

Date: April 29, 2025

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 year ended March 31, 2025.

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 audited financial results for the quarter and year ended March 31, 2025.

This Investor Presentation is also available on the website of the Company at <https://fivestargroup.in/investors/>

Kindly take the above information on record.

For Five-Star Business Finance Limited

Vigneshkumar SM
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



Reaching the Unreached

Five-Star Business Finance Limited

Investor Presentation | Q4FY2025

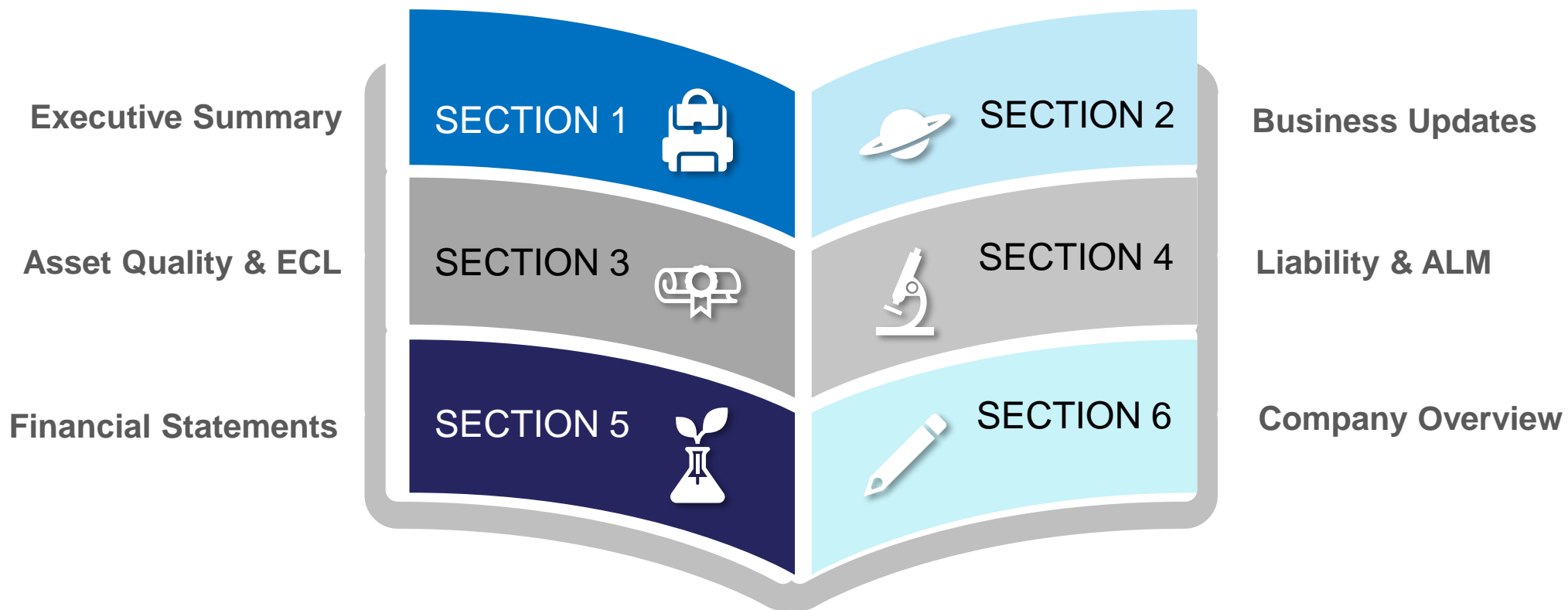


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This Presentation contains certain forward-looking statements concerning the Company’s future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and abroad, ability to attract and retain highly skilled professionals, time and cost overruns on contracts, our ability to manage our international operations, government policies and action regulations, interest and other fiscal costs generally prevailing in the economy. The Company does not undertake to make any announcement in case any of these forward-looking statement become materially incorrect in future or update any forward-looking statements made from time to time by or on behalf of the Company.

- All amounts are given in ₹ Million unless specified otherwise.
- Gross NPA or Gross Stage 3 assets represents loans which are more than 90 days past due (till the quarter ended Sep 2022); for the quarters post Sep 2022, this has been 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. This is expressed as a percentage of AUM.
- Net Stage 3 Assets % or Net NPA % computed as Gross Stage 3 assets reduced by Stage 3 ECL as a percentage of AUM reduced by Stage 3 ECL
- Number of loans stated in any of the slides includes securitized loans. AUM is inclusive of securitized portfolio.
- Total assets represents the period ending Balance Sheet assets. Total assets used for computations is gross of Impairment allowance on Loan assets.
- Average total assets represents the monthly average of Balance Sheet assets. Average Total assets used for computations is gross of Impairment allowance on Loan assets.



EXECUTIVE SUMMARY

Executive Summary | Q4FY25

q-o-q

y-o-y

Branches

748

+19

+228

Loan Disbursement

₹ 14,599 Mn

+55%

+9%

Loan Portfolio

₹ 118,770 Mn

+6%

+23%

Gross NPA

1.79%

+17 bps

+41 bps

30+ DPD

9.65%

+49 bps

+1.76%

Profit After Tax

₹ 2,791 Mn

+2%

+18%

Net Interest Margin

16.84%

+28 bps

-35 bps

Return on Assets

8.04%

-6 bps

-39 bps

Return on Equity

18.36%

-13 bps

-29 bps

Executive Summary | FY25

y-o-y

Branches

748

+228

Loan Disbursement

₹ 49,697 Mn

+2%

Loan Portfolio

₹ 118,770 Mn

+23%

Gross NPA

1.79%

+41 bps

30+ DPD

9.65%

+1.76%

Profit After Tax

₹ 10,725 Mn

+28%

Net Interest Margin

16.75%

-64 bps

Return on Assets

8.18%

-24 bps

Return on Equity

18.68%

+1.08%

Q4FY25 Performance – At a glance

Scale of Operations



₹118.8bn / ₹96.4bn
AUM in Q4FY25 / Q4FY24
23% growth Y-o-Y



₹14.6bn / ₹13.4bn
Amount Disbursed in
Q4FY25 / Q4FY24



37,855 / 38,145
Number of Disbursements in
Q4FY25 / Q4FY24



₹63.0bn
Net Worth

Distribution



748
Number of Branches



6,689
Business and Collections
Officers



Presence in 11
States / UT across India
(focused on expansion)



100% In-house
Sourcing & Collections

Granular Book



100% Secured
Loan Book
(95% against SORP)



₹0.39mn
Average ticket size for loans
disbursed in Q4FY25



460,756
Live accounts



39.1%
Average Portfolio LTV
(As of Mar 31, 2025)

Asset Quality



1.79%
Q4FY25
Gross Stage 3 Assets



0.88%
Q4FY25
Net Stage 3 Assets



0.73%
Q4FY25 Credit Cost to
Average Total Assets



0.30% / 44.91%
Total Restructured Portfolio /
Provision Coverage on
restructured book

Liability Profile



47
Lender relationships



50.10%
Q4FY25
Capital Adequacy Ratio



Borrowing profile
Well-diversified profile with
variable rate borrowings of
~67%



AA-
Long term credit rating by
ICRA, CARE and India
Ratings

Profitability



₹2.8bn / ₹2.4bn
PAT for Q4FY25 / Q4FY24
18% growth Y-o-Y



16.84%
Net Interest Margin for
Q4FY25



8.04%
Return on Total Assets for
Q4FY25



18.36%
Return on Avg. Equity for
Q4FY25

Last 10-years Financial Snapshot

Particulars (₹ Mn)	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
	I-GAAP	I-GAAP	I-GAAP	IND-AS	IND-AS	IND-AS	IND-AS	IND-AS	IND-AS	IND-AS
Operational Information										
Number of branches	64	103	130	173	252	262	299	373	520	748
Loan disburseals	1,319	3,830	7,072	14,822	24,087	12,450	17,562	33,914	48,814	49,697
AUM	1,981	4,936	10,084	21,128	38,922	44,454	50,671	69,148	96,406	118,770
Number of employees	293	737	1,290	1,971	3,734	3,938	5,675	7,347	9,327	11,934
Financial Information										
Total Income	473	871	2,082	4,089	7,873	10,513	12,562	15,289	21,951	28,660
Interest expenses	141	238	578	769	2,156	3,261	2,984	2,636	4,653	6,635
Net Interest Income (NII)	332	633	1,504	3,320	5,717	7,252	9,578	12,653	17,298	22,025
Operating Expenses	122	293	625	1,060	1,731	2,136	3,081	4,405	5,585	6,830
Loan losses & Provisions	7	28	93	76	493	352	455	201	554	890
Profit Before Tax (PBT)	203	312	786	2,184	3,493	4,764	6,042	8,047	11,159	14,306
Profit After Tax (PAT)	134	196	558	1,567	2,620	3,589	4,535	6,035	8,359	10,725
Total Comprehensive Income	134	196	558	1,563	2,608	3,582	4,513	6,013	8,341	10,696
Ratios										
Cost to Income	38.86%	50.79%	47.74%	34.22%	38.90%	34.31%	36.92%	36.40%	35.49%	35.05%
Return on Total Assets	6.87%	4.27%	5.82%	8.78%	7.31%	6.99%	7.16%	8.62%	8.42%	8.18%
Return on Equity	16.47%	12.40%	12.97%	15.14%	15.36%	16.85%	13.85%	15.03%	17.60%	18.68%
Gross Stage 3 assets	1.82%	2.47%	1.43%	0.89%	1.37%	1.02%	1.05%	1.36%	1.38%	1.79%
Net Stage 3 assets	1.53%	2.08%	0.95%	0.68%	1.13%	0.84%	0.68%	0.69%	0.63%	0.88%
Provision Coverage Ratio - overall AUM	0.54%	0.79%	0.97%	0.80%	1.58%	1.95%	2.03%	1.61%	1.64%	1.63%
Provision Coverage Ratio - Stage 3	16.34%	16.24%	33.89%	22.99%	17.67%	17.92%	34.91%	49.33%	54.27%	51.31%
CRAR	39.14%	43.78%	58.82%	64.09%	52.94%	58.86%	75.20%	67.17%	50.50%	50.10%
Debt / Equity ratio	1.43	2.04	0.92	0.70	1.22	1.48	0.69	0.98	1.22	1.26

Distinguished Board of Directors

Promoter Director



Lakshmipathy Deenadayalan
Chairman & Managing Director

Independent / Non-Executive Directors

Select other Directorships



Anand Raghavan

Shriram Life Insurance, Muthoot Microfin,
SK Finance, Aptus Value Housing



T T Srinivasaraghavan

Sundaram Finance, Sundaram
Home Finance, R K Swamy



Bhama Krishnamurthy

CIFCO, Muthoot Microfin



Ramkumar Ramamoorthy

CIFCO, Catalinco Partners

Thirulokchand Vasan

C K Entertainments



Executive Directors



Rangarajan Krishnan

Joint Managing Director & CEO



Srikanth Gopalakrishnan

Joint Managing Director & CFO

Profile of Board of Directors

Lakshmipathy Deenadayalan

Chairman & Managing Director

Engineering graduate and was the MD of RKV Finance before joining Five Star. Pivoted the Company towards secured business lending and built the Company to its current size from scratch. Associated with multiple industry associations

Anand Raghavan

Independent / Non-Executive Director

Chairperson – Audit Committee

Chartered Accountant with over 30 years of experience occupying senior position in Sundaram Finance and Ernst & Young LLP. His specializations include NBFC Regulations, Corporate Tax and Foreign Investment. He is also a director on the Boards of Muthoot Microfinance, Shriram Life, SK Finance and Aptus Value Housing

T T Srinivasaraghavan

Independent / Non-Executive Director

Chairperson – Risk Management Committee

Graduate in Commerce and holds an MBA degree from the Gannon University, Pennsylvania. He began his career as a banker, before moving to Sundaram Finance in 1983, where he spent almost 4 decades including 18 years as its Managing Director. He is also on the Boards of Sundaram Finance, Sundaram Home and RK Swami

Bhama Krishnamurthy

Independent / Non-Executive Director

Chairperson – Nomination & Remuneration Committee
She was the Country Head and Chief General Manager of SIDBI. She has closely dealt with Multilateral and Bilateral Agencies in close co-ordination with the Government of India. She was also associated with drafting of CSR Policy guidelines for the Bank. She was the Chairperson at CSB Bank and her other directorships include CIFCO, and Muthoot Microfinance

Ramkumar Ramamoorthy

Independent / Non-Executive Director

Chairperson – IT Strategy Committee

Associated with Cognizant India for over 22 years, before retiring as Chairman and MD, responsible for the company's India operations. Prior to joining Cognizant, Ramkumar worked for Tata Consultancy Services. He is now a Partner at Catalincs, a strategic advisory firm that helps small tech companies scale and grow, and is also on the Board of CIFCO

Trilokchand Vasan

Non-Executive Director

Thirulokchand is a Hotel Management Graduate with over 17 years of experience in the Hospitality business. His areas of expertise include Team Management, Customer satisfaction and Process Optimization

Rangarajan Krishnan

Joint Managing Director / CEO

Finance professional with over 20 years of experience in institutions like HDFC bank, Stanchart, IFC and Spark Capital. He is a commerce graduate and has 2 MBA degrees (Sri Sathya Sai Institute of Higher Learning and Indian School of Business)

Srikanth Gopalakrishnan

Joint Managing Director / CFO

Finance professional with over 20 years of experience. Started his career with Citigroup and was CFO of Asirvad Microfinance before joining Five Star. He has completed his B.Com and MBA from Sri Sathya Sai Institute of Higher Learning with gold medals in both the courses

Experienced Management Team



Education: Bachelor of Engineering



Education: B.Com, MBA, PGPM (ISB)
Experience: HDFC Bank, Stanchart, IFC, Spark Capital



Education: B.Com, MBA
Experience: Citibank, Asirvad Microfinance



Education: B.Com, MBA
Experience: HDFC Bank, Deutsche Bank, HSBC



Education: B.Com, CA
Experience: ICICI Bank, Stanchart, DBS Bank



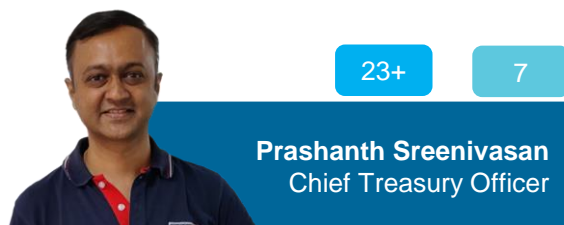
Education: B.Com, M.Com, MBA
Experience: ICICI Bank, Cholamandalam, Shriram Housing



Education: B.E, MBA
Experience: Stanchart (Dubai), Accenture, Equitas SFB, Suryoday SFB



Education: B.Com, CA
Experience: Redington India



Education: B.Com, MBA
Experience: TVS Credit, Marg Limited



Education: LLB, MBA, CAIIB
Experience: HDFC Limited, ICICI Bank, Cholamandalam, Piramal Capital



Education: B.Com, PGDPM
Experience: ITC Limited, Toyota Financial Services, ING Vysya Bank, AU SFB, Fincare SFB

BUSINESS UPDATES

Operations

1. Net Q-o-Q AUM growth of ₹6,989 Mn in Q4FY25 as against ₹7,098 Mn in Q4FY24. AUM was up 23% Y-o-Y at ₹118,770 Mn as of March 31, 2025 as against ₹96,406 Mn as of March 31, 2024.
2. Disbursements during the quarter was at ₹14,599 Mn as against ₹13,364 Mn during Q4FY24.
3. Active loans at 0.46 Mn as of March 31, 2025 as against 0.39 Mn as of March 31, 2024.
4. The Company added 19 branches during the quarter. Total branch count stood at 748 as against 520 branches as of March 31, 2024.
5. Total Headcount stood at 11,934 as against 9,327 as of March 31, 2024.

