

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 Press Release on the Financial and Operational Performance of the Company 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 the Investor Press Release on the financial and operational performance of the Company for the quarter and year ended March 31, 2025

This Investor Press Release 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



FIVE-STAR BUSINESS FINANCE LIMITED
New No. 27, Old No. 4, Taylor's Road, Kilpauk, Chennai 600010
CIN: L65991TN1984PLC010844

Chennai, April 29, 2025: The Board of Directors of Five-Star Business Finance Limited, has declared its audited financial results for the quarter and year ended March 31, 2025.

Results for the quarter ended March 31, 2025

Particulars	Q4FY25	Q4FY24	Y-o-Y	Q3FY25	Q-o-Q
AUM (Rs Cr)	11,877	9,641	23%	11,178	6%
Disbursements (Rs Cr)	1,460	1,336	9%	941	55%
Gross Stage 3 Assets	1.79%	1.38%	0.41%	1.62%	0.17%
Net Stage 3 Assets	0.88%	0.63%	0.25%	0.81%	0.07%
PAT (Rs Cr)	279	236	18%	274	2%
Net Interest Margin	16.84%	17.19%	-0.35%	16.56%	0.28%
Return on Assets	8.04%	8.43%	-0.39%	8.10%	-0.06%
Return on Equity	18.36%	18.65%	-0.29%	18.49%	-0.13%

Results for the year ended March 31, 2025

Particulars	FY25	FY24	Y-o-Y
AUM (Rs Cr)	11,877	9,641	23.20%
Disbursements (Rs Cr)	4,970	4,881	1.81%
Gross Stage 3 Assets	1.79%	1.38%	0.41%
Net Stage 3 Assets	0.88%	0.63%	0.25%
PAT (Rs Cr)	1,073	836	28.30%
Net Interest Margin	16.75%	17.39%	-0.64%
Return on Assets	8.18%	8.42%	-0.24%
Return on Equity	18.68%	17.60%	1.08%

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

It has been a good quarter for Five Star, and the most notable happening during the current quarter was that we were back on track as far as our disbursements are concerned, recording a q-o-q disbursement growth of 55%. We had consciously slowed down our disbursements last quarter to get to an AUM growth of 25% and we were able to put our disbursements on track this quarter. Our portfolio grew by 6% on q-o-q basis and 23% for the full year. The disruption in Karnataka on account of the ordinance made us pause our disbursements in the state leading a shortfall in growth for the full year. But, as a company, we are focused on "Quality Growth" and not growth for the sake of growth.

There was a small uptick in our DPD and NPA numbers during the quarter, as a result of the trickling effect of overleverage crisis on secured portfolio coupled with the disruption in Karnataka. But I can still say confidently that this would still be the best asset quality amongst companies lending to our borrower profile.

During this quarter, we disbursed Rs 1,460 Crores of loans as against INR 941 Crores in Q3FY2025 recording a disbursement growth of 55%. We added 19 branches during Q4FY2025 leading to a strong branch network of 748 branches across 10 states and 1 union territory. We continue to invest in and maintain an appropriate infrastructure framework which will ensure that the Company has the right framework to manage risk in an appropriate manner.

On the collections front, we saw a good set of numbers for Q4, despite the headwinds mentioned above. Our unique customer collections came in at 96.2 %, which is a very marginal drop from the previous quarter, and we had an overall collection efficiency of 97.7%. 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 17 bps from 1.62% in Q3FY25 to 1.79% in the current quarter. We also saw a marginal inch-up in our 30+ which stood at 9.65% as of Q4FY25. We will continue our sharp focus on collections to ensure that the asset quality remains one of the best in the industry.

During the quarter, we availed incremental debt of Rs 1,100 Cr and the cost of incremental debt came in at 9.29%, which is 27 bps lower than the cost of incremental debt borrowed during the previous quarter. We continue to diversify our borrowing sources leading to our borrowing from banks dropping from 79% in March'24 to 63% in March'25. Cost of funds on the book has almost remained flat at 9.63% for the quarter. In addition to unavailed sanctions of Rs 100 Cr, we continue to have a robust liquidity on the balance sheet of Rs 2,295 Cr.

Our profitability remains one of the best in the industry and we achieved a PAT of 279 Crores for the quarter, which is 18% higher than the PAT achieved in Q4FY24. For the full year, we touched the 4-digit PAT for the first time in the history of Five Star. We clocked a PAT of 1,073 Crores as against 836 Crores for FY2024, a growth of 28%. To commemorate this achievement, the Board has also recommended a dividend of Rs 2 per share, which works out to 200% on the face value and translating to a dividend payout of 5.5%. I would also like to assure that this would not have any major impact on our capital adequacy or our need for capital in the future.

Key Highlights for Q4FY25:

Distribution:

1. The Company has increased its branch presence to 748 branches across 11 states / UT.
2. During the quarter, the company opened 19 new branches.
3. Disbursals – The Company disbursed an amount of Rs 1,460 Cr in Q4FY25 as against Rs 1,336 in Q4FY24.

Assets under Management:

1. AUM as of March 31, 2025 ended at Rs 11,877 Cr, growth of 23% on y-o-y basis and 6% on q-o-q basis.
2. AUM is well distributed across 0.46 mn active loans

Collections & Asset Quality:

1. Collection efficiency for the quarter stood at 97.7%. Unique customer collection efficiency for the quarter stood at 96.2%.
2. 30+ DPD ended at 9.65% as of March 31, 2025.

Provisions:

1. ECL provision carried on books was 193 Cr r (excluding ECL maintained on inter-corporate deposits), which translates to 1.63% of the overall AUM.
2. Stage 3 provision was at 109 Cr leading to a provision coverage ratio on stage 3 assets of 51.31%

Borrowings:

1. Total borrowings including debt securities are at Rs 7,922 Cr as on March'25.
2. The company continues to carry a liquidity of Rs 2,295 Cr as on March'25.
3. Cost of incremental debