

Date: November 28, 2022

**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 second quarter and half year ended September 30, 2022**

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 second quarter and half year ended September 30, 2022.

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](mailto:info@fivestargroup.in), Website : [www.fivestargroup.in](http://www.fivestargroup.in)  
CIN : U65991TN1984PLC010844



# Five-Star Business Finance Limited

## Investor Presentation

Q2 FY2023

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**Section 1**  
*Company Overview*

**Section 2**  
*Executive Summary –  
Q2FY2023*

**Section 3**  
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**Section 4**  
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# Section 1

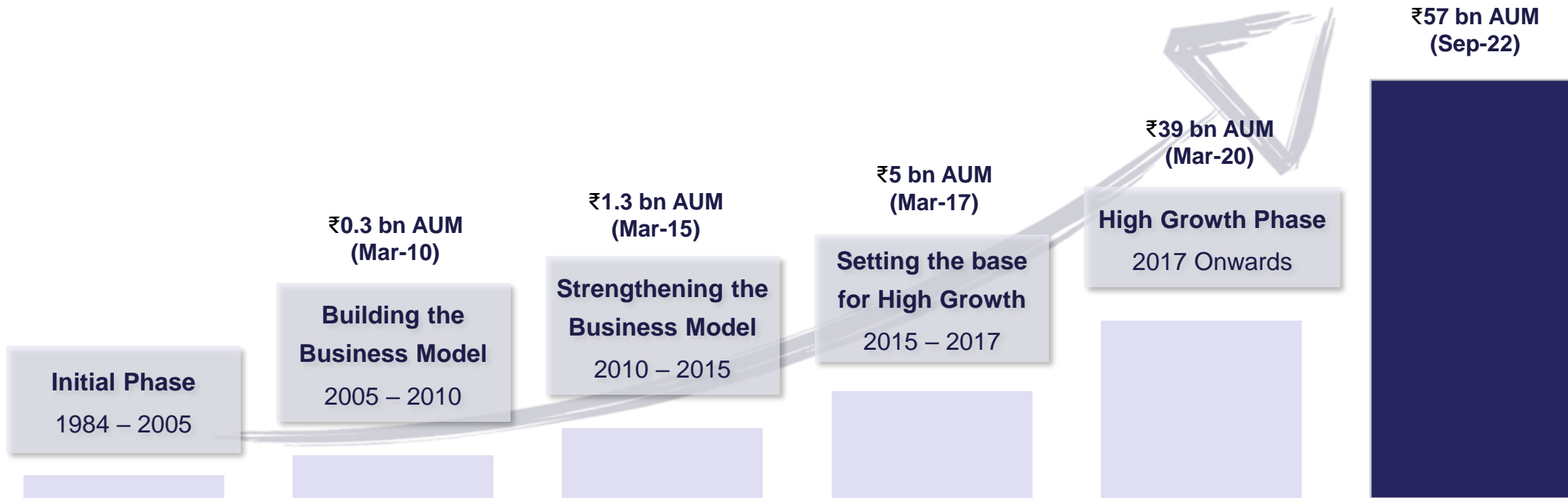
## Five-Star Business Finance Limited – Overview

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 38 years of operations**

## Scale of Operations



**₹57.3bn / ₹46.4bn**  
AUM in H1FY23 / H1FY22  
24% growth Y-o-Y



**₹13.7bn / ₹6.9bn**  
Amount Disbursed in  
H1FY23 / H1FY22



**47,476 / 26,362**  
Number of Disbursements in  
H1FY23 / H1FY22



**₹40.1bn**  
Net Worth

## Distribution



**352**  
Number of Branches



**3,662**  
Business and Collections  
Team



**Presence in 8**  
States across India  
(focused on expansion)



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

## Granular Book



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



**₹0.29mn**  
Average ticket size<sup>1</sup>



**249,272**  
Live accounts<sup>2</sup>



**36.9%**  
Average LTV<sup>3</sup>  
(As of September 30,  
2022)

## Asset Quality



**1.15%**  
H1FY23  
90+ DPD (Gross)



**0.64%**  
H1FY23  
90+ DPD (Net)



**0.51%**  
Q2FY23 Credit Cost to  
Average Total Assets<sup>4</sup>



**1.18% / 50.15%**  
Total Restructured Portfolio /  
Provision Coverage on  
restructured book

## Liability Profile



**51**  
Lender relationships



**67.65%**  
CRAR – Sufficient capital



**Borrowing profile**  
Fixed rate borrowings of 49%



**A+**  
Long term credit rating by  
ICRA and CARE

## Profitability



**₹2.8bn / ₹2.2bn**  
PAT in H1FY23 / H1FY22  
30% growth Y-o-Y



**17.61%**  
Net Interest Margin<sup>5</sup> in  
H1FY23



**8.68%**  
Return on Total Assets in  
H1FY23



**14.66%**  
Return on Avg. Equity<sup>8</sup> in  
H1FY23



	FY15		FY22
Number of Branches	39	>7x	300
Loans to borrowers ('000)	5	>40x	218
Relationship Officers	59	>50x	3,176
Disbursements (₹ Mn) p.a.	793	30x	24,082 <sup>(1)</sup>
Assets Under Management (AUM) (₹ Mn)	1,315	>35x	50,671
Total Income (₹ Mn)	336	>35x	12,562
Profit After Tax (₹ Mn)	99	>45x	4,535
Networth (₹ Mn)	713	>50x	37,104
Gross NPA	1.8%		1.0%

**Five Star has grown >35x in AUM between FY15A - FY22A with the same ticket size on the back of a 7x growth in branch network across economic cycles**

**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 of < 1.5%  
Net Stage 3 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.Batlboi & Associates LLP  
Internal Auditor – Sundaram & Srinivasan  
Audit Committee, Risk Management Committee, Nomination & Remuneration Committee, IT Strategy Committee headed by Independent Directors

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: Maharashtra, Chhattisgarh, UP
- 352 branches; 6,731 employees
- Contiguous expansion. Cautious approach to newer states

## Comprehensive credit assessment and robust risk management



### Sourcing and Underwriting

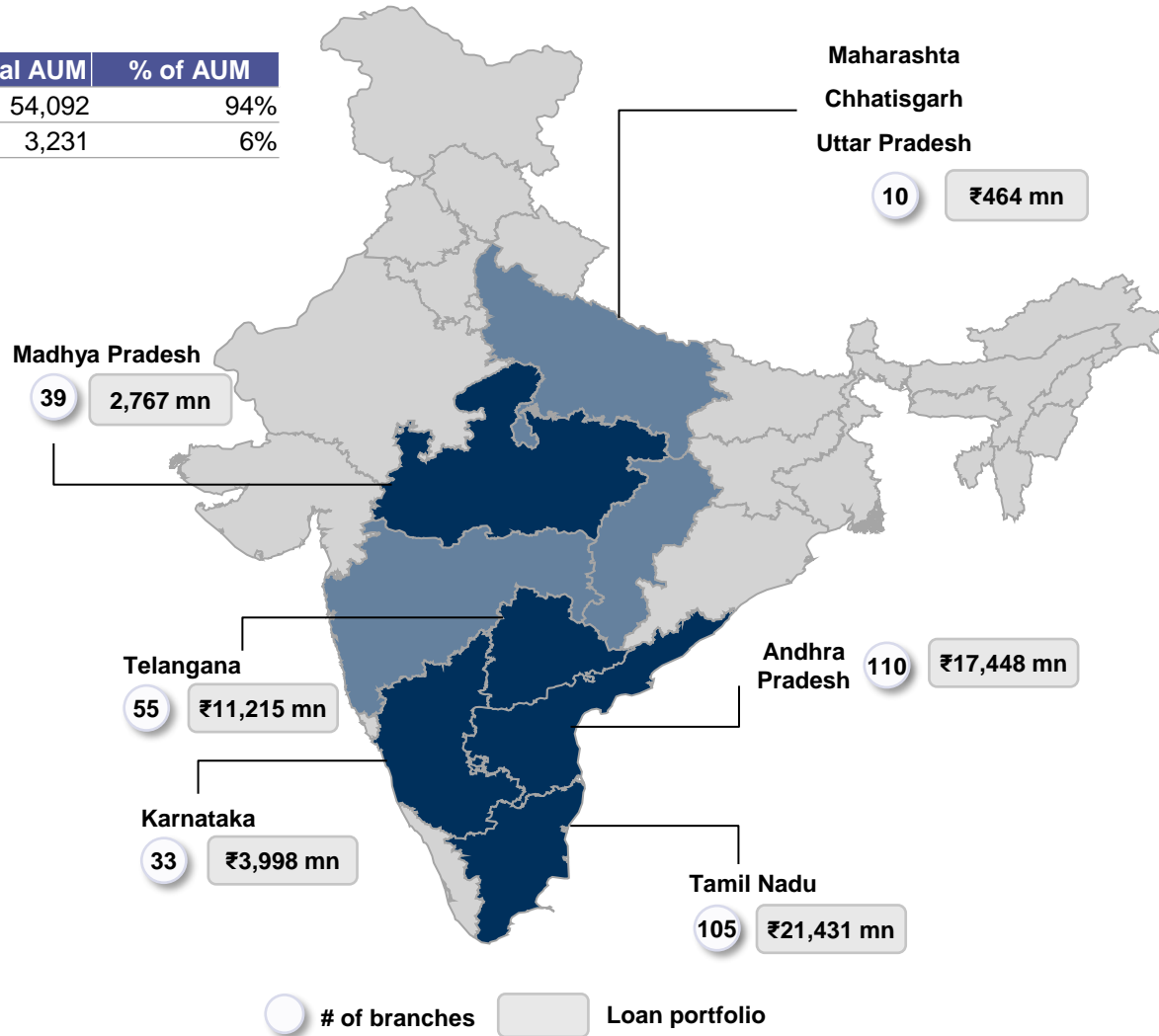
- 100% in-house sourcing and processing with focus on service oriented business
- Assessment based on 3 Cs (Character, Cash flow and Collateral)
- Two levels of check each in business and in credit; conservative credit policies
- Assignment of co-applicants – Loans to the family and not individuals



