

Date: January 31, 2025

**The National Stock Exchange of India Limited,**  
Exchange Plaza,  
Bandra-Kurla Complex,  
Bandra (E), Mumbai 400 051  
Symbol: FIVESTAR

**BSE Limited**  
Listing department,  
First floor, PJ Towers,  
Dalal Street, Fort Mumbai 400 001  
Scrip code: 543663

**Sub: Investor Presentation on the unaudited Financial Results for the quarter and nine months ended December 31, 2024**

Dear Sir/ Madam

In terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of the Investor Presentation of the Company on the unaudited financial results for the quarter and nine months ended December 31, 2024.

This Investor Presentation is also available on the website of the Company at <https://fivestargroup.in/investors/>

Kindly take the above information on record.

**For Five-Star Business Finance Limited**

**Shalini Baskaran**  
Company Secretary & Compliance Officer

**Five-Star Business Finance Limited**

Registered Office : New No. 27, Old No. 4, Taylor's Road, Kilpauk, Chennai - 600 010.  
Phone : 044 - 4610 6200, e-mail : info@fivestargroup.in, Website : www.fivestargroup.in  
CIN : L65991TN1984PLC010844



*Reaching the Unreached*

## Five-Star Business Finance Limited

Investor Presentation | Q3FY2025

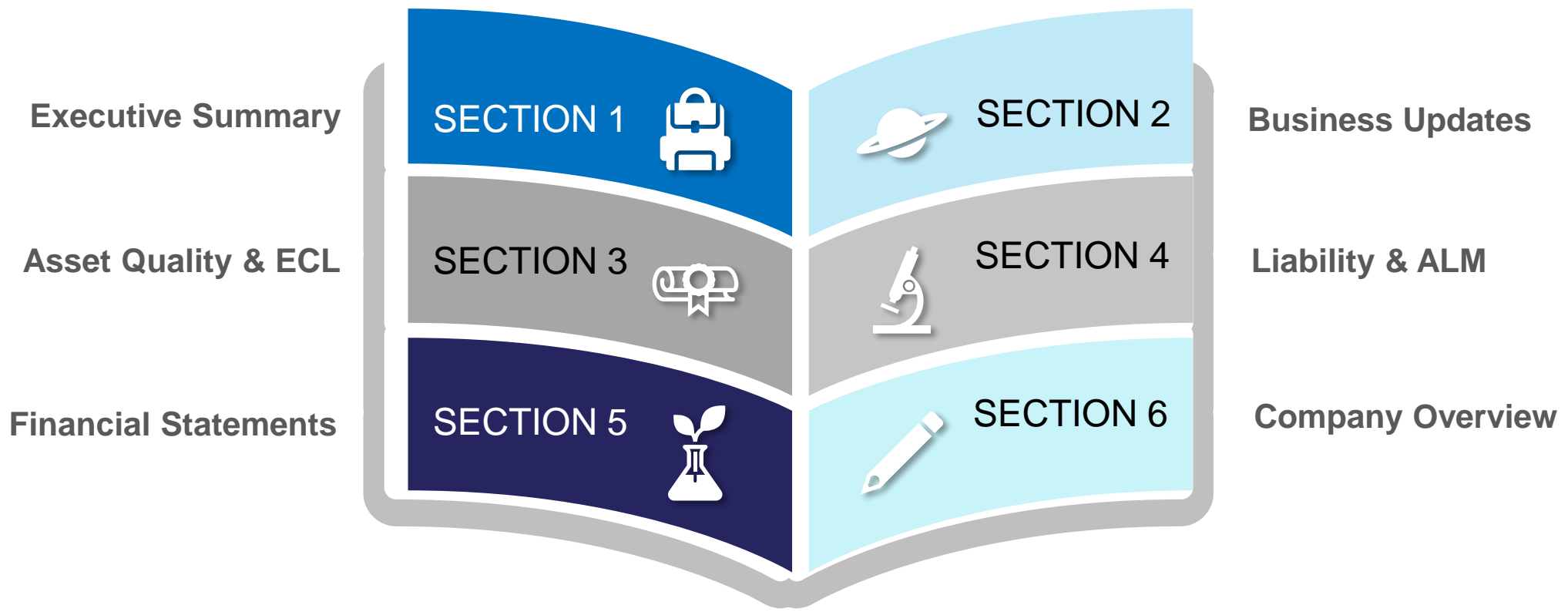


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This Presentation contains certain forward-looking statements concerning the Company’s future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and abroad, ability to attract and retain highly skilled professionals, time and cost overruns on contracts, our ability to manage our international operations, government policies and action regulations, interest and other fiscal costs generally prevailing in the economy. The Company does not undertake to make any announcement in case any of these forward-looking statement become materially incorrect in future or update any forward-looking statements made from time to time by or on behalf of the Company.

- All amounts are given in ₹ Million unless specified otherwise.
- Gross NPA or Gross Stage 3 assets represents loans which are more than 90 days past due (till the quarter ended Sep 2022); for the quarters post Sep 2022, this has been computed as per guidelines stipulated by RBI vide their circulars on Prudential Norms on Income recognition and Asset classification dated Nov 12, 2021 and Feb 15, 2022 (wherein implementation of upgradation norms were deferred to October 1, 2022) i.e loans that have crossed 90 days past due any time since October 1, 2022 and not cleared their arrears fully. This is expressed as a percentage of AUM.
- Net Stage 3 Assets % or Net NPA % computed as Gross Stage 3 assets reduced by Stage 3 ECL as a percentage of AUM reduced by Stage 3 ECL
- Number of loans stated in any of the slides includes securitized loans. AUM is inclusive of securitized portfolio.
- Total assets represents the period ending Balance Sheet assets. Total assets used for computations is gross of Impairment allowance on Loan assets.
- Average total assets represents the monthly average of Balance Sheet assets. Average Total assets used for computations is gross of Impairment allowance on Loan assets.

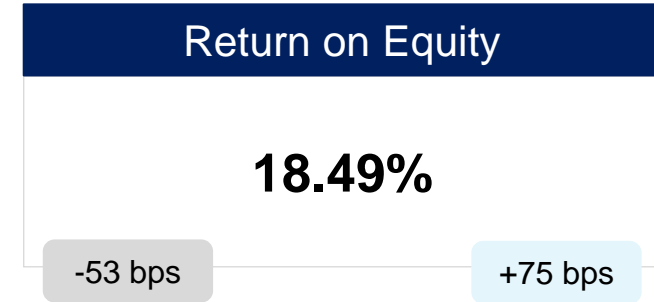
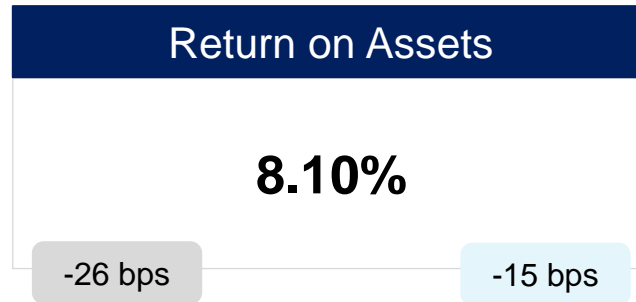
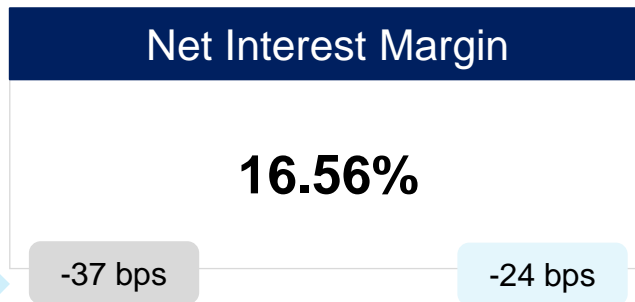
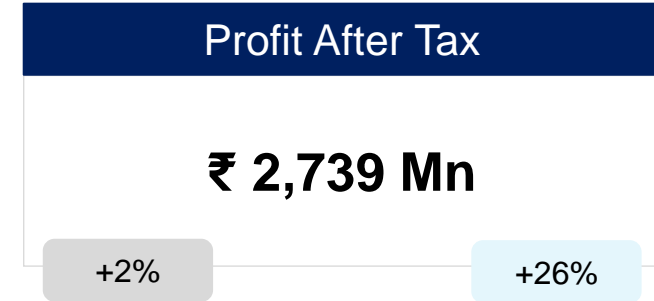
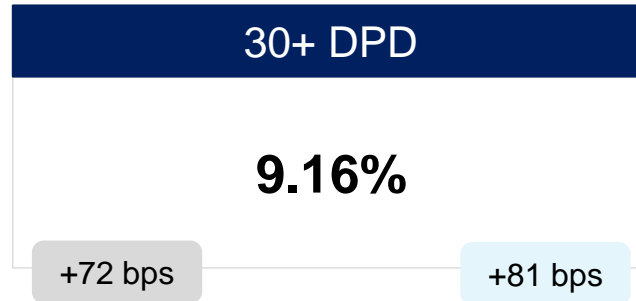
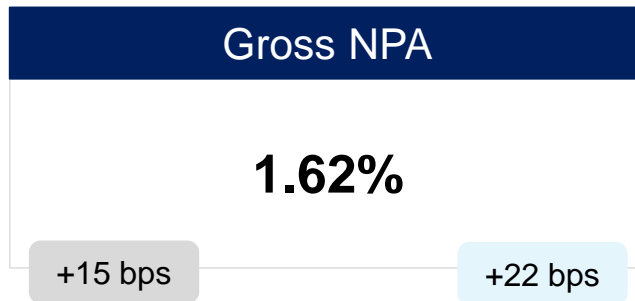
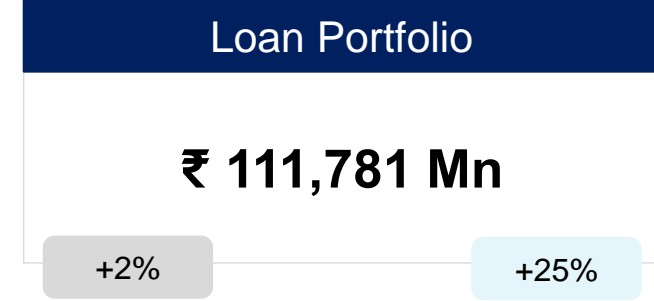
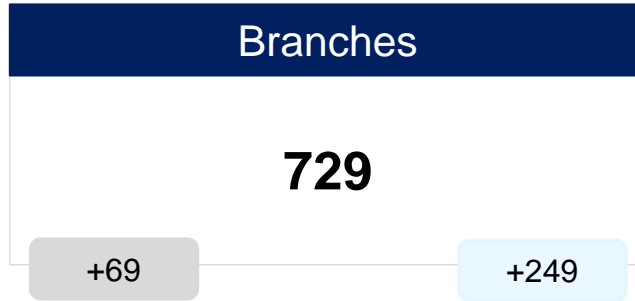


# **EXECUTIVE SUMMARY**

# Executive Summary | Q3FY25

q-o-q

y-o-y



# Executive Summary | 9MFY25

y-o-y

Branches

729

+249

Loan Disbursement

₹ 35,097 Mn

-1%

Loan Portfolio

₹ 111,781 Mn

+25%

Gross NPA

1.62%

+22 bps

30+ DPD

9.16%

+81 bps

Profit After Tax

₹ 7,934 Mn

+32%

Net Interest Margin

16.73%

-63 bps

Return on Assets

8.23%

-13 bps

Return on Equity

18.81%

+1.65%



# Q3FY25 Performance – At a glance

## Scale of Operations



**₹111.8bn / ₹89.3bn**  
AUM in Q3FY25 / Q3FY24  
25% growth Y-o-Y



**₹9.4bn / ₹12.1bn**  
Amount Disbursed in  
Q3FY25 / Q3FY24



**27,449 / 35,108**  
Number of Disbursements in  
Q3FY25 / Q3FY24



**₹60.2bn**  
Net Worth

## Distribution



**729**  
Number of Branches



**6,092**  
Business and Collections  
Officers



**Presence in 10**  
States / UT across India  
(focused on expansion)



**100% In-house**  
Sourcing & Collections

## Granular Book



**100% Secured**  
Loan Book  
(95% against SORP)



**₹0.34mn**  
Average ticket size for loans  
disbursed in Q3FY25



**441,625**  
Live accounts



**39.3%**  
Average Portfolio LTV  
(As of Dec 31, 2024)

## Asset Quality



**1.62%**  
Q3FY25  
Gross Stage 3 Assets



**0.81%**  
Q3FY25  
Net Stage 3 Assets



**0.69%**  
Q3FY25 Credit Cost to  
Average Total Assets



**0.37% / 54.66%**  
Total Restructured Portfolio /  
Provision Coverage on  
restructured book

## Liability Profile



**46**  
Lender relationships



**51.21%**  
Q3FY25  
Capital Adequacy Ratio



**Borrowing profile**  
Well-diversified profile with  
fixed rate borrowings of  
~38%



**AA-**  
Long term credit rating by  
ICRA, CARE and India  
Ratings

## Profitability



**₹2.7bn / ₹2.2bn**  
PAT for Q3FY25 / Q3FY24  
26% growth Y-o-Y



**16.56%**  
Net Interest Margin for  
Q3FY25



**8.10%**  
Return on Total Assets for  
Q3FY25



**18.49%**  
Return on Avg. Equity for  
Q3FY25

# Strong Financial Performance over the years

Particulars (₹ Mn)	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
	I-GAAP	I-GAAP	I-GAAP	I-GAAP	IND-AS	IND-AS	IND-AS	IND-AS	IND-AS	IND-AS
<b>Operational Information</b>										
Number of branches	39	64	103	130	173	252	262	299	373	520
Loan disburseals	793	1,319	3,830	7,072	14,822	24,087	12,450	17,562	33,914	48,814
AUM	1,315	1,981	4,936	10,084	21,128	38,922	44,454	50,671	69,148	96,406
Number of employees	167	293	737	1,290	1,971	3,734	3,938	5,675	7,347	9,327
<b>Financial Information</b>										
Total Income	336	473	871	2,082	4,089	7,873	10,513	12,562	15,289	21,951
Interest expenses	104	141	238	578	769	2,156	3,261	2,984	2,636	4,653
<b>Net Interest Income (NII)</b>	<b>232</b>	<b>332</b>	<b>633</b>	<b>1,504</b>	<b>3,320</b>	<b>5,717</b>	<b>7,252</b>	<b>9,578</b>	<b>12,653</b>	<b>17,298</b>
Operating Expenses	76	122	293	625	1,060	1,731	2,136	3,081	4,405	5,585
Loan losses & Provisions	4	7	28	93	76	493	352	455	201	554
<b>Profit Before Tax (PBT)</b>	<b>152</b>	<b>203</b>	<b>312</b>	<b>786</b>	<b>2,184</b>	<b>3,493</b>	<b>4,764</b>	<b>6,042</b>	<b>8,047</b>	<b>11,159</b>
<b>Profit After Tax (PAT)</b>	<b>99</b>	<b>134</b>	<b>196</b>	<b>558</b>	<b>1,567</b>	<b>2,620</b>	<b>3,589</b>	<b>4,535</b>	<b>6,035</b>	<b>8,359</b>
Total Comprehensive Income	99	134	196	558	1,563	2,608	3,582	4,513	6,013	8,341
<b>Ratios</b>										
Cost to Income	34.48%	38.86%	50.79%	47.74%	34.22%	38.90%	34.31%	36.92%	36.40%	35.49%
Return on Total Assets	7.04%	6.87%	4.27%	5.82%	8.78%	7.31%	6.99%	7.16%	8.62%	8.42%
Return on Equity	16.65%	16.47%	12.40%	12.97%	15.14%	15.36%	16.85%	13.85%	15.03%	17.60%
Gross Stage 3 assets	1.81%	1.82%	2.47%	1.43%	0.89%	1.37%	1.02%	1.05%	1.36%	1.38%
Net Stage 3 assets	1.48%	1.53%	2.08%	0.95%	0.68%	1.13%	0.84%	0.68%	0.69%	0.63%
Provision Coverage Ratio - overall AUM	0.57%	0.54%	0.79%	0.97%	0.80%	1.58%	1.95%	2.03%	1.61%	1.64%
Provision Coverage Ratio - Stage 3	18.40%	16.34%	16.24%	33.89%	22.99%	17.67%	17.92%	34.91%	49.33%	54.27%
CRAR	52.17%	39.14%	43.78%	58.82%	64.09%	52.94%	58.86%	75.20%	67.17%	50.50%
Debt / Equity ratio	1.24	1.43	2.04	0.92	0.70	1.22	1.48	0.69	0.98	1.22

