

## INDEPENDENT AUDITORS' REVIEW REPORT ON REVIEW OF INTERIM UNAUDITED FINANCIAL RESULTS

### TO THE BOARD OF DIRECTORS OF 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 six months ended September 30, 2024 (the "Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with the Listing Regulations. 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 (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel 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 specified under section 143(10) of the Companies Act, 2013 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 stated in paragraph 3 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 Standard 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 Statement includes comparative figures for the quarter and six months ended September 30, 2023 and for the quarter ended June 30, 2024, which have been reviewed by the predecessor audit firm, where they have expressed an unmodified conclusion vide their reports dated October 31, 2023 and July 31, 2024 respectively on such financial results.

The Statement also includes figures for the year ended March 31, 2024, audited by the predecessor audit firm, where they have expressed an unmodified opinion on such financial statements vide their report dated April 30, 2024.

Our conclusion on the statement is not modified in respect of these matters.



For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 008072S)

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**G. K. Subramaniam**  
(Partner)

(Membership No. 109839)

UDIN: 24109839BKFTMU4908

Place: Mumbai  
Date: October 29, 2024

Five-Star Business Finance Limited

Registered 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 six months ended September 30, 2024

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

Particulars	Quarter ended September 30, Unaudited	Quarter ended June 30, 2024 Unaudited	Quarter ended September 30, 2023 Unaudited	Six months ended September 30, 2024 Unaudited	Six months ended September 30, 2023 Unaudited	Year ended March 31, 2024 Audited
<b>Revenue from operations</b>						
Interest income	67,925.50	64,108.40	50,409.39	1,32,033.90	96,782.88	2,11,658.46
Fees and commission income	671.24	651.18	414.93	1,322.42	955.40	2,191.84
Net gain on fair value changes	1,608.21	1,854.78	1,057.35	3,462.99	2,180.44	4,434.43
<b>Total revenue from operations</b>	<b>70,204.95</b>	<b>66,614.36</b>	<b>51,881.67</b>	<b>1,36,819.31</b>	<b>99,918.72</b>	<b>2,18,284.73</b>
Other income	379.17	323.75	354.83	702.92	674.97	1,225.35
<b>Total income</b>	<b>70,584.12</b>	<b>66,938.11</b>	<b>52,236.50</b>	<b>1,37,522.23</b>	<b>1,00,593.69</b>	<b>2,19,510.08</b>
<b>Expenses</b>						
Finance costs	16,313.54	15,818.96	10,588.78	32,132.50	20,205.79	46,849.57
Impairment on financial instruments	2,177.43	1,853.14	1,056.80	4,030.57	2,576.49	5,536.42
Employee benefits expense	12,484.01	12,281.30	10,579.14	24,765.31	20,449.61	42,858.94
Depreciation and amortization expense	666.80	637.48	568.87	1,304.28	1,053.83	2,457.12
Other expenses	3,121.46	2,728.56	2,745.46	5,850.02	5,023.58	10,214.45
<b>Total expenses</b>	<b>34,763.24</b>	<b>33,319.44</b>	<b>25,539.05</b>	<b>68,082.68</b>	<b>49,309.30</b>	<b>1,07,916.50</b>
<b>Profit before tax</b>	<b>35,820.88</b>	<b>33,618.67</b>	<b>26,697.45</b>	<b>69,439.55</b>	<b>51,284.39</b>	<b>1,11,593.58</b>
<b>Tax expense</b>						
Current tax	9,871.29	9,187.66	7,070.73	19,058.95	14,011.00	29,883.16
Deferred tax	(844.11)	(725.99)	(312.21)	(1,570.10)	(1,036.42)	(1,881.21)
<b>Total tax expense</b>	<b>9,027.18</b>	<b>8,461.67</b>	<b>6,758.52</b>	<b>17,488.85</b>	<b>12,974.58</b>	<b>28,001.95</b>
<b>Profit for the period / year</b>	<b>26,793.70</b>	<b>25,157.00</b>	<b>19,938.93</b>	<b>51,950.70</b>	<b>38,309.81</b>	<b>83,591.63</b>
<b>Other comprehensive income / (loss)</b>						
<b>Items that will not be reclassified to profit or loss</b>						
Remeasurement gain / (loss) on defined benefit plan	(130.98)	(28.18)	39.31	(159.16)	37.53	(71.13)
Income tax relating to items that will not be reclassified to profit or loss	32.97	7.09	(9.90)	40.06	(9.45)	17.90
<b>Subtotal (A)</b>	<b>(98.01)</b>	<b>(21.09)</b>	<b>29.41</b>	<b>(119.10)</b>	<b>28.08</b>	<b>(53.23)</b>
<b>Items that will be reclassified to profit or loss</b>						
Net movement on effective portion of cash flow hedge	186.68	(37.48)	62.87	149.20	(179.40)	(165.20)
Income tax relating to items that will be reclassified to profit or loss	(46.98)	9.43	(15.82)	(37.55)	45.15	41.58
<b>Subtotal (B)</b>	<b>139.70</b>	<b>(28.05)</b>	<b>47.05</b>	<b>111.65</b>	<b>(134.25)</b>	<b>(123.62)</b>
<b>Other comprehensive income / (loss) for the period / year (A+B)</b>	<b>41.69</b>	<b>(49.14)</b>	<b>76.46</b>	<b>(7.45)</b>	<b>(106.17)</b>	<b>(176.85)</b>
<b>Total comprehensive income for the period / year</b>	<b>26,835.39</b>	<b>25,107.86</b>	<b>20,015.39</b>	<b>51,943.25</b>	<b>38,203.64</b>	<b>83,414.78</b>
<b>Earnings per equity share</b>						
a. Basic (in Indian Rupees)	9.16	8.60	6.85	17.76	13.15	28.64
b. Diluted (in Indian Rupees)	9.07	8.53	6.77	17.60	13.01	28.39
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



