will instruct the Auditor to submit any audit reports directly to the Trustee;
- (g) it will be bound by and will perform all or any of its obligations under the Underlying Documents or imposed by Applicable Law with respect to the Assigned Assets and will not take or omit to take any action that causes or could cause a breach of any of the provisions under the Underlying Documents or Applicable Law;
- (h) it will (i) execute and deliver a power of attorney to the Trustee in a form and manner acceptable to the Trustee, *inter alia*, authorising the Trustee to do all such acts, deeds and things as may be required to effectively vest in the Trustee full legal title to the Assigned Assets including but not limited to do all such acts, deeds and things in its capacity as the legal titleholder of the Assigned Assets, and (ii) from time to time execute and deliver such further documents and perform such further acts, as the Trustee may reasonably request, at its own expense in order to fully effect the purposes of the Assignment Agreement and to perfect, protect and more fully evidence the Trust's title over the Assigned Assets;
- (i) It will preserve and maintain its corporate existence, rights and qualifications to do business;
- (j) It will not exercise any lien (general or specific), set off or any other right that it is entitled to in law or otherwise against any Obligor which may prejudice the collection of the Receivables with respect to such an Obligor;
- (k) it will hold all documents, writings, agreements, amounts, Underlying Documents, and Receivables coming to its power or possession pursuant to or in connection with the Assignment Agreement in trust and as agent for the Trustee;
- (l) It will make the relevant filings with any Competent Authority as may be required in relation to the Assigned Assets and the transactions contemplated under the Securitisation Documents, and as and when required by the Trustee;
- (m) it will immediately hand over all the documents, writings, agreements, amounts, Underlying Documents, and Receivables held by it (whether in its capacity as the Seller or as the Servicer) to the Trustee on a demand being made for any of them;
- (n) it will incur all costs (including all legal costs and stamp duty) payable or incurred in connection with the preparation, negotiation and execution of the Assignment Agreement and any of the Transaction Documents and all costs of the issuance of the PTCs;
- (o) It will comply with its requirements under the Securitisation Directions including the minimum retention requirements on an ongoing basis;
- (p) it will comply on an ongoing basis with the requirements under the Securitisation Directions (Including the MRR), wherein (including for the purposes of Clause 17 of the Securitisation Directions):
 - (i) the MRR shall be maintained by way of the Credit Enhancement;



- (ii) the MRR shall not be reduced either through hedging of credit risk or selling or encumbering the MRR;
 - (iii) MRR shall be maintained by the Seller itself and not by/through any of its group entities; and
 - (iv) the form of MRR shall not change until the Series A1 Final Maturity Date, and the MRR as a percentage of unamortised principal shall be maintained on an ongoing basis except for reduction of retained exposure due to repayment or through the absorption of losses;
- (q) for the purposes of ensuring compliance with Clause 114 of the Securitisation Directions, on September 30 and March 31 of each calendar year, it shall provide such disclosures and confirmations that may be required in the format prescribed in the Securitisation Directions confirming that it is in compliance with the minimum holding period and the minimum retention requirements prescribed in the Securitisation Directions;
- (r) for the purposes of ensuring compliance with Clause 118 of the Securitisation Directions, the Seller shall report the securitisation transactions undertaken by it to the RBI in such format as may be prescribed in the Securitisation Directions, on a quarterly basis or such other periodicity as may be prescribed by the RBI;
- (s) while originating the Facilities comprising the Pool, the Seller has complied with the applicable provisions of the Reserve Bank of India (Know Your Customer (KYC)) Directions, 2016;
- (t) for the purposes of Clause 24 of the Securitisation Directions, in the event the actions of any of the counterparties or Institutional Intermediaries associated with the transactions contemplated under the Securitisation Documents (including without limitation, the Seller, the Trustee and/or the Trust, the Servicer, and the providers of any credit enhancement), result in, at any point, a material alteration of the risk profile of the PTCs, the Seller shall ensure that adequate details about such occurrence are provided to the PTC Holders, the Rating Agency and any other service providers, promptly, and in no case later than within 14 (fourteen) calendar days of occurrence;
- (u) for the purposes of Clause 112 of the Securitisation Directions, the Seller hereby confirms and declares as follows:
- (i) weighted average holding period of the Facilities comprising the Pool is 14.21 (fourteen decimal two one) months. Where the original tenure of the Facilities comprising the Pool is less than 24 (twenty four) months, the minimum holding period in respect of each of the Facilities comprising the Pool has been calculated as 3 (three) months from the date of full disbursement of each of the Facilities or the date of registration of Security Interest over the relevant Secured Assets with the CERSAI, whichever is later, and where the original tenure of the Facilities comprising the Pool is more than 24 (twenty four) months, the minimum holding period in respect of each of the Facilities comprising the Pool has been calculated as 6 (six) months from the date of full disbursement of each of the Facilities or the date of registration of Security Interest over the relevant Secured Assets with the CERSAI, whichever is later; and
 - (ii) the minimum retention requirements applicable to the Facilities comprising the Pool is 5% (five percent) of the book value of the Facilities being securitised (as prescribed in Clause 13 of the Securitisation Directions), wherein all the Facilities comprising the



Pool and all the PTCs issued/to be issued by the Trust are issued against/secured against residential mortgages (i.e., the Secured Assets are in the form of immovable property classified (in accordance with the prescriptions of the RBI, if any) as residential property which are the subject matter of Security Interest by way of mortgage). The MRR is being maintained by way of the Cash Collateral (up to the extent of 5% (five percent) of the principal outstanding under the Pool as of the Pool Cut Off Date). In addition to the above, subordinated facilities principal/over-collateralisation comprising 7.07% (seven decimal zero seven percent) of the principal outstanding under the Pool as of the Pool Cut Off Date is also available to the Trust;

- (v) it shall, make available, a copy of the Trust Deed and the accounts and statement of affairs of the Trust to the RBI, if required to do so;
- (w) it will make (and/or ensure and procure the making of) all relevant filing or notings with the relevant Governmental Authorities (including without limitation, Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI), and the jurisdictional sub-registrar of assurances), as may be required under Applicable Law in relation to the Secured Assets and the transactions contemplated under the Transaction Documents, and as and when required by the Trustee; and
- (x) the Seller shall not provide any additional/further financial assistance or "top-up loans" to Obligor which have been provided any Facility comprising the Pool. However, in case any such financial assistance or any "top-up" loan is provided by the Seller to any Obligor, it shall (including in its capacity as the Servicer), ensure that there is no distinction between the administration of, monitoring and collection of the Receivables and the "top-up" facilities/loans provided by the Seller.