### 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 settled loans which were 90+ DPD on settlement<sup>1</sup>

Geography	Total AUM	% of AUM
South India	54,092	94%
Non-South	3,231	6%

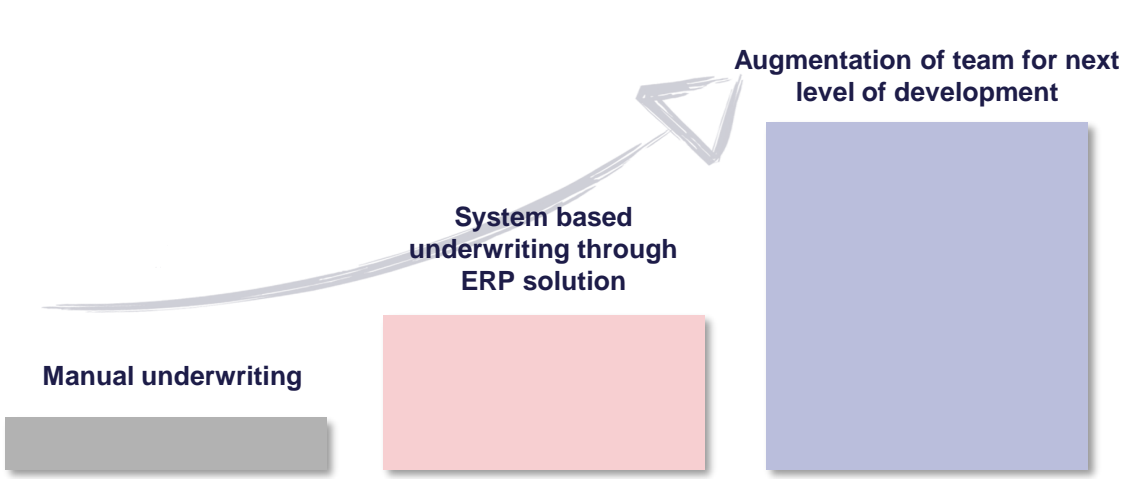


Branch Vintage	No of branches	Average AUM
<=1 year	84	15
1 – 3 years	46	112
3 – 5 years	112	173
> 5 years	110	287
<b>Total</b>	<b>352</b>	<b>163</b>

State	No of branches	H1FY2023	FY2022	FY2021	FY2020
Tamil Nadu	105	37%	39%	41%	43%
Andhra Pradesh	110	30%	29%	28%	28%
Telangana	55	20%	19%	18%	19%
Karnataka	33	7%	7%	7%	7%
Madhya Pradesh	39	5%	5%	4%	3%
Others	10	1%	1%	1%	1%
<b>Total</b>	<b>352</b>				

**Strong South India presence coupled with a contiguous expansion strategy**

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



- 1
  - Manual underwriting process with minimal technology involvement
- 2
  - Significant investments in technology over the last 5 years
  - Moved to FinnOne Neo (ERP solution) with automated workflow and rule engine configuration
  - Moved to a completely paperless underwriting model with all data available on cloud
- 3
  - Augmentation of team – 30 IT personnel as on date
  - Hired Vanamali Sridharan as CTO
  - Hired Head of Engineering and Data Sciences to manage the proposed tech developments

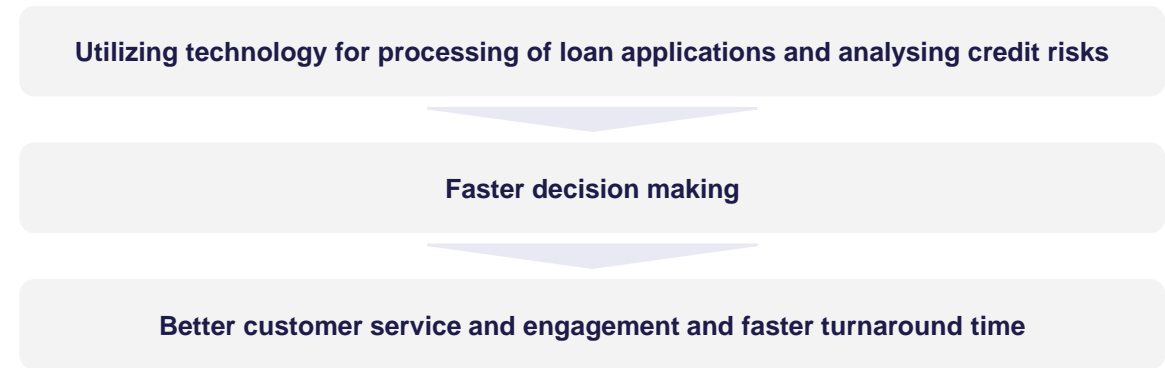
## Ongoing Investments to help build a scalable and efficient model...

