

Date: May 9, 2023

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 Audited Financial Results for the quarter and financial year ended March 31, 2023

Dear Sir/ Madam

In terms of Regulation 30 and 51 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of the Investor Presentation of the Company on the Audited Financial Results for the quarter and financial year ended March 31, 2023.

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 : U65991TN1984PLC010844



Five-Star Business Finance Limited

Investor Presentation

Q4 FY2023

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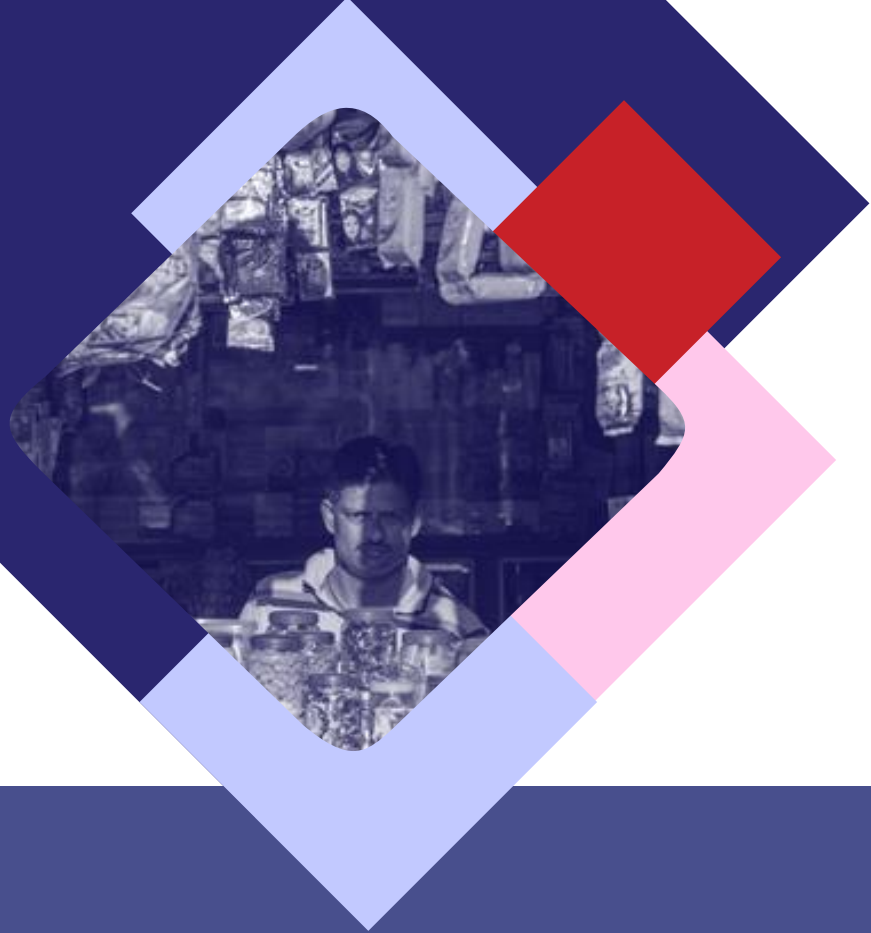
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Q4FY2023*

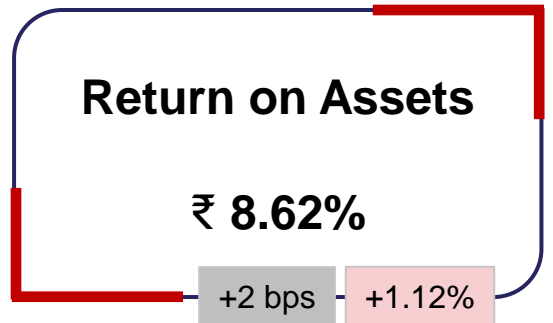
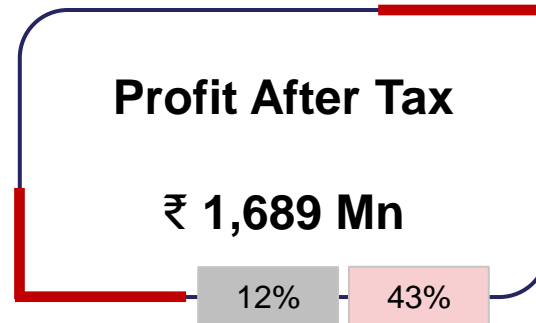
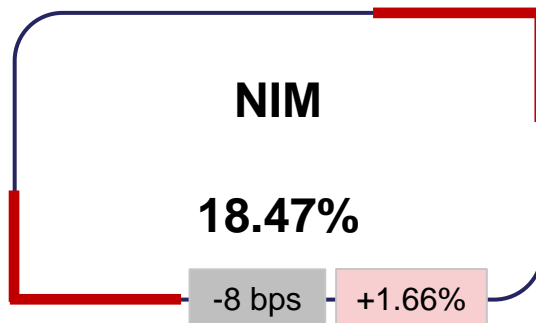
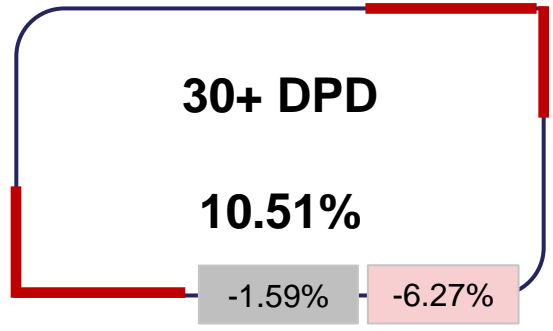
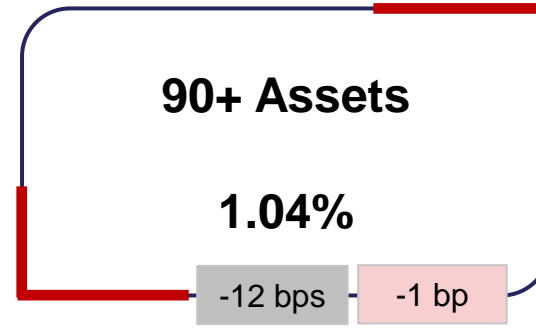
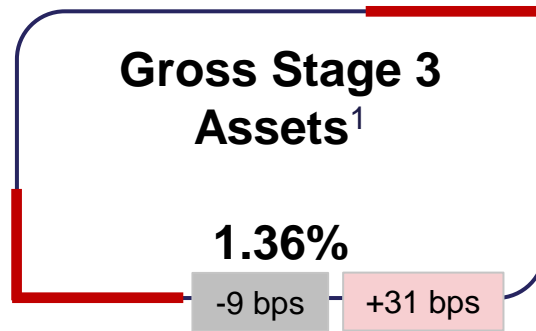
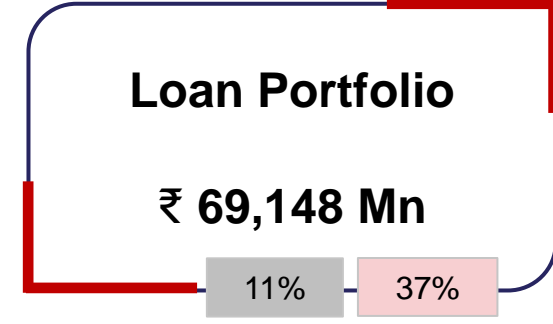
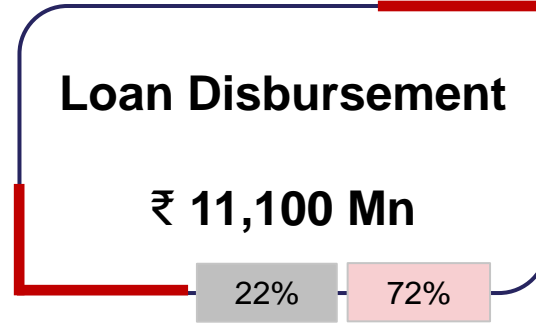
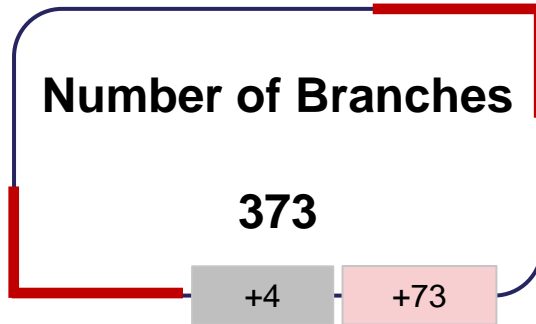
Section 4
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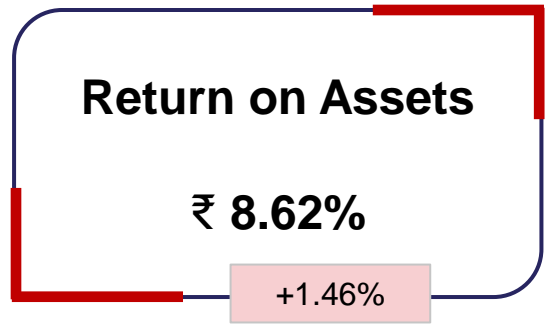
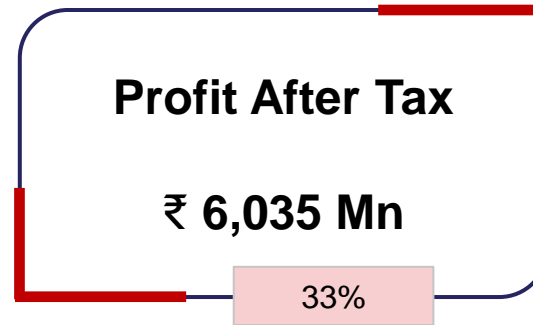
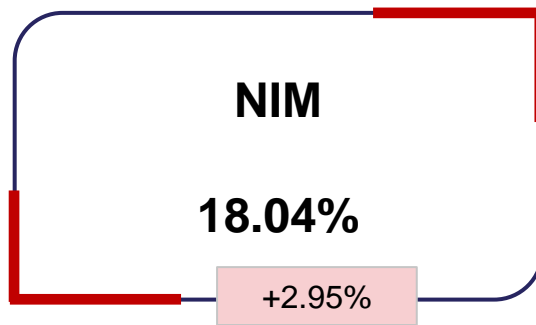
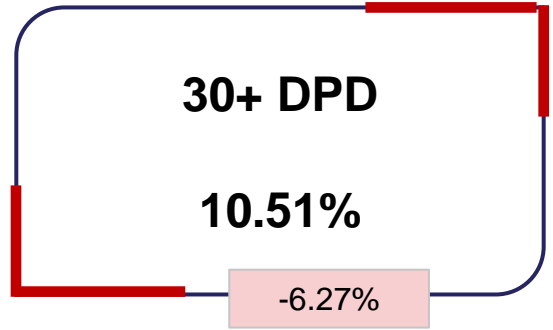
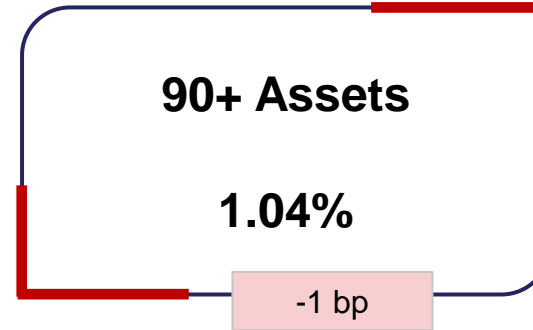
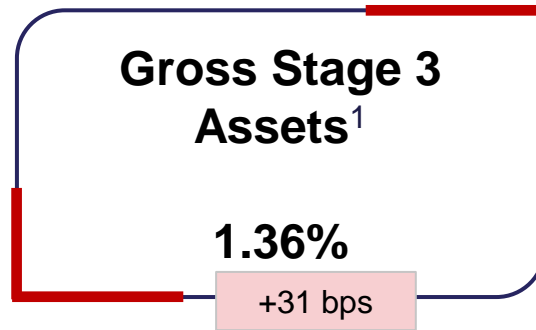
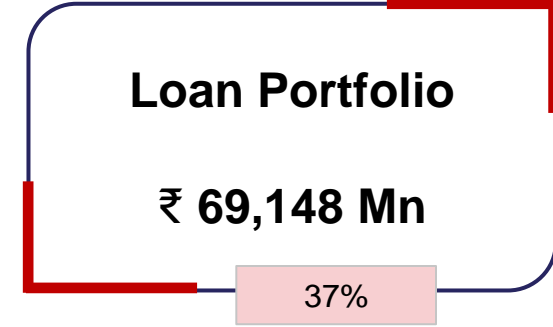
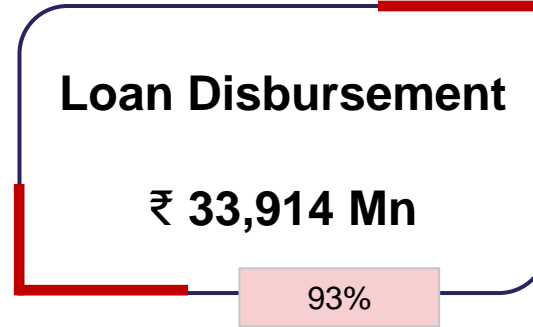
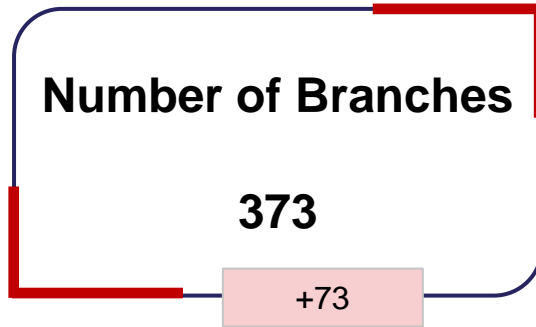
Section 1