3.16A.2 The Seller hereby irrevocably agrees and undertakes that it will provide the Cash Collateral on the date of execution of the Assignment Agreement with the Approved Bank and in a form and manner acceptable to the Rating Agency and the Trustee.

3.16A.3 Save and except as specifically provided in Sections 3.16A.1 and 3.16A.2 above, the Seller does not provide any other undertaking and covenant.

3.17 EFFECT OF DELINQUENCIES

For the PTCs, as the Credit Enhancement is available for shortfalls in collection caused on account of delinquency, the returns on the PTCs will be affected only if the delinquencies are higher than the Credit Enhancement provided. There is, however, no assurance that the actual delinquencies of the contracts under consideration will be lesser than the Credit Enhancement.

3.18 MONTHLY REPORTS TO INVESTORS

- (a) The Servicer shall monitor the performance of the Obligor of their obligations under the Underlying Documents and submit to the Trustee and the Rating Agency, at least 2 (two) days prior to each Payout Date, the Monitoring Report(s), for the preceding Collection Period, *inter alia*, setting out the details mentioned in Annexure 7 and the following details:
 - (i) billed amount to the Obligor during such Collection Period;
 - (ii) actual collections from Obligor towards such billed amounts;



- (iii) collections from Obligor towards Overdues;
 - (iv) advance payments made by Obligor;
 - (v) aging analysis of Overdues;
 - (vi) any Prepayment Proceeds received from the Obligor including the number of Facility Agreements under which such amounts are received and the amounts obtained;
 - (vii) details of the exercise of any right of set-off, counter claim or adjustment against the Seller;
 - (viii) revisions to the future cash flow schedules of the Pool and Investor Payouts, if any;
 - (ix) utilisation (and re-imbursement/replenishment) of the Credit Enhancement, if any; and
 - (x) any other information relating to the Assigned Assets that the Trustee may reasonably request.
- (b) The Monitoring Reports will, if so requested by the Trustee, be audited by the Auditor on a semi-annual basis. If any discrepancies are observed in payments of any amounts to the Investors as a result of this audit, the Servicer will make good such discrepancies on or prior to the Payin Date immediately following such audit. Any payment shortfalls will be treated as payment in arrears and will be paid to the Investors in accordance with the Securitisation Documents.

3.19 SEMI ANNUAL REPORTS

The Servicer shall as on the Deemed Date of Allotment and every 6 (six) months thereafter submit a report to the Trustee in the format required under the Securitisation Directions (specifically Annex 2 of the Securitisation Directions, which format has been reproduced in Annexure 5 herein).

3.20 DISCLOSURES PURSUANT TO THE SECURITISATION DIRECTIONS

(a) Other disclosures and confirmations

The following disclosures and confirmations are made/provided pursuant to:

- (i) **Clause 18 of the Securitisation Directions:** There have been no changes in the underwriting standards between the date of origination of the Facilities comprising the Pool until the date of this Information Memorandum. If the underwriting standards change between the date of origination of the Facilities comprising the Pool and till all the claims associated with PTCs are paid-off, the Seller will disclose to the Investors and the Trustee, the timing and purpose of such changes.
- (ii) **Clause 21 of the Securitisation Directions:** It is declared that:
 - (A) the cash flow schedules set out in the Trust Deed and the other Securitisation Documents have been prepared on the basis of expected cash flow projections assuming that there (i) are no Defaults and/or Prepayments and (ii) is no change in the Effective Date pursuant to the terms of the Trust Deed; and



- (B) in the event of any Prepayments/Defaults, any change in the expected cash flows from the Pool, and/or any change in the Effective Date pursuant to the terms of the Securitisation Documents, the cash flow schedules set out in the Trust Deed and the other Securitisation Documents will be updated by the Trustee (acting on the instructions of the Investors holding Majority Interest) in accordance with the Trust Deed and the other Securitisation Documents, wherein the Trustee shall (acting on the instructions of the Investors holding Majority Interest) prescribe a new schedule of payment of the Investor Payouts on all subsequent Payout Dates and/or a new schedule of expected cash flows from the Receivables comprising the Pool, each adjusted for the impact of (1) Prepayments/Defaults and any change in the expected cash flows from the Pool, and/or (2) any change in the Effective Date pursuant to the terms of the Securitisation Documents.
- (iii) **Clause 22 of the Securitisation Directions:** The legal and financial risk factors are set out in Section 8 and Section 9 of this Information Memorandum.
- (iv) **Clause 24 of the Securitisation Directions:** In the event the actions of any of the counterparties or institutional intermediaries associated with the transactions contemplated under the Securitisation Documents (including without limitation, the Seller, the Trustee and/or the Trust, the Servicer, and the providers of any credit enhancement), result in, at any point, a material alteration of the risk profile of the PTCs, the Seller shall ensure that adequate details about such occurrence are provided to the PTC Holders, the Rating Agency and any other service providers, promptly, and in no case later than within 14 (fourteen) calendar days of occurrence.
- (v) **Clause 30(g) of the Securitisation Directions:** The PTCs issued by the Trust are not insured and the PTCs do not represent deposit liabilities of the Seller, the Servicer or the Trustee.
- (vi) **Chapter III of the Securitisation Directions:** The securitisation transaction entered into/to be entered into pursuant to this Information Memorandum and the other Securitisation Documents is not a simple, transparent and comparable (STC) transaction for the purposes of the Securitisation Directions.
- (vii) **Clause 45(a) of the Securitisation Directions:** The PTCs are credit enhanced by way of the Cash Collateral provided/to be provided by the Seller pursuant to the Accounts Agreement and the other Securitisation Documents. Please refer to Section 2.3 for the nature, purpose, extent of the Cash Collateral and all required standards of performance.
- (viii) **Clause 61 of the Securitisation Directions:** The Seller is in compliance with the minimum holding period and the minimum retention requirements prescribed in the Securitisation Directions.
- (ix) **Clause 63 of the Securitisation Directions:** The Seller has complied with the applicable provisions of the Reserve Bank of India (Know Your Customer (KYC)) Directions, 2016.
- (x) **Clause 112 of the Securitisation Directions:** The Seller hereby confirms and declares as follows:
- (A) weighted average holding period of the Facilities comprising the Pool is 14.21 (fourteen decimal two one) months. Where the original tenure of the Facilities comprising the Pool is less than 24 (twenty four) months, the minimum holding period in respect of each of the Facilities comprising the Pool has been calculated as 3 (three) months from the date of full disbursement of each of the Facilities or the



