



Business Finance Limited

Date: October 31, 2023

The National Stock Exchange of India Limited,
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (E), Mumbai 400 051
Symbol: FIVESTAR

BSE Limited,
Listing department,
First floor, PJ Towers,
Dalal Street, Fort Mumbai 400 001
Scrip code: 543663

Sub: Outcome of the Board meeting held on Tuesday, October 31, 2023, and submission of unaudited Financial Results for the quarter and half-year ended September 30, 2023

Dear Sir/ Madam

In terms of the provisions of Regulation 30 read with Regulation 51 (Part A and Part B of Schedule III) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ("SEBI LODR Regulations"), the Board of Directors of the Company at its meeting held on Tuesday, October 31, 2023, has inter-alia, considered and approved the unaudited financial results of the Company for the quarter and half-year ended September 30, 2023.

In this regard, please find enclosed the following:

1. Unaudited financial results of the Company along with the limited review report submitted by Statutory Auditors of the Company, S.R. Batliboi & Associates LLP, pursuant to Regulation 33 and Regulation 52 of SEBI LODR Regulations. The Limited Review report is submitted with unmodified opinion(s) (free from any qualifications).
2. Disclosure as per Regulation 52(4) of the SEBI LODR Regulations.
3. Security Cover certificate for the non-convertible debentures of the Company, as per Regulation 54 of SEBI LODR Regulations read with SEBI circular no. SEBI/HO/MIRSD/MIRSD_CRADT/CIR/P/2022/67 dated May 19, 2022.
4. Disclosure as per Regulation 52(7) and (7A) of the SEBI LODR Regulations read with SEBI Operational circular dated July 29, 2022, as amended.
5. Disclosure on Related Party Transaction as per Regulation 23(9) of the SEBI LODR Regulations.

Please note that the Board meeting commenced at 2:00 PM and concluded at 4:00 PM.

Kindly take the above on record.

For Five-Star Business Finance Limited

Shalini Baskaran

Company Secretary & Compliance Officer

Five-Star Business Finance Limited

Registered Office : New No. 27, Old No. 4, Taylor's Road, Kilpauk, Chennai - 600 010.
Phone : 044 - 4610 6200, e-mail : info@fivestargroup.in, Website : www.fivestargroup.in
CIN : L65991TN1984PLC010844

Independent Auditor's Review Report on the Quarterly and Half Yearly Unaudited Financial Results of the Five-Star Business Finance Limited (the "Company") Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**Review Report to
The Board of Directors
Five-Star Business Finance Limited**

1. We have reviewed the accompanying statement of unaudited financial results of Five-Star Business Finance Limited (the "Company") for the quarter and half year ended September 30, 2023 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. The Company's management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and 52 of the Listing Regulations. The Statement has been approved by the Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004



per Bharath N S
Partner
Membership No.: 210934
UDIN: 23210934BGYJOL9713
Place: Chennai
Date: October 31, 2023



Five-Star Business Finance Limited

Regd Office : New No. 27, Old No.4, Taylors Road, Kilpauk, Chennai - 600 010

CIN: L65991TN1984PLC010844

Statement of Unaudited financial results for the quarter and half year ended 30 September 2023

