

Date: April 30, 2024

**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 Financial Results for the quarter and financial year ended March 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 financial results for the quarter and financial year ended March 31, 2024.

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

Kindly take the above 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



# Five-Star Business Finance Limited

Investor Presentation

Q4FY2024

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**Section 1**  
*Business Highlights*

**Section 2**  
*Company Overview*

**Section 3**  
*Executive Summary*

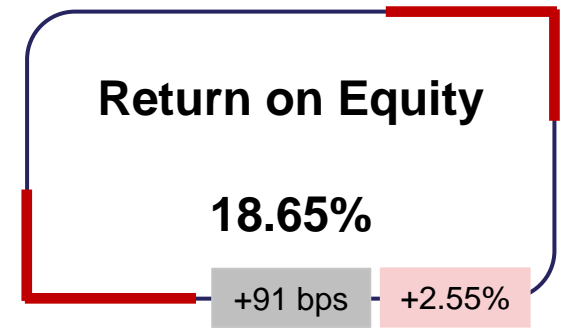
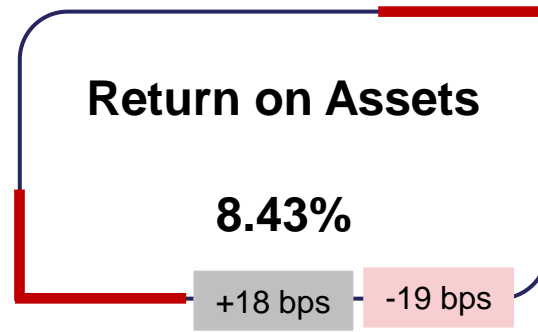
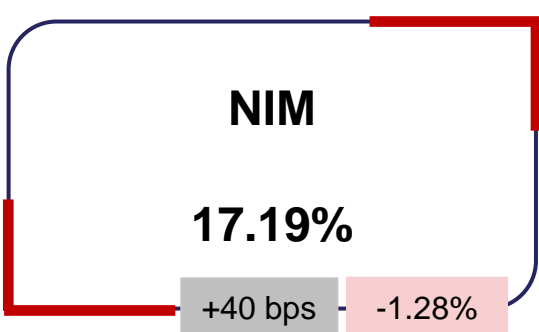
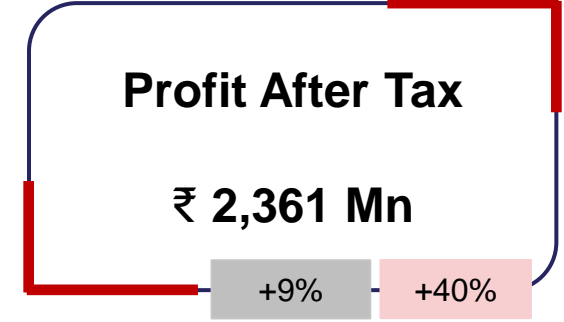
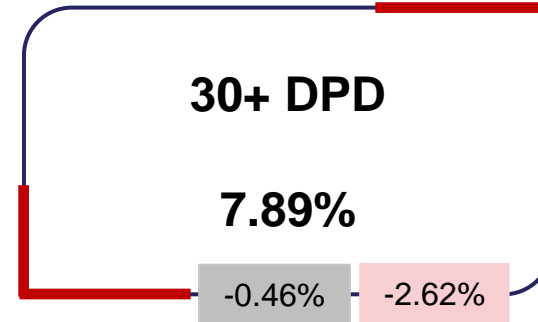
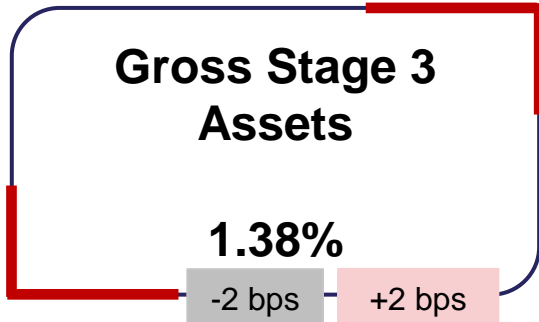
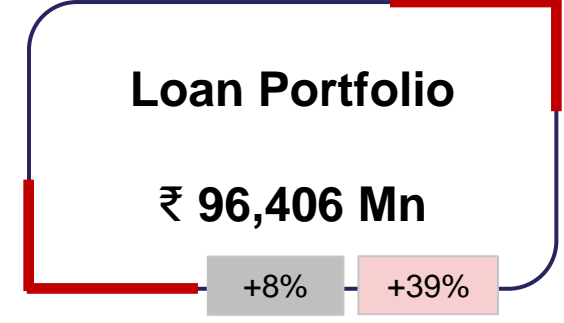
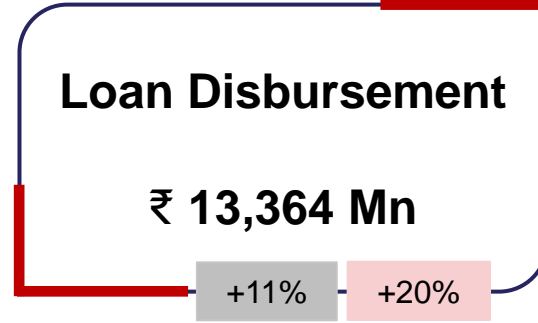
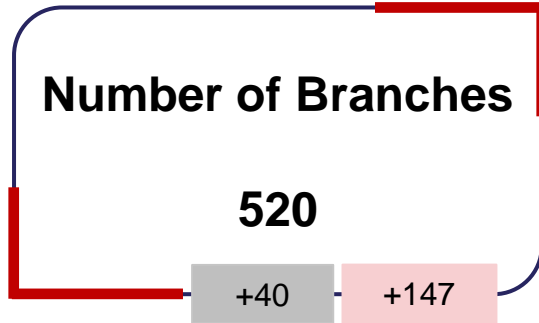
**Section 4**  
*Financial Performance, Asset  
Quality & ECL*

**Section 5**  
*Liability & ALM*



## Section 1

# Business Highlights



q-o-q   y-o-y

**Number of Branches**

**520**

+147

**Loan Disbursement**

**₹ 48,814 Mn**

+44%

**Loan Portfolio**

**₹ 96,406 Mn**

+39%

**Gross Stage 3  
Assets**

**1.38%**

+2 bps

**30+ DPD**

**7.89%**

-2.62%

**Profit After Tax**

**₹ 8,359 Mn**

+39%

**NIM**

**17.39%**

-65 bps

**Return on Assets**

**8.42%**

-20 bps

**Return on Equity**

**17.60%**

+2.57%

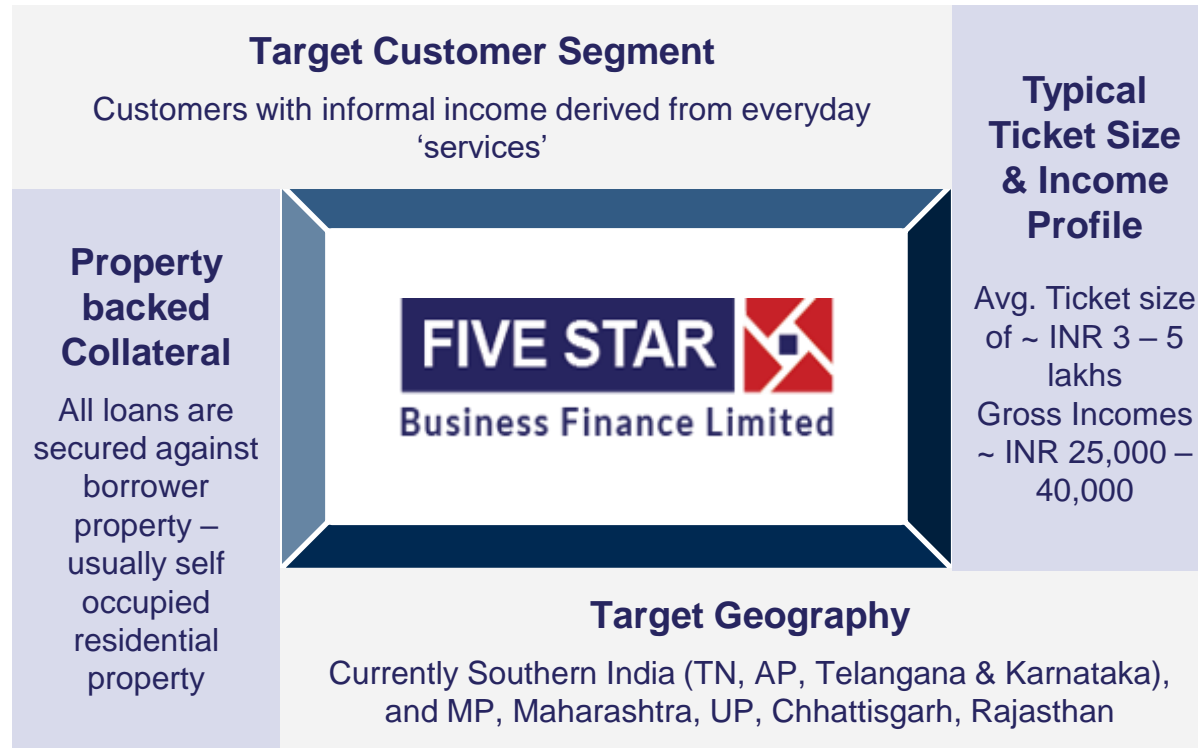


## Section 2

# Company Overview



NBFC providing secured financial solutions to Small Business customers and Self-employed Individuals who are largely cut-off from formal lending ecosystem



520 branches

9 States + 1 UT

3.9 lakh loans

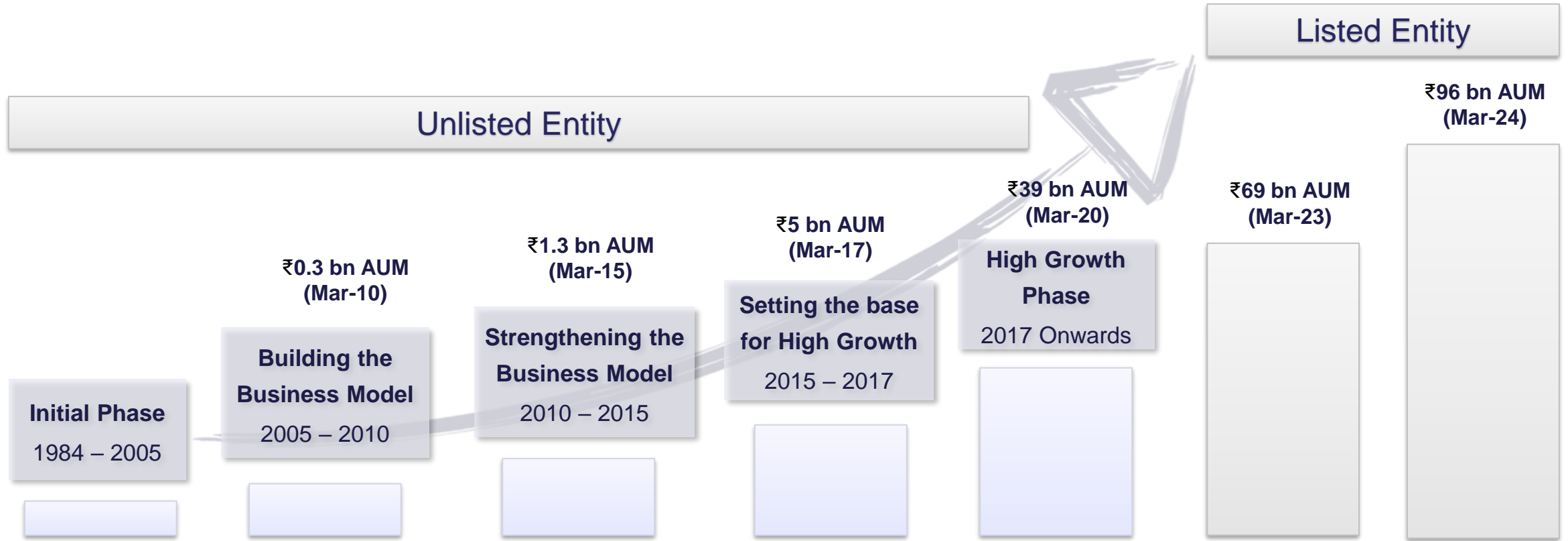
9,327 employees

Registered as NBFC-ND-SI with  
the Reserve Bank of India

2 decades of lending to Small  
Business Loan customers

Proprietary Underwriting &  
Collections model fine-tuned  
over 2 decades of experience

- ★ Built to take advantage of the large addressable market and credit gap
- ★ Deep understanding of customer behavior; strong knowledge of the local market and regional dynamics
- ★ Success and growth of Five-Star are outcomes of the last two decades of operating in the segment
- ★ Recognized market potential well ahead of time
- ★ Proven track record to access capital with a well thought strategy; strong investments in professional team