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**Five-Star Business Finance Limited**

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

CIN: L65991TN1984PLC010844

**Statement of assets and liabilities as at September 30, 2024**

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

Particulars	As at September 30, 2024 Unaudited	As at March 31, 2024 Audited
<b>ASSETS</b>		
<b>Financial assets</b>		
Cash and cash equivalents	1,21,150.39	1,53,439.93
Bank balance other than cash and cash equivalents	11,945.34	13,727.54
Derivative financial instruments	618.12	434.46
Loans	11,00,101.52	9,68,507.25
Investments	20,525.09	10,768.73
Other financial assets	9,841.14	5,680.88
<b>Total financial assets</b>	<b>12,64,181.60</b>	<b>11,52,558.79</b>
<b>Non-financial assets</b>		
Current tax assets (net)	331.80	251.82
Deferred tax assets (net)	8,845.90	7,273.29
Investment property	3.56	3.56
Property, plant and equipment	2,203.59	2,053.86
Right-of-use asset	4,175.20	3,407.75
Other intangible assets	845.36	968.54
Other non-financial assets	1,407.44	2,360.31
<b>Total non-financial assets</b>	<b>17,812.85</b>	<b>16,319.13</b>
<b>Total assets</b>	<b>12,81,994.45</b>	<b>11,68,877.92</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
<b>Financial liabilities</b>		
Derivative financial instruments	44.86	60.87
Payables		
Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,693.85	2,537.43
Debt securities	79,664.78	29,535.38
Borrowings (Other than debt securities)	6,08,288.06	6,02,049.13
Other financial liabilities	10,349.19	9,970.89
<b>Total financial liabilities (A)</b>	<b>7,01,040.74</b>	<b>6,44,153.70</b>
<b>Non-financial liabilities</b>		
Current tax liabilities (net)	4,274.43	1,748.86
Provisions	3,346.61	2,091.79
Other non-financial liabilities	1,004.40	1,268.10
<b>Total non-financial liabilities (B)</b>	<b>8,625.44</b>	<b>5,108.75</b>
<b>Total liabilities (A+B)</b>	<b>7,09,666.18</b>	<b>6,49,262.45</b>
<b>Equity</b>		
Equity share capital	2,924.76	2,924.49
Other equity	5,69,403.51	5,16,690.98
<b>Total equity</b>	<b>5,72,328.27</b>	<b>5,19,615.47</b>
<b>Total liabilities and equity</b>	<b>12,81,994.45</b>	<b>11,68,877.92</b>



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**Statement of cashflows for the six months ended September 30, 2024**