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	Quarter ended 30 September 2023	Quarter ended 30 June 2023	Quarter ended 30 September 2022	Half Year ended 30 September 2023	Half Year ended 30 September 2022	Year ended 31 March 2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue from operations						
Interest income	50,409.39	46,373.49	35,731.61	96,782.88	69,253.57	1,49,878.37
Fee income	414.93	540.47	180.97	955.40	304.27	1,375.89
Net gain on fair value changes	1,057.35	1,123.09	142.40	2,180.44	294.18	830.59
Total revenue from operations	51,881.67	48,037.05	36,054.98	99,918.72	69,852.02	1,52,084.85
Other income	354.83	320.14	131.18	674.97	239.97	807.90
Total Income	52,236.50	48,357.19	36,186.16	1,00,593.69	70,091.99	1,52,892.75
Expenses						
Finance costs	10,588.78	9,617.01	6,090.90	20,205.79	12,570.72	26,625.10
Impairment on financial instruments	1,056.80	1,519.69	850.58	2,576.49	809.49	2,014.70
Employee benefits expenses	10,579.14	9,870.47	8,144.25	20,449.61	15,333.23	34,642.66
Depreciation and amortisation expense	568.87	484.96	402.34	1,053.83	764.21	1,731.24
Other expenses	2,745.46	2,278.12	1,416.56	5,023.58	2,716.69	7,405.56
Total Expenses	25,539.05	23,770.25	16,904.63	49,309.30	32,194.34	72,419.26
Profit before tax	26,697.45	24,586.94	19,281.53	51,284.39	37,897.65	80,473.49
Tax expense						
Current tax	7,070.73	6,940.27	4,932.53	14,011.00	9,626.69	20,715.40
Deferred tax (net)	(312.21)	(724.21)	(68.73)	(1,036.42)	(90.08)	(591.52)
Total Tax expenses	6,758.52	6,216.06	4,863.80	12,974.58	9,536.61	20,123.88
Profit for the period / year	19,938.93	18,370.88	14,417.73	38,309.81	28,361.04	60,349.61
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Re-measurements of the defined benefit plan	39.31	(1.78)	(110.23)	37.53	(153.14)	(144.06)
Income tax relating to items that will not be reclassified to profit or loss	(9.44)	0.45	27.74	(9.45)	38.54	36.26
Net other comprehensive income / (deficit) not to be reclassified subsequently to profit or loss	29.41	(1.33)	(82.49)	28.08	(114.60)	(107.80)
Items that will be reclassified subsequently to profit or loss						
Net movement on effective portion of cash flow hedge	62.87	(242.27)	(147.72)	(179.40)	(203.53)	(151.28)
Income tax relating to items that will be reclassified to profit or loss	(15.82)	60.97	37.17	45.15	51.22	38.07
Net other comprehensive income / (deficit) to be reclassified subsequently to profit or loss	47.05	(181.30)	(110.55)	(134.25)	(152.31)	(113.21)
Other comprehensive income / (deficit) for the period / year, net of income tax	76.46	(182.63)	(193.04)	(106.17)	(266.91)	(221.01)
Total comprehensive income	20,015.39	18,188.25	14,224.69	38,203.64	28,094.13	60,128.60
Earnings per equity share						
a. Basic (in rupees)	6.85	6.30	4.94	13.15	9.73	20.71
b. Diluted (in rupees)	6.77	6.24	4.87	13.01	9.61	20.49
Face value per share	Not annualised 1.00	Not annualised 1.00	Not annualised 1.00	Not annualised 1.00	Not annualised 1.00	Annualised 1.00

See accompanying notes to the unaudited financial results



Five-Star Business Finance Limited

Regd Office : New No. 27, Old No.4, Taylors Road, Kilpauk, Chennai - 600 010

CIN: L65991TN1984PLC010844

Statement of Unaudited assets and liabilities as at 30 September 2023

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	As at September 30, 2023 Unaudited	As at March 31, 2023 Audited
ASSETS		
Financial assets		
Cash and cash equivalents	1,01,542.53	1,34,035.80
Bank balances other than cash and cash equivalents	13,406.23	24,050.41
Loans	8,13,226.30	6,82,219.59
Investments	22,163.55	14,461.42
Derivative Financial Instruments	368.60	346.09
Other financial assets	3,354.14	3,212.42
Total Financial Assets	9,54,061.35	8,58,325.73
Non - financial assets		
Current tax assets (net)	120.34	193.57
Deferred tax assets (net)	6,404.72	5,332.60
Investment property	3.56	3.56
Property, plant and equipment	1,891.22	1,543.01
Right of use asset	3,255.09	2,846.18
Other intangible assets	1,077.87	97.71
Other non-financial assets	1,156.93	1,940.43
Total Non- Financial Assets	13,909.73	11,957.06
Total assets	9,67,971.08	8,70,282.79
LIABILITIES AND EQUITY		
Financial liabilities		
Derivative Financial Instruments	57.60	-
Trade payables		
total outstanding dues of micro and small enterprises	-	-
total outstanding dues of creditors other than micro and small enterprises	2,495.50	2,009.01
Debt securities	19,363.58	52,483.00
Borrowings (Other than debt securities)	4,62,562.63	3,72,244.91
Other financial liabilities	6,223.31	6,070.01
Total Financial liabilities	4,90,702.62	4,32,806.93
Non-financial liabilities		
Current tax liabilities (net)	553.35	539.85
Provisions	1,727.28	1,158.17
Other non-financial liabilities	1,360.03	1,824.37
Total Non-financial liabilities	3,640.66	3,522.39
Equity		
Equity share capital	2,917.18	2,913.66
Other equity	4,70,710.62	4,31,039.81
Total Equity	4,73,627.80	4,33,953.47
Total liabilities and equity	9,67,971.08	8,70,282.79
See accompanying notes to the unaudited financial results		



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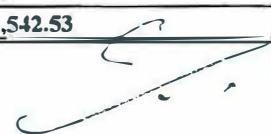