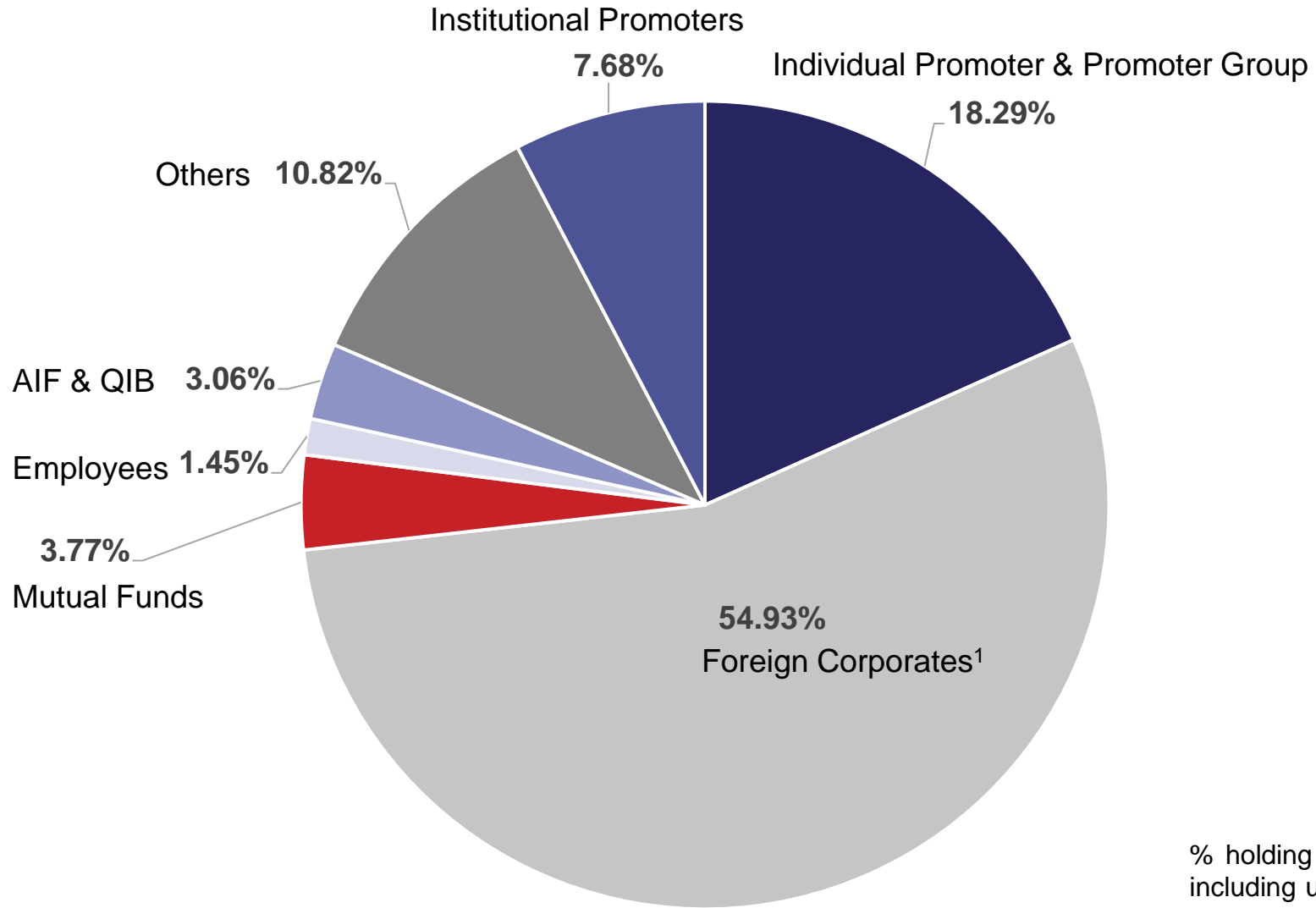


**Strong Growth trajectory over the last 40 years of operations**

# Strong Financial Performance over the years<sup>1</sup>

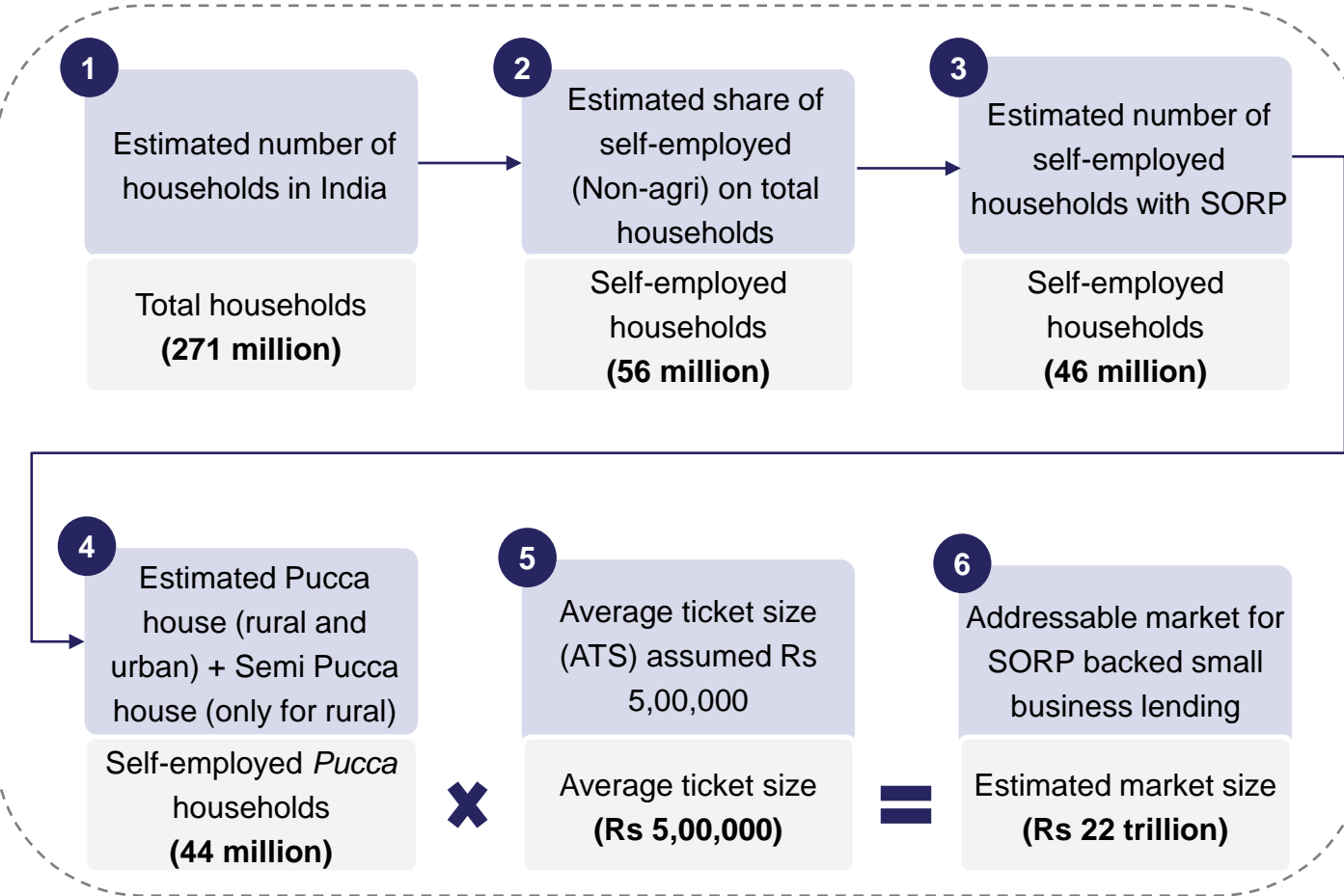
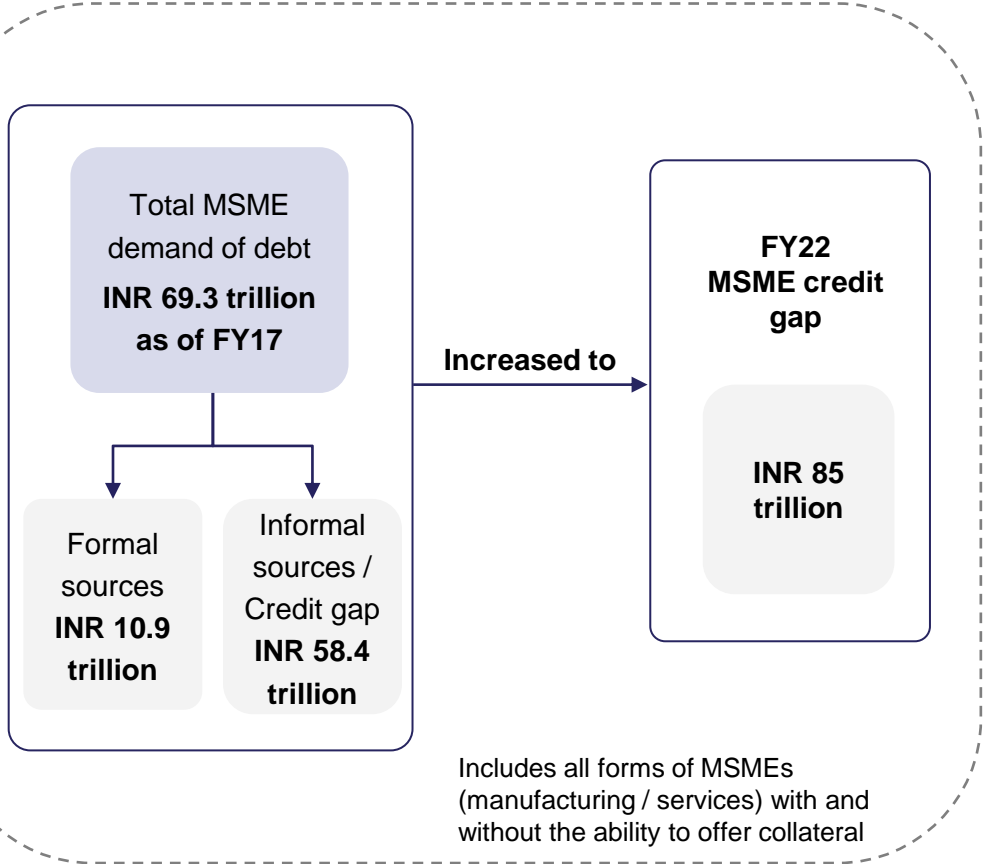
Particulars (₹ Mn)	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
<b>Operational Information</b>										
Number of branches	39	64	103	130	173	252	262	299	373	520
Loan disbursals	793	1,319	3,830	7,072	14,822	24,087	12,450	17,562	33,914	48,814
AUM	1,315	1,981	4,936	10,084	21,128	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 <sup>2</sup>	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 <sup>3</sup>	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 <sup>4</sup>	1.81%	1.82%	2.47%	1.43%	0.89%	1.37%	1.02%	1.05%	1.36% <sup>5</sup>	1.38% <sup>5</sup>
Net Stage 3 assets <sup>6</sup>	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

Notes: 1. Financials from FY2019 are as per Ind-AS and earlier years as per I-GAAP; 2. Does not include interest on lease liabilities; 3. Includes interest on lease liabilities; 4. Gross Stage 3 Assets represents loans which are more than 180 days past due till FY2016 and loans which are more than 90 days past due thereafter till March 2022, as a percentage of the overall loan portfolio; 5. 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, expressed as a % of AUM 6. Net Stage 3 Assets computed as Gross Stage 3 assets reduced by Stage 3 ECL as a percentage of AUM reduced by Stage 3 ECL



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

**Overall MSME Credit Gap** → **Target Addressable Market for Five Star**



Notes: 1. As per the industry report in the Company's Offer documents

## Factors facilitating Company's Growth

Large market opportunity



Strong infrastructure of the Company



Robust Portfolio growth

## How would the Growth be achieved






















Increased branch network and additional FOS



Increase in ticket size (inflationary increases at the least)



# Challenges in Lending to Small Business Customers & Self-Employed individuals

Institutionalized Lenders - Key Underwriting Parameters	Medium Enterprises	Small Enterprises	Small Business Owners and Self-Employed Customers
<b>Verifiable income stream</b>	 Assessed from formal contracts since predominantly B2B clients	 Typically assessed from VAT, sales tax, service tax records	 Predominantly backed by informal/ kaccha documents, daily noting
<b>Formal documentation</b>	 Formal & structured – records of IT returns available	 Semi-formal – Have banking habit to the extent of business transactions	 Highly Informal – Have minimal banking habits
<b>Extent of ‘on the ground presence’ required</b>	 Presence of formal, verifiable documents reduces requirement	 Moderate level of physical verification required	 Ability to conduct physical verifications essential
<b>Credit history</b>	 Well documented	 Moderate level of documentation	 Nil or negligible credit history for medium / high ticket loans
<b>Credit discipline</b>	 Low variance – usually high discipline	 Moderate variance – on average high discipline	 High variance in segment with both high & low credit discipline observable
<b>Ability to offer collateral</b>	 Significant business assets to offer as collateral	 Moderate ability to offer business collateral	 Negligible business collateral – ability to offer personal collateral varies
<b>Assessment of collateral</b>	 Simple to assess with supporting documentation	 Moderate – with some supporting documents available	 Complex with ability to carry out ecosystem checks required

Inability to verify income, lack of credit history & varying ability to offer collateral make profitable operation difficult for traditional financiers



Simple to Assess



Moderately Simple to Assess



Complex to Assess



Highly Complex to Assess



## Customers targeted by Five Star

**Customers from semi-urban and fast-growing rural geographies**

**Customers with income derived from 'every day' services**

**100% of loans backed by collateral**

**Mandatory family co applicants, usually spouse and offspring**

## Rationale for customer selection

→ Good potential & easier reach; fewer legal issues on collateral

→ Resilience to business cycles & macro events

→ Self-occupied property and thereby high customer equity

→ Social pressure to service the loan without delays



## Five Star's capabilities

- Credit appraisal of informal income with minimum documentation
- On the ground' presence - ability to conduct physical verifications
- 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**

## Deep Understanding of Customer Segment & Conservative Lending Practices

20 years of operations  
ATS of ~ 3-5 lakhs  
Conservative DBR / LTV norms

## Compelling Economics & Best in Class Return Metrics

Yields of ~24%; Spreads of ~12-13%  
Industry leading ROA at >8% with ROE at ~15%

## Industry Leading Asset Quality

Gross Stage 3 Assets of < 1.5%  
Net Stage 3 Assets of <1%  
even on a steady-state basis

## Well Capitalized & Low Leverage

Current D/E of ~1x  
Can target a strong AUM growth trajectory at 3-3.5x leverage

## Strong Board & Experienced Management Team

Board with significant industry experience  
Experienced Management team of 21 members

## High Governance Focus

Statutory Auditor – S.R.Batliloi & Associates  
LLP  
Internal Auditor – Sundaram & Srinivasan  
Independent Directors heading Audit Committee,  
Risk Management Committee, Nomination &  
Remuneration Committee, IT Strategy  
Committee

## Customer Selection

- Lending to the same segment for 35+ years
- Seen customer behaviour across cycles
- 100% in-house sourcing
- Strong focus on Tier 3 to Tier 6 cities



## Typical Customer Profile

- Small business owners and self-employed individuals
- Everyday cash and carry businesses with bias towards services
- Family's collective loan decisioning
- Typical family cashflows (gross) ~ ₹ 25,000 to ₹ 40,000 per month and typical collateral value of ₹1 Mn (land and building)

## Product Offering

- 100% of the book backed by a hard collateral, of which ~95% is SORP
- Average LTV and Debt burden ratio of ~50% at the time of sanction
- EMI typically of 7-10 days of borrowers' family cashflows (gross)



## Typical Product Features

- Loans provided for business expansion, home renovation / improvement and other mortgage purposes (marriage, education, emergency etc)
- Typical ticket sizes between ₹ 0.2 Mn to ₹1 Mn
- IRR of ~24%-26% with loan tenure of 2 to 7 years



**Shops / small businesses are typically the last to get hit in an economic cycle, and the first to bounce back**

Customer centric model underpinned by calibrated sourcing and distribution strategy and robust underwriting and collections practices

## Customer centric business model



### Product

- Term Loan with average tenure of 5-7 years
- Interest rate range of 24%-26%
- Loans for business, asset creation and other economic purposes
- Fully secured by property, ~95% being SORP



### Well-diversified Presence

- Primary States: Tamil Nadu, AP, Telangana, Karnataka, Madhya Pradesh
- Other States / UT: Maharashtra, Chhattisgarh, UP, Rajasthan, Pondicherry
- 520 branches; 9,327 employees
- Contiguous expansion. Cautious approach to newer states

