

Date: October 29, 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 half-year ended September 30, 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 half-year ended September 30, 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](mailto:info@fivestargroup.in), Website : [www.fivestargroup.in](http://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, October 29, 2024:** The Board of Directors of Five-Star Business Finance Limited, has declared its unaudited financial results for the quarter and six months period ended September 30, 2024.

**Results for the quarter ended September 30, 2024**

Particulars	Q2FY25	Q2FY24	Y-o-Y	Q1FY25	Q-o-Q
AUM (INR Cr)	10,927	8,264	32%	10,344	6%
Disbursements (INR)	1,251	1,204	4%	1,318	-5%
Gross Stage 3 Assets	1.47%	1.35%	0.12%	1.41%	0.06%
Net Stage 3 Assets <sup>1</sup>	0.71%	0.68%	0.03%	0.68%	0.03%
PAT (INR Cr)	268	199	34%	252	6%
Net Interest Margin	16.93%	17.68%	-0.75%	16.72%	0.21%
Return on Assets	8.36%	8.47%	-0.11%	8.23%	0.13%
Return on Equity	19.02%	17.08%	1.94%	18.95%	0.07%

**Results for the half-year ended September 30, 2024**

Particulars	H1FY25	H1FY24	Y-o-Y
AUM (INR Cr)	10,927	8,264	32%
Disbursements (INR Cr)	2,569	2,336	10%
Gross Stage 3 Assets	1.47%	1.35%	0.12%
Net Stage 3 Assets <sup>1</sup>	0.71%	0.68%	0.03%
PAT (INR Cr)	520	383	36%
Net Interest Margin	16.84%	17.72%	-0.88%
Return on Assets	8.30%	8.45%	-0.15%
Return on Equity	18.99%	16.85%	2.14%

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

We have had a good quarter in Q2, despite some sectoral headwinds, especially those being faced by unsecured lenders. Being a fully secured lending product coupled with strong underwriting and collections methodologies has helped Five-Star come out with a good set of results even during the current quarter.

During this quarter, we disbursed INR 1,251 Crores of loans as against INR 1,318 Crores in Q1FY2025. This is a conscious strategy to moderate our portfolio growth for the full year, leading to a slight drop in disbursements on a Q-o-Q basis. On a Y-o-Y basis, we registered a disbursement growth of 4%. We added 113 branches during Q2FY2025 (a combination of fresh

branches and branches that were split from the existing branches which have reached a certain size), leading to a strong branch network of 660 branches across 9 states and 1 union territory.

On the collections front, we saw a good set of numbers for Q2, despite the headwinds mentioned above. Our unique customer collections came in at 97 %, which is a very marginal drop from the previous quarter and we had a total collection efficiency of 98.4%. When viewed from a sectoral context, both are impressive numbers. Consequent to the slight drop in collections, there was also a marginal increase in gross NPA by 6 bps from 1.41% in Q1FY25 to 1.47% and our 30+ as of Q2FY25 stood at 8.44%.

During the quarter, we also raised incremental debt sanctions of INR 420 Cr, though we availed INR 575 Cr including spillovers from some earlier sanctions. Our intent to diversify our borrowing sources got a fillip as we were able to onboard 2 AMCs as lenders to us – Kotak Mutual Fund and Nippon Mutual Fund. Our proportion of borrowing from banks dropped from 74% as of June'24 to 70% as of September'24. On a Y-o-Y basis, the proportion of our borrowing from banks has dropped from 85% in Sep'23 to 70% in Sep'24. Cost of funds on the book has almost remained flat at 9.65% for the quarter. We continue to have a robust liquidity on the balance sheet of INR 1,699 Cr along with unavailed sanctions of INR 245 Cr.

### **Key Highlights for Q2FY25:**

#### **Distribution:**

1. The Company has increased its branch presence to 660 branches across 10 states / UT.
2. During the quarter, the company opened 113 new branches.
3. Disbursals – The Company disbursed an amount of INR 1,250 Cr, up by 4% on y-o-y basis.

#### **Assets under Management:**

1. AUM as of September 30, 2024 ended at INR 10,927 Cr, growth of 32% on y-o-y basis and 6% on q-o-q basis.
2. AUM is well distributed across 0.43 mn active loans

#### **Collections & Asset Quality:**

1. Collection efficiency for the quarter stood at 98.4%. Unique customer collection efficiency for the quarter stood at 97%.
2. 30+ DPD ended at 8.44% as of September 30, 2024.

#### **Provisions:**

1. ECL provision carried on books was 180 Cr, which translates to 1.65% of the overall AUM.
2. Stage 3 provision was at 83 Cr leading to a provision coverage ratio on stage 3 assets of 51.80%

#### **Borrowings:**

1. Total borrowings including debt securities are at INR 6,880 Cr as on September'24.
2. The company continues to carry a liquidity of INR 1,699 Cr as on September'24.
3. Cost of incremental debt during the quarter was 9.52% as against 9.47% in Q1FY2025.
4. Cost of funds on overall borrowing book remains flat at 9.65%.

**Financial Performance for the quarter:**

1. Total income of INR 706 Cr; y-o-y growth of 35%
2. PBT of INR 358 Cr; y-o-y growth of 34%
3. PAT of INR 268 Cr; y-o-y growth of 34%
4. ROA at 8.36%; q-o-q increase of 13 bps and y-o-y decrease of 11 bps.
5. ROE at 19.02%; q-o-q increase of 7 bps and y-o-y increase of 194 bps.

**About Five-Star Business Finance Limited: ([www.fivestargroup.in](http://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 660 branches catering to around 430,000 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.*