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Review report To the Board of Directors of Five-Star Business Finance Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of **Five-Star Business Finance Limited** ('the Company') for the half year ended 30 September 2019 ('the Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').
2. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors in its meeting held on 6 November 2019. This Statement has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ("Ind AS") 34 "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. Our responsibility is to issue a report on these financial results based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (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 financial results are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and 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 applicable Indian accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 52 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number: 101248W/W-100022



K Raghuram
Partner

Membership Number: 211171
UDIN : 19211171AAAAEF4403

Place: Chennai
Date: 6 November 2019

Five-Star Business Finance Limited

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

CIN: U65991TN1984PLC010844

Statement of Unaudited Standalone Financial Results for the half year ended 30 September 2019

(All amounts are in lakhs, except share data and as stated)

Particulars	Half year ended 30 September 2019	Half year ended 30 September 2018	Year ended 31 March 2019
	Unaudited	Unaudited	Audited
Revenue from operations			
Interest income	31,734.47	16,017.89	38,286.54
Fee income	1,051.49	539.90	1,317.08
Net gain on fair value changes	525.65	297.75	559.86
Total revenue from operations	33,311.61	16,855.54	40,163.48
Other income	64.14	54.88	120.03
Total Income	33,375.75	16,910.42	40,283.51
Expenses			
Finance costs	8,897.39	3,568.50	7,285.60
Fee expense	30.28	87.45	94.77
Employee benefits expense	5,324.49	3,601.19	7,478.89
Other expenses	1,498.81	1,128.60	2,505.58
Impairment on financial instruments	1,380.32	431.20	700.54
Depreciation and amortisation expense	415.73	168.36	419.42
Total Expenses	17,547.02	8,985.30	18,484.80
Profit Before Tax	15,828.73	7,925.12	21,798.71
Tax expenses			
Current tax expenses	4,078.16	2,693.53	6,954.97
Deferred tax	(24.31)	(385.74)	(785.94)
Total tax expenses	4,053.85	2,307.79	6,169.03
Net profit for the period from continuing operations	11,774.88	5,617.33	15,629.68
Items that will not be reclassified to profit or loss			
Re-measurements of the defined benefit plan	(90.27)	(27.41)	(50.09)
Income tax relating to items that will not be reclassified to profit or loss	22.72	7.98	14.59
Other comprehensive income - remeasurement loss on defined benefit plan, net of taxes	(67.55)	(19.43)	(35.50)
Total comprehensive income (after tax)	11,707.33	5,597.90	15,594.18
Earnings per equity share for continuing operations , in rupees			
a. Basic	48.22	27.07	70.16
b. Diluted	47.60	26.37	68.58
Face value per share	Not annualized 10.00	Not annualized 10.00	Annualized 10.00
See accompanying notes to the financial results			



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Statement of Standalone Unaudited Assets and Liabilities as at 30 September 2019

(All amounts are in lakhs, except share data and as stated)

Particulars	As at	As at
	30 September 2019	31 March 2019
	Unaudited	Audited
ASSETS		
Financial Assets		
Cash and cash equivalents	47,039.71	20,992.65
Bank balances other than cash and cash equivalents	42,427.33	6.88
Loans	2,72,204.28	2,05,743.73
Investments (refer note 6)	1,500.00	1,500.00
Other financial assets	349.20	283.68
	3,63,520.52	2,28,526.94
Non - Financial Assets		
Current tax assets (net)	1,753.60	348.17
Deferred tax assets (net)	1,469.09	1,422.06
Investment property	3.56	3.56
Property, plant and equipment	870.05	744.41
Right-of-use asset (refer note 4)	1,421.73	-
Other intangible assets	224.22	201.80
Other non-financial assets	311.95	357.39
	6,054.20	3,077.39
Total assets	3,69,574.72	2,31,604.33
LIABILITIES AND EQUITY		
Financial Liabilities		
Payables		
Trade payables		
-total outstanding dues of micro and small enterprises	-	-
-total outstanding dues of creditors other than micro and small enterprises	391.31	281.39
Debt securities	1,12,396.21	42,972.28
Borrowings (Other than debt securities)	72,190.20	49,198.22
Other financial liabilities	2,399.69	510.91
	1,87,377.41	92,962.80
Non-Financial Liabilities		
Current tax liabilities (net)	159.89	159.89
Provisions	407.94	365.19
Other non-financial liabilities	1,834.25	1,608.12
	2,402.08	2,133.20
Equity		
Equity share capital	2,523.53	2,389.96
Other equity	1,77,271.70	1,34,118.37
	1,79,795.23	1,36,508.33
Total equity and liabilities	3,69,574.72	2,31,604.33
See accompanying notes to the financial results		



