

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, 2025 (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.

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



G. K. Subramaniam
(Partner)

(Membership No. 109839)
UDIN: 25109839BMOGAD8132

Place: Mumbai
Date: October 29, 2025



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 six months ended September 30, 2025

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

Particulars	Quarter ended September 30, 2025 Unaudited	Quarter ended June 30, 2025 Unaudited	Quarter ended September 30, 2024 Unaudited	Six months ended September 30, 2025 Unaudited	Six months ended September 30, 2024 Unaudited	Year ended March 31, 2025 Audited
Revenue from operations						
Interest income	77,312.30	76,468.43	67,925.50	1,53,780.73	1,32,033.90	2,76,627.72
Fees and commission income	1,123.23	962.81	671.24	2,086.04	1,322.42	3,216.52
Net gain on fair value changes	1,508.00	1,236.53	1,608.21	2,744.53	3,462.99	4,939.72
Total revenue from operations	79,943.53	78,667.77	70,204.95	1,58,611.30	1,36,819.31	2,84,783.96
Other income	706.70	450.97	379.17	1,157.67	702.92	1,818.43
Total income	80,650.23	79,118.74	70,584.12	1,59,768.97	1,37,522.23	2,86,602.39
Expenses						
Finance costs	17,997.57	18,729.22	16,313.54	36,726.79	32,132.50	66,798.07
Impairment on financial instruments	5,103.80	4,778.40	2,177.43	9,882.20	4,030.57	8,896.52
Employee benefits expenses	14,362.05	15,607.41	12,484.01	29,969.46	24,765.31	52,110.47
Depreciation and amortization	911.39	822.17	666.80	1,733.56	1,304.28	3,037.91
Other expenses	4,083.33	3,686.19	3,121.46	7,769.52	5,850.02	12,699.99
Total expenses	42,458.14	43,623.39	34,763.24	86,081.53	68,082.68	1,43,542.96
Profit before tax	38,192.09	35,495.35	35,820.88	73,687.44	69,439.55	1,43,059.43
Tax expense						
Current tax	9,483.26	10,114.24	9,871.29	19,597.50	19,058.95	37,160.64
Deferred tax	95.02	(1,250.05)	(844.11)	(1,155.03)	(1,570.10)	(1,350.20)
Total tax expenses	9,578.28	8,864.19	9,027.18	18,442.47	17,488.85	35,810.44
Profit for the period/year	28,613.81	26,631.16	26,793.70	55,244.97	51,950.70	1,07,248.99
Other comprehensive income/(loss)						
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans (net)	659.68	(74.44)	(130.98)	585.24	(159.16)	(391.93)
Income tax relating to items that will not be reclassified to profit or loss	(166.03)	18.74	32.97	(147.29)	40.06	98.64
Subtotal (i)	493.65	(55.70)	(98.01)	437.95	(119.10)	(293.29)
Items that will be reclassified subsequently to profit or loss						
The effective portion of gain and loss on hedging instruments in a cash flow hedge	251.83	(129.52)	186.68	122.31	149.20	4.18
Income tax relating to items that will be reclassified to profit or loss	(63.38)	32.60	(46.98)	(30.78)	(37.55)	(1.05)
Subtotal (ii)	188.45	(96.92)	139.70	91.53	111.65	3.13
Other comprehensive income/(loss) for the period/year, net of income tax (i) + (ii)	682.10	(152.62)	41.69	529.48	(7.45)	(290.16)
Total comprehensive income for the period/year	29,295.91	26,478.54	26,835.39	55,774.45	51,943.25	1,06,958.83
Earnings per equity share						
a. Basic (in rupees)	9.72	9.04	9.16	18.76	17.76	36.61
b. Diluted (in rupees)	9.69	9.02	9.07	18.71	17.60	36.50
Face value per share	1.00	1.00	1.00	1.00	1.00	1.00

