

Date: July 29, 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 Press Release on the Financial and Operational Performance of the Company for the quarter ended June 30, 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 ended June 30, 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 : U65991TN1984PLC010844

FIVE-STAR BUSINESS FINANCE LIMITED

New No 27, Old No 4, Taylor's Road, Kilpauk, Chennai 600010

CIN: U65991TN1984PLC010844

Q1FY2024 Results

- AUM at Rs 7,583 crores (up 43% Y-o-Y and 10% Q-o-Q)
- Disbursements for the quarter stood at Rs 1,132 crores (up 99% Y-o-Y and 2% Q-o-Q)
- PAT for the quarter at Rs 184 crores (up 32% Y-o-Y and 9% Q-o-Q)
- Gross Stage 3 at 1.41¹ % / Net Stage 3 at 0.79% (refer note 1)

Note 1: Gross Stage 3 Assets / NPA computed as per ECL model approved by the company in accordance with Ind-AS 109 Financial Instruments after considering 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

Chennai, July 29, 2023: The Board of Directors of Five-Star Business Finance Limited, has declared its unaudited financial results for the quarter ended June 30, 2023.

Key Performance Metrics for Q1FY2024

Particulars (Rs. Cr)	Q1FY2024	Q1FY2023	Y-o-Y
Disbursements	1,132	568	99%
AUM	7,583	5,297	43%
PAT	184	139	32%
Gross Stage 3 (%)	1.41% ¹	1.12 % ²	Increase by 29 bps
90+ DPD	1.08% ²	1.12% ²	Decrease by 4 bps
ROA (%)	8.41%	8.62%	Decrease by 21 bps

Note 1: Gross Stage 3 Assets / NPA 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;

Note 2. Loans that are overdue for more than 90 days as on the reporting date

Performance Highlights for Q1FY2024

Particulars	Q1FY2024
NIM	17.74%
Return on Assets	8.41%
Return on Equity	16.62%

- Networth of Rs 4,527 crores
- Borrowings from a large base of about 50 lenders
- Network of 386 branches as on June 30, 2023

Commenting on the results, **Mr Lakshmipathy Deenadayalan, Chairman & Managing Director, Five-Star Business Finance Limited**, said,

Five Star continued to build on the strong business and disbursal momentum built in Q4FY2023. During the quarter, we disbursed 1,132 Crores of loans as against 1,110 Crores in the previous quarter and also registered a disbursement growth of 99% on Y-o-Y basis. We added 13 branches during Q1FY2024 resulting in a strong branch network of 386 branches to deliver quality service to our customers. 7 out of these 13 branches were added in Rest of India locations (5 in MP, 1 in MH and 1 in Rajasthan which marks our entry into another new state). The remaining branches were added in locations across Southern States.

Even on the collections front, we saw stronger than typical Q1 numbers. We had a collection efficiency of 99.6% for the quarter and improvement across the various DPD buckets. While there was a marginal increase in NPA numbers as compared to the previous quarter (1.41% in Q1FY24 vs 1.36% in Q4FY23), which is a typical Q1 phenomenon. It is notable that our 30+ came down from 10.51% last quarter to 9.68% 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.

We continued to grow consistently and delivered an AUM growth of 43% Year on Year. PAT for Q1FY2024 has grown at 32% as compared to the previous FY and our ROA and ROE stand as one of the best in the industry.

During the quarter, CARE has also upgraded the rating to AA-, which is also a testimony to the company's strength.

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 386 branches catering to around 317,000 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
Chief Executive Officer
Five-Star Business Finance Limited
Tel: +91 44 4610 6203
E-mail: ranga@fivestargroup.in

Mr Srikanth Gopalakrishnan
Chief Financial Officer
Five-Star Business Finance Limited
Tel: +91 44 4610 6202
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.