Collections & Asset Quality

1. Overall Collections efficiency for the quarter stood at 97.7% as against 98.0% for Q3FY25. Unique loan collections % (Due One Collect One or D1C1) stood at 96.2% for the quarter as against 96.7% for Q3FY25.
2. Current portfolio as a % of the overall portfolio stood at 84.28%.
3. Gross & Net Stage 3 assets stood at 1.79% and 0.88% respectively as of March 31, 2025 as against 1.38% and 0.63% as of March 31, 2024.
4. Overall Stage 2 assets stood at ₹9,342 Mn (7.87%) as of March 31, 2025 as against ₹6,276 Mn (6.51%) as of March 31, 2024.
5. The Provision coverage on Stage 3 assets stood at 51.31% and the provision coverage on the overall portfolio stood at 1.63%.

Liabilities

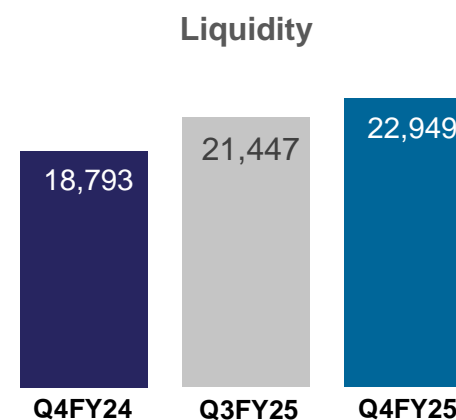
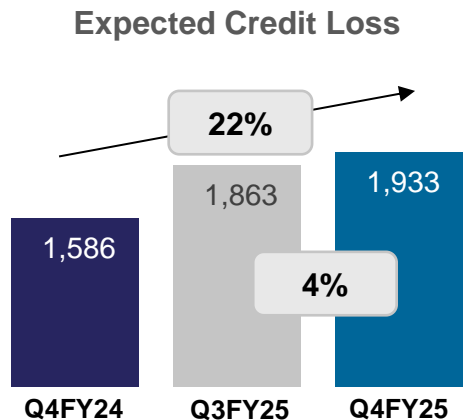
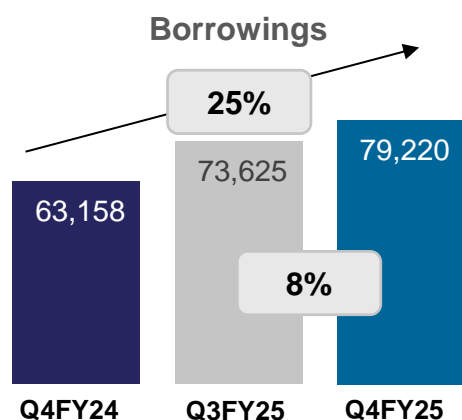
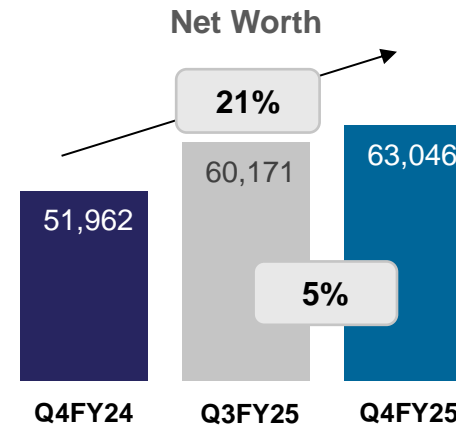
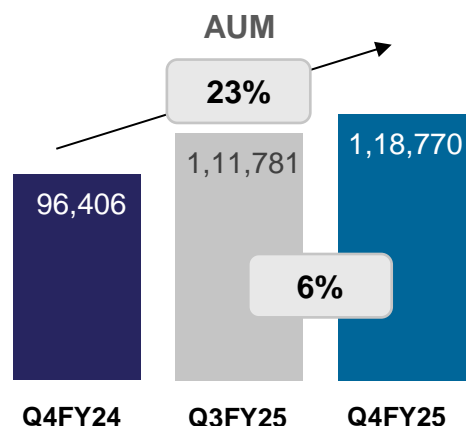
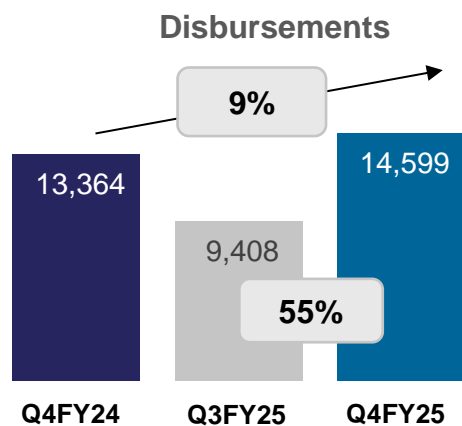
1. In Q4FY2025, the company received sanctions for incremental debt of ₹7,000 Mn, availing ₹11,000 Mn (inclusive of some unavailed sanctions from previous quarters), at a weighted average rate of 9.19%, all-inclusive cost of 9.29%). For FY25, the company raised incremental debt of Rs.33,700 Mn availing 35,450 Mn (inclusive of some previous unavailed sanctions) at a weighted average rate of interest of 9.28% (all-inclusive cost of 9.46%).
2. As at the end of March 2025, the proportion of funding received from banks has come down to 63% from 65% in Q3FY25.
3. Liquidity buffer and Unavailed Sanction lines as of March 31, 2025 stood at about ₹22,949 Mn and ₹1,000 Mn respectively

Financials

1. In Q4FY2025, Net total income (Total income less Cost of funds) grew by 21% to ₹5,844 Mn as against ₹4,814 Mn in Q4FY2024
2. PPOP for Q4FY2025 stood at ₹3,965 Mn, an increase of 19% as compared to Q4FY2024
3. As compared to Q4FY2024, PBT and PAT increased by 18% and 18% respectively and stood at ₹3,711 Mn and ₹2,791 Mn respectively for Q4FY2025
4. Cost to income (inclusive of credit cost) stood at 36.63% as compared to 35.06% for Q4FY2024. Excluding credit cost, Cost to income for Q4FY2025 was at 32.29% as compared to 31.04% for Q4FY2024.
5. Return on Average Total Assets was at 8.04% as compared to 8.43% for Q4FY2024
6. Return on Equity was at 18.36% for Q4FY2025 as compared to 18.65% for Q4FY2024
7. Capital adequacy remained robust at 50.10%

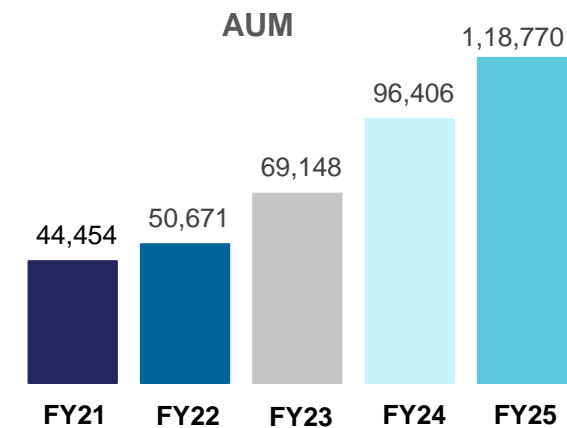
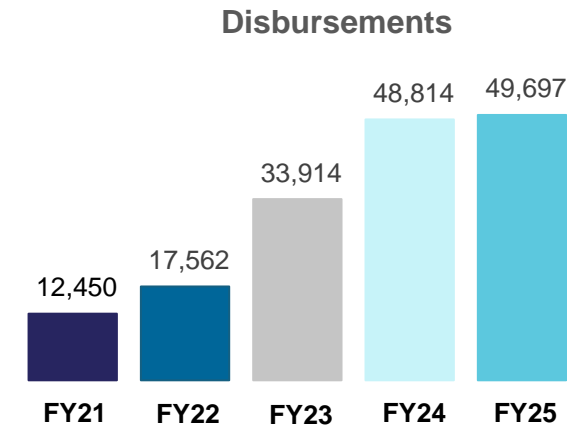
Balance Sheet Indicators

Quarterly Data



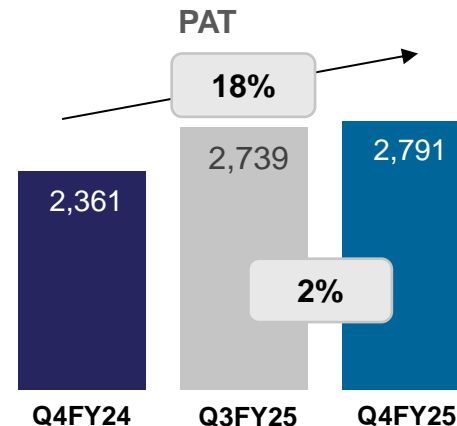
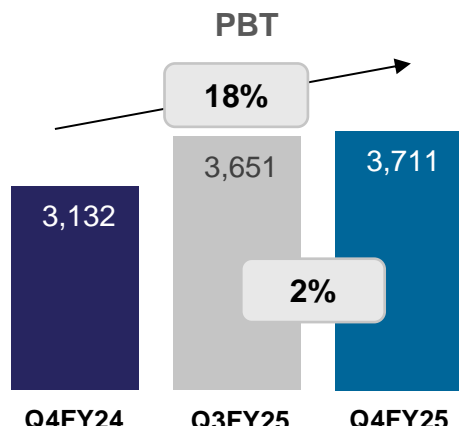
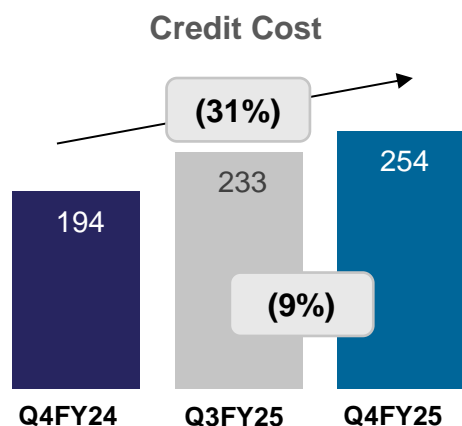
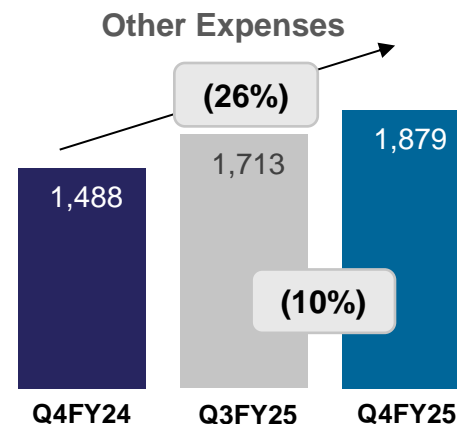
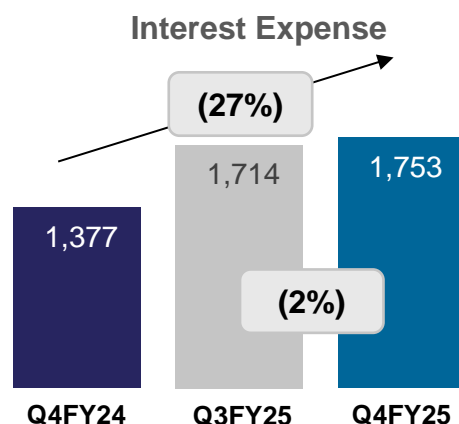
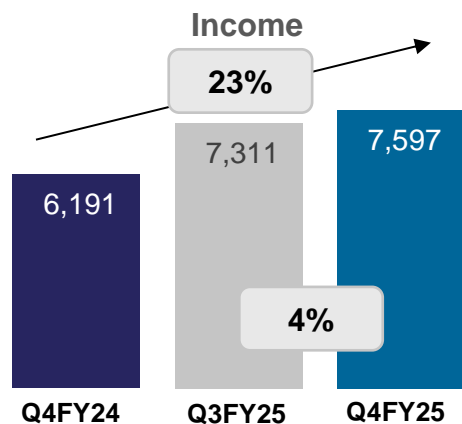
Last 5 years data

All amounts in ₹ Mn



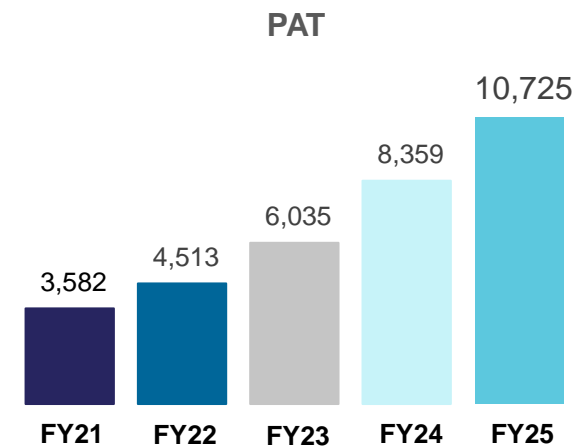
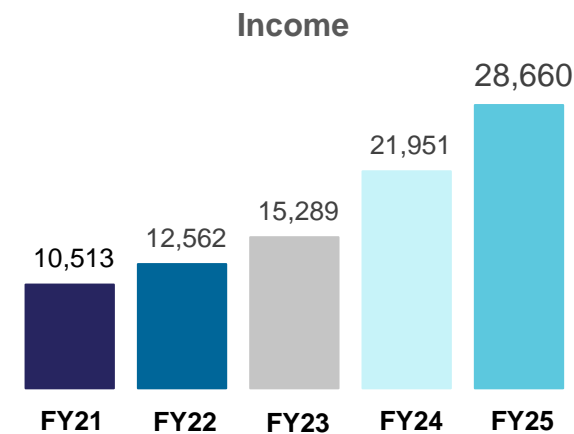
Liquidity does not include lien-marked FDs