## Comprehensive credit assessment and robust risk management



### Sourcing and Underwriting

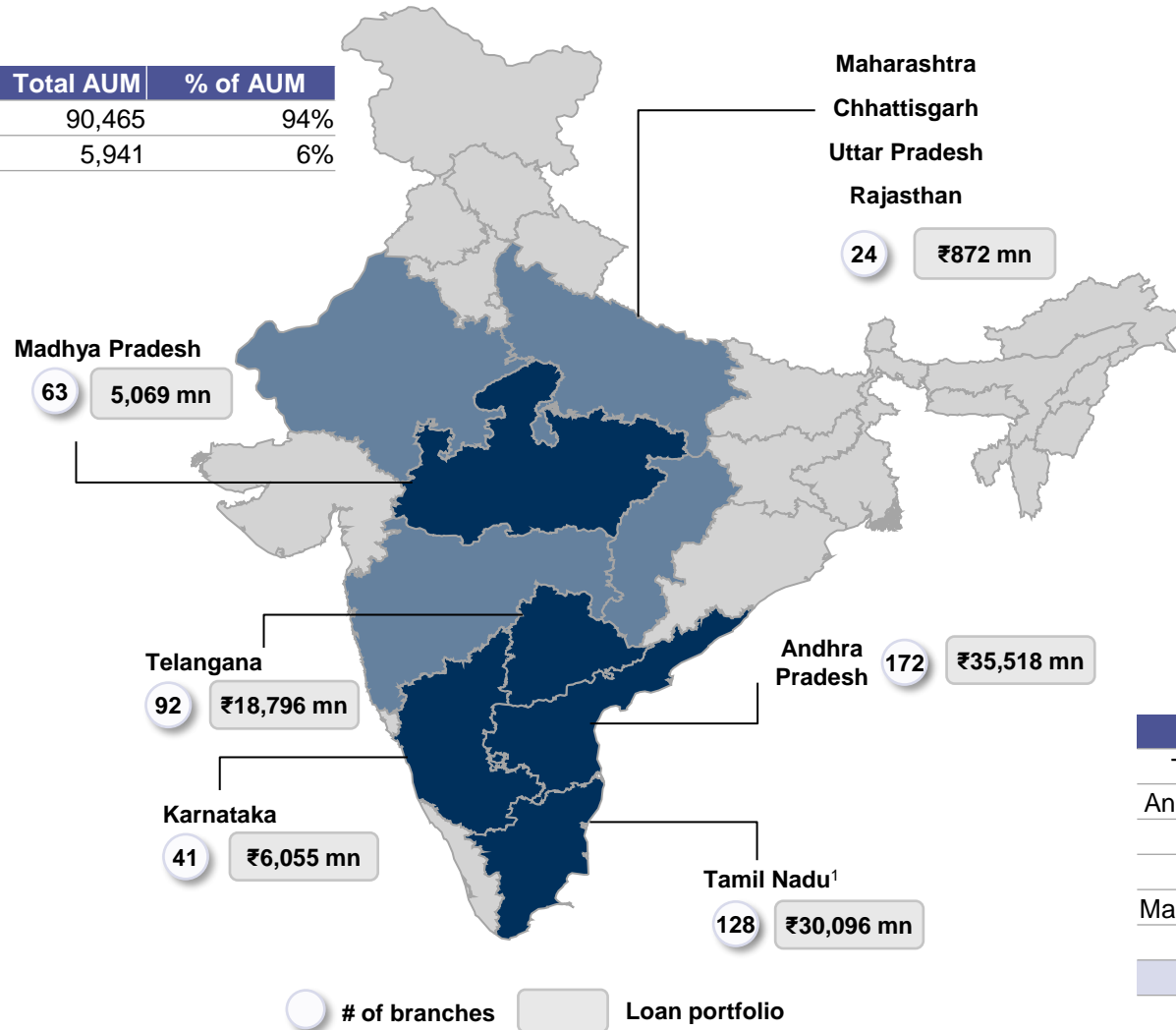
- 100% in-house sourcing and processing with focus on service-oriented business
- Assessment based on 3 Cs (Character, Cash flow and Collateral)
- Two levels of check each in business and in credit; conservative credit policies
- Assignment of co-applicants – Loans to the family and not individuals



### Collections

- Strong on-ground collection infrastructure and supervisory follow up to cater to new to formal credit customer segment
- Relatively higher softer delinquencies; consistently low on 90+ DPD
- <2% IRR loss on majority of settled loans which were 90+ DPD on settlement<sup>1</sup>

Geography	# branches	Total AUM	% of AUM
South India	433	90,465	94%
Rest of India	87	5,941	6%



Vintage-wise average AUM (in ₹Mn) per branch (as of March 2024)

Branch Vintage	No of branches	Average AUM
<=1 year	147	64
1 – 3 years	111	146
3 – 5 years	90	217
5 – 7 years	76	261
>7 years	96	327
<b>Total</b>	<b>520</b>	<b>185</b>

Cluster strategy adopted, on a need basis, to facilitate growth in matured branches

State-wise portfolio break-up

State	No of branches	FY2024	FY2023	FY2022	FY2021	FY2020
Tamil Nadu	128	31%	35%	39%	41%	43%
Andhra Pradesh	172	37%	33%	29%	28%	28%
Telangana	92	19%	20%	19%	18%	19%
Karnataka	41	6%	7%	7%	7%	7%
Madhya Pradesh	63	5%	5%	5%	4%	3%
Others	24	1%	1%	1%	1%	1%
<b>Total</b>	<b>520</b>					

**Strong South India presence with high potential to deepen further, coupled with clear aim to expand in non-South in the next few years**

## 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



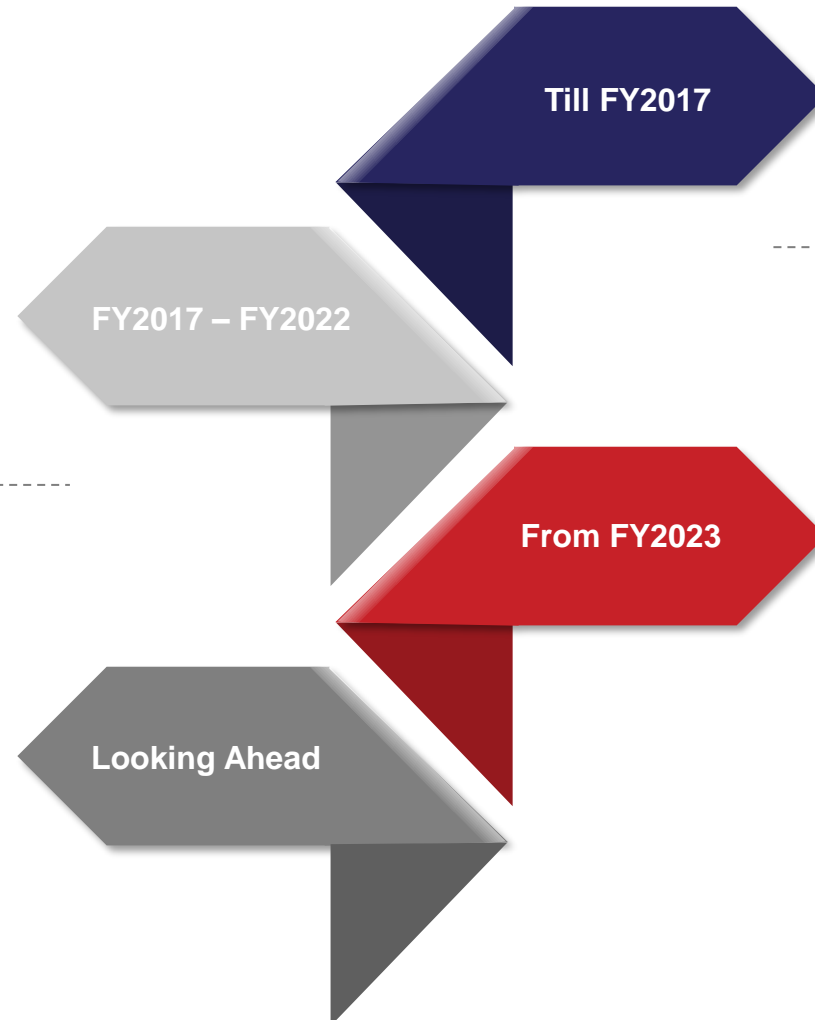
- API infrastructure to leverage strengths of third-party service providers / fintechs



- Data analytics and machine learning



- Robust Customer Credit Scoring model



- Manual underwriting process with minimal technology involvement



- Strengthened the senior management team for IT and augmented the team to 47 IT personnel as on date



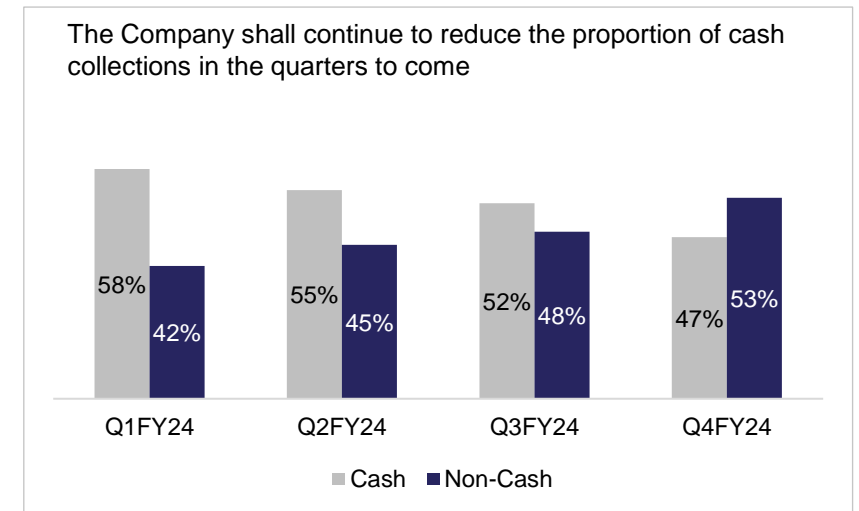
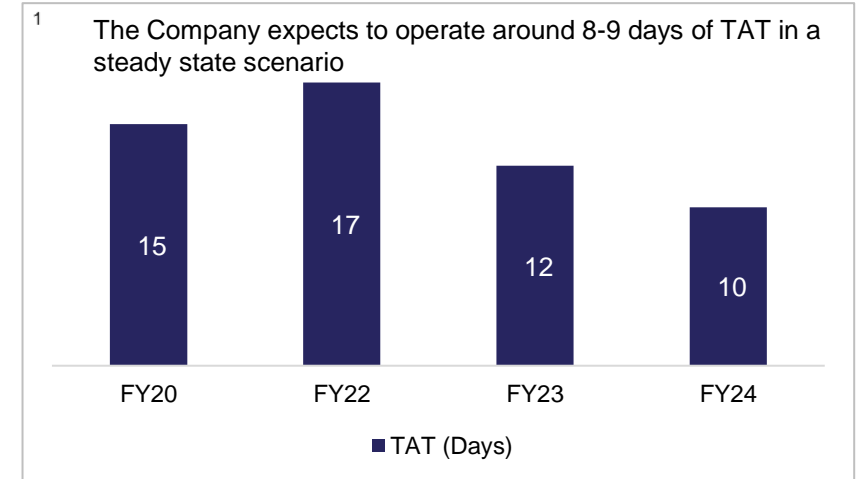
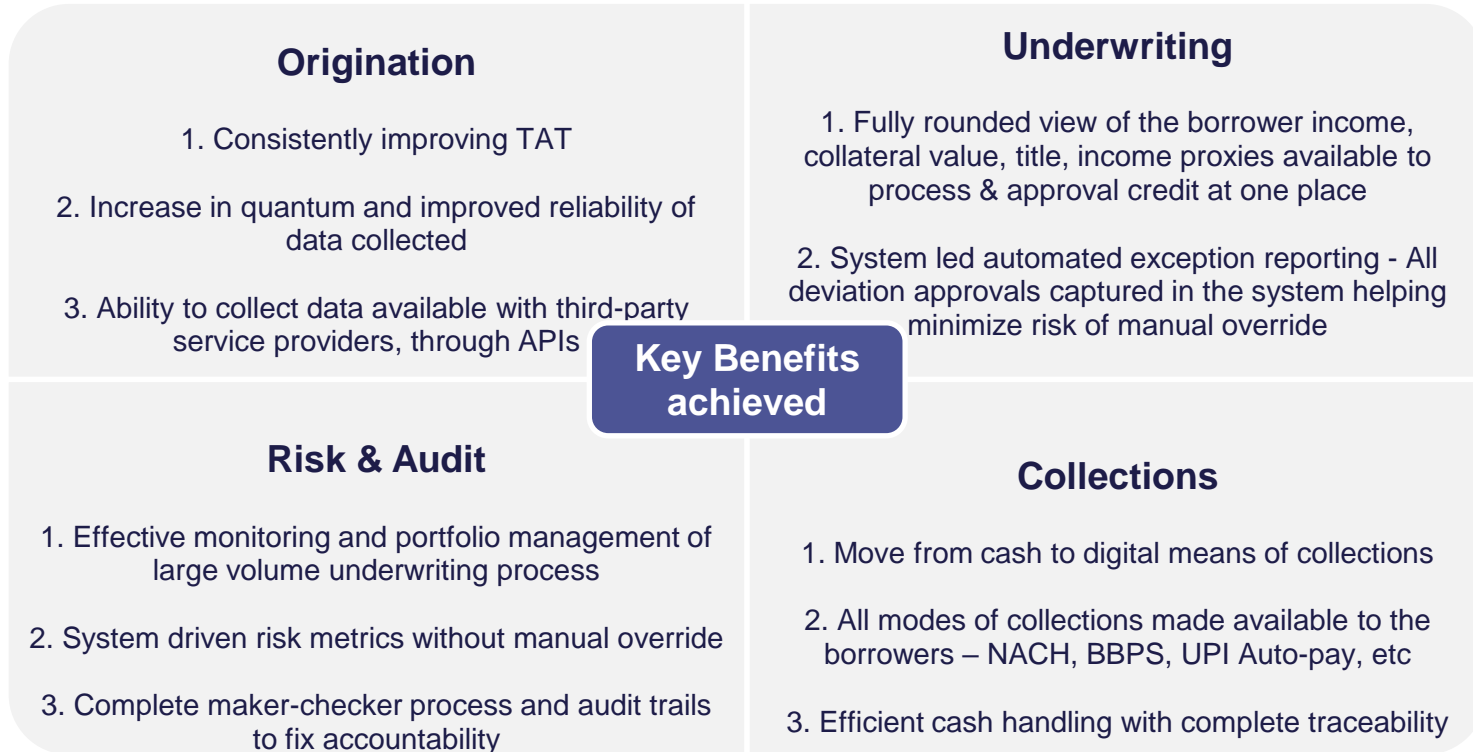
- Total IT spend (capex + opex, ex-HC) for FY23 and FY24 was ₹193 mn and ₹344 mn respectively