CIN: L65991TN1984PLC010844

Statement of cashflows for the half year ended September 30, 2023

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	For the half year ended September 30, 2023	For the half year ended September 30, 2022
Cashflow from Operating Activities		
Profit Before Tax	51,284.39	37,897.65
Adjustments for:		
Interest income on loans	(95,144.38)	(67,576.34)
Interest income on deposit with banks/ others	(1,638.50)	(1,677.23)
Finance costs	20,205.79	12,570.72
Impairment on financial instruments	2,576.49	809.49
Depreciation and amortisation expense	1,053.83	764.21
Loss on sale/ retirement of property, plant and equipment (net)	1.09	0.66
Net gain on fair value changes on mutual fund investments	(2,180.44)	(294.18)
Gain recognised on derecognition of leases	(6.77)	(24.18)
Employee stock option expenses	922.67	1,605.16
Operating cash flow before working capital changes	(22,925.83)	(15,924.04)
Changes in working capital		
<i>Adjustment for (increase)/ decrease in operating assets</i>		
Loans	(1,30,398.54)	(75,920.23)
Other financial assets	(159.45)	(284.86)
Other non-financial assets	783.50	142.27
<i>Adjustment for increase/ (decrease) in operating liabilities</i>		
Trade payables	486.49	38.07
Provision	606.64	108.77
Other financial liabilities	(270.94)	1,592.25
Other non-financial liabilities	(464.34)	(259.35)
Net cash (used in) operations	(1,52,342.48)	(90,507.12)
Finance cost paid	(24,086.17)	(11,853.30)
Interest income received	91,959.72	76,582.01
Direct taxes paid (net)	(13,924.27)	(9,404.74)
Net cash from / (used in) operating activities (A)	(98,393.20)	(35,183.15)
Cashflow from investing activities		
Purchase of property plant and equipment	(1,859.06)	(614.17)
Proceeds from sale of property plant and equipment	2.85	0.50
(Purchase)/ redemption of mutual funds (net)	(5,337.15)	294.18
(Purchase)/ redemption of investments (net)	-	8,378.89
Interest income on deposit from banks/ others	1,866.50	1,677.23
Movement in bank balances other than cash & cash equivalents	10,231.64	3,689.93
Net cashflow from investing activities (B)	4,904.78	13,426.56
Cashflow from financing activities		
Proceeds from issue of equity shares	3.52	0.23
Proceeds from securities premium (net off utilisation)	544.52	25.36
Share issue expenses	-	-
Proceeds from borrowings during the year	1,62,228.01	64,000.00
Repayment of borrowings during the year	(1,01,293.66)	(68,845.78)
Payment towards leases (excluding interest)	(487.24)	(360.30)
Net cashflow from / (used in) financing activities (C)	60,995.15	(5,180.49)
Net increase / (decrease) in cash and cash equivalents [A + B + C]	(32,493.27)	(26,937.08)
Cash and cash equivalents at the beginning of the year	1,34,035.80	61,316.28
Cash and cash equivalents at the end of the year	1,01,542.53	34,379.20



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Statement of cashflows for the half year ended September 30, 2023

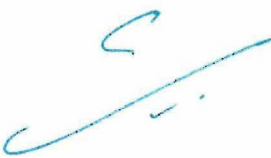
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Notes:

1. Components of Cash and Cash Equivalents

Particulars	As at 30 September 2023	As at 30 September 2022
Notes		
I Cash and cash equivalents		
Cash on hand	920.91	1,070.20
Balances with bank		
(i) In current accounts	39,486.03	4,295.18
(ii) In deposit accounts (original maturity less than 3 months)	61,135.59	29,013.82
	1,01,542.53	34,379.20






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(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Notes:

- Five-Star Business Finance Limited (the "Company") is a Systemically Important Non-Deposit taking Non-Banking Finance Company (NBFC-ND-SI) registered with the Reserve Bank of India (the "RBI"). These unaudited financial results have been prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India and in terms of Regulation 33 and 52 of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended). Any application guidance / clarification / directions issued by the Reserve Bank of India are implemented as and when they are issued / become applicable. This statement of unaudited financial results for the quarter and half year ended September 30, 2023 ("Unaudited Financial Results") have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their meetings held on October 30, 2023 and October 31, 2023 respectively.
- During the half year ended September 30, 2023, the company has introduced a new employee stock option scheme in the name of Five-Star Associate Stock Option Scheme, 2023 with quantum of 30,00,000 lakh equity shares. The exercise price per option shall be latest available closing price on recognized stock exchange having the higher trading volume on the date immediately prior to the date of Grant and included in the grant letter. In the existing scheme (i.e. Five-Star Associate Stock Option Scheme, 2015 and Five-Star Associate Stock Option Scheme, 2018), 3,51,420 options of Face Value of INR 1 (23,000 for the half year ended September 30, 2022) were exercised by the employees and allotted and 4,93,890 options of Face Value of INR 1 were exercised by the employees and pending allotment as on September 30, 2023. The total outstanding employee stock options as on September 30, 2023 is 37,44,260 (41,05,130 as at March 31, 2023).
- All debentures are secured by an exclusive first charge on book debts and certain debentures by pari passu charge on immovable property with security cover ranging from 1.00 to 1.25 times of outstanding amount at any point in time. The security cover over listed non-convertible debentures as on September 30, 2023 is 1.12 times.
- Disclosures in compliance with Regulation 52(4) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for the half year ended September 30, 2023 is attached as Annexure-1.
- The Company is primarily in the business of financing and accordingly there are no separate reportable segments in accordance with Ind AS 108 on "Operating Segments" in respect of the Company. The Company operates in a single geographical segment i.e. India.
- Disclosure as per format prescribed under notification RBI/2020-21/16 DOR No BP BC/3/21 04 048/2020-21 dated August 06, 2020 and RBI/2021-22/31/DOR.STR.REC 11/21 04 048/2021-22 dated May 5, 2021 for the half year ended September 30, 2023 (borrowers who has been provided restructuring under RBI Resolution Framework – 2.0):

