

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	Quarter ended	Quarter ended	Half Year ended	Half Year ended	Year ended
	30 September 2023	30 June 2023	30 September 2022	30 September 2023	30 September 2022	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	Not annualised	Not annualised	Not annualised	Not annualised	Annualised
	1.00	1.00	1.00	1.00	1.00	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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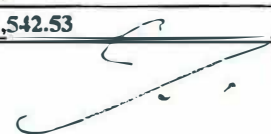

CIN: L65991TN1984PLC010844

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

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

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



A handwritten signature in blue ink, followed by a circular blue ink stamp. The stamp is partially obscured by the signature but appears to contain the text "SR. RAJAGI & ASSOCIATES LLP" and "CHENNAI".

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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-I.
- 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.