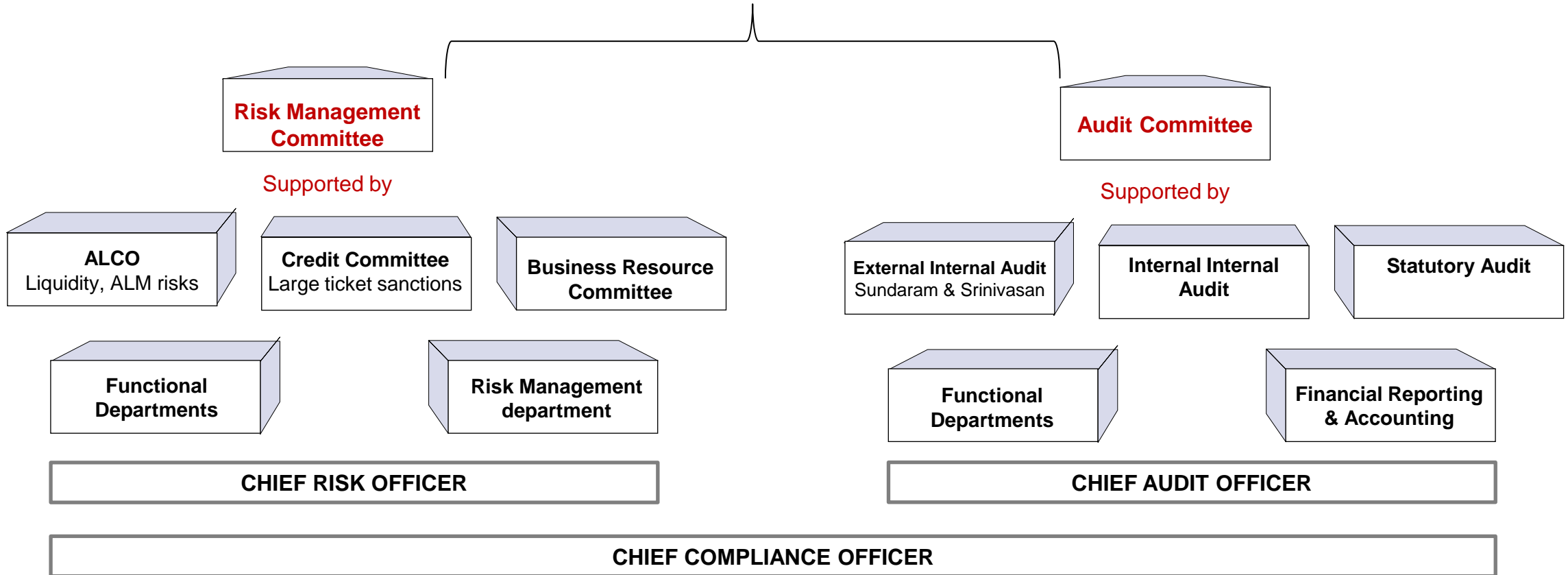
- Focus on strategic projects on embarking into new Loan Origination System (Salesforce), General Ledger (Oracle), HRMS, Treasury system, Collections Module and Customer Scoring Model



## Benefits achieved across various verticals

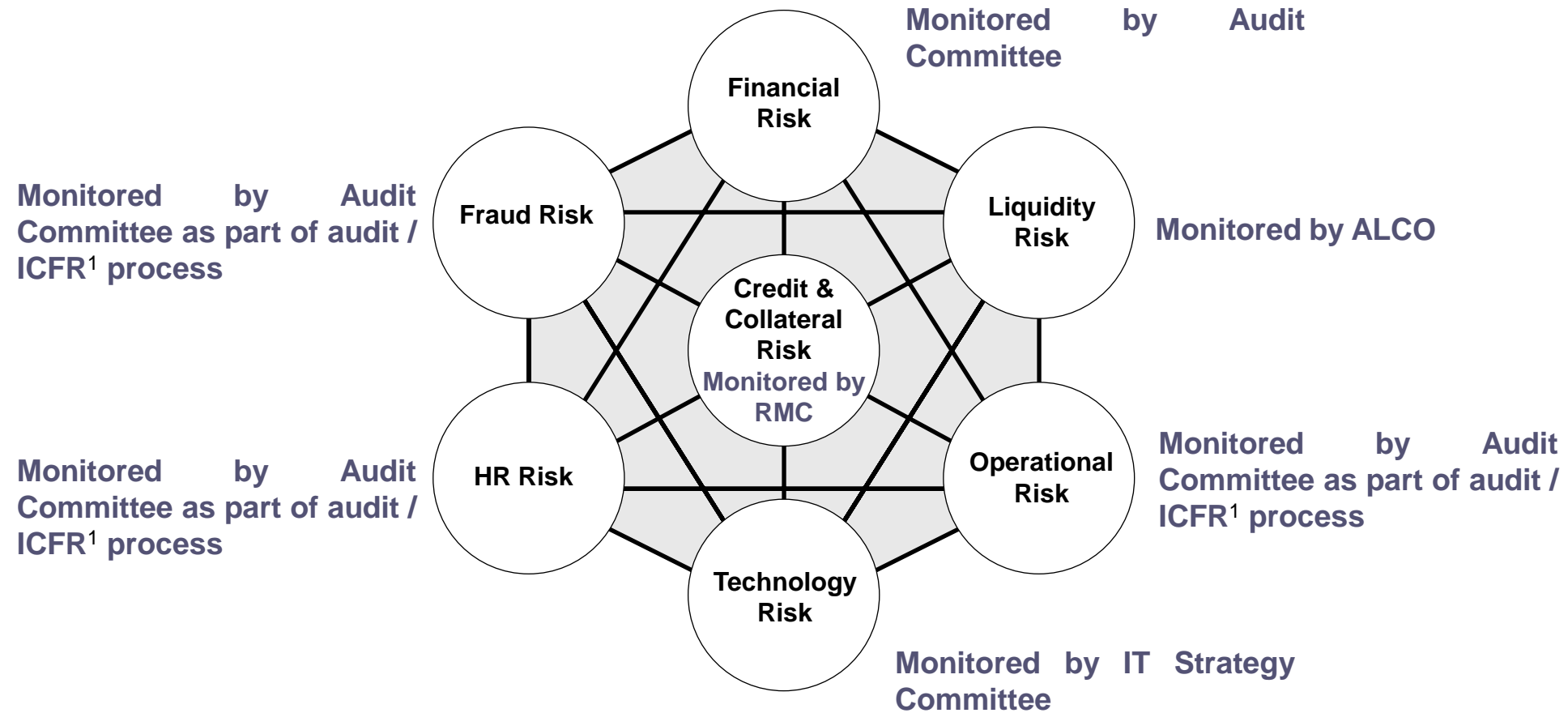


## Board of Directors



Robust Risk Management Architecture with strong oversight at various levels





**All the risks are monitored by Board Committees / as part of the Audit processes**

**Non-Operational risks like Compliance risk, Reputation risk are monitored by the Board**

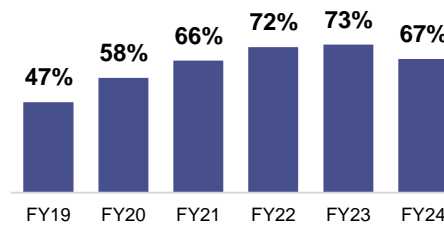
**Sustainable Business Model Built Around Societal Impact**



**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

**Majority of AUM from LIG**



- ✓ Provides business loans
- ✓ Lower interest rate

**Economic upliftment**

**Corporate Social Responsibility**

- CSR Committee is focused on improving education, health and livelihood

## Social Impact achieved through...

### Branch Presence

- Significant branch presence in Tier 3 to Tier 6 towns

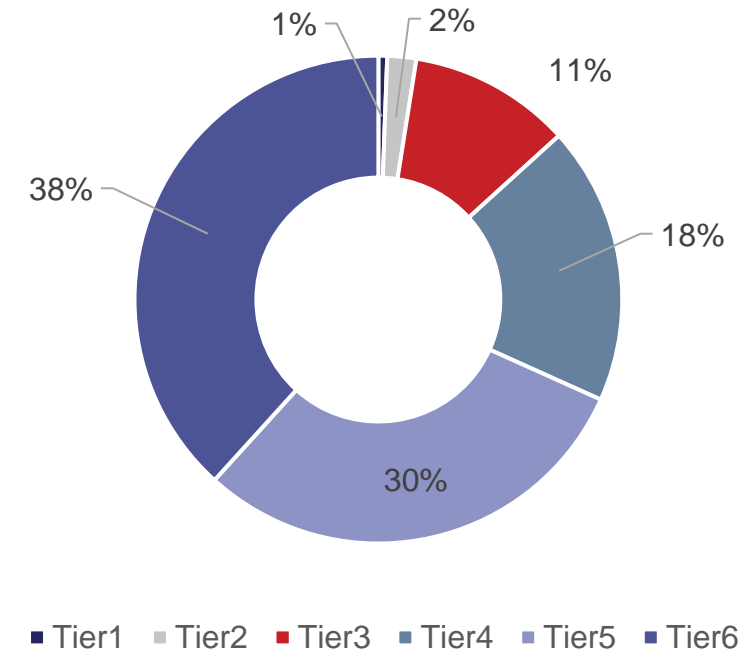
### Customers ignored by banks / larger FIs

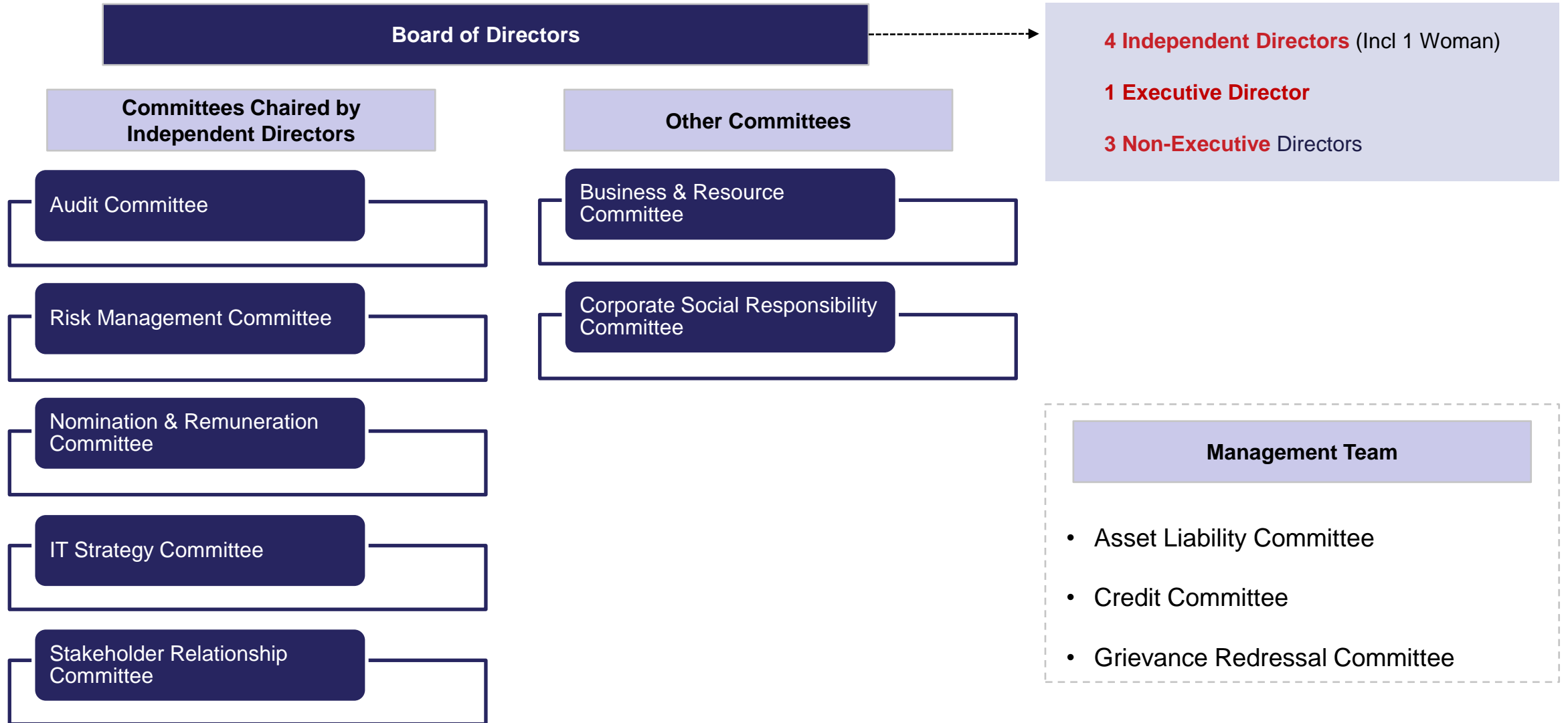
- Low-income borrowers
- Customers with strong incomes from everyday services but lacking the documentary evidence of such incomes
- Fully Collateralised loan

### 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





# Distinguished Board of Directors



Lakshmiopathy Deenadayalan  
Chairman & Managing Director



Anand Raghavan  
Independent Director  
Chair – Audit Committee



T T Srinivasaraghavan  
Independent Director  
Chair – Risk Management Committee



Bhama Krishnamurthy  
Independent Director  
Chair – Nomination & Remuneration Committee



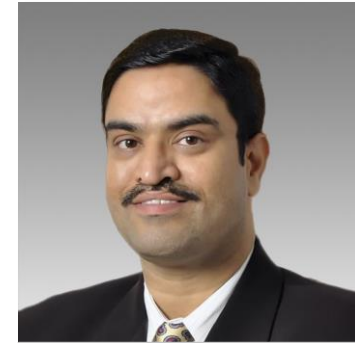
Ramkumar Ramamoorthy  
Independent Director  
Chair – IT Strategy Committee



Vikram Vaidyanathan  
Non-Executive Director<sup>1</sup>



G V Ravishankar  
Non-Executive Director<sup>2</sup>



Trilokchand Vasam  
Non-Executive Director

# Experienced Management team



Lakshmipathy D  
Managing Director



Rangarajan Krishnan  
Chief Executive Officer



Srikanth Gopalakrishnan  
Chief Financial Officer



Vishnuram Jagannathan  
Chief Operating Officer



Parthasarathy Srinivasan  
Chief Credit Officer



Sathya Ganesh  
Chief Business Officer



Vanamali Sridharan  
Chief Technology Officer



Jayaraman Sankaran  
Chief Risk Officer



Ramesh Kannah  
Chief Legal Officer



Naveen Raj  
Chief Audit Officer



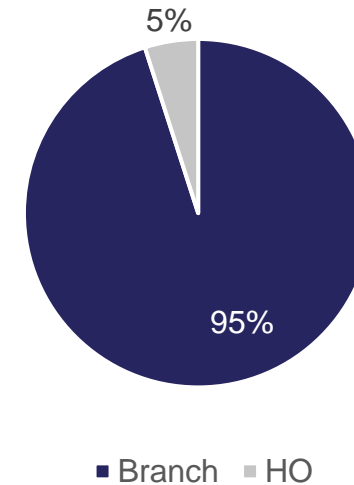
Prashanth Sreenivasan  
Chief Treasury Officer



