

Date: January 28, 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 Saturday January 28, 2023

Dear Sir/ Madam

In terms of the provisions of Regulation 30 read with Regulation 51 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), the Board of Directors of the Company at its meeting held on Saturday, January 28, 2023 has inter-alia considered and approved the unaudited financial results of the Company for the quarter and nine months ended December 31, 2022.

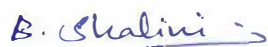
Please find enclosed the following:

- a) Unaudited financial results of the Company for the quarter and nine months ended December 31, 2022 along with the limited review report submitted by Statutory Auditors of the Company, S.R. Batliboi & Associates LLP, as per Regulation 33 and 52 of SEBI LODR Regulations.
- b) Disclosure as per Regulation 52(4) of the SEBI LODR Regulation is enclosed as *Annexure I*
- c) Security Cover certificate as on December 31, 2022 as per Regulation 54 read with SEBI circular no. SEBI/HO/MIRSD/MIRSD_CRADT/CIR/P/2022/67 dated May 19, 2022 is enclosed as *Annexure II*

Please note that the Board meeting commenced at 10:00 AM and concluded at 12:25 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 : U65991TN1984PLC010844

Independent Auditor’s Review Report on the Quarterly and Year to Date Unaudited Financial Results of 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 ended December 31, 2022 and year to date from April 1, 2022 to December 31, 2022 (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.
5. The comparative financial information of the Company for the corresponding quarter and period ended December 31, 2021, included in the Statement, were reviewed by the predecessor auditor who expressed an unmodified conclusion on those financial information on February 11, 2022.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004



per Bharath N S

Partner

Membership No.: 210934

UDIN: 23210934BGYJKO2181

Place: Chennai

Date: January 28, 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 nine month period ended December 31, 2022

(All amounts are in lakhs, unless otherwise stated)

Particulars	Quarter ended 31 December 2022	Quarter ended 30 September 2022	Quarter ended 31 December 2021	Nine Month Period ended 31 December 2022	Nine Month Period ended 31 December 2021	Year ended 31 March 2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue from operations						
Interest income	38,279.68	35,731.61	30,370.30	1,07,533.25	89,006.95	1,20,376.55
Fee income	194.41	180.97	799.14	498.68	1,909.70	2,939.60
Net gain on fair value changes	180.17	142.40	551.02	474.35	1,873.09	2,090.21
Total revenue from operations	38,654.26	36,054.98	31,720.46	1,08,506.28	92,789.74	1,25,406.36
Other income	217.87	131.18	53.96	457.84	108.55	210.56
Total Income	38,872.13	36,186.16	31,774.42	1,08,964.12	92,898.29	1,25,616.92
Expenses						
Finance costs	6,313.79	6,090.90	7,234.77	18,884.51	23,754.38	30,060.00
Impairment on financial instruments	466.47	850.58	1,529.14	1,275.96	3,722.53	4,551.81
Employee benefits expense	9,719.72	8,144.25	5,841.13	25,052.95	16,858.19	23,611.52
Depreciation and amortisation expense	485.76	402.34	306.70	1,249.97	843.31	1,224.47
Other expenses	1,734.48	1,416.56	1,182.56	4,451.17	3,198.96	5,748.21
Total Expenses	18,720.22	16,904.63	16,094.30	50,914.56	48,377.37	65,196.01
Profit before tax	20,151.91	19,281.53	15,680.12	58,049.56	44,520.92	60,420.91
Tax expense						
Current tax	5,270.26	4,932.53	4,093.44	14,896.95	11,680.93	15,959.12
Deferred tax (net)	(218.57)	(68.73)	(224.98)	(308.65)	(726.39)	(892.66)
Tax expense	5,051.69	4,863.80	3,868.46	14,588.30	10,954.54	15,066.46
Profit for the period / year	15,100.22	14,417.73	11,811.66	43,461.26	33,566.38	45,354.45
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Re-measurements of the defined benefit plan	12.29	(110.23)	23.69	(140.85)	(172.51)	(171.63)
Income tax relating to items that will not be reclassified to profit or loss	(3.09)	27.74	(5.96)	35.45	43.42	43.20
Net other comprehensive income / (deficit) not to be reclassified subsequently to profit or loss	9.20	(82.49)	17.73	(105.40)	(129.09)	(128.43)
Items that will be reclassified subsequently to profit or loss						
Net movement on effective portion of cash flow hedge	(49.65)	(147.72)	-	(253.18)	-	(126.92)
Income tax relating to items that will be reclassified to profit or loss	12.50	37.17	-	63.72	-	31.94
Net other comprehensive income / (deficit) to be reclassified subsequently to profit or loss	(37.15)	(110.55)	-	(189.46)	-	(94.98)
Other comprehensive income / (deficit) for the period / year, net of income tax	(27.95)	(193.04)	17.73	(294.86)	(129.09)	(223.42)
Total comprehensive income	15,072.27	14,224.69	11,829.39	43,166.40	33,437.29	45,131.04
Earnings per equity share						
a. Basic (in rupees)	5.18	4.94	4.07	14.92	12.04	16.09
b. Diluted (in rupees)	5.15	4.87	4.02	14.76	11.86	15.92
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