# Distinguished Board of Directors

## Promoter Director



**Lakshmipathy Deenadayalan**  
Chairman & Managing Director

## Independent / Non-Executive Directors

Select other Directorships



**Anand Raghavan**  
Shriram Life Insurance, Muthoot  
Microfin, SK Finance



**T T Srinivasaraghavan**  
Sundaram Finance, Sundaram  
Home Finance, R K Swamy



**Bhama Krishnamurthy**  
CIFCO, Muthoot Microfin



**Ramkumar Ramamoorthy**  
CIFCO, Catalincs Partners

**Thirulokchand Vasan**  
C K Entertainments



## Executive Directors



**Rangarajan Krishnan**  
Joint Managing Director & CEO



**Srikanth Gopalakrishnan**  
Joint Managing Director & CFO

# Profile of Board of Directors

## **Lakshmipathy Deenadayalan**

Chairman & Managing Director

Engineering graduate and was the MD of RKV Finance before joining Five Star. Pivoted the Company towards secured business lending and built the Company to its current size from scratch. Associated with multiple industry associations

## **Anand Raghavan**

Independent / Non-Executive Director

Chairperson – Audit Committee

Chartered Accountant with over 30 years of experience occupying senior position in Sundaram Finance and Ernst & Young LLP. His specializations include NBFC Regulations, Corporate Tax and Foreign Investment and he is also a director on the Boards of Muthoot Microfinance, Shriram Life and SK Finance

## **T T Srinivasaraghavan**

Independent / Non-Executive Director

Chairperson – Risk Management Committee

Graduate in Commerce and holds an MBA degree from the Gannon University, Pennsylvania. He began his career as a banker, before moving to Sundaram Finance in 1983, where he spent almost 4 decades including 18 years as its Managing Director. He is also on the Boards of Sundaram Finance, Sundaram Home and RK Swami

## **Bhama Krishnamurthy**

Independent / Non-Executive Director

Chairperson – Nomination & Remuneration Committee  
She was the Country Head and Chief General Manager of SIDBI. She has closely dealt with Multilateral and Bilateral Agencies in close co-ordination with the Government of India. She was also associated with drafting of CSR Policy guidelines for the Bank. She was the Chairperson at CSB Bank and her other directorships include CIFCO, and Muthoot Microfinance

## **Ramkumar Ramamoorthy**

Independent / Non-Executive Director

Chairperson – IT Strategy Committee

Associated with Cognizant India for over 22 years, before retiring Chairman and MD, responsible for the company's India operations. Prior to joining Cognizant, Ramkumar worked for Tata Consultancy Services. He is now a Partner at Catalincs, a strategic advisory firm that helps small tech companies scale and grow, and is also on the Board of CIFCO

## **Trilokchand Vasani**

Non-Executive Director

Thirulokchand is a Hotel Management Graduate with over 17 years of experience in the Hospitality business. His areas of expertise include Team Management, Customer satisfaction and Process Optimization

## **Rangarajan Krishnan**

Joint Managing Director / CEO

Finance professional with over 20 years of experience in institutions like HDFC bank, Stanchart, IFC and Spark Capital. He is a commerce graduate and has 2 MBA degrees (Sri Sathya Sai Institute of Higher Learning and Indian School of Business)

## **Srikanth Gopalakrishnan**

Joint Managing Director / CFO

Finance professional with over 20 years of experience. Started his career with Citigroup and was CFO of Asirvad Microfinance before joining Five Star. He has completed his B.Com and MBA from Sri Sathya Sai Institute of Higher Learning with gold medals in both the courses

# Experienced Management Team



22 22

**Lakshmipathy Deenadayalan**  
Chairman & MD

**Education:** Bachelor of Engineering



21 9

**Rangarajan Krishnan**  
JMD & CEO

**Education:** B.Com, MBA, PGPM (ISB)  
**Experience:** HDFC Bank, Stanchart, IFC, Spark Capital



22 9

**Srikanth Gopalakrishnan**  
JMD & CFO

**Education:** B.Com, MBA  
**Experience:** Citibank, Asirvad Microfinance



22 7+

**Vishnuram Jagannathan**  
Chief Operating Officer

**Education:** B.Com, MBA  
**Experience:** HDFC Bank, Deutsche Bank, HSBC



21 6+

**Parthasarathy Srinivasan**  
Chief Credit Officer

**Education:** B.Com, CA  
**Experience:** ICICI Bank, Stanchart, DBS Bank



26 7+

**Sathya Ganesh**  
Chief Business Officer

**Education:** B.Com, M.Com, MBA  
**Experience:** ICICI Bank, Cholamandalam, Shriram Housing



32 3

**Vanamali Sridharan**  
Chief Technology Officer

**Education:** B.E, MBA  
**Experience:** Stanchart (Dubai), Accenture, Equitas SFB, Suryoday SFB



26 4

**Jayaraman Sankaran**  
Chief Risk Officer

**Education:** B.Com, CA  
**Experience:** Redington India



23+ 7

**Prashanth Sreenivasan**  
Chief Treasury Officer

**Education:** B.Com, MBA  
**Experience:** TVS Credit, Marg Limited



25+ 2+

**Ramesh Kannah**  
Chief Legal Officer


**Education:** LLB, MBA, CAIIB  
**Experience:** HDFC Limited, ICICI Bank, Cholamandalam, Piramal Capital



18 2+

**Naveen Raj**  
Chief Audit Officer

**Education:** B.Com, CA  
**Experience:** BSR & Co (KPMG), Deloitte, Haskins & Sells



28 1+

**Sai Suryanarayana**  
Chief People Officer

**Education:** B.Com, PGDPM  
**Experience:** ITC Limited, Toyota Financial Services, ING Vysya Bank, AU SFB, Fincare SFB

# **BUSINESS UPDATES**

## Operations

1. Net Q-o-Q AUM growth of ₹2,509 Mn in Q3FY25 as against ₹6,664 Mn in Q3FY24. AUM was up 25% Y-o-Y at ₹111,781 Mn as of December 31, 2024 as against ₹89,308 Mn as of December 31, 2024.
2. Disbursements during the quarter was at ₹9,408 Mn as against ₹12,089 Mn during Q3FY24.
3. Active loans at 0.44 Mn as of December 31, 2024 as against 0.36 Mn as of December 31, 2023.
4. The Company added 69 branches during the quarter. Total branch count stood at 729 as against 480 branches as of December 31, 2023.
5. Total Headcount stood at 11,207 as against 8,714 as of December 31, 2023.

## Collections & Asset Quality

1. Overall Collections efficiency for the quarter stood at 98.0% as against 98.4% for Q2FY25. Unique loan collections % (Due One Collect One or D1C1) stood at 96.7% for the quarter as against 97.0% for Q2FY25.
2. Current portfolio as a % of the overall portfolio stood at 84.92%.
3. Gross & Net Stage 3 assets stood at 1.62% and 0.81% respectively as of December 31, 2024 as against 1.40% and 0.65% as of December 31, 2023.
4. Overall Stage 2 assets stood at ₹8,431 Mn (7.54%) as of December 31, 2024 as against ₹6,208 Mn (6.95%) as of December 31, 2023.
5. The Provision coverage on Stage 3 assets stood at 50.20% and the provision coverage on the overall portfolio stood at 1.66%.



## Liabilities

1. In Q3FY2025, the company received sanctions for incremental debt of ₹14,000 Mn, availing ₹10,450 Mn (inclusive of some unavailed sanctions from previous quarters), at a weighted average rate of 9.35%, all-inclusive cost of 9.56%). For 9MFY25, the company raised incremental debt of Rs.26,700 Mn availing 24,450 Mn (inclusive of some previous unavailed sanctions) at a weighted average rate of interest of 9.32% (all-inclusive cost of 9.53%).
2. The company has onboarded SIDBI, HDFC Mutual Fund, and HSBC Mutual Fund as lenders during the quarter.
3. As at the end of December 2024, the proportion of funding received from banks has come down to 65% from 70% in Q2FY25.
4. Liquidity buffer and Unavailed Sanction lines as of December 31, 2024 stood at about ₹21,447 Mn and ₹6,000 Mn respectively

## Financials

1. In Q3FY2025, Net total income (Total income less Cost of funds) grew by 27% to ₹5,597 Mn as against ₹4,413 Mn in Q3FY2024
2. PPOP for Q3FY2025 stood at ₹3,884 Mn, an increase of 29% as compared to Q3FY2024
3. As compared to Q3FY2024, PBT and PAT increased by 26% and 26% respectively and stood at ₹3,651 Mn and ₹2,739 Mn respectively for Q3FY2025
4. Cost to income (inclusive of credit cost) stood at 34.87% as compared to 34.42% for Q3FY2024. Excluding credit cost, Cost to income for Q3FY2025 was at 30.72% as compared to 32.11% for Q3FY2024.
5. Return on Average Total Assets was at 8.10% as compared to 8.25% for Q3FY2024
6. Return on Equity increased to 18.49% for Q3FY2025 as compared to 17.74% for Q3FY2024
7. Capital adequacy remained robust at 51.21%



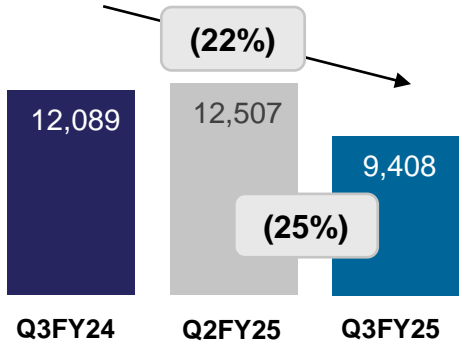
# Balance Sheet Indicators

## Quarterly Data

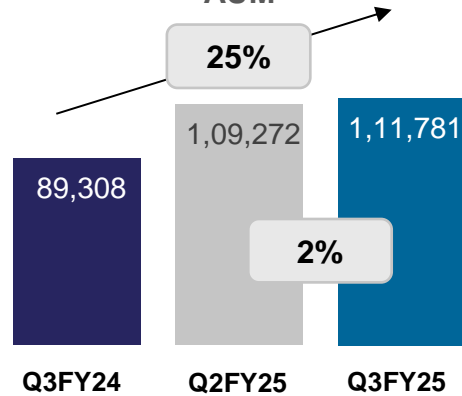
## Last 5 years data

All amounts in ₹ Mn

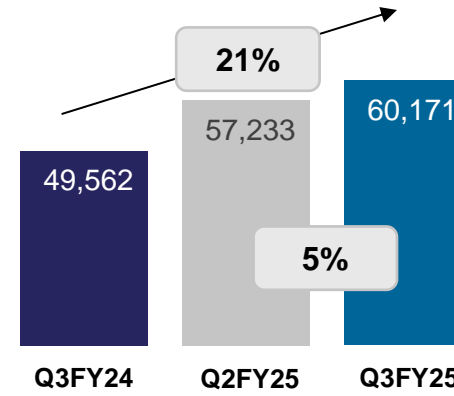
### Disbursements



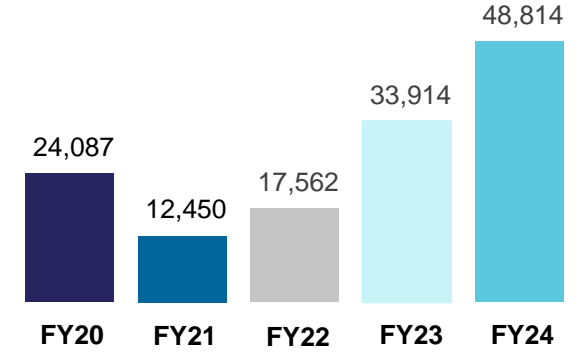
### AUM



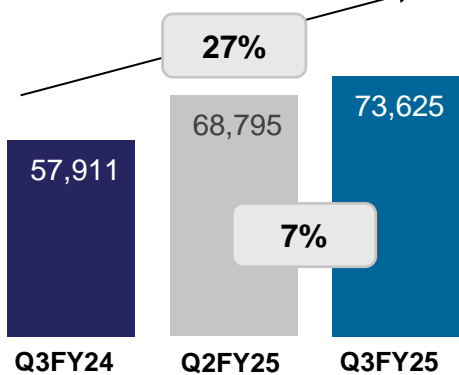
### Net Worth



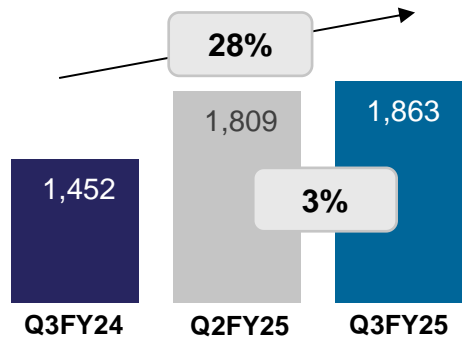
### Disbursements



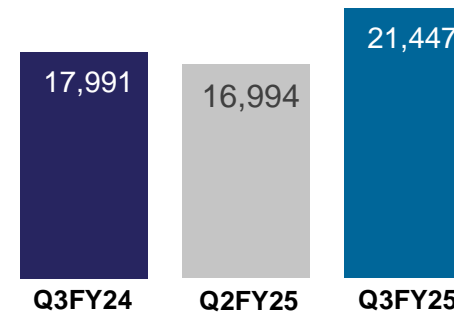
### Borrowings



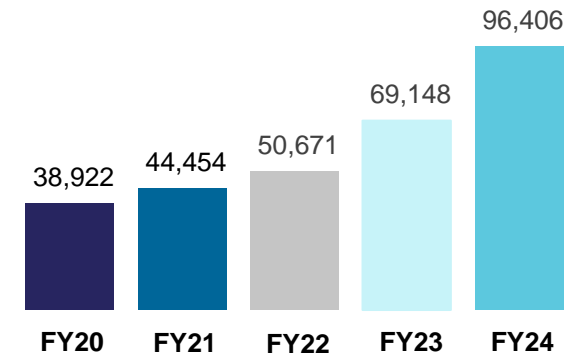
### Expected Credit Loss



### Liquidity



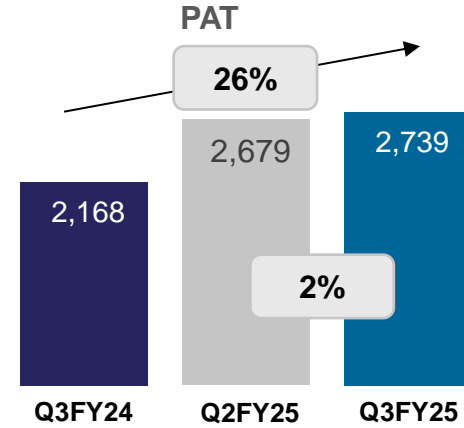
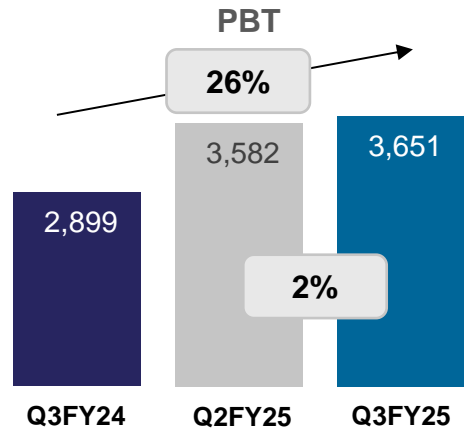
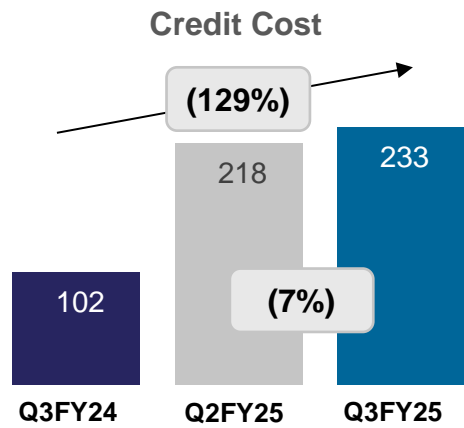
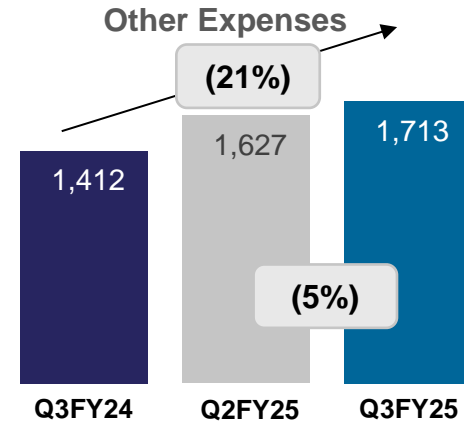
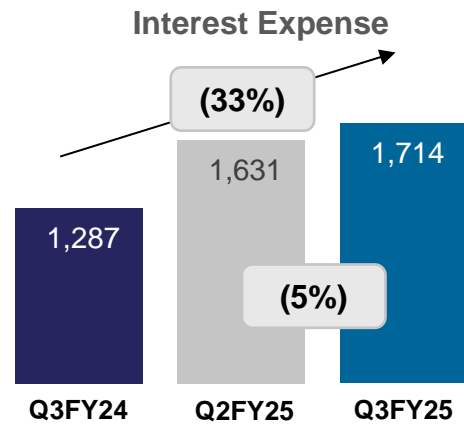
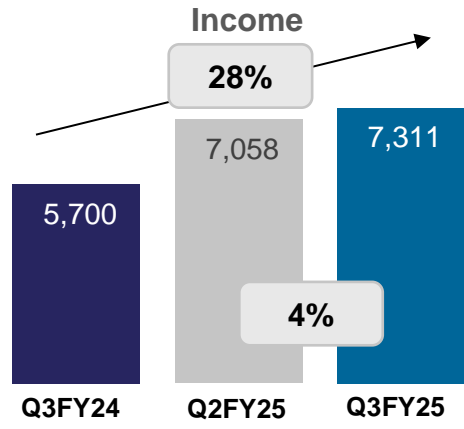
### AUM