Type of borrower**	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	1,770.79	74.11	2.44	113.26	1,580.98
Corporate persons*	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	3,326.23	22800	6.41	323.18	2,768.64
Total	5,097.02	302.11	8.85	436.44	4,349.62

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016.

** Classification of borrowers is based on the data available with the Company. Above loans are secured wholly by mortgage of property.

- The unaudited financial results are also available on the stock exchange websites www.bseindia.com and www.nseindia.com and on our website <https://fivestargroup.in/>.

Place: Chennai
Date: October 31, 2023

For and on behalf of the Board of Directors

Lakshminarayana Deenada
Chairman and Managing Director
DIN: 01723269



Five-Star Business Finance Limited

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Annexure-I

Disclosures in compliance with Regulation 52(4) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for the half year ended September 30, 2023

Particulars	As at September 30, 2023	As at March 31, 2023
1. Debt-equity ratio (Debt Securities+Borrowings (Other than debt securities)) / net worth i.e. (Equity share capital + Other equity)	1.02	0.98
2. Total debts to total assets (Debt Securities and Borrowings (other than debt securities) / Total Assets)	0.50	0.49
3. Net worth (Equity share capital + Other equity)	4,73,627.80	4,33,953.47
4. Gross Stage 3 Assets Ratio (Gross Stage 3 term loans / Gross term loans. Gross Stage 3 term loans are loans that are credit impaired as per Ind-AS-109)	1.35%	1.36%
5. Net Stage 3 Assets Ratio (Gross Stage 3 term loans - Impairment Loss allowance for Stage 3 term loans) / (Gross term loans- Impairment allowance for Stage 3 term loans)	0.68%	0.69%
6. Liquidity coverage ratio (LCR)-(High-Quality Liquid Assets (HQLAs)/Total Net Cash Outflows over the next 30 calendar days)	383%	342%
7. Capital to risk weighted assets ratio	59.40%	67.17%
8. Outstanding Redeemable Preference shares	Nil	Nil
9. Security cover over listed non-convertible debentures (Security cover over listed non-convertible debentures represents the number of times the listed non-convertible debentures is covered through the term loans provided as security.)	1.12	1.19
Particulars	Half Year ended 30 September 2023	Half Year ended 30 September 2022
10. Net profit margin (%) (Profit after tax for the period / Total Income)	38.08%	40.46%
11. Net profit after tax	38,309.81	28,361.04
12. Earnings per equity share		
a. Basic (in rupees)	13.15	9.73
b. Diluted (in rupees)	13.01	9.61

Note : Other ratios / disclosures such as debt service coverage ratio, interest service coverage ratio, outstanding redeemable preference shares (quantity and value), current ratio, capital redemption reserve, debenture redemption reserve, long term debt to working capital, bad debts to account receivable ratio, current liability ratio, debtors turnover, inventory turnover and operating margin (%) are not applicable / relevant to the Company and hence not disclosed.



Independent Auditor’s Report on Security Cover, Compliance with all Covenants and book value of assets as at September 30, 2023 pursuant to Regulation 56(1)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and SEBI Circular dated May 19, 2022 for submission to Catalyst Trusteeship Limited (the ‘Debenture Trustee’)

To
The Board of Directors
Five-Star Business Finance Limited
New No. 27, Old No. 4,
Taylor’s Road, Kilpauk,
Chennai – 600 010.

1. This Report is issued in accordance with the terms of the service scope letter dated August 09, 2023 and master engagement agreement dated July 15, 2022, as amended with Five-Star Business Finance Limited (hereinafter the “Company”).
2. We S.R. Batliboi & Associates LLP, Chartered Accountants, are the Statutory Auditors of the Company and have been requested by the Company to examine the accompanying Statement showing ‘Security Cover as per the terms of Information Memorandum and Debenture Trust Deed, Compliance with Covenants and book value of assets’ for secured listed non-convertible debt security as at September 30, 2023 (hereinafter the “Statement”) which has been prepared by the Company from the Board approved unaudited financial results, underlying books of account and other relevant records and documents maintained by the Company as at and for the period ended September 30, 2023 pursuant to the requirements of the Regulation 56(1)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and SEBI Circular dated May 19, 2022 on Revised format of security cover certificate, monitoring and revision in timelines (hereinafter the “SEBI Regulations and SEBI Circular”), and has been initialed by us for identification purpose only.