date of registration of Security Interest over the relevant Secured Assets with the CERSAI, whichever is later, and where the original tenure of the Facilities comprising the Pool is more than 24 (twenty four) months, the minimum holding period in respect of each of the Facilities comprising the Pool has been calculated as 6 (six) months from the date of full disbursement of each of the Facilities or the date of registration of Security Interest over the relevant Secured Assets with the CERSAI, whichever is later; and

- (B) the minimum retention requirements applicable to the Facilities comprising the Pool is 5% (five percent) of the book value of the Facilities being securitised (as prescribed in Clause 13 of the Securitisation Directions), wherein all the Facilities comprising the Pool and all the PTCs issued/to be issued by the Trust are issued against/secured against residential mortgages (i.e., the Secured Assets are in the form of immovable property classified (in accordance with the prescriptions of the RBI, if any) as residential property which are the subject matter of Security Interest by way of mortgage). The MRR is being maintained by way of the Cash Collateral (up to the extent of 5% (five percent) of the principal outstanding under the Pool as of the Pool Cut Off Date). In addition to the above, subordinated facilities principal/over-collateralisation comprising 7.07% (seven decimal zero seven percent) of the principal outstanding under the Pool as of the Pool Cut Off Date is also available to the Trust.

- (xi) **Clauses 114 and 115 of the Securitisation Directions:** On September 30 and March 31 of each calendar year, it shall provide such disclosures and confirmations that may be required in the format prescribed in the Securitisation Directions (including Annex 2 of the Securitisation Directions) confirming that it is in compliance with the minimum holding period and the minimum retention requirements prescribed in the Securitisation Directions.

To meet the minimum retention requirement stipulated by the Reserve Bank of India, in relation to the Assigned Assets being sold, the Originator is providing Cash Collateral which amounts to 5% (five percent) of the principal outstanding under the Pool as of the Pool Cut Off Date, wherein all the Facilities comprising the Pool and all the PTCs issued/to be issued by the Trust are issued against/secured against residential mortgages (i.e., the Secured Assets are in the form of immovable property classified (in accordance with the prescriptions of the RBI, if any) as residential property which are the subject matter of Security Interest by way of mortgage).

- (xii) **Clauses 116 and 117 of the Securitisation Directions:** The Seller will make the disclosures with respect to notes to accounts in the format set out in Annex 3 of the Securitisation Directions.
- (xiii) **Clause 118 of the Securitisation Directions:** (If applicable) The Seller will submit the details of the securitisation transaction undertaken, including the details of the PTCs issued by the Trust to the RBI on a quarterly basis in the format prescribed by the RBI.
- (xiv) Please find annexed hereto and numbered as **Annexure 5**, the format in which Five-Star Business Finance Limited shall set out the disclosures required under Annex 2 of the Securitisation Directions.

3.21 LISTING ON THE STOCK EXCHANGE

- (a) The Trustee will procure listing of the PTCs on one or more stock exchanges after due compliance with all prescriptions as laid down by the respective regulatory mechanism and/or Competent Authority no later than the time period prescribed under the Securitisation Listing



Framework.

- (b) If the PTCs are not listed in accordance with and within the time period prescribed under the Securitisation Listing Framework, penal interest calculated on the outstanding principal amounts of the PTCs at the rate of 1% (one percent) per annum over the Series A1(a) Interest Rate or the Series A1(b) Interest Rate (whichever is higher), shall be payable from the date of allotment of the PTCs until the date of listing of the PTCs.
- (c) In the event the PTCs are delisted by the respective stock exchange for any reason whatsoever until the Maturity Date, the Trustee shall ensure that the PTCs are re-listed within 2 (two) Business Days from the date of such delisting.
- (d) The Trustee shall ensure and procure that the PTCs are in compliance with the Securitisation Listing Framework until the Maturity Date.

3.22 CLEAN UP CALL

Please refer Section 2.3 above.

3.23 TRUST DEED AND OTHER SECURITISATION DOCUMENTS TO PREVAIL

In the event of any inconsistency between the provisions as set out in this Information Memorandum and the Trust Deed or any other Securitisation Document, the provisions as set out in the Trust Deed or other Securitisation Document shall prevail.



CHAPTER 4: APPLICATION / ALLOTMENT PROCEDURE

4.1 WHO CAN APPLY

An application for the PTCs may be made only by the person to whom this Information Memorandum has been sent by the Issuer. Neither any application nor this Information Memorandum is transferable by the party who receives the same.