Quarterly Data



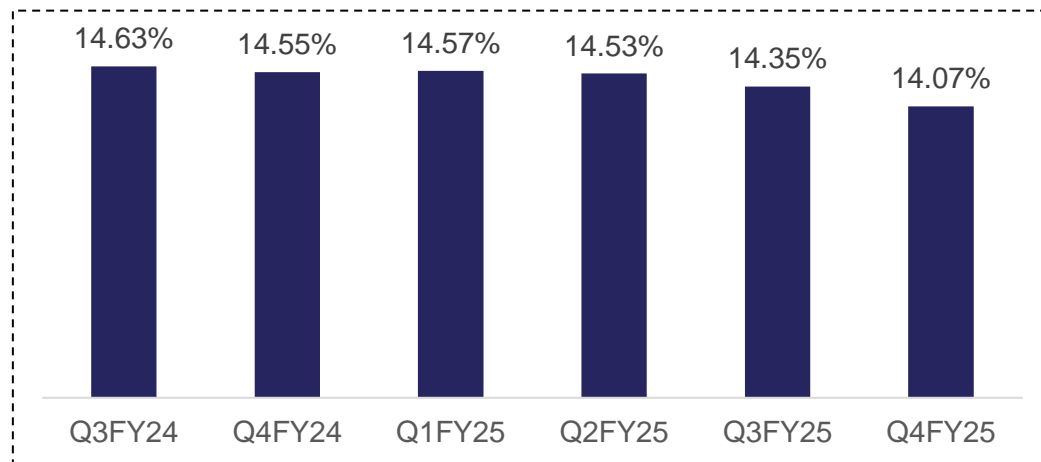
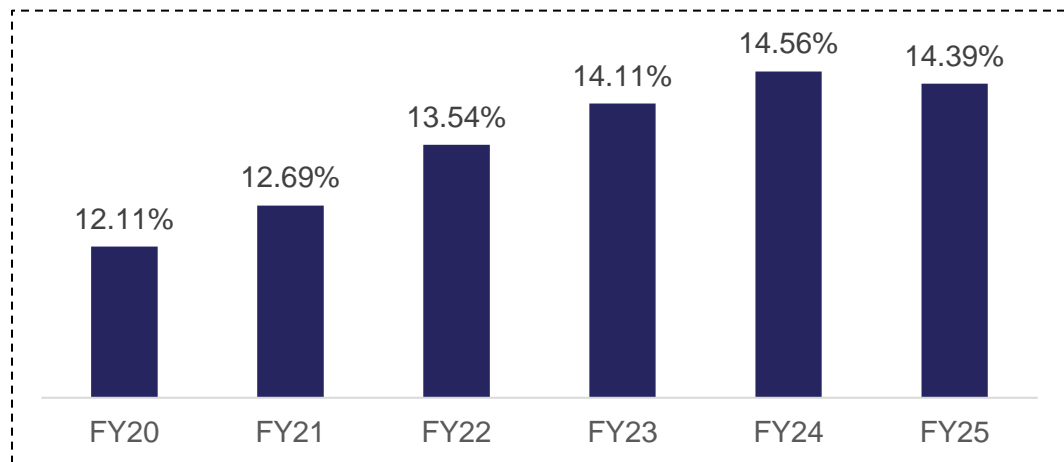
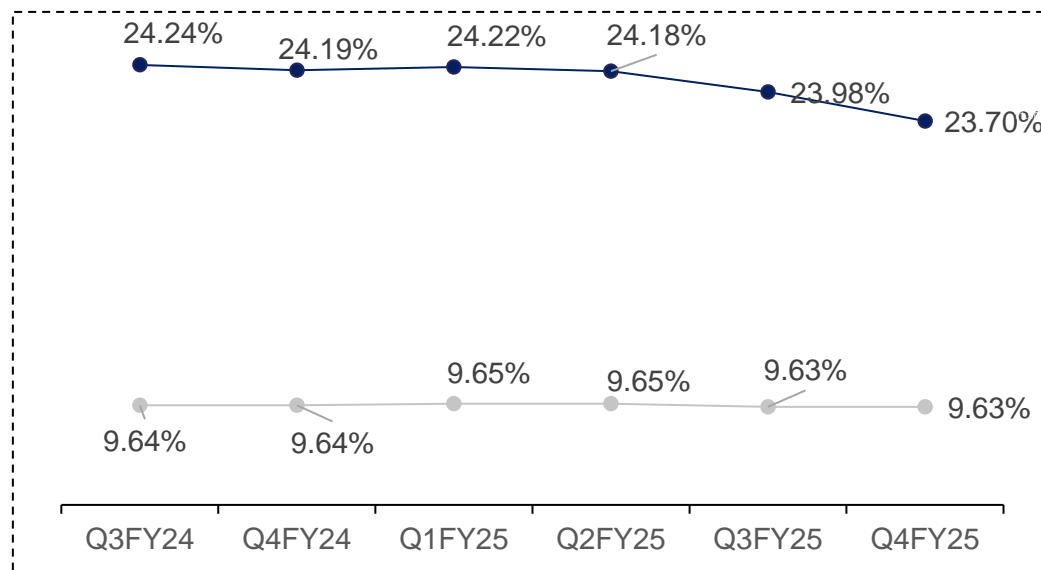
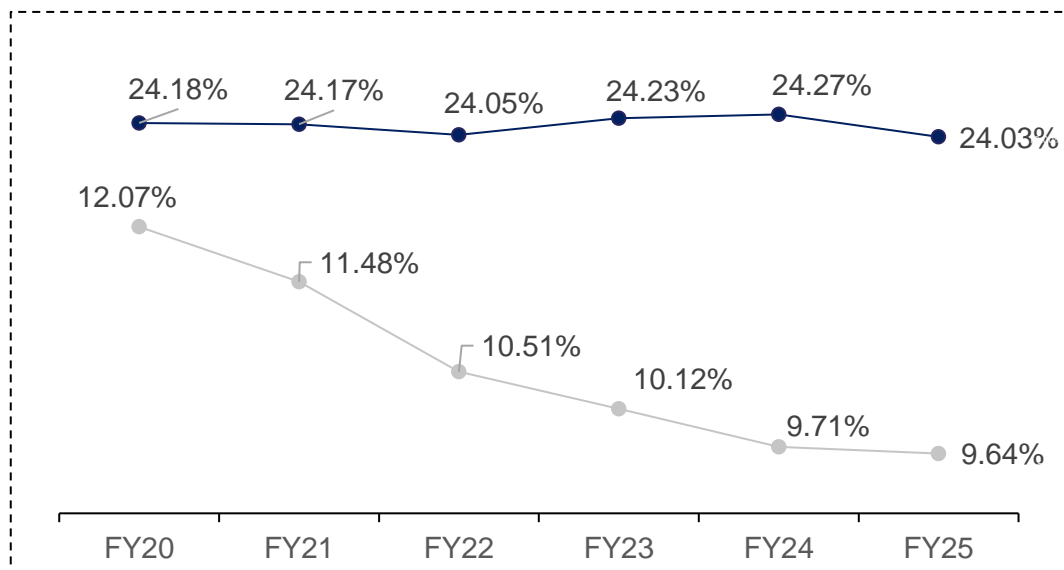
Last 5 years data

All amounts in ₹ Mn



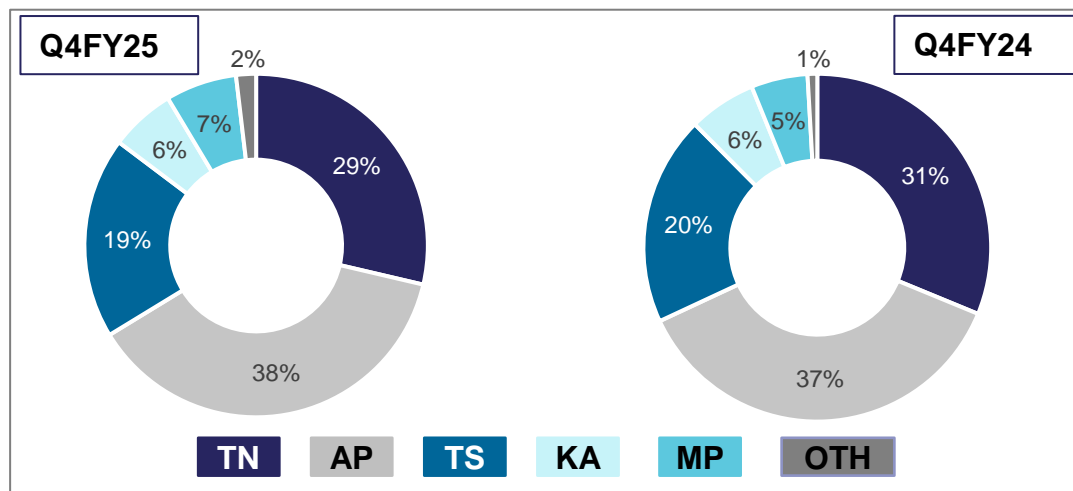
Consistent & Best-in-class Spreads

Portfolio Yield — Cost of borrowing
Spread

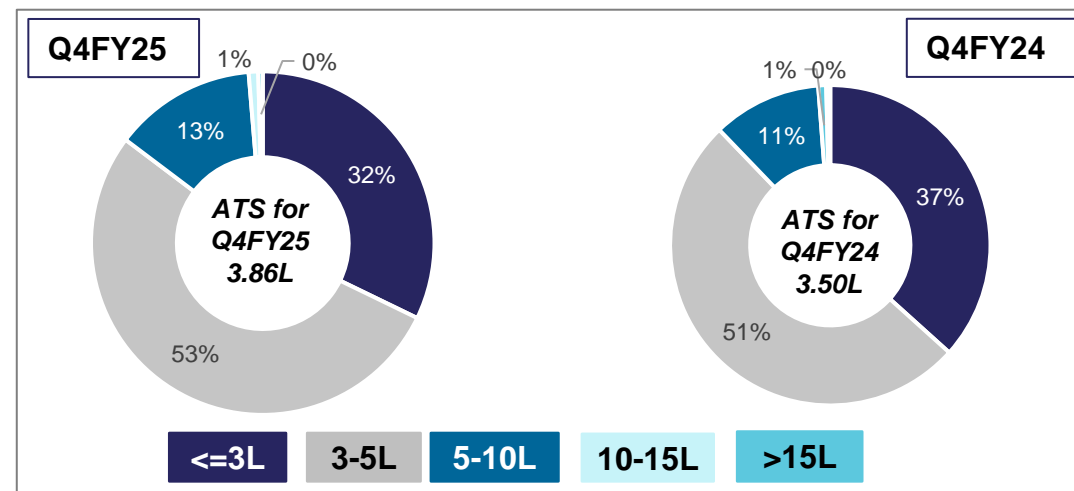


Well-diversified portfolio cuts

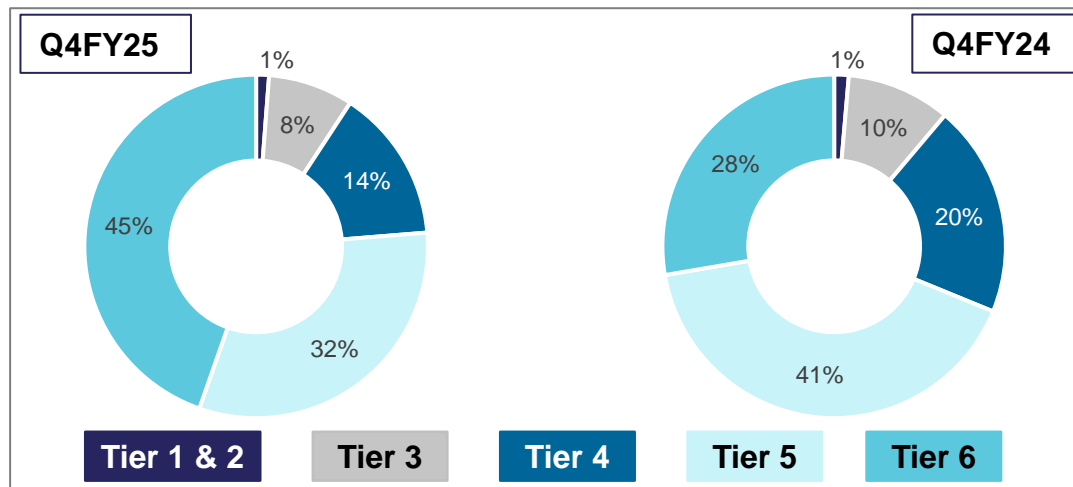
AUM by Geography



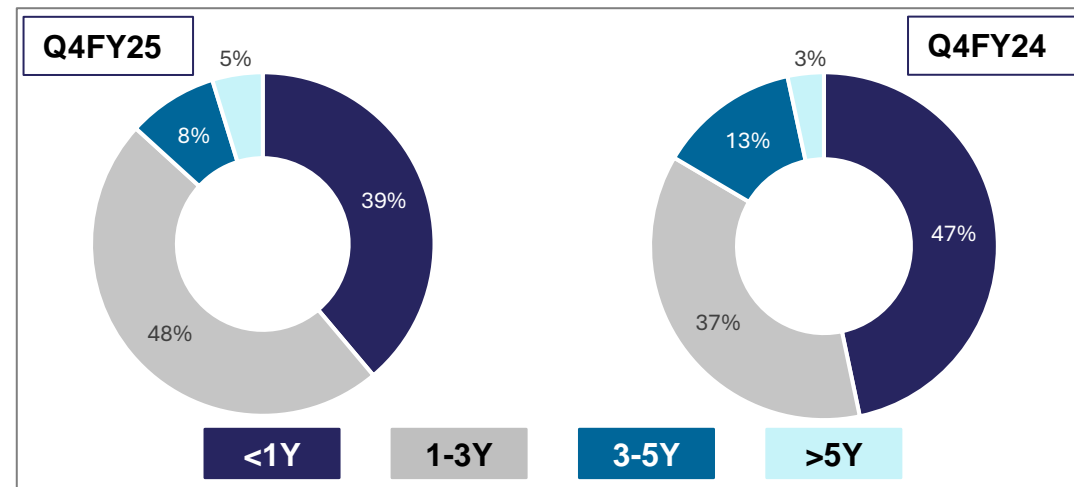
AUM by Ticket Size



AUM by Branch Tier



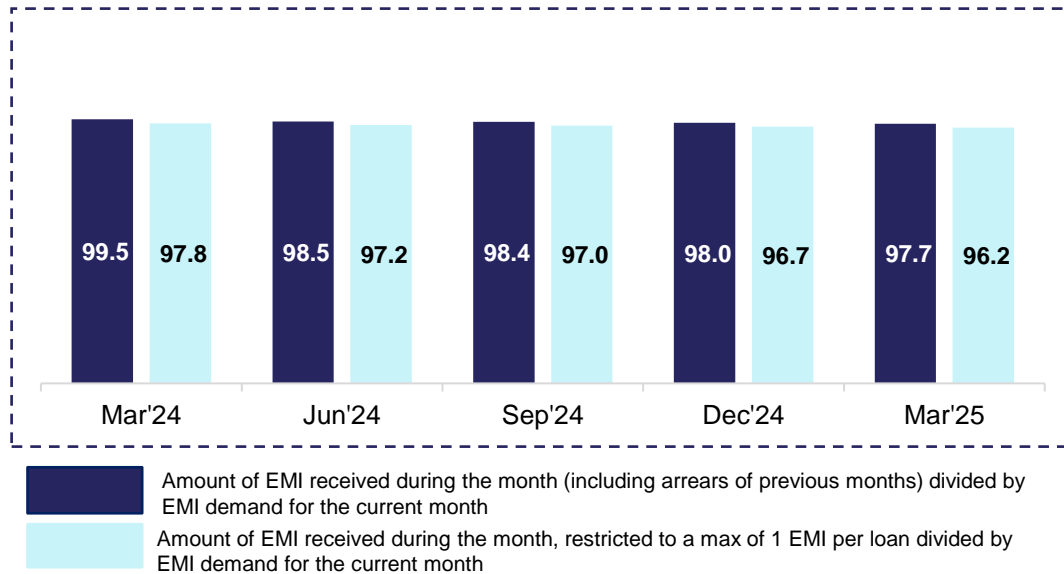
AUM by Vintage of loans



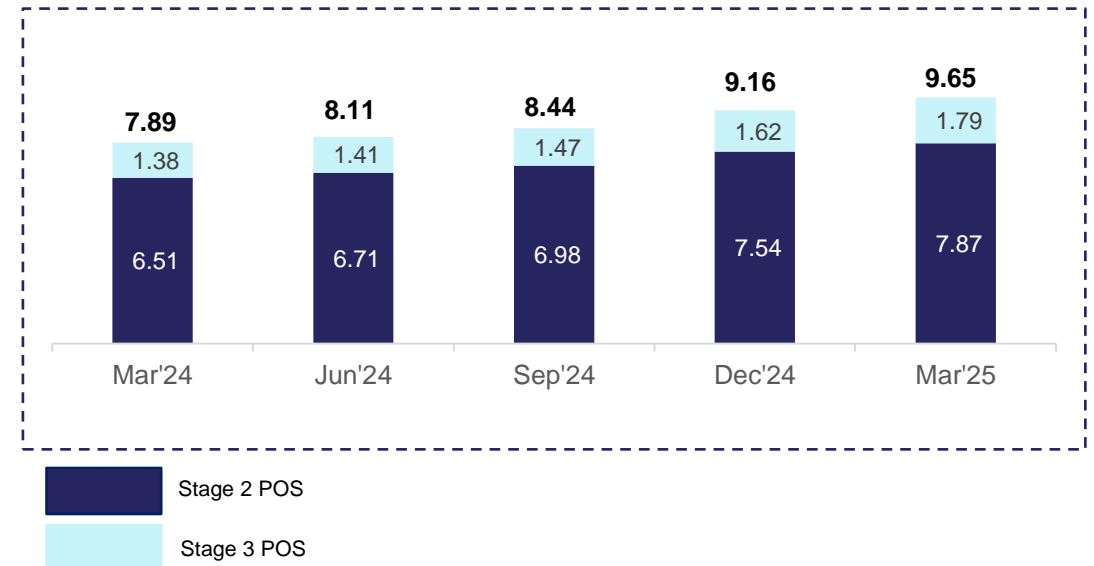
ASSET QUALITY & ECL

Asset Quality Indicators (1/2)