ECL includes ECL maintained on Inter-Corporate Deposits  
Liquidity does not include lien-marked FDs

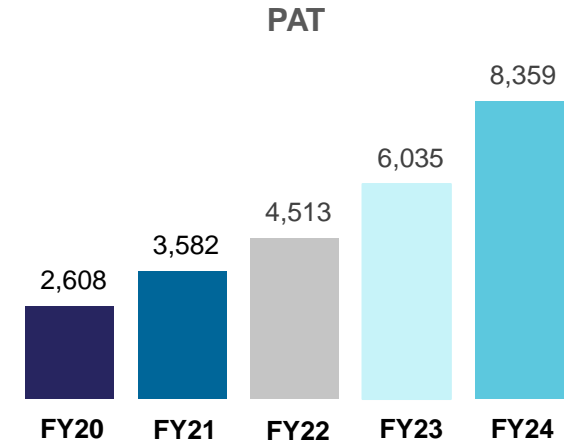
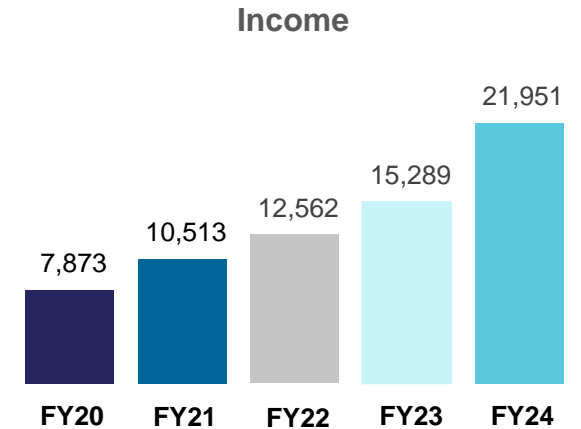
# P&L Indicators

## Quarterly Data



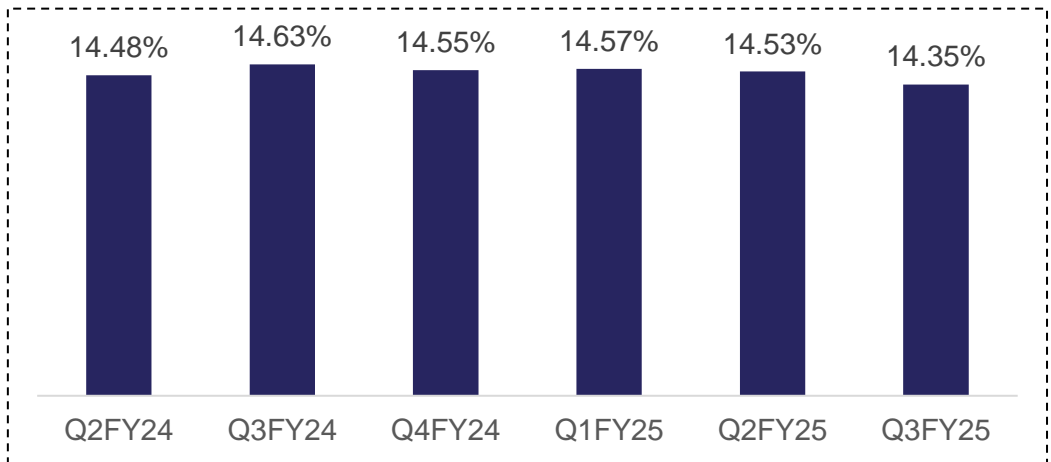
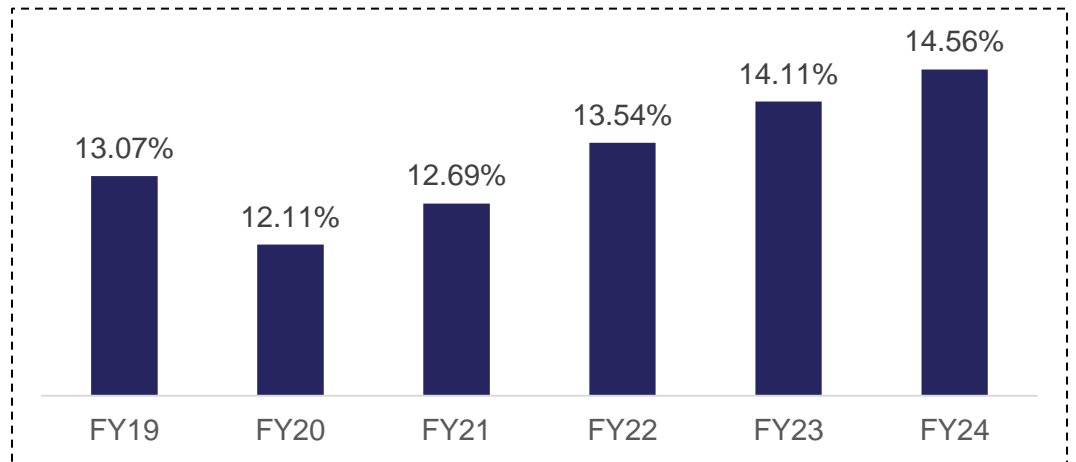
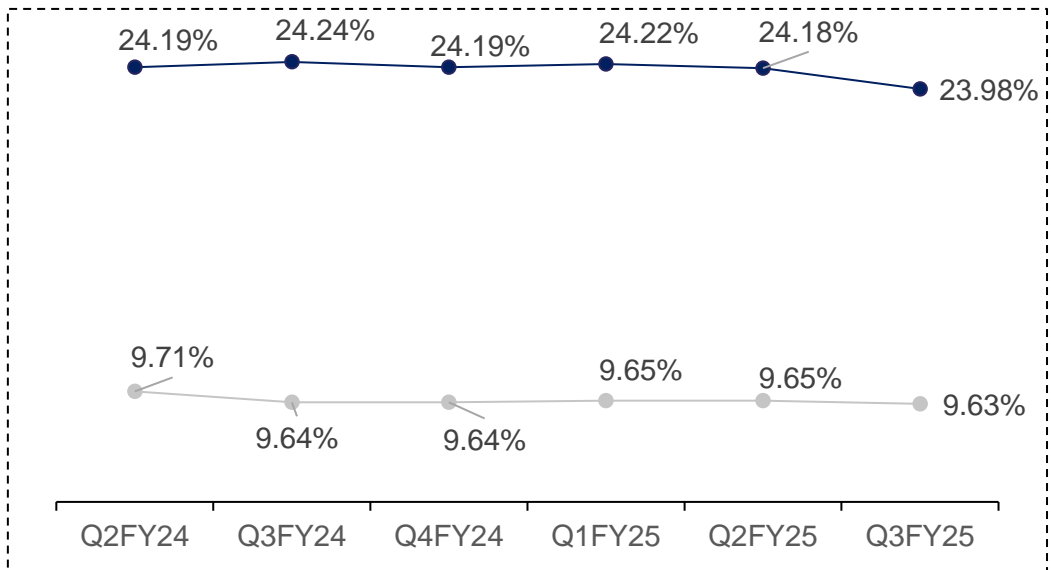
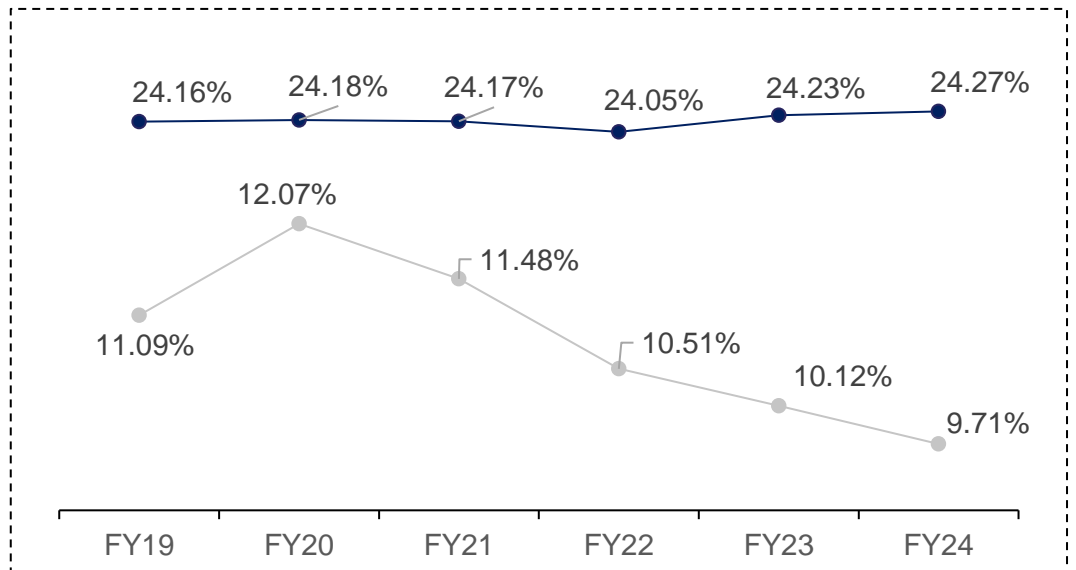
## Last 5 years data