4.2 OFFER PROGRAM

The subscription list will open at the commencement of the banking hours and will close on the day mentioned below:

Issue Opening Date	September 28, 2023
Issue Closing Date	September 28, 2023
Deemed Date of Allotment	September 28, 2023

4.3 SUBMISSION OF APPLICATIONS

- (a) Investors are required to subscribe by submitting a completed Application Form, in the format as annexed to this Memorandum, along with the subscription amounts for the PTCs applied for.
- (b) All applications for the PTCs must be in the prescribed application forms and must be completed in BLOCK LETTERS in English. Application forms, duly completed, must be delivered together with the cheque / demand draft payable high value at least on the Issue Closing Date no later than 4 p.m. on that date at the offices of the Trustee. The investors must make such payment by RTGS such that the credit is received no later than 4 p.m. on the Issue Closing Date.
- (c) All application forms must be accompanied by duly attested / certified true copies of the following:
- (i) Memorandum and Articles of Association / Trust Deed / Byelaws / other documents of constitution, as the case may be of the investing entity;
 - (ii) Resolution of the appropriate authority of the investing entity, authorising the investment;
 - (iii) Names and specimen signatures of authorised signatories;
 - (iv) Power of attorney where applicable (Modifications / additions should be notified to the Registrar and Transfer Agent); and
 - (v) Tax exemption certificate for non-deduction of tax at source if exemption is sought.

4.4 TERMS OF PAYMENT

- (a) The full amount due should be paid along with the completed application at least on the Issue Closing Date. All such investors, who are desirous of making payment through RTGS, would have to remit the subscription amount by way of RTGS transfer such that the credit is received no later than 4.00 p.m. at Mumbai on the Issue Closing Date.
- (b) In case of payments by RTGS or NEFT the same can be made as per the details mentioned below:
- (i) Beneficiary Name : Dhruva XXI 2023



(ii)	Account No.	: 055505013738
(iii)	Bank Details	: ICICI Bank
(iv)	Branch	: ICICI Bank Towers
(v)	IFSC Code	: ICIC0000555

4.5 FICTITIOUS APPLICATIONS

Any person who makes an application in a fictitious name for subscribing to the Certificates or otherwise induces a body corporate to allot or register any transfer of the Certificates therein to them or any other person in a fictitious name shall be liable for legal consequences of such action in addition to cancellation of the application.

4.6 DEEMED DATE OF ALLOTMENT

The Deemed Date of Allotment would be September 28, 2023.

4.7 BASIS OF ALLOTMENT

The basis of allotment will be determined by the Issuer at its discretion. Issuer reserves the right to accept or reject any application in full or in part without assigning any reason. In any event, an application, not being in conformity with the provisions set out herein or by a person from whom the application has not been sought for, shall be liable for rejection *prima facie*.

4.8 PASS THROUGH CERTIFICATES

For successful applicants, the PTCs shall be issued in dematerialised form within the time period prescribed under the Securitisation Listing Framework.

4.9 CERTIFICATE REGISTER & TRANSFER OF CERTIFICATES

The Registrar and Transfer Agent shall maintain a register of certificates issued and transfers registered from time to time. The Certificates will be transferable in dematerialised form in accordance with applicable laws.

4.10 ISSUE PROCEEDS / SUBSCRIPTION AMOUNTS

The amounts raised from the investors shall be paid into the Collection and Payment Account. The issue proceeds would subsequently be transferred to the Seller towards payment of Purchase Consideration for the Assigned Assets.

4.11 MINIMUM SUBSCRIPTION

In the event minimum subscription is not received, the Issuer shall forthwith refund the application moneys collected under the offer and in the event of delay beyond 8 (eight) days from closure of the offer in making such refund, the Issuer and its directors or trustees shall be liable jointly and severally to repay the application moneys together with interest at 15% (fifteen percent) per annum.

4.12 REJECTION OF THE LISTING OF PTCs

The Trustee hereby undertakes that in the event any stock exchange to which an application for listing is made under sub-section (2) of Section 17A of the Securities Contracts (Regulation) Act, 1956 rejects listing permission or the PTCs are not listed on any recognized stock exchange within the time period prescribed under the



Securitisation Listing Framework, the Issuer and, if necessary, its directors or Trustee, shall refund application moneys forthwith in terms of sub-section (3) thereof by crediting the subscription amounts to the respective bank accounts of the prospective investors.

4.13 REFUND OF SUBSCRIPTION MONIES

The Trustee confirms that in the event the Assignment Agreement is not executed for any reason whatsoever, post the deposit of the subscription monies, the Trustee shall refund such subscription monies to the respective Investors to the extent of their entitlement, within 3 (three) Business Days and in the event of delay beyond 8 (eight) days from closure of the offer in making such refund, the SPV and its directors or Trustee shall be liable jointly and severally to repay the application moneys together with interest at 15% (fifteen percent) per annum.

4.14 OVER-SUBSCRIPTION

In the event of over-subscription, the excess application moneys shall be refunded forthwith to unsuccessful and partially successful applicants and in the event of delay beyond 8 (eight) days from finalisation of the basis of allotment in making such refund, the Issuer and its directors or trustees shall be liable jointly and severally to repay the application moneys together with interest at 15% (fifteen percent) per annum.