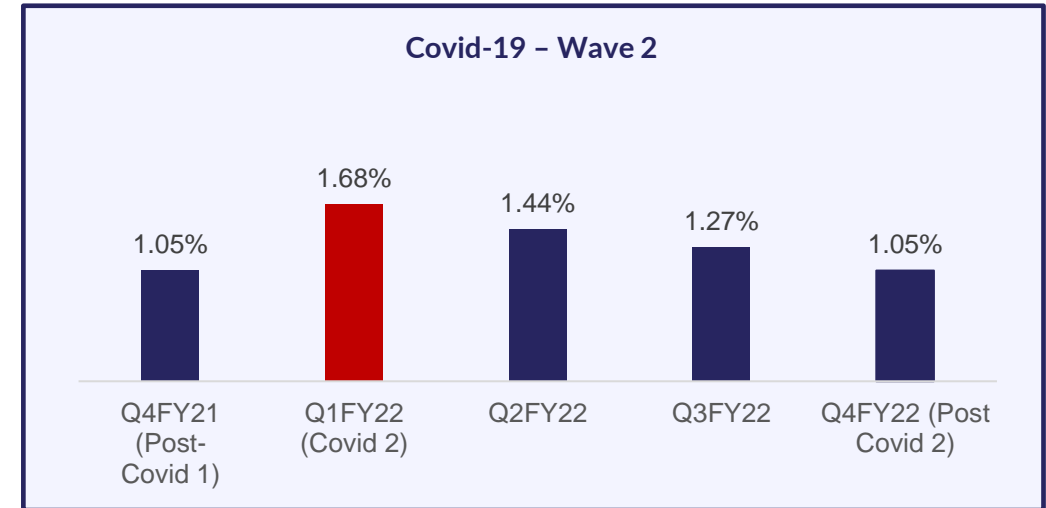
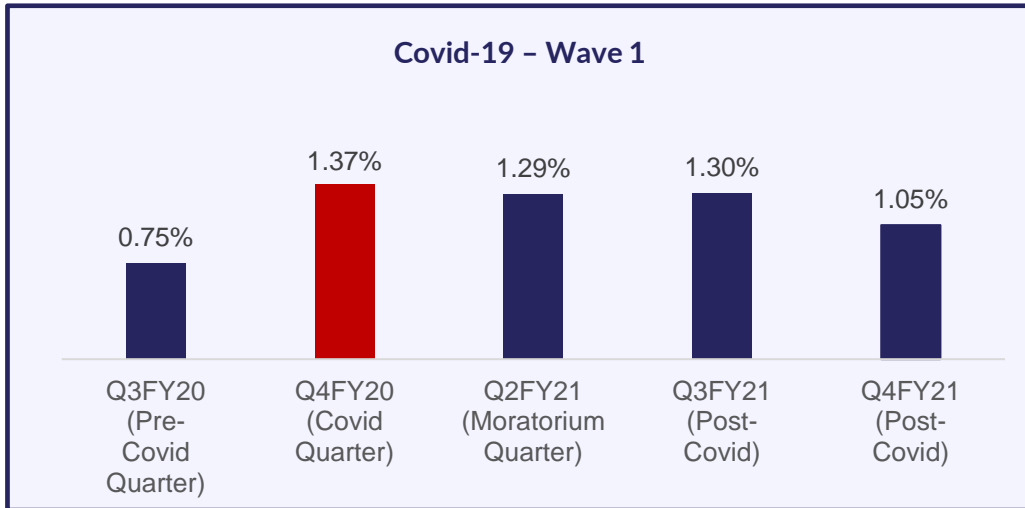
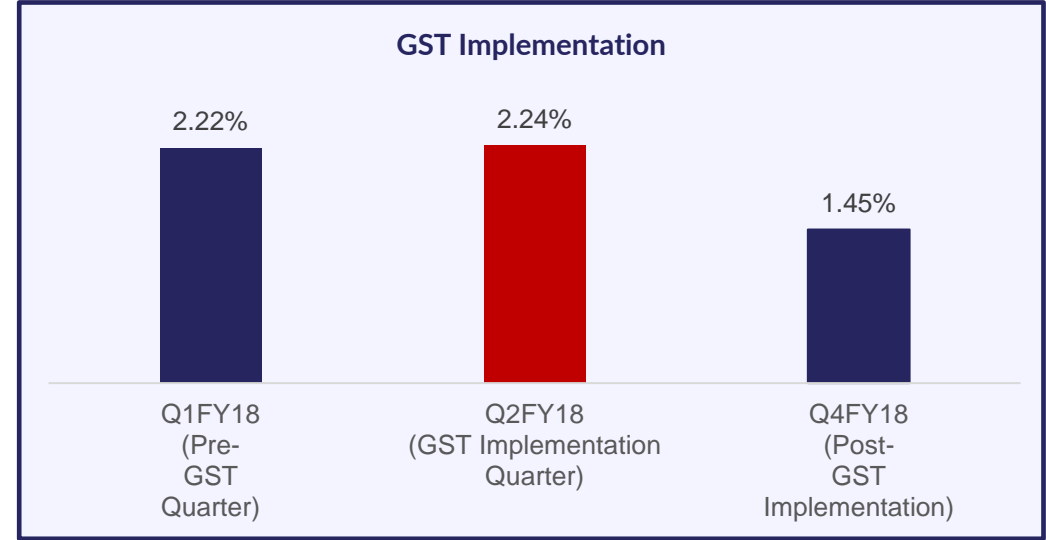
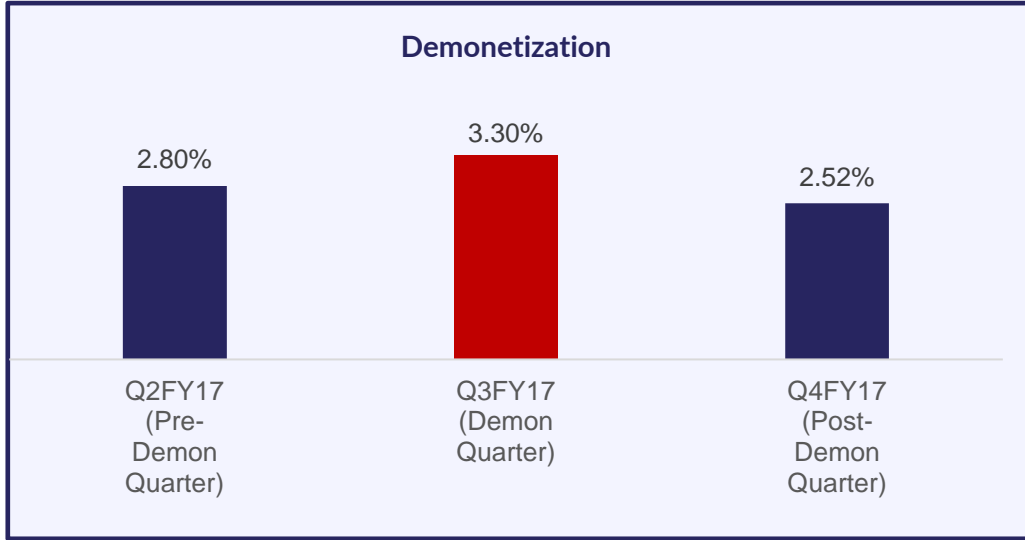
API infrastructure to leverage strengths of third party service providers / fintechs

Data analytics and machine learning

Robust customer credit scoring model

## ...to lead to a reduction in turnaround time from login to loan sanction





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

Particulars (₹ Mn)	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
<b>Operational Information</b>								
Number of branches	39	64	103	130	173	252	262	299
Loan disbursals	793	1,319	3,830	7,072	14,822	24,087	12,450	17,562
AUM	1,315	1,981	4,834	10,084	21,128	38,922	44,454	50,671
Number of employees	167	293	691	1,290	1,971	3,734	3,938	5,675
<b>Financial Information</b>								
Income from Operations	336	473	859	2,082	4,089	7,873	10,513	12,562
Interest expenses	104	141	237	578	769	2,156	3,261	2,984
<b>Net Interest Income (NII)</b>	<b>232</b>	<b>332</b>	<b>622</b>	<b>1,504</b>	<b>3,320</b>	<b>5,717</b>	<b>7,252</b>	<b>9,578</b>
Operating Expenses	76	122	286	625	1,060	1,731	2,136	3,081
Loan losses & Provisions	4	7	28	93	76	493	352	455
<b>Profit Before Tax (PBT)</b>	<b>152</b>	<b>203</b>	<b>308</b>	<b>786</b>	<b>2,184</b>	<b>3,493</b>	<b>4,764</b>	<b>6,042</b>
<b>Profit After Tax (PAT)</b>	<b>99</b>	<b>134</b>	<b>194</b>	<b>558</b>	<b>1,567</b>	<b>2,620</b>	<b>3,589</b>	<b>4,535</b>
Total Comprehensive Income	99	134	194	558	1,563	2,608	3,582	4,513
<b>Ratios</b>								
Cost to Income	34.48%	38.86%	50.48%	47.74%	34.22%	38.90%	34.31%	36.92%
Return on Total Assets	7.04%	6.87%	4.22%	5.82%	8.78%	7.31%	6.99%	7.16%
Return on Equity	16.65%	16.47%	12.26%	12.97%	15.14%	15.36%	16.85%	13.85%
Gross Stage 3 assets / Gross NPA <sup>2</sup>	1.81%	1.82%	2.47%	1.43%	0.89%	1.37%	1.02%	1.05%
Net Stage 3 assets / Net NPA <sup>3</sup>	1.48%	1.52%	2.07%	0.94%	0.68%	1.13%	0.83%	0.68%
Provision Coverage Ratio - overall AUM	0.57%	0.54%	0.81%	0.97%	0.80%	1.58%	1.95%	2.03%
Provision Coverage Ratio - Stage 3	18.40%	16.34%	16.24%	33.89%	22.99%	17.67%	17.92%	34.91%
CRAR	52.17%	39.14%	43.78%	58.82%	64.09%	52.94%	58.86%	75.20%
Debt / Equity ratio	1.24	1.43	2.04	0.92	0.70	1.22	1.48	0.69

Notes: 1. Financials from FY2019 are as per Ind-AS and earlier years as per I-GAAP; 2. Gross Stage 3 Assets / Gross NPA represents loans which are more than 180 days past due till FY2016 and loans which are more than 90 days past due thereafter, as a percentage of the overall loan portfolio; 3. Net Stage 3 Assets / Net NPA denotes Gross Stage 3 assets / Gross NPA reduced by impairment allowance on such loans, represented as a percentage

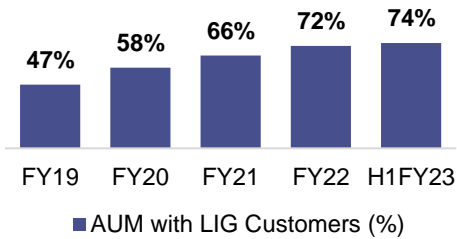
Sustainable Business Model Built Around Societal Impact



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 rates**

Economic upliftment

Corporate Social Responsibility

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



Social Impact achieved through...

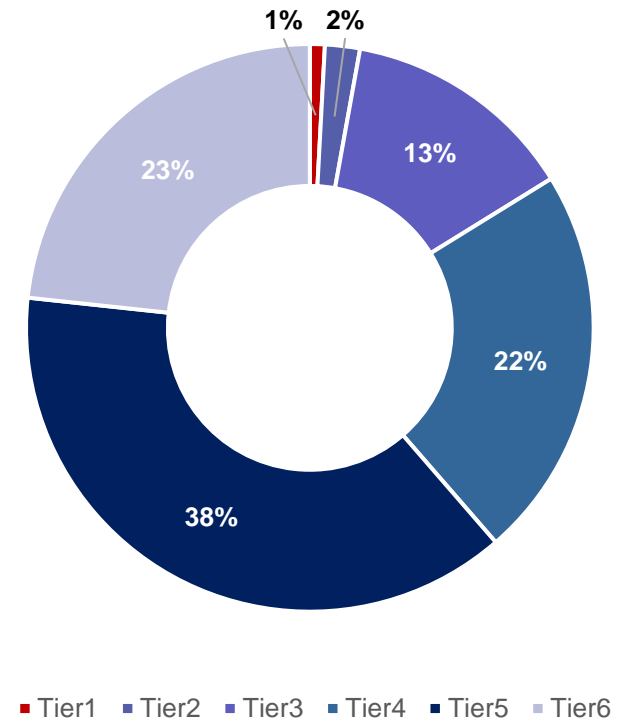
- Branch Presence**

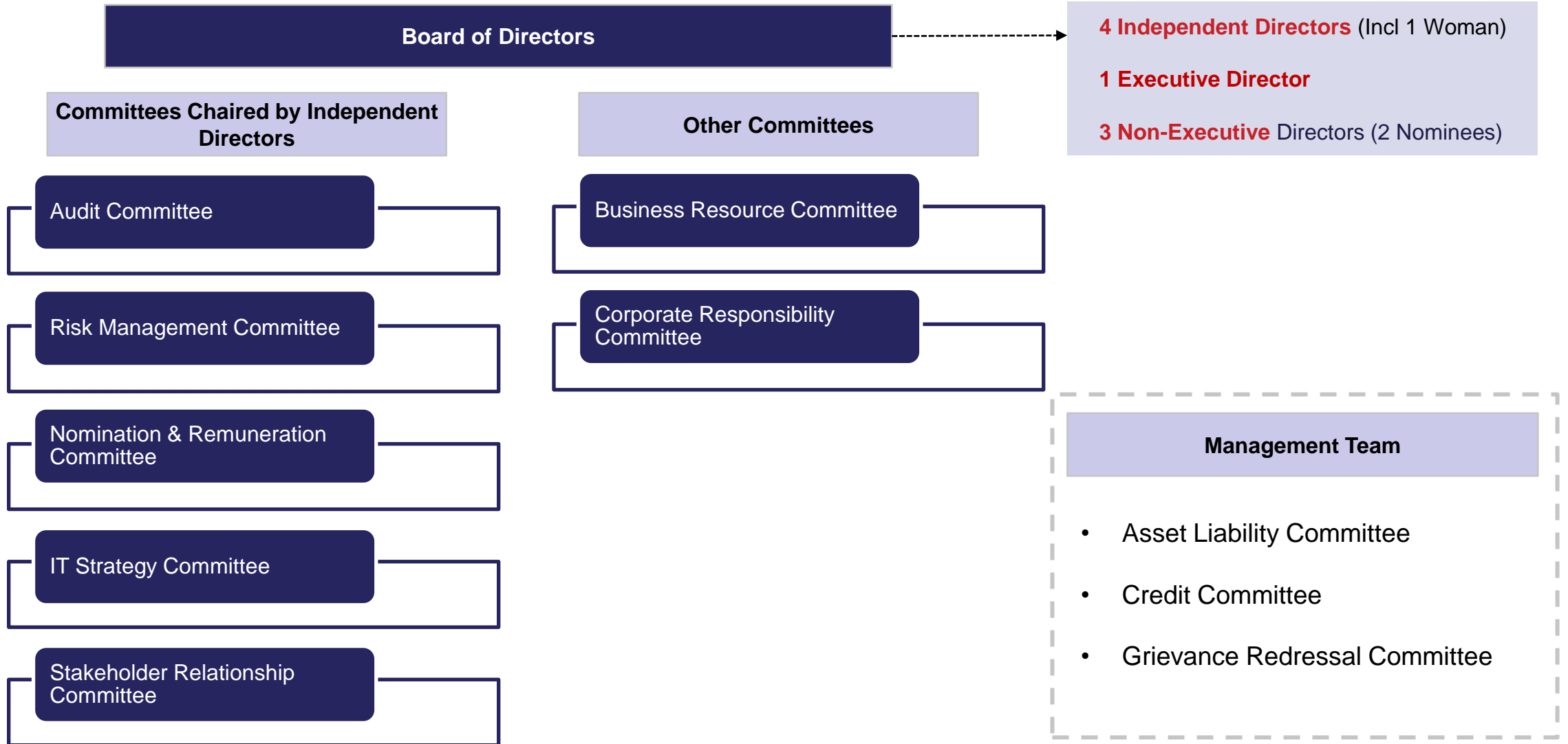
  - Significant branch presence in Tier 3 to Tier 6 towns
- Customers ignored by banks / larger FIs**

  - 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







Lakshmi Deenadayalan  
Chairman & Managing Director



Anand Raghavan  
Independent Director  
Chair – Audit Committee



T T Srinivasaraghavan  
Independent Director  
Chair – Risk Management Committee



Bhamu Krishnamurthy  
Independent Director  
Chair – Nomination & Remuneration Committee



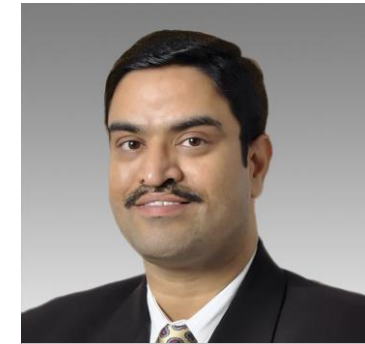
Ramkumar Ramamoorthy  
Independent Director  
Chair – IT Strategy Committee



Vikram Vaidyanathan  
Non-Executive Director



G V Ravishankar  
Non-Executive Director



Trilokchand Vasan  
Non-Executive Director

## Experienced Management team



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



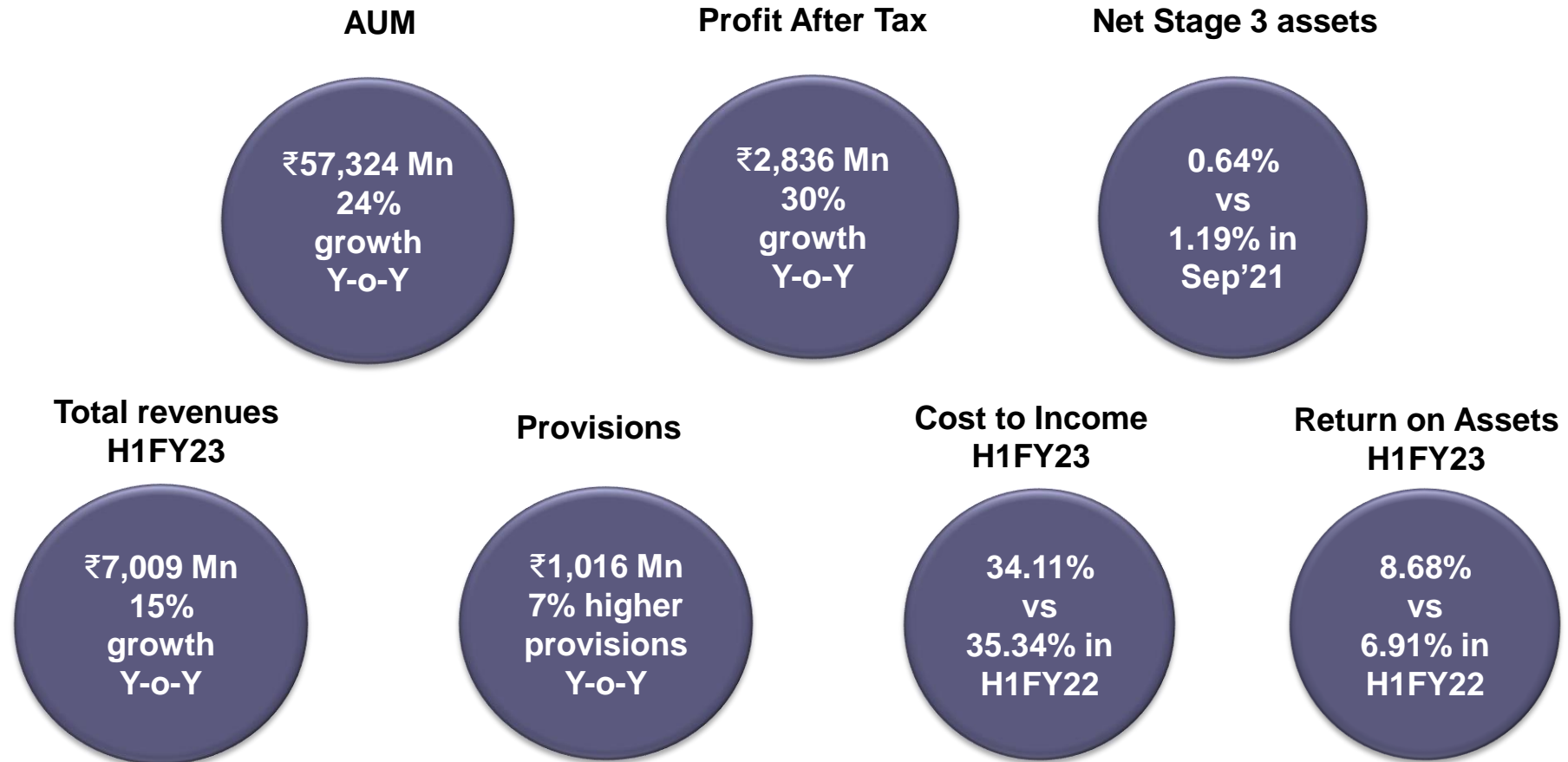
Prashanth Sreenivasan  
Chief Treasury Officer