Business Highlights



q-o-q y-o-y

Notes: 1. Gross Stage 3 Assets 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; 2. 90+ assets refer to loans which are overdue for more than 90 days as on March 31, 2023



y-o-y

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Section 2

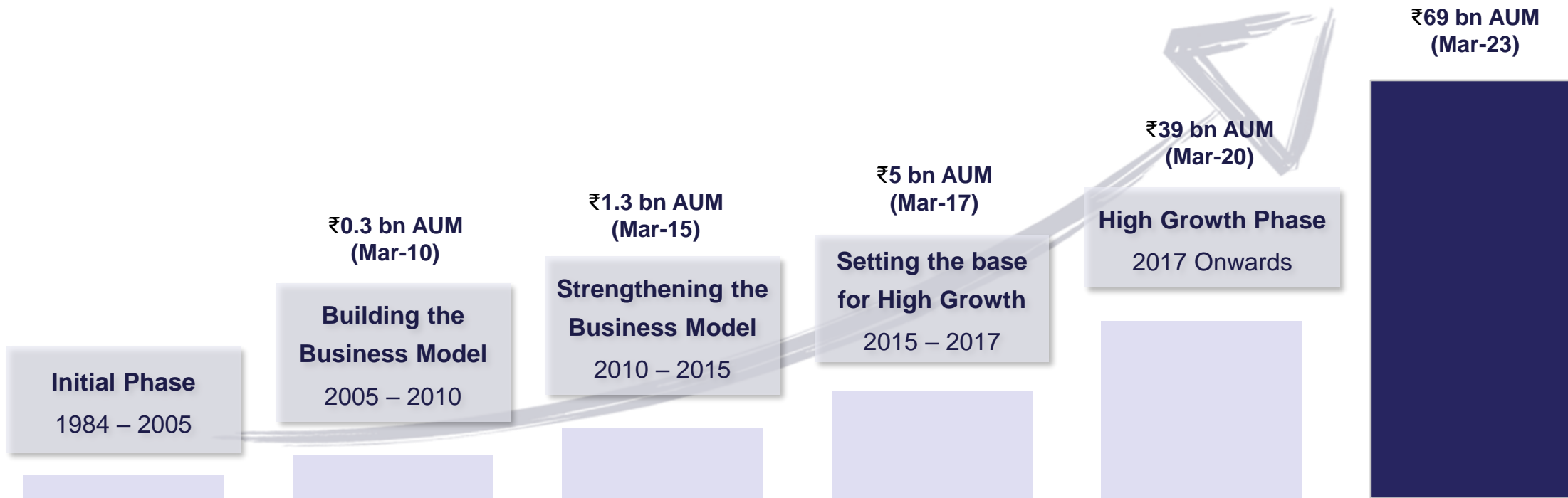
Company Overview

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

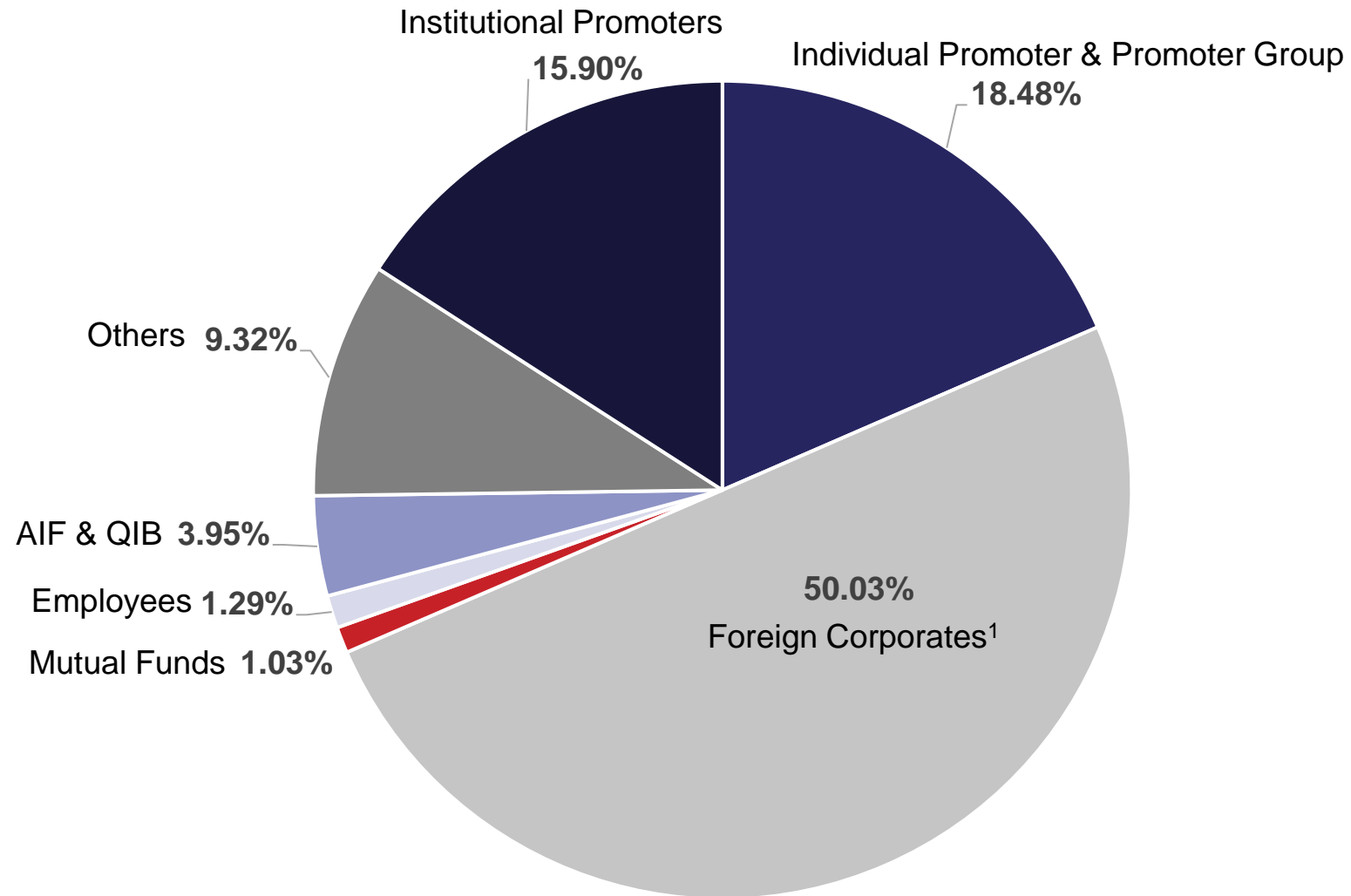
- ★ Built to take advantage of the large addressable market and credit gap
- ★ Deep understanding of customer behavior; strong knowledge of the local market and regional dynamics
- ★ Success and growth of Five-Star are outcomes of the last two decades of operating in the segment
- ★ Recognized market 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 39 years of operations

	FY15		FY23
Number of Branches	39	~10x	373
Loans to borrowers ('000)	5	~60x	294
Relationship Officers	59	~70x	4,003 ¹
Disbursements (₹ Mn) p.a.	793	>40x	33,914
Assets Under Management (AUM) (₹ Mn)	1,315	>50x	69,148
Total Income (₹ Mn)	336	>45x	15,289
Profit After Tax (₹ Mn)	99	>60x	6,035
Net Worth (₹ Mn)	713	>60x	43,395
Gross Stage 3 Assets	1.81% ²		1.36% ³

Five Star has grown >50x in AUM between FY15A - FY23A with the same ticket size on the back of a 10x growth in branch network across economic cycles and significantly stressful periods like COVID-1 and COVID-2



Large Market Opportunity
INR 22 Trillion¹



Strong Infrastructure of Five Star
Physical infra (373 branches) &
Human infra (7,347 employees)



Ability to Demonstrate 30%+ Growth
Potential growth strongly in the years to come



Growth Level 1

Increased branch network & penetration - Proven ability to open at least 50-60 branches every year



Growth Level 2






















Increased FOS even in the existing branch networks - Proven ability to increase average number of FOS in the existing branches



Growth Level 3

Increase in Average Ticket Size - ATS around 3-3.5 lakhs for the last many years; targeting inflationary increases in the years to come

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
Verifiable income stream	 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
Formal documentation	 Formal & structured – records of IT returns available	 Semi-formal – Have banking habit to the extent of business transactions	 Highly Informal –Have minimal banking habits
Extent of ‘on the ground presence’ required	 Presence of formal, verifiable documents reduces requirement	 Moderate level of physical verification required	 Ability to conduct physical verifications essential
Credit history	 Well documented	 Moderate level of documentation	 Nil or negligible credit history for medium / high ticket loans
Credit discipline	 Low variance – usually high discipline	 Moderate variance – on average high discipline	 High variance in segment with both high & low credit discipline observable
Ability to offer collateral	 Significant business assets to offer as collateral	 Moderate ability to offer business collateral	 Negligible business collateral – ability to offer personal collateral varies
Assessment of collateral	 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/ Low

Customers targeted by Five Star

Urban/semi urban customers

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 is able to operate profitably 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.Batlboi &
Associates LLP
Internal Auditor – Sundaram & Srinivasan
Audit Committee, Risk Management
Committee, Nomination & Remuneration
Committee, IT Strategy Committee headed
by Independent Directors

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 IIR 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 ₹ 0.1 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: Maharashtra, Chhattisgarh, UP
- 373 branches; 7,347 employees
- Contiguous expansion. Cautious approach to newer states

Comprehensive credit assessment and robust risk management



Sourcing and Underwriting

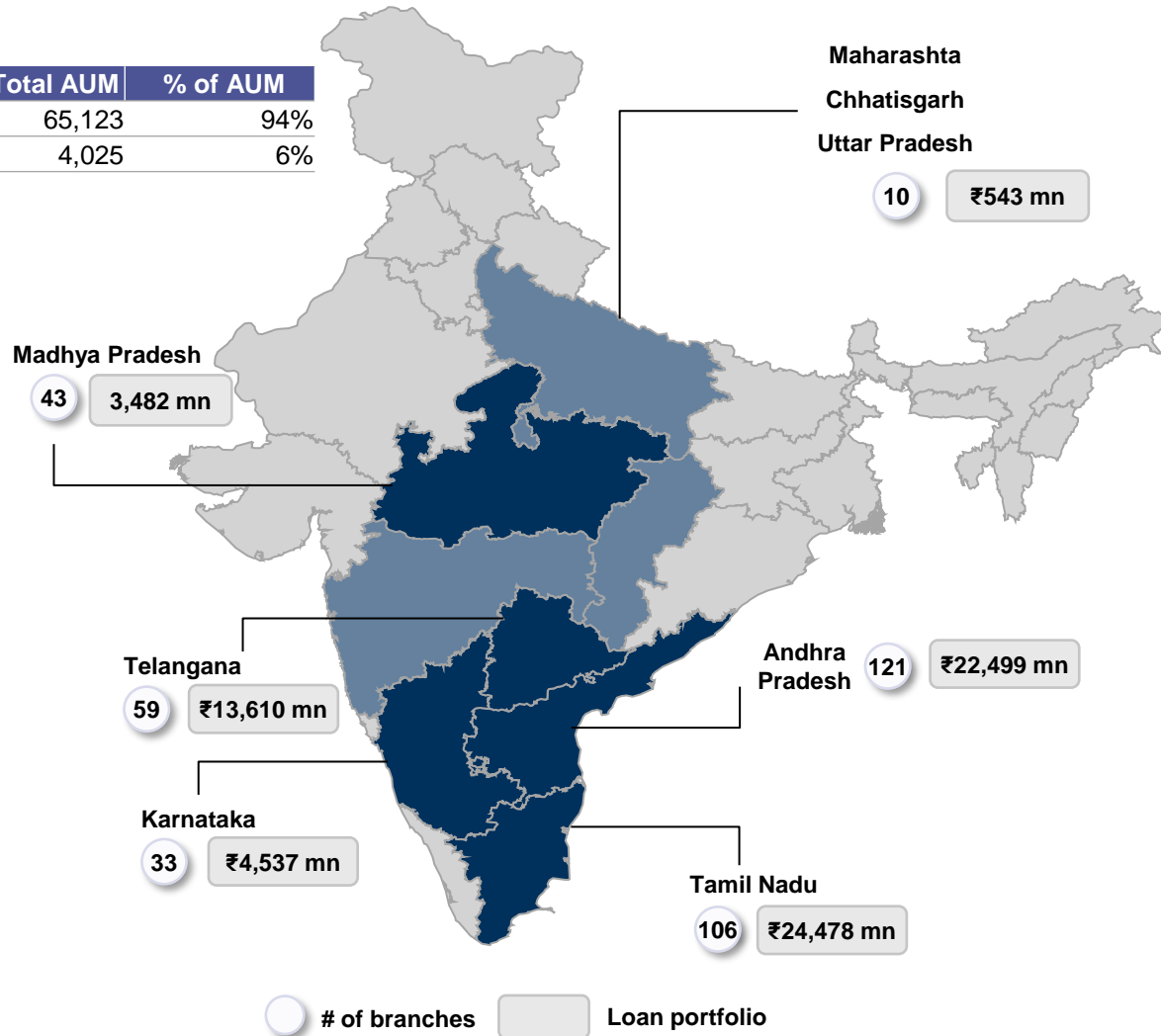
- 100% in-house sourcing and processing with focus on service oriented business
- Assessment based on 3 Cs (Character, Cash flow and Collateral)
- Two levels of check each in business and in credit; conservative credit policies
- Assignment of co-applicants – Loans to the family and not individuals