Sai Suryanarayana  
Chief People Officer

Function	No of employees
Business & Collections	6,241
Supervisors	129
Credit	
- Field Credit	583
- Approval Credit	337
- Credit Support	8
Operations	
- Operations Officers	759
- Head Office team	185
Accounts	
- Cashiers	685
- Head Office team	72
Legal & MOD	119
IA & Customer Care	69
Technology	47
Human Resources	34
Administration	15
Others	23
Heads of Departments	9
Senior Management	12
<b>Total Headcount</b>	<b>9,327</b>

Proportion of Headcount – Branch vs HO



Adequate Human Capital with sufficient resources to carry out the necessary functions

Predominantly branch-led headcount, which aids to improved productivity, quality & profitability

Strong Supervisory layer (across branch and other support functions) to maintain strong control processes and ensure a 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



## Section 3

# Executive Summary – Q4FY2024



## Scale of Operations



**₹96.4bn / ₹69.1bn**  
AUM in Q4FY24 / Q4FY23  
39% growth Y-o-Y



**₹13.4bn / ₹11.1bn**  
Amount Disbursed in  
Q4FY24 / Q4FY23



**38,145 / 34,189**  
Number of Disbursements in  
Q4FY24 / Q4FY23



**₹52.0bn**  
Net Worth

## Distribution



**520**  
Number of Branches



**4,977**  
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)



**₹0.35mn**  
Average ticket size<sup>1</sup> for  
loans disbursed in Q4FY24



**385,966**  
Live accounts<sup>2</sup>



**40.4%**  
Average LTV<sup>3</sup>  
(As of Mar 31, 2024)

## Asset Quality



**1.38%**  
Q4FY24  
Gross Stage 3 Assets



**0.63%**  
Q4FY24<sup>4</sup>  
Net Stage 3 Assets



**0.69%**  
Q4FY24 Credit Cost to  
Average Total Assets<sup>5</sup>



**0.52% / 54.69%**  
Total Restructured Portfolio /  
Provision Coverage on  
restructured book

## Liability Profile



**45**  
Lender relationships



**50.50%**  
CRAR<sup>6</sup> – Sufficient  
capital



**Borrowing profile**  
Well-diversified profile with  
fixed rate borrowings of  
~31%



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

## Profitability



**₹2.4bn / ₹1.7bn**  
PAT for Q4FY24 / Q4FY23  
40% growth Y-o-Y



**17.19%**  
Net Interest Margin<sup>7</sup> for  
Q4FY24

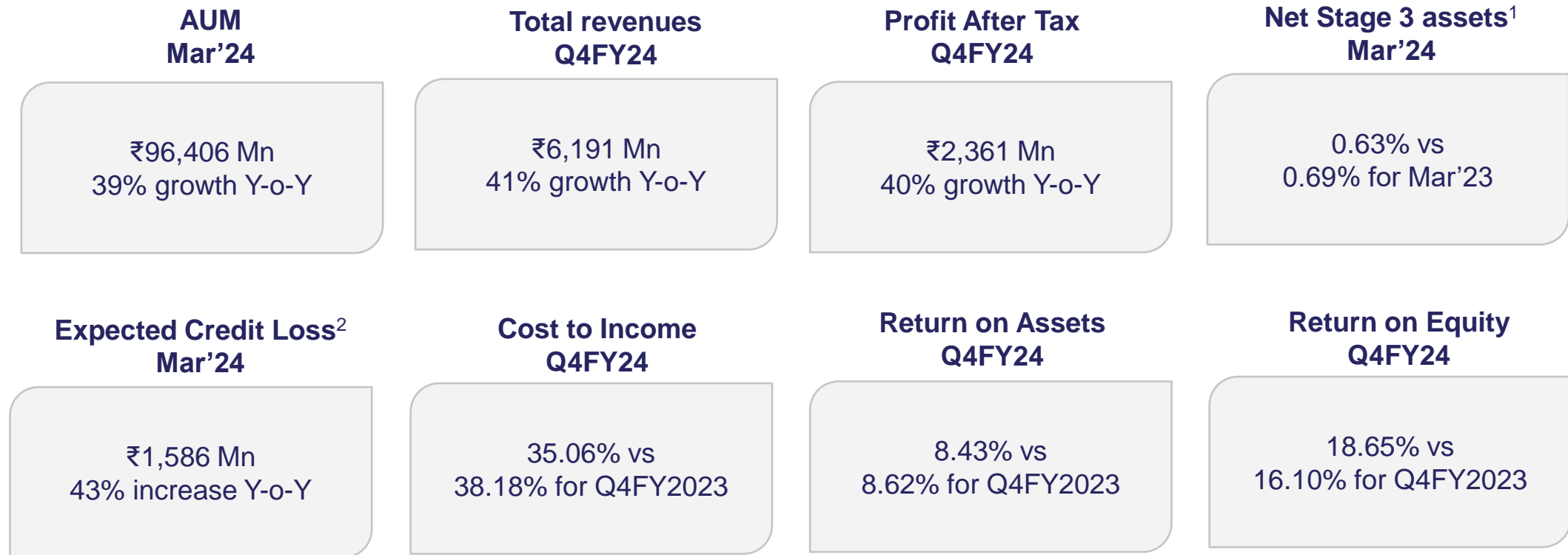


**8.43%**  
Return on Total Assets for  
Q4FY24

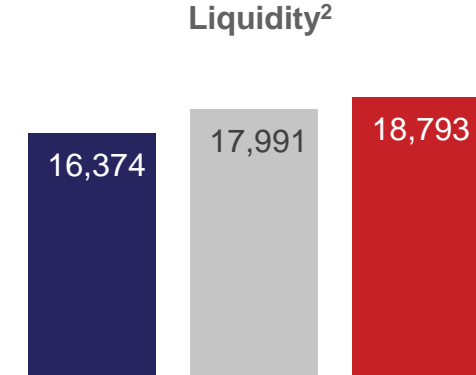
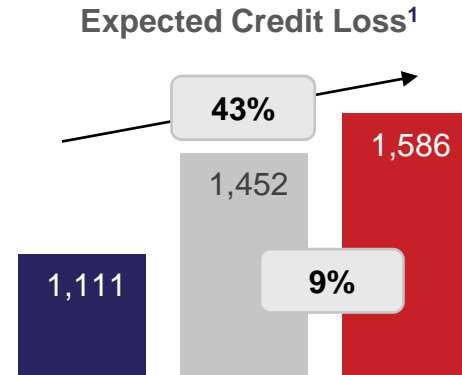
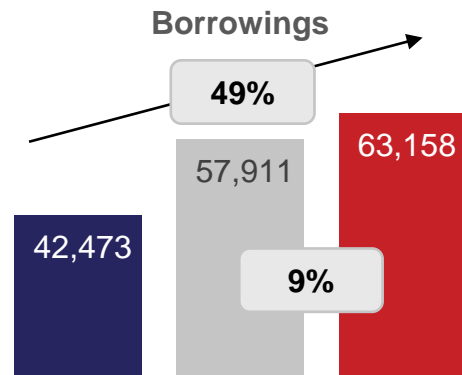
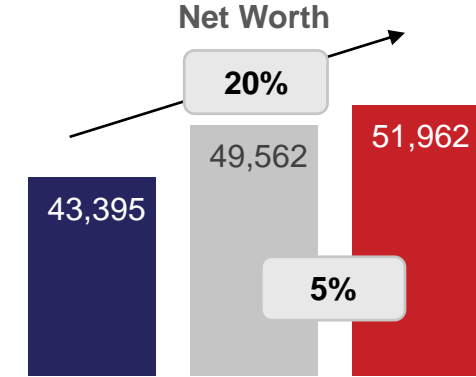
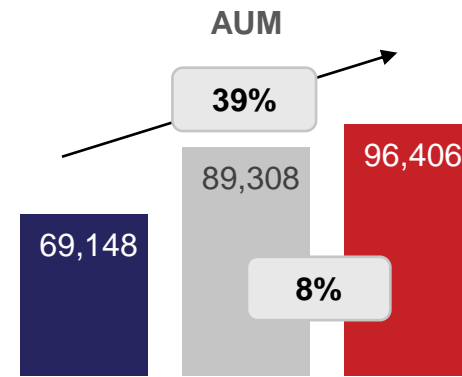
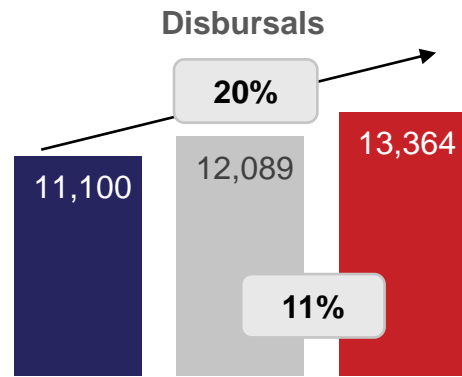


**18.65%**  
Return on Avg. Equity for  
Q4FY24

- Q4FY2024 was a strong quarter across Growth, Profitability and Quality. Growth momentum was sustained without any compromise on profitability or quality.
- Robust disburseals coupled with strong asset quality showing betterment across various DPD buckets
- Full year growth of 39% on AUM and Gross Stage 3 Assets of 1.38%

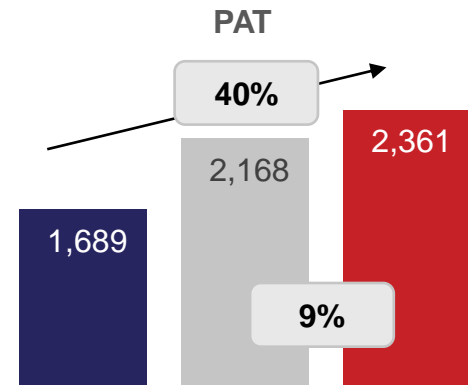
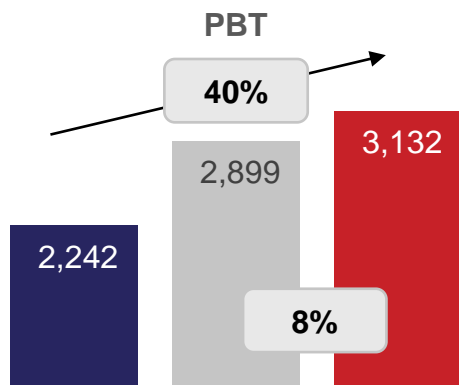
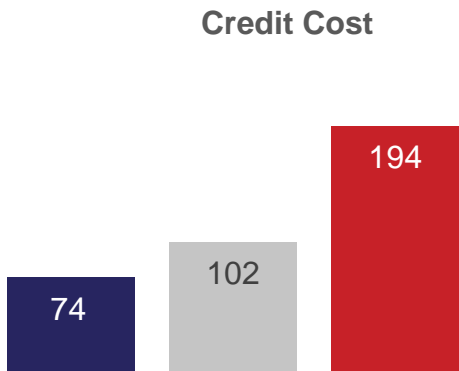
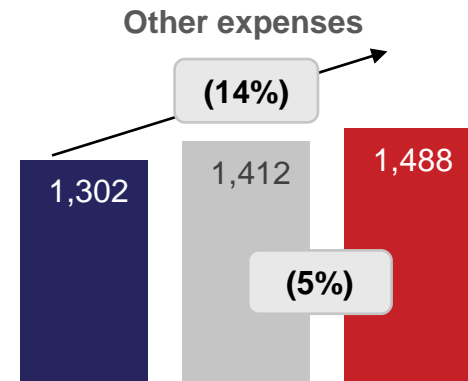
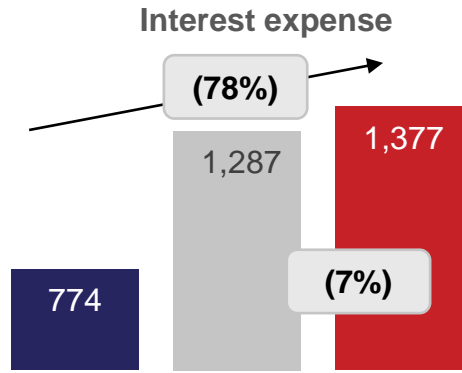
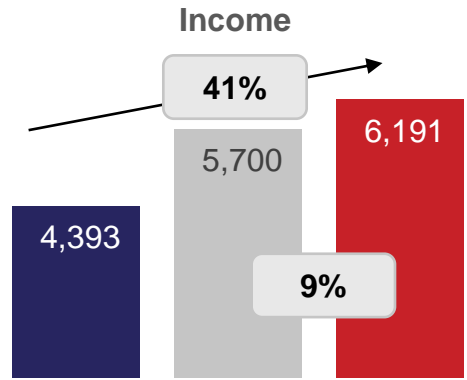