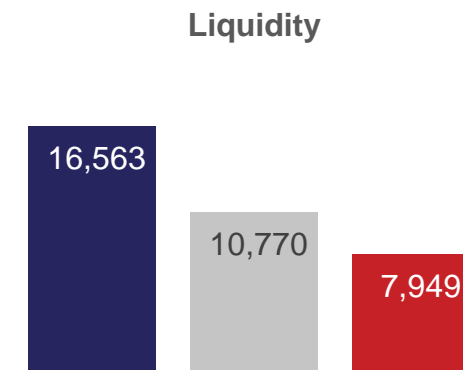
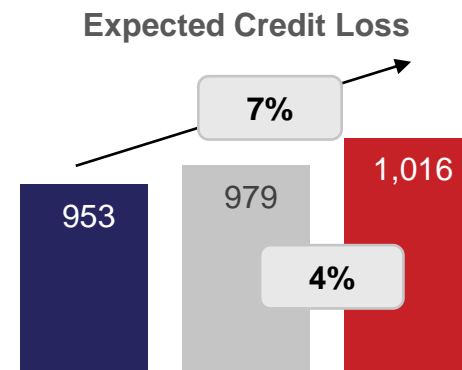
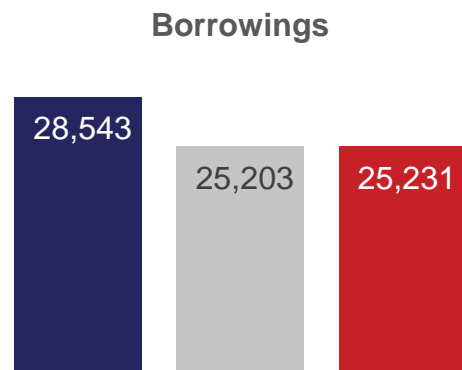
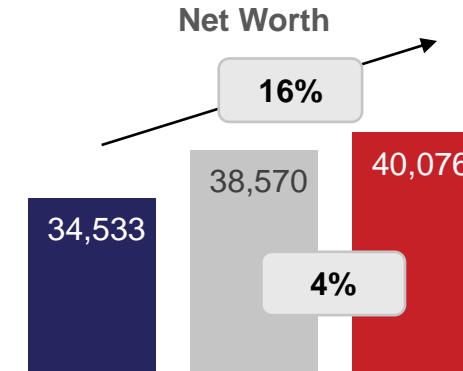
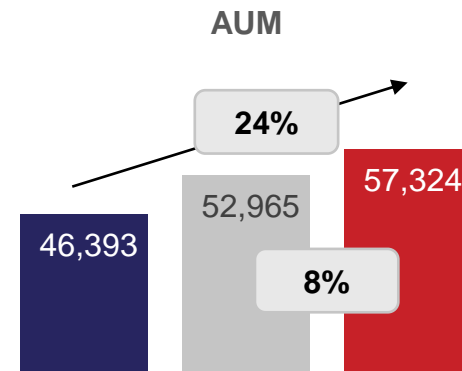
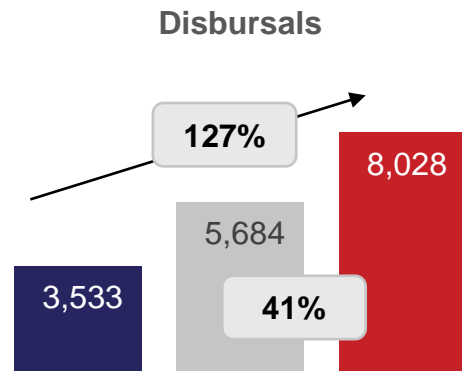
## Section 2

# Executive Summary – Q2FY2023

- Five Star witnessed a strong first half of FY2023 across Growth, Profitability and Quality.
- Business & Disbursal momentum back to pre-COVID levels and collections continue to be robust.
- Y-o-Y growth of 24% on AUM and Gross Stage 3 assets of 1.15%

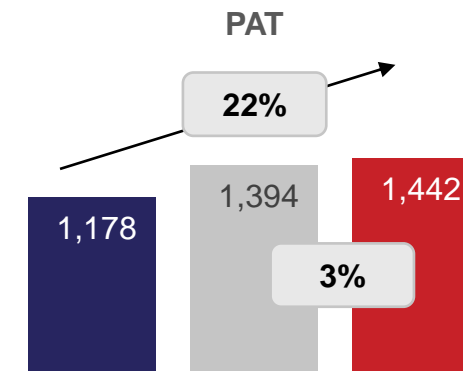
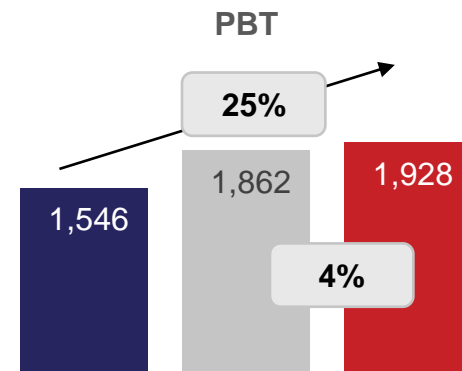
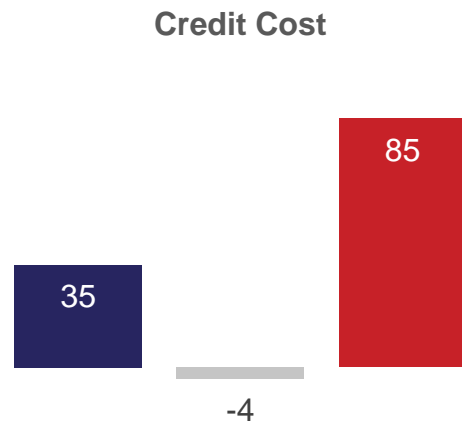
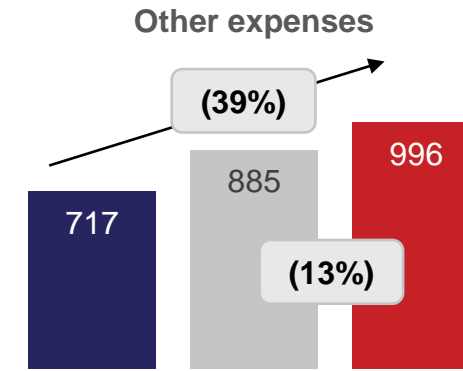
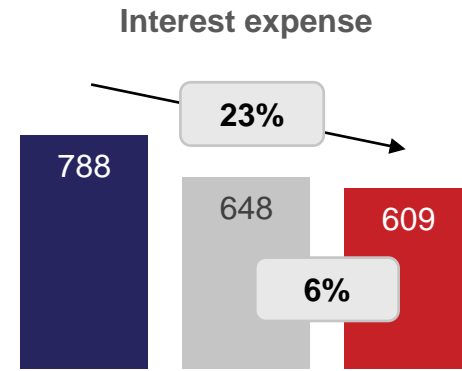
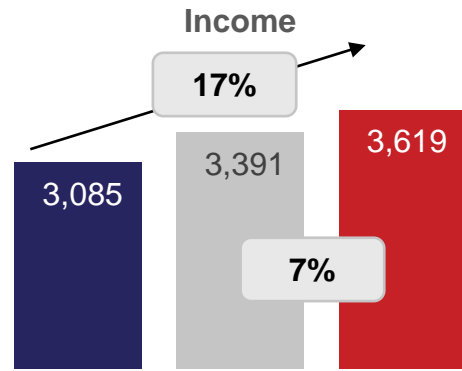