(All amounts are in Indian Rupees in lakhs, except share data and as stated otherwise)

Notes:

- 1 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 recognition and measurement principles laid down in Indian Accounting Standard 34 – Interim Financial Reporting, notified 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 nine month period ended December 31, 2022 ("Unaudited Financial Results") have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their meetings held on January 27, 2023 and January 28, 2023 respectively. These results have been subjected to a limited review by the statutory auditors of the Company.
- 2 During the quarter, the Company completed an Initial Public Offer ("IPO") of 3,35,12,901 equity shares of face value of INR 1 each at an issue price of INR 474 per equity share aggregating INR 1,58,851.15 lakhs, through an offer for sale by selling shareholders. The equity shares of the Company were listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") on November 21, 2022. The funds raised from the IPO were remitted to the Selling Shareholders (net of offer expenses borne by the Selling Shareholders) as the IPO was entirely an offer for sale by the Selling Shareholders.
- 3 During the nine month period ended December 31, 2022, 23,000 options of Face Value of INR 1 (NIL for the quarter ended December 31, 2022) were exercised by the employees and allotted. The total outstanding employee stock options as on December 31, 2022 is 41,23,530 (39,08,000 as at March 31, 2022).
- 4 All debentures are secured by an exclusive first charge on book debts and 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 December 31, 2022 is 1.20 times.
- 5 Disclosures in compliance with Regulation 52(4) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for the nine month period ended December 31, 2022 is attached as Annexure-1.
- 6 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.
- 7 The Company has evaluated the impact of COVID-19 on the business and operations of the Company as at December 31, 2022 and is of the view that it does not have any material impact on the financial results of the Company on the basis of the facts and events upto the date of approval of these financial statements/results. However, in view of the dynamic nature of the pandemic, the Company will continue to monitor future events / developments that may result in an adverse effect on the business and operations of the Company.
- 8 Effective October 1, 2022, the Company implemented the requirements on upgradation of accounts classified as NPA as clarified in RBI Circular on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications dated November 12, 2021 and February 15, 2022, on upgradation of accounts classified as NPA.
- 9 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/>.
- 10 The figures for the three month and nine month period ended December 31, 2021 were reviewed by the predecessor statutory auditor of the Company.

For and on behalf of the Board of Directors

Place: Chennai
Date: 28 January 2023



Lakshmi Pathy Deenadavalan
Chairman and Managing Director

Five-Star Business Finance Limited
 Regd. Office: New No. 27, Old No.4, Taylors Road, Kilpauk, Chennai - 600 010
 CIN: L65991TN1984PLC010844

Annexure-I

Disclosures in compliance with Regulation 52(4) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for the nine month period ended December 31, 2022

Particulars	As at December 31, 2022	As at March 31, 2022
1. Debt-equity ratio (Debt Securities+Borrowings (Other than debt securities)) / net worth i.e. Equity share capital + Other equity)	0.76	0.69
2. Total debts to total assets (Debt Securities and Borrowings (other than debt securities) / Total Assets)	0.43	0.40
3. Net worth (Equity share capital + Other equity)	4,16,521.68	3,71,035.10
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)	1.45%	1.05%
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)	0.81%	0.68%
6. Liquidity coverage ratio (LCR)-(High-Quality Liquid Assets (HQLAs)/Total Net Cash Outflows	337%	302%
7. Capital to risk weighted assets ratio	68.03%	75.20%
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.)	1.20	1.17
Particulars	For period ended December 31,2022	For period ended December 31,2021
10. Net profit margin (%) (Profit after tax for the period / Total Income)	39.89%	36.13%
11. Net profit after tax	43,461.26	33,566.38
12. Earnings per equity share		
a. Basic (in rupees)	14.92	12.04
b. Diluted (in rupees)	14.76	11.86

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.



