

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 nine months ended December 31, 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 nine months ended December 31, 2023, which have been reviewed by the predecessor audit firm, where they have expressed an unmodified conclusion vide their report dated February 01, 2024 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)



G. K. Subramaniam

G. K. Subramaniam
(Partner)

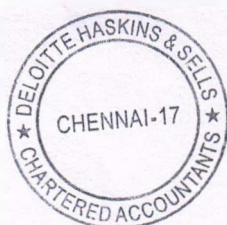
(Membership No. 109839)

UDIN: 25109839BMOFTZ5784

Place: Mumbai
Date: January 31, 2025

Statement of unaudited financial results for the quarter and nine months ended December 31, 2024
(All amounts are in Indian Rupee in lakhs, unless otherwise stated)

Particulars	Quarter ended December 31, 2024	Quarter ended September 30, 2024	Quarter ended December 31, 2023	Nine months ended December 31, 2024	Nine months ended December 31, 2023	Year ended March 31, 2024
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue from operations						
Interest income	71,123.61	67,925.50	54,951.23	2,03,157.51	1,51,734.11	2,11,658.46
Fees and commission income	800.61	671.24	394.73	2,123.03	1,350.13	2,191.84
Net gain on fair value changes	813.29	1,608.21	1,391.10	4,276.28	3,571.54	4,434.43
Total revenue from operations	72,737.51	70,204.95	56,737.06	2,09,556.82	1,56,655.78	2,18,284.73
Other income	367.67	379.17	265.29	1,070.59	940.26	1,225.35
Total income	73,105.18	70,584.12	57,002.35	2,10,627.41	1,57,596.04	2,19,510.08
Expenses						
Finance costs	17,135.17	16,313.54	12,870.94	49,267.67	33,076.73	46,849.57
Impairment on financial instruments	2,328.61	2,177.43	1,018.21	6,359.18	3,594.70	5,536.42
Employee benefits expense	12,920.19	12,484.01	10,981.03	37,685.50	31,430.64	42,858.94
Depreciation and amortization expense	834.21	666.80	663.77	2,138.49	1,717.60	2,457.12
Other expenses	3,374.33	3,121.46	2,477.90	9,224.35	7,501.48	10,214.45
Total expenses	36,592.51	34,763.24	28,011.85	1,04,675.19	77,321.15	1,07,916.50
Profit before tax	36,512.67	35,820.88	28,990.50	1,05,952.22	80,274.89	1,11,593.58
Tax expense						
Current tax	8,879.77	9,871.29	7,495.39	27,938.72	21,506.39	29,883.16
Deferred tax	247.00	(844.11)	(180.60)	(1,323.10)	(1,217.02)	(1,881.21)
Total tax expense	9,126.77	9,027.18	7,314.79	26,615.62	20,289.37	28,001.95
Profit for the period / year	27,385.90	26,793.70	21,675.71	79,336.60	59,985.52	83,591.63
Other comprehensive income / (loss)						
Items that will not be reclassified to profit or loss						
Remeasurement gain / (loss) on defined benefit plan	(19.45)	(130.98)	(95.21)	(178.61)	(57.68)	(71.13)
Income tax relating to items that will not be reclassified to profit or loss	4.89	32.97	23.97	44.95	14.52	17.90
Subtotal (A)	(14.56)	(98.01)	(71.24)	(133.66)	(43.16)	(53.23)
Items that will be reclassified to profit or loss						
Net movement on effective portion of cash flow hedge	(153.77)	186.68	14.19	(4.57)	(165.21)	(165.20)
Income tax relating to items that will be reclassified to profit or loss	38.70	(46.98)	(3.57)	1.15	41.58	41.58
Subtotal (B)	(115.07)	139.70	10.62	(3.42)	(123.63)	(123.62)
Other comprehensive income / (loss) for the period / year (A+B)	(129.63)	41.69	(60.62)	(137.08)	(166.79)	(176.85)
Total comprehensive income for the period / year	27,256.27	26,835.39	21,615.09	79,199.52	59,818.73	83,414.78
Earnings per equity share						
a. Basic (in Indian Rupees)	9.36	9.16	7.42	27.12	20.57	28.64
b. Diluted (in Indian Rupees)	9.35	9.07	7.37	26.95	20.38	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



Five-Star Business Finance Limited

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

CIN: L65991TN1984PLC010844

(All amounts are in Indian Rupee 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 months ended December 31, 2024 ("Unaudited Financial Results") have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their meetings held on January 30, 2025 and January 31, 2025 respectively.

2 The comparative figures for the quarter and nine months ended December 31, 2023 have been reviewed by the predecessor audit firm, where they have expressed an unmodified conclusion vide their report dated February 01, 2024 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 nine months ended December 31, 2024.

In the existing scheme (i.e Five-Star Associate Stock Option Scheme, 2015 and Five-Star Associate Stock Option Scheme, 2018), 9,78,025 options of Face Value of INR 1 (8,59,275 for the nine months ended December 31, 2023) were exercised by the employees and allotted during the nine months ended December 31, 2024 and 1,52,825 options of Face Value of INR 1 were exercised by the employees and pending allotment as of December 31, 2024. The total outstanding employee stock options as of December 31, 2024 is 45,34,295 (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.

The Company has received an in-principle approval from the stock exchanges viz BSE Limited and National Stock Exchange of India Limited on October 18, 2024. Subsequently, upon receipt of 25% of the proceeds during the current quarter, the Company has allotted 410,000 share warrants.

5 All debentures are secured by an exclusive first charge on book debts 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, 2024 is 1.20 times.

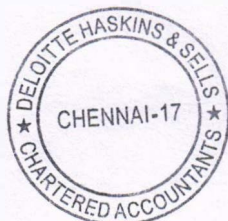
6 Disclosures in compliance with Regulation 52(4) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for the nine months ended December 31, 2024 is attached as Annexure-1.

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/DOR/2021-22/86 DOR.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 quarter ended December 31, 2024

b. The Company has not transferred or acquired any stressed loan during the quarter ended December 31, 2024



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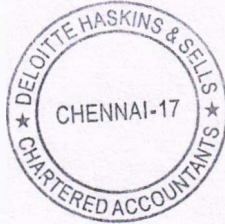
- 9 The unaudited financial results are also available on the stock exchange websites www.bseindia.com and www.nseindia.com and on the Company's website <https://fivestargroup.in/>.
- 10 The Company does not have any subsidiary, associate or joint venture as on December 31, 2024.
- 11 The previous year's / period's figures have been regrouped/ reclassified wherever necessary, to correspond with the current period classification or disclosure.

Place: Chennai
Date: January 31, 2025



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

D Lakshmipathy
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 (as amended from time to time) for the nine months ended December 31, 2024

Particulars	As at December 31, 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)	1.22	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)	6,01,711.81	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)	1.62%	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)	0.81%	0.63%
6. Liquidity coverage ratio (LCR)-(High-Quality Liquid Assets (HQLAs) / Total net cash outflows over the next 30 calendar days)	366%	316%
7. Capital to risk weighted assets ratio (CRAR)	51.21%	50.50%
8. Outstanding redeemable preference shares	Nil	Nil
Particulars	Nine months ended December 31, 2024	Nine months ended December 31, 2023
9. Net profit margin (%) (Profit after tax for the period / Total income)	37.67%	38.06%
10. Net profit after tax	79,336.60	59,985.52
11. Earnings per equity share		
a. Basic (in Indian Rupees)	27.12	20.57
b. Diluted (in Indian Rupees)	26.95	20.38

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.

