

Date: February 01, 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 Press Release on the Financial and Operational Performance of the Company for the quarter and nine months ended December 31, 2023

Dear Sir/ Madam

In terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Investor Press Release on the financial and operational performance of the Company for the quarter and nine months ended December 31, 2023.

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

We request you to take the above intimation 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
New No. 27, Old No. 4, Taylor's Road, Kilpauk, Chennai 600010
CIN: L65991TN1984PLC010844

Chennai, February 1, 2024: The Board of Directors of Five-Star Business Finance Limited, has declared its unaudited financial results for the quarter ended December 31, 2023 and for the 9 months ended December 31, 2023.

Results for the quarter ended December 31, 2023

Particulars	Q3FY24	Q3FY23	Y-o-Y	Q2FY24	Q-o-Q
AUM (Rs Cr)	8,931	6,242	43%	8,264	8%
Disbursements (Rs Cr)	1,209	910	33%	1,204	0.4%
Gross Stage 3 Assets ¹	1.40%	1.45%	-0.05%	1.35%	0.05%
Net Stage 3 Assets ²	0.65%	0.81%	-0.16%	0.68%	-0.03%
PAT (Rs Cr)	217	151	44%	199	9%
Net Interest Margin	16.80%	18.55%	-1.75%	17.68%	-0.88%
Return on Assets	8.25%	8.60%	-0.35%	8.47%	-0.22%
Return on Equity	17.74%	14.67%	3.07%	17.08%	0.66%

Results for the 9 months ended December 31, 2023

Particulars	9M ended Dec 31, 2023	9M ended Dec 31, 2022	Y-o-Y
AUM (Rs Cr)	8,931	6,242	43%
Disbursements (Rs Cr)	3,545	2,281	55%
Gross Stage 3 Assets ¹	1.40%	1.45%	-0.05%
Net Stage 3 Assets ²	0.65%	0.81%	-0.16%
PAT (Rs Cr)	600	435	38%
Net Interest Margin	17.36%	17.91%	-0.55%
Return on Assets	8.36%	8.64%	-0.28%
Return on Equity	17.16%	14.66%	2.50%

Note 1: Gross Stage 3 Assets computed as per guidelines stipulated by RBI vide their circular on Prudential Norms on Income recognition and Asset classification dated Nov 12, 2021 and further clarified through circular dated February 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 on or after October 1, 2022 and not cleared their arrears fully, expressed as a % of AUM; Net stage 3 represents Gross NPA reduced by impairment allowance on such loans expressed as a percentage of AUM

Note 2: 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

Commenting on the results, **Mr Lakshmipathy Deenadayalan, Chairman & Managing Director**, said,

We had a strong quarter in Q3 across business and disbursal demand and collections momentum. Despite some minimal impact of floods, we disbursed Rs 1,209 Crores of loans against Rs 1,204 Crores during Q2FY24. We added 24 branches during Q3FY2024, following the 70 branches we added during Q2FY24. This has resulted in a strong branch network of 480 branches to deliver quality service to our customers.

On the collections front, we saw a good set of numbers, a bit muted due to the impact of floods across 2 key states of TN and AP. Our collection efficiency for the quarter was at 99.1% and unique customer collections came in at 97.5%, both of which are strong numbers. While there was a marginal increase in our gross NPA from 1.35% in Q2FY24 to 1.40% during the current quarter, our 30+ came down from 8.59% last quarter to 8.35% during the current quarter. We are very confident that the strong growth in disbursements and collection efficiencies pave the way for a strong trajectory across growth, quality and profitability.

During the quarter, we also raised incremental debt sanctions of Rs 1,380 Cr availing Rs 1,005 Cr. We continue to have a robust liquidity on the balance sheet of Rs 1,799 Cr and also unavailed sanctions of Rs 475 Cr. While the cost of incremental debt showed a slight increase to 9.57% as against 9.50% for Q2FY24, the cost of funds on the book showed a drop from 9.71% in Q2FY24 to 9.64% during the current quarter.

We continued to grow consistently and delivered an AUM growth of 43% y-o-y. PAT for Q3FY2024 grew at 44% as compared to Q3FY2023 and our ROA and ROE stand as one of the best in the industry.

Key Highlights for Q3FY24:

Distribution:

1. The Company has increased its branch presence to 480 branches across 10 states / UT.
2. During the quarter, the company opened 24 new branches.
3. Disbursals – The Company disbursed an amount of Rs 1,209 Cr, up by 33% on y-o-y basis and 0.4% on q-o-q basis.

Assets under Management:

1. AUM as of December 31, 2023 ended at Rs 8,931 Cr, growth of 43% on y-o-y basis and 8% on q-o-q basis.
2. AUM is comprised of 0.36 mn active loans

Collections & Asset Quality:

1. Collection efficiency for the quarter stood at 99.1%. Unique customer collection efficiency for the quarter stood at 97.5%.
2. Consistent improvement in 30+ DPD which ended at 8.35% as of December 31, 2023.

Provisions:

1. ECL provision carried on books was 145 Cr, which translates to 1.62% of the overall AUM.
2. Stage 3 provision was at 68 Cr leading to a provision coverage ratio on stage 3 assets of 54.26%

Borrowings:

1. Total borrowings including debt securities are at Rs 5,791 Cr as on Dec'23.
2. The company continues to carry a liquidity of Rs 1,799 Cr as on Dec'23.
3. Cost of incremental debt during the quarter was 9.57% which increased by 7 bps on q-o-q basis.
4. Cost of funds on overall borrowing book dropped to 9.64%, a drop of 7 bps on q-o-q basis.

Financial Performance for the quarter:

1. Total income of Rs. 570 Cr; y-o-y growth of 47%
2. PBT of Rs.290 Cr; y-o-y growth of 44%
3. PAT of Rs.217 Cr; y-o-y growth of 44%
4. ROA at 8.25% decrease of 22 bps on q-o-q and 35 bps y-o-y basis.
5. ROE at 17.74% increased by 66 bps on q-o-q and 307 bps y-o-y basis.

About Five-Star Business Finance Limited: (www.fivestargroup.in; BSE: 543663; NSE: FIVESTAR)

Five-Star Business Finance Limited is a Non-Banking Finance Company (NBFC-ND-SI) registered with Reserve Bank of India with a network of 480 branches catering to around 360,000 active live accounts in Tamil Nadu (including the Union Territory of Puducherry), Andhra Pradesh, Telangana, Karnataka, Madhya Pradesh, Maharashtra, Uttar Pradesh, Chhattisgarh and Rajasthan. The Company primarily offers small loans for business purposes, asset creation and other economic purposes to small business customers and self-employed individuals after due underwriting of their cashflows and backed by the collateral of their house property.

For more information contact:

Mr Rangarajan Krishnan	Mr Srikanth Gopalakrishnan
Chief Executive Officer	Chief Financial Officer
Tel: +91 4610 6203	Tel: +91 4610 6202
E-mail: ranga@fivestargroup.in	E-mail: srikanth@fivestargroup.in

DISCLAIMER:

Certain statements that are made in the Investor Release may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like significant changes in economic environment in India and overseas, tax laws, inflation, litigation, etc. Actual results might differ substantially from those expressed or implied. Five-Star Business Finance Limited will not be in any way responsible for any action taken based on such statements and discussions; and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.