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 settlement¹

Geography	# branches	Total AUM	% of AUM
South India	319	65,123	94%
Non-South	54	4,025	6%



Vintage-wise average AUM per branch (as of March 2023)

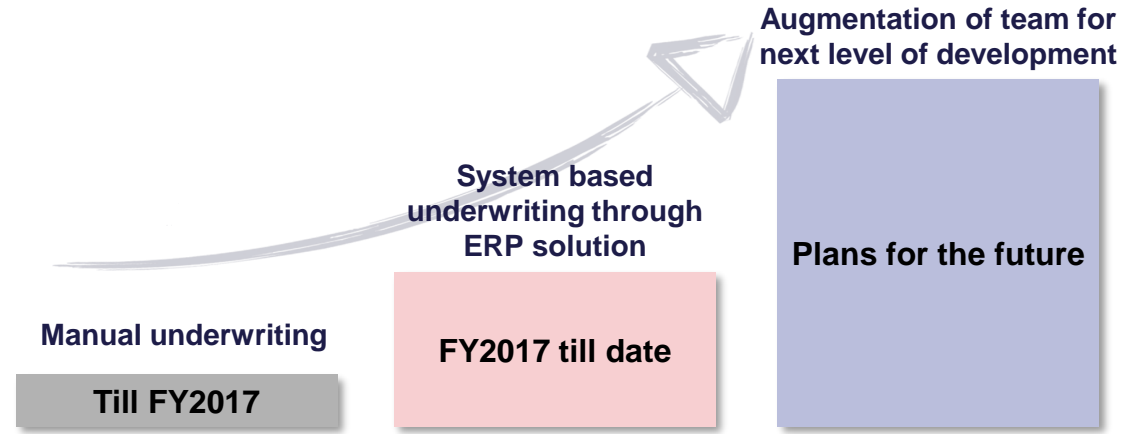
Branch Vintage	No of branches	Average AUM
<=1 year	73	57
1 – 3 years	48	105
3 – 5 years	129	191
> 5 years	123	286
Total	373	185

State-wise portfolio break-up

State	No of branches	FY2023	FY2022	FY2021	FY2020
Tamil Nadu	106	35%	39%	41%	43%
Andhra Pradesh	121	33%	29%	28%	28%
Telangana	59	20%	19%	18%	19%
Karnataka	33	7%	7%	7%	7%
Madhya Pradesh	44	5%	5%	4%	3%
Others	10	1%	1%	1%	1%
Total	373				

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
Till FY2017

- Manual underwriting process with minimal technology involvement

2
FY2017 till date

- 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
Plans for the Future

- 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

Plans for the Future...

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

Utilizing technology for processing of loan applications and analysing credit risks

Faster decision making

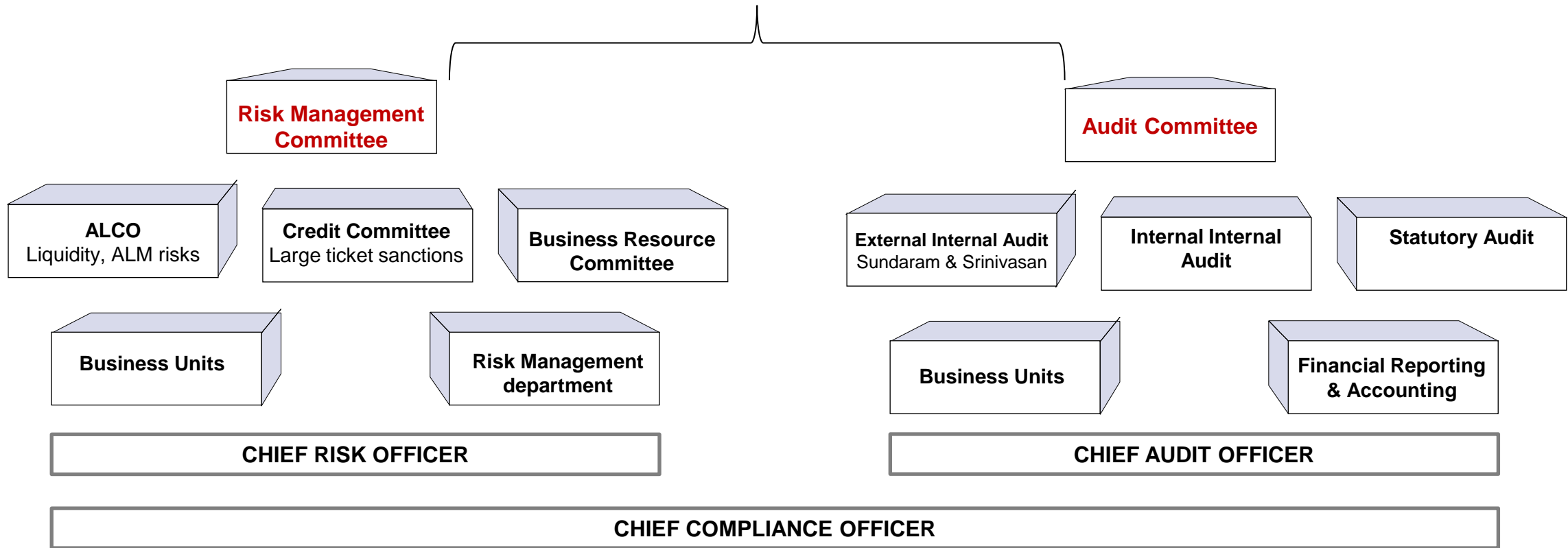
Better customer service and engagement and faster turnaround time

Projects Underway

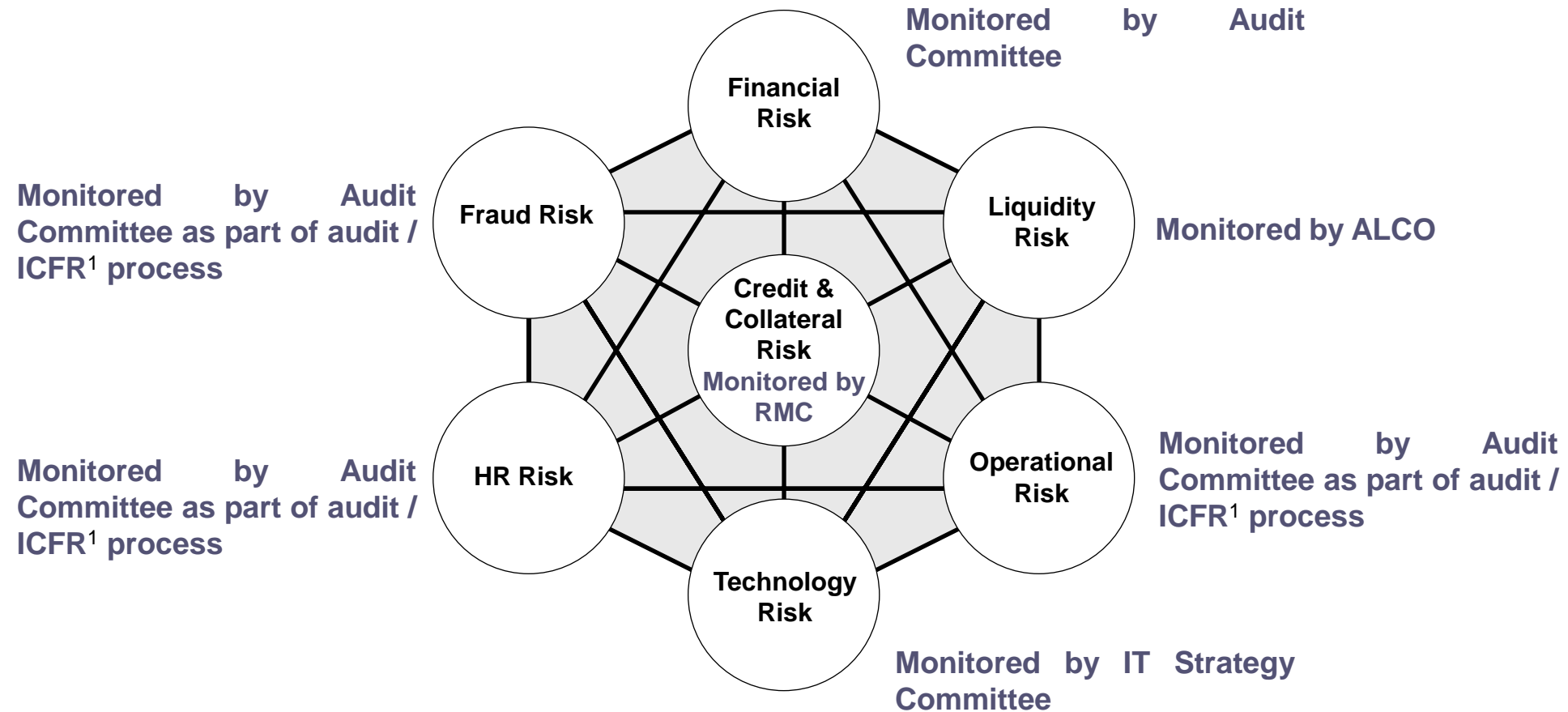
- Salesforce for Loan Origination
- Oracle for General Ledger and Financial Reporting
- Darwin Box for HR Management System
- Credence for Treasury Management

All these projects expected to go live during the current financial year

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

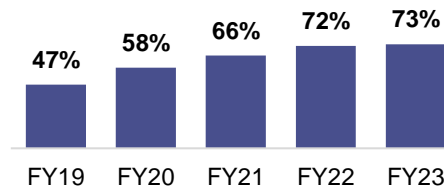
Sustainable Business Model Built Around Societal Impact



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



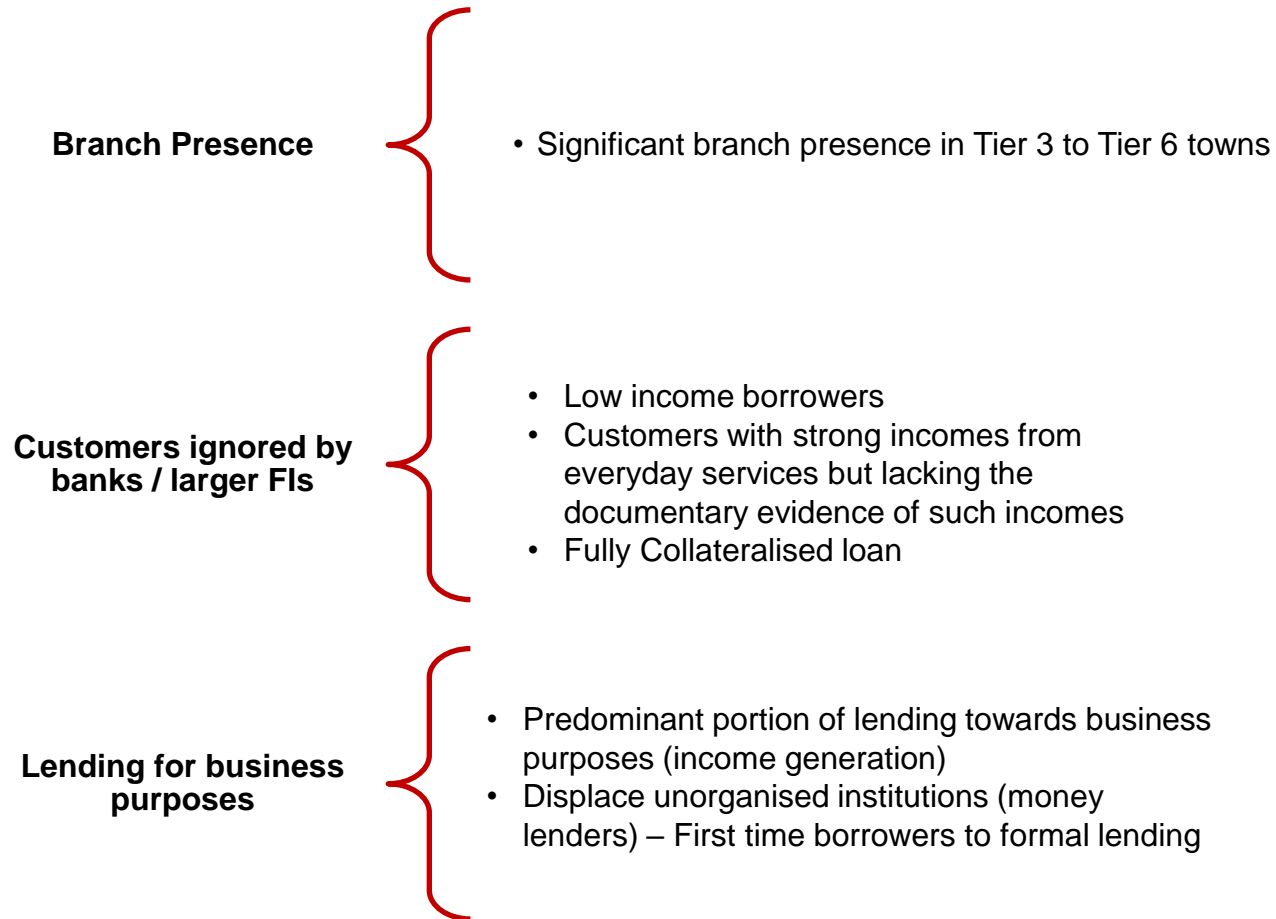
- ✓ Provides business loans
- ✓ Lower interest rates