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

Particulars	For the six months ended September 30, 2024	For the six months ended September 30, 2023
	Unaudited	Unaudited
<b>Cashflow from operating activities</b>		
Profit before tax	69,439.55	51,284.39
<b>Adjustments for:</b>		
Interest income on loans	(1,29,679.70)	(95,144.38)
Interest income on deposit with banks / others	(2,354.20)	(1,638.50)
Finance costs	32,132.50	20,205.79
Impairment on financial instruments	4,030.57	2,576.49
Depreciation and amortisation expense	1,304.28	1,053.83
Loss on sale/ retirement of property, plant and equipment (net)	2.69	1.09
Net gain on fair value changes on mutual fund investments at FVTPL	(3,462.99)	(2,180.44)
Gain recognised on derecognition of leases	(2.57)	(6.77)
Employee stock option expenses	743.96	922.67
<b>Operating cash flow before working capital changes</b>	<b>(27,845.91)</b>	<b>(22,925.83)</b>
<b>Changes in working capital</b>		
<i>Adjustment for (increase) / decrease in operating assets</i>		
Loans	(1,32,875.65)	(1,30,398.54)
Other financial assets	(4,192.42)	(159.45)
Other non-financial assets	1,038.92	783.50
<i>Adjustment for increase / (decrease) in operating liabilities</i>		
Trade payables	156.42	486.49
Provision	1,095.66	606.64
Other financial liabilities	(395.22)	(270.94)
Other non-financial liabilities	(263.70)	(464.34)
<b>Net cash used in operations</b>	<b>(1,63,281.90)</b>	<b>(1,52,342.48)</b>
Finance cost paid	(27,739.94)	(24,086.17)
Interest income received	1,26,930.51	91,959.72
Direct taxes paid (net)	(16,613.34)	(13,924.27)
<b>Net cash used in operating activities (A)</b>	<b>(80,704.67)</b>	<b>(98,393.20)</b>
<b>Cashflow from investing activities</b>		
Purchase of property, plant and equipment	(754.27)	(1,859.06)
Proceeds from sale of property, plant and equipment	1.99	2.85
(Purchase) / Redemption of mutual funds (net)	13,946.47	(5,337.15)
(Purchase) / Redemption of investments (net)	(10,483.47)	-
Interest income on deposit from banks / others	(7,149.60)	1,866.50
Deposits placed with / (withdrawn from) banks (net)	1,529.63	10,231.64
<b>Net cashflow from / (used in) investing activities (B)</b>	<b>(2,909.25)</b>	<b>4,904.78</b>
<b>Cashflow from financing activities</b>		
Proceeds from issue of equity shares	0.27	3.52
Proceed towards share application money	6.66	-
Proceeds from securities premium (net off utilisation)	18.66	544.52
Proceeds from borrowings during the period	1,40,000.00	1,62,228.01
Repayment of borrowings during the period	(88,074.70)	(1,01,293.66)
Payment towards leases (net off interest)	(626.51)	(487.24)
<b>Net cashflow from financing activities (C)</b>	<b>51,324.38</b>	<b>60,995.15</b>
<b>Net increase in cash and cash equivalents [A + B + C]</b>	<b>(32,289.54)</b>	<b>(32,493.27)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,53,439.93</b>	<b>1,34,035.80</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1,21,150.39</b>	<b>1,01,542.53</b>



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**Statement of cashflows for the six months ended September 30, 2024**

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

Notes:

**1. Components of cash and cash equivalents**

<b>Particulars</b>	<b>As at September 30, 2024 Unaudited</b>	<b>As at September 30, 2023 Unaudited</b>
<b>Notes</b>		
<b>I Cash and cash equivalents</b>		
Cash on hand	932.39	920.91
Balances with banks		
(i) In current accounts	12,490.31	39,486.03
(ii) In deposit accounts (original maturity less than 3 months)	1,07,727.69	61,135.59
	<b>1,21,150.39</b>	<b>1,01,542.53</b>



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**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 six months period ended September 30, 2024 ("Unaudited Financial Results") have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their meetings held on October 28, 2024 and October 29, 2024 respectively.
- 2 The comparative figures for the quarter and six months ended September 30, 2023 and for the quarter ended June 30, 2024, which have been reviewed by the predecessor audit firm, where they have expressed an unmodified conclusion vide their reports dated October 31, 2023 and July 31, 2024 respectively on such financial results  
  