This Report is required by the Company for the purpose of submission with Catalyst Trusteeship Limited (hereinafter the “Debenture Trustee”) of the Company to ensure compliance with the SEBI Regulations and SEBI Circular in respect of its secured listed non-convertible debt security (hereinafter referred to as “Debentures”). The Company has issued information memorandums on various dates, in connection with the issue of such Debentures on a private placement basis (collectively referred to as “Information Memorandum”).

Management’s Responsibility

3. The preparation of the Statement is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Management of the Company is responsible for ensuring that the Company complies with all the relevant requirements of the SEBI Regulations and SEBI Circular including maintenance of hundred per cent security cover or higher security cover as per the terms of Information Memorandum and Debenture Trust Deed sufficient to discharge the principal amount and the interest thereon at all times for the non-convertible debt securities issued. The management is also responsible for providing all relevant information to the Debenture Trustee and for complying with all the covenants as prescribed in the Debenture Trust Deeds entered into between the Company and the Debenture Trustee (collectively referred to as “Debenture Trust Deed”), in relation to the Debentures issued by the Company.



Auditor's Responsibility

5. Pursuant to the requirements of the SEBI Regulations and SEBI Circular, it is our responsibility to provide a limited assurance and conclude as to whether the:
 - (a) Company has maintained hundred percent Security cover or higher Security cover as per the terms of the information memorandum and Debenture Trust deed; and
 - (b) Company is in compliance with all the covenants (including financial covenants) as mentioned in the Debenture Trust Deed as on September 30, 2023.
 - (c) Book values of assets as included in the Statement are in agreement with the books of account underlying the unaudited financial results of the company as at September 30, 2023.
6. We have performed a limited review of the unaudited financial results of the Company for the quarter and half year ended prepared by the Company pursuant to the requirements of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and issued an unmodified conclusion dated October 31, 2023. Our review of these financial results was conducted in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India ("ICAI").
7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
9. Our scope of work did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial results of the Company taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial results, specified elements, accounts or items thereof, for the purpose of this report. Accordingly, we do not express such opinion.
10. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the applicable criteria, mentioned in paragraph 5 above. The procedures performed vary in nature and timing from, and are less extent than for, a reasonable assurance. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, our procedures included the following in relation to the Statement:
 - (a) Obtained and read the Information Memorandum and Debenture Trust Deed issued by the Company and noted that the Company is required to maintain security cover
 - (b) Obtained the Board approved unaudited financial results of the Company for the quarter and half year ended September 30, 2023.
 - (c) Traced and agreed the carrying value of Debentures outstanding as on September 30, 2023 to the Board approved unaudited financial results of the Company and the underlying books of account maintained by the Company as on September 30, 2023.
 - (d) Obtained and read the list of security cover in respect of Debentures outstanding as per the Statement. Traced the value of assets from the Statement to books of accounts and records of the Company underlying the Board approved unaudited financial results as on September 30, 2023.
 - (e) Obtained the list of security created in the register of charges maintained by the Company and 'Form No. CHG-1' filed with Ministry of Corporate Affairs ('MCA'). Traced the value of charge created against Assets to the Security Cover in the attached Statement.
 - (f) Obtained the list and value of assets placed under lien or encumbrance for the purpose of obtaining any other loan and determined that such assets are not included in the calculation of Security Cover in respect of Debentures.

- (g) Examined and verified the arithmetical accuracy of the computation of Security Cover, disclosed in the accompanying Statement.
- (h) Obtained the Security Cover as determined by the management and evaluated whether the listed entity is required to maintain hundred percent security cover or higher security cover required to be maintained as per Information Memorandum and Debenture Trust Deed.
- (i) With respect to compliance with covenants (including financial, affirmative, reporting, information and negative covenants) included in the Statement, we have performed following procedures:
 - i. Obtained the various financial metrics forming part of the financial covenants mentioned in the Debenture Trust Deed as calculated by the management as at September 30, 2023 and compared the financial metrics with the unaudited financial results to the extent directly traceable and to the financial information from the books of account underlying Board approved unaudited financial results.
 - ii. Performed necessary inquiries with the management regarding any instances of non-compliance with financial covenants or communications received from the Trustee indicating any breach of covenants during the quarter and half year ended September 30, 2023.
 - iii. Obtained and verified the credit rating from external credit rating agency reports.
 - iv. Obtained the bank statements and traced on a sample basis, the date of repayment of principal and interest due during the period from April 1, 2023 to September 30, 2023
- (j) With respect to covenants other than those mentioned in paragraph 10(i) above, the management has represented and confirmed that the Company has complied with all the other covenants including affirmative, information, negative and reporting covenants, as prescribed in the Debenture Trust Deed, as at September 30, 2023. We have not performed any independent procedures in this regard.
- (k) Traced the book value of assets from the books of accounts of the company underlying the Board approved unaudited financial results as at September 30, 2023.
- (l) Performed necessary inquiries with the Management and obtained necessary representations.