Economic upliftment

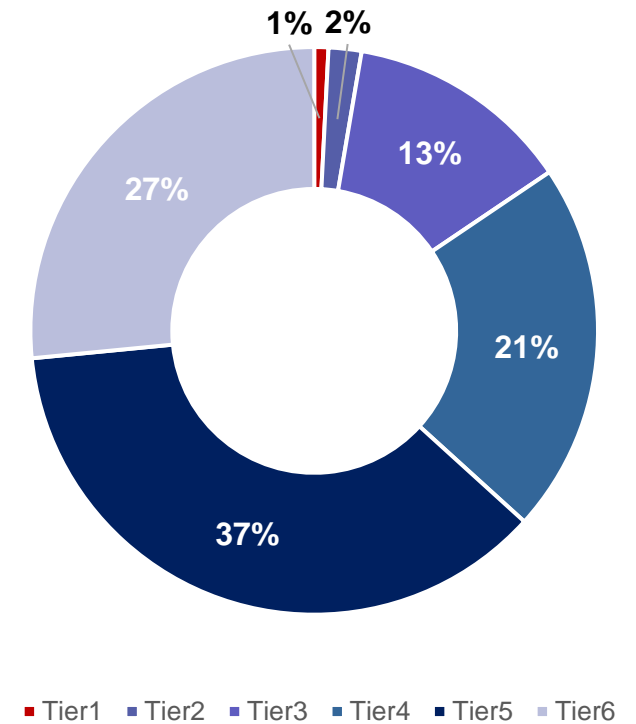
Corporate Social Responsibility

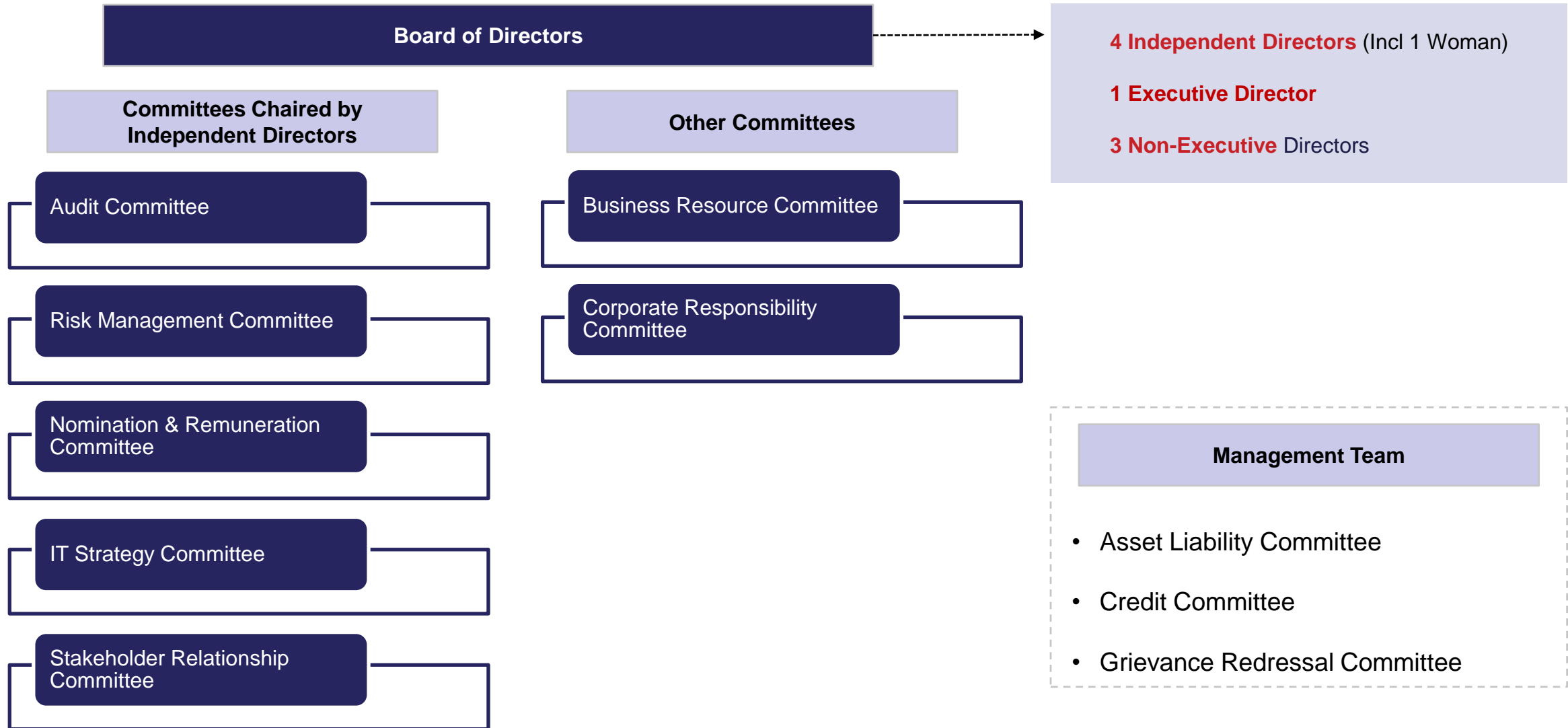
- CSR Committee is focused on improving education, health and livelihood

Social Impact achieved through...



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



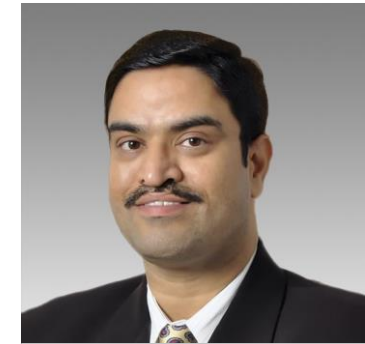
Ramkumar Ramamoorthy
Independent Director
Chair – IT Strategy Committee



Vikram Vaidyanathan
Non-Executive Director¹



G V Ravishankar
Non-Executive Director²



Trilokchand Vasani
Non-Executive Director

Experienced Management team



Lakshmi 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 Suryanarayana¹
Chief People Officer

Consistent Financial Performance over the years¹

Particulars (₹ Mn)	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Operational Information									
Number of branches	39	64	103	130	173	252	262	299	373
Loan disbursals	793	1,319	3,830	7,072	14,822	24,087	12,450	17,562	33,914
AUM	1,315	1,981	4,834	10,084	21,128	38,922	44,454	50,671	69,148
Number of employees	167	293	691	1,290	1,971	3,734	3,938	5,675	7,347
Financial Information									
Total Income	336	473	859	2,082	4,089	7,873	10,513	12,562	15,289
Interest expenses ²	104	141	237	578	769	2,156	3,261	2,984	2,636
Net Interest Income (NII)	232	332	622	1,504	3,320	5,717	7,252	9,578	12,653
Operating Expenses ³	76	122	286	625	1,060	1,731	2,136	3,081	4,405
Loan losses & Provisions	4	7	28	93	76	493	352	455	201
Profit Before Tax (PBT)	152	203	308	786	2,184	3,493	4,764	6,042	8,047
Profit After Tax (PAT)	99	134	194	558	1,567	2,620	3,589	4,535	6,035
Total Comprehensive Income	99	134	194	558	1,563	2,608	3,582	4,513	6,013
Ratios									
Cost to Income	34.48%	38.86%	50.48%	47.74%	34.22%	38.90%	34.31%	36.92%	36.40%
Return on Total Assets	7.04%	6.87%	4.22%	5.82%	8.78%	7.31%	6.99%	7.16%	8.62%
Return on Equity	16.65%	16.47%	12.26%	12.97%	15.14%	15.36%	16.85%	13.85%	15.03%
Gross Stage 3 assets ⁴	1.81%	1.82%	2.47%	1.43%	0.89%	1.37%	1.02%	1.05%	1.36%
Net Stage 3 assets ⁵	1.48%	1.52%	2.07%	0.94%	0.68%	1.13%	0.83%	0.68%	0.69%
Provision Coverage Ratio - overall AUM	0.57%	0.54%	0.81%	0.97%	0.80%	1.58%	1.95%	2.03%	1.61%
Provision Coverage Ratio - Stage 3	18.40%	16.34%	16.24%	33.89%	22.99%	17.67%	17.92%	34.91%	49.33%
CRAR	52.17%	39.14%	43.78%	58.82%	64.09%	52.94%	58.86%	75.20%	67.17%
Debt / Equity ratio	1.24	1.43	2.04	0.92	0.70	1.22	1.48	0.69	0.98

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, as a percentage of the overall loan portfolio; 5. Net Stage 3 Assets denotes Gross Stage 3 assets reduced by impairment allowance on such loans, represented as a percentage



Section 2

Executive Summary – Q4FY2023

Scale of Operations



₹69.2bn / ₹50.7bn
AUM in FY23 / FY22
37% growth Y-o-Y



₹33.9bn / ₹17.6bn
Amount Disbursed in
FY23 / FY22



111,808 / 66,007
Number of Disbursements in
FY23 / FY22



₹43.4bn
Net Worth

Distribution



373
Number of Branches



4,003
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)



₹0.32mn
Average ticket size¹ for
loans disbursed in Q4FY23



294,032
Live accounts²



37.8%
Average LTV³
(As of March 31, 2023)

Asset Quality



1.36%
Q4FY23⁴
Gross Stage 3 Assets



0.69%
Q4FY23⁵
Net Stage 3 Assets



0.38%
Q4FY23 Credit Cost to
Average Total Assets⁶



0.86% / 59.18%
Total Restructured Portfolio /
Provision Coverage on
restructured book

Liability Profile



50
Lender relationships



67.17%
CRAR – Sufficient capital



Borrowing profile
Fixed rate borrowings of
34.7%



AA- / A+
Long term credit rating by
India Ratings / ICRA & CARE

Profitability



₹6.0bn / ₹4.5bn
PAT for FY23 / FY22
33% growth Y-o-Y



18.04%
Net Interest Margin⁷ for FY23



8.62%
Return on Total Assets for
FY23



15.03%
Return on Avg. Equity⁸ for
FY23

- Five Star witnessed the best-ever quarter in Q4FY2023 across Growth, Profitability and Quality.
- Business & Disbursal momentum back to pre-COVID levels and collections continue to be robust.
- Y-o-Y growth of 37% on AUM and Gross Stage 3 Assets of 1.36%