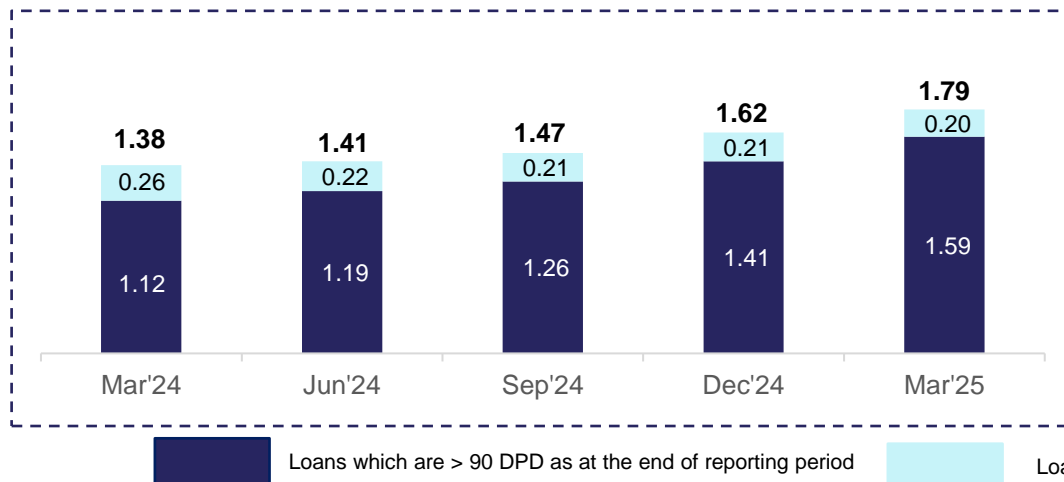
Collections Efficiency (%)



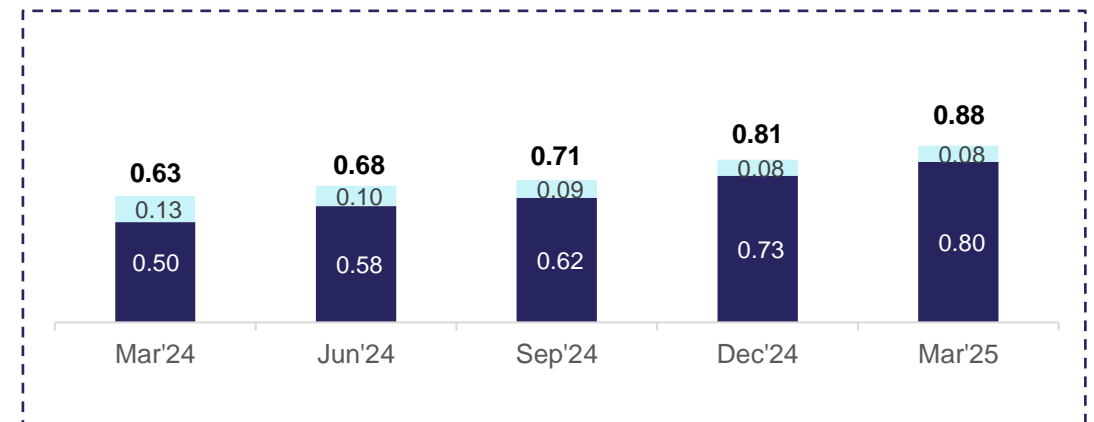
30+ (%)



Gross Stage 3 Assets (%)



Net Stage 3 Assets (%)



Asset Quality Indicators (2/2)

Amount in ₹ Mn	As at Mar 2025		As at Dec 2024		As at Mar 2024	
Bucket	AUM	% AUM	AUM	% AUM	AUM	% AUM
Current (Stage-1)	100,097	84.28%	94,922	84.92%	84,247	87.39%
1-30 (Stage-1)	7,209	6.07%	6,620	5.92%	4,555	4.72%
31-60 (Stage-2)	4,874	4.10%	4,518	4.04%	3,462	3.59%
61-90 (Stage-2)	4,468	3.76%	3,913	3.50%	2,814	2.92%
90+ (Stage-3)	2,123	1.79%	1,808	1.62%	1,328	1.38%
Total	118,770		111,781		96,406	
Stage 1 Assets	107,306	90.35%	101,542	90.84%	88,802	92.11%
Stage 2 Assets	9,342	7.87%	8,431	7.54%	6,276	6.51%
Stage 3 Assets	2,123	1.79%	1,808	1.62%	1,328	1.38%

ECL Provisioning

Amount in ₹ Mn				
As of March 31, 2025	Stage 1	Stage 2	Stage 3	Total
Loans Outstanding (Gross)	107,306	9,342	2,123	118,770
ECL Provision	367	477	1,089	1,933
Loans Outstanding (Net)	106,939	8,865	1,034	116,837
ECL Provision %	0.34%	5.11%	51.31%	1.63%
As of December 31, 2024	Stage 1	Stage 2	Stage 3	Total
Loans Outstanding (Gross)	101,542	8,431	1,808	111,781
ECL Provision	384	562	907	1,853
Loans Outstanding (Net)	101,158	7,870	900	109,928
ECL Provision %	0.38%	6.66%	50.20%	1.66%
As of March 31, 2024	Stage 1	Stage 2	Stage 3	Total
Loans Outstanding (Gross)	88,802	6,276	1,328	96,406
ECL Provision	350	507	721	1,578
Loans Outstanding (Net)	88,452	5,769	607	94,828
ECL Provision %	0.39%	8.08%	54.27%	1.64%

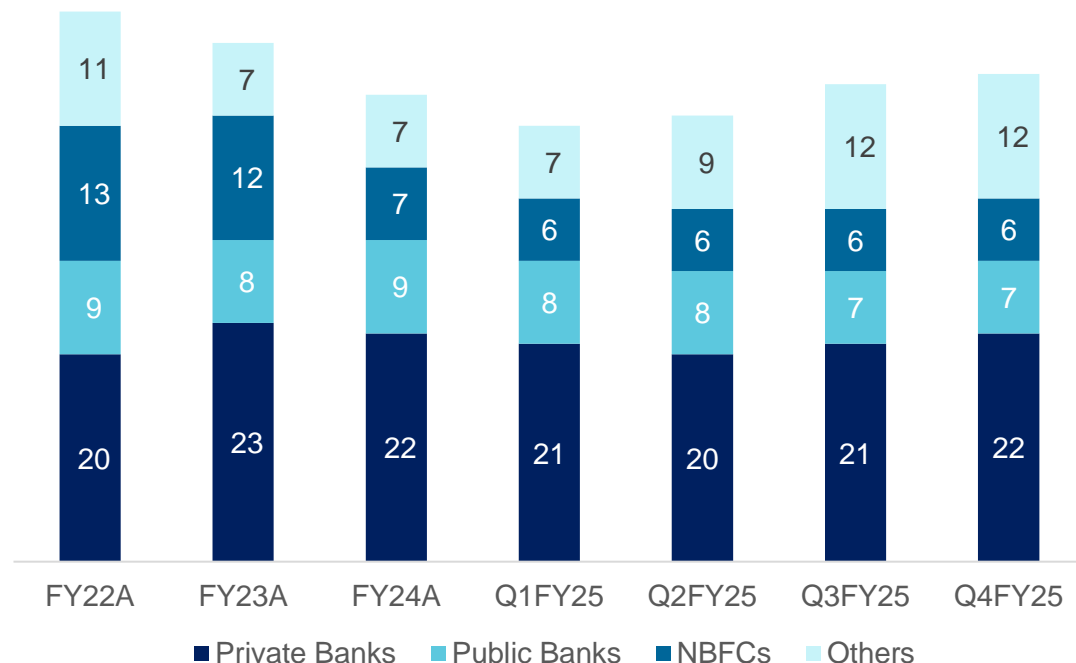
Amount in ₹ Mn	Q4FY2025	Q4FY2024	Q4FY2023	Q4FY2022
Loan Portfolio	118,770	96,406	69,148	50,671
Gross Stage 3 assets	2,123	1,328	939	531
Gross Stage 3 assets %	1.79%	1.38%	1.36%	1.05%
Gross Stage 3 assets % - 1 year Lag	2.20%	1.92%	1.85%	1.19%
Gross Stage 3 assets % - 2 years Lag	3.07%	2.62%	2.11%	1.36%

LIABILITY & ALM

Well-diversified Liability Franchise (1/2)

Liability franchise consists of a strong set of lenders who can support the company's plans

Number of lenders



Diversified borrowing relationship with **47 lending** partners

Lenders to the Company

Select Public Sector Banks	State Bank of India Bank of Baroda Union Bank of India Indian Bank Canara Bank Bank of India Bank of Maharashtra
Select Private Sector Banks	Kotak Mahindra Bank IndusInd Bank DBS Bank Axis Bank HDFC Bank Deutsche Bank ICICI Bank HSBC Yes Bank Bandhan Bank Federal Bank CSB Bank
Select Other Institutions	NABARD International Finance Corporation Swedfund SIDBI Kotak MF Nippon MF HDFC MF HSBC MF Royal Sundaram GI Bajaj Finance Sundaram Finance L&T Finance

Long Term Credit Rating

ICRA AA - Stable
CARE AA - Stable
India Ratings AA - Stable

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

NIL Commercial Paper exposure

Short Term Credit Rating

CARE A1+

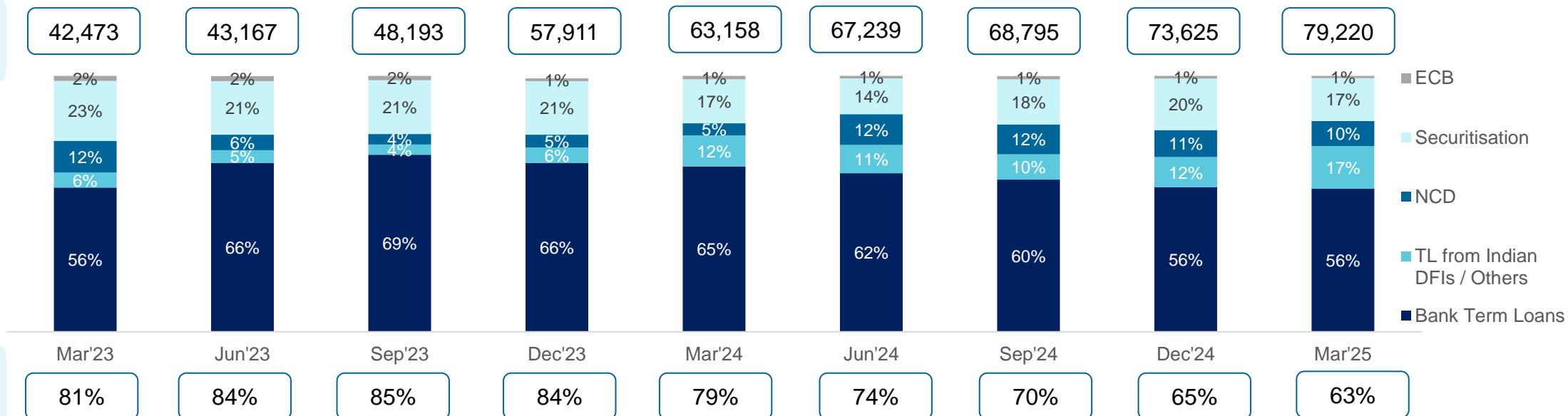
India Ratings has revised the outlook **from Stable to Positive** in April 2025

Well-diversified Liability Franchise (2/2)

Diversified borrowing mix across lender category and product category

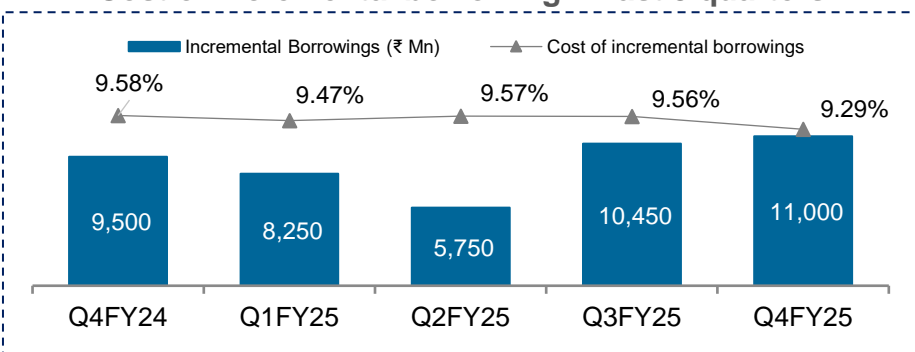
Borrowing exposure and Cost of borrowing

Borrowings outstanding

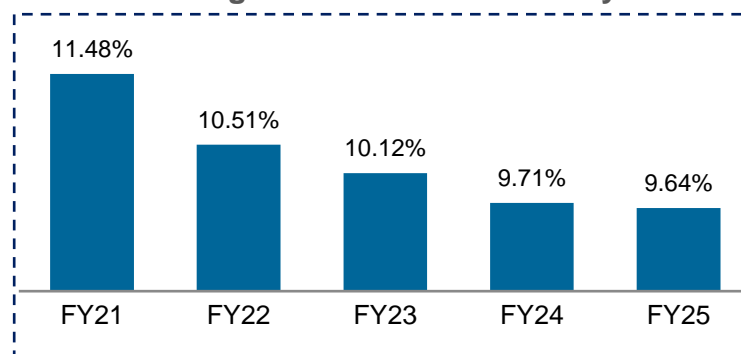


Proportion of borrowings from banks*

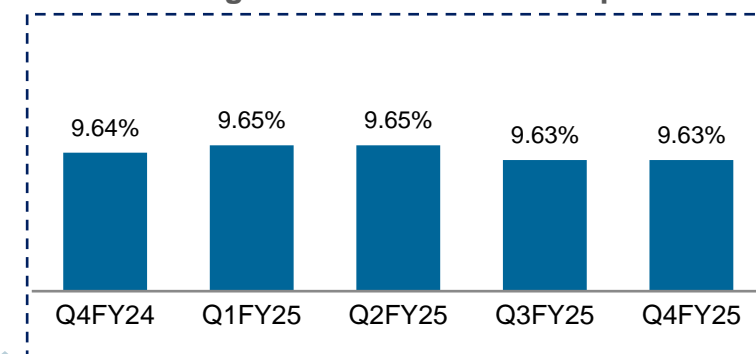
Cost of incremental borrowing – Last 5 quarters