Note: Earnings per share is not annualised for the interim period

The accompanying notes are integral part of the financial results



Five-Star Business Finance Limited

Regd. 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, 2025

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

Particulars	As at September 30, 2025 Unaudited	As at March 31, 2025 Audited
Assets		
Financial assets		
Cash and cash equivalents	1,52,302.35	1,49,716.05
Bank balances other than cash and cash equivalents	70,170.45	65,797.86
Derivative financial instruments	1,709.35	676.16
Loans	12,60,721.53	11,68,679.03
Investments	21,969.99	21,222.30
Other financial assets	8,262.22	8,113.00
Total financial assets	15,15,135.89	14,14,204.40
Non-financial assets		
Current tax assets (net)	326.24	326.24
Deferred tax assets (net)	9,698.04	8,721.08
Investment property	3.56	3.56
Property, plant and equipment	2,770.06	2,412.35
Right of use asset	5,724.73	5,510.10
Capital work-in-progress	7,181.07	6,236.10
Other intangible assets	732.97	713.24
Other non-financial assets	1,904.72	3,929.38
Total non-financial assets	28,341.39	27,852.05
Total assets	15,43,477.28	14,42,056.45
Liabilities and equity		
Financial liabilities		
Derivative financial instruments	-	964.12
Payables		
Trade payables		
total outstanding dues of micro enterprises and small enterprises	91.14	115.36
total outstanding dues of creditors other than micro enterprises and small enterprises	2,820.78	2,556.50
Debt securities	79,452.56	78,178.40
Borrowings (other than debt securities)	7,58,147.17	7,14,020.99
Other financial liabilities	9,910.21	9,463.96
Total financial liabilities	8,50,421.86	8,05,299.33
Non-financial liabilities		
Current tax liabilities (net)	6,114.09	865.79
Provisions	4,334.59	3,443.50
Other non-financial liabilities	1,940.86	1,987.16
Total non-financial liabilities	12,389.54	6,296.45
Equity		
Equity share capital	2,944.69	2,944.27
Other equity	6,77,721.19	6,27,516.40
Total equity	6,80,665.88	6,30,460.67
Total liabilities and equity	15,43,477.28	14,42,056.45
The accompanying notes are integral part of the financial results		



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Statement of cash flows for the six months ended September 30, 2025
(All amounts are in Indian Rupees in lakh, unless otherwise stated)

Particulars	For the six months ended September 30, 2025 Unaudited	For the six months ended September 30, 2024 Unaudited
Cash flow from operating activities		
Profit before tax	73,687.44	69,439.55
Adjustments for:		
Interest on loans	(1,49,817.80)	(1,29,679.70)
Interest on deposit with banks	(3,215.24)	(2,354.20)
Interest on investment in government securities	(747.69)	-
Finance costs	36,726.79	32,132.50
Impairment on financial instruments	9,882.20	4,030.57
Depreciation and amortisation	1,733.56	1,304.28
Loss on sale of property, plant and equipment (net)	5.18	2.69
Net gain on fair value changes on mutual fund investments	(2,744.53)	(3,462.99)
Gain recognised on derecognition of leases	(13.09)	(2.57)
Employee stock option expenses	296.10	743.96
Operating cash flow before working capital changes	(34,207.08)	(27,845.91)
Changes in working capital		
Adjustment for (increase)/decrease in operating assets		
Loans	(1,04,075.31)	(1,32,875.65)
Other financial assets	(140.91)	(4,192.42)
Other non-financial assets	1,638.47	1,038.92
Adjustment for increase/(decrease) in operating liabilities		
Trade payables	240.06	156.42
Provisions	1,476.33	1,095.66
Other financial liabilities	128.86	(395.22)
Other non-financial liabilities	(46.30)	(263.70)
Cash used in operations	(1,34,985.88)	(1,63,281.90)
Finance costs paid	(35,262.90)	(27,739.94)
Interest income received	1,51,968.41	1,26,930.51
Direct taxes paid (net)	(14,349.17)	(16,613.34)
Net cash used in operating activities (A)	(32,629.54)	(80,704.67)
Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress, intangible assets and capital advances)	(1,673.63)	(754.27)
Proceeds from sale of property, plant and equipment	6.58	1.99
Redemption of mutual funds (net)	2,744.52	13,946.47
Purchase of government securities	-	(10,483.47)
Interest received on deposit from banks/others	3,555.19	(7,149.60)
Deposits placed (with)/withdrawn from banks (net)	(4,712.53)	1,529.63
Net cash used in investing activities (B)	(79.87)	(2,909.25)
Cash flow from financing activities		
Proceeds on issue of equity shares	0.42	0.27
Proceeds towards share application money	0.06	6.66
Proceeds from securities premium on issue of shares	23.16	18.66
Proceeds from borrowings (including debt securities)	1,51,800.00	1,40,000.00
Payment of dividend	(5,888.98)	-
Repayment of borrowings (including debt securities)	(1,09,738.55)	(88,074.70)
Repayment of lease liabilities (excluding interest)	(900.40)	(626.51)
Net cash from financing activities (C)	35,295.71	51,324.38
Net increase/(decrease) in cash and cash equivalents [A + B + C]	2,586.30	(32,289.54)
Cash and cash equivalents at the beginning of the period	1,49,716.05	1,53,439.93
Cash and cash equivalents at the end of the period	1,52,302.35	1,21,150.39