All amounts in ₹ Mn



Q2FY22    Q1FY23    Q2FY23

All amounts in ₹ Mn



Q2FY22    Q1FY23    Q2FY23

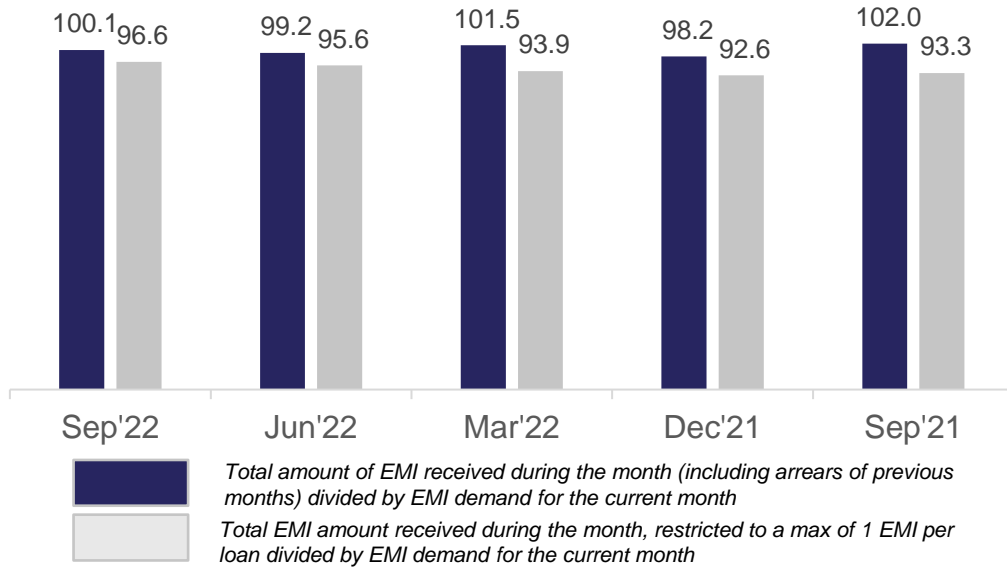


1. Net AUM growth of ₹4,359 Mn in Q2FY23 as against ₹599 Mn in Q2FY22
2. AUM was up 24% at ₹57,324 Mn as against ₹46,393 Mn as of 30 September 2021
3. Disbursements during the quarter was at ₹8,028 Mn as against ₹3,533 Mn during Q2FY22
4. Active loans almost touched 0.25 Mn as against 0.19 Mn as of 30 September 2021
5. The Company added 41 branches during the quarter. Total branch count stood at 352 as against 268 branches as of 30 September 2021
6. Total Headcount stood at 6,731 as against 4,306 as of 30 September 2021
7. The Company continued to have a robust collection efficiency of 100.1% during the quarter
8. During the first half of the year, the company has raised incremental debt of ₹6,400 Mn, at a weighted average rate of interest of 8.33% (all-inclusive cost of 8.66%<sup>1</sup> on fresh borrowings raised during the quarter). Liquidity buffer as of 30 September 2022 stood at about ₹7,950 Mn.
9. Gross & Net Stage 3 assets stood at 1.15% and 0.64% respectively as of 30 September 2022 as against 1.44% and 1.19% as of 30 September 2021
10. Overall stage 2 assets stood at ₹7,147 Mn (12.47%) as of 30 September 2022 as against ₹7,524 Mn (16.22%) as of 30 September 2021 and ₹7,730 Mn (14.59%) as of 30 June 2022.
11. The Provision coverage on Stage 3 assets stood at 44.27% and the provision coverage on the overall portfolio stood at 1.77%
12. Post tax profit grew by 22% to ₹1,442 Mn in Q2 FY23 as compared to ₹1,178 Mn in Q2 FY22
13. Capital adequacy remained high at 67.65% as of 30 September 2022

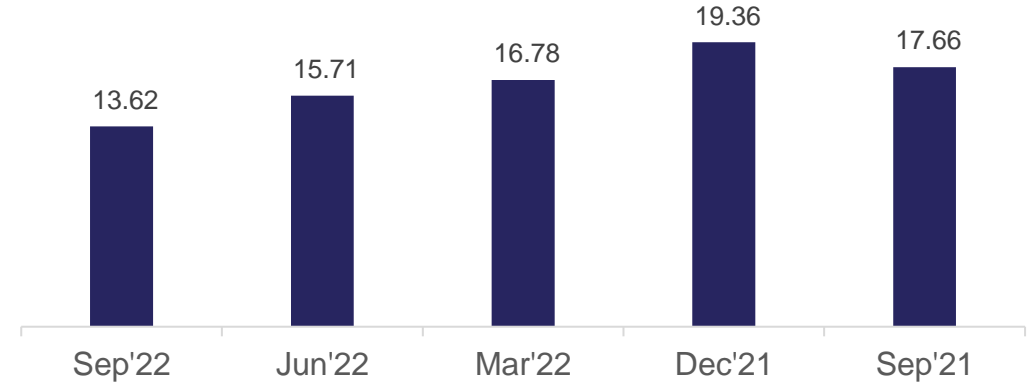


## Section 3 Asset Quality & ECL

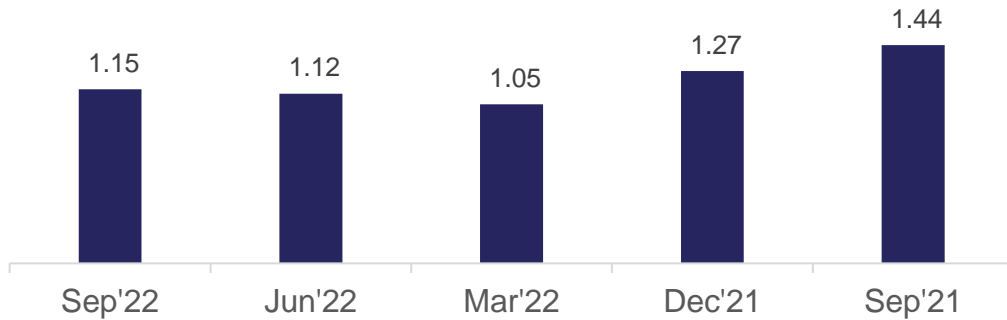
## Collections Efficiency (%)



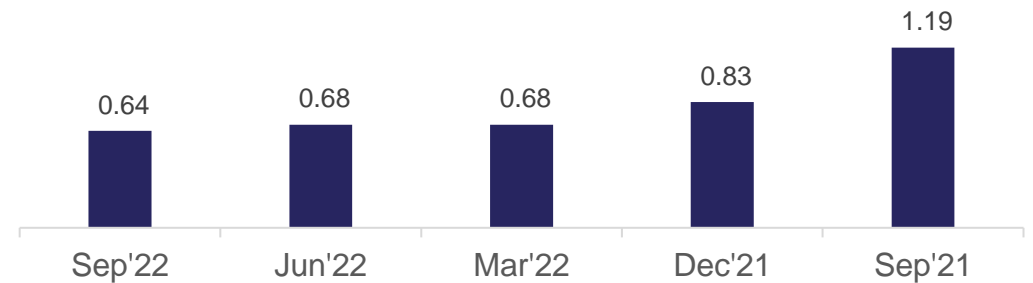
## 30+ (%)



## 90+ Gross (%)



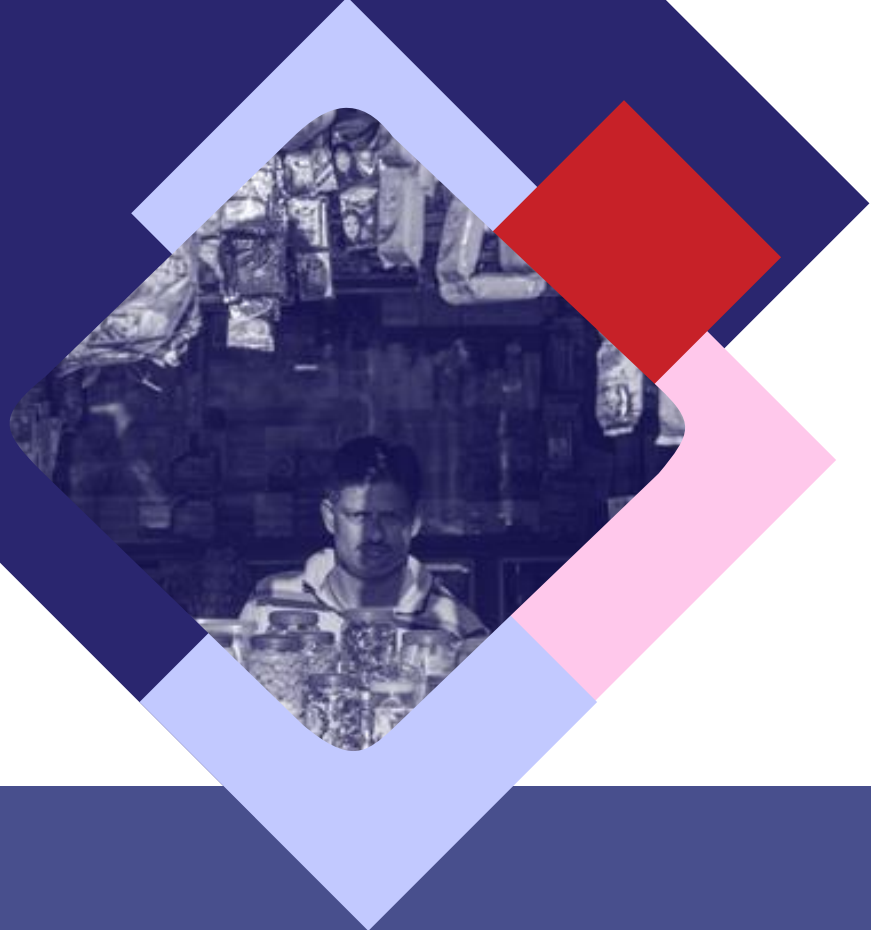
## 90+ Net (%)