Borrowing cost on book – Last 5 years



Borrowing cost on book – Last 5 quarters



* Proportion of borrowings from banks based on holdings as of the respective quarter-end

Cashflow Position as of Mar'25 – Cumulative

No Cumulative mismatches in any of the time buckets

Particulars	Up to 1M	1-2 M	2-3 M	3-6 M	6M – 1Y	1-3 Y	3-5 Y	>5 Y
Opening Liquidity	24,344	23,752	24,042	23,315	22,894	22,796	24,301	46,868
Add: Inflows from advances	1,391	1,404	1,423	4,628	10,122	41,798	40,039	16,877
Less: Outflows on borrowings	1,101	1,157	2,181	5,028	10,004	40,063	17,188	2,377
Add: Other inflows	168	98	51	133	86	96	25	4,670
Less: Other outflows	1,050	56	20	154	301	327	309	66,038
Cumulative mismatch	23,752	24,042	23,315	22,894	22,796	24,301	46,868	-

Strong Liquidity Position as of Mar'25

Amount in ₹ Mn	
Liquidity buffer as of Mar 2025	
Unencumbered cash & cash equivalents	22,949
Unavailed sanction from banks / FIs	1,000
Total Liquidity	23,949

Projected Cashflow Schedule	Q1FY26	Q2FY26	Q3FY26	Q4FY26
Opening Liquidity	23,949	26,648	28,361	29,846
Add: Principal collections & internal accruals	7,138	6,741	6,490	6,991
Less: Debt repayments	4,439	5,028	5,004	5,000
Closing Liquidity	26,648	28,361	29,846	31,837

FINANCIAL STATEMENTS

Balance Sheet

Particulars (₹ Mn)	Q4FY2025	Q4FY2024	Q3FY2025
Assets			
Cash & Cash equivalents	14,972	15,344	14,271
Bank balances other than cash & cash equivalents	6,580	1,373	3,347
Loans	116,868	96,852	112,330
- <i>Loan portfolio</i>	118,770	96,406	111,781
- <i>Inter-Corporate Deposits</i>	31	2,031	2,411
- <i>Expected Credit Loss</i>	(1,933)	(1,586)	(1,863)
Investments	2,122	1,077	2,087
Other financial assets	879	612	869
Non-Financial Assets	2,785	1,632	2,651
Total Assets	144,206	116,889	135,554
Liabilities & Equity			
Trade Payables	268	254	329
Debt Securities	7,818	2,954	7,722
Borrowings other than Debt Securities	71,402	60,205	65,902
Other Financial Liabilities	1,042	1,003	871
Non-Financial Liabilities	630	511	559
Total Equity	63,046	51,962	60,171
Total Liabilities & Equity	144,206	116,889	135,554

Profit & Loss Account

Particulars (₹ Mn)	Q4FY2025	Q4FY2024	Q3FY2025	Y-o-Y	Q-o-Q	FY2025	FY2024	Y-o-Y
Loan Portfolio	118,770	96,406	111,781	23%	6%	118,770	96,406	23%
Interest Income (1)	7,347	5,992	7,112	23%	3%	27,663	21,166	31%
- Interest on loan portfolio	6,791	5,581	6,621	22%	3%	25,871	19,938	30%
- Penal Interest	45	44	34	2%	32%	156	161	(3%)
- Interest on Inter-Corporate Deposits	31	22	46	41%	(33%)	154	28	450%
- Interest on Investments	279	182	219	53%	27%	734	480	53%
- Processing fee & other fees	201	163	193	23%	4%	749	559	34%
Net Gain on Fair value changes (2)	66	86	81	(23%)	(19%)	494	443	12%
Fee & Other income (3)	184	113	118	63%	56%	504	341	48%
- Fee income	109	84	80	30%	36%	322	219	47%
- Recovery of Bad debts	43	19	23	126%	87%	112	95	18%
- Other non-operating income	32	9	14	256%	129%	70	27	159%
Total Income (1+2+3)	7,597	6,191	7,311	23%	4%	28,660	21,951	31%
Interest Expenses	1,753	1,377	1,714	27%	2%	6,680	4,685	43%
Net Interest Income	5,844	4,814	5,597	21%	4%	21,980	17,266	27%
Operating Expenses	1,879	1,488	1,713	26%	10%	6,784	5,553	22%
Loan losses & Provisions	254	194	233	31%	9%	890	554	61%
Profit before Tax (PBT)	3,711	3,132	3,651	18%	2%	14,306	11,159	28%
Profit after Tax (PAT)	2,791	2,361	2,739	18%	2%	10,725	8,359	28%
Other Comprehensive Income	(15)	(1)	(13)	1400%	15%	(29)	(18)	61%
Total Comprehensive Income	2,776	2,360	2,726	18%	2%	10,696	8,341	28%
Earnings Per Share (Basic)	9.49	8.07	9.36			36.61	28.64	
Earnings Per Share (Diluted)	9.55	8.01	9.35			36.50	28.39	
Book value per Share	210.91	174.06	201.29			210.91	174.06	

Book value per share computed by dividing the net worth as at the end of the reporting period by the number of shares (including ungranted, unvested and vested but unexercised options and share warrants) as at the end of the reporting period.

Quarterly EPS is not annualised. EPS has been computed in accordance with IND AS 33

RoE Tree

Particulars	Q4FY2025	Q4FY2024	Q3FY2025	FY2025	FY2024
Interest Income (as a % of average portfolio)	23.70%	24.19%	23.98%	24.03%	24.27%
Interest Expenses (as a % of average borrowings)	9.63%	9.64%	9.63%	9.64%	9.71%
Net Interest Income %	14.07%	14.55%	14.35%	14.39%	14.56%
Total Income (as a % of average total assets)	21.90%	22.11%	21.63%	21.85%	22.11%
Interest Expense (as a % of average total assets)	5.05%	4.92%	5.07%	5.09%	4.72%
Net Interest Margin %	16.84%	17.19%	16.56%	16.75%	17.39%
Operating Expenses (as a % of average total assets)	5.42%	5.31%	5.07%	5.17%	5.59%
Loan losses & Provisions (as a % of average total assets)	0.73%	0.69%	0.69%	0.68%	0.56%
Profit before Tax (PBT) %	10.70%	11.19%	10.80%	10.90%	11.24%
Tax %	2.65%	2.75%	2.70%	2.73%	2.82%
Profit after Tax (PAT) or Return on average total assets	8.04%	8.43%	8.10%	8.18%	8.42%
Debt / Equity	1.26	1.22	1.22	1.26	1.22
Leverage (Total assets / Net worth)	2.29	2.25	2.25	2.29	2.25
Return on Equity	18.36%	18.65%	18.49%	18.68%	17.60%
Operating cost to income ratio	32.29%	31.04%	30.72%	31.01%	32.29%
Credit cost to income ratio	4.35%	4.03%	4.16%	4.05%	3.21%
Total Cost to income ratio	36.63%	35.06%	34.87%	35.05%	35.49%

COMPANY OVERVIEW

Our Journey

1984 – 2004 INITIAL PHASE

2005 – 2015 BUILDING & STRENGTHENING PHASE

2015 onwards... ROBUST GROWTH PHASE

Incorporation

1984

2002

2004

2005 -
2010

2014

2015

2015 -
2020

2021 -
2022

2022 -
2023

2024-
2025

Starts providing secured
loans for business & other
purposes

First private equity
infusion from Matrix
Partners

Strong portfolio growth
Marquee PE investments
COVID impact

Listing on the bourses
Post COVID, back to
quality growth

Post COVID, back to
quality growth

Mr Lakshmipathy joins as
Executive Director

Exclusive focus on secured
business loans

Inducted the first set of
professionals
CEO & CFO joined

Intense period of COVID
Maintained Strong Asset
quality

2010
6 branches; ₹0.3bn AUM
Rating NA

2015
42 branches; ₹1.3bn AUM
BBB- rating

2022
300 branches; ₹51bn AUM
A+ rating

March'25
748 branches; ₹119bn AUM
AA- rating

2014
30 branches; ₹1bn AUM
BB+ rating

2020
252 branches; ₹39bn AUM
A rating

2023
373 branches; ₹69bn AUM
AA- rating

Who we are

- ★ NBFC providing secured financial solutions to Small Business customers and Self-employed Individuals who are largely cut-off from formal lending ecosystem
- ★ Deep understanding of customer behavior and strong knowledge of market and regional dynamics, having been operating in this segment for over the last 2 decades
- ★ Proprietary Underwriting & Collections model fine-tuned over 2 decades of experience



Target Customer Segment

Customers with informal income derived from everyday 'services'

Ticket Size & Income Profile

Average Ticket size of ₹3 – 5 lakhs
Household gross income of ₹25,000 – 40,000



Target Geography

Currently Southern India (TN, AP, Telangana & Karnataka), and MP, Maharashtra, UP, Chhattisgarh, Rajasthan, Gujarat

Property Backed Collateral

All loans are secured against borrower property – usually self occupied residential property



748

Branches

11

States / UT

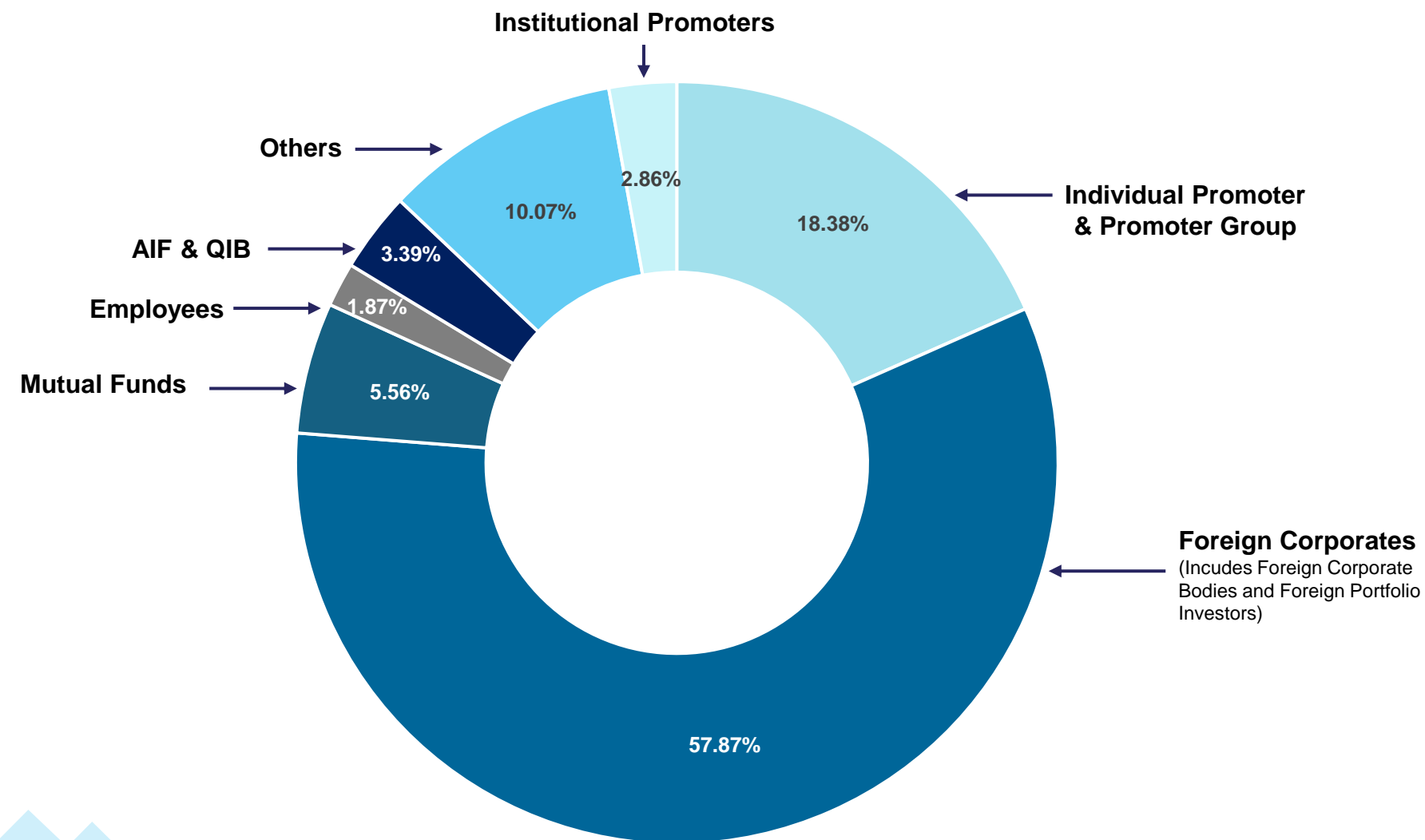
460,756

Loans

11,934

Employees

Current Shareholding



Top Institutional Investors* (ex-PE and Promoter)

Investor name	% stake**
Fidelity Investments	6.86%
Wasatch	4.35%
East Spring	4.19%
HDFC MF	4.05%
Nomura Asset Management	3.99%
Goldman Sachs	2.91%
Vanguard	2.88%
Wellington	2.68%
Norges Bank	1.59%
Capital Research	1.11%
White Oak	1.09%

* Culled from the names appearing in the Benpos received from RTA – may / may not include holdings managed in other names

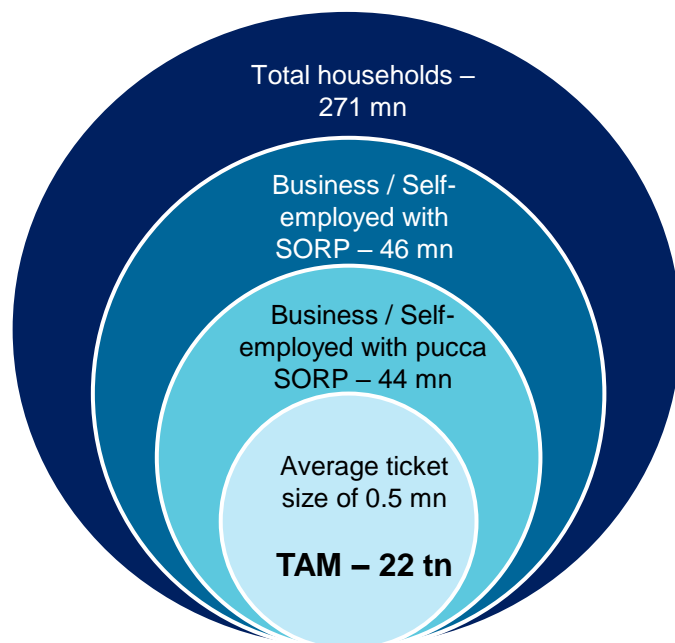
** Holding through various schemes & funds including advisory mandates

% holding computed on a fully diluted basis, including ungranted, unvested and vested but unexercised options and share warrants

Large Market Opportunity to be served through multiple growth levers

Large Market Opportunity

**Fiscal 2024E MSME Credit Gap
104 trillion**



Total Addressable Target Market	22 tn
MSME loans o/s	372 bn
Total “Addressed” market	2%

Market Opportunity estimates by CRISIL
MSME loans o/s as of Sep'23 – Motilal Oswal Financial Services Research report on Five-Star