All amounts in ₹ Mn



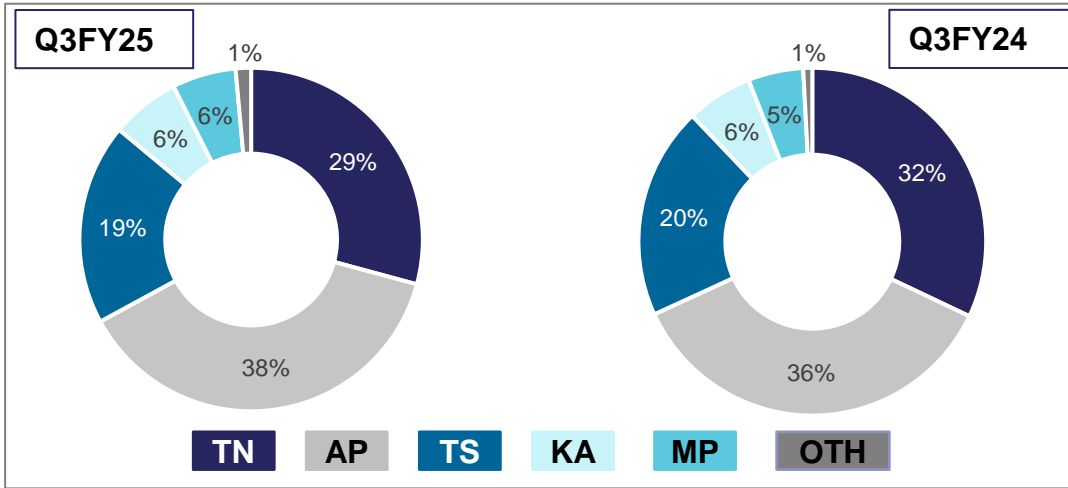
# Consistent & Best-in-class Spreads

—●— Portfolio Yield   
 —●— Cost of borrowing  
 Spread

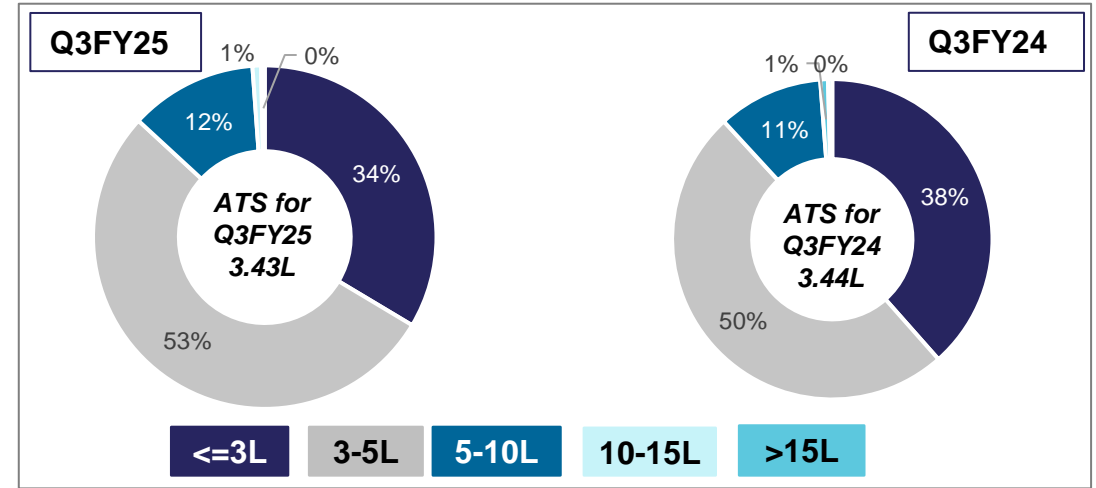


# Well-diversified portfolio cuts

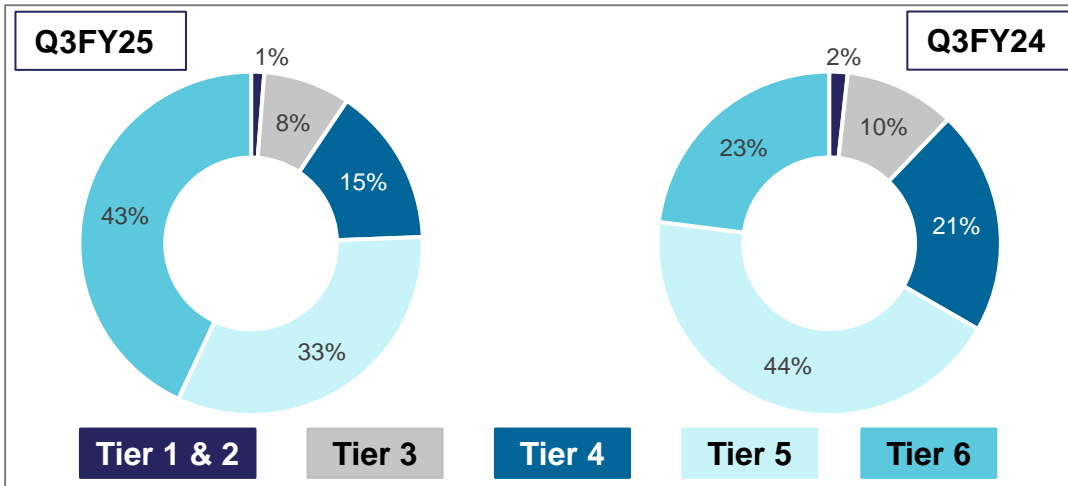
AUM by Geography



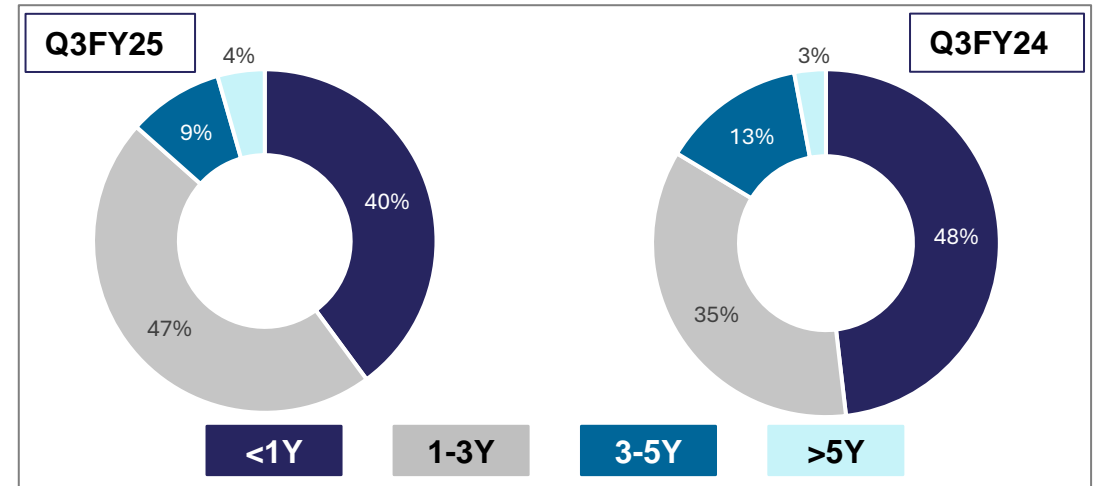
AUM by Ticket Size



AUM by Branch Tier



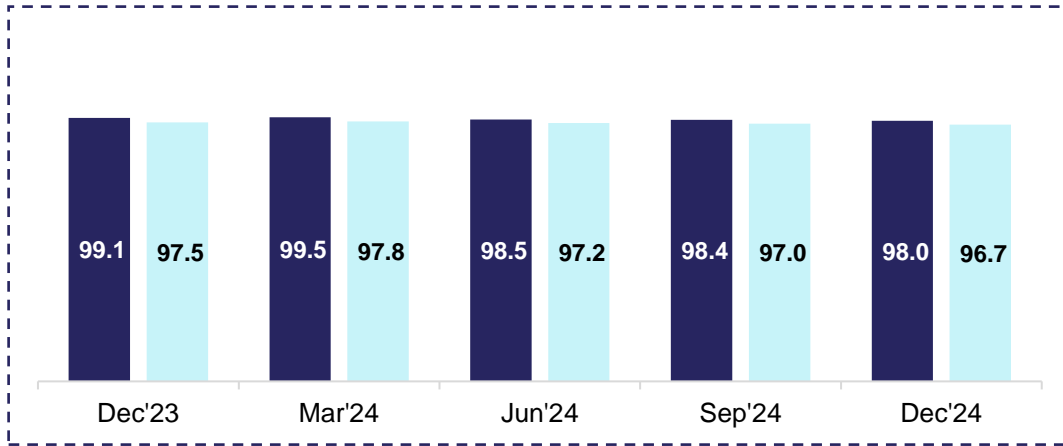
AUM by Vintage of loans



# **ASSET QUALITY & ECL**

# Asset Quality Indicators (1/2)

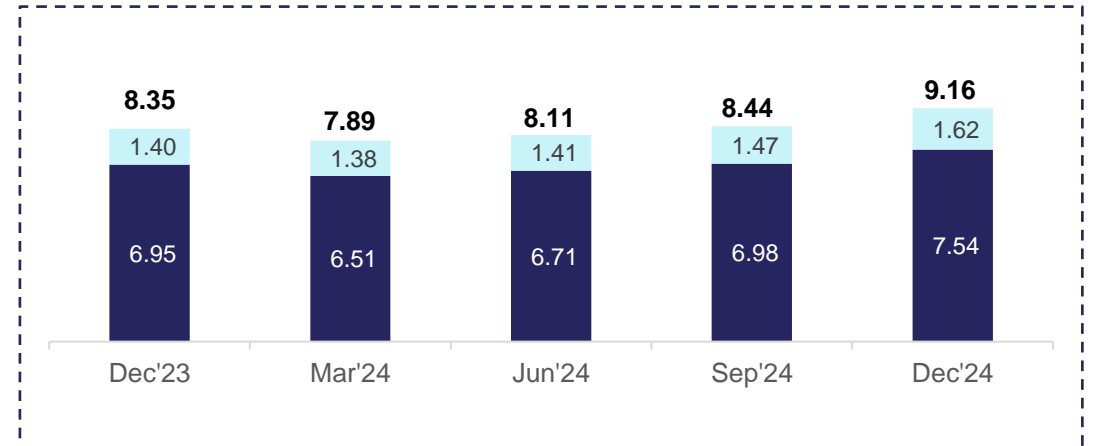
## Collections Efficiency (%)



**Dark Blue Bar:** Amount of EMI received during the month (including arrears of previous months) divided by EMI demand for the current month

**Light Blue Bar:** Amount of EMI received during the month, restricted to a max of 1 EMI per loan divided by EMI demand for the current month

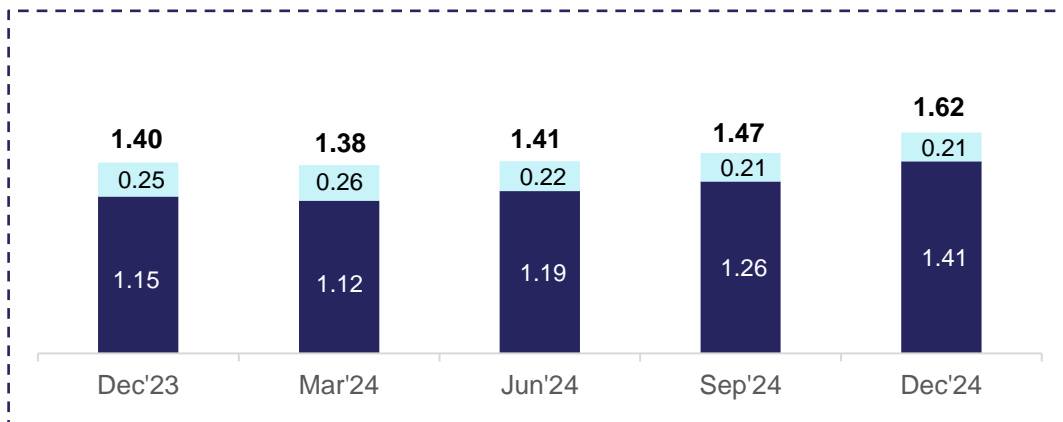
## 30+ (%)



**Dark Blue Bar:** Stage 2 POS

**Light Blue Bar:** Stage 3 POS

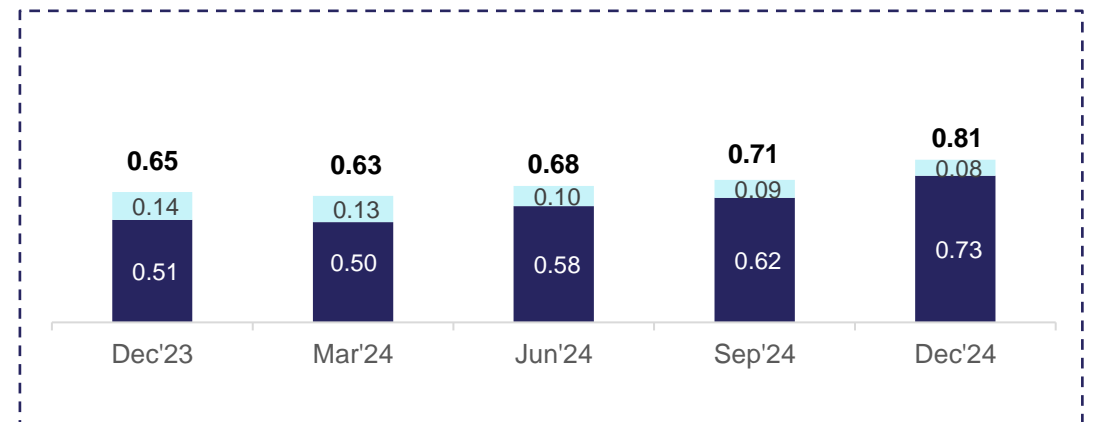
## Gross Stage 3 Assets (%)



**Dark Blue Bar:** Loans which are > 90 DPD as at the end of reporting period

**Light Blue Bar:** Loans which are <= 90 DPD as at the end of reporting period

## Net Stage 3 Assets (%)



# Asset Quality Indicators (2/2)

Amount in ₹ Mn	As at Dec 2024		As at Sep 2024		As at Dec 2023	
	AUM	% AUM	AUM	% AUM	AUM	% AUM
Current (Stage-1)	94,922	84.92%	93,974	86.00%	77,434	86.70%
1-30 (Stage-1)	6,620	5.92%	6,071	5.56%	4,415	4.94%
31-60 (Stage-2)	4,518	4.04%	4,165	3.81%	3,311	3.71%
61-90 (Stage-2)	3,913	3.50%	3,458	3.16%	2,897	3.24%
90+ (Stage-3)	1,808	1.62%	1,604	1.47%	1,251	1.40%
<b>Total</b>	<b>111,781</b>		<b>109,272</b>		<b>89,308</b>	
Stage 1 Assets	101,542	90.84%	100,045	91.56%	81,849	91.65%
Stage 2 Assets	8,431	7.54%	7,623	6.98%	6,208	6.95%
Stage 3 Assets	1,808	1.62%	1,604	1.47%	1,251	1.40%

# ECL Provisioning

Amount in ₹ Mn				
As of December 31, 2024	Stage 1	Stage 2	Stage 3	Total
Loans Outstanding (Gross)	101,542	8,431	1,808	111,781
ECL Provision	384	562	907	1,853
Loans Outstanding (Net)	101,158	7,870	900	109,928
<b>ECL Provision %</b>	<b>0.38%</b>	<b>6.66%</b>	<b>50.20%</b>	<b>1.66%</b>
As of September 30, 2024	Stage 1	Stage 2	Stage 3	Total
Loans Outstanding (Gross)	100,045	7,623	1,604	109,272
ECL Provision	399	569	831	1,799
Loans Outstanding (Net)	99,646	7,054	773	107,474
<b>ECL Provision %</b>	<b>0.40%</b>	<b>7.46%</b>	<b>51.80%</b>	<b>1.65%</b>
As of December 31, 2023	Stage 1	Stage 2	Stage 3	Total
Loans Outstanding (Gross)	81,849	6,208	1,251	89,308
ECL Provision	293	476	679	1,447
Loans Outstanding (Net)	81,556	5,732	572	87,861
<b>ECL Provision %</b>	<b>0.36%</b>	<b>7.66%</b>	<b>54.26%</b>	<b>1.62%</b>

Loan outstanding and ECL provision does not include the outstanding / ECL on Inter-Corporate deposits



# Lag NPA

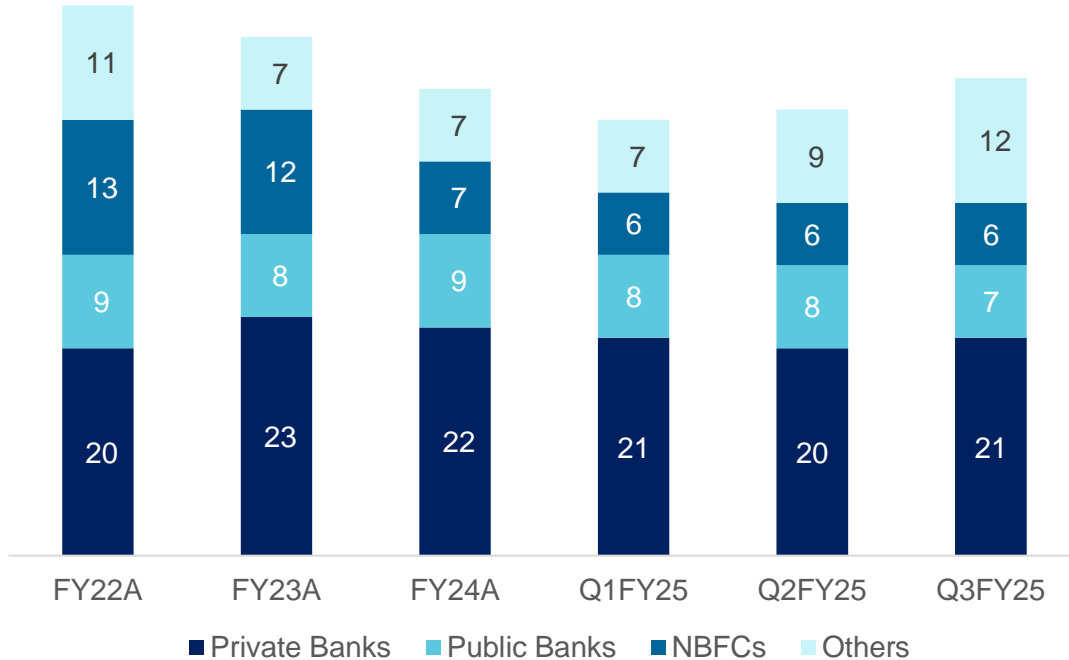
Amount in ₹ Mn	Q3FY2025	Q3FY2024	Q3FY2023	Q3FY2022
Loan Portfolio	111,781	89,308	62,424	47,676
Gross Stage 3 assets	1,808	1,251	907	606
Gross Stage 3 assets %	1.62%	1.40%	1.45%	1.27%
Gross Stage 3 assets % - 1 year Lag	2.02%	2.00%	1.90%	1.50%
Gross Stage 3 assets % - 2 years Lag	2.90%	2.62%	2.25%	1.86%

# **LIABILITY & ALM**

# Well-diversified Liability Franchise (1/2)

**Liability franchise consists of a strong set of lenders who can support the company's plans**

**Number of lenders**



Diversified borrowing relationship with **46 lending** partners

**Lenders to the Company**

<b>Select Public Sector Banks</b>	State Bank of India   Bank of Baroda   Union Bank of India   Indian Bank   Canara Bank   Bank of India   Bank of Maharashtra
<b>Select Private Sector Banks</b>	Kotak Mahindra Bank   IndusInd Bank   DBS Bank   Axis Bank   HDFC Bank   Deutsche Bank   ICICI Bank   HSBC   Yes Bank   Bandhan Bank   DCB Bank   RBL Bank
<b>Select Other Institutions</b>	NABARD   International Finance Corporation   Swedfund   SIDBI   Kotak MF   Nippon MF   HDFC MF   HSBC MF   Royal Sundaram GI   Bajaj Finance   Sundaram Finance   L&T Finance

**Long Term Credit Rating**

ICRA AA - Stable  
 CARE AA - Stable  
 India Ratings AA - Stable

The Company does not use short-term borrowing to fund its long-term assets

NIL Commercial Paper exposure

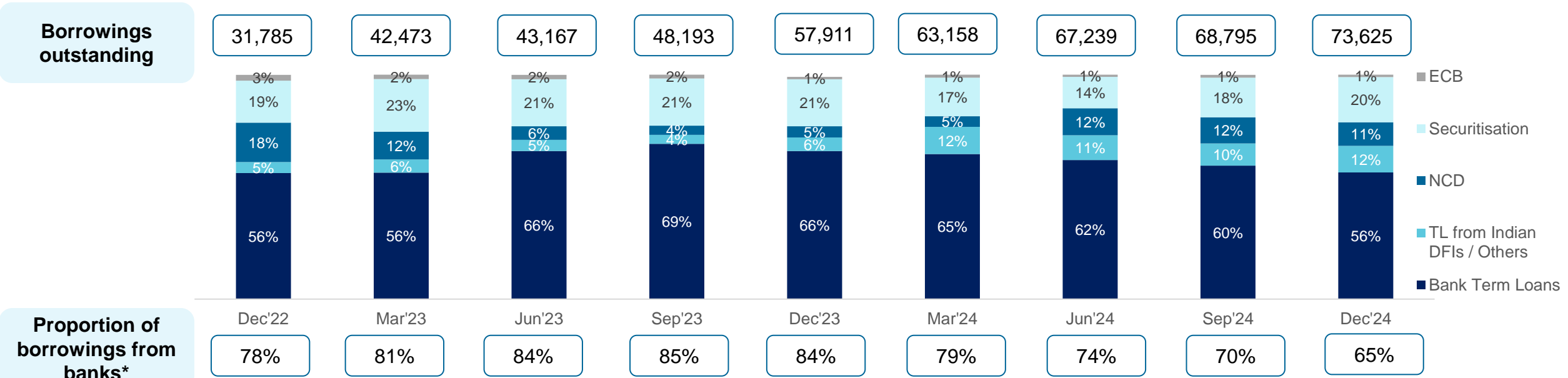
**Short Term Credit Rating**

CARE A1+

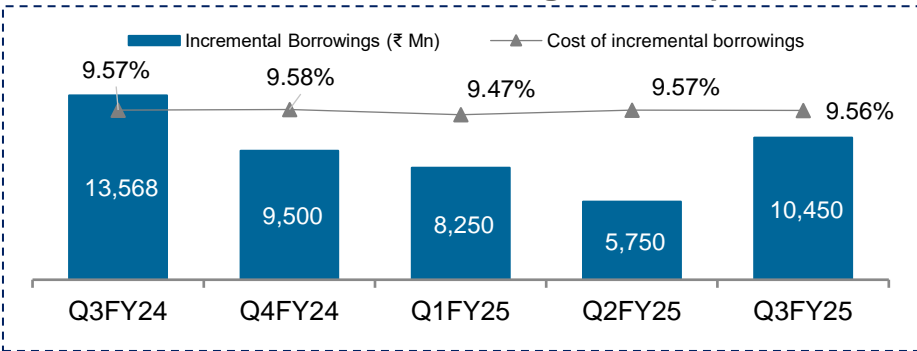
# Well-diversified Liability Franchise (2/2)

## Diversified borrowing mix across lender category and product category

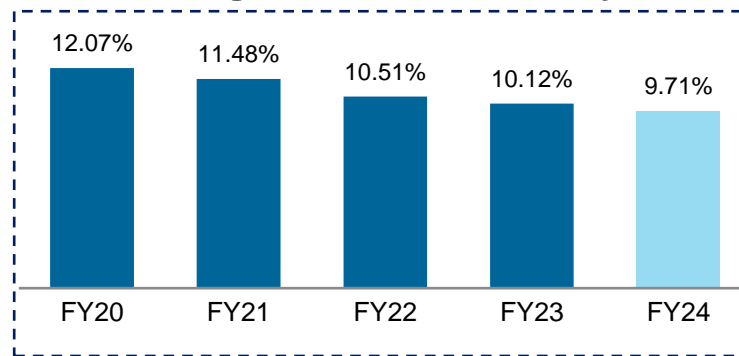
Borrowing exposure and Cost of borrowing