Conclusion

11. Based on the procedures performed by us, as referred to in paragraph 10 above and according to the information and explanations received and management representations obtained, nothing has come to our attention that causes us to believe that the:
- (a) Company has not maintained hundred percent security cover or higher security cover as per the terms of the information memorandum and Debenture Trust deed; and
 - (b) Company is not in compliance with all the covenants (including financial covenants) as mentioned in the Debenture Trust Deed as on September 30, 2023.
 - (c) Book values of assets as included in the Statement are not in agreement with the books of account underlying the unaudited financial results of the company as at September 30, 2023.



Restriction on Use

12. The Report has been issued at the request of the Company, solely in connection with the purpose mentioned in paragraph 2 above and to be submitted with the accompanying Statement to the Debenture Trustee and is not to be used or referred to for any other person. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come. We have no responsibility to update this Report for events and circumstances occurring after the date of this report.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Bharath N S

Partner

Membership Number: 210934

UDIN: 23210934BGYJOM7419

Place of Signature: Chennai

Date: October 31, 2023




Security cover as per the terms of Information Memorandum and Debenture Trust Deed, compliance with covenants and book value of assets for secured, listed non-convertible security as at September 30, 2023

(in Lakhs)														
Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Pari-Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to H) #	Related to only those items covered by this certificate				
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari passu charge)	Other assets on which there is pari-Passu charge (excluding items covered in column F)	Debt amount considered more than once (due to exclusive plus pari passu charge)	Market Value for Assets charged on Exclusive basis		Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets viii	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value (=K+L+M+ N)	
		Book Value	Book Value	Yes/No	Book Value	Book Value								Relating to Column F
ASSETS														
Property, Plant and Equipment		-	-	No	-	-	1,891.22	-	1,891.22	-	-	-	-	-
Capital Work-in-Progress		-	-	No	-	-	-	-	-	-	-	-	-	-
Right of Use Assets		-	-	No	-	-	3,255.09	-	3,255.09	-	-	-	-	-
Goodwill		-	-	No	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	No	-	-	1,077.87	-	1,077.87	-	-	-	-	-
Intangible Assets under Development		-	-	No	-	-	-	-	-	-	-	-	-	-
Investments		-	-	No	-	-	22,163.55	-	22,163.55	-	-	-	-	-
Loans	Book Debts Receivables (including inter corporate deposits)	21,625.85	4,80,039.67	No	-	-	3,11,560.78	-	8,13,226.30	-	21,625.85###	-	-	21,625.85
Inventories		-	-	No	-	-	-	-	-	-	-	-	-	-
Trade Receivables		-	-	No	-	-	-	-	-	-	-	-	-	-
Cash and Cash Equivalents		-	-	No	-	-	1,01,542.53	-	1,01,542.53	-	-	-	-	-
Bank Balances other than Cash and Cash Equivalents	Lien Marked FD	-	8,775.21	No	-	-	4,631.02	-	13,406.23	-	-	-	-	-
Others	Debt for which this certificate being issued: Land-Investment Property ** Other secured debts: Other financial assets	1.63	1,975.53	Yes	-	-	9,431.13	-	11,408.29	3.31***	-	-	-	3.31
Total		21,627.48	4,90,790.42				4,55,553.18		9,67,971.08	3.31	21,625.85			21,629.16
LIABILITIES														
Debt securities to which this certificate pertains	Secured Non-Convertible Debentures	19,363.58	-	No	-	-	-	-	19,363.58	-	-	-	-	-
Other debt sharing pari-passu charge with above debt		-	-	No	-	-	-	-	-	-	-	-	-	-
Other Debt		-	-	No	-	-	-	-	-	-	-	-	-	-
Subordinated debt		-	-	No	-	-	-	-	-	-	-	-	-	-
Borrowings		-	19,417.28	No	-	-	8,233.68	-	27,650.96	-	-	-	-	-
Bank		-	3,33,477.77	No	-	-	-0.00	-	3,33,477.77	-	-	-	-	-
Debt Securities	Not to be filled	-	-	No	-	-	-	-	-	-	-	-	-	-
Others ##		-	1,01,433.90	No	-	-	0.00	-	1,01,433.90	-	-	-	-	-
Trade payables		-	-	No	-	-	2,495.50	-	2,495.50	-	-	-	-	-
Lease Liabilities		-	-	No	-	-	3,410.29	-	3,410.29	-	-	-	-	-
Provisions		-	-	No	-	-	1,727.28	-	1,727.28	-	-	-	-	-
Others		-	-	No	-	-	4,784.00	-	4,784.00	-	-	-	-	-
Total		19,363.58	4,54,328.95				20,650.75		4,94,343.28					
Cover on Book Value *														
Cover on Market Value														
		Exclusive Security Cover Ratio	1.12				Pari-Passu Security Cover Ratio							

