

<p>To, Five-Star Business Finance Limited New No.27, Old No.4, Taylor's Road, Kilpauk, Chennai - 600010</p> <p>Email: shalini@fivestargroup.in</p>	<p>To, The National Stock Exchange of India Limited, Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051 Symbol: FIVESTAR</p> <p>Email: takeover@nse.co.in</p>	<p>To, BSE Limited Listing Department First Floor, PJ Towers, Dalal Street, Fort Mumbai - 400 001 Scrip code: 543663</p> <p>Email: corp.relations@bseindia.com</p>
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Sub: Declaration under Regulation 31(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

Dear Sir/Madam,


In compliance with the provisions of Regulation 31(4) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, please find attached disclosure in form Annexure A pursuant to Regulation 31(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 in respect of following transaction:

<i>Name of the target Company</i>	<i>Name of the Promoter</i>	<i>No. of shares</i>	<i>Type of transaction</i>	<i>Date of transaction</i>	<i>Reason</i>	<i>Name of Depository Participant (DP)</i>
Five-Star Business Finance Limited	Lakshmipathy Deenadayalan	153	Pledge Creation	11/11/2024	Auto Pledge of unpaid charges for trading on the stock exchange	360 One Distribution Services Limited
		153	Pledge Release	12/11/2024		

I would like to clarify that the aforesaid pledge was created and released without my knowledge despite having sufficient cash balance in my trading/demat account. This fact has also been confirmed by the DP and the clarification letter from DP is attached for your reference. The full facts of the case are given below:

1. In compliance to the Company's Code of conduct and PIT regulations, I made a pre-clearance application requesting permission to trade in the Securities of the Company on November 6, 2024.
2. Upon receipt of approval from the Company, I purchased 7,500 shares on November 7, 2024 and 69,152 shares on November 8, 2024 through my trading account and post such purchase, no amount was reflecting in my trading account as outstanding. The DP 360 ONE Distribution Services Limited confirmed through a message that the purchase transaction was executed and no amount was outstanding from me. The Trading account also reflected the Nil outstanding position.
3. Subsequently on November 11, 2024, the DP informed an amount of INR 79,887.02 is required to be paid towards brokerage, securities transaction tax and GST which their system has not deducted at the time of cash settlement and I promptly made the payment well before the pay out of securities. However, the DP has pledged 153 shares without my knowledge and has released the same on November 12, 2024.

Kindly take the same on record.


Lakshmipathy Deenadayalan
December 11, 2024

Disclosure by the Promoter(s) to the Stock Exchange and to the Target Company for encumbrance of shares/invocation of encumbrance/release of encumbrance, in terms of Regulation 31(1) and 31(2) of SEBI (Substantial Acquisition of shares and Takeover) Regulation, 2011																
Name of the Target Company (TC)						Five-Star Business Finance Limited										
Name of the stock Exchanges where the shares of the target Company are listed						NSE & BSE										
Date of reporting						11-Dec-24										
Name of the Promoter or PAC on whose shares encumbrance has been created/released/invoked						Lakshmipathy Deenadayalan										
Details of creation/invocation/release of encumbrance:																
Name of the Promoter(s) or PACs with him(**)	Promoter holding in target Company (1)			Promoter holding already encumbered (2)		Details of events pertaining to encumbrance (3)									Post event holding of encumbered shares {creation [(2)+(3)] / release [(2)-(3)] / invocation [(1)-(3)]}	
	Number	% of total share capital	% of diluted share capital	Number	% of total share capital	Type of event (creation /release /invocation)	Date of creation/ release/ invocation of encumbrance	Type of encumbrance (pledge/ lien/non disposal undertaking/others)	Reasons for encumbrance **	Number	% of total share capital	Name of the entity in whose favor shares encumbered	Name of the ultimate lender/d ebenture issuer	Number	% of total share capital	
Lakshmipathy Deenadayalan	3,07,67,330	10.52	10.31	0	0.00	Creation	11-11-2024	Pledge	Auto Pledge of unpaid charges for trading on the stock exchange	153	0.00	360 One Distribution Services Limited	NA	153	0	
Lakshmipathy Deenadayalan	3,07,67,330	10.52	10.31	153	0.00%	Release	12-11-2024	-	Auto Pledge of unpaid charges for trading on the stock exchange	153	0.00	360 One Distribution Services Limited	NA	0	0	

11th December, 2024

The Company Secretary

Five Star Business Finance Limited

Dear Sir / Madam,

We would like to clarify that the pledging and unpledging of 153 shares of Five Star Business Finance Ltd in the account of our client Mr. D Lakshmipathy related to a temporary debit balance of Rs. 79887/- in his Broking Ledger A/c No. WXW62239 with 360 ONE Distribution Services Ltd which existed for a couple of hours on 11th November 2024 and was part of the routine process of settlement of exchange based transactions. The full facts of the case are given below:

- Mr. Lakshmipathy had bought 69,152 shares of Five Star Business Finance Ltd on 8th November, 2024 (Friday) for which the total dues were Rs. 4,51,24,676.01; we allow the client to trade after ensuring availability of the applicable margin and followed by collecting full purchase consideration (including brokerage, securities transaction tax and GST), which was due on T+1 (Monday, 11th November, 2024, in this case). While the client had paid most of the consideration in advance, there was a small shortfall in his ledger of Rs. 79,887.02 ;
- As per SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2022/153 November 11, 2022, any securities which are not fully paid for need to be pledged in favour of the broker under 'Client Unpaid Securities Pledge Account' (CUSPA) pursuant to the payout of securities by Clearing Corporation.
- Upon receipt of the balance amount of Rs.79,887.02, the pledged securities (153 shares) were unpledged. While the client paid this amount promptly on intimation on 11th November 2024 by 12:30PM (well before pay out of securities), the new process initiated on 11th November was that the exchange clearing houses had implemented direct payout of securities on that day, and hence, brokers were required to upload all unpaid positions to the exchange clearing house in the morning itself and CUSPA was executed by the exchange clearing house. Once the entry for payment of the balance amount (Rs. 79,887.02) was recorded, the remaining 153 shares were released from pledge as per the SEBI mandated process.

Hence, we would like to clarify here that the pledging and release of these 153 shares was not initiated by the client, but it was a system initiated normal settlement process, in accordance with SEBI regulations and exchange by-laws.

Thanking you,

Yours faithfully,



Raghuvir Mukherji

Senior Executive Vice President and Head Risk Management

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