CHAPTER 5: SUMMARY TERM SHEET UNDER THE SECURITISATION LISTING FRAMEWORK



Originator / Seller	Five-Star Business Finance Limited
Trustee	Catalyst Trusteeship Limited
Issuer	Dhruva XXI 2023
Trust Property	means the Initial Contribution, all other contributions received by the Trustee including contributions received from the Investors towards subscription amounts for the PTCs, the Receivables and all amounts deposited with the Trust on realisation of the Receivables from time to time in accordance with the Securitisation Documents, the Underlying Documents and the Cash Collateral.
Initial Contribution to set up the SPDE/Trust	INR 1,000 (Indian Rupees One Thousand).
Transaction Size	INR 2,17,46,63,318 (Indian Rupees Two Hundred and Seventeen Crore Forty-Six Lakh Sixty Three Thousand Three Hundred and Eighteen) as on the Pool Cut Off Date.
Pool Principal as on Cut-Off Date	INR 1,15,46,55,458 (Indian Rupees One Hundred and Fifteen Crore Forty Six Lakhs Fifty Five Thousand Four Hundred and Fifty Eight) as on the Pool Cut-Off Date
Pool Cut-off Date	August 31, 2023
Settlement Date	September 28, 2023
Record Date/Determination Date	means the date for determination of the registered investors with the Registrar and Transfer Agent, being the day that occurs 3 (three) days prior to each Payout Date.
Payout Dates	As set out in Annexure 2
Transaction Structure	<p>The Originator proposes to sell the Assigned Assets to the Trust, at par, on the Effective Date for a purchase consideration of INR 107,30,00,000 (Indian Rupees One Hundred and Seven Crore and Thirty Lakh).</p> <p>For the purposes of raising the above-mentioned purchase consideration, the Trust shall to issue 171 (one hundred and seventy one) Series A1(a) PTCs aggregating to INR 85,50,00,000 (Indian Rupees Eighty Five Crore and Fifty Lakh) and 218 (two hundred and eighteen) Series A1(b) PTCs aggregating to INR 21,80,00,000 (Indian Rupees Twenty One Crore and Eighty Lakh) to the Investors evidencing their undivided beneficial right, title and interest in the Trust Property.</p> <p>Please also refer Section 3.1 above.</p>
Receivables	means the aggregate of all amounts payable by the Obligors to the Seller from the Commencement Date, including all principal amounts, interest (both accrued and unpaid interest as at the Commencement Date and all future interest), additional interest, overdue charges, liquidated damages, penalties/premium received on prepayment and/or foreclosure, penal charges, Prepayment Proceeds, all amounts due and payable on account of delayed payments, any penal charges, any costs, charges, expenses, fees collected by the Seller and any other amounts stipulated in the Facility Agreements and/or the Underlying Documents, together with the amounts realised from enforcement of Security Interest created in respect of the Secured Assets underlying the Facilities.
Disclosures on key pool features and composition	As per the Pool Selection Criteria set out in the rating rationale issued by the Rating Agency, annexed hereto as Annexure 4 and the eligibility criteria set out in Section 6.1 below.
Collection Period	means each period between a collections start date and the corresponding collections end date as set out in Annexure 2.
Servicer	Five-Star Business Finance Limited. The details in respect of the obligations of the Servicer, events of defaults for the Servicer and the right to change the Servicer are set out in Sections 7.1(h) below.



Servicer Fee	means the fees payable to the Servicer on each Payout Date in lieu of the services provided by the Servicer in terms of the Servicing Agreement, which fees shall be ascertained on the basis of 0.03% (zero decimal zero three percent) (plus the applicable goods and services tax) of the outstanding principal of the Facilities comprising the Pool on the relevant Payout Date, payable in accordance with the Servicing Agreement and the Trust Deed.
Legal Counsel	Phoenix Legal
Credit Enhancement for the Transaction	<p>The credit enhancement would comprise of:</p> <ul style="list-style-type: none">➤ External credit enhancement comprising Cash Collateral provided by the Seller.➤ Internal credit enhancement comprising the Excess' Interest Spread and subordinated facilities principal/over-collateral. <p>The requirements and the thresholds in relation to the Credit Enhancement are set out in the rating rationale issued by the Rating Agency, annexed hereto as Annexure 4.</p>



<p>Utilisation process and conditions for utilisation of credit enhancement</p>	<p>(i) The Cash Collateral shall amount to 5% (five percent) of the principal outstanding under the Pool as of the Pool Cut Off Date. The Seller/Facility Provider will transfer the Cash Collateral, in the form and manner provided under the Assignment Agreement and the other Securitisation Documents, or in such other form and manner as may be acceptable to the Rating Agency and the Trustee. In addition to the Cash Collateral, internal credit enhancement by way of the EIS and the subordinated facilities principal/over-collateral in respect of the Facilities shall also be available to the Trust, and shall be utilized in accordance with the Waterfall Mechanism as part of the Total Collections on the Payout Dates. The Cash Collateral shall be drawn upon only to make payments towards Investor Payouts due to any shortfall/insufficiency of the Total Collections arising out of Defaults and/or Prepayments, in accordance with the Securitisation Directions. In this regard, it is confirmed that:</p> <p>(a) the Cash Collateral is fully provided at the initiation of the securitisation transaction contemplated under the Trust Deed and the other Transaction Documents; and</p> <p>(b) the Trust Deed and the Assignment Agreement do not contain any provisions that would require the amount of the Cash Collateral provided to be increased during the life of the securitisation transaction contemplated under the Trust Deed and the other Transaction Documents.</p> <p>(ii) When Cash Collateral is required to be utilised, the Trustee will:</p> <p>(a) call upon the Approved Bank in writing, not later than 4:00 p.m. on such day which is 1 (one) Business Day prior to the relevant Payout Date or the Series A1 Final Maturity Date (as the case may be), to remit such amounts available under the Cash Collateral as are required to meet the shortfall into the Collection and Payment Account; and</p> <p>(b) on receiving the above written instructions, the Approved Bank will forthwith make the credit of the amount instructed by the Trustee into the Collection and Payment Account.</p> <p>In the event such day is not a Business Day, then the Trustee will call upon the Approved Bank in writing, not later than 4:00 p.m. on such day which is 2 (two) Business Days prior to the relevant Payout Date or the Series A1 Final Maturity Date, to remit such amounts available under the Cash Collateral as are required to meet the shortfall into the Collection and Payment Account.</p> <p>(iii) On the Payin Date immediately preceding a Payout Date or the Series A1 Final Maturity Date, if there is a shortfall in the Total Collections in meeting the Series A1(a) Interest due (including any Overdue Series A1(a) Interest) and/or the Series A1(b) Interest due (including any Overdue Series A1(b) Interest) to be paid to the Series A1(a) Investors and the Series A1(b) Investors on the relevant Payout Date or the Series A1 Final Maturity Date in accordance with the Waterfall Mechanism, then the Trustee will follow the procedure set out in paragraph (ii) above, wherein</p>
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	<p>the amounts/proceeds of the utilisation of the Cash Collateral pursuant to paragraph (II) above shall be used to make payments of the Series A1(a) Interest due (including any Overdue Series A1(a) Interest) and/or the Series A1(b) Interest due (including any Overdue Series A1(b) Interest) to the Series A1(a) Investors and the Series A1(b) Investors on a <i>pari passu</i> basis.</p>
(IV)	<p>On the Payin Date immediately preceding the Series A1 Final Maturity Date, if there is a shortfall in the amount required for the repayment of the Series A1(a) Principal to the Series A1(a) Investors, then the Trustee will follow the procedure set out in paragraph (II) above.</p>
(V)	<p>On the Payin Date immediately preceding the Series A1 Final Maturity Date, if there is a shortfall in the amount required for the repayment of the Series A1(b) Principal to the Series A1(b) Investors, then the Trustee will follow the procedure set out in paragraph (II) above.</p>
(VI)	<p>[INTENTIONALLY LEFT BLANK]</p>
(VII)	<p>The Cash Collateral provided by the Seller/Facility Provider will be drawn down to the extent of any losses (whether due to Prepayment and/or Default) in the Pool. The Cash Collateral will be replenished on each Payout Date from amounts lying in the Collection and Payment Account in the manner set out in Waterfall Mechanism. However, replenishments to the Cash Collateral will be made only to the extent that the Cash Collateral was drawn upon to meet prior shortfalls.</p>
(VIII)	<p>Any interest that may accrue on the Cash Collateral shall be to the credit of the Seller/Facility Provider and shall be remitted by the Approved Bank into such account of the Seller/Facility Provider as may be designated by it and in the manner set out in the Accounts Agreement.</p>
(IX)	<p>All or part of the Cash Collateral may, at any time, be reset in accordance with the Securitisation Directions and with the prior written consent of the Investors holding Majority Interest. Any reset of the Cash Collateral can take place only after at least 25% (twenty five percent) of the aggregate principal amounts of the PTCs have been amortised and the credit enhancement thresholds are met, and thereafter, at such steps/thresholds and with such minimum period between resets of credit enhancements as are prescribed in the Securitisation Directions.</p> <p>In this regard, it is agreed that:</p> <p>(a) the Seller/Facility Provider shall provide a notice for request for reset of the Cash Collateral to all Investors ("Reset Request Notice");</p> <p>(b) if no response is received by the Seller/Facility Provider in respect of the Reset Request Notice within 30 (thirty) days from the date of receiving the Reset Request Notice, the Seller/Facility Provider shall provide a reminder to the Investors in respect of the Reset Request Notice at the expiry of a period of within 30</p>