All amounts in ₹ Mn



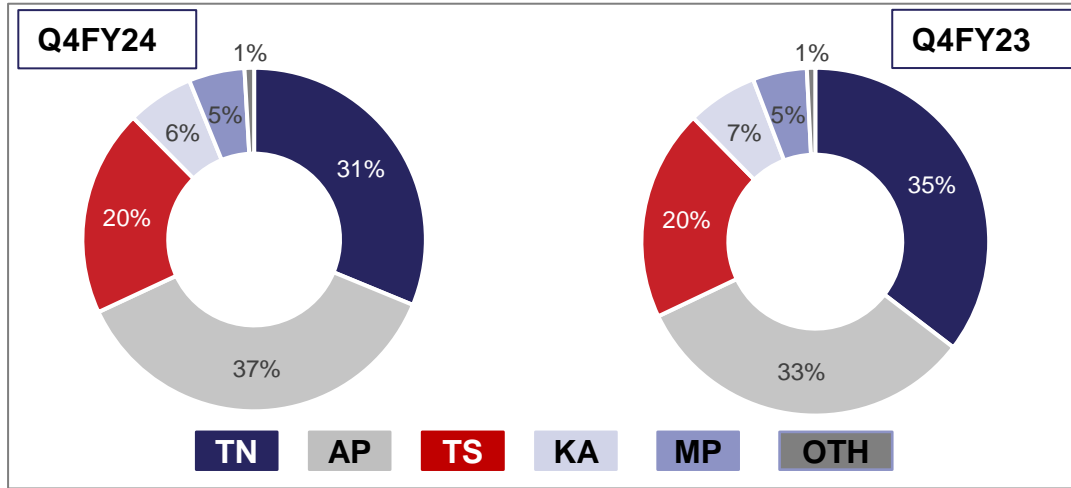
Q4FY23    Q3FY24    Q4FY24

All amounts in ₹ Mn

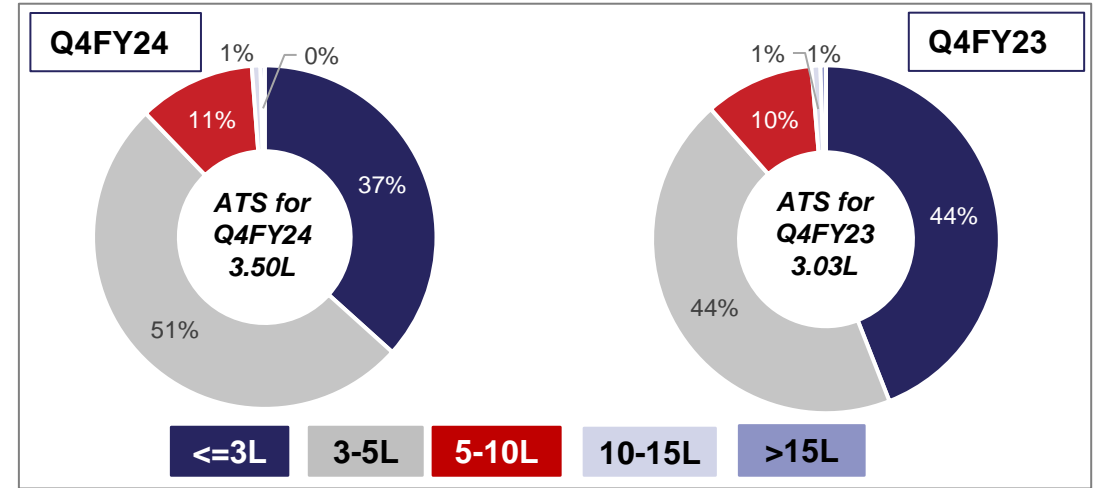


Q4FY23    Q3FY24    Q4FY24

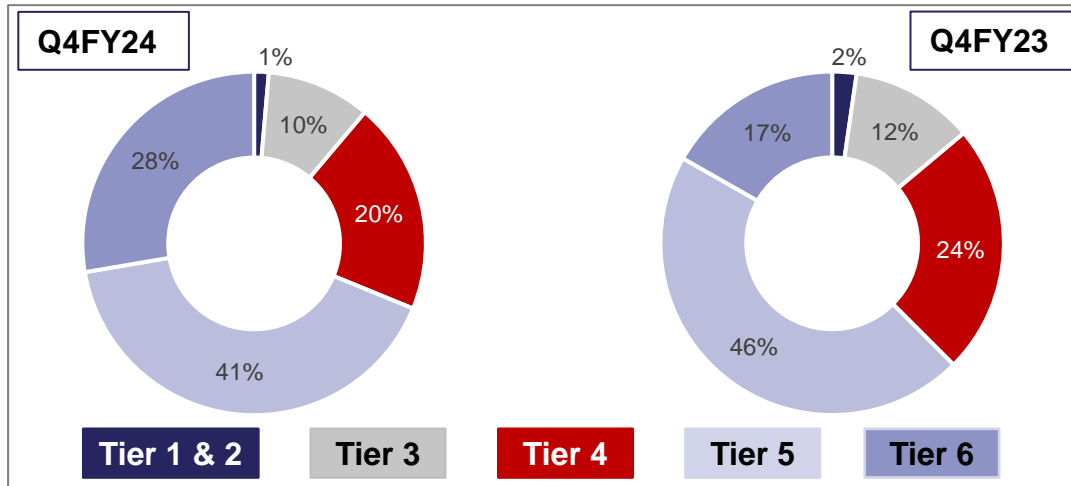
### AUM by Geography



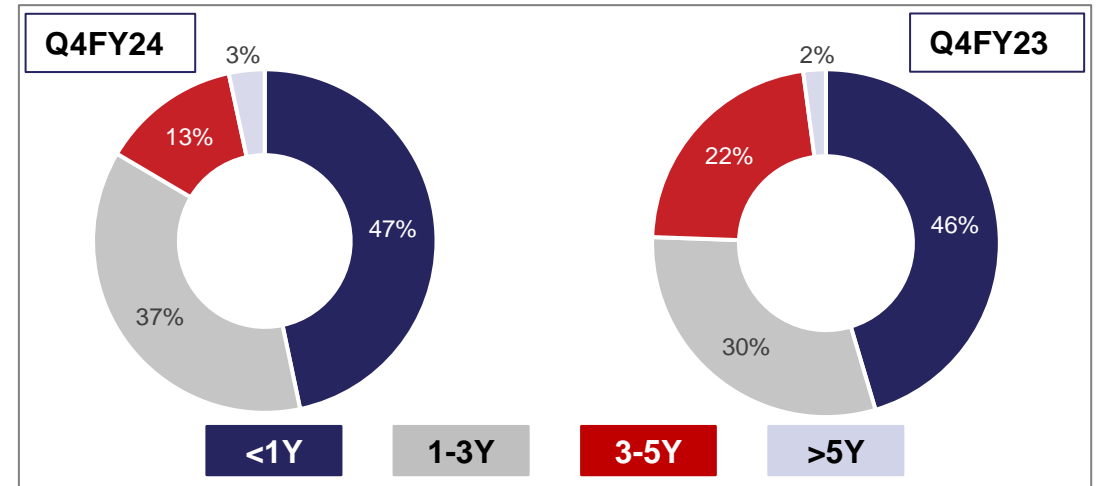
### AUM by Ticket Size



### AUM by Branch Tier<sup>1</sup>



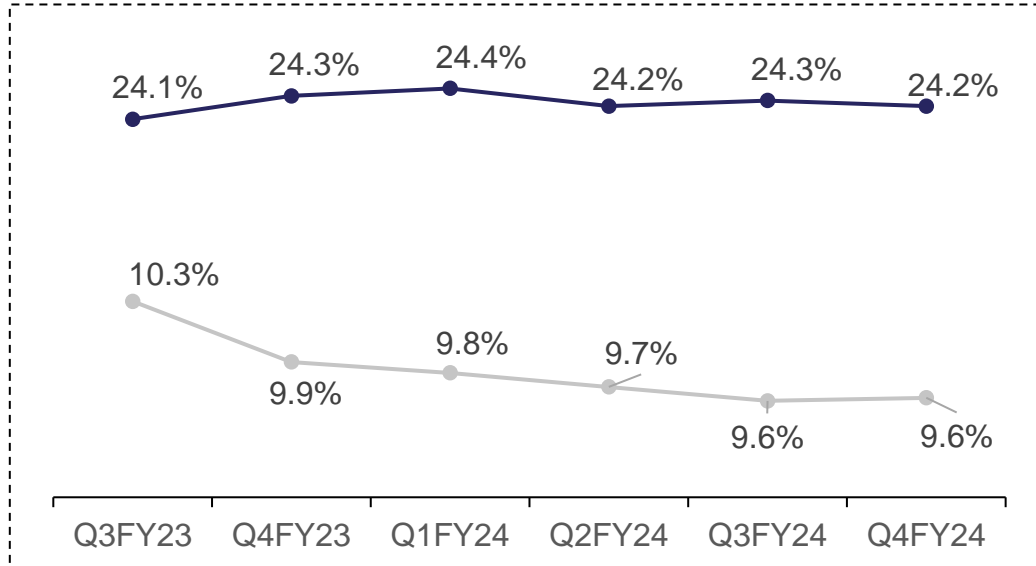
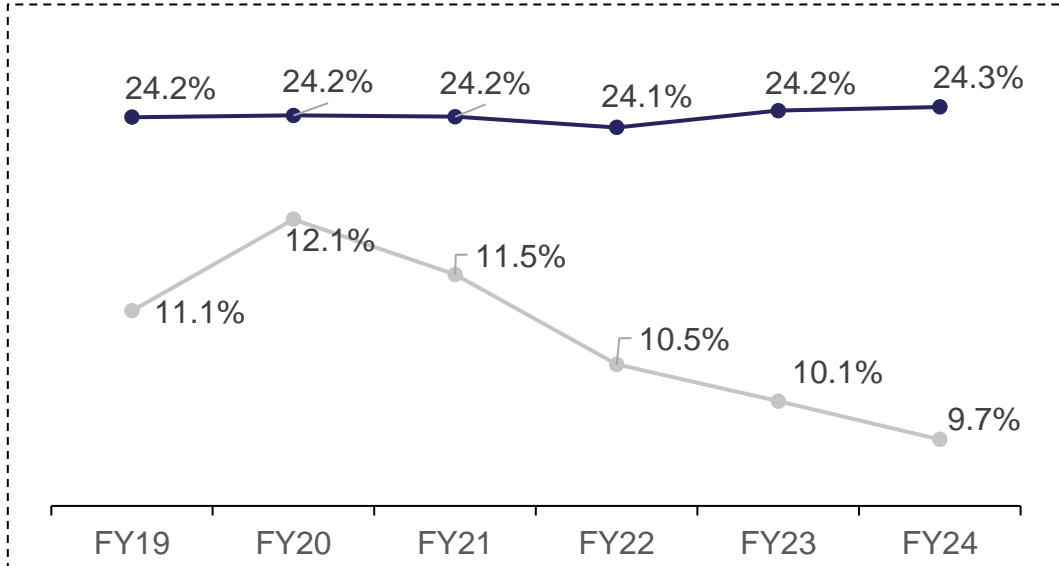
### AUM by Vintage of loans



Notes: 1. Tier 6 - Population < 50K; Tier 5 - Population 50K - 1L; Tier 4 - Population 1 - 2L; Tier 3 - Population 2 - 10L; Tier 2 - Population 10 - 50L; Tier 1 - Population >50L

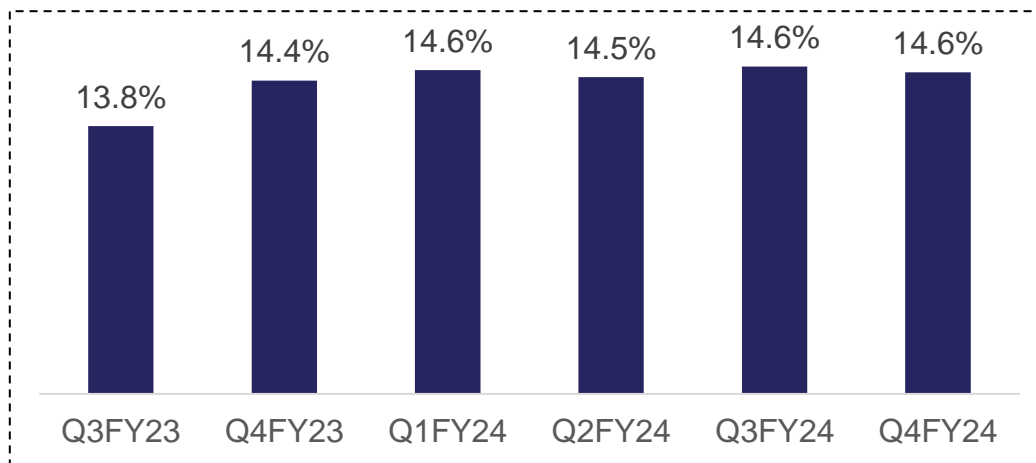
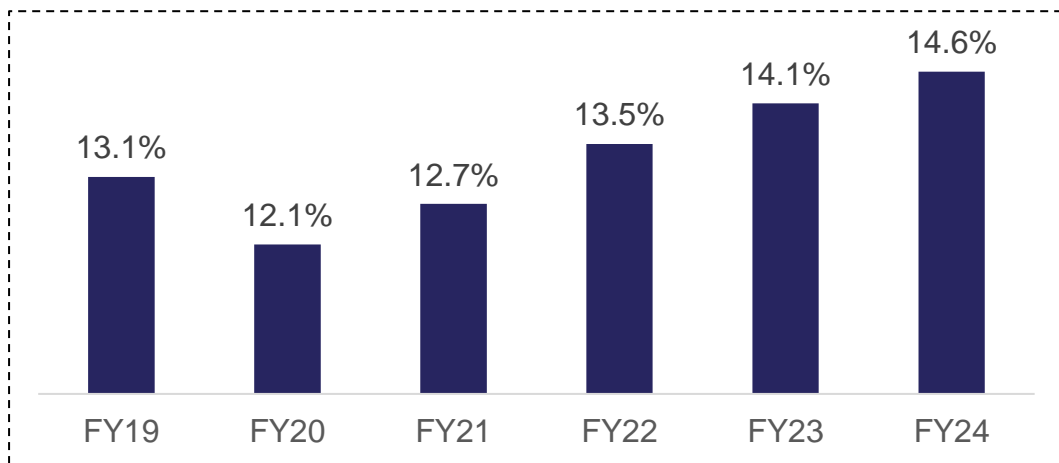
# Consistent & Best-in-class Spreads

— Portfolio Yield — Cost of borrowing ■ Spread



No yield increases done even during a difficult interest rate cycle

Consistent reduction in cost of borrowing during a rising interest rate cycle



1. Net Q-o-Q AUM growth of ₹7,098 Mn in Q4FY24 as against ₹6,724 Mn in Q4FY23. AUM was up 39% Y-o-Y at ₹96,406 Mn as of March 31, 2024 as against ₹69,148 Mn as of March 31, 2023.
2. Disbursements during the quarter was at ₹13,364 Mn as against ₹11,100 Mn during Q4FY23.
3. Active loans at 0.39 Mn as of March 31, 2024 as against 0.29 Mn as of March 31, 2023.
4. The Company added 40 branches during the quarter. Total branch count stood at 520 as against 373 branches as of March 31, 2023.
5. Total Headcount stood at 9,327 as against 7,347 as of March 31, 2023.
6. Overall Collections efficiency for the quarter stood at 99.5% as against 99.1% for Q3FY24. Unique loan collections % (Due One Collect One or D1C1) stood at 97.8% for the quarter as against 97.5% for Q3FY24.
7. In Q4FY2024, the company received sanctions for incremental debt of ₹9,000 Mn, availing ₹9,500 Mn (inclusive of some unavailed sanctions from previous quarters), at a weighted average rate of interest of 9.49% (all-inclusive cost of 9.58%<sup>1</sup>). During FY2024, the company has received sanctions for incremental debt of ₹43,541 Mn, availing ₹39,291 Mn, at a weighted average rate of interest of 9.28% (all-inclusive cost of 9.54%<sup>1</sup>). Liquidity buffer<sup>2</sup> and Unavailed Sanction lines as of March 31, 2024 stood at about ₹18,793 Mn and ₹4,250 Mn respectively.
8. Gross & Net Stage 3 assets<sup>3</sup> stood at 1.38% and 0.63% respectively as of March 31, 2024 as against 1.36% and 0.69% as of March 31, 2023.
9. Overall Stage 2 assets stood at ₹6,276 Mn (6.51%) as of March 31, 2024 as against ₹6,325 Mn (9.15%) as of March 31, 2023.
10. The Provision coverage on Stage 3 assets stood at 54.27% and the provision coverage on the overall portfolio stood at 1.64%.
11. Post tax profit grew by 40% to ₹2,361 Mn in Q4FY24 as compared to ₹1,689 Mn in Q4FY23.
12. Capital adequacy remained robust at 50.50%

