

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 Press Release on the Financial and Operational Performance of the Company 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 the Investor Press Release on the financial and operational performance of the Company for the quarter and financial year ended March 31, 2024.

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, April 30, 2024: The Board of Directors of Five-Star Business Finance Limited, has declared its audited financial results for the quarter and year ended March 31, 2024.

Results for the quarter ended March 31, 2024

Particulars	Q4FY24	Q4FY23	Y-o-Y	Q3FY24	Q-o-Q
AUM (Rs Cr)	9,641	6,915	39%	8,931	8%
Disbursements (Rs Cr)	1,336	1,110	20%	1,209	11%
Gross Stage 3 Assets	1.38%	1.36%	0.02%	1.40%	-0.02%
Net Stage 3 Assets ¹	0.63%	0.69%	-0.06%	0.65%	-0.02%
PAT (Rs Cr)	236	169	40%	217	9%
Net Interest Margin	17.19%	18.47%	-1.28%	16.80%	0.40%
Return on Assets	8.43%	8.62%	-0.19%	8.25%	0.18%
Return on Equity	18.65%	16.10%	2.55%	17.74%	0.91%

Results for the year ended March 31, 2024

Particulars	Year ended Mar 31, 2024	Year ended Mar 31, 2023	Y-o-Y
AUM (Rs Cr)	9,641	6,915	39%
Disbursements (Rs Cr)	4,881	3,391	44%
Gross Stage 3 Assets	1.38%	1.36%	0.02%
Net Stage 3 Assets ¹	0.63%	0.69%	-0.06%
PAT (Rs Cr)	836	604	39%
Net Interest Margin	17.39%	18.04%	-0.65%
Return on Assets	8.42%	8.62%	-0.20%
Return on Equity	17.60%	15.03%	2.57%

Note 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

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

Q4 was a very strong quarter across the 3 aspects of quality, profitability and growth. During this quarter, we disbursed Rs 1,336 Crores of loans as against Rs 1,209 Crores during Q3FY24, a sequential growth of ~11%. We added 40 branches during Q4FY2024, leading to a strong branch network of 520 branches to deliver quality service to our customers.

On the collections front, we saw improvement in numbers on a sequential basis. Our collection efficiency for the quarter was at 99.5% and unique customer collections came in at 97.8%, both of which were better than the numbers recorded for Q3FY2024. Our gross NPA also dropped by 2 bps from 1.40% in Q3FY24 to 1.38% during the current quarter; we saw improvement across our DPD buckets with our 30+ coming down from 8.35% last quarter to 7.89% during

the current quarter. We are very confident of continuing our strong momentum in the coming financial year as well.

During the quarter, we also raised incremental debt sanctions of Rs 900 Cr availing Rs 950 Cr. We were able to obtain a large ticket sanction from NABARD, one of the largest domestic DFI, at competitive pricing, which would augur well from a diversification perspective. While not in Q4FY2024, IFC, one of the largest DFI across the globe, subscribed to our NCDs in the month of April 2024 for a quantum of INR 500 Cr. We are progressing well on our intent to diversify our borrowing sources, and all this has come in with no material impact on the all-inclusive pricing. Our cost of incremental debt remained almost the same as Q3FY2024 and we were able to avail fresh funding at 9.58% during the quarter. Cost of funds on the book also remained flattish at 9.64% for the quarter. We continue to have a robust liquidity on the balance sheet of Rs 1,879 Cr along with unavailed sanctions of Rs 425 Cr.

We continued to grow consistently and delivered an AUM growth of 39% y-o-y. PAT for Q4FY2024 grew at 40% as compared to Q4FY2023 and we closed with a full year PAT of 836 Cr, with one of the best ROA and ROE ratios.

Key Highlights for Q4FY24:

Distribution:

1. The Company has increased its branch presence to 520 branches across 10 states / UT.
2. During the quarter, the company opened 40 new branches.
3. Disbursals – The Company disbursed an amount of Rs 1,336 Cr, up by 20% on y-o-y basis and 11% on q-o-q basis.

Assets under Management:

1. AUM as of March 31, 2024 ended at Rs 9,641 Cr, growth of 39% on y-o-y basis and 8% on q-o-q basis.
2. AUM is well distributed across 0.39 mn active loans

Collections & Asset Quality:

1. Collection efficiency for the quarter stood at 99.5%. Unique customer collection efficiency for the quarter stood at 97.8%.
2. Consistent improvement in 30+ DPD which ended at 7.89% as of March 31, 2024.

Provisions:

1. ECL provision carried on books was 158 Cr, which translates to 1.64% of the overall AUM.
2. Stage 3 provision was at 72 Cr leading to a provision coverage ratio on stage 3 assets of 54.27%

Borrowings:

1. Total borrowings including debt securities are at Rs 6,316 Cr as on Mar'24.
2. The company continues to carry a liquidity of Rs 1,879 Cr as on Mar'24.
3. Cost of incremental debt during the quarter was 9.58% which increased by 1 bp on q-o-q basis.
4. Cost of funds on overall borrowing book remained stable at 9.64% on q-o-q basis.

Financial Performance for the quarter:

1. Total income of Rs. 619 Cr; y-o-y growth of 41%
2. PBT of Rs.313 Cr; y-o-y growth of 40%
3. PAT of Rs.236 Cr; y-o-y growth of 40%
4. ROA at 8.43%; q-o-q increase of 18 bps and y-o-y decrease of 19 bps.
5. ROE at 18.65%; q-o-q increase of 91 bps and y-o-y increase of 255 bps.

Financial Performance for FY2024:

1. Total income of Rs. 2,195 Cr; y-o-y growth of 44%
2. PBT of Rs.1,116 Cr; y-o-y growth of 39%
3. PAT of Rs.836 Cr; y-o-y growth of 39%
4. ROA at 8.42%; y-o-y decrease of 20 bps.
5. ROE at 17.60%; y-o-y increase of 257 bps.

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 520 branches catering to around 385,000 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:

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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.