

Date: July 31, 2024

BSE Limited

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

Sub: Disclosure of Security Cover as per Regulation 54 of SEBI (LODR) Regulations, 2015

Dear Sir/ Madam

Pursuant to Regulation 54 of SEBI (LODR) Regulations 2015, the Company maintains sufficient Security cover as per the terms of the offer document/Information Memorandum and/ or Debenture Trust Deed sufficient to discharge the principal and the interest thereon at all times for the non-convertible debt securities issued and the disclosure on the security cover is made in the un-audited financial results submitted for the quarter ended June 30, 2024, and the same is given below:

"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 June 30, 2024 is 1.17 times."

The Security cover certificate pursuant to the aforesaid SEBI circular is enclosed.

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 Report on book values of the assets and compliance with respect to financial covenants as at June 30, 2024 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 agreement dated July 22, 2024 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 on book value of assets and compliance status of financial covenants for secured listed non-convertible securities* of the Company, as at June 30, 2024 (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 June 30, 2024 pursuant to the requirements of the SEBI circular dated May 16, 2024 as amended on Revised format of security cover certificate, monitoring and revision in timelines (hereinafter the "SEBI Circular"), and has been initialed by us for identification purposes 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 Circular in respect of its secured listed non-convertible debt securities (hereinafter referred to as "Debentures") The Company has entered into agreements with the Debenture Trustee (collectively referred to as "Debenture Trust Deed") in respect of such Debentures.

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 circular and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including providing all relevant information to the Debenture Trustee.

Auditor's Responsibility

5. It is our responsibility to provide a limited assurance and conclude as to whether the:
 - (a) 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 June 30, 2024.
 - (b) Company is in compliance with financial covenants as mentioned in the Debenture Trust Deed as on June 30, 2024.
6. We have performed a limited review of the unaudited financial results of the Company for the quarter ended June 30, 2024, 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 July 31, 2024. Our review of those 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"). 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 the Board approved unaudited financial results of the Company for the quarter ended June 30, 2024.
 - b) Traced the book value of assets with the books of accounts of the company underlying the unaudited financial results.
 - c) Obtained a list of financial covenants applicable to the listed debt securities.
 - d) With respect to compliance with financial covenants included in the Statement, we have performed the 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 June 30, 2024 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 the 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 period ended June 30, 2024.
 - e) 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:
 - a) The 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 June 30, 2024.
 - b) Company is not in compliance with financial covenants as mentioned in the Debenture Trust Deed as on June 30, 2024.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

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: 24210934BKFUOC5992

Place of Signature: Chennai

Date: July 31,2024



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 June 30, 2024

(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	-	-	2,019.28		2,019.28	-	-	-	-	-
Capital Work-in- Progress		-	-	No	-	-	-		-	-	-	-	-	-
Right of Use Assets		-	-	No	-	-	3,323.80		3,323.80	-	-	-	-	-
Goodwill		-	-	No	-	-	-		-	-	-	-	-	-
Intangible Assets		-	-	No	-	-	903.10		903.10	-	-	-	-	-
Intangible Assets under Development		-	-	No	-	-	-		-	-	-	-	-	-
Investments		-	-	No	-	-	6,603.25		6,603.25	-	-	-	-	-
Loans	Book Debts Receivables (including inter corporate deposits)	91,268.06	6,35,341.53	No	-	-	3,16,284.54		10,42,894.14	-	91268.06###	-	-	91,268.06
Inventories		-	-	No	-	-	-		-	-	-	-	-	-
Trade Receivables		-	-	No	-	-	-		-	-	-	-	-	-
Cash and Cash Equivalents		-	-	No	-	-	1,54,051.48		1,54,051.48	-	-	-	-	-
Bank Balances other than Cash and Cash Equivalents	Lien Marked FD	-	8,564.22	No	-	-	5,027.82		13,592.04	-	-	-	-	-
Others	Other secured debt : Other financial assets	-	3,986.32	No	-	-	12,154.66		16,140.98	-	-	-	-	-
Total		91,268.06	6,47,892.07				5,00,367.93		12,39,528.07		91,268.06			91,268.06
LIABILITIES														
Debt securities to which this certificate pertains	Secured Non-Convertible Debentures	77,874.34	-	No	-	-	-		77,874.34	-	-	-	-	-
Other debt sharing pari-passu charge with above debt		-	-	No	-	-	-		-	-	-	-	-	-
Other Debt		-	-	No	-	-	-		-	-	-	-	-	-
Subordinated debt		-	-	No	-	-	-		-	-	-	-	-	-
Borrowings		-	73,148.80	No	-	-	8,454.10		81,602.90	-	-	-	-	-
Bank		-	4,15,441.33	No	-	-	-		4,15,441.33	-	-	-	-	-
Debt Securities		-	-	No	-	-	-		-	-	-	-	-	-
Others ##		-	97,475.66	No	-	-	-		97,475.66	-	-	-	-	-
Trade payables		-	-	No	-	-	2,477.12		2,477.12	-	-	-	-	-
Lease Liabilities		-	-	No	-	-	3,525.78		3,525.78	-	-	-	-	-
Provisions		-	-	No	-	-	2,668.12		2,668.12	-	-	-	-	-
Others		-	-	No	-	-	13,486.93		13,486.93	-	-	-	-	-
Total		77,874.34	5,86,065.79				30,612.05		6,94,552.18					
Cover on Book Value *														
Cover on Market Value														
		*Exclusive Security Cover Ratio	1.17				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.

Represents carrying value as per books of account underlying the Financial Statements of the Company as at and for the period ended June 30, 2024.

Others include Securitisation borrowings as at June 30, 2024.

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 June 30, 2024 as mentioned in Annexure I of the Statement.

for **Five-Star Business Finance Limited**

D Lakshminipathy
Chairman and Managing Director



Place: Chennai
Date: July 31, 2024

Annexure - I

Statement on compliance status of all covenants as at June 30, 2024

Series	ISIN	Facility	Date of Debenture Trust Deed	Face Value (in Rupees)	DTD reference for financial covenants as per Debenture Trust Deed	Compliance with Covenants	If No, Reason for Non-compliance
NCD-Vivriti Samrath Bond	INE128S07424	Non-Convertible Debenture	13-May-20	5.0	Clause 9.4	Complied	Not applicable
9.20% NCD Five-Star 2026	INE128S07580	Non-Convertible Debenture	23-Feb-23	1,00,000	Schedule IX	Complied	Not applicable
9.10% FSBFL Dec 2026	INE128S07598	Non-Convertible Debenture	12-Jun-23	1,00,000	Schedule IX	Complied	Not applicable
9.50% FSBFL Dec 2026	INE128S07606	Non-Convertible Debenture	12-Dec-23	1,00,000	Schedule IX	Complied	Not applicable
9.40% FSBFL April 2028	INE128S07614	Non-Convertible Debenture	16-Apr-24	1,00,000	Para 10 - Schedule VI - Section A	Complied	Not applicable