Amount in ₹ Mn	As at Sep 2022		As at Jun 2022		As at Sep 2021	
	AUM	% AUM	AUM	% AUM	AUM	% AUM
<b>Bucket</b>						
Current (Stage-1)	44,888	78.31%	39,567	74.70%	31,084	67.00%
1-30 (Stage-1)	4,630	8.08%	5,077	9.59%	7,118	15.34%
31-60 (Stage-2)	3,575	6.24%	4,071	7.69%	4,151	8.95%
61-90 (Stage-2)	3,571	6.23%	3,659	6.91%	3,373	7.27%
90+ (Stage-3)	660	1.15%	591	1.12%	667	1.44%
<b>Total</b>	<b>57,324</b>		<b>52,965</b>		<b>46,393</b>	
Stage 1 Assets	49,518	86.38%	44,644	84.29%	38,202	82.34%
Stage 2 Assets	7,147	12.47%	7,730	14.59%	7,524	16.22%
Stage 3 Assets	660	1.15%	591	1.12%	667	1.44%

**Improvement across buckets across quarters seen post the deterioration that happened consequent to second wave of Covid**

Amount in ₹ Mn				
As of September 30, 2022	Stage 1	Stage 2	Stage 3	Total
Loans Outstanding (Gross)	49,518	7,147	660	57,324
ECL Provision	184	540	292	1,016
Loans Outstanding (Net)	49,334	6,607	368	56,308
<b>ECL Provision %</b>	<b>0.37%</b>	<b>7.56%</b>	<b>44.27%</b>	<b>1.77%</b>
As of June 30, 2022	Stage 1	Stage 2	Stage 3	Total
Loans Outstanding (Gross)	44,644	7,730	591	52,965
ECL Provision	142	605	232	979
Loans Outstanding (Net)	44,502	7,125	359	51,986
<b>ECL Provision %</b>	<b>0.32%</b>	<b>7.82%</b>	<b>39.22%</b>	<b>1.85%</b>
As of September 30, 2021	Stage 1	Stage 2	Stage 3	Total
Loans Outstanding (Gross)	38,202	7,524	667	46,393
ECL Provision	164	670	119	953
Loans Outstanding (Net)	38,038	6,854	548	45,440
<b>ECL Provision %</b>	<b>0.43%</b>	<b>8.91%</b>	<b>17.82%</b>	<b>2.05%</b>



## Section 4

# Financial Performance – Q2FY2023

Particulars (₹ Mn)	Q2FY2023	Q2FY2022	Q1FY2023
<b>Assets</b>			
Cash & Cash equivalents	3,438	8,498	4,096
Bank balances other than cash & cash equivalents	2,299	4,659	3,036
Loans <sup>1</sup>	57,635	46,444	54,543
Investments	1,644	3,237	1,892
Other financial assets	226	49	191
Non-Financial Assets	1,035	860	925
<b>Total Assets</b>	<b>66,277</b>	<b>63,746</b>	<b>64,684</b>
<b>Liabilities &amp; Equity</b>			
Trade Payables	134	82	109
Debt Securities	7,457	12,146	9,474
Borrowings other than Debt Securities	17,774	16,397	15,729
Other Financial Liabilities	637	192	547
Non-Financial Liabilities	198	396	255
Total Equity	40,076	34,533	38,570
<b>Total Liabilities</b>	<b>66,277</b>	<b>63,746</b>	<b>64,683</b>

Note: 1. Loans include Inter-Corporate deposits placed as Investments with HDFC and is net of Expected Credit Loss on the Loan portfolio

# Quarterly & Half yearly Profit & Loss Statement

Particulars (₹ Mn)	Q2FY2023	Q2FY2022	Q1FY2023	Y-o-Y	Q-o-Q	H1FY2023	H1FY2022	H2FY2022	Y-o-Y	H-o-H
Loan Portfolio	57,324	46,393	52,965	24%	8%	57,324	46,393	52,965	24%	8%
Interest Income	3,573	2,943	3,352			6,925	5,864	6,174		
Net Gain on Fair value changes	14	71	15			29	132	77		
Fee & Other income	31	68	23			54	117	199		
<b>Total Income</b>	<b>3,619</b>	<b>3,085</b>	<b>3,391</b>	<b>17%</b>	<b>7%</b>	<b>7,009</b>	<b>6,112</b>	<b>6,449</b>	<b>15%</b>	<b>9%</b>
Interest Expenses	609	788	648			1,257	1,652	1,354		
<b>Net Interest Income</b>	<b>3,010</b>	<b>2,297</b>	<b>2,743</b>	<b>31%</b>	<b>10%</b>	<b>5,752</b>	<b>4,460</b>	<b>5,095</b>	<b>29%</b>	<b>13%</b>
Operating Expenses	996	717	885			1,881	1,357	1,701		
Loan losses & Provisions	85	35	(4)			81	219	236		
<b>Profit before Tax (PBT)</b>	<b>1,928</b>	<b>1,546</b>	<b>1,862</b>	<b>25%</b>	<b>4%</b>	<b>3,790</b>	<b>2,884</b>	<b>3,158</b>	<b>31%</b>	<b>20%</b>
<b>Profit after Tax (PAT)</b>	<b>1,442</b>	<b>1,178</b>	<b>1,394</b>	<b>22%</b>	<b>3%</b>	<b>2,836</b>	<b>2,175</b>	<b>2,360</b>	<b>30%</b>	<b>20%</b>
Other Comprehensive Income	(19)	(10)	(7)			(27)	(15)	(8)		
<b>Total Comprehensive Income</b>	<b>1,422</b>	<b>1,168</b>	<b>1,387</b>	<b>22%</b>	<b>3%</b>	<b>2,809</b>	<b>2,161</b>	<b>2,352</b>	<b>30%</b>	<b>19%</b>
Earnings Per Share (Basic) <sup>1</sup>	4.94	4.22	4.79			9.73	7.96	8.13		
Earnings Per Share (Diluted) <sup>1</sup>	4.87	4.16	4.74			9.61	7.85	8.07		



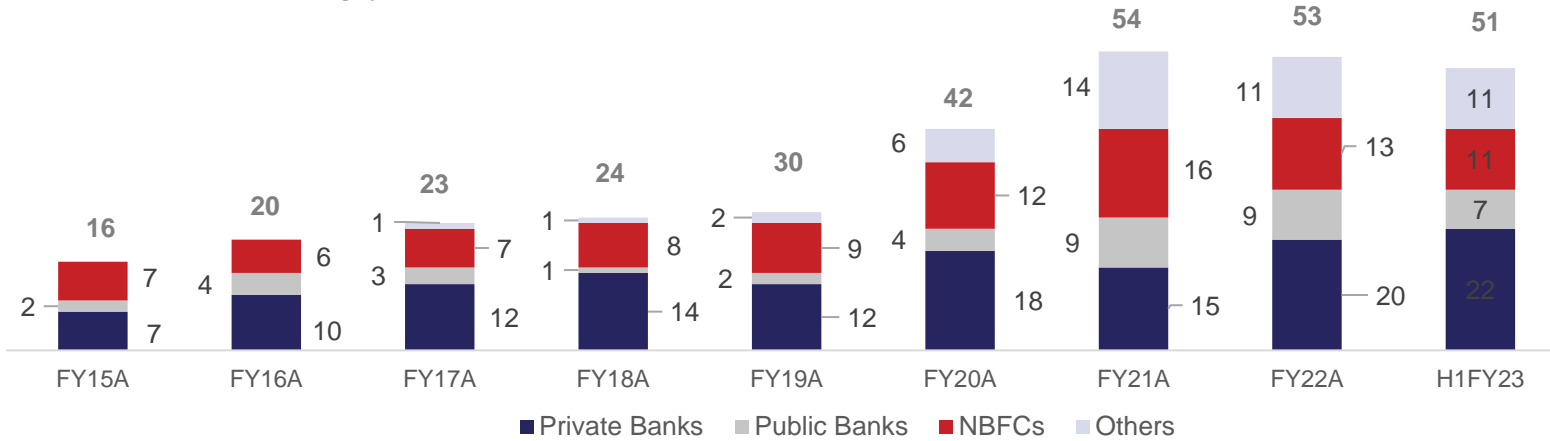
Particulars	Q2FY2023	Q2FY2022	Q1FY2023	H1FY2023	H1FY2022	H2FY2022
Interest Income (as a % of average portfolio)	24.19%	24.00%	24.15%	24.15%	24.14%	24.00%
Interest Expenses (as a % of average borrowings)	10.48%	10.50%	10.53%	10.56%	10.63%	10.39%
<b>Net Interest Income %</b>	<b>13.71%</b>	<b>13.50%</b>	<b>13.62%</b>	<b>13.60%</b>	<b>13.51%</b>	<b>13.62%</b>
Total Income % (as a % of average total assets)	21.88%	19.29%	20.98%	21.45%	19.42%	20.18%
Interest Expenses (as a % of average total assets)	3.68%	4.93%	4.01%	3.85%	5.25%	4.24%
<b>Net Interest Margin %</b>	<b>18.20%</b>	<b>14.36%</b>	<b>16.97%</b>	<b>17.61%</b>	<b>14.17%</b>	<b>15.94%</b>
Operating Expenses (as a % of average total assets)	6.02%	4.48%	5.47%	5.76%	4.31%	5.32%
Loan losses & Provisions (as a % of average total assets)	0.51%	0.22%	(0.02%)	0.25%	0.70%	0.74%
<b>Profit before Tax (PBT) %</b>	<b>11.66%</b>	<b>9.67%</b>	<b>11.52%</b>	<b>11.60%</b>	<b>9.17%</b>	<b>9.88%</b>
Tax %	2.94%	2.30%	2.89%	2.92%	2.25%	2.50%
<b>Profit after Tax (PAT) / Return on Total Assets</b>	<b>8.72%</b>	<b>7.37%</b>	<b>8.62%</b>	<b>8.68%</b>	<b>6.91%</b>	<b>7.38%</b>
Debt / Equity	0.63	0.83	0.65	0.63	0.83	0.69
<b>Return on Equity</b>	<b>14.55%</b>	<b>14.62%</b>	<b>14.78%</b>	<b>14.66%</b>	<b>14.53%</b>	<b>13.20%</b>
<b>Cost to income ratio</b>	<b>35.91%</b>	<b>32.74%</b>	<b>32.12%</b>	<b>34.11%</b>	<b>35.34%</b>	<b>38.02%</b>