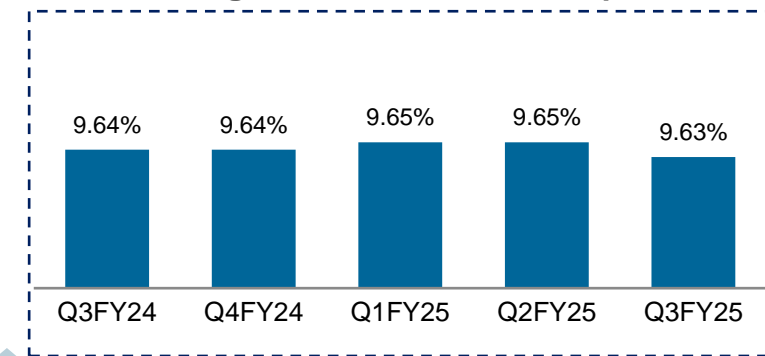
Cost of incremental borrowing – Last 5 quarters



Borrowing cost on book – Last 5 years



Borrowing cost on book – Last 5 quarters



\* Proportion of borrowings from banks based on holdings as of the respective quarter-end

# Cashflow Position as of Dec'24 – Cumulative

## No Cumulative mismatches in any of the time buckets

Particulars	Up to 1M	1-2 M	2-3 M	3-6 M	6M – 1Y	1-3 Y	3-5 Y	>5 Y
<b>Opening Liquidity</b>	<b>22,745</b>	<b>22,310</b>	<b>22,541</b>	<b>21,529</b>	<b>21,340</b>	<b>21,690</b>	<b>23,249</b>	<b>44,039</b>
Add: Inflows from advances	1,408	1,460	1,186	4,343	9,504	39,671	37,650	15,653
Less: Outflows on borrowings	1,130	1,148	2,182	4,431	9,056	37,887	16,569	1,226
Add: Other inflows	147	86	19	31	47	188	25	4,511
Less: Other outflows	860	167	36	131	145	413	317	62,977
<b>Cumulative mismatch</b>	<b>22,310</b>	<b>22,541</b>	<b>21,529</b>	<b>21,340</b>	<b>21,690</b>	<b>23,249</b>	<b>44,039</b>	<b>-</b>

# Strong Liquidity Position as of Dec'24

## Amount in ₹ Mn

### Liquidity buffer as of Dec 2024

Unencumbered cash & cash equivalents	21,447
--------------------------------------	--------

Unavailed sanction from banks / FIs	6,000
-------------------------------------	-------

<b>Total Liquidity</b>	<b>27,447</b>
------------------------	---------------

### Projected Cashflow Schedule

Q4FY25

Q1FY26

Q2FY26

Q3FY26

Opening Liquidity	27,447	29,814	32,140	33,943
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Add: Principal collections & internal accruals	6,827	6,757	6,377	5,919
--	-------	-------	-------	-------

Less: Debt repayments	4,460	4,431	4,574	4,482
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<b>Closing Liquidity</b>	<b>29,814</b>	<b>32,140</b>	<b>33,943</b>	<b>35,380</b>
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# **FINANCIAL STATEMENTS**

# Balance Sheet

Particulars (₹ Mn)	Q3FY2025	Q3FY2024	Q2FY2025
<b>Assets</b>			
Cash & Cash equivalents	14,271	15,308	12,115
Bank balances other than cash & cash equivalents	3,347	1,361	1,195
<b>Loans</b>	<b>112,330</b>	<b>88,887</b>	<b>110,010</b>
- Loan portfolio	111,781	89,308	109,272
- Inter-Corporate Deposits	2,411	1,031	2,547
- Expected Credit Loss	(1,863)	(1,452)	(1,809)
Investments	2,087	1,331	2,053
Other financial assets	869	583	1,045
Non-Financial Assets	2,651	1,584	1,781
<b>Total Assets</b>	<b>135,554</b>	<b>109,052</b>	<b>128,199</b>
<b>Liabilities &amp; Equity</b>			
Trade Payables	329	282	269
Debt Securities	7,722	2,977	7,966
Borrowings other than Debt Securities	65,902	54,934	60,829
Other Financial Liabilities	871	964	1,039
Non-Financial Liabilities	559	333	863
Total Equity	60,171	49,562	57,233
<b>Total Liabilities &amp; Equity</b>	<b>135,554</b>	<b>109,052</b>	<b>128,199</b>



# Profit & Loss Account

Particulars (₹ Mn)	Q3FY2025	Q3FY2024	Q2FY2025	Y-o-Y	Q-o-Q	9MFY2025	9MFY2024	Y-o-Y
Loan Portfolio	111,781	89,308	109,272	25%	2%	111,781	89,308	25%
<b>Interest Income (1)</b>	<b>7,112</b>	<b>5,495</b>	<b>6,793</b>	<b>29%</b>	<b>5%</b>	<b>20,316</b>	<b>15,173</b>	<b>34%</b>
- Interest on loan portfolio	6,621	5,179	6,419	28%	3%	19,080	14,356	33%
- Penal Interest	34	35	42	(3%)	(19%)	111	117	(5%)
- Interest on Inter-Corporate Deposits	46	3	37	1,433%	24%	123	6	1,950%
- Interest on Investments	219	134	112	63%	96%	454	298	52%
- Processing fee & other fees	193	145	184	33%	5%	547	397	38%
<b>Net Gain on Fair value changes (2)</b>	<b>81</b>	<b>139</b>	<b>161</b>	<b>(42%)</b>	<b>(50%)</b>	<b>428</b>	<b>357</b>	<b>20%</b>
<b>Fee &amp; Other income (3)</b>	<b>118</b>	<b>66</b>	<b>105</b>	<b>77%</b>	<b>11%</b>	<b>319</b>	<b>229</b>	<b>39%</b>
- Fee income	80	40	67	100%	19%	212	135	57%
- Recovery of Bad debts	23	18	28	28%	(18%)	70	76	(8%)
- Other non-operating income	14	8	10	75%	40%	38	18	111%
<b>Total Income (1+2+3)</b>	<b>7,311</b>	<b>5,700</b>	<b>7,058</b>	<b>28%</b>	<b>4%</b>	<b>21,063</b>	<b>15,760</b>	<b>34%</b>
Interest Expenses	1,714	1,287	1,631	33%	5%	4,927	3,308	49%
<b>Net Interest Income</b>	<b>5,597</b>	<b>4,413</b>	<b>5,427</b>	<b>27%</b>	<b>3%</b>	<b>16,136</b>	<b>12,452</b>	<b>30%</b>
Operating Expenses	1,713	1,412	1,627	21%	5%	4,905	4,065	21%
Loan losses & Provisions	233	102	218	128%	7%	636	360	77%
<b>Profit before Tax (PBT)</b>	<b>3,651</b>	<b>2,899</b>	<b>3,582</b>	<b>26%</b>	<b>2%</b>	<b>10,595</b>	<b>8,028</b>	<b>32%</b>
<b>Profit after Tax (PAT)</b>	<b>2,739</b>	<b>2,168</b>	<b>2,679</b>	<b>26%</b>	<b>2%</b>	<b>7,934</b>	<b>5,999</b>	<b>32%</b>
Other Comprehensive Income	(13)	(6)	5	117%	(360%)	(14)	(17)	(18%)
<b>Total Comprehensive Income</b>	<b>2,726</b>	<b>2,162</b>	<b>2,683</b>	<b>26%</b>	<b>2%</b>	<b>7,920</b>	<b>5,982</b>	<b>32%</b>
Earnings Per Share (Basic)	9.36	7.42	9.16			27.12	20.57	
Earnings Per Share (Diluted)	9.35	7.37	9.07			26.95	20.38	
Book value per Share	201.29	166.03	191.72			201.29	166.03	

Book value per share computed by dividing the net worth as at the end of the reporting period by the number of shares (including ungranted, unvested and vested but unexercised options and share warrants) as at the end of the reporting period.

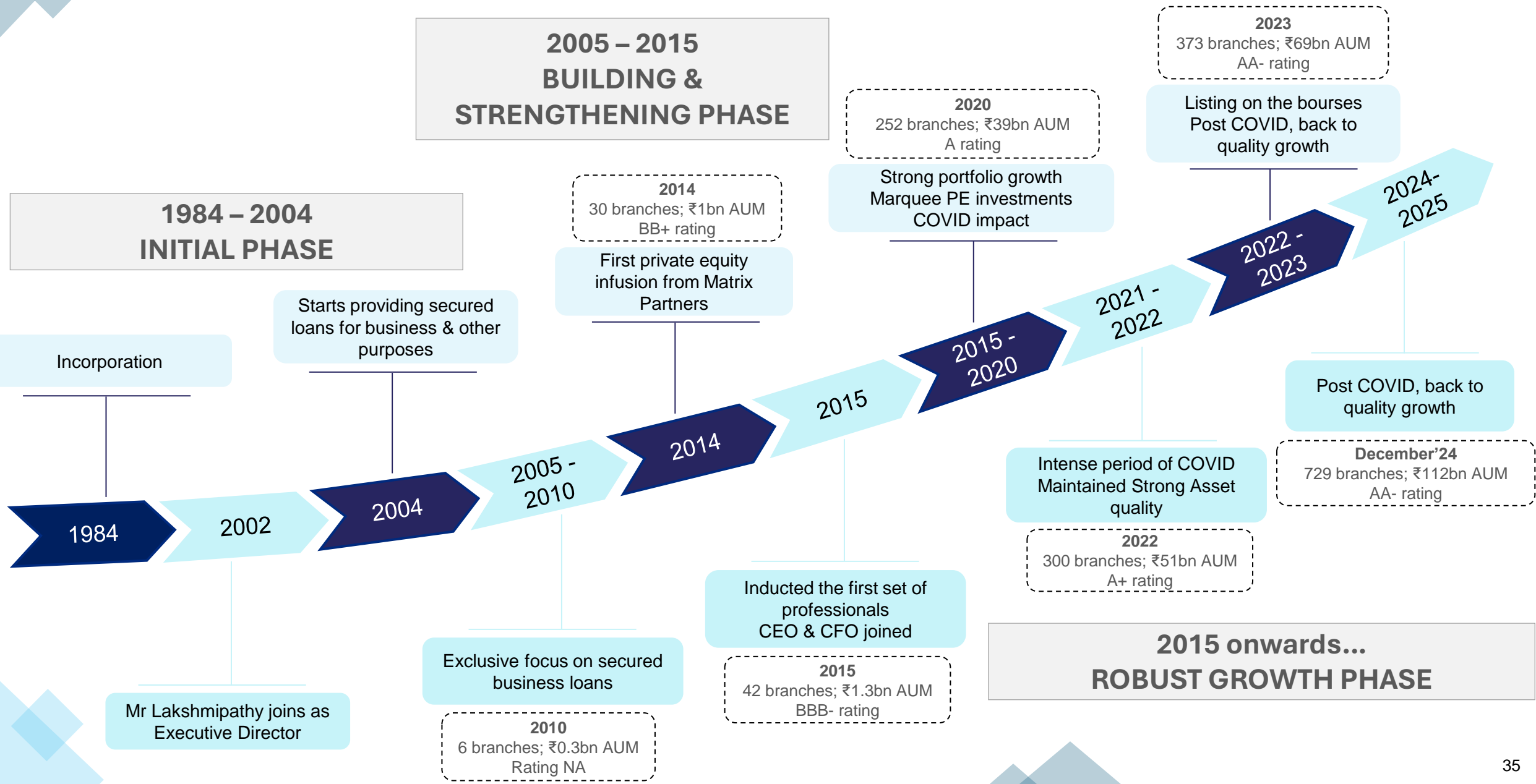
Quarterly EPS is not annualised. EPS has been computed in accordance with IND AS 33

# RoE Tree

Particulars	Q3FY2025	Q3FY2024	Q2FY2025	9MFY2025	9MFY2024
Interest Income (as a % of average portfolio)	23.98%	24.25%	24.18%	24.17%	24.29%
Interest Expenses (as a % of average borrowings)	9.63%	9.64%	9.65%	9.64%	9.71%
<b>Net Interest Income %</b>	<b>14.35%</b>	<b>14.61%</b>	<b>14.53%</b>	<b>14.53%</b>	<b>14.58%</b>
Total Income (as a % of average total assets)	21.63%	21.69%	22.01%	21.84%	21.97%
Interest Expense (as a % of average total assets)	5.07%	4.90%	5.09%	5.11%	4.61%
<b>Net Interest Margin %</b>	<b>16.56%</b>	<b>16.80%</b>	<b>16.93%</b>	<b>16.73%</b>	<b>17.36%</b>
Operating Expenses (as a % of average total assets)	5.07%	5.37%	5.07%	5.09%	5.67%
Loan losses & Provisions (as a % of average total assets)	0.69%	0.39%	0.68%	0.66%	0.50%
<b>Profit before Tax (PBT) %</b>	<b>10.80%</b>	<b>11.03%</b>	<b>11.17%</b>	<b>10.99%</b>	<b>11.19%</b>
Tax %	2.70%	2.78%	2.82%	2.76%	2.83%
<b>Profit after Tax (PAT) or Return on average total assets</b>	<b>8.10%</b>	<b>8.25%</b>	<b>8.36%</b>	<b>8.23%</b>	<b>8.36%</b>
Debt / Equity	1.22	1.17	1.20	1.22	1.17
Leverage (Total assets / Net worth)	2.25	2.20	2.24	2.25	2.20
<b>Return on Equity</b>	<b>18.49%</b>	<b>17.74%</b>	<b>19.02%</b>	<b>18.81%</b>	<b>17.16%</b>
Operating cost to income ratio	30.72%	32.11%	30.17%	30.53%	32.77%
Credit cost to income ratio	4.16%	2.31%	4.02%	3.94%	2.88%
<b>Total Cost to income ratio</b>	<b>34.87%</b>	<b>34.42%</b>	<b>34.18%</b>	<b>34.47%</b>	<b>35.65%</b>

# **COMPANY OVERVIEW**

# Our Journey



# Who we are

- ★ NBFC providing secured financial solutions to Small Business customers and Self-employed Individuals who are largely cut-off from formal lending ecosystem
- ★ Deep understanding of customer behavior and strong knowledge of market and regional dynamics, having been operating in this segment for over the last 2 decades
- ★ Proprietary Underwriting & Collections model fine-tuned over 2 decades of experience



## Target Customer Segment

Customers with informal income derived from everyday 'services'

## Ticket Size & Income Profile

Average Ticket size of ₹3 – 5 lakhs  
Household gross income of ₹25,000 – 40,000



## Target Geography

Currently Southern India (TN, AP, Telangana & Karnataka), and MP, Maharashtra, UP, Chhattisgarh, Rajasthan

## Property Backed Collateral

All loans are secured against borrower property – usually self occupied residential property



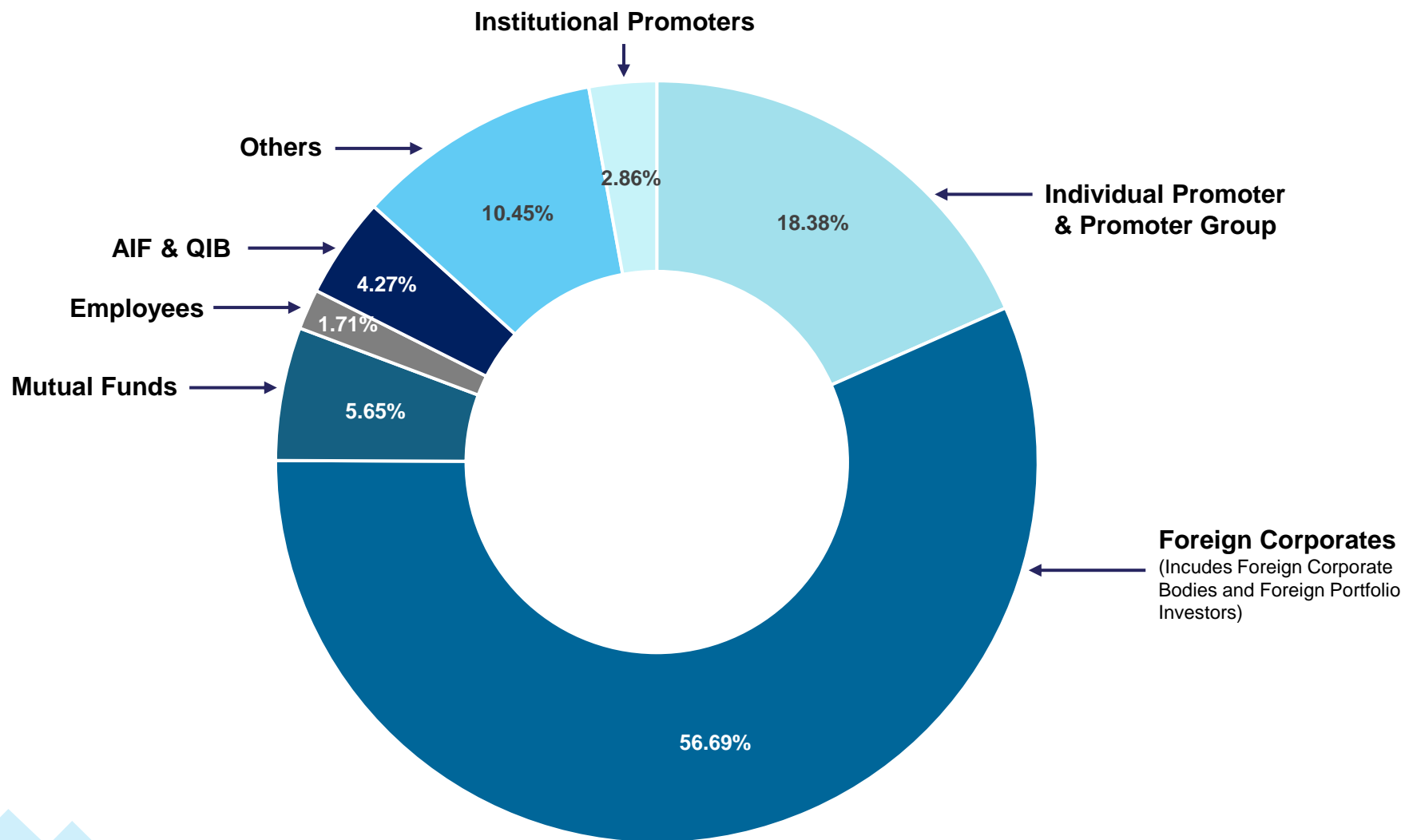
**729**  
Branches

**10**  
States / UT

**441,625**  
Loans

**11,207**  
Employees

# Current Shareholding



### Top Institutional Investors\* (ex-PE and Promoter)

Investor name	% stake**
Fidelity Investments	7.07%
HDFC MF	4.23%
Nomura Asset Management	4.00%
Wasatch	4.32%
East Spring	3.53%
Vanguard	2.86%
Goldman Sachs	2.66%
Ninety-One	2.50%
Wellington	2.22%
White Oak	1.67%
Capital Research	1.30%
Max Life Insurance	1.19%