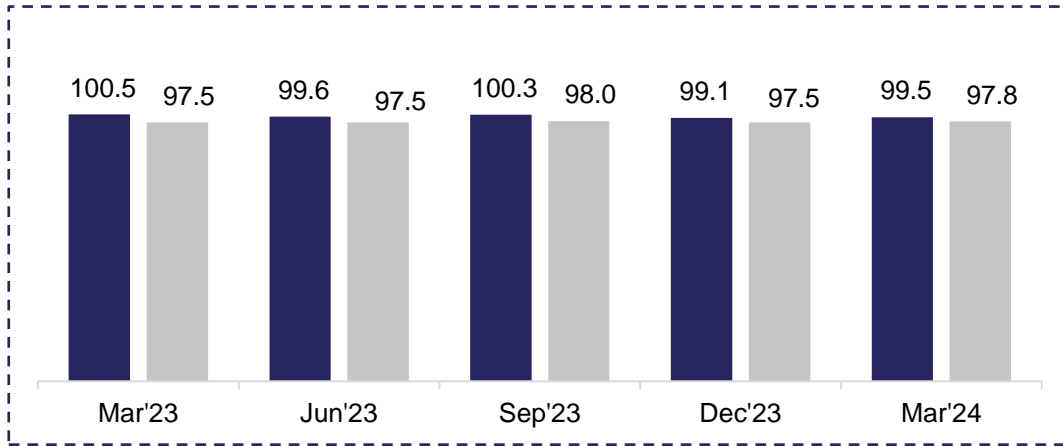


## Section 3

# Asset Quality & ECL

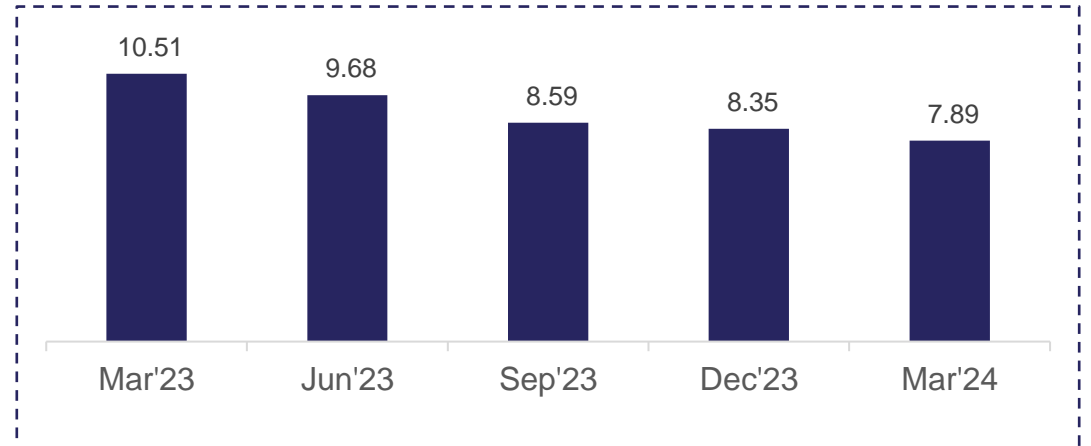


## Collections Efficiency (%)

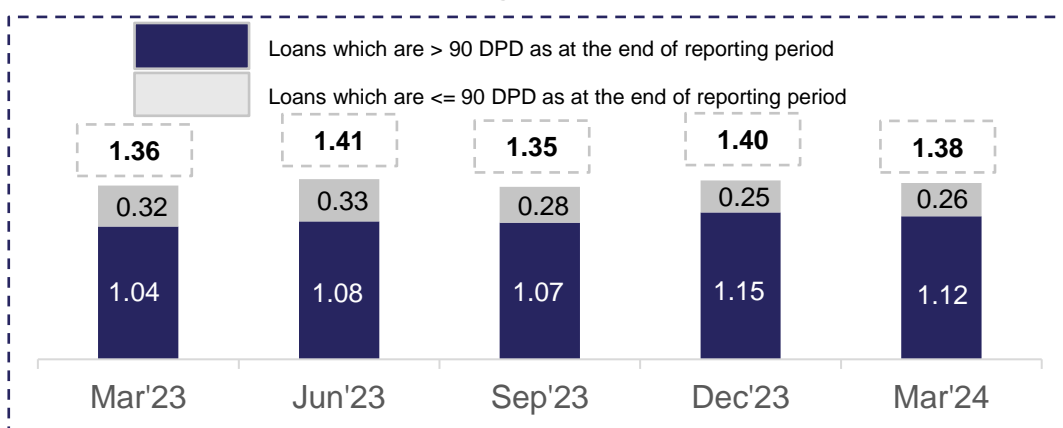


Amount of EMI received during the month (including arrears of previous months) divided by EMI demand for the current month  
 Amount of EMI received during the month, restricted to a max of 1 EMI per loan divided by EMI demand for the current month

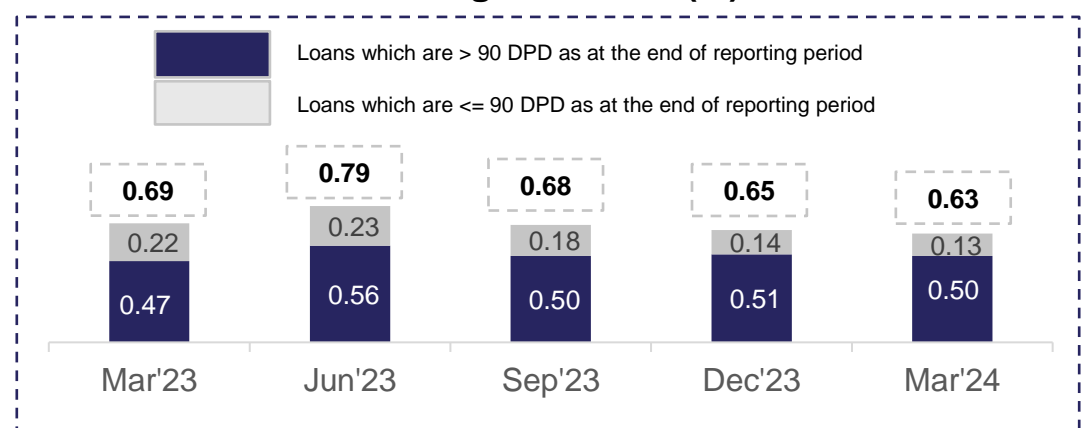
## 30+ (%)



## Gross Stage 3 Assets (%)



## Net Stage 3 Assets (%)<sup>1</sup>



Notes: 1. Net Stage 3 Assets computed as Gross Stage 3 assets reduced by Stage 3 ECL as a percentage of AUM reduced by Stage 3 ECL

Amount in ₹ Mn	As at Mar 2024		As at Dec 2023		As at Mar 2023	
	AUM	% AUM	AUM	% AUM	AUM	% AUM
Current (Stage-1)	84,247	87.39%	77,434	86.70%	57,743	83.51%
1-30 (Stage-1)	4,555	4.72%	4,415	4.94%	4,140	5.99%
31-60 (Stage-2)	3,462	3.59%	3,311	3.71%	3,140	4.54%
61-90 (Stage-2)	2,814	2.92%	2,897	3.24%	3,185	4.61%
90+ (Stage-3)	1,328	1.38%	1,251	1.40%	939	1.36%
<b>Total</b>	<b>96,406</b>		<b>89,308</b>		<b>69,148</b>	
Stage 1 Assets	88,802	92.11%	81,849	91.65%	61,884	89.49%
Stage 2 Assets	6,276	6.51%	6,208	6.95%	6,325	9.15%
Stage 3 Assets	1,328	1.38%	1,251	1.40%	939	1.36%

Amount in ₹ Mn				
As of March 31, 2024	Stage 1	Stage 2	Stage 3	Total
Loans Outstanding (Gross) <sup>1</sup>	88,802	6,276	1,328	96,406
ECL Provision <sup>2</sup>	350	507	721	1,578
Loans Outstanding (Net)	88,452	5,769	607	94,828
<b>ECL Provision %</b>	<b>0.39%</b>	<b>8.08%</b>	<b>54.27%</b>	<b>1.64%</b>
As of December 31, 2023	Stage 1	Stage 2	Stage 3	Total
Loans Outstanding (Gross) <sup>1</sup>	81,849	6,208	1,251	89,308
ECL Provision <sup>2</sup>	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>
As of March 31, 2023	Stage 1	Stage 2	Stage 3	Total
Loans Outstanding (Gross) <sup>1</sup>	61,884	6,325	939	69,148
ECL Provision <sup>2</sup>	203	443	463	1,111
Loans Outstanding (Net)	61,681	5,882	476	68,037
<b>ECL Provision %</b>	<b>0.33%</b>	<b>7.01%</b>	<b>49.33%</b>	<b>1.61%</b>

Amount in ₹ Mn	Q4FY2024	Q4FY2023	Q4FY2022	Q4FY2021
Loan Portfolio	96,406	69,148	50,671	44,454
Gross Stage 3 assets	1,328 <sup>1</sup>	939 <sup>1</sup>	531 <sup>2</sup>	452 <sup>2</sup>
Gross Stage 3 assets %	1.38%	1.36%	1.05%	1.02%
Gross Stage 3 assets % - 1 year Lag	1.92%	1.85%	1.19%	1.16%
Gross Stage 3 assets % - 2 years Lag	2.62%	2.11%	1.36%	2.14%

Increase in Gross Stage 3 assets from FY2023 is on account of transition to new IRAC norms

Increase in Lag Gross Stage 3 assets in FY2023 and FY2024 is on account the lower portfolio growth during FY2021 and FY2022 due to COVID

*1-year lag Gross Stage 3 assets computed as Gross Stage 3 assets as at the end of a period as a % of the loan portfolio 1 year ago*

*2-year lag Gross Stage 3 assets computed as Gross Stage 3 assets as at the end of a period as a % of the loan portfolio 2 years ago*



## Section 4

# Financial Performance – Q4FY2024

# Balance Sheet

Particulars (₹ Mn)	Q4FY2024	Q4FY2023	Q3FY2024	FY2024	FY2023
<b>Assets</b>					
Cash & Cash equivalents	15,344	13,404	15,308	15,344	13,404
Bank balances other than cash & cash equivalents	1,373	2,405	1,361	1,373	2,405
<b>Loans<sup>1</sup></b>	<b>96,851</b>	<b>68,222</b>	<b>88,887</b>	<b>96,851</b>	<b>68,222</b>
- Loan portfolio	96,406	69,148	89,308	96,406	69,148
- Inter-Corporate Deposits <sup>1</sup>	2,031	184	1,031	2,031	184
- Expected Credit Loss <sup>2</sup>	(1,586)	(1,111)	(1,452)	(1,586)	(1,111)
Investments	1,077	1,446	1,331	1,077	1,446
Other financial assets <sup>3</sup>	612	356	583	612	356
Non-Financial Assets	1,632	1,196	1,584	1,632	1,196
<b>Total Assets</b>	<b>116,888</b>	<b>87,028</b>	<b>109,052</b>	<b>116,888</b>	<b>87,028</b>
<b>Liabilities &amp; Equity</b>					
Trade Payables	254	201	282	254	201
Debt Securities	2,954	5,248	2,977	2,954	5,248
Borrowings other than Debt Securities	60,205	37,224	54,934	60,205	37,224
Other Financial Liabilities <sup>3</sup>	1,003	608	964	1,003	608
Non-Financial Liabilities	511	352	333	511	352
Total Equity	51,962	43,395	49,562	51,962	43,395
<b>Total Liabilities &amp; Equity</b>	<b>116,888</b>	<b>87,028</b>	<b>109,052</b>	<b>116,888</b>	<b>87,028</b>

# Quarterly & Yearly Profit & Loss Statement

Particulars (₹ Mn)	Q4FY2024	Q4FY2023	Q3FY2024	Y-o-Y	Q-o-Q	FY2024	FY2023	Y-o-Y
Loan Portfolio	96,406	69,148	89,308	39%	8%	89,308	69,148	39%
<b>Interest Income (1)</b>	<b>5,992</b>	<b>4,235</b>	<b>5,495</b>	<b>41%</b>	<b>9%</b>	<b>21,166</b>	<b>14,988</b>	<b>41%</b>
- Interest on loan portfolio	5,581	3,897	5,179	43%	8%	19,938	13,970	43%
- Penal Interest <sup>1</sup>	44	42	35	5%	26%	161	155	4%
- Interest on Inter-Corporate Deposits	22	3	3	633%	633%	28	63	(56%)
- Interest on Investments <sup>2</sup>	182	183	134	(1%)	37%	480	421	14%
- Processing fee & other fees <sup>3</sup>	163	110	145	48%	13%	559	379	47%
<b>Net Gain on Fair value changes (2)</b>	<b>86</b>	<b>36</b>	<b>139</b>	<b>139%</b>	<b>(38%)</b>	<b>443</b>	<b>83</b>	<b>434%</b>
<b>Fee &amp; Other income (3)</b>	<b>113</b>	<b>122</b>	<b>66</b>	<b>(7%)</b>	<b>71%</b>	<b>342</b>	<b>218</b>	<b>56%</b>
- Fee income <sup>4</sup>	84	87	40	(4%)	113%	219	138	59%
- Recovery of Bad debts	19	33	18	(42%)	4%	95	74	30%
- Other non-operating income	9	2	8	309%	15%	27	7	274%
<b>Total Income (1+2+3)</b>	<b>6,191</b>	<b>4,393</b>	<b>5,700</b>	<b>41%</b>	<b>9%</b>	<b>21,951</b>	<b>15,289</b>	<b>44%</b>
Interest Expenses <sup>5</sup>	1,377	774	1,287	78%	7%	4,685	2,663	76%
<b>Net Interest Income</b>	<b>4,814</b>	<b>3,619</b>	<b>4,413</b>	<b>33%</b>	<b>9%</b>	<b>17,266</b>	<b>12,626</b>	<b>37%</b>
Operating Expenses	1,488	1,302	1,412	14%	5%	5,553	4,378	27%
Loan losses & Provisions	194	74	102	162%	90%	554	202	176%
<b>Profit before Tax (PBT)</b>	<b>3,132</b>	<b>2,242</b>	<b>2,899</b>	<b>40%</b>	<b>8%</b>	<b>11,159</b>	<b>8,047</b>	<b>39%</b>
<b>Profit after Tax (PAT)</b>	<b>2,361</b>	<b>1,689</b>	<b>2,168</b>	<b>40%</b>	<b>9%</b>	<b>8,359</b>	<b>6,035</b>	<b>39%</b>
Other Comprehensive Income	(1)	7	(6)	(114%)	(83%)	(18)	(22)	(18%)
<b>Total Comprehensive Income</b>	<b>2,360</b>	<b>1,696</b>	<b>2,162</b>	<b>39%</b>	<b>9%</b>	<b>8,341</b>	<b>6,013</b>	<b>39%</b>
Earnings Per Share (Basic) <sup>6</sup>	8.07	5.79	7.42			28.64	20.71	
Earnings Per Share (Diluted) <sup>6</sup>	8.01	5.73	7.37			28.39	20.49	
Book value per Share <sup>7</sup>	174.06	146.84	166.03			174.06	146.84	