* The Security Cover Ratio pertains only to listed secured debt. Disclosure in the statement is cumulative for all the listed secured debt of the Company.
 ** Of the listed secured debt of the Company, 1 listed secured debt has a pari-passu charge on Land - Investment Property
 *** The Market value of Rs. 3.31 lakhs to the immovable property is on the basis of certified valuation obtained from an independent valuer on March 09, 2023.
 # Represents carrying value as per books of account underlying the Financial Statements of the Company as at and for the period ended September 30, 2023.
 ## Others include Securitisation borrowings as at September 30, 2023.
 ### The Company carries the receivables at Amortised cost. Market value is not ascertained at every period end, and hence for the purpose of disclosure in this Statement, the carrying value of these receivables have been disclosed in Column L.
 The Management of the Company, confirms that the Company has complied with all the covenants as prescribed in the Debenture Trust Deed, as at September 30, 2023 as mentioned in Table II of the Statement.

for Five-Star Business Finance Limited


D Lakshmi Pathy
Chairman and Managing Director



Place: Chennai
Date: October 31, 2023



Business Finance Limited

Date: October 31, 2023

To,

BSE Limited

Listing department,
First floor, PJ Towers,
Dalal Street, Fort Mumbai - 400 001

Sub: Statement under Regulation 52(7) and 52(7A) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 during the quarter ended September 30, 2023

Ref: Scrip code: 543663

Dear Sir/Madam,

Pursuant to Regulation 52(7) and 52(7A) of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, the Company hereby confirms that there were no deviations in use of proceeds of issue of Non-Convertible Debt Securities from the objects as stated in the respective offer documents during the quarter ended September 30, 2023, and submits the statement indicating the utilization of issue proceeds of non-convertible securities during the quarter ended September 30, 2023:

A) Statement of utilization of issue proceeds

<i>Name of Issuer</i>	<i>ISIN</i>	<i>Mode of Fund Raising (Public issues/Private placement)</i>	<i>Type of Instrument</i>	<i>Date of raising funds</i>	<i>Amount raised</i>	<i>Funds utilized</i>	<i>Any Deviation (Yes/No)</i>	<i>If 8 is Yes, then specify the purpose of for which the funds were utilized</i>	<i>Remarks</i>
1	2	3	4	5	6	7	8	9	10
Five-Star Business Finance Limited	INE128S07598	Private Placement	Non-Convertible Debentures	15-06-2023	INR 100 Crores	Yes	No	NA	NA

Five-Star Business Finance Limited

Registered Office : New No. 27, Old No. 4, Taylor's Road, Kilpauk, Chennai - 600 010.
Phone : 044 - 4610 6200, e-mail : info@fivestargroup.in, Website : www.fivestargroup.in
CIN : L65991TN1984PLC010844

B) Statement of Deviation/Variation in use of proceeds: ISIN INE128S07598

Name of Listed entity	Five-Star Business Finance Limited					
Mode of Fund Raising	Private Placement					
Type of Instrument	Non-Convertible Debentures					
Date of Raising Funds	June 15, 2023					
Amount Raised (in Rs. Crores)	100.00					
Report filed for Quarter ended	September 30, 2023					
Is there a Deviation / Variation in use of funds raised	No					
Whether any approval is required to vary the objects of the issue stated in the prospectus/ offer document?	Not Applicable					
If Yes, Details of Approval	Not Applicable					
If Yes, Date of Approval	Not Applicable					
Explanation for the Deviation / Variation	Not Applicable					
Comments of the Audit Committee after review	None					
Comments of the auditors, if any	None					
Objects for which funds have been raised and where there has been a deviation, in the following table						
Original Object	Modified Object, if any	Original Allocation	Modified Allocation, if any	Funds Utilised	Amount of Deviation / Variation for the quarter according to applicable object (INR cores and in %)	Remarks , if any
Not Applicable						

For Five-Star Business Finance Limited

B. Shalini

Shalini Baskaran
Company Secretary & Compliance Officer

Five-Star Business Finance Limited

Registered Office : New No. 27, Old No. 4, Taylor's Road, Kilpauk, Chennai - 600 010.
Phone : 044 - 4610 6200, e-mail : info@fivestargroup.in, Website : www.fivestargroup.in
CIN : L65991TN1984PLC010844

Five-Star Business Finance Limited

Disclosure of Related Party transaction for the half year ended 30 September 2023

Additional disclosure of related party transactions - applicable only in case the related party transaction relates to loans, intercorporate deposits, advances or investments made or given by the listed entity/subsidiary. These details need to be disclosed only once, during the reporting period when such transaction was undertaken.