**AUM
Mar'23**



**Profit After Tax
FY23**



**Net Stage 3 assets¹
Mar'23**



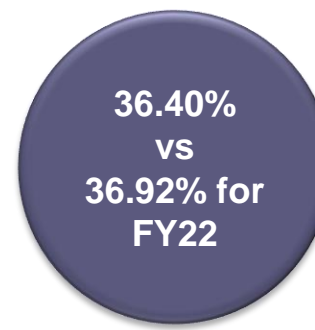
**Total revenues
FY23**



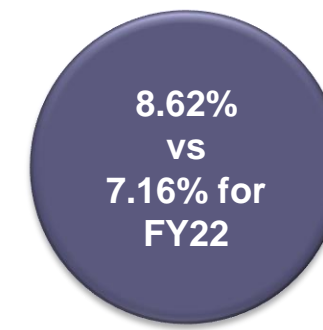
**Expected Credit Loss
Mar'23**



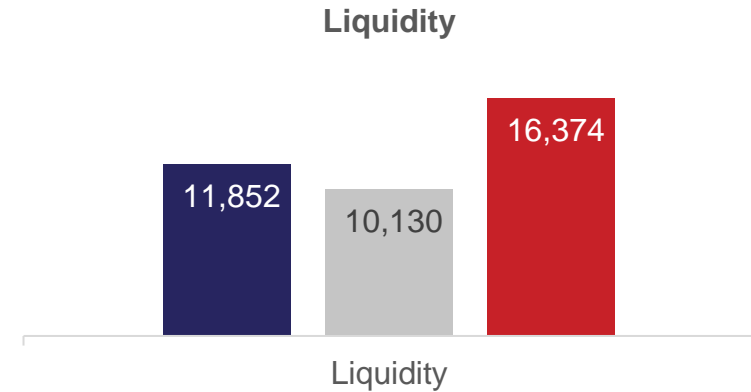
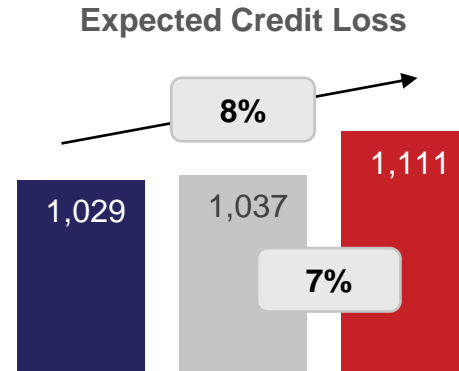
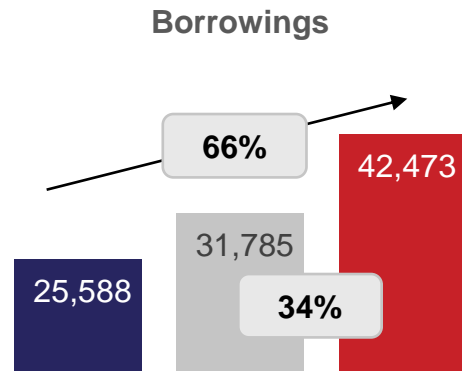
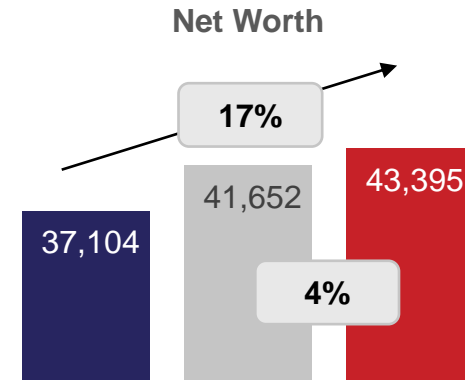
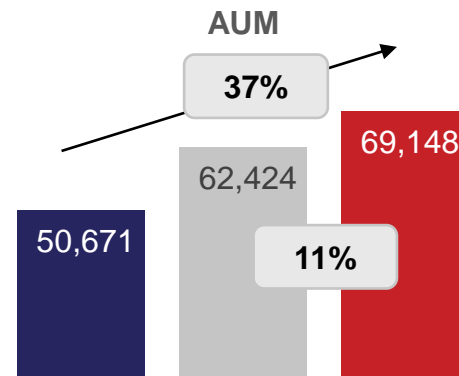
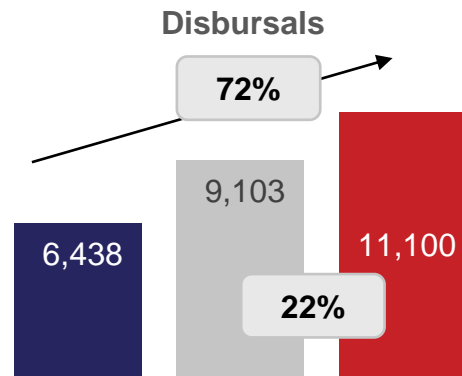
**Cost to Income
FY23**



**Return on Assets
FY23**

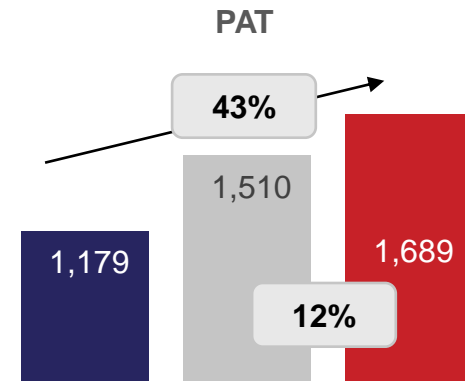
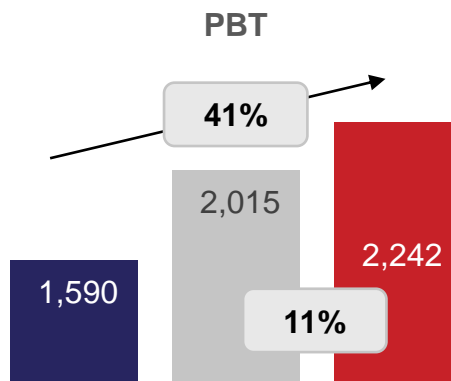
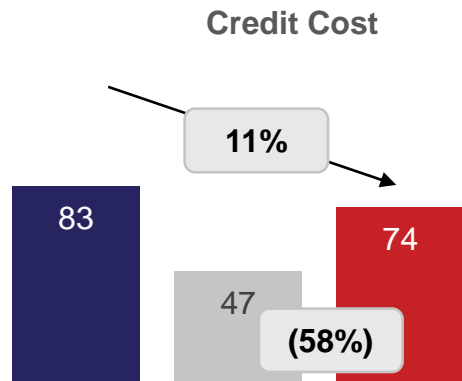
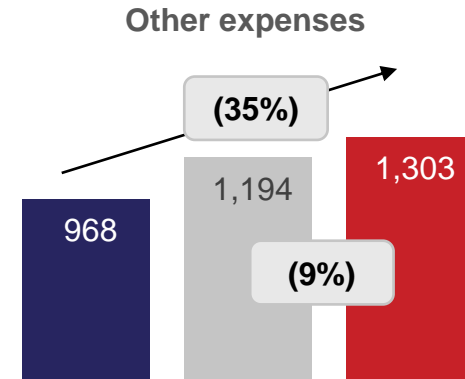
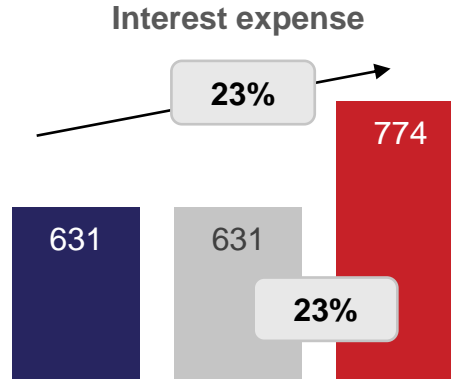
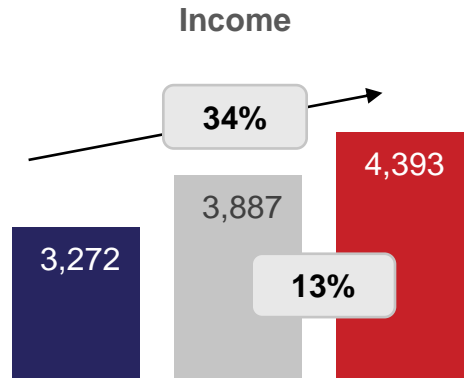