## Section 5 Liability & ALM

## Well diversified borrowing mix

Number of lenders in each category



Increased number of lending relationships from 30 + FY19 to 51 as of Sep 2022

Deepened relationships in the PSU and private bank category

### Long Term Credit Rating

**A+** from both ICRA and CARE

### Short Term Credit Rating

**A1+** from CARE

### NIL Commercial Paper exposure

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

## Lenders to the Company

### Select Public Sector Banks



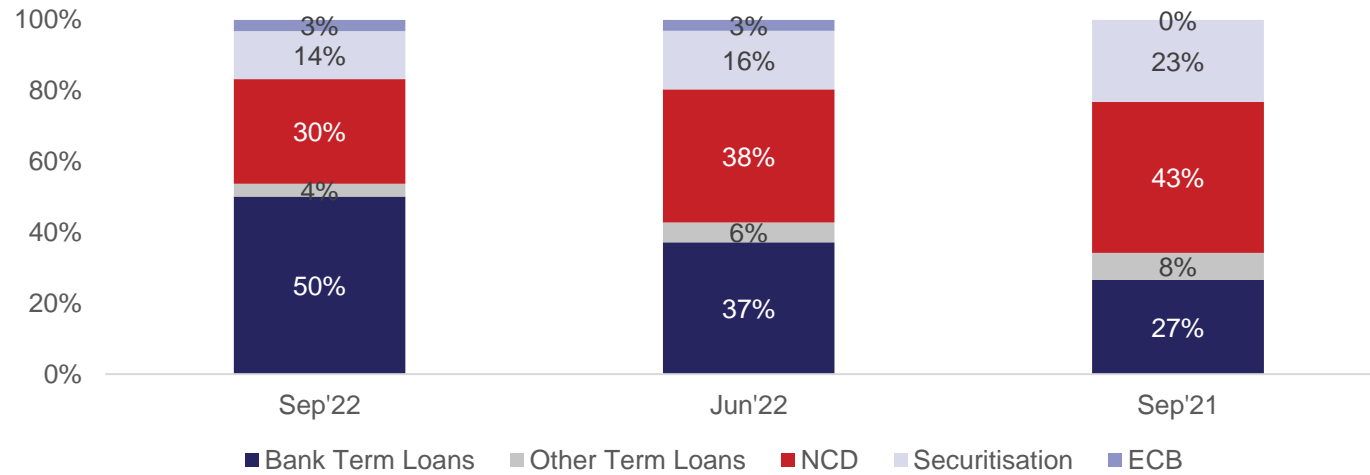
### Select Private Sector Banks



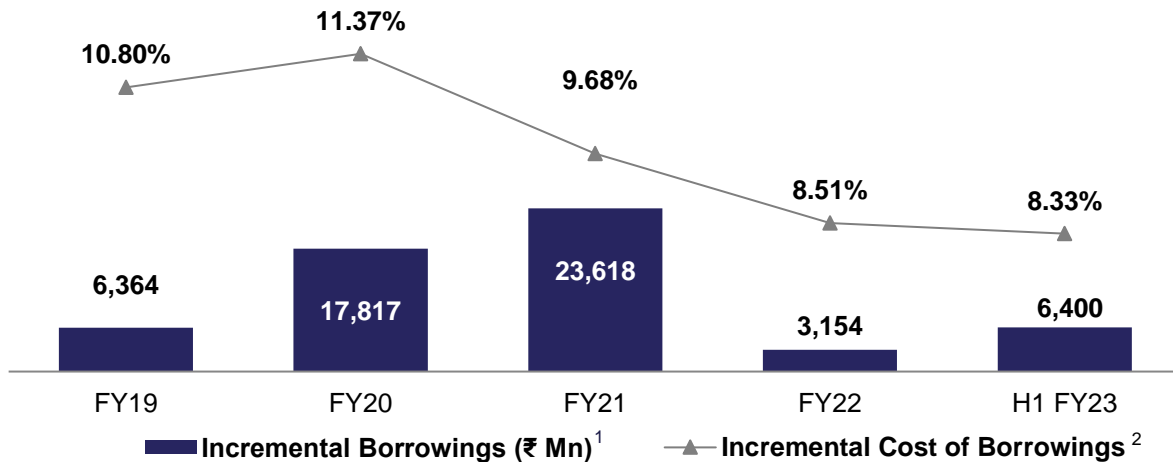
### Select Other Institutions



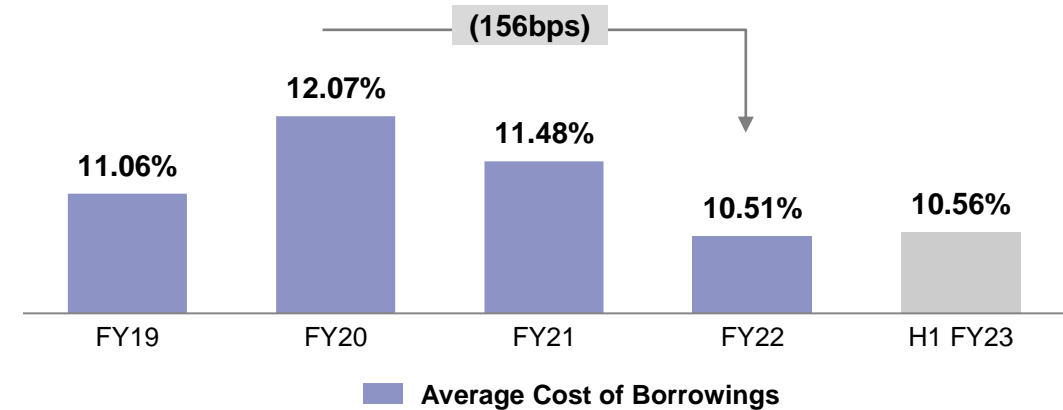
## Well diversified borrowing mix



## Cost of incremental borrowings



## Cost of funds on the book



Note: 1.. Incremental borrowings during the period; 2. Represents weighted average rate of interest on fresh borrowings in the relevant period, weights being availed amount of each borrowing during the period.

## ALM Position as of Sep'22 – Cumulative

Particulars (₹ Mn)	1-7 D	8-14 D	15-30 D	1-2 M	2-3 M	3-6 M	6M – 1Y	1-3 Y	3-5 Y	>5 Y
<b>Opening Liquidity / Mismatch</b>	<b>8,707</b>									
Add: Inflows from advances	1	0	1,502 <sup>1</sup>	675	685	2,234	5,011	20,753	19,250	6,922
Less: Outflows on borrowings	86	46	409	569	2,368	2,542	7,125	8,186	3,032	369
Add: Other inflows	181	0	22	65	2	15	5	21	500	1,906
Less: Other outflows	335	4	220	17	236	140	390	780	230	41,370
<b>Closing balance / Cumulative mismatch</b>	<b>8,468</b>	<b>8,418</b>	<b>9,312</b>	<b>9,466</b>	<b>7,549</b>	<b>7,115</b>	<b>4,615</b>	<b>16,423</b>	<b>32,912</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 Sep'22

Amount in ₹ Mn	
<b>Liquidity buffer as of Sep 2022</b>	
Unencumbered cash & cash equivalents	7,950
Unavailed sanction from banks / FIs	2,300
<b>Total Liquidity</b>	<b>10,250</b>

Projected Cashflow Schedule	Q3FY23	Q4FY23	Q1FY24	Q2FY24
Opening Liquidity	10,250	10,806	11,651	10,121
Add: Principal collections & internal accruals	4,035	3,387	3,382	3,283
Less: Debt repayments (principal & interest)	3,457	2,542	4,912	2,213
<b>Closing Liquidity</b>	<b>10,806</b>	<b>11,651</b>	<b>10,121</b>	<b>11,191</b>



**Thank You**