	<p>(thirty) days from the date of the Reset Request Notice; and</p> <p>(c) if, following the reminder in accordance with paragraph (b) above, the Investors do not provide their response within 45 (forty five) days from the Reset Request Notice above, then the Seller/Facility Provider and the Trustee may consider that the Investors have provided their implicit consent for the purposes of the reset of the Cash Collateral and Clause 48(c) of the Securitisation Directions, in which case the Trustee and the Seller/Facility Provider may initiate the process of reset of the Cash Collateral in accordance with the Securitisation Directions.</p> <p>(X) Any unused Cash Collateral provided by the Seller/Facility Provider in relation to the Receivables together with applicable interest thereon may be remitted to the Seller/Facility Provider in accordance with the Securitisation Directions and the Securitisation Documents, subject to all amounts payable to the Investors under the Trust Deed having been paid. All costs and expenses for such transfer shall be borne by the Seller/Facility Provider. Any unused Cash Collateral remitted to the Seller in accordance with this paragraph (X) cannot be clawed back for any reason whatsoever.</p>
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Reset of Credit Enhancement Facility	<p>(I) All or part of the Cash Collateral may, at any time, be reset in accordance with the Securitisation Directions and with the prior written consent of the Investors holding Majority Interest. Any reset of the Cash Collateral can take place only after at least 25% (twenty five percent) of the aggregate principal amounts of the PTCs have been amortised and the credit enhancement thresholds are met, and thereafter, at such steps/thresholds and with such minimum period between resets of credit enhancements as are prescribed in the Securitisation Directions.</p> <p>In this regard, it is agreed that:</p> <p>(a) the Seller/Facility Provider shall provide a notice for request for reset of the Cash Collateral to all Investors ("Reset Request Notice");</p> <p>(b) if no response is received by the Seller/Facility Provider in respect of the Reset Request Notice within 30 (thirty) days from the date of receiving the Reset Request Notice, the Seller/Facility Provider shall provide a reminder to the Investors in respect of the Reset Request Notice at the expiry of a period of within 30 (thirty) days from the date of the Reset Request Notice; and</p> <p>(c) If, following the reminder in accordance with paragraph (b) above, the Investors do not provide their response within 45 (forty five) days from the Reset Request Notice above, then the Seller/Facility Provider and the Trustee may consider that the Investors have provided their implicit consent for the purposes of the reset of the Cash Collateral and Clause 48(c) of the Securitisation Directions, in which case the Trustee and the Seller/Facility Provider may initiate the process of reset of the Cash Collateral in accordance with the Securitisation Directions.</p> <p>(II) Any unused Cash Collateral provided by the Seller/Facility Provider in relation to the Receivables together with applicable interest thereon may be remitted to the Seller/Facility Provider in accordance with the Securitisation Directions and the Securitisation Documents, subject to all amounts payable to the Investors under the Trust Deed having been paid. All costs and expenses for such transfer shall be borne by the Seller/Facility Provider. Any unused Cash Collateral remitted to the Seller in accordance with this paragraph (II) cannot be clawed back for any reason whatsoever.</p>
Name of the Collection Bank	ICICI Bank, acting through its branch office at ICICI Bank Towers, BKC, Mumbai, Maharashtra
Name of the Approved Bank	Federal Bank, acting through its branch office at Chennai
Swap	N.A.
Refund / top up of Credit Enhancement	The Cash Collateral will be re-imbursed/replenished in the manner set out in the Waterfall Mechanism.