\* Culled from the names appearing in the Benpos received from RTA – may / may not not include holdings managed in other names

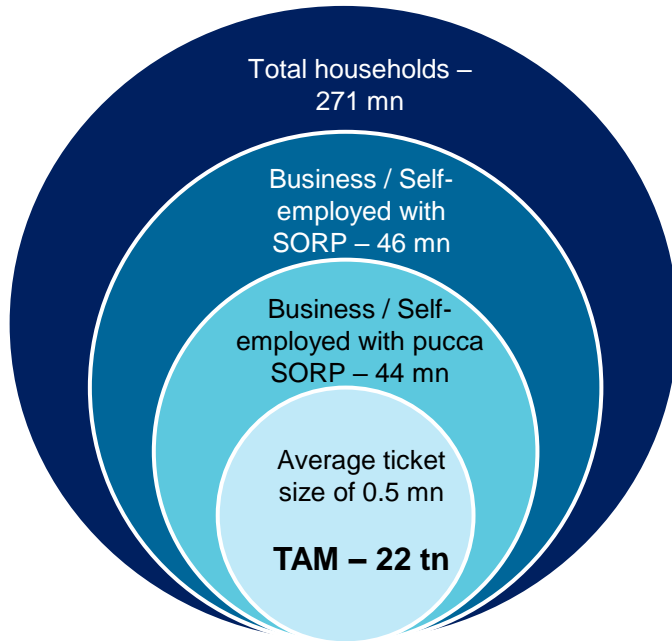
\*\* Holding through various schemes & funds including advisory mandates

% holding computed on a fully diluted basis, including ungranted, unvested and vested but unexercised options and share warrants

## Large Market Opportunity to be served through multiple growth levers

### Large Market Opportunity

Fiscal 2024E MSME Credit Gap  
104 trillion



Total Addressable Target Market	22 tn
MSME loans o/s	372 bn
Total "Addressed" market	2%

Market Opportunity estimates by CRISIL  
MSME loans o/s as of Sep'23 – Motilal Oswal Financial Services Research report on Five-Star

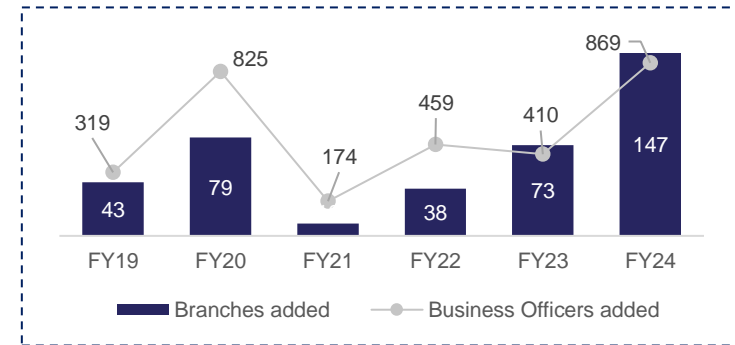
### Five Star Growth Strategy

To address the large untapped market opportunity

#### Strategy 1 – Increase branch network & add more FOS

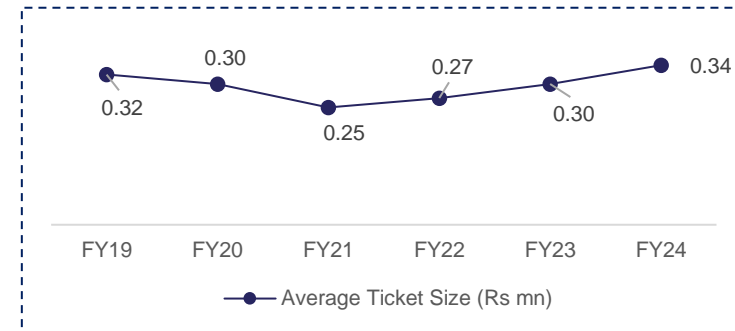
Average branches opened per year (excluding 2 years of COVID) – 86 branches

Average officers added per year (excluding 2 years of COVID) – 606 officers



#### Strategy 2 – Increase Ticket size for inflationary increases

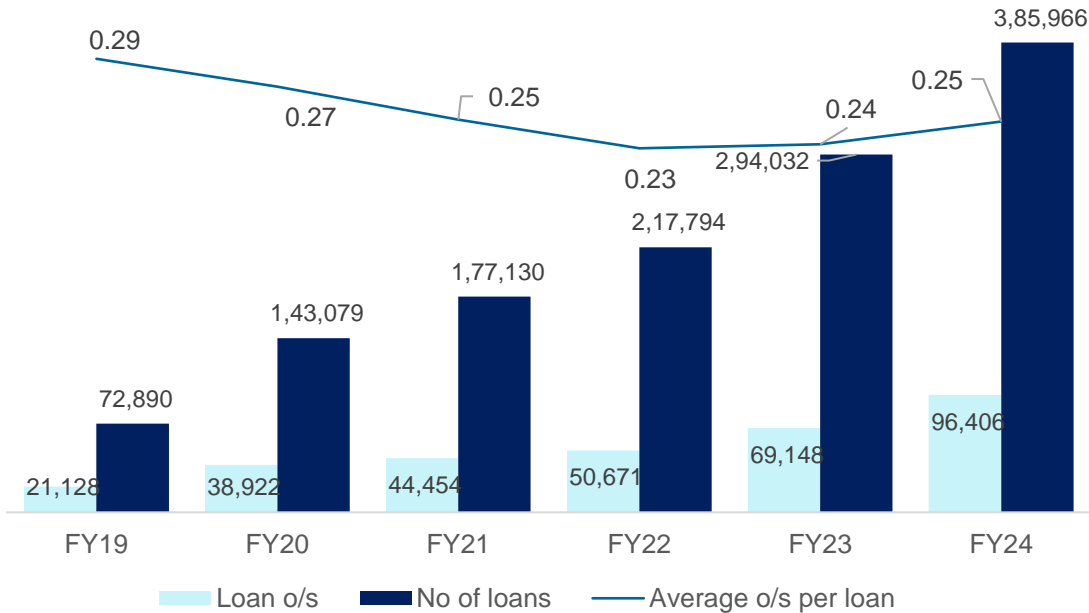
Average ticket size has remained almost constant over the last 4 years (excluding 2 years of COVID). Inflationary increases would push up the ticket size in the coming years



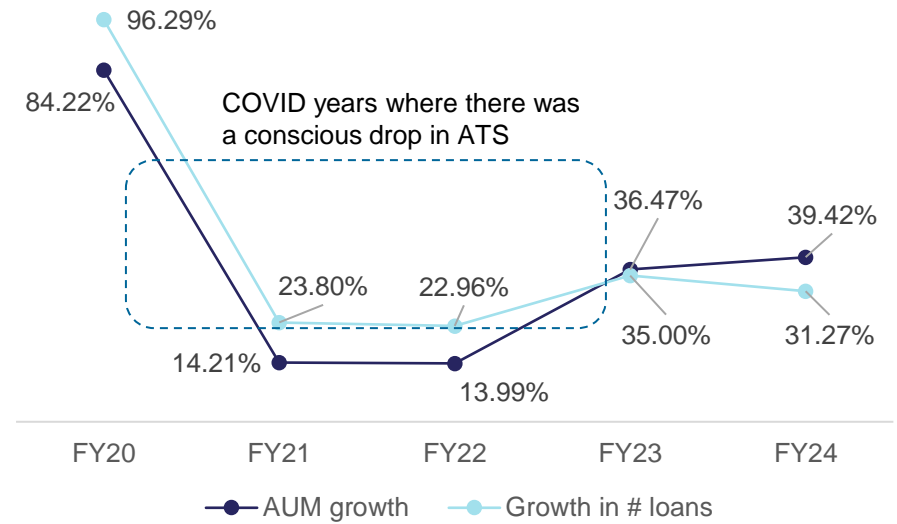
Average ticket size = Disbursals / No of loans disbursed

**These 2 Strategies will lead to robust Portfolio Growth in the years to come**

## Growth Strategy shall be borrower led and not led by increase in ticket size



Average o/s per loan has remained almost flattish



Growth has been led predominantly by increase in loans rather than increase in average ticket size of disbursements, as evidenced by the narrow gap between AUM growth and growth in number of loans

While there will be ticket size increases, they will largely be inflationary



Well thought out customer & product strategies – helps us remain insulated even during periods of stress

## Customer Strategy

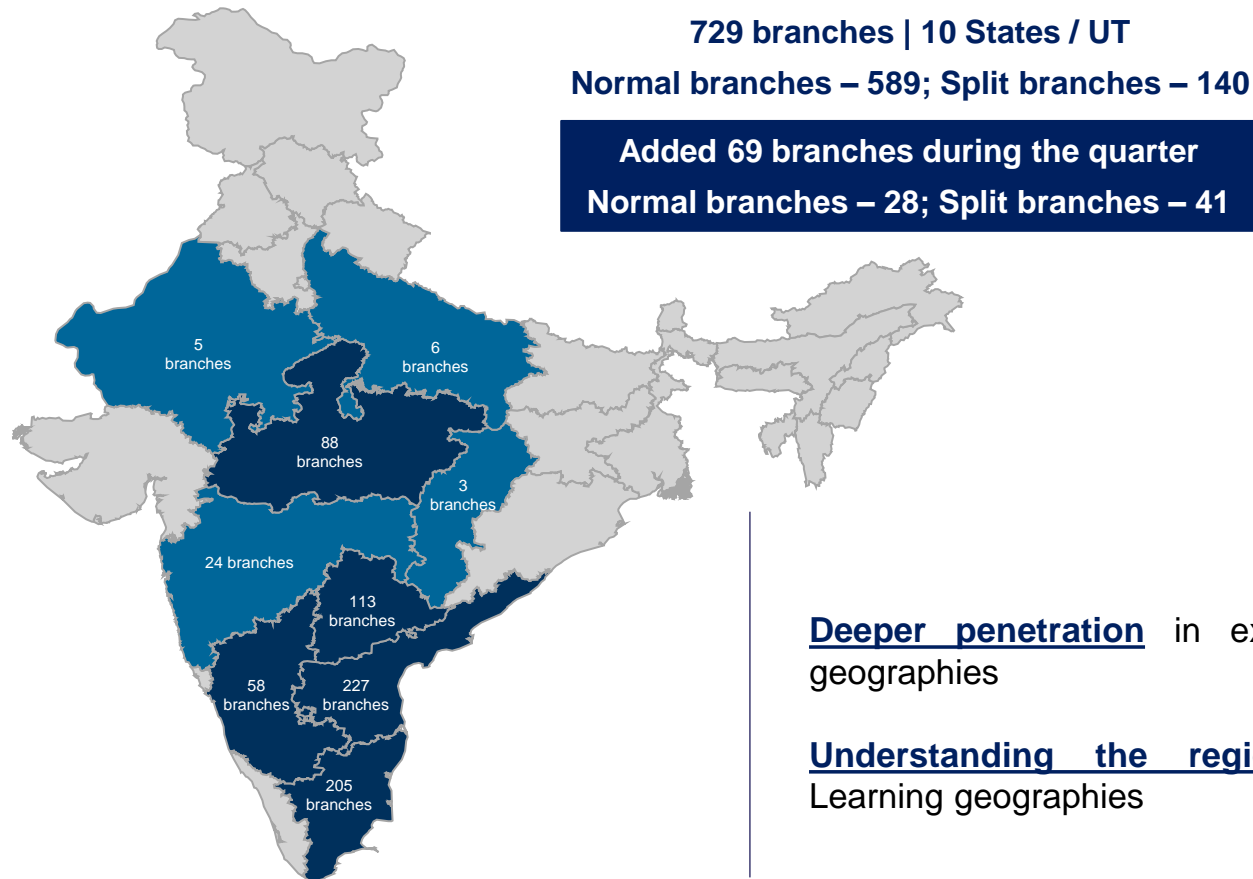
- ★ **Who are our customers** – Small Business Owners and Self-employed individuals involved in everyday cash and carry businesses with a service bias  
Minimal impact of macro downcycles
- ★ **How & wherefrom do we source our customers** – 100% in-house sourcing with a strong focus on Tier 3 to Tier 6 cities  
Under-penetrated market; high level of customer stickiness
- ★ **How are the loans given** – Loans given to the family / household, leading to a collective decision-making  
Potential issues prevented due to collective decision-making

## Product Strategy

- ★ **Loan purpose** – Loans provided for business expansion, home renovation / improvement and other mortgage purposes (marriage, education, emergency etc)  
Meet all requirements of the borrower household
- ★ **Nature of our lending** – 100% backed by collateral, 95% being SORP  
Helps prioritize our loan during difficult times
- ★ **Product characteristics** – Typical ticket sizes between 0.2 and 1 mn for a tenure of up to 7 years with LTV and Debt burden ratios of ~50% at the time of sanction  
Thin EMIs help borrowers repay the loan without undue burden



## Gradual growth in newer regions; significant ramp-up upon reaching the comfort state



### State-wise portfolio break-up

State	No of branches	Q3FY25	FY24	FY23	FY22	FY21	FY20
Tamil Nadu	205	29%	31%	35%	39%	41%	43%
Andhra Pradesh	227	38%	37%	33%	29%	28%	28%
Telangana	113	19%	19%	20%	19%	18%	19%
Karnataka	58	6%	6%	7%	7%	7%	7%
Madhya Pradesh	88	6%	5%	5%	5%	4%	3%
Others	38	1%	1%	1%	1%	1%	1%
<b>Total</b>	<b>729</b>						

### Average AUM per branch based on branch vintage

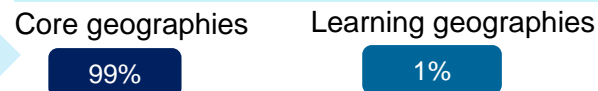
State	No of branches	Average AUM
<= 1 year	249	93
1 – 3 years	200	143
3 – 5 years	43	191
5 – 7 years	123	205
> 7 years	114	233
<b>Total</b>	<b>729</b>	<b>153</b>

Approach would be to keep the Average AUM range-bound through a **Cluster strategy**