Note: 1. Denotes additional / penal interest (nomenclature shall be changed to penal charges w.e.f April 1, 2024) on unpaid instalments and accounted on receipt basis; 2. Denotes interest accrued on fixed deposits and government securities; 3. Includes processing fee, legal and documentation charges accounted on EIR basis and amortised over the life of the loans; 4. Denotes legal and documentation charges, cheque bounce charges, etc accounted on receipt basis; 5. Includes interest on lease liabilities; 6. EPS for the quarters is not annualized. EPS has been computed in accordance with IND AS 33.7. 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) as at the end of the reporting period

Particulars	Q4FY2024	Q4FY2023	Q3FY2024	FY2024	FY2023
Interest Income (as a % of average portfolio)	24.19%	23.93%	24.25%	24.27%	24.23%
Interest Expenses <sup>1</sup> (as a % of average borrowings)	9.64%	9.87%	9.64%	9.71%	10.12%
<b>Net Interest Income %</b>	<b>14.55%</b>	<b>14.06%</b>	<b>14.61%</b>	<b>14.56%</b>	<b>14.11%</b>
Total Income (as a % of average total assets <sup>2</sup> )	22.11%	22.42%	21.69%	22.11%	21.84%
Interest Expense (as a % of average total assets <sup>2</sup> )	4.92%	3.95%	4.90%	4.72%	3.80%
<b>Net Interest Margin %</b>	<b>17.19%</b>	<b>18.47%</b>	<b>16.80%</b>	<b>17.39%</b>	<b>18.04%</b>
Operating Expenses (as a % of average total assets <sup>2</sup> )	5.31%	6.65%	5.37%	5.59%	6.26%
Loan losses & Provisions (as a % of average total assets <sup>2</sup> )	0.69%	0.38%	0.39%	0.56%	0.29%
<b>Profit before Tax (PBT) %</b>	<b>11.19%</b>	<b>11.44%</b>	<b>11.03%</b>	<b>11.24%</b>	<b>11.50%</b>
Tax %	2.75%	2.82%	2.78%	2.82%	2.87%
<b>Profit after Tax (PAT) or Return on average total assets<sup>2</sup></b>	<b>8.43%</b>	<b>8.62%</b>	<b>8.25%</b>	<b>8.42%</b>	<b>8.62%</b>
Debt / Equity	1.22	0.98	1.17	1.22	0.98
Leverage (Total assets <sup>3</sup> / Net worth)	2.25	2.01	2.20	2.25	2.01
<b>Return on Equity</b>	<b>18.65%</b>	<b>16.10%</b>	<b>17.74%</b>	<b>17.60%</b>	<b>15.03%</b>
<b>Cost to income ratio</b>	<b>35.06%</b>	<b>38.18%</b>	<b>34.42%</b>	<b>35.49%</b>	<b>36.40%</b>



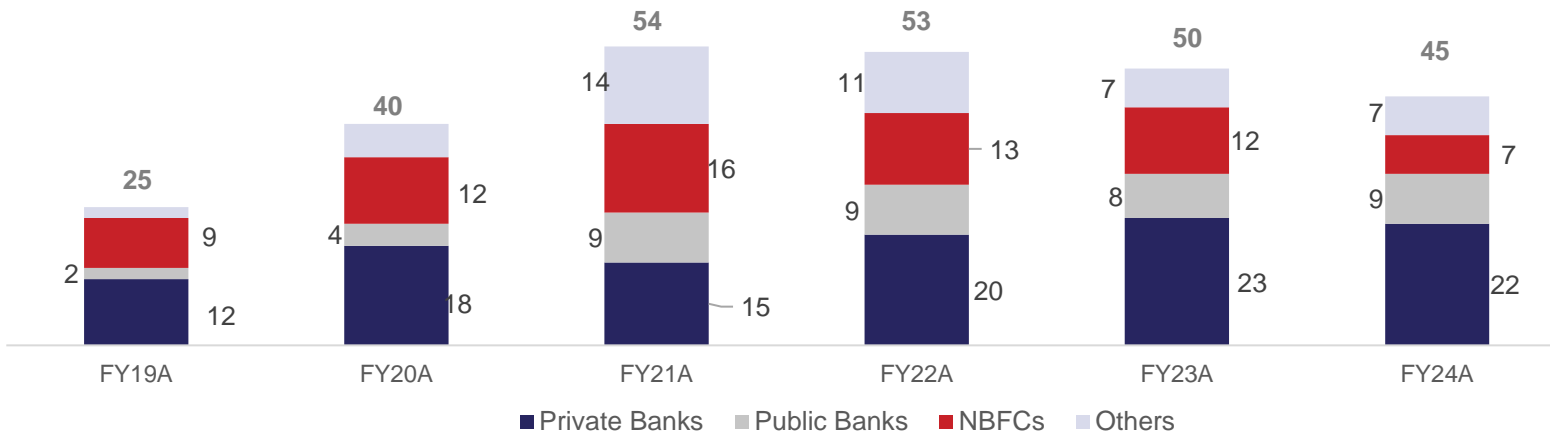


## Section 5

# Liability & ALM

## Well diversified borrowing mix

Number of lenders in each category



Increased number of lending relationships from 25 as of Mar 2019 to 45 as of Mar 2024

Deepened relationships in the PSU and private bank category

**Big ticket sanction (INR 450 Cr) received from NABARD, one of the largest DFIs in the country, during Q4FY24**

**Received funding of INR 500 Cr from International Finance Corporation<sup>1</sup>, though the transaction was settled in April 2024**

### Long Term Credit Rating

**AA-** from ICRA, CARE and India Ratings

### Short Term Credit Rating

**A1+** from CARE

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

### Lenders to the Company

#### Select Public Sector Banks



#### Select Private Sector Banks

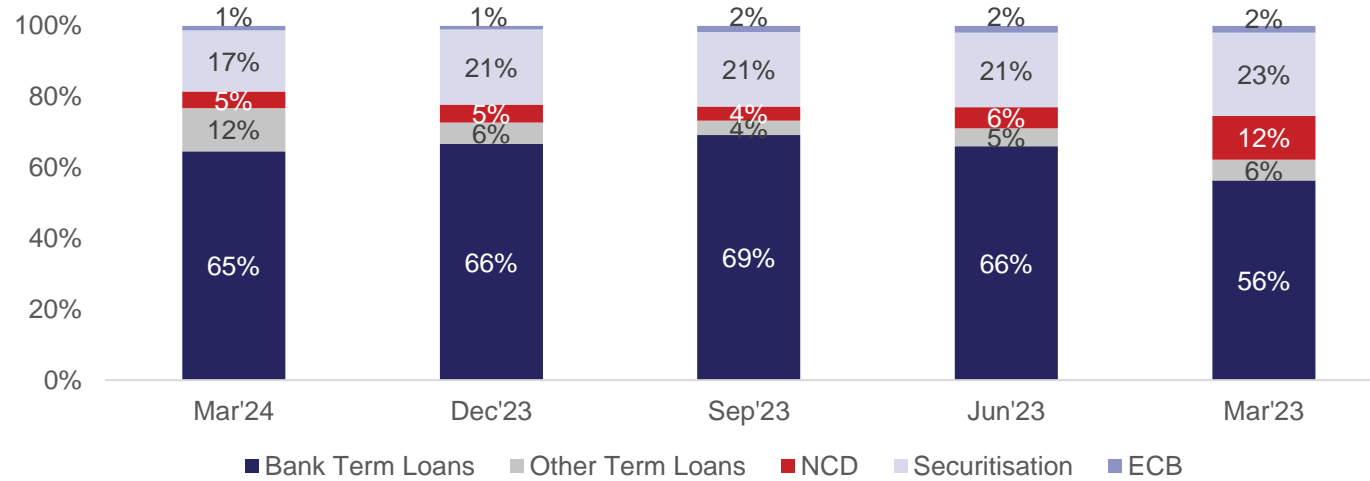


#### Select Other Institutions

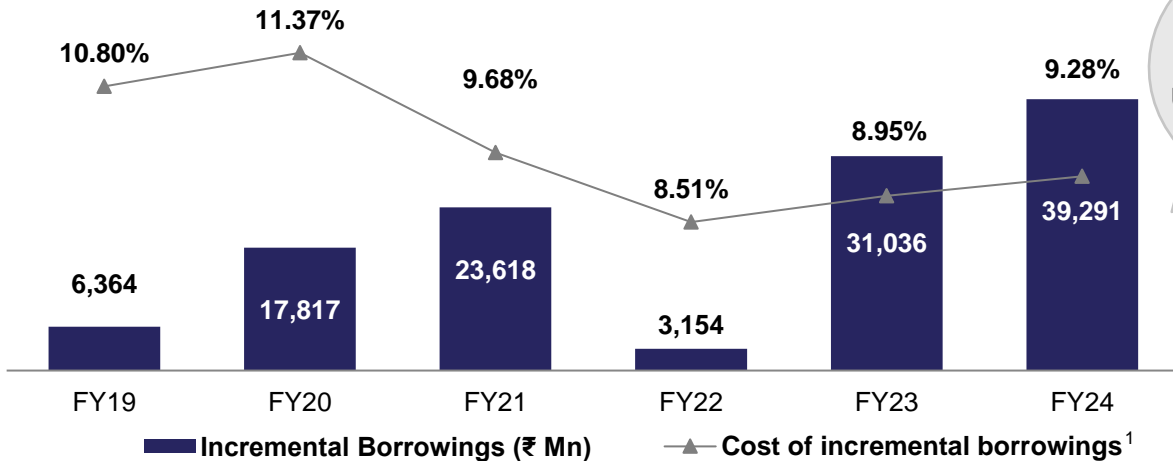


Notes: 1. Transaction with IFC was settled in April 2024, though term sheet was agreed upon in FY24.

## Well diversified borrowing mix

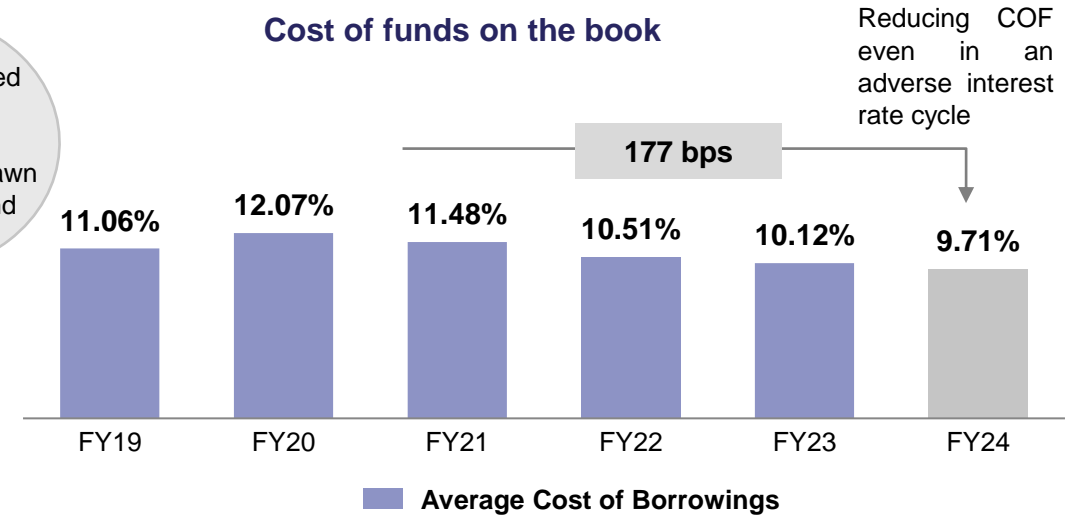


## Cost of incremental borrowings



Sanctions received  
43,541 Mn  
Undrawn / Part drawn  
sanctions on hand  
4,250 Mn

## Cost of funds on the book



Note: 1. Represents weighted average rate of interest on fresh borrowings in the relevant period, weights being availed amount of each borrowing during the period.

## Cashflow Position as of Mar'24 – Cumulative

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<sup>1</sup></b>	<b>19,847</b>	<b>18,756</b>	<b>18,821</b>	<b>18,340</b>	<b>18,088</b>	<b>17,937</b>	<b>21,549</b>	<b>37,525</b>
Add: Inflows from advances <sup>2</sup>	1,007	1,091	1,109	3,564	7,803	33,898	31,885	15,329
Less: Outflows on borrowings	1,207	1,076	1,584	3,774	7,813	29,869	16,040	1,938
Add: Other inflows	111	74	17	82	70	75	415	3,334
Less: Other outflows	1,002	23	22	124	211	492	284	54,251
<b>Cumulative mismatch</b>	<b>18,756</b>	<b>18,821</b>	<b>18,340</b>	<b>18,088</b>	<b>17,937</b>	<b>21,549</b>	<b>37,525</b>	<b>-</b>

No cumulative mismatch in any of the time buckets

The Company does not use short-term borrowings to fund its long-term assets, despite possible pricing benefits

## Strong Liquidity Position as of Mar'24

Amount in ₹ Mn	
<b>Liquidity buffer as of Mar 2024<sup>1</sup></b>	
Unencumbered cash & cash equivalents <sup>1</sup>	18,793
Unavailed sanction from banks / FIs	4,250
<b>Total Liquidity</b>	<b>23,043</b>

Projected Cashflow Schedule	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Opening Liquidity	23,043	24,898	26,458	27,831
Add: Principal collections & internal accruals	5,721	5,335	5,260	5,495
Less: Debt repayments	3,867	3,774	3,887	3,926
<b>Closing Liquidity</b>	<b>24,898</b>	<b>26,458</b>	<b>27,831</b>	<b>29,401</b>

# Thank You

For further information, you may please email to:

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