Clean-Up Call Option	<p>(a) Subject to Applicable Law, at any time after the residual value i.e., value of outstanding principal of the Facilities comprising the Pool, falls below the thresholds prescribed under the Securitisation Directions, the Seller will have the option to buy fully performing Facilities, exercisable by the Seller in its sole discretion ("Clean Up Call Option"), in accordance with the Securitisation Directions. This option may be exercised only if, at the time of exercise of the Clean Up Call Option by the Seller, the amount available under the Cash Collateral is greater than the principal balance of non-performing Facilities belonging to the Pool.</p> <p>(b) Upon exercise of the Clean Up Call Option by the Seller, the price payable by the Seller will be an amount arrived at on the basis of the net present value of the outstanding amounts of such fully performing Facilities as of the date of exercising the Clean Up Call Option.</p> <p>(c) It is clarified that pursuant to the Clean Up Call Option, the Seller only has an option (and not an obligation) to re-purchase the Receivables that are performing and that the Clean Up Call Option is to be exercised in accordance with the Securitisation Directions. The Clean Up Call Option is exercisable at its sole discretion at the thresholds prescribed under the Securitisation Directions, only if, at the time of exercise of the Clean Up Call Option, the amount available under the Cash Collateral is greater than the principal balance of non-performing Facilities belonging to the Pool. Therefore, the Clean Up Call Option is not structured to avoid allocating losses to credit enhancements or positions held by the Investors or structured to provide any credit enhancements.</p>
Details of Listing	<p>Timing for Listing</p> <p>(a) The Trustee will procure listing of the PTCs on one or more stock exchanges after due compliance with all prescriptions as laid down by the respective regulatory mechanism and/or Competent Authority no later than the time period prescribed under the Securitisation Listing Framework.</p> <p>(b) If the PTCs are not listed in accordance with and within the time period prescribed under the Securitisation Listing Framework, penal interest calculated on the outstanding principal amounts of the PTCs at the rate of 1% (one percent) per annum over the Series A1(a) Interest Rate or the Series A1(b) Interest Rate (whichever is higher), shall be payable from the date of allotment of the PTCs until the date of listing of the PTCs.</p> <p>Conditions of remaining listed</p> <p>The Trustee shall ensure and procure that the PTCs are in compliance with and remain listed in accordance with the Securitisation Listing Framework until the Maturity Date.</p> <p>Consequence of de-listing</p> <p>In the event the PTCs are delisted by the respective stock exchange for any reason whatsoever until the Maturity Date, the Trustee shall ensure that the PTCs are re-listed within 2 (two) Business Days from the date of such delisting.</p>



Rating Agency	ICRA Limited
Series of securitised debt instruments	Series A1(a) PTCs and Series A1(b) PTCs
Day Count Convention	Actual/ 365
	Series A1(a) PTCs and Series A1(b) PTCs
Seniority	Senior
Face Value of Series A1(a) PTCs	INR 50,00,000 (Indian Rupees Fifty Lakh)
Face Value of Series A1(b) PTCs	INR 10,00,000 (Indian Rupees Ten Lakh)
Initial Rating of Series A1(a) PTCs and of Series A1(b) PTCs	AA (SO)
Final Maturity Date of Series A1(a) PTCs and of Series A1(b) PTCs	September 19, 2029
Expected Maturity Date of Series A1(a) PTCs	August 19, 2028
Expected Maturity Date of Series A1(b) PTCs	May 19, 2029
Expected Yield	"Series A1(a) Interest Rate" means 9.10% (nine decimal one zero percent) per annum per month. "Series A1(b) Interest Rate" means 9.62% (nine decimal six two percent) per annum per month.
Payment Schedule	As set out in Annexure 2 hereto.
Expected Payment Schedule	As set out in Annexure 2 hereto.
First Payout Date	October 19, 2023
Portfolio Audit	All the necessary documents for a sample audit would be available to the independent auditor for KYC verification and the costs would be borne by the Seller.
Eligibility Criteria for the Receivables	As set out in the rating rationale issued by the Rating Agency, annexed hereto as Annexure 4 and as set out in Section 6.1 below.



Minimum Holding Period	Where the original tenure of the Facilities comprising the Pool is less than 24 (twenty four) months, the minimum holding period in respect of each of the Facilities comprising the Pool has been calculated as 3 (three) months from the date of full disbursement of each of the Facilities or the date of registration of Security Interest over the relevant Secured Assets with the CERSAI, whichever is later, and where the original tenure of the Facilities comprising the Pool is more than 24 (twenty four) months, the minimum holding period in respect of each of the Facilities comprising the Pool has been calculated as 6 (six) months from the date of full disbursement of each of the Facilities or the date of registration of Security Interest over the relevant Secured Assets with the CERSAI, whichever is later.
Minimum Retention Requirement	The minimum retention requirements applicable to the Facilities comprising the Pool is 5% (five percent) of the book value of the Facilities being securitised (as prescribed in Clause 13 of the Securitisation Directions).
Details of Transaction Documents	For the purposes of the securitisation transaction contemplated under this IM, the following documents shall be considered to be material and may be inspected during the normal business hours at the registered offices of the Trustee during the offer period: (a) Trust Deed (b) Assignment Agreement (c) Servicing Agreement (d) Accounts Agreement (e) Power of attorney
Applicable Law and Jurisdiction	The Certificates are governed by and will be construed in accordance with the laws of India and the courts and tribunals in Mumbai, India have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Securitisation Documents.