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Notes:

- 1 Five-Star Business Finance Limited ("the Company") is a Non Deposit accepting Non-Banking Finance Company registered with the Reserve Bank of India ("the RBI").
- 2 The unaudited standalone financial results for the half year ended 30 September 2019 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their respective meetings held on 6 November 2019. The above results have been subjected to limited review by the statutory auditors of the Company. The auditors have issued an unmodified review report.
- 3 These financial results has been prepared in accordance with recognition and measurement principles laid down in accordance with the Indian Accounting Standard ('Ind AS'), 34 - "Interim Financial Reporting" as prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations 2015.
- 4 Effective 1 April 2019, the Company has adopted Ind AS 116 - Leases and applied it to all lease contracts existing on 1 April 2019 using the modified retrospective method. Based on the same and as permitted under the specific transitional provisions in the standard, the Company is not required to restate the comparative figures. On transition, the adoption of the new standard resulted in recognition of Right-of-use asset INR 1,367 lakhs and a lease liability of INR 1,379 lakhs.
- 5 The Company has elected to exercise the option permitted under section 115BAA of the Income tax Act, 1961, as introduced by the Taxation laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax for the half year ended 30 September 2019 and re-measured its deferred tax assets basis the rate prescribed in the said section. The impact of above mentioned change has been recognised in the statement of profit and loss for the half year ended 30 September 2019.
- 6 During the period ended 30 September 2019, the Company vide its board meeting dated 29 August 2019 had approved the Scheme of Amalgamation ("the Scheme") of its wholly owned subsidiary - Five-Star Housing Finance Private Limited with the Company and their respective shareholders under sections 233 of the Act and other applicable provisions of the Act. The appointed date under the aforesaid Scheme is 1 April 2019. The Company had filed the Scheme documents with the Central Government, Registrar of Companies and the Official Liquidator in September 2019. Pending approval from the respective authorities, no adjustment has been considered in the above financial results.
- 7 There is no separate reportable segment in accordance with Ind AS 108 on "Operating Segments" in respect of the Company.
- 8 Reserves include Statutory Reserves as per Section 451C of Reserve Bank of India Act 1934, balance in Securities Premium, Employee Stock Option Plan Reserve and retained earnings.
- 9 The financial results have been drawn upon the basis of Ind AS, that are applicable to the Company as at 30 September 2019. Any application guidance / clarifications / directions issued by the RBI or other regulators are implemented as and when they are issued / applicable.
- 10 Previous period's figures have been regrouped / reclassified wherever necessary, to conform with the current period presentation.

For and on behalf of the Board of Directors




D Lakshmiopathy
Chairman & Managing Director

Place: Chennai

Date: 6 November 2019

Annexure 1

a) Credit Rating:

The CARE Ratings Limited ("CARE") CRISIL and ICRA Limited ("ICRA") have assigned following rating to the company:

Facility	CRISIL	CARE	ICRA
(i) Non-Convertible Debentures	CRISIL BBB+	CARE A	ICRA A
(ii) Commercial Papers	-	CARE A1	-
(iii) Long term bank facilities	-	CARE A	ICRA A
(iv) Securitisation (Pass through certificates)	-	-	AA- (SO)

b) Asset cover available for non-convertible debt securities:

Not applicable.

c) Debt-equity ratio*:

The debt-equity ratio of the company as per the reviewed financial results for the year ended 30 September 2019 is 1.04

d) Previous due date for the payment of interest/dividend for non-convertible redeemable preference shares/repayment of principal of non-convertible preference shares/non-convertible debt securities and whether the same has been paid or not:

All previous dues with respect to debentures were paid on due date (Refer Appendix A).