All amounts in ₹ Mn



Q4FY22 Q3FY23 Q4FY23

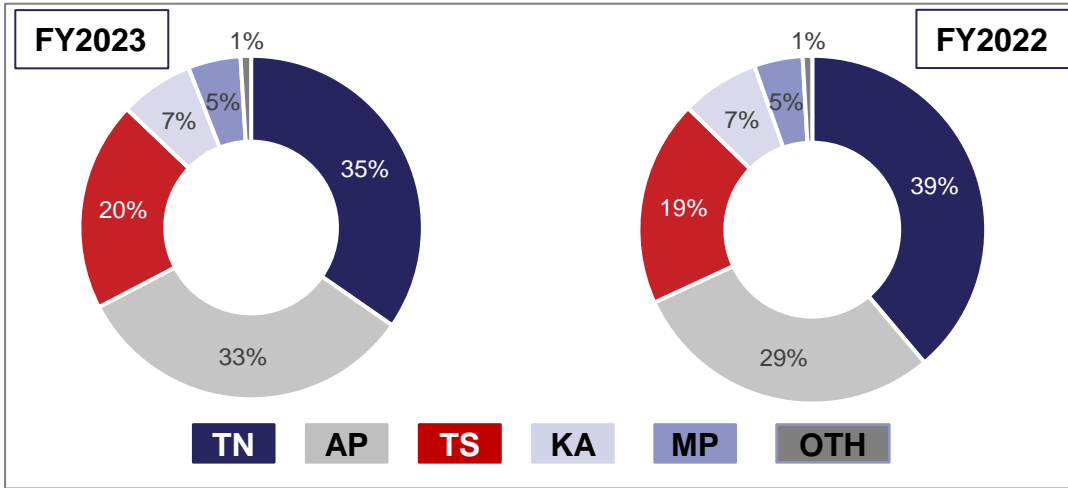
All amounts in ₹ Mn



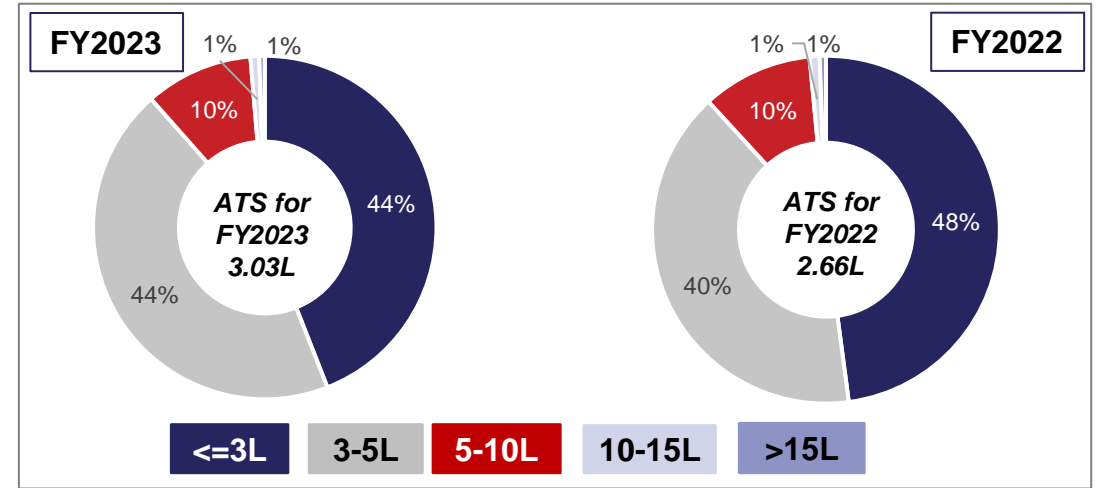
Q4FY22 Q3FY23 Q4FY23

Well Diversified Portfolio across Parameters

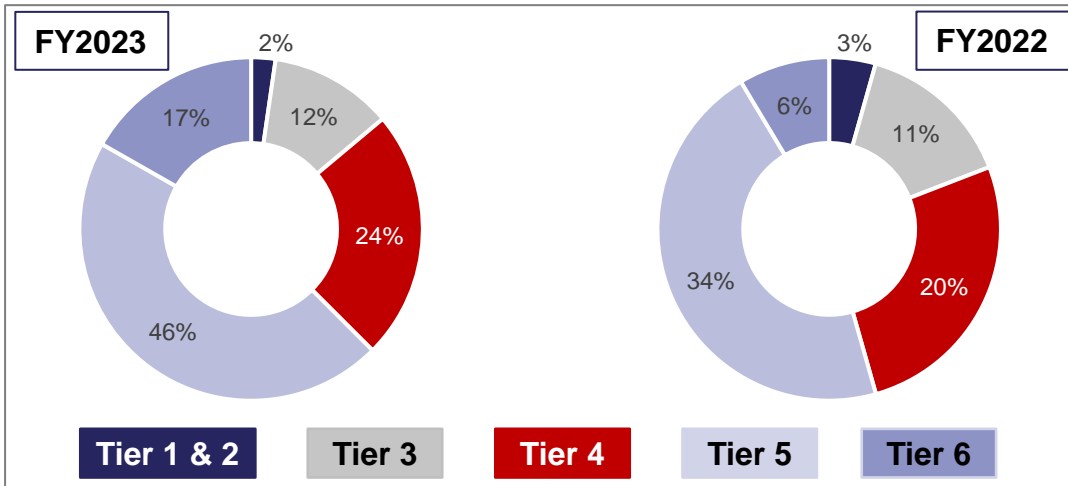
AUM by Geography



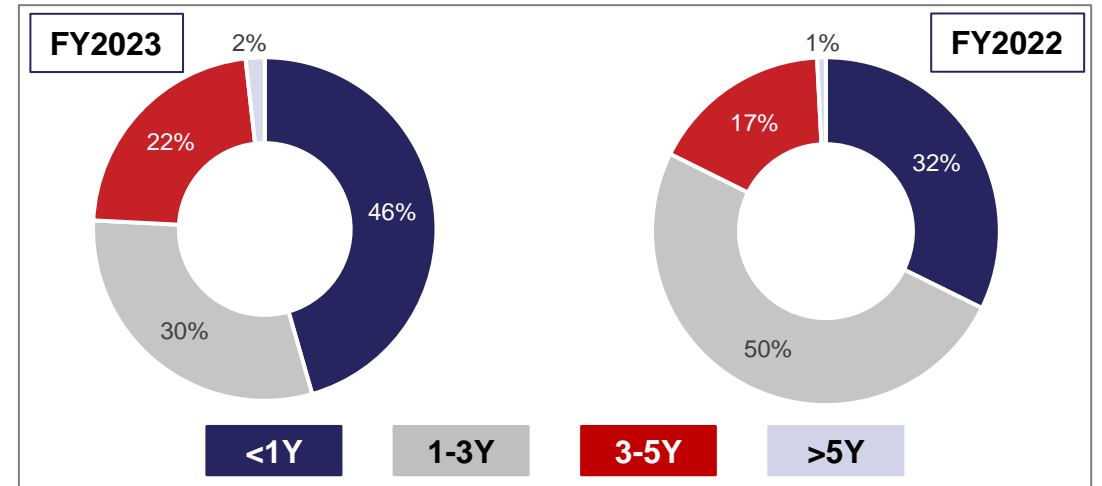
AUM by Ticket Size¹



AUM by Branch Tier²



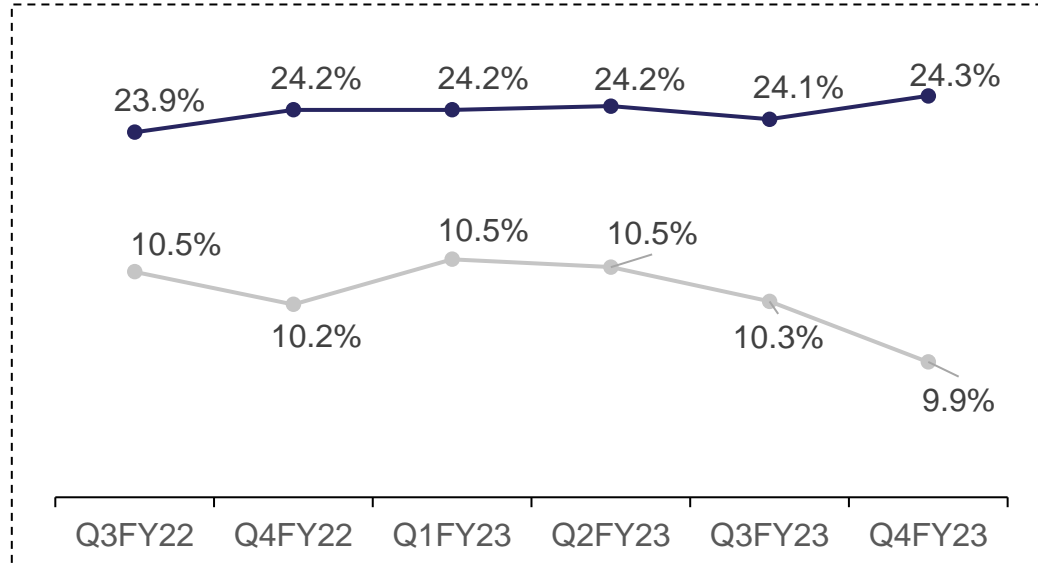
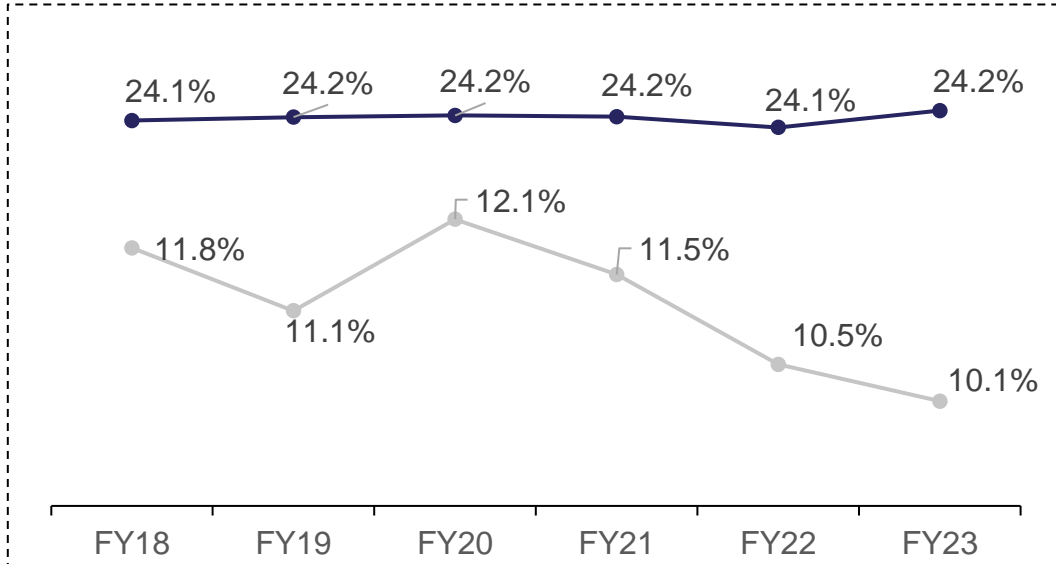
AUM by Vintage of loans



Notes: 1. Ticket size / Sanctioned tenor are at the time of loan sanction; 2. 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

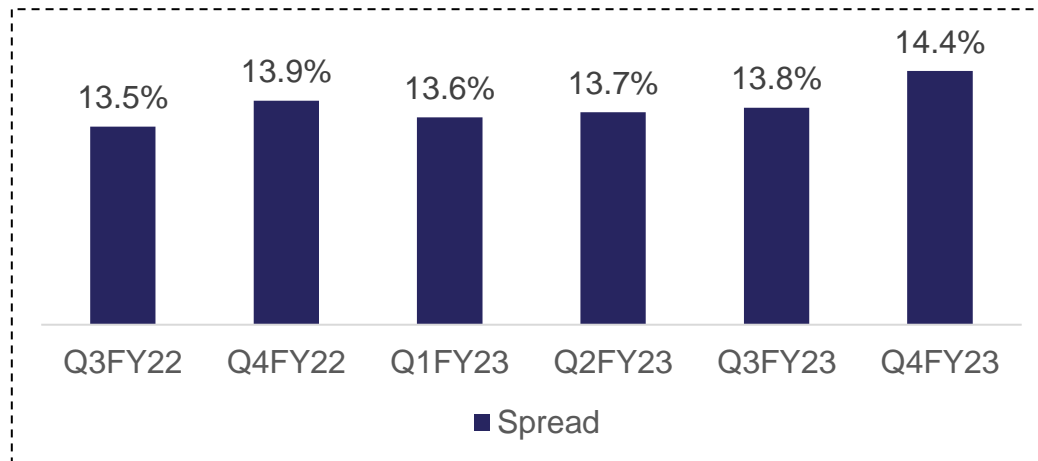
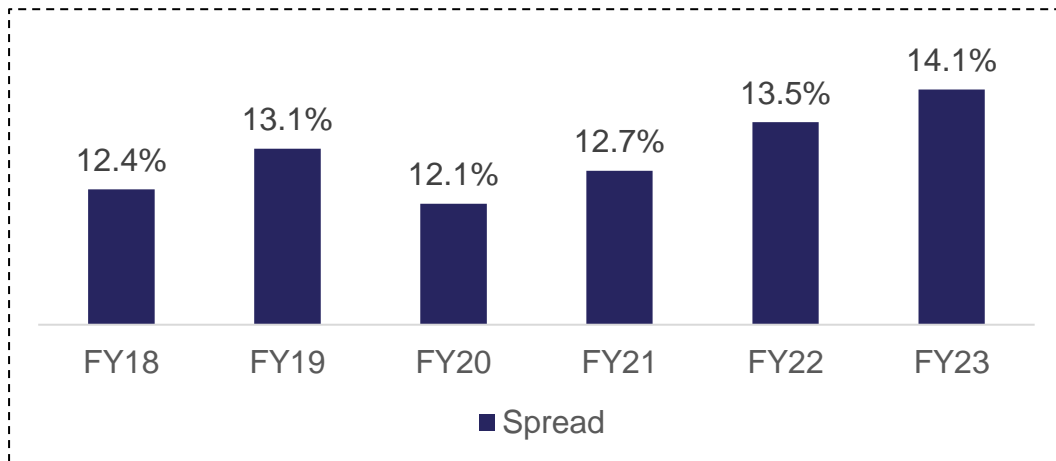
Consistent & Best-in-class Spreads

— Portfolio Yield — Cost of borrowing ■ Spread

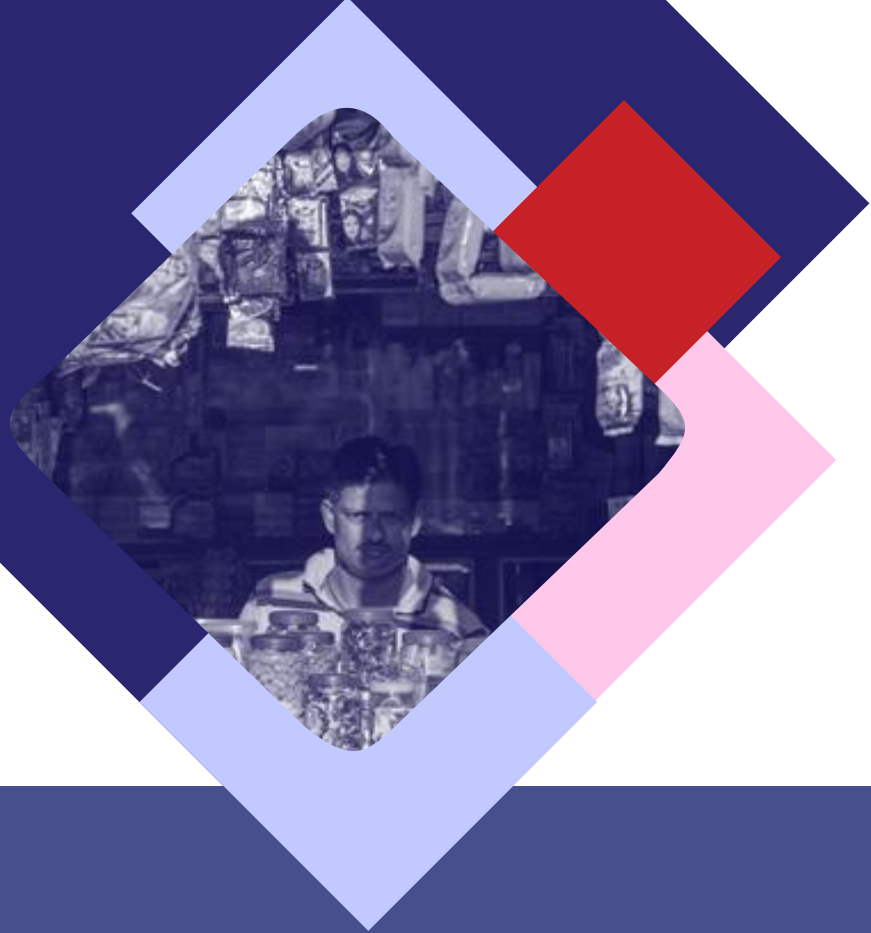


No yield increases done even during a difficult interest rate cycle

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



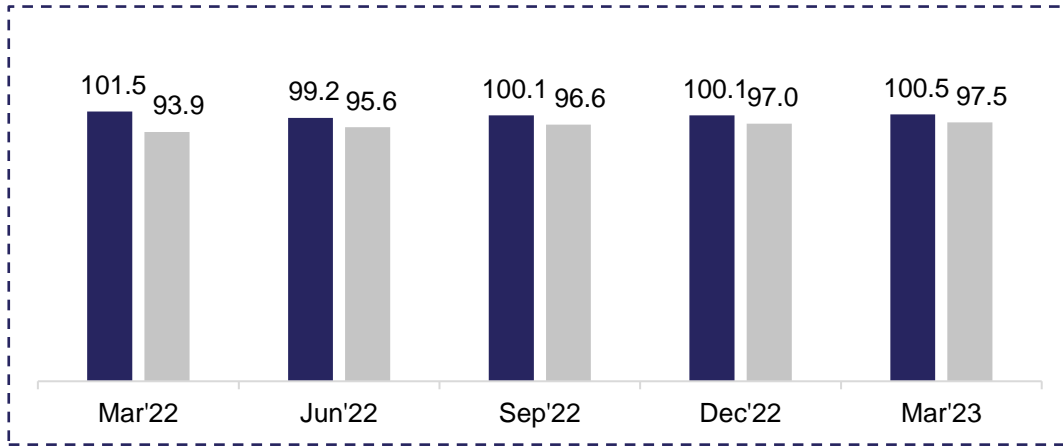
1. Net Q-o-Q AUM growth of ₹6,724 Mn in Q4FY23 as against ₹2,995 Mn in Q4FY22. AUM was up 37% Y-o-Y at ₹69,148 Mn as against ₹50,671 Mn as of March 31, 2022.
2. Disbursements during the quarter was at ₹11,100 Mn as against ₹6,438 Mn during Q4FY22.
3. Active loans at 0.29 Mn as against 0.22 Mn as of March 31, 2022.
4. The Company added 73 branches during the quarter. Total branch count stood at 373 as against 300 branches as of March 31, 2022.
5. Total Headcount stood at 7,347 as against 5,675 as of March 31, 2022.
6. The Company continued to have a robust collection efficiency of 100.5% during the quarter..
7. During FY2023, the company has raised incremental debt of ₹31,036 Mn, at a weighted average rate of interest of 8.95% (all-inclusive cost of 9.21%¹ on fresh borrowings raised during this period). Liquidity buffer as of December 31, 2022 stood at about ₹16,374 Mn.
8. During the quarter, ICRA also upgraded the bank loan rating of the Company to AA Minus (AA-).
9. Gross & Net Stage 3 assets stood at 1.36%² and 0.69%² respectively as of March 31, 2023 as against 1.05%³ and 0.68%³ as of March 31, 2022. Loans which were overdue for more than 90 days as of March 31, 2023 stood at 1.04% (gross) and 0.47% (net).
10. Overall Stage 2 assets stood at ₹6,325 Mn (9.15%) as of March 31, 2023 as against ₹7,971 Mn (15.73%) as of March 31, 2022 and ₹6,648 Mn (10.65%) as of December 31, 2022.
11. The Provision coverage on Stage 3 assets stood at 49.33% and the provision coverage on the overall portfolio stood at 1.61%.
12. Post tax profit grew by 43% to ₹1,689 Mn in Q4FY23 as compared to ₹1,179 Mn in Q4FY22.
13. Capital adequacy remained high at 67.17%