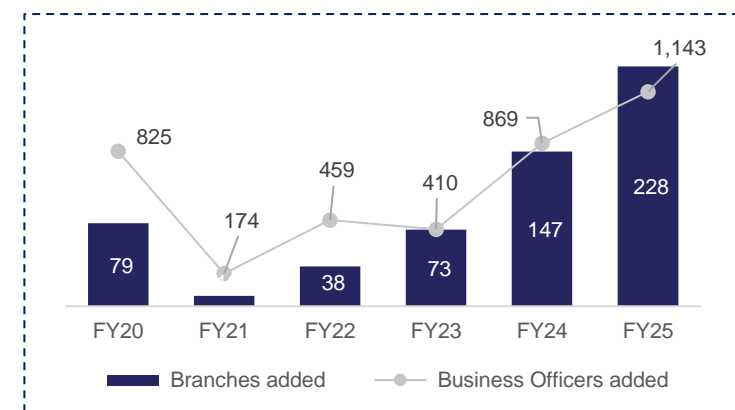
Five Star Growth Strategy

To address the large untapped market opportunity

Strategy 1 – Increase branch network, add more FOS supported by robust risk management framework

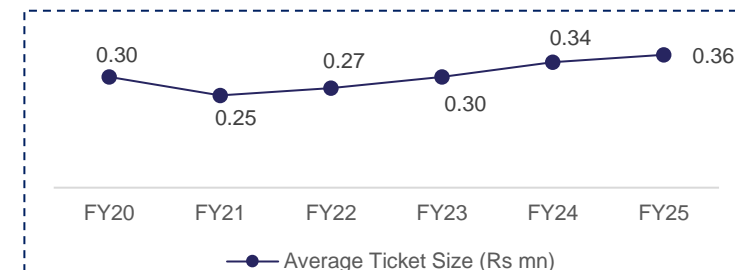
Average branches opened per year (excluding 2 years of COVID) – 132 branches
Split branches act as a robust risk management strategy

Average Business Officers added per year (excluding 2 years of COVID) – 812 officers



Strategy 2 – Increase Ticket size

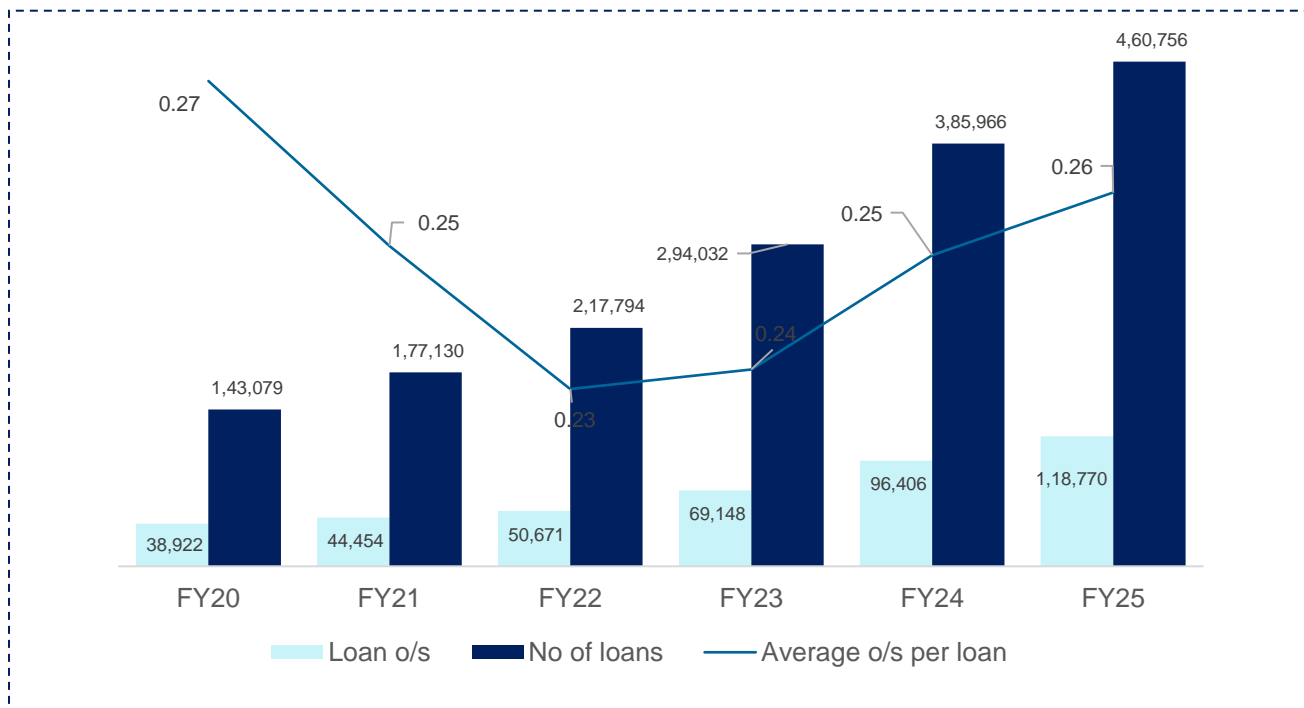
Average ticket size has remained almost constant over the last 4 years (excluding 2 years of COVID). Will be pushed up to factor in inflation and stronger customer selection in the coming years



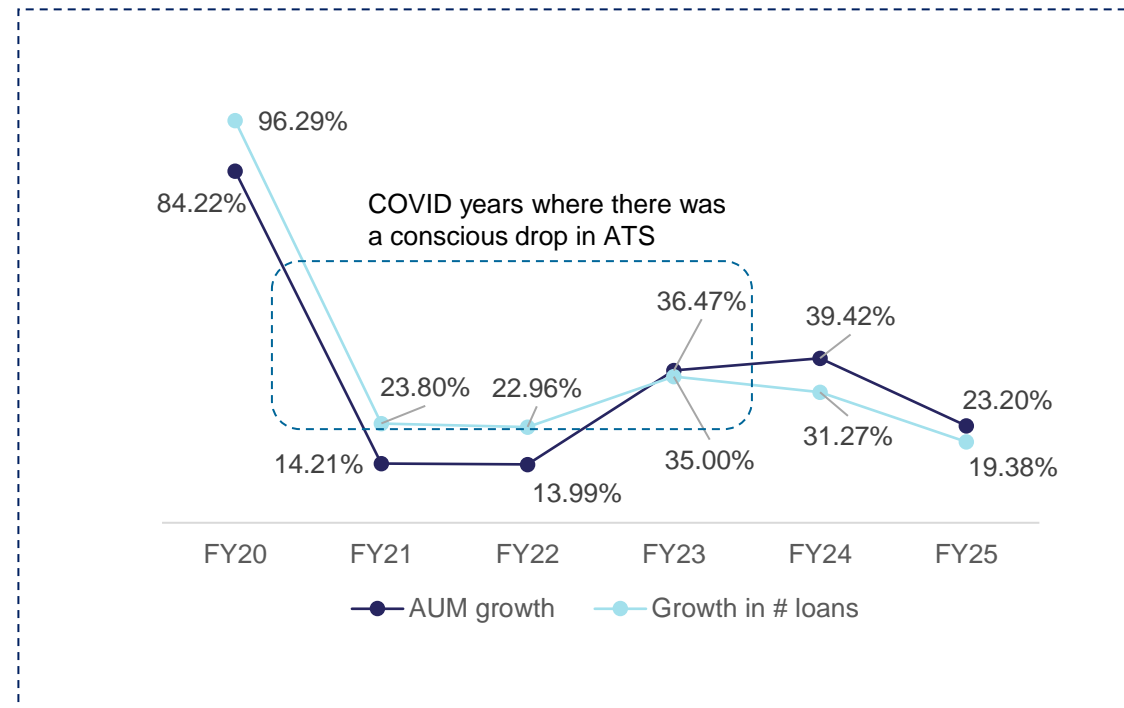
Average ticket size = Disbursals / No of loans disbursed

These 2 Strategies will lead to robust Portfolio Growth in the years to come

Growth Strategy shall be borrower led coupled with appropriate increase in ticket size



Average o/s per loan has remained almost flattish



Growth has been led predominantly by increase in loans rather than increase in average ticket size of disbursals, as evidenced by the narrow gap between AUM growth and growth in number of loans

Average ticket size will be pushed up to factor in inflation and stronger customer selection

Well thought out customer & product strategies – helps us remain insulated even during periods of stress

Customer Strategy

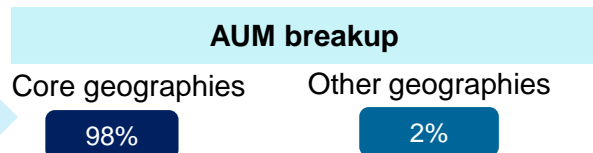
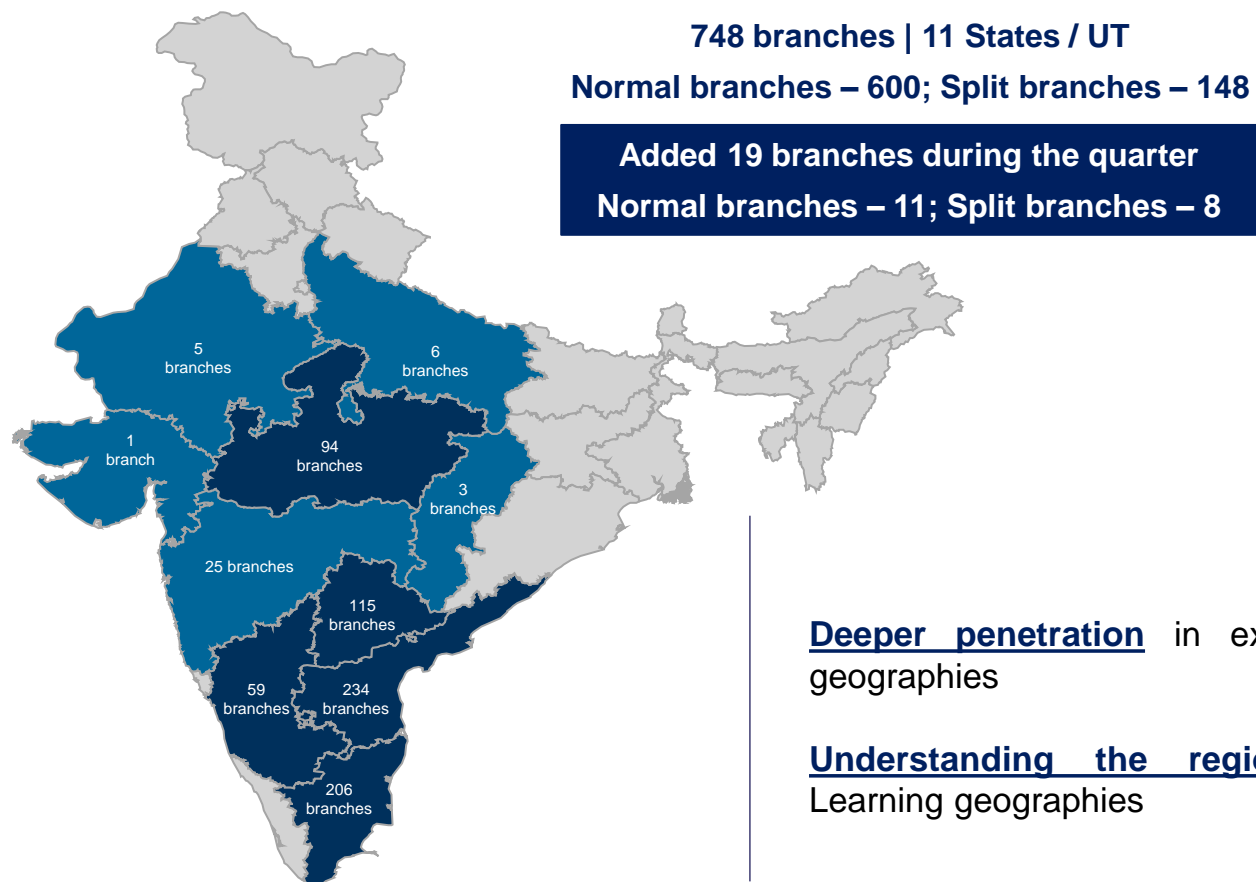
- ★ **Who are our customers** – Small Business Owners and Self-employed individuals involved in everyday cash and carry businesses with a service bias
Minimal impact of macro downcycles
- ★ **How & wherefrom do we source our customers** – 100% in-house sourcing with a strong focus on Tier 3 to Tier 6 cities
Under-penetrated market; high level of customer stickiness
- ★ **How are the loans given** – Loans given to the family / household, leading to a collective decision-making
Potential issues prevented due to collective decision-making



Product Strategy

- ★ **Loan purpose** – Loans provided for business expansion, home renovation / improvement and other mortgage purposes (marriage, education, emergency etc)
Meet all requirements of the borrower household
- ★ **Nature of our lending** – 100% backed by collateral, 95% being SORP
Helps prioritize our loan during difficult times
- ★ **Product characteristics** – Typical ticket sizes between 0.2 and 1 mn for a tenure of up to 7 years with LTV and Debt burden ratios of ~50% at the time of sanction
Thin EMIs help borrowers repay the loan without undue burden

Gradual growth in newer regions; significant ramp-up upon reaching the comfort state



State-wise portfolio break-up							
State	No of branches	Q4FY25	FY24	FY23	FY22	FY21	FY20
Tamil Nadu	206	29%	31%	35%	39%	41%	43%
Andhra Pradesh	234	38%	37%	33%	29%	28%	28%
Telangana	115	19%	19%	20%	19%	18%	19%
Karnataka	59	6%	6%	7%	7%	7%	7%
Madhya Pradesh	94	7%	5%	5%	5%	4%	3%
Others	40	2%	1%	1%	1%	1%	1%
Total	748						

Deeper penetration in existing Core geographies

Understanding the region in the Learning geographies

Average AUM per branch based on branch vintage		
Vintage	No of branches	Average AUM
<= 1 year	230	99
1 – 3 years	220	147
3 – 5 years	48	190
5 – 7 years	128	210
> 7 years	122	228
Total	748	159

Approach would be to keep the Average AUM range-bound through the Split branch strategy

Cluster Strategy – Ideal Branch Structure

Evolution of Branch Structure at Five-Star

Till FY2016

Normal Branch Strategy

5-6 Relationship Officers

Manage both Business & Collections

Ability to onboard good quantum of business over a period

Pros & Cons

Optimal # accounts per RO – helped manage risk

Ability to scale with the number of officers is limited

2017 – 2023

Super Branch Strategy

Add more ROs - 10-12 ROs per branch

Beef up the Supervisory structure - 2 Asst BM and 1 Sr BM

Helps maintain optimal # accounts per RO

Pros & Cons

Offered tremendous potential for scalability

Can lead to concentration risk from AUM & people perspectives

2023 till date...