The company has not issued any non-convertible redeemable preference shares.

e) Next due date for the payment of interest / dividend of non-convertible preference shares/principal along with the amount of interest/ dividend of non-convertible preference shares payable and the redemption amount.

The company has not issued any convertible redeemable preference shares.

f) Debt service coverage ratio:

Not applicable.

g) Interest service coverage ratio:

Not applicable.

h) Outstanding redeemable preference shares (quantity and value):

Not applicable.

i) Capital redemption reserve/Debenture redemption reserve:

Debenture redemption reserve is not required in respect of privately placed debentures in terms of rule 18(7) (b) (ii) of the Companies (Share Capital and Debenture) Rules, 2014.

j) Net worth**:

Rs.178,326.14 Lakhs

k) Net profit after tax:

Rs.11,774.88 Lakhs

Annexure 1 (Continued)

l) Earnings Per share:

(i) Basic	48.22
(ii) Diluted	47.60

* Debt-equity ratio is (Long term borrowings + Short term borrowings + Current maturities of long term borrowings) / Net Worth.

** Net Worth is equal to Paid up Equity Share Capital + Reserve - Deferred tax.



Appendix A

Details of previous due dates for payment of Interest/Principal for Non-Convertible Debentures

S.No	Name	Type (Interest / Principal)	Issue size (Rs. in cr)	Interest / Principal due date	Paid/ Unpaid
1	INE128S07010	Interest & Principal	30	06-06-2019	Paid
2	INE128S07093, INE128S07101, INE128S07119, INE128S07127, INE128S07135 & INE128S07143	Interest	25	09-10-2019	Paid
3	INE128S07192, INE128S07200, INE128S07218, INE128S07226, INE128S07234 & INE128S07242	Interest	15	15-10-2019	Paid
4	INE128S07275	Interest	45	28-06-2019	Paid
5	INE128S07259	Interest	30	28-06-2019	Paid
6	INE128S07267	Interest	24	28-08-2019	Paid
7	INE128S07309	Interest	25	30-09-2019	Paid
8	INE128S07317	Interest	5	30-09-2019	Paid
9	INE128S07325	Interest	65	30-09-2019	Paid
10	INE128S07333	Interest	65	30-09-2019	Paid
11	INE128S07341	Interest	65	30-09-2019	Paid
12	INE128S07358	Interest	55	30-09-2019	Paid
13	INE128S07374	Interest	180	30-09-2019	Paid
14	INE128S07390	Interest	180	30-09-2019	Paid
15	INE128S07408	Interest	185	30-09-2019	Paid
16	INE128S07366	Interest	30	31-10-2019	Paid

Details of next due dates for payment of interest/Principal for Non-Convertible Debentures

S.No	Name	Type (Interest / Principal)	Issue size (Rs. in cr)	Interest / Principal due date
1	INE128S07010	Interest & Principal	30	06-12-2019
2	INE128S07093, INE128S07101, INE128S07119, INE128S07127, INE128S07135 & INE128S07143	Interest & Principal	25	07-11-2019
3	INE128S07192, INE128S07200, INE128S07218, INE128S07226, INE128S07234 & INE128S07242	Interest	15	15-11-2019
4	INE128S07275	Interest	45	28-12-2019
5	INE128S07259	Interest	30	28-12-2019
6	INE128S07267	Interest	24	28-02-2020
7	INE128S07309	Interest	25	30-12-2019
8	INE128S07317	Interest	5	28-12-2019
9	INE128S07325	Interest	65	28-12-2019
10	INE128S07333	Interest	65	28-12-2019
11	INE128S07341	Interest	65	28-12-2019
12	INE128S07358	Interest	55	29-12-2019
13	INE128S07374	Interest	180	29-12-2019
14	INE128S07390	Interest	180	29-12-2019
15	INE128S07408	Interest	185	29-12-2019
16	INE128S07366	Interest	30	30-11-2019
17	INE128S07416	Interest	125	28-02-2020