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Statement of cash flows for the six months ended September 30, 2025

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

Notes:

Components of cash and cash equivalents

Particulars	As at 30 September 2025	As at 30 September 2024
	Unaudited	Unaudited
Cash and cash equivalents		
Cash on hand	878.92	932.39
Balances with banks		
(i) In current accounts	10,800.94	12,490.31
(ii) In deposit accounts (original maturity less than 3 months)	1,40,622.49	1,07,727.69
	1,52,302.35	1,21,150.39

The accompanying notes are integral part of the financial results



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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 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 financial results for the quarter and six months ended September 30, 2025 ("Financial Results") have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their meetings held on October 28, 2025 and October 29, 2025 respectively.

2 The Company has granted 15,000 options under Five-Star Associate Stock Option Scheme, 2023 during the six months ended September 30, 2025 (25,25,000 options during the year ended March 31, 2025).

Under Five-Star Associate Stock Option Scheme, 2015 and Five-Star Associate Stock Option Scheme, 2018, 41,720 options of Face Value of INR 1 (27,155 for the six months ended September 30, 2024) were exercised by the employees and allotted during the six months ended September 30, 2025 and 5,610 options of Face Value of INR 1 were exercised by the employees and pending allotment as of September 30, 2025. The total outstanding employee stock options as of September 30, 2025 is 25,44,060 (33,78,460 as at March 31, 2025).

3 Basis the approval of the shareholders on September 13, 2024, the Company issued 4,10,000 convertible share warrants amounting to INR 3,157 lakhs (Including a premium of INR 769 per warrant) on a preferential basis, which will be converted into equity shares in the ratio of 1:1.

The Company fully allotted the share warrants upon receipt of 25% of the proceeds on October 24, 2024.

4 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, 2025 is 1.20 times.

5 Disclosures in compliance with Regulation 52(4) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for the quarter and six months ended September 30, 2025 is attached as Annexure-I.

6 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.

7 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):

- The Company has not transferred or acquired any loan not in default during the period ended September 30, 2025
- The Company has not transferred or acquired any stressed loan during the period ended September 30, 2025

8 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, 2025 (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	993.42	128.56	-	91.43	773.43
Corporate persons*	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	1,611.42	164.07	-	121.64	1,325.71
Total	2,604.84	292.63	-	213.07	2,099.14

*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.



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Notes:

- 9 The 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 September 30, 2025.
- 11 The previous year's / period's figures have been regrouped/ reclassified wherever necessary, to correspond with the current period classification or disclosure.

For and on behalf of the Board of Directors

Place: Chennai

Date: October 29, 2025



Lakshmipathy 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 six months ended September 30, 2025**

Particulars	As at September 30, 2025	As at March 31, 2025
1. Debt-equity ratio (Debt securities + Borrowings (Other than debt securities)) / net worth i.e. (Equity share capital + Other equity)	1.23	1.26
2. Total debts to total assets (Debt securities and Borrowings (other than debt securities) / Total assets)	0.54	0.55
3. Net worth (Equity share capital + Other equity)	6,80,665.88	6,30,460.67
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)	2.64%	1.79%
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)	1.46%	0.88%
6. Liquidity coverage ratio (LCR)-(High-Quality Liquid Assets (HQLAs)/Total net cash outflows over the next 30 calendar days)	350%	354%
7. Capital to risk weighted assets ratio	51.04%	50.10%
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.)	1.20	1.21
Particulars	Six months ended September 30, 2025	Six months ended September 30, 2024
10. Net profit margin (%) (Profit after tax for the period / Total income)	34.58%	37.78%
11. Net profit after tax	55,244.97	51,950.70
12. Earnings per equity share		
a. Basic (in rupees)	18.76	17.76
b. Diluted (in rupees)	18.71	17.60

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.