Cluster / Ideal Branch Strategy

Add new branches near bigger branches when # accounts cross a certain threshold

5-6 ROs + appropriate collections support – Other ROs moved to the new branch

Move some accounts to the new branch – helps maintain optimal # accounts per RO

Advantages

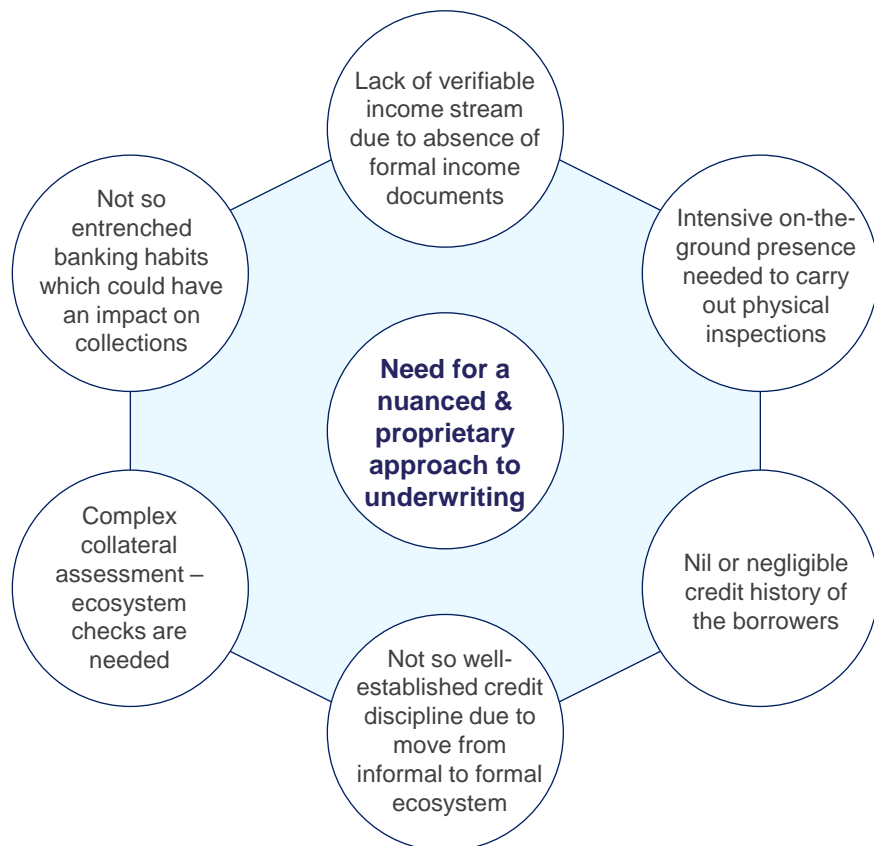
Helps de-risk without any material cost / headcount increase

Facilitates career progression, workload management, control attrition

Constant evolution of branch structure to suit the prevalent conditions has resulted in strong business & collections momentum

Underwriting strategy fine-tuned over years of experience – to serve a “not so easy to underwrite TAM”

Difficulties in evaluating the Addressable Market Segment



Five Star's capabilities

- ★ Credit appraisal of informal income with minimum documentation; Surrogates (lifestyle, ownership of assets, trade checks, etc) used to evaluate borrower cashflows, in the absence of verifiable income documents
- ★ 'On the ground' presence - ability to conduct physical verifications – mechanism has been created to ensure maker-checker controls in inspection process and operate at scale
- ★ Ability to utilize ecosystem checks as proxies for formal records in databases

Five Star operates profitably with strong portfolio quality (in the company's customer segment) by carefully selecting customers that 'fit' its assessment capabilities

Multiple levels of appraisal – Final sanction can be provided only by the Independent Credit team

Branch Appraisal

- ★ **Pre-login assessment by the branch** – Basic verification of business, residence and background check on borrower
- ★ **Relationship Officer Inspection** – Visit to applicant's business / residence to assess business traction / income level through proxies
- ★ **Final assessment by Branch Manager** – Complete inspection undertaken across the 3 Cs – Character, Cashflow and Collateral and report submitted to the approval team

Credit Appraisal

- ★ **Field Credit Inspection** – Independent visit to applicants' residence and business for detailed inspection; independent report submitted to the approval team
- ★ **Approval Credit** – Loan sanctioned / rejected basis branch appraisal and field credit appraisal reports. Only team with approval powers
- ★ **Legal Appraisal** – Validation of the property documents done by Internal and External legal counsels

Inherent Controls

Focus on Service oriented businesses

- Last impacted by macro down-cycles and first to emerge from them

Loans to the family / household

- Ensures collective decision-making and avoids potential problems

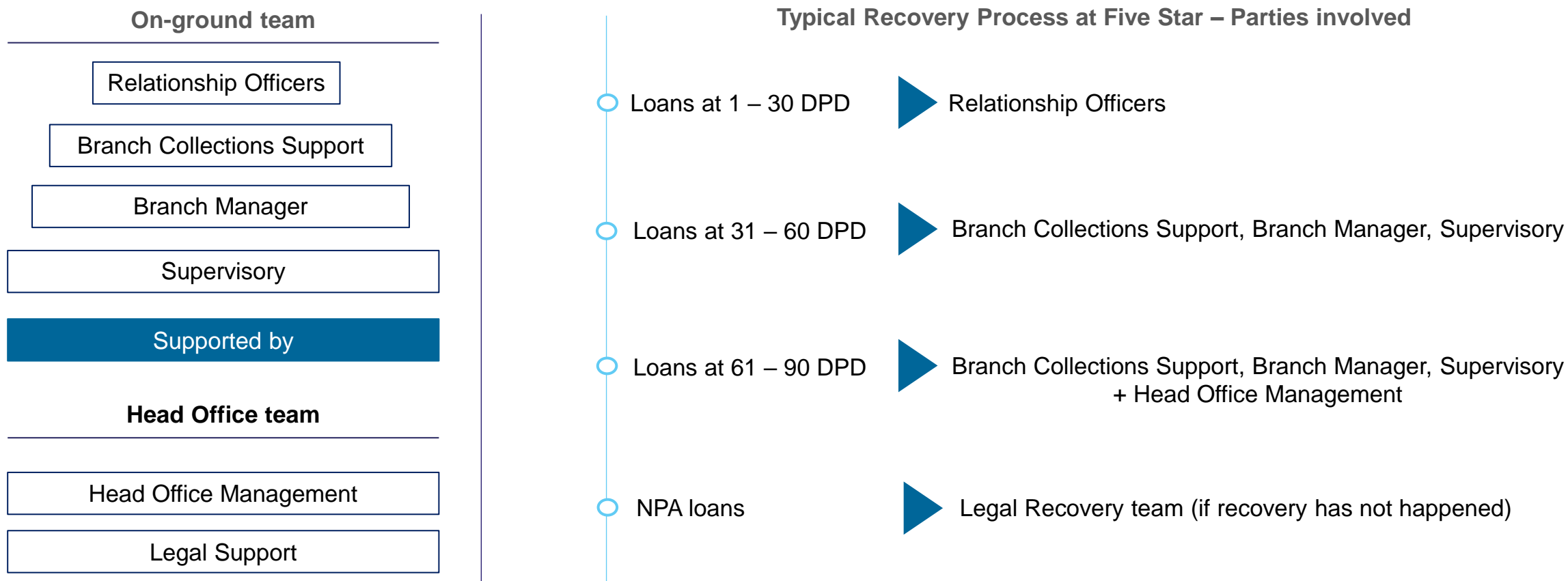
Independent verification & approval

- Approval powers only with the Credit team; no approval powers even with the Chief Business Officer

Registered Mortgage

- Mortgage on the collateral registered with the Sub-registrar office; helps avoid multiple loans against the same property

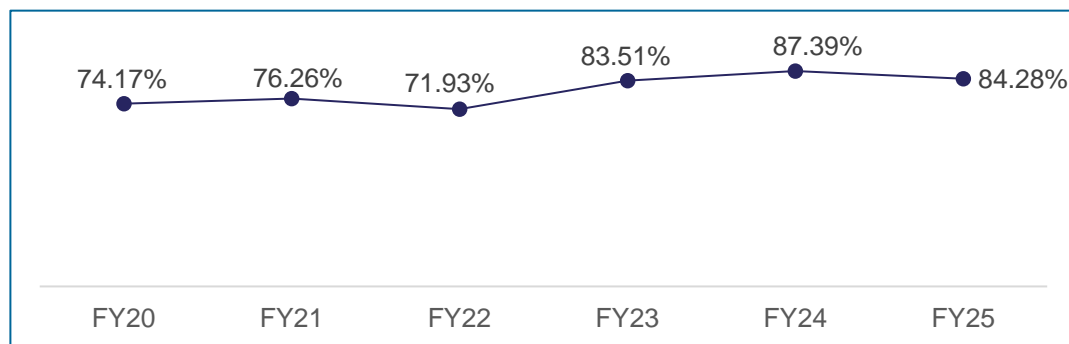
First-time business loan borrowers migrating from informal to formal ecosystem necessitates multiple touchpoints



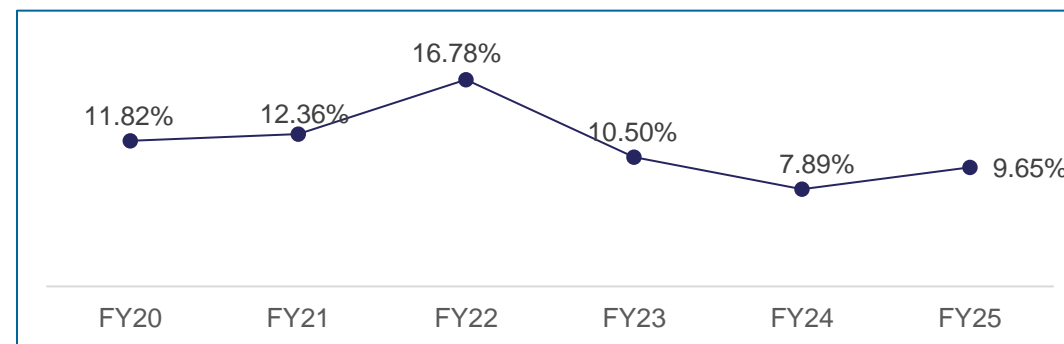
Concerted efforts, along with necessary legal measures, ensure strong recovery and robust asset quality

Focus on Unique Customer Collections Efficiency has contributed to significant improvement in portfolio profile

Current Portfolio



30+ Portfolio



Overall Portfolio Profile

	FY20	FY21	FY22	FY23	FY24	FY25
Stage 1	88.18%	87.64%	83.22%	89.50%	92.11%	90.35%
Stage 2	10.45%	11.34%	15.73%	9.15%	6.51%	7.87%
Stage 3	1.37%	1.02%	1.05%	1.35%	1.38%	1.79%

Continuous evolution in Collections Strategy has contributed to continuous strengthening of the portfolio profile

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



- Moved to Finn One Neo (ERP solution) with automated workflow and rule engine configuration



- Moved to a completely paperless underwriting model with all data available on cloud



- Significant investments in technology during this period

FY2017 – FY2022

Till FY2017

- Manual underwriting process with minimal technology involvement

From FY2023



- Strengthened senior management team for IT and significantly augmented the team



- Significant IT spends during the last few years

- Complete data on cloud along with SaaS models for applications

- Focus on strategic projects and leveraging benefits from their implementation - Loan Origination System (Salesforce), General Ledger (Oracle), HRMS, Treasury system, Collections Module and Customer Scoring Model



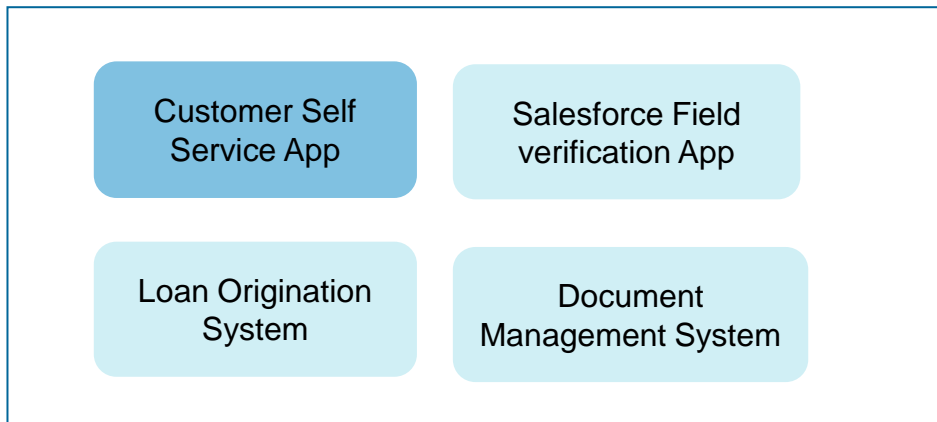
Looking Ahead

- API infrastructure to leverage strengths of third-party service providers / fintechs
- Data analytics and machine learning
- Robust Customer Credit Scoring model
- Continue to improve the tech stack by bringing in stronger applications to support the growth strategy

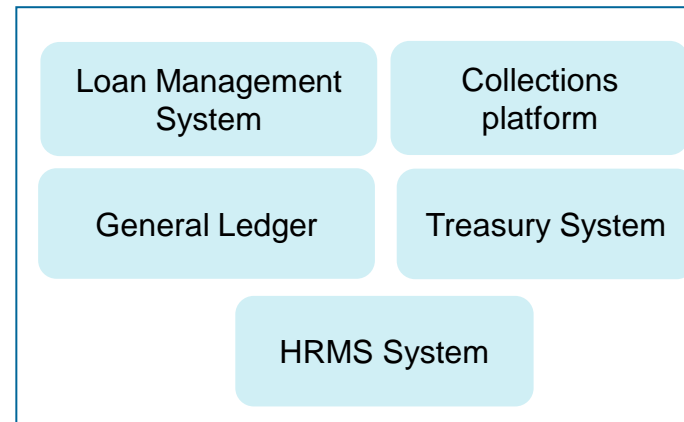


Comprehensive Tech stack to derive productivity and efficiency benefits

Loan Origination & Underwriting



Loan Servicing & Support Systems



Reporting / MIS



Enterprise API Integration Layer



Functioning systems

Systems under development

Focused tech strategy / stack have helped achieved key benefits across functional verticals

Loan Origination

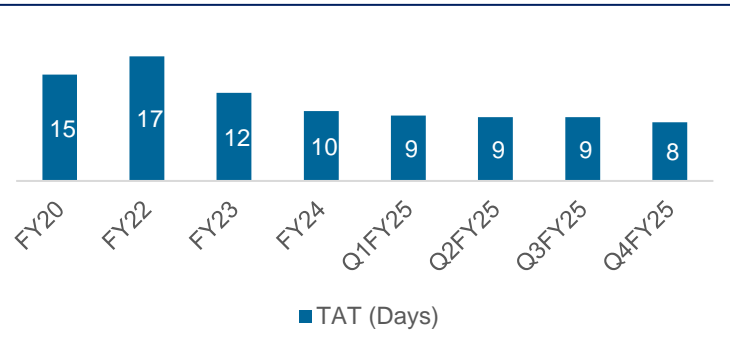
- Consistently improving TAT
- Increase in quantum and improved reliability of data collected
- Ability to collect data available with third-party service providers, through APIs

Credit Underwriting

- Fully rounded view of the borrower income, collateral value, title, income proxies available to process & approval credit at one place
- System led automated exception reporting - All deviation approvals captured in the system helping minimize risk of manual override

Collections

- Move from cash to digital means of collections
- All modes of collections made available to the borrowers – NACH, BBPS, UPI Auto-pay, etc
- Efficient cash handling with complete traceability

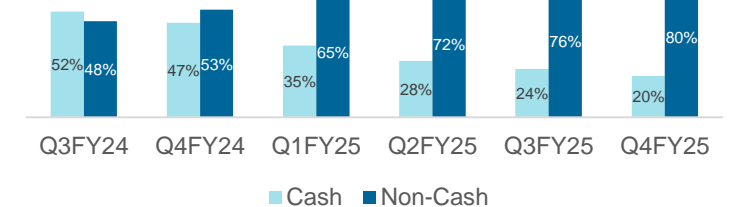


Expect to operate around 8-9 days of TAT in a steady state scenario

TAT represents days between login & sanction; FY21 data skewed due to COVID, hence not given

