

Independent Auditor’s Review Report on the Quarterly and Year to Date 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 ended December 31, 2023 and year to date from April 1, 2023 to December 31, 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: 24210934BKFULD3177

Place: Kolkata

Date: February 1, 2024



Five-Star Business Finance Limited

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

CIN: L65991TN1984PLC010844

Statement of unaudited financial results for the quarter and nine month period ended 31 December 2023
(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	Quarter ended December 31, 2023	Quarter ended September 30, 2023	Quarter ended December 31, 2022	Nine month period ended December 31, 2023	Nine month period ended December 31, 2022	Year ended March 31, 2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue from operations						
Interest income	54,951.23	50,409.39	38,279.68	1,51,734.11	1,07,533.25	1,49,878.37
Fee income	394.73	414.93	194.41	1,350.13	498.68	1,375.89
Net gain on fair value changes	1,391.10	1,057.35	180.17	3,571.54	474.35	830.59
Total revenue from operations	56,737.06	51,881.67	38,654.26	1,56,655.78	1,08,506.28	1,52,084.85
Other income	265.29	354.83	217.87	940.26	457.84	807.90
Total Income	57,002.35	52,236.50	38,872.13	1,57,596.04	1,08,964.12	1,52,892.75
Expenses						
Finance costs	12,870.94	10,588.78	6,313.79	33,076.73	18,884.51	26,625.10
Impairment on financial instruments	1,018.21	1,056.80	466.47	3,594.70	1,275.96	2,014.70
Employee benefits expenses	10,981.03	10,579.14	9,719.72	31,430.64	25,052.95	34,642.66
Depreciation and amortisation expense	663.77	568.87	485.76	1,717.60	1,249.97	1,731.24
Other expenses	2,477.90	2,745.46	1,734.48	7,501.48	4,451.17	7,405.56
Total Expenses	28,011.85	25,539.05	18,720.22	77,321.15	50,914.56	72,419.26
Profit before tax	28,990.50	26,697.45	20,151.91	80,274.89	58,049.56	80,473.49
Tax expense						
Current tax	7,495.39	7,070.73	5,270.26	21,506.39	14,896.95	20,715.40
Deferred tax (net)	(180.60)	(312.21)	(218.57)	(1,217.02)	(308.65)	(591.52)
Total tax expenses	7,314.79	6,758.52	5,051.69	20,289.37	14,588.30	20,123.88
Profit for the period / year	21,675.71	19,938.93	15,100.22	59,985.52	43,461.26	60,349.61
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Re-measurements of the defined benefit plan	(95.21)	39.31	12.29	(57.68)	(140.85)	(144.06)
Income tax relating to items that will not be reclassified to profit or loss	23.97	(9.90)	(3.09)	14.52	35.45	36.26
Net other comprehensive income / (deficit) not to be reclassified subsequently to profit or loss	(71.24)	29.41	9.20	(43.16)	(105.40)	(107.80)
Items that will be reclassified subsequently to profit or loss						
Net movement on effective portion of cash flow hedge	14.19	62.87	(49.65)	(165.21)	(253.18)	(151.28)
Income tax relating to items that will be reclassified to profit or loss	(3.57)	(15.82)	12.50	41.58	63.72	38.07
Net other comprehensive income / (deficit) to be reclassified subsequently to profit or loss	10.62	47.05	(37.15)	(123.63)	(189.46)	(113.21)
Other comprehensive income / (deficit) for the period / year, net of income tax	(60.62)	76.46	(27.95)	(166.79)	(294.86)	(221.01)
Total comprehensive income	21,615.09	20,015.39	15,072.27	59,818.73	43,166.40	60,128.60
Earnings per equity share						
a. Basic (in rupees)	7.42	6.85	5.18	20.57	14.92	20.71
b. Diluted (in rupees)	7.37	6.77	5.15	20.38	14.76	20.49
Face value per share	1.00	1.00	1.00	1.00	1.00	1.00

See accompanying notes to the unaudited financial results



(Handwritten signature)



Five-Star Business Finance Limited

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

CIN: L65991TN1984PLC010844

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

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 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 nine month period ended December 31, 2023 ("Unaudited Financial Results") have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their meetings held on January 31, 2024 and February 01, 2024 respectively.
- 2 During the nine month period ended December 31, 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 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), 8,59,275 options of Face Value of INR 1 (23,000 for the nine month period ended December 31, 2022) were exercised by the employees and allotted during the nine month period ended December 31, 2023. Further 47,220 options of Face Value of INR 1 were exercised by the employees and pending allotment as of December 31, 2023. The total outstanding employee stock options as of December 31, 2023 is 32,31,205 (41,05,130 as at March 31, 2023).
- 3 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 of December 31, 2023 is 1.11 times.
- 4 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, 2023 is attached as Annexure-I.
- 5 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.
- 6 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: February 01, 2024

For and on behalf of the Board of Directors


Lakshmi Deenadayalan
Chairman and Managing Director
DIN: 01723269



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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 nine month period ended December 31, 2023**

Particulars	As at December 31, 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)	1.17	0.98
2. Total debts to total assets (Debt Securities and Borrowings (other than debt securities) / Total Assets)	0.53	0.49
3. Net worth (Equity share capital + Other equity)	4,95,621.44	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)	1.40%	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)	0.65%	0.69%
6. Liquidity coverage ratio (LCR)-(High-Quality Liquid Assets (HQLAs)/Total Net Cash Outflows over the next 30 calendar days)	395%	342%
7. Capital to risk weighted assets ratio	53.26%	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.)	1.11	1.19
Particulars	Nine month period ended December 31, 2023	Nine month period ended December 31, 2022
10. Net profit margin (%) (Profit after tax for the period / Total Income)	38.06%	39.89%
11. Net profit after tax	59,985.52	43,461.26
12. Earnings per equity share		
a. Basic (in rupees)	20.57	14.92
b. Diluted (in rupees)	20.38	14.76

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.