Statement Cover as per the terms of Information Memorandum and Debenture Trustee Deed, Compliance with Covenants and book value of assets' for secured listed non-convertible debt security as at December 31, 2022

Annexure II

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) #	Market Value for Assets charged on Exclusive basis	Related to only those items covered by this certificate			Total Value (=K+L+M+ N)
		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)	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)		
		Book Value	Book Value	Yes/No	Book Value	Book Value	Relating to Column F							

ASSETS

Property, Plant and Equipment		-	-	No	-	-	1,562.84		1,562.84	-	-	-	-	-
Capital Work-in- Progress		-	-	No	-	-	-		-	-	-	-	-	-
Right of Use Assets		-	-	No	-	-	2,826.75		2,826.75	-	-	-	-	-
Goodwill		-	-	No	-	-	-		-	-	-	-	-	-
Intangible Assets		-	-	No	-	-	92.25		92.25	-	-	-	-	-
Intangible Assets under Development		-	-	No	-	-	-		-	-	-	-	-	-
Investments		-	-	No	-	-	14,464.53		14,464.53	-	-	-	-	-
Loans	Book Debts Receivables	66,479.95	2,59,887.12	No	-	-	2,89,049.33		6,15,416.40	-	66,479.95 ###	-	-	66,479.95
Inventories		-	-	No	-	-	-		-	-	-	-	-	-
Trade Receivables		-	-	No	-	-	-		-	-	-	-	-	-
Cash and Cash Equivalents		-	-	No	-	-	73,166.08		73,166.08	-	-	-	-	-
Bank Balances other than Cash and Cash Equivalents	Lien Marked FD	450.00	7,770.07	No	-	-	15,431.39		23,651.46	-	450.00	-	-	450.00
Others	Land - Investment Property **	1.63	-	Yes	-	-	11,999.56		12,001.19	3.31 ***	-	-	-	3.31
Total		66,931.58	2,67,657.19				4,08,592.73		7,43,181.50	3.31	66,929.95			66,933.26

LIABILITIES

Debt securities to which this certificate pertains	Secured Non-Convertible Debentures	55,782.19	-	No	-	-	-		55,782.19	-	-	-	-	-
Other debt sharing pari-passu charge with above debt		-	-	No	-	-	-		-	-	-	-	-	-
Other Debt		-	-	No	-	-	-		-	-	-	-	-	-
Subordinated debt		-	-	No	-	-	-		-	-	-	-	-	-
Borrowings		-	15,382.60	No	-	-	8,273.82		23,656.41	-	-	-	-	-
Bank		-	1,78,756.08	No	-	-	-		1,78,756.08	-	-	-	-	-
Debt Securities	Not to be filled	-	-	No	-	-	-		-	-	-	-	-	-
Others ##		-	59,655.31	No	-	-	-		59,655.31	-	-	-	-	-
Trade payables		-	-	No	-	-	1,398.86		1,398.86	-	-	-	-	-
Lease Liabilities		-	-	No	-	-	2,943.52		2,943.52	-	-	-	-	-
Provisions		-	-	No	-	-	1,422.63		1,422.63	-	-	-	-	-
Others		-	-	No	-	-	3,044.82		3,044.82	-	-	-	-	-
Total		55,782.19	2,53,793.99				17,083.65		3,26,659.82					
Cover on Book Value *														
Cover on Market Value														
		Exclusive Security Cover Ratio	1.20				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, 5 listed secured debt share 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 June 30, 2022.

Represents carrying value as per books of account underlying the Financial Statements of the Company as at and for the period ended December 31, 2022.

Others include Securitisation borrowings as at December 31, 2022.

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.