Waterfall Mechanism	<p>(i) The Waterfall Mechanism is based on the following principles:</p> <p>(a) Until the Series A1(a) Principal is redeemed in full:</p> <ul style="list-style-type: none">(i) the Series A1(a) Interest and the Series A1(b) Interest shall be due and payable on each Payout Date on a <i>pari passu</i> basis;(ii) the Series A1(a) Principal shall be expected to be paid on each Payout Date, and shall be due and payable on the Series A1 Final Maturity Date; and(iii) all Prepayment Proceeds shall be utilised only for payment of the expected Series A1(b) Principal on each Payout Date, and the Series A1(b) Principal shall be due and payable on the Series A1 Final Maturity Date. <p>(b) In the event that the Series A1(a) PTCs are completely redeemed prior to the Series A1(b) PTCs, then until the Series A1(b) PTCs are completely redeemed:</p> <ul style="list-style-type: none">(i) the Series A1(b) Interest shall be due and payable on each Payout Date; and(ii) the Series A1(b) Principal shall be expected to be paid on each Payout Date, and shall be due and payable on the Series A1 Final Maturity Date. <p>(c) If the Series A1(b) PTCs are completely redeemed prior to the Series A1(a) PTCs, then until the Series A1(a) PTCs are completely redeemed:</p> <ul style="list-style-type: none">(i) the Series A1(a) Interest shall be due and payable on each Payout Date;(ii) the Series A1(a) Principal shall be expected to be paid on each Payout Date, and shall be due and payable on the Series A1 Final Maturity Date; and(iii) the Total Collections (including the Prepayment Proceeds) shall be utilised for payment of the expected Series A1(a) Principal on each Payout Date. <p>(d) All collections in the Pool will be used to make the Series A1(a) Investor Payouts and the Series A1(b) Investor Payouts in accordance with the priority of payments set out in the Waterfall Mechanism.</p> <p>(ii) On each Payout Date, the proceeds realised and deposited in the Collection and Payment Account by the Servicer, along with any amounts withdrawn by the Trustee from the Cash Collateral, will be utilised in the following order of priority.</p>
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	<p>(a) So long as the Series A1(a) PTCs and/or the Series A1(b) PTCs have not been fully redeemed, the Total Collections, all amounts remaining in the Collection and Payment Account from any previous Collection Period (if any), the Clean Up Purchase Consideration (if such amounts have been received), and any amounts recovered pursuant to any legal proceedings (including for the enforcement of any Security Interest underlying the Facilities), shall be utilised by the Trustee in the following order of priority:</p> <ul style="list-style-type: none">(i) payment of Senior Costs (including Servicing Fee);(ii) payment of the Overdue Series A1(a) Interest and the Overdue Series A1(b) Interest on a <i>pari passu</i> basis;(iii) payment of the Series A1(a) Interest due and the Series A1(b) Interest due on a <i>pari passu</i> basis;(iv) payment of the expected Series A1(a) Principal (including any unpaid expected amounts in respect of the Series A1(a) Principal pertaining to earlier Collection Periods);(v) any Prepayment Proceeds will be utilised only for payment of the expected Series A1(b) Principal (including any unpaid expected amounts in respect of the Series A1(b) Principal pertaining to earlier Collection Periods);(vi) reimbursement of the Cash Collateral (to the extent drawn on any Payout Date and not reimbursed already); and(vii) payment to the Residual Beneficiary. <p>(b) In the event that the Series A1(b) PTCs are completely redeemed prior to the Series A1(a) PTCs, then until the Series A1(a) PTCs are completely redeemed, the Total Collections, all amounts remaining in the Collection and Payment Account from any previous Collection Period (if any), the Clean Up Purchase Consideration (if such amounts have been received), and any amounts recovered pursuant to legal proceedings, shall be utilised by the Trustee in the following order of priority:</p> <ul style="list-style-type: none">(i) payment of Senior Costs (Including Servicing Fee);(ii) payment of the Overdue Series A1(a) Interest;(iii) payment of the Series A1(a) Interest due;(iv) payment of the expected Series A1(a) Principal (including any unpaid expected amounts in respect of
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	<p>the Series A1(a) Principal pertaining to earlier Collection Periods);</p> <p>(v) any Prepayment Proceeds will be utilised for prepayment/accelerated redemption of the Series A1(a) Principal;</p> <p>(vi) reimbursement of the Cash Collateral (to the extent drawn on any Payout Date and not reimbursed already); and</p> <p>(vii) payment to the Residual Beneficiary.</p> <p>(c) In the event that the Series A1(a) PTCs are completely redeemed prior to the Series A1(b) PTCs, then until the Series A1(b) PTCs are completely redeemed, the Total Collections, all amounts remaining in the Collection and Payment Account from any previous Collection Period (if any), the Clean Up Purchase Consideration (if such amounts have been received), and any amounts recovered pursuant to legal proceedings, shall be utilised by the Trustee in the following order of priority:</p> <p>(i) payment of Senior Costs (including Servicing Fee);</p> <p>(ii) payment of the Overdue Series A1(b) Interest;</p> <p>(iii) payment of the Series A1(b) Interest due;</p> <p>(iv) payment of the expected Series A1(b) Principal (including any unpaid expected amounts in respect of the Series A1(b) Principal pertaining to earlier Collection Periods);</p> <p>(v) any Prepayment Proceeds will be utilised for prepayment/accelerated redemption of the Series A1(b) Principal;</p> <p>(vi) reimbursement of the Cash Collateral (to the extent drawn on any Payout Date and not reimbursed already); and</p> <p>(vii) payment to the Residual Beneficiary.</p> <p>(d) On complete redemption of the Series A1(a) PTCs and the Series A1(b) PTCs, the Total Collections, all amounts remaining in the Collection and Payment Account from any previous Collection Period (if any), the Clean Up Purchase Consideration (if such amounts have been received), and any amounts recovered pursuant to any legal proceedings (including for the enforcement of any Security Interest underlying the Facilities), shall be utilised by the Trustee in the following order of priority:</p>
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	<ul style="list-style-type: none">(i) payment of Senior Costs; and(ii) payment to the Residual Beneficiary. <p>(e) Any amounts recovered pursuant to any legal proceedings (including for the enforcement of any Security Interest underlying the Facilities) and the Clean Up Purchase Consideration (if such amounts have been received) shall be utilised by the Trustee in the following order of priority:</p> <ul style="list-style-type: none">(i) for application towards payments in accordance with paragraph II(a) above;(ii) for application towards payments in accordance with paragraph II(b) above; and(iii) application towards payments in accordance with paragraph II(c) above.
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