

Mr. Srikanth Gopalakrishnan  
Joint Managing Director and CFO  
Five-Star Business Finance Ltd.  
New No 27, Old No 4, Taylor's Road,  
Kilpauk, Chennai 600010

March 27, 2026

*Dear Sir/Madam,*

**Re: Rating Letter of Five-Star Business Finance Limited**

India Ratings and Research (Ind-Ra) has affirmed Five-Star Business Finance Limited's (Five-Star) debt instruments as follows:

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating assigned along with Outlook/Watch	Rating Action
Non-convertible debentures <sup>#</sup>	-	-	-	INR1,540 (reduced from INR2,000)	IND AA-/Positive	Affirmed
Non-convertible debentures <sup>^</sup>	-	-	-	INR5,000	IND AA-/Positive	Affirmed
Bank Loan Facilities	-	-	-	INR4,000 (reduced from INR20,000)	IND AA-/Positive	Affirmed

<sup>#</sup>interchangeable with principal protected market-linked debentures (PP-MLDs) and applicable rating of 'IND PP-MLD AA-/Positive'

<sup>^</sup> Details in annexure

The rating of the market-linked debentures is an ordinal assessment of the underlying credit risk of the instrument and does not factor in the market risk that investors in such instruments will assume. This market risk stems from the fact that coupon payment on the instrument will be based on the performance of a reference index or equity share (detailed in the information memorandum of the issue).

PP-MLD refers to full principal protection in the equity-linked notes, wherein the issuer is obligated to pay the full principal upon maturity.

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action

commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.

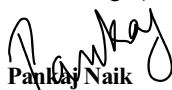
It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at [infogrp@indiaratings.co.in](mailto:infogrp@indiaratings.co.in)

Sincerely,  
India Ratings

  
Pankaj Naik  
Director

**Annexure: Facilities Breakup**

Instrument Description	Bank Name	Ratings	Outstanding/Rated Amount(INR million)
Term Loan	Axis Bank Limited	IND AA-/Positive	143.07
Term Loan	Bank of Maharashtra	IND AA-/Positive	432.14
Term Loan	DBS Bank India Limited	IND AA-/Positive	151.52
Term Loan	IDFC First Bank	IND AA-/Positive	187.50
Term Loan	Indian Bank	IND AA-/Positive	320.61
Term Loan	Kotak Mahindra Bank	IND AA-/Positive	249.90
Term Loan	South Indian Bank	IND AA-/Positive	184.17
Term Loan	IDFC First Bank	IND AA-/Positive	900.00
Term Loan	Yes Bank Ltd	IND AA-/Positive	375.00
Term Loan(Unutilised)	NA	IND AA-/Positive	1056.09

**Annexure: ISIN**

Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Ratings	Outstanding/Rated Amount(INR million)
Non-convertible debentures	INE128S07580	24/02/2023	9.2	24/04/2026	IND AA-/Positive	490.00
Non-convertible debentures	INE128S07606	12/12/2023	9.5	12/12/2026	IND AA-/Positive	1050.00
Non-convertible debentures	INE128S07614	22/04/2024	9.4	22/04/2028	IND AA-/Positive	5000.00

*Pankaj*