**Deeper penetration** in existing Core geographies

**Understanding the region** in the Learning geographies

### AUM breakup



Map not to scale; Tamil Nadu numbers include Pondicherry as well

# Cluster Strategy – Ideal Branch Structure

## Evolution of Branch Structure at Five-Star

### Till FY2016

#### Normal Branch Strategy

5-6 Relationship Officers

Manage both Business & Collections

Ability to onboard good quantum of business over a period

#### Pros & Cons

Optimal # accounts per RO – helped manage risk

Ability to scale with the number of officers is limited

### 2017 – 2023

#### Super Branch Strategy

Add more ROs - 10-12 ROs per branch

Beef up the Supervisory structure - 2 Asst BM and 1 Sr BM

Helps maintain optimal # accounts per RO

#### Pros & Cons

Offered tremendous potential for scalability

Can lead to concentration risk from AUM & people perspectives

### 2023 till date...

#### Cluster / Ideal Branch Strategy

Add new branches near bigger branches when # accounts cross a certain threshold

5-6 ROs + appropriate collections support – Other ROs moved to the new branch

Move some accounts to the new branch – helps maintain optimal # accounts per RO

#### Advantages

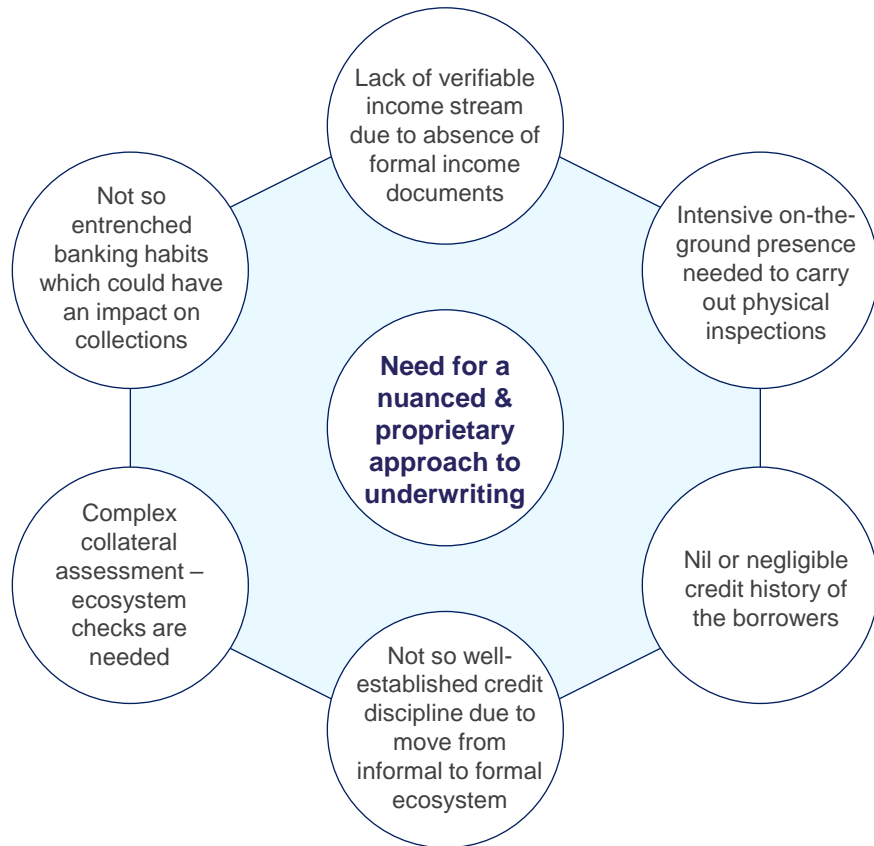
Helps de-risk without any material cost / headcount increase

Facilitates career progression, workload management, control attrition

Constant evolution of branch structure to suit the prevalent conditions has resulted in strong business & collections momentum

## Underwriting strategy fine-tuned over years of experience – to serve a “not so easy to underwrite TAM”

### Difficulties in evaluating the Addressable Market Segment



### Five Star’s capabilities

- ★ Credit appraisal of informal income with minimum documentation; Surrogates (lifestyle, ownership of assets, trade checks, etc) used to evaluate borrower cashflows, in the absence of verifiable income documents
- ★ ‘On the ground’ presence - ability to conduct physical verifications – mechanism has been created to ensure maker-checker controls in inspection process and operate at scale
- ★ Ability to utilize ecosystem checks as proxies for formal records in databases

**Five Star operates profitably with strong portfolio quality (in the company’s customer segment) by carefully selecting customers that ‘fit’ its assessment capabilities**

## Multiple levels of appraisal – Final sanction can be provided only by the Independent Credit team

### Branch Appraisal

- ★ **Pre-login assessment by the branch** – Basic verification of business, residence and background check on borrower
- ★ **Relationship Officer Inspection** – Visit to applicant’s business / residence to assess business traction / income level through proxies
- ★ **Final assessment by Branch Manager** – Complete inspection undertaken across the 3 Cs – Character, Cashflow and Collateral and report submitted to the approval team

### Credit Appraisal

- ★ **Field Credit Inspection** – Independent visit to applicants’ residence and business for detailed inspection; independent report submitted to the approval team
- ★ **Approval Credit** – Loan sanctioned / rejected basis branch appraisal and field credit appraisal reports. Only team with approval powers
- ★ **Legal Appraisal** – Validation of the property documents done by Internal and External legal counsels

## Inherent Controls

Focus on Service oriented businesses

- Last impacted by macro down-cycles and first to emerge from them

Loans to the family / household

- Ensures collective decision-making and avoids potential problems

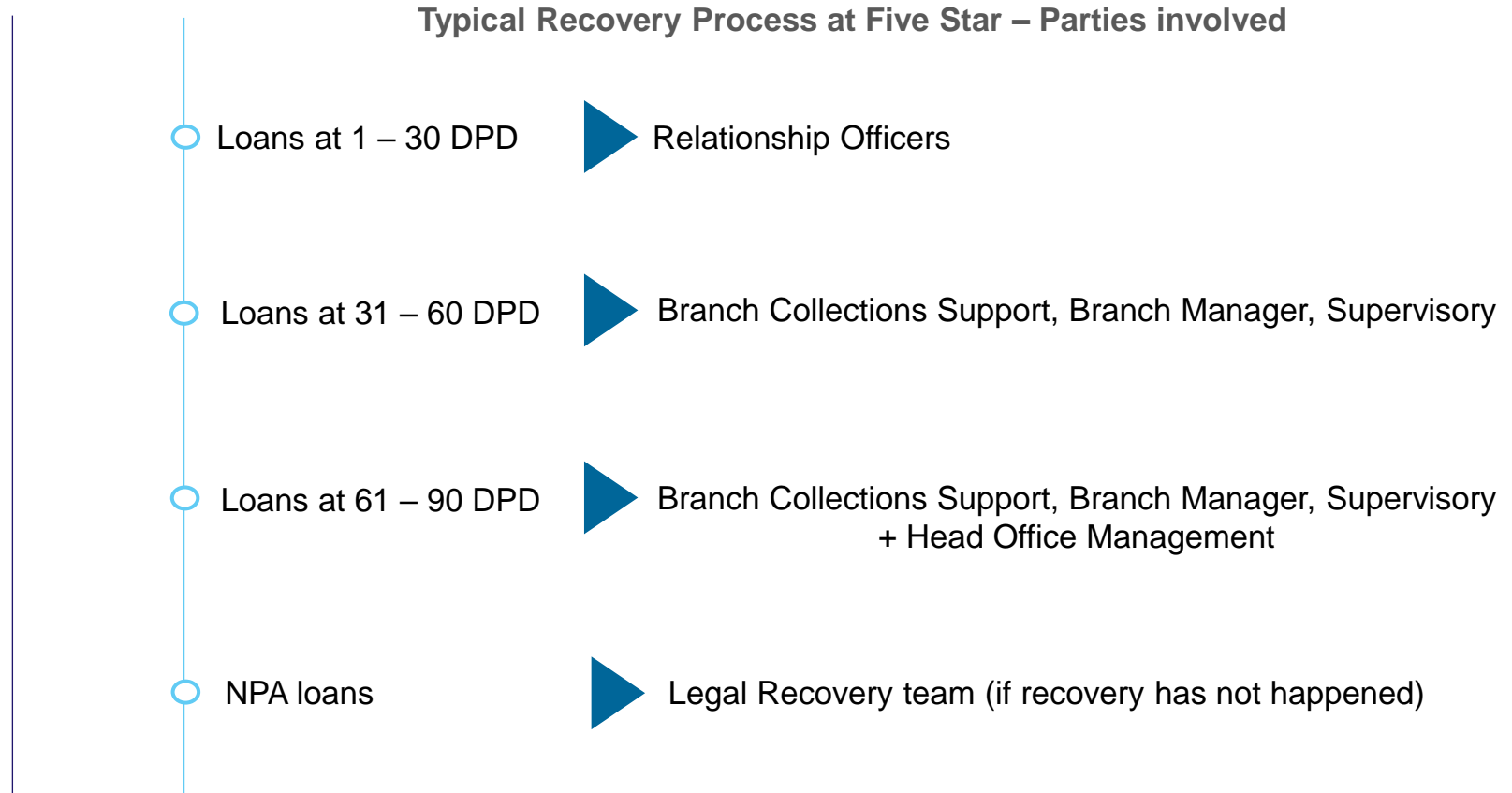
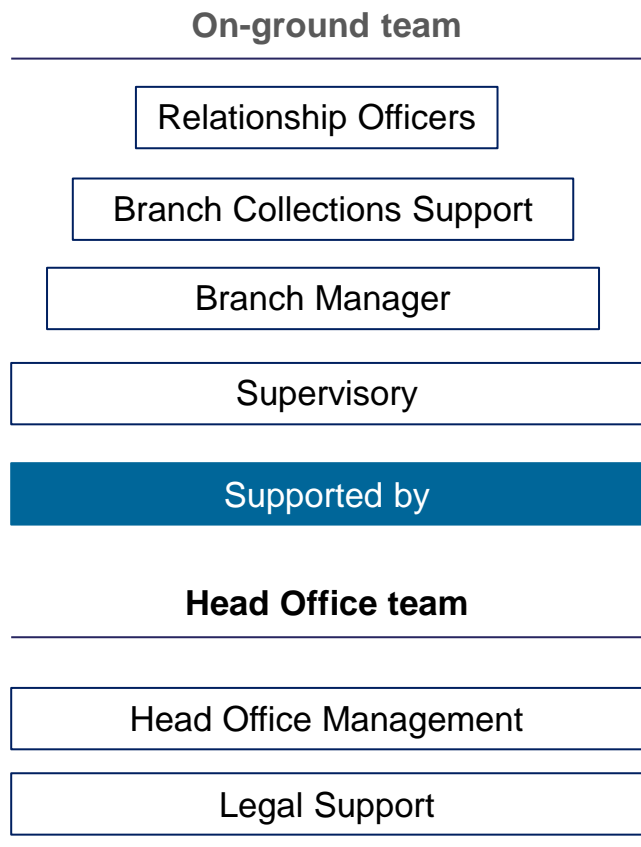
Independent verification & approval

- Approval powers only with the Credit team; no approval powers even with the Chief Business Officer

Registered Mortgage

- Mortgage on the collateral registered with the Sub-registrar office; helps avoid multiple loans against the same property

## First-time business loan borrowers migrating from informal to formal ecosystem necessitates multiple touchpoints

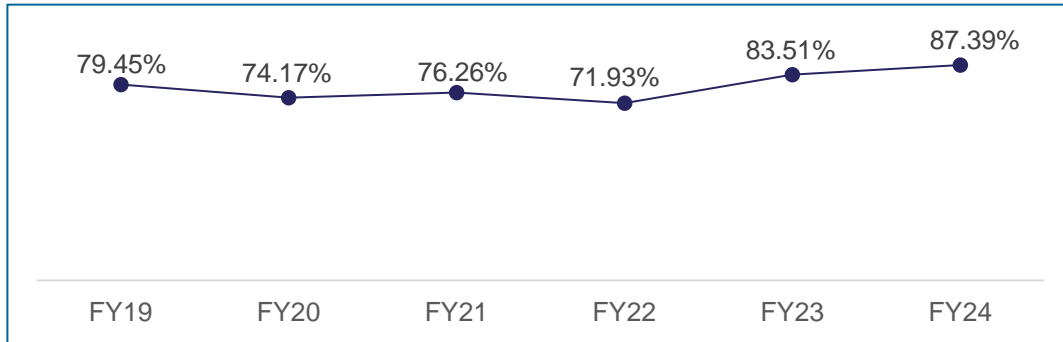


Concerted efforts, along with necessary legal measures, ensure strong recovery and robust asset quality

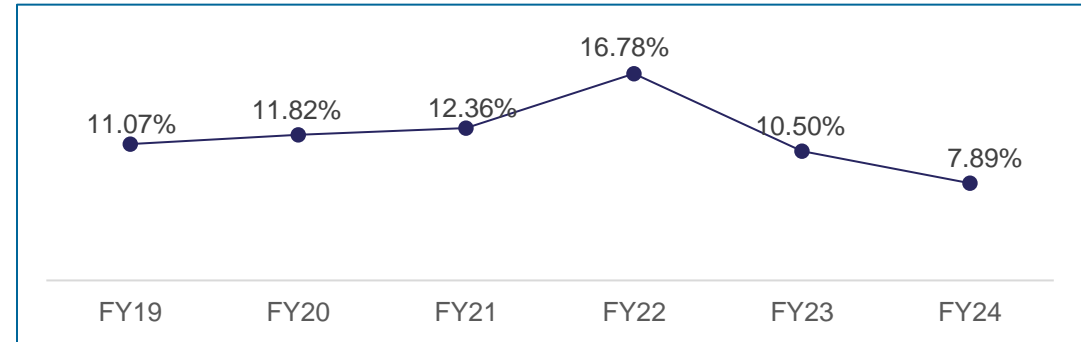
# Strong on-ground Collections infrastructure (2/2)

**Focus on Unique Customer Collections Efficiency has contributed to significant improvement in portfolio profile**

**Current Portfolio**



**30+ Portfolio**



**Overall Portfolio Profile**

	FY19	FY20	FY21	FY22	FY23	FY24
Stage 1	88.92%	88.18%	87.64%	83.22%	89.50%	92.11%
Stage 2	10.19%	10.45%	11.34%	15.73%	9.15%	6.51%
Stage 3	0.88%	1.37%	1.02%	1.05%	1.35%	1.38%

**Continuous evolution in Collections Strategy has contributed to continuous strengthening of the portfolio profile**



## Robust investments in technology to efficiently manage the lending process, increase productivity and decrease costs



- Moved to Finn One Neo (ERP solution) with automated workflow and rule engine configuration



- Moved to a completely paperless underwriting model with all data available on cloud



- Significant investments in technology during this period



- Manual underwriting process with minimal technology involvement



- Strengthened senior management team for IT and significantly augmented the team
- Significant IT spends during the last few years



- Complete data on cloud along with SaaS models for applications
- Focus on strategic projects and leveraging benefits from their implementation - Loan Origination System (Salesforce), General Ledger (Oracle), HRMS, Treasury system, Collections Module and Customer Scoring Model



- API infrastructure to leverage strengths of third-party service providers / fintechs



- Data analytics and machine learning

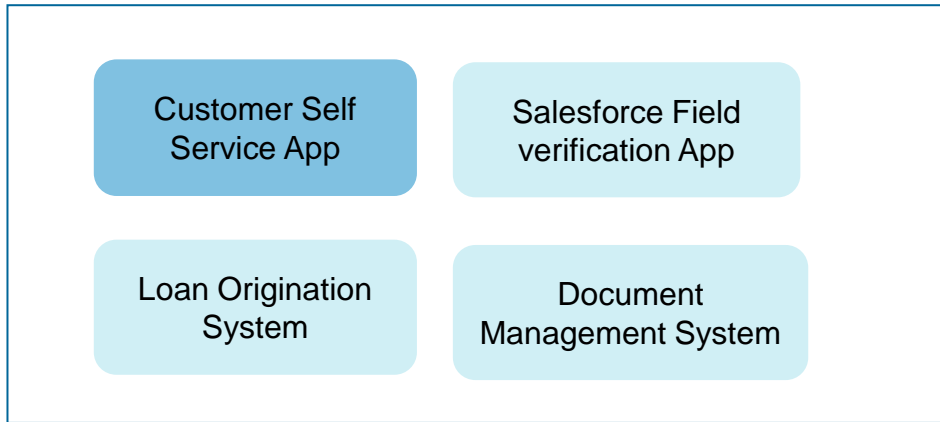


- Robust Customer Credit Scoring model

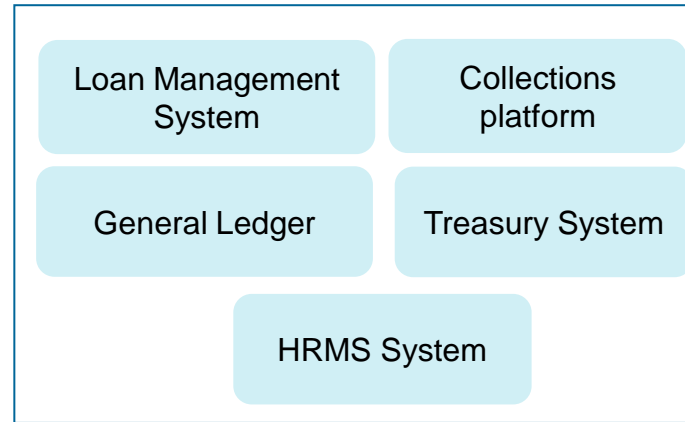


## Comprehensive Tech stack to derive productivity and efficiency benefits

### Loan Origination & Underwriting



### Loan Servicing & Support Systems



### Reporting / MIS



### Enterprise API Integration Layer

Credit Bureau

KYC Validations

CERSAI / CKYC

Aadhar E-KYC

APIs for Loan Management

Personalized QR based payments

Bharat Bill Pay System (BBPS)