Sl.No	Details of the party (listed entity/subsidiary) entering into the Transaction	Details of the counterparty		Type of related party transaction	Value of the related party transaction as approved by the audit committee	Value of transaction during the reporting period (Rs in Lakhs)	In case monies are due to either party as a result of the transaction		In case any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments			Details of the loans, inter-corporate deposits, advances or investments				
	Name	Name	Relationship of the counterparty with the listed entity or its subsidiary				Opening Balance (Rs Lakhs)	Closing Balance (Rs Lakhs)	Nature of indebtedness (loan/ issuance of debt/ any other etc.)	Cost	Tenure	Nature (loan/ advance/ intercorporate deposit/ investment)	Interest Rate (%)	Tenure	Secured/ Unsecured	Purpose for which the funds will be utilised by the ultimate recipient of funds (end usage)
1	Five-Star Business Finance Limited	Lakshmiathy Deenadayalan	Chairman and Managing Director	Short Term Employee Benefits	As approved by the NRC, Audit Committee and Board in accordance with the provisions of Companies Act, 2013	450.78	156.16	157.23								
				Post employment benefit		0.11	-	-								
2	Five-Star Business Finance Limited	Rangarajan Krishnan	Chief Executive Officer	Short Term Employee Benefits		155.12	39.20	48.50								
				Post employment benefit	As approved by the NRC, Audit Committee and Board in accordance with the provisions of Companies Act, 2013	0.11	-	-								
				Share Based Payment		415.16	-	-								
				Amount received towards exercise of shares under ESOP		396.02	-	-								
3	Five-Star Business Finance Limited	Srikanth Gopalakrishnan	Chief Financial Officer	Short Term Employee Benefits		88.45	17.00	15.24								
				Post employment benefit	As approved by the NRC, Audit Committee and Board in accordance with the provisions of Companies Act, 2013	0.11	-	-								
				Share Based Payment		200.02	-	-								
				Amount received towards exercise of shares under ESOP		94.42	-	-								
4	Five-Star Business Finance Limited	Shalini Baskaran	Company Secretary	Short Term Employee Benefits		12.72	-	-								
				Post employment benefit	As approved by the NRC, Audit Committee and Board in accordance with the provisions of Companies Act, 2013	0.11	-	-								
				Share Based Payment		3.98	-	-								
				Amount received towards exercise of shares under ESOP		3.96	-	-								
5	Five-Star Business Finance Limited	Anand Raghavan	Independent Director	Director Commission	As approved by the NRC, Audit Committee and Board in accordance with the provisions of Companies Act, 2013	3.75	5.40	3.75								
				Director Sitting Fee		5.20	-	-								
6	Five-Star Business Finance Limited	Bhama Krishnamurthy	Independent Director	Director Commission	As approved by the NRC, Audit Committee and Board in accordance with the provisions of Companies Act, 2013	3.75	5.40	3.75								
				Director Sitting Fee		5.20	-	-								
7	Five-Star Business Finance Limited	Thirulokchand Vasam	Non Executive Director	Director Commission	As approved by the NRC, Audit Committee and Board in accordance with the provisions of Companies Act, 2013	3.75	5.40	3.75								
				Director Sitting Fee		2.40	-	-								
8	Five-Star Business Finance Limited	T T Srinivasaraghavan	Independent Director	Director Commission	As approved by the NRC, Audit Committee and Board in accordance with the provisions of Companies Act, 2013	3.75	5.40	3.75								
				Director Sitting Fee		3.20	-	-								
9	Five-Star Business Finance Limited	Ramkumar Ramamoorthy	Independent Director	Director Commission	As approved by the NRC, Audit Committee and Board in accordance with the provisions of Companies Act, 2013	3.75	4.50	3.75								
				Director Sitting Fee		3.00	-	-								
10	Five-Star Business Finance Limited	SCI Investments V	Shareholder	Reimbursement of Expenses	As approved by the Audit Committee and Board in accordance with the provisions of Companies Act, 2013	4.66	-	-								
11	Five-Star Business Finance Limited	Mitrix Partners India Investment Holdings II, LLC	Shareholder	Reimbursement of Expenses	As approved by the Audit Committee and Board in accordance with the provisions of Companies Act, 2013	20.10	-	-								
12	Five-Star Business Finance Limited	TPG Asia VII SF Pte. Ltd.	Shareholder	Reimbursement of Expenses	As approved by the Audit Committee and Board in accordance with the provisions of Companies Act, 2013	19.57	-	-								
13	Five-Star Business Finance Limited	Five-Star Business Finance Limited Employees Gratuity Fund	Trust Controlled by the Entity	Payment towards gratuity fund	As approved by the Audit Committee and Board in accordance with the provisions of Companies Act, 2013	200.00	-	-								