Section 3

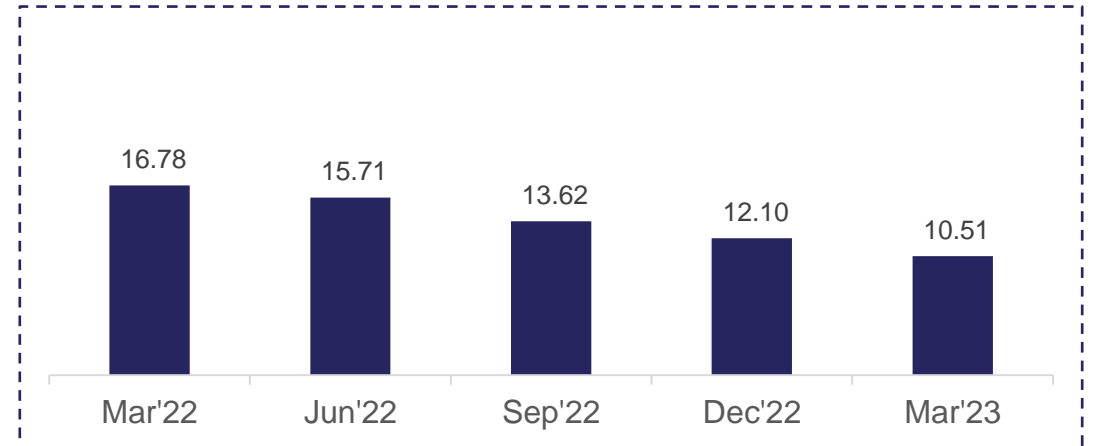
Asset Quality & ECL

Collections Efficiency (%)

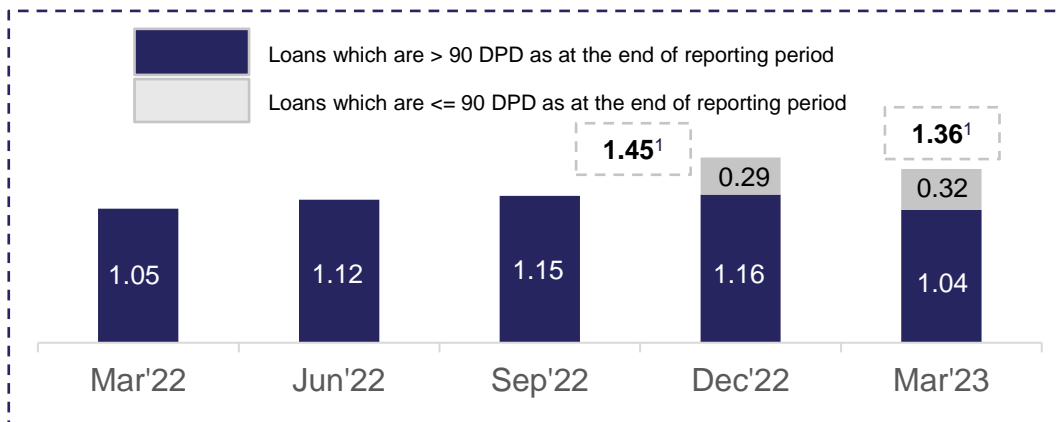


Amount of EMI received during the month (including arrears of previous months) divided by EMI demand for the current month
 Amount of EMI received during the month, restricted to a max of 1 EMI per loan divided by EMI demand for the current month

30+ (%)

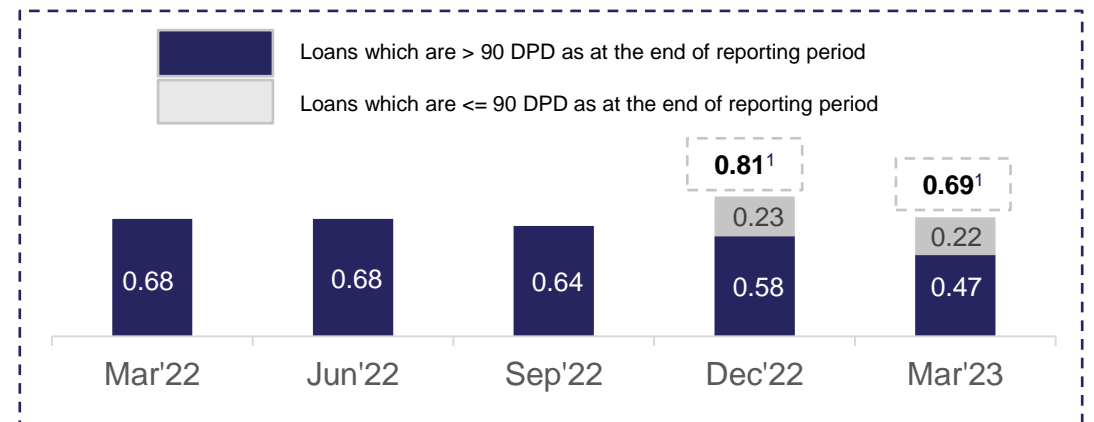


Gross Stage 3 Assets (%)



Loans which are > 90 DPD as at the end of reporting period
 Loans which are <= 90 DPD as at the end of reporting period

Net Stage 3 Assets (%)



Loans which are > 90 DPD as at the end of reporting period
 Loans which are <= 90 DPD as at the end of reporting period

Notes: 1. Gross Stage 3 Assets 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 on or after October 1, 2022 and not cleared their arrears fully, expressed as a % of AUM, and Net Stage 3 assets represents Gross Stage 3 assets reduced by impairment loss allowance on Gross NPA, expressed as a % of AUM

Amount in ₹ Mn	As at Mar 2023 ¹		As at Dec 2022 ¹		As at Mar 2022 ²	
	AUM	% AUM	AUM	% AUM	AUM	% AUM
Bucket						
Current (Stage-1)	57,743	83.51%	50,484	80.87%	36,449	71.93%
1-30 (Stage-1)	4,140	5.99%	4,385	7.02%	5,721	11.29%
31-60 (Stage-2)	3,140	4.54%	3,384	5.42%	5,158	10.18%
61-90 (Stage-2)	3,185	4.61%	3,264	5.23%	2,812	5.55%
90+ (Stage-3)	939	1.36%	907	1.45%	530	1.05%
Total	69,148		62,424		50,671	
Stage 1 Assets	61,884	89.49%	54,869	87.90%	42,170	83.22%
Stage 2 Assets	6,325	9.15%	6,648	10.65%	7,971	15.73%
Stage 3 Assets	939	1.36%	907	1.45%	530	1.05%

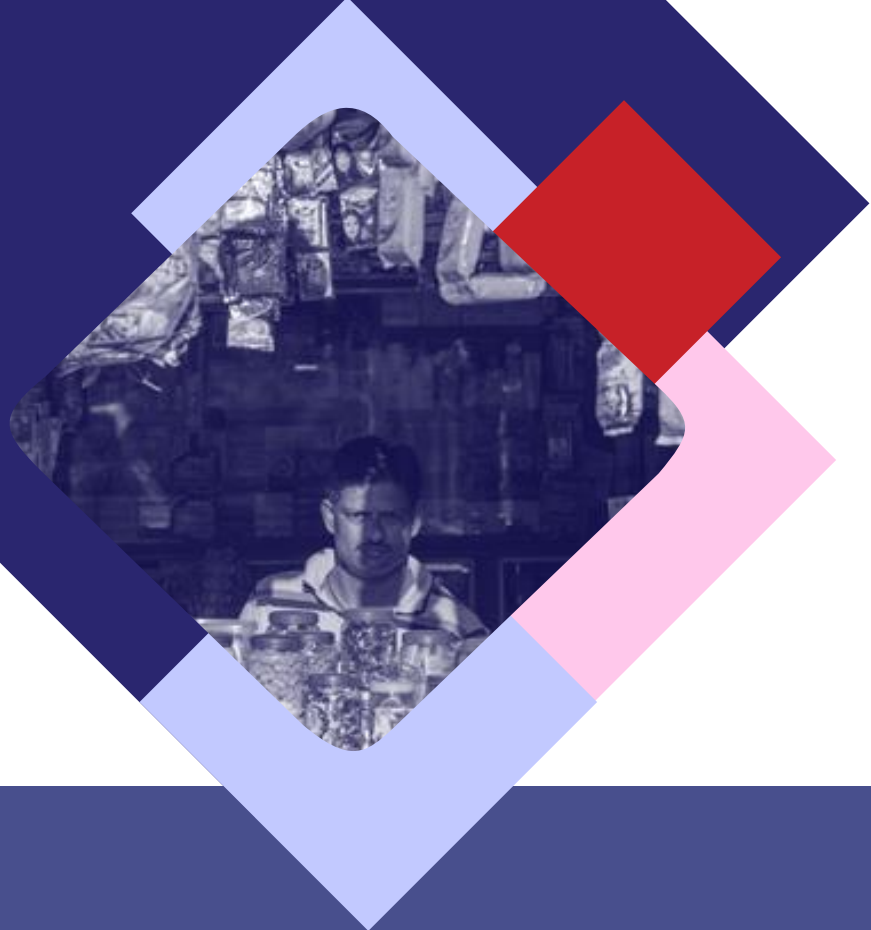
Improvement across buckets during Q4, not just in % terms but also in terms of absolute quantum

Amount in ₹ Mn				
As of March 31, 2023¹	Stage 1	Stage 2	Stage 3	Total
Loans Outstanding (Gross)	61,884	6,325	939	69,148
ECL Provision	203	443	463	1,111
Loans Outstanding (Net)	61,681	5,882	476	68,037
ECL Provision %	0.33%	7.01%	49.33%	1.61%
As of December 31, 2022¹	Stage 1	Stage 2	Stage 3	Total
Loans Outstanding (Gross)	54,869	6,648	907	62,424
ECL Provision	149	481	406	1,037
Loans Outstanding (Net)	54,720	6,166	501	61,387
ECL Provision %	0.27%	7.24%	44.78%	1.66%
As of March 31, 2022²	Stage 1	Stage 2	Stage 3	Total
Loans Outstanding (Gross)	42,170	7,971	530	50,671
ECL Provision	145	699	185	1,029
Loans Outstanding (Net)	42,025	7,272	345	49,642
ECL Provision %	0.34%	8.77%	34.89%	2.03%

Amount in ₹ Mn	FY2023	FY2022	FY2021
Loan Portfolio	69,148	50,671	44,454
Gross Stage 3 assets	939	530	452
Gross Stage 3 assets %	1.36% ¹	1.05%	1.02%
Gross Stage 3 assets % - 1 year Lag	1.85% ¹	1.19%	1.16%
Gross Stage 3 assets % - 2 years Lag	2.11% ¹	1.36%	2.14%

Increase in FY2023 is on account of transition to new IRAC norms, which has resulted in slight increase in Gross Stage 3 assets

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

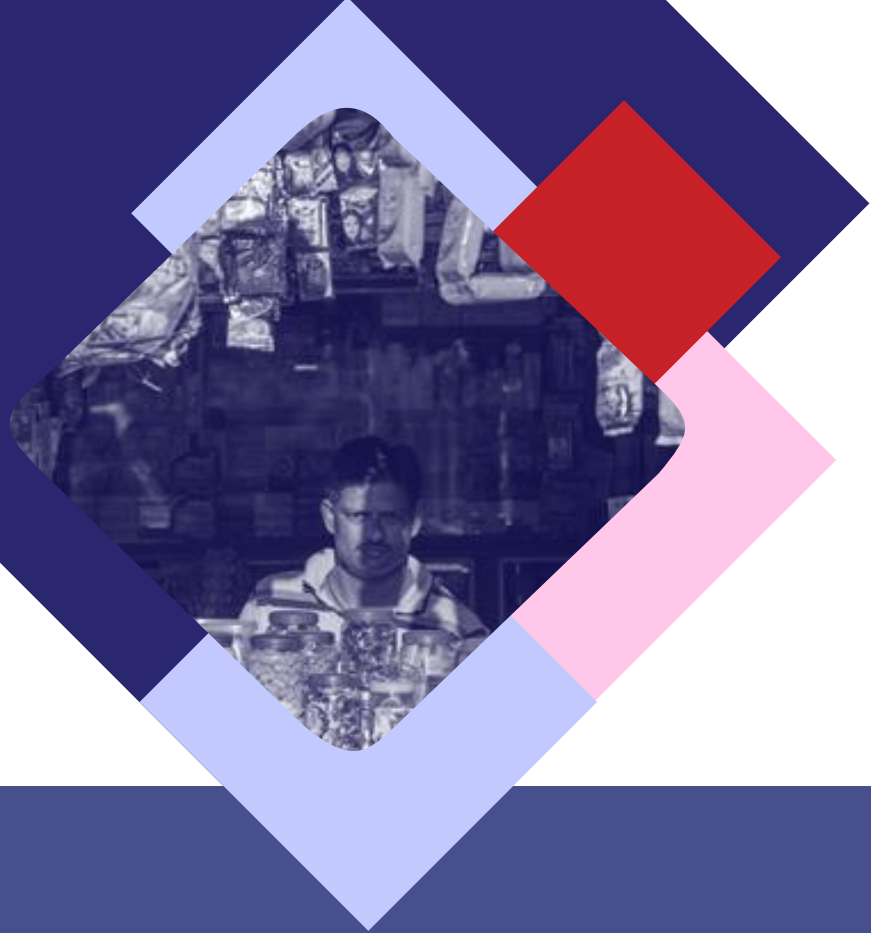
Financial Performance – Q4FY2023

Particulars (₹ Mn)	Q4FY2023	Q3FY2023	Q4FY2022
Assets			
Cash & Cash equivalents	13,404	7,317	6,132
Bank balances other than cash & cash equivalents	2,405	2,365	2,668
Loans ¹	68,222	61,542	51,024
Investments	1,446	1,446	2,482
Other financial assets ²	356	452	180
Non-Financial Assets	1,195	1,197	945
Total Assets	87,028	74,319	63,431
Liabilities & Equity			
Trade Payables	201	140	130
Debt Securities	5,248	5,578	10,085
Borrowings other than Debt Securities	37,224	26,207	15,503
Other Financial Liabilities ²	608	521	419
Non-Financial Liabilities	352	221	190
Total Equity	43,395	41,652	37,104
Total Liabilities	87,028	74,319	63,431