Aim to gradually keep reducing the proportion of cash in the coming quarters

Proportion of cash collections showing a consistently declining trend



Risk Management & Audit

- Effective monitoring and portfolio management of large volume underwriting process
- System driven risk metrics without manual override
- Complete maker-checker process and audit trails to fix accountability

Robust Risk Management and Risk-based Internal Audit Framework ensure strong oversight

Board of Directors

Risk Management Committee

Audit Committee

ALCO
(Liquidity & ALM risks)

Credit Committee
(Large ticket sanctions)

Business Resource
Committee
(Fund-raise)

Statutory Audit
(Deloitte Haskins &
Sells)

External Internal Audit
(Sundaram & Srinivasan)

Internal Internal Audit
(In-house Audit team)

Functional
Departments

Risk Management
Department

Functional
Departments

Financial Reporting &
Accounting

Chief Compliance Officer
+
Compliance Department

Robust Risk Management and Risk-based Internal Audit Framework ensure strong oversight

Risk Management Framework

Credit / Collateral / Portfolio Risk

Monitored by Risk Management Committee

Financial Risk

Monitored by Audit Committee

Liquidity Risk

Monitored by ALCO; Stress tests conducted under ICAAP methodology and reviewed by the Board annually

Operational Risk

Monitored by Audit Committee as part of Audit / ICFR process

Technology Risk

Monitored by IT Strategy Committee / IT Steering Committee / Information Security Committee

HR / Attrition Risk

Monitored by Risk Management Committee

Fraud Risk

Monitored by Audit Committee as part of Audit / ICFR process

Risk based Internal Audit Framework

Strong framework laid down based on the twin principles of:

Magnitude of Risk

Determined based on possible financial impact, reputational or compliance issues

+

Frequency of Risk

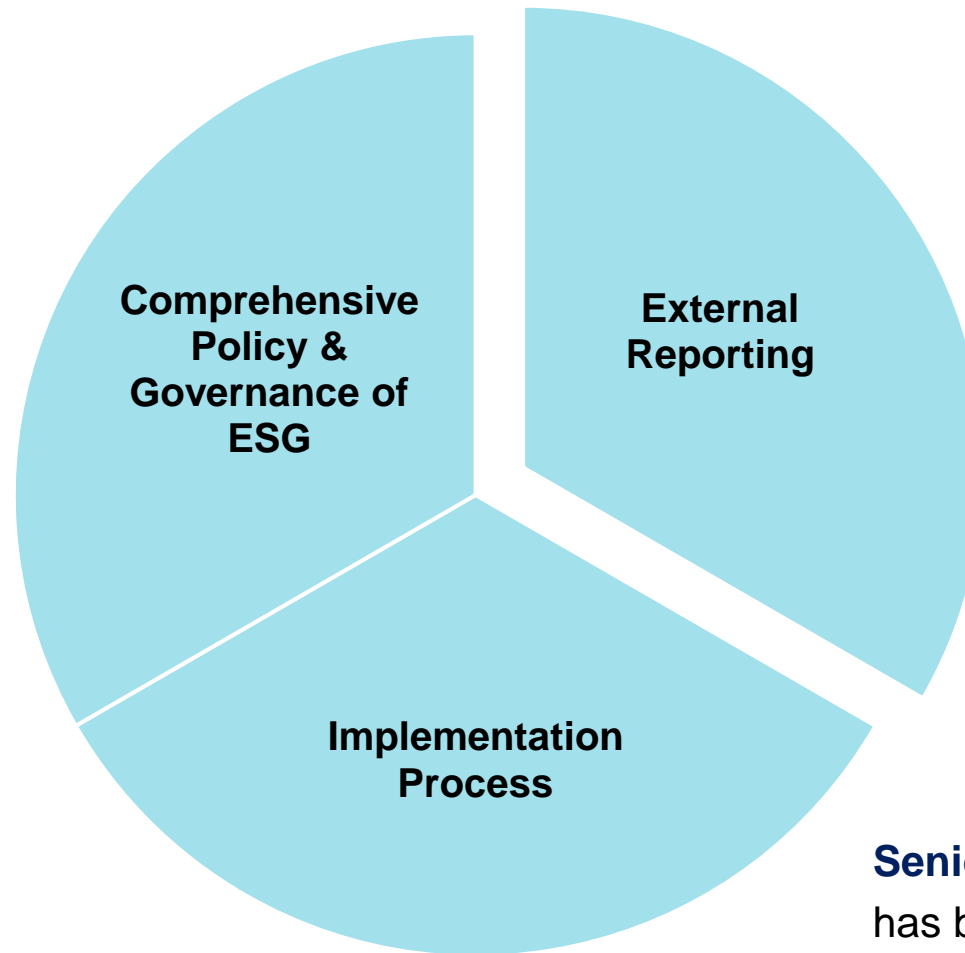
Determined based on internal controls, past occurrences, nature of process

	High Frequency	Medium Frequency	Low Frequency
High Magnitude of risk	Quarterly testing	Quarterly testing	Half-yearly testing
Medium Magnitude of risk	Quarterly testing	Half-yearly testing	Annual testing
Low Magnitude of risk	Half-yearly testing	Annual testing	Annual testing

Clean Track Record | No Auditor Qualifications | Multiple RBI Inspections with NIL divergences | Fully automated Compliance tracking

ESG @ Five Star primarily revolves around the aspects of “S” (Social impact) and “G” (Governance)

Comprehensive ESG and BRSR policies approved by the Board
at least on an annual basis



Business Responsibility and Sustainability Report (BRSR)
is published as part of the Annual Report

Senior Management team
has been tasked to oversee the implementation

Social Impact Indicators – Financial Inclusion (“Reaching the Unreached”)

Company Vision

Reaching the Unreached through suitable credit solutions

Mission Statement

Provide appropriate credit solutions to the hitherto unreached segment of the market by developing a niche underwriting model, built towards evaluating the twin strengths of the borrowers’ intention to repay and ability to repay, with the ultimate objectives of increasing customer satisfaction and maximizing stakeholder returns

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

Catering to LIG customers

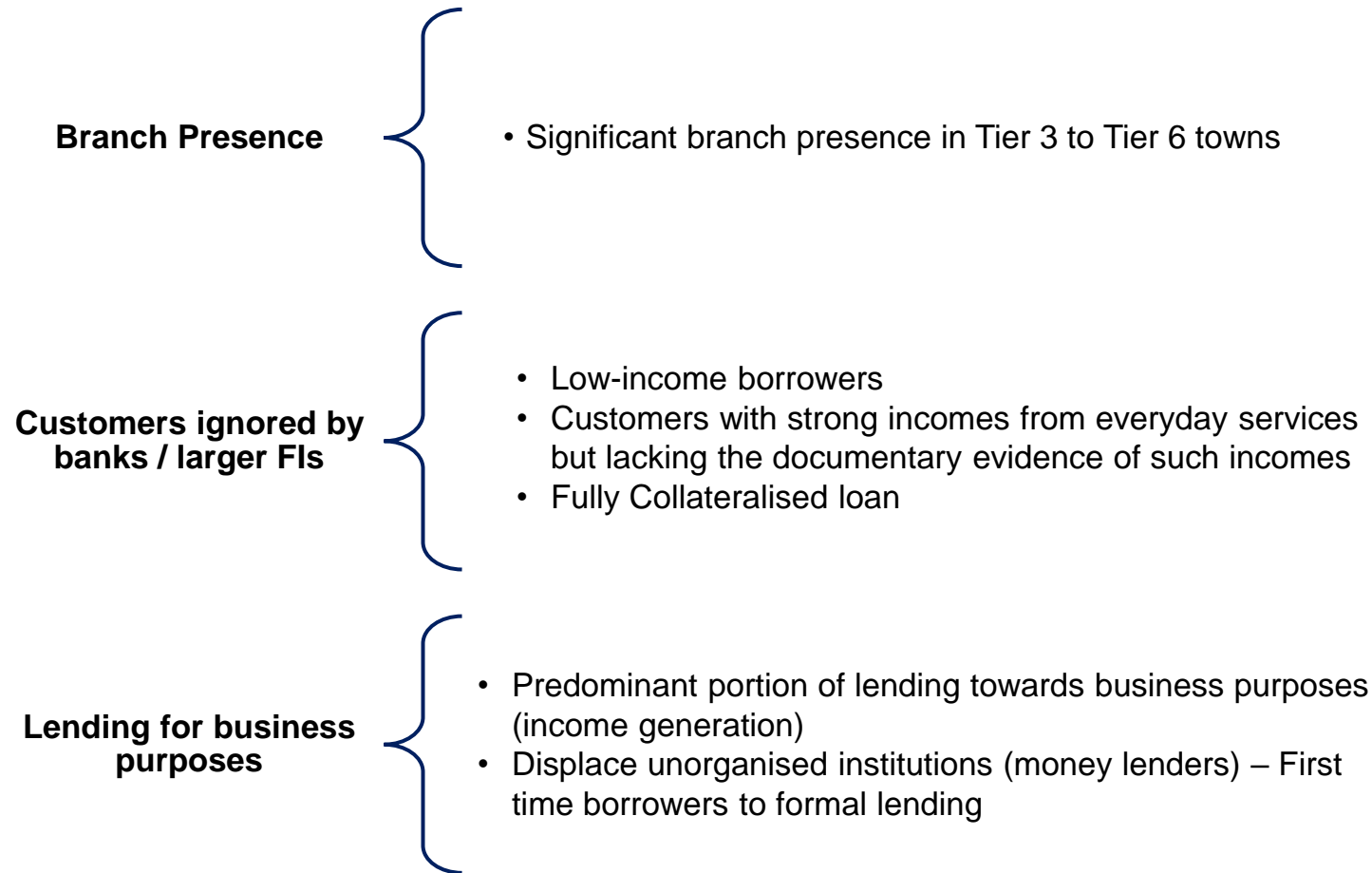
- Majority of AUM is provided to Low-income group customers, thereby fostering financial inclusion
- Loans for business and other purposes are provided at lower interest rates

Low-income group means households with earnings of ₹ 25,000 or lesser

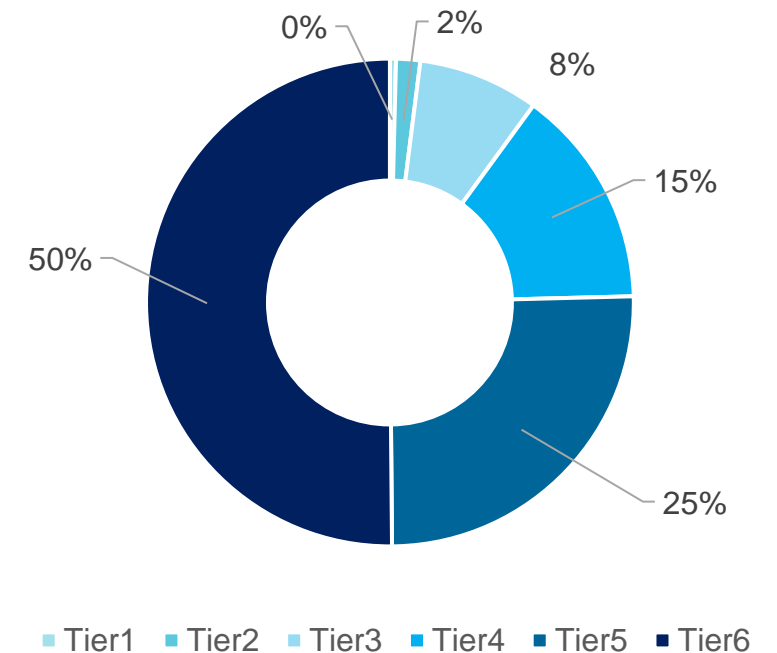
Corporate Social Responsibility

- Significant spends are made towards CSR
- CSR objectives are tailored towards improving education, healthcare and livelihood
- Right implementation partners are onboarded, and a strong monitoring mechanism is in place to ensure proper utilisation of funds

Social Impact Indicators – Branch Presence



Significant Branch presence in Tier 3 to Tier 6 towns - semi-urban and fast-growing rural geographies



Tier 6 – Population < 50K; Tier 5 – Population 50K – 1L; Tier4 – Population 1L – 2L; Tier 3 – Population 2L – 10L; Tier 2 – Population 10L – 50L; Tier 1 – Population > 50L

Strong Governance Framework

Board of Directors

1
Promoter Director

4
Independent Directors
(including 1 Woman
Director)

2
Executive Directors

1
Non-Executive Director

Board Committees

Audit
Committee

Risk Management
Committee

Nomination &
Remuneration
Committee

IT Strategy
Committee

Stakeholder
Relationship
Committee

Customer
Service
Committee

Corporate Social
Responsibility
Committee

Business &
Resource
Committee

Chaired by Independent Directors

Chaired by Other Directors

Management Committees

Asset – Liability Committee

Credit Committee

Grievance Redressal
Committee

IT Steering
Committee

Information Security
Committee

High Independent Director representation | Varied level of Independent Director experience | High level of Independent Director participation in Committees | Most Board Committees chaired by Independent Directors

Robust Corporate Governance supported by Board approved Policies

The Board of Directors helps improve Corporate visibility, image and governance and provides strong comfort to external stakeholders.

The Board also helps in ensuring robust risk management strategies and provides independent oversight in the Organisation.

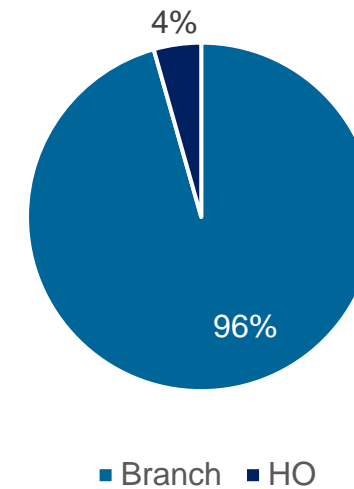
The Company has also implemented the following Policies (approved by the Board, at least annually) to promote ethical, transparent and responsible behaviour and to fix accountability:

- ★ Code of conduct for the Board of directors and Senior Management personnel [\(Link\)](#)
- ★ Guidelines on Corporate Governance [\(Link\)](#)
- ★ Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information [\(Link\)](#)
- ★ Grievance Redressal Policy [\(Link\)](#)
- ★ Know Your Customer (KYC) and Anti Money Laundering Policy [\(Link\)](#)
- ★ Fair Practice Code [\(Link\)](#)
- ★ Policy on Prevention of Sexual Harassment [\(Link\)](#)
- ★ Whistle Blower policy & Vigil mechanism [\(Link\)](#)
- ★ Business Responsibility and Sustainability Reporting policy [\(Link\)](#)

Strong & adequate Human Capital for the size and scale of operations

Function	No of employees
Business & Collections	8,227
- Relationship Officers	6,689
- Branch Managers	1,538
Supervisors	140
Credit	1,157
- Field Credit	820
- Approval Credit	328
- Credit Support	9
Operations	1,101
- Operations Officers	924
- Head Office team	177
Accounts	896
- Cashiers	831
- Head Office team	65
Legal & MOD	190
IA & Customer Care	70
Technology	53
Human Resources	43
Administration	20
Others	15
Heads of Departments	11
Senior Management	11
Total Headcount	11,934

Proportion of Headcount – Branch vs HO



Predominantly branch-led headcount, which helps in improved productivity, quality & profitability

Strong Supervisory layer (across branch and other support functions) to maintain strong control processes and ensure maker-checker mechanism

Support functions also staffed adequately to ensure robust controls in each of the processes

Management team consists of professionals with relevant experience and expertise to carry out their functional responsibilities

Thank You

For further information, you may please email to:

 ir@fivestargroup.in