UPI Auto-pay

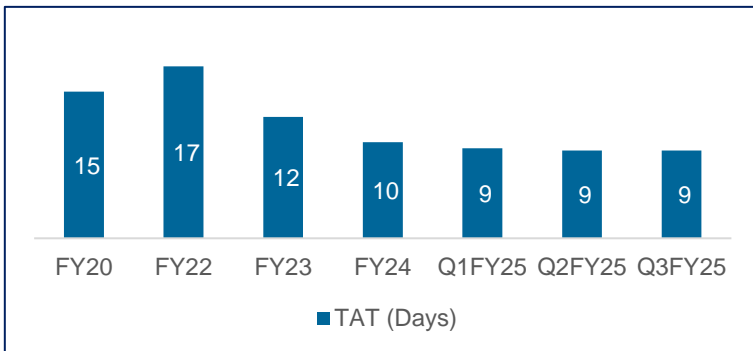
Functioning systems

Systems under development

## Focused tech strategy / stack have helped achieved key benefits across functional verticals

### Loan Origination

- Consistently improving TAT
- Increase in quantum and improved reliability of data collected
- Ability to collect data available with third-party service providers, through APIs



TAT represents days between login & sanction; FY21 data skewed due to COVID, hence not given

### Credit Underwriting

- Fully rounded view of the borrower income, collateral value, title, income proxies available to process & approval credit at one place
- System led automated exception reporting - All deviation approvals captured in the system helping minimize risk of manual override

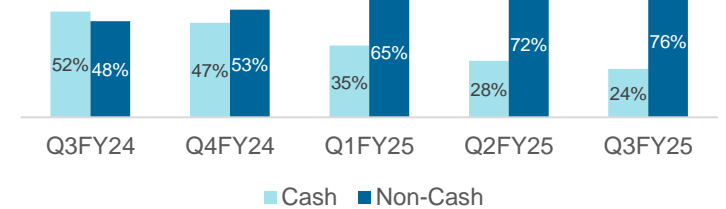
Expect to operate around 8-9 days of TAT in a steady state scenario

Aim to gradually keep reducing the proportion of cash in the coming quarters

### Collections

- Move from cash to digital means of collections
- All modes of collections made available to the borrowers – NACH, BBPS, UPI Auto-pay, etc
- Efficient cash handling with complete traceability

### Proportion of cash collections showing a consistently declining trend



### Risk Management & Audit

- Effective monitoring and portfolio management of large volume underwriting process
- System driven risk metrics without manual override
- Complete maker-checker process and audit trails to fix accountability

## Robust Risk Management and Risk-based Internal Audit Framework ensure strong oversight

Board of Directors

Risk Management Committee

Audit Committee

ALCO  
(Liquidity & ALM risks)

Credit Committee  
(Large ticket sanctions)

Business Resource  
Committee  
(Fund-raise)

Statutory Audit  
(Deloitte Haskins &  
Sells)

External Internal Audit  
(Sundaram & Srinivasan)

Internal Internal Audit  
(In-house Audit team)

Functional  
Departments

Risk Management  
Department

Functional  
Departments

Financial Reporting &  
Accounting

Chief Compliance Officer  
+  
Compliance Department

## Robust Risk Management and Risk-based Internal Audit Framework ensure strong oversight

### Risk Management Framework

**Credit / Collateral / Portfolio Risk**

Monitored by Risk Management Committee

**Financial Risk**

Monitored by Audit Committee

**Liquidity Risk**

Monitored by ALCO; Stress tests conducted under ICAAP methodology and reviewed by the Board annually

**Operational Risk**

Monitored by Audit Committee as part of Audit / ICFR process

**Technology Risk**

Monitored by IT Strategy Committee / IT Steering Committee / Information Security Committee

**HR / Attrition Risk**

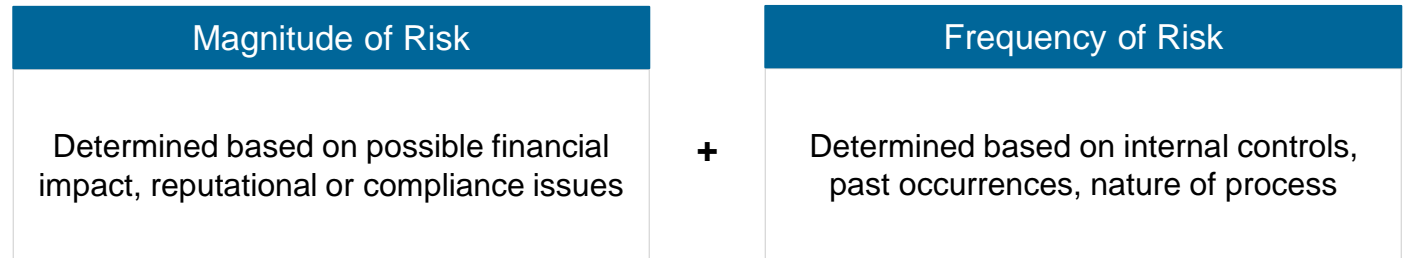
Monitored by Risk Management Committee

**Fraud Risk**

Monitored by Audit Committee as part of Audit / ICFR process

### Risk based Internal Audit Framework

Strong framework laid down based on the twin principles of:

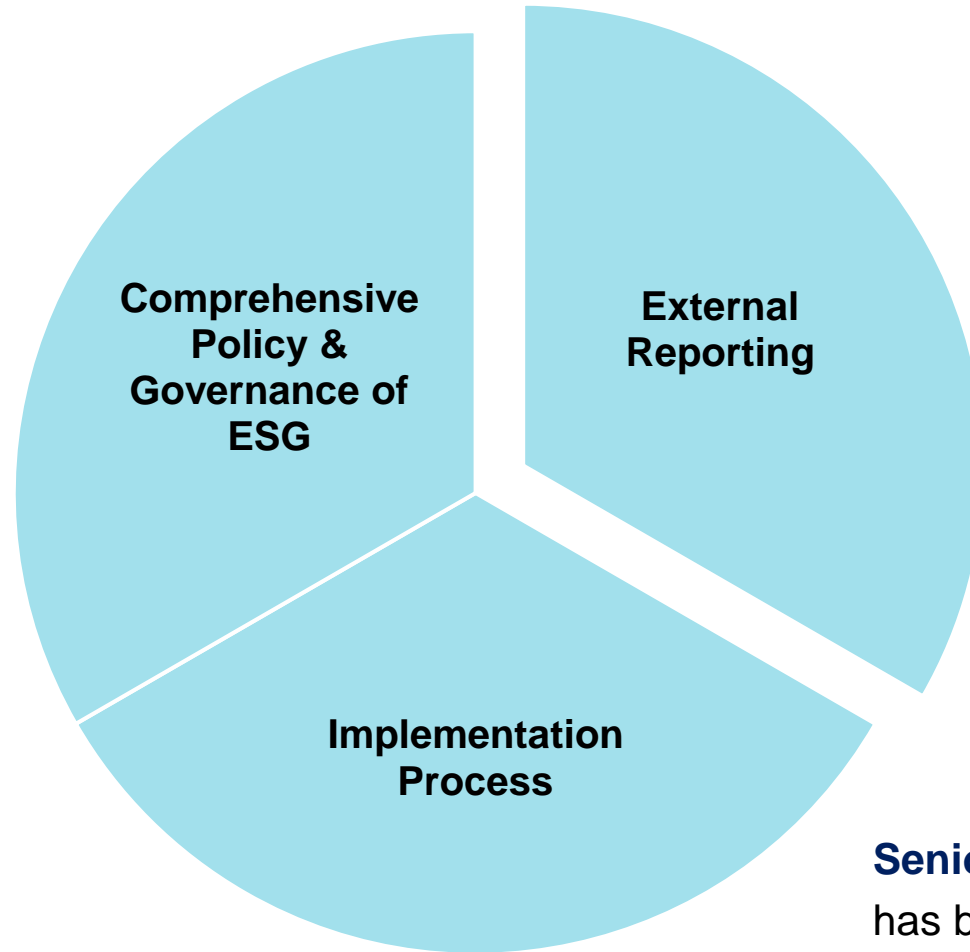


	High Frequency	Medium Frequency	Low Frequency
High Magnitude of risk	Quarterly testing	Quarterly testing	Half-yearly testing
Medium Magnitude of risk	Quarterly testing	Half-yearly testing	Annual testing
Low Magnitude of risk	Half-yearly testing	Annual testing	Annual testing

Clean Track Record | No Auditor Qualifications | Multiple RBI Inspections with NIL divergences | Fully automated Compliance tracking

**ESG @ Five Star primarily revolves around the aspects of “S” (Social impact) and “G” (Governance)**

**Comprehensive ESG and BRSR policies approved by the Board**  
at least on an annual basis



**Business Responsibility and Sustainability Report (BRSR)** is published as part of the Annual Report

**Senior Management team** has been tasked to oversee the implementation

## Social Impact Indicators – Financial Inclusion (“Reaching the Unreached”)

### Company Vision

Reaching the Unreached through suitable credit solutions

### Mission Statement

Provide appropriate credit solutions to the hitherto unreached segment of the market by developing a niche underwriting model, built towards evaluating the twin strengths of the borrowers’ intention to repay and ability to repay, with the ultimate objectives of increasing customer satisfaction and maximizing stakeholder returns

#### Financial Inclusion

- Caters to the underserved market of small business loans
- Meets demand which is majorly catered by informal sources
- Employment opportunities in semi-urban and rural areas
- Focus on hiring local talent

#### Catering to LIG customers

- Majority of AUM is provided to Low-income group customers, thereby fostering financial inclusion
- Loans for business and other purposes are provided at lower interest rates

Low-income group means households with earnings of ₹ 25,000 or lesser

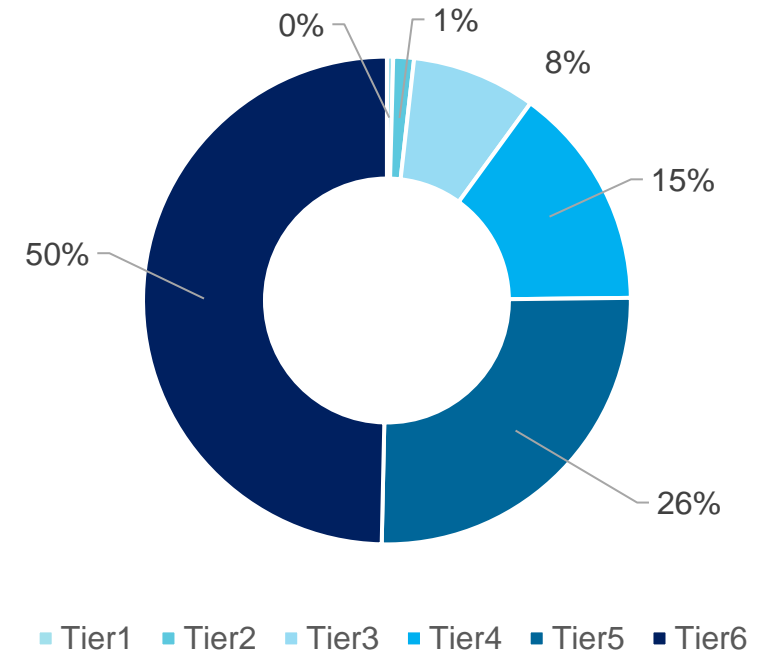
#### Corporate Social Responsibility

- Significant spends are made towards CSR
- CSR objectives are tailored towards improving education, healthcare and livelihood
- Right implementation partners are onboarded, and a strong monitoring mechanism is in place to ensure proper utilisation of funds

## Social Impact Indicators – Branch Presence

- Branch Presence**
  - Significant branch presence in Tier 3 to Tier 6 towns
- Customers ignored by banks / larger FIs**
  - Low-income borrowers
  - Customers with strong incomes from everyday services but lacking the documentary evidence of such incomes
  - Fully Collateralised loan
- Lending for business purposes**
  - Predominant portion of lending towards business purposes (income generation)
  - Displace unorganised institutions (money lenders) – First time borrowers to formal lending

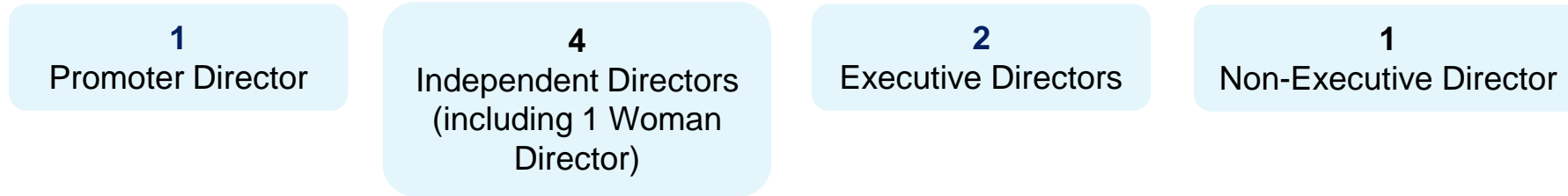
**Significant Branch presence in Tier 3 to Tier 6 towns - semi-urban and fast-growing rural geographies**



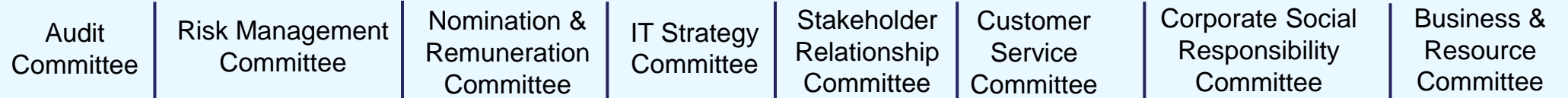
Tier 6 – Population < 50K; Tier 5 – Population 50K – 1L; Tier4 – Population 1L – 2L; Tier 3 – Population 2L – 10L; Tier 2 – Population 10L – 50L; Tier 1 – Population > 50L

## Strong Governance Framework

### Board of Directors



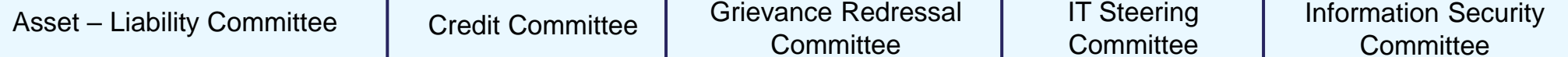
### Board Committees



Chaired by Independent Directors

Chaired by Other Directors

### Management Committees



High Independent Director representation | Varied level of Independent Director experience | High level of Independent Director participation in Committees | Most Board Committees chaired by Independent Directors



## Robust Corporate Governance supported by Board approved Policies

The Board of Directors helps improve Corporate visibility, image and governance and provides strong comfort to external stakeholders.

The Board also helps in ensuring robust risk management strategies and provides independent oversight in the Organisation.

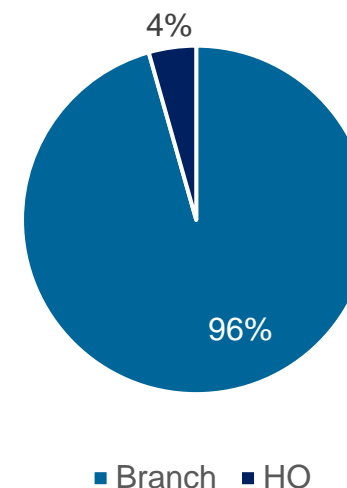
The Company has also implemented the following Policies (approved by the Board, at least annually) to promote ethical, transparent and responsible behaviour and to fix accountability:

- ★ Code of conduct for the Board of directors and Senior Management personnel [\(Link\)](#)
- ★ Guidelines on Corporate Governance [\(Link\)](#)
- ★ Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information [\(Link\)](#)
- ★ Grievance Redressal Policy [\(Link\)](#)
- ★ Know Your Customer (KYC) and Anti Money Laundering Policy [\(Link\)](#)
- ★ Fair Practice Code [\(Link\)](#)
- ★ Policy on Prevention of Sexual Harassment [\(Link\)](#)
- ★ Whistle Blower policy & Vigil mechanism [\(Link\)](#)
- ★ Business Responsibility and Sustainability Reporting policy [\(Link\)](#)

## Strong & adequate Human Capital for the size and scale of operations

Function	No of employees
Business & Collections	7,521
- Relationship Officers	6,092
- Branch Managers	1,429
Supervisors	157
Credit	1,154
- Field Credit	809
- Approval Credit	336
- Credit Support	9
Operations	1,078
- Operations Officers	911
- Head Office team	167
Accounts	901
- Cashiers	831
- Head Office team	70
Legal & MOD	175
IA & Customer Care	73
Technology	48
Human Resources	41
Administration	19
Others	19
Heads of Departments	9
Senior Management	12
<b>Total Headcount</b>	<b>11,207</b>

Proportion of Headcount – Branch vs HO



Predominantly branch-led headcount, which helps in improved productivity, quality & profitability

Strong Supervisory layer (across branch and other support functions) to maintain strong control processes and ensure maker-checker mechanism

Support functions also staffed adequately to ensure robust controls in each of the processes

Management team consists of professionals with relevant experience and expertise to carry out their functional responsibilities

# Thank You

For further information, you may please email to:

 [ir@fivestargroup.in](mailto:ir@fivestargroup.in)

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