Quarterly & Yearly Profit & Loss Statement

Particulars (₹ Mn)	Q4FY2023	Q4FY2022	Q3FY2023	Y-o-Y	Q-o-Q	FY2023	FY2022	Y-o-Y
Loan Portfolio	69,148	50,671	62,424	37%	11%	69,148	50,671	37%
Interest Income	4,235	3,137	3,828			14,988	12,038	
Net Gain on Fair value changes	36	22	18			83	209	
Fee & Other income	122	113	41			219	316	
Total Income	4,393	3,272	3,887	34%	13%	15,289	12,562	22%
Interest Expenses ¹	774	631	631			2,663	3,006	
Net Interest Income	3,619	2,641	3,256	37%	11%	12,626	9,556	32%
Operating Expenses	1,302	968	1,194			4,378	3,059	
Loan losses & Provisions	74	83	47			201	455	
Profit before Tax (PBT)	2,242	1,590	2,015	41%	11%	8,047	6,042	33%
Profit after Tax (PAT)	1,689	1,179	1,510	43%	12%	6,035	4,535	33%
Other Comprehensive Income	7	(10)	(3)			(22)	(22)	
Total Comprehensive Income	1,696	1,169	1,507	45%	13%	6,013	4,513	33%
Earnings Per Share (Basic) ²	5.79	4.18	5.18			20.71	16.09	
Earnings Per Share (Diluted) ²	5.73	4.14	5.15			20.49	15.92	
Book value per Share ²	146.84	125.56	140.95			146.84	125.56	

Particulars	Q4FY2023	Q4FY2022	Q3FY2023	FY2023	FY2022
Interest Income (as a % of average portfolio)	24.30%	24.15%	24.05%	24.23%	24.05%
Interest Expenses (as a % of average borrowings)	9.87%	10.24%	10.26%	10.12%	10.51%
Net Interest Income %	14.43%	13.91%	13.79%	14.11%	13.54%
Total Income % (as a % of average total assets)	22.42%	20.83%	22.15%	21.84%	19.84%
Interest Expenses (as a % of average total assets)	3.95%	4.02%	3.60%	3.80%	4.75%
Net Interest Margin %	18.47%	16.81%	18.55%	18.04%	15.09%
Operating Expenses (as a % of average total assets)	6.65%	6.16%	6.80%	6.26%	4.83%
Loan losses & Provisions (as a % of average total assets)	0.38%	0.53%	0.27%	0.29%	0.72%
Profit before Tax (PBT) %	11.44%	10.12%	11.48%	11.50%	9.54%
Tax %	2.82%	2.62%	2.88%	2.87%	2.38%
Profit after Tax (PAT) or Return on Total Assets	8.62%	7.50%	8.60%	8.62%	7.16%
Debt / Equity	0.98	0.69	0.76	0.98	0.69
Leverage (Total assets / Net worth)	2.01	1.71	1.78	2.01	1.71
Return on Equity	16.10%	13.10%	14.67%	15.03%	13.85%
Cost to income ratio	38.18%	39.80%	38.11%	36.40%	36.92%



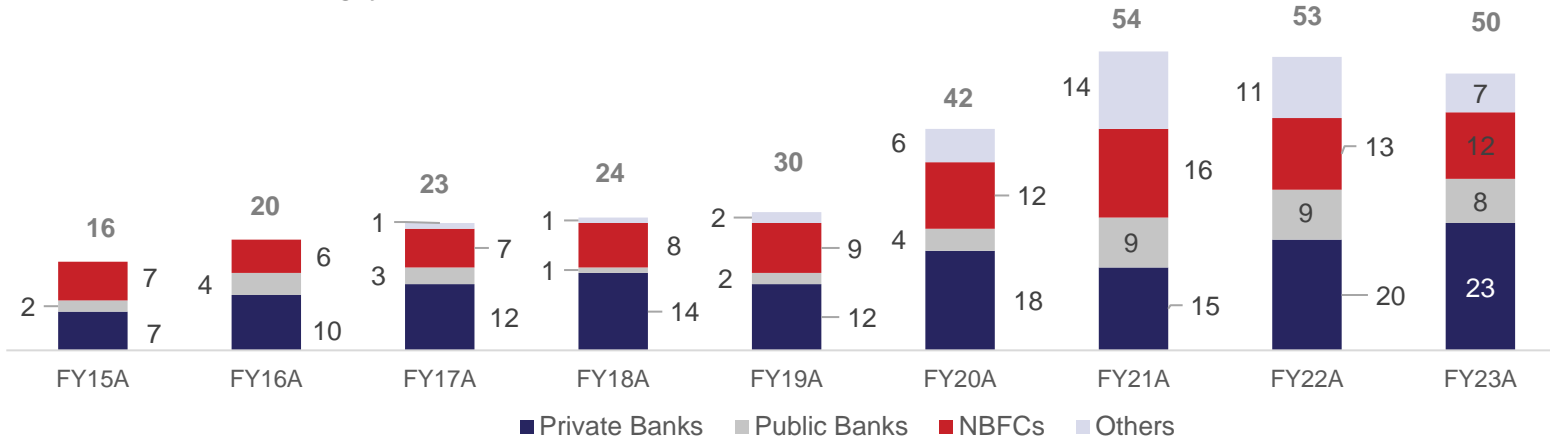
Section 5

Liability & ALM

Diversified and Cost-Effective Funding Profile

Well diversified borrowing mix

Number of lenders in each category



Increased number of lending relationships from 30 as of Mar 2019 to 50 as of Mar 2023

Deepened relationships in the PSU and private bank category

Long Term Credit Rating

AA- from both ICRA and India and **A+** from CARE

The Company has been assigned AA-rating by ICRA & India Ratings

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



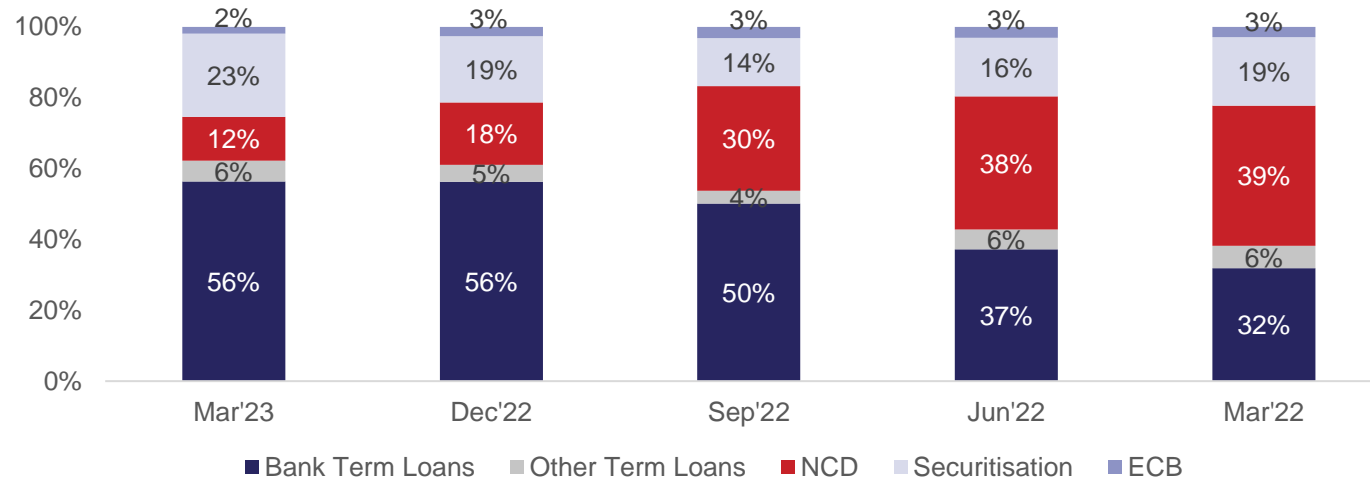
Select Private Sector Banks



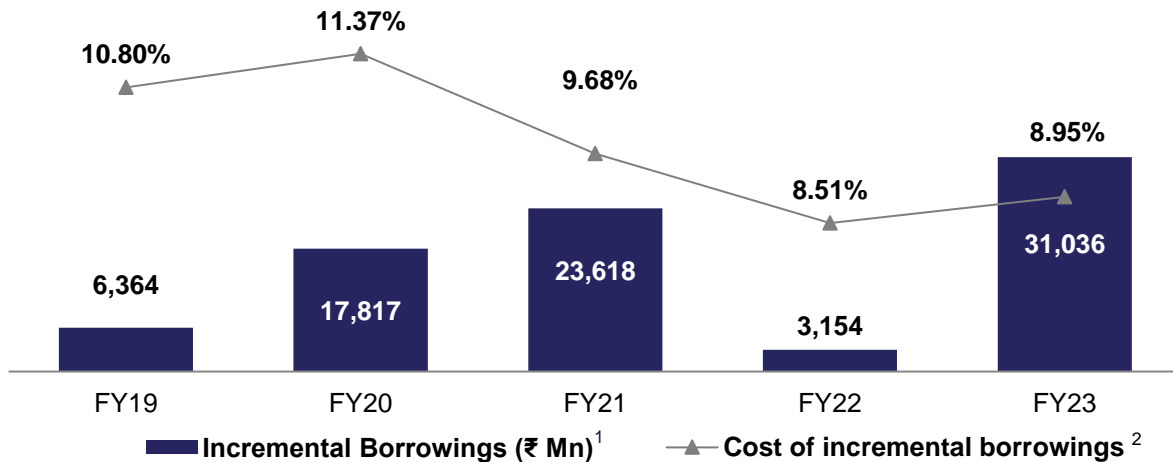
Select Other Institutions



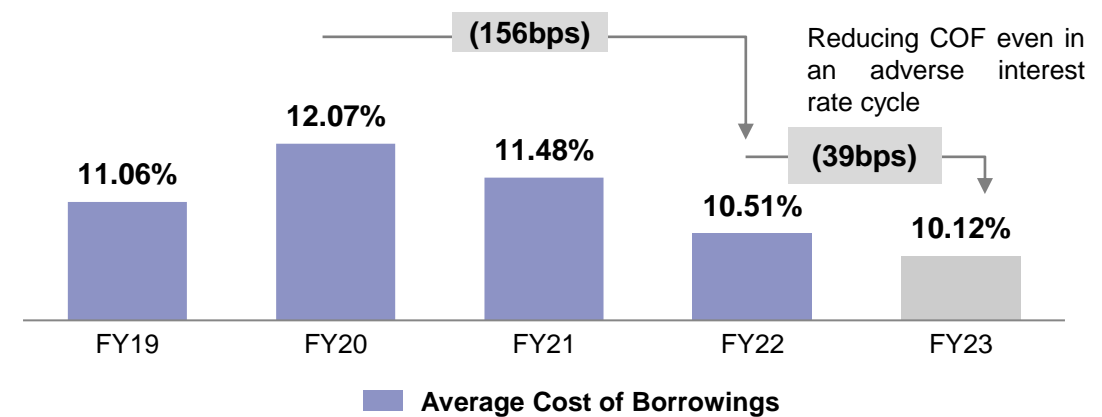
Well diversified borrowing mix



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.

Cashflow Position as of Mar'23 – Cumulative

Particulars	Up to 1M	1-2 M	2-3 M	3-6 M	6M – 1Y	1-3 Y	3-5 Y	>5 Y
Opening Liquidity¹	17,439							
Add: Inflows from advances ²	851	801	812	2,628	5,830	24,921	23,164	9,676
Less: Outflows on borrowings	3,365	901	1,450	3,263	5,105	16,711	10,458	928
Add: Other inflows	80	101	11	65	231	30	9	2,285
Less: Other outflows	997	38	71	96	104	269	201	44,977
Cumulative mismatch	14,008	13,971	13,274	12,608	13,459	21,430	33,944	-

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'23

Amount in ₹ Mn	
Liquidity buffer as of Mar 2023	
Unencumbered cash & cash equivalents	16,374
Unavailed sanction from banks / FIs	1,400
Total Liquidity	17,774

Projected Cashflow Schedule	Q1FY24	Q2FY24	Q3FY24	Q4FY24
Opening Liquidity	17,774	15,856	16,419	17,773
Add: Principal collections & internal accruals	3,799	3,826	3,976	3,969
Less: Debt repayments (principal & interest)	5,717	3,263	2,622	2,483
Closing Liquidity	15,856	16,419	17,773	19,260

Thank You

For further information, please contact:

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