The unaudited financial results also includes figures for the year ended March 31, 2024 audited by the predecessor audit firm, where they have expressed an unmodified opinion on such financial statement vide their report dated April 30, 2024
- 3 During the year ended March 31, 2024, 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. The Company has granted 25,25,000 options under this scheme during the six months period ended September 30, 2024.  
In the existing scheme (i.e Five-Star Associate Stock Option Scheme, 2015 and Five-Star Associate Stock Option Scheme, 2018), 27,155 options of Face Value of INR 1 (3,51,420 for the six months ended September 30, 2023) were exercised by the employees and allotted during the six months ended September 30, 2024 and 10,120 options of Face Value of INR 1 were exercised by the employees and pending allotment as of September 30, 2024. The total outstanding employee stock options as of September 30, 2024 is 54,89,685 (29,93,230 as at March 31, 2024).
- 4 The Board of Directors at its meeting held on August 17, 2024 and the Shareholders at the Annual General Meeting held on September 13, 2024 approved the issuance of up to 410,000 convertible Share Warrants (convertible into equity shares of the Company in the ratio of 1:1) of INR 1.00 each at a premium of INR 769.00 aggregating up to INR 3,157.00 lakhs on preferential basis pursuant to the applicable provisions of the Companies Act 2013, SEBI (Issue of Capital and Disclosure Requirements), Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirements), 2015.  
  
The share warrants may be exercised in one or more tranches during the period commencing from the date of allotment of the warrants until expiry of 18 (Eighteen) months. The equity shares so allotted pursuant to exercise of share warrants shall rank pari passu with the existing equity shares of the Company.  
  
As on September 30, 2024, the Company was awaiting in-principle approval from stock exchanges for allotment of warrants. Subsequently, the Company had received the in-principle approval from the stock exchanges on October 18, 2024 following which the allotment of Share Warrants was completed on October 24, 2024.
- 5 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 September 30, 2024 is 1.17 times.
- 6 Disclosures in compliance with Regulation 52(4) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for the six months ended September 30, 2024 is attached as Annexure-I.
- 7 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.
- 8 Disclosures pursuant to RBI Notification - RBI/OOR/2021-22/86 OOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021 (as amended from time to time):
  - a. The Company has not transferred or acquired any loan not in default during the period ended September 30, 2024
  - b. The Company has not transferred or acquired any stressed loan during the period ended September 30, 2024.



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**Notes:**

- 9 Disclosure as per format prescribed under notification RBI/2020-21/16 DOR No BP BC/3/21.04 048/2020-21 (as amended from time to time) dated August 06, 2020 and RBI/2021-22/31/DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021(as amended from time to time) for the six months ended September 30, 2024 (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	1,375.10	75.32	-	144.70	1,155.08
Corporate persons*	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	2,425.91	149.94	-	211.21	2,064.76
<b>Total</b>	<b>3,801.01</b>	<b>225.25</b>	<b>-</b>	<b>355.91</b>	<b>3,219.84</b>

\*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.

- 10 The unaudited financial results are also available on the stock exchange websites [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) and on the Company's website <https://fivestargroup.in/>.
- 11 The Company does not have any subsidiary, associate or joint venture as on September 30, 2024.
- 12 The previous year's / period's figures have been regrouped/ reclassified wherever necessary, to correspond with the current period classification or disclosure.

Place: Chennai  
Date: October 29, 2024



For and on behalf of the Board of Directors of  
Five-Star Business Finance Limited

*D Lakshmi*  
D Lakshmi  
Chairman and Managing Director  
DIN: 01723269

**Five-Star Business Finance Limited**

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CIN: L65991TN1984PLC010844

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**Annexure-I****Disclosures in compliance with Regulation 52(4) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (as amended from time to time) for the six months ended September 30, 2024**

Particulars	As at September 30, 2024	As at March 31, 2024
1. Debt-equity ratio (Debt securities+Borrowings (Other than debt securities)) / net worth i.e. (Equity share capital + Other equity)	1.20	1.22
2. Total debts to total assets (Debt securities and Borrowings (Other than debt securities) / Total Assets)	0.54	0.54
3. Net worth (Equity share capital + Other equity)	5,72,328.27	5,19,615.47
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)	1.47%	1.38%
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)	0.71%	0.63%
6. Liquidity coverage ratio (LCR)-(High-Quality Liquid Assets (HQLAs) / Total net cash outflows over the next 30 calendar days)	255%	316%
7. Capital to risk weighted assets ratio (CRAR)	48.73%	50.50%
8. Outstanding redeemable preference shares	Nil	Nil
Particulars	Six months ended September 30, 2024	Six months ended September 30, 2023
9. Net profit margin (%) (Profit after tax for the period / Total income)	37.78%	38.08%
10. Net profit after tax	51,950.70	38,309.81
11. Earnings per equity share		
a. Basic (in Indian Rupees)	17.76	13.15
b. Diluted (in Indian Rupees)	17.60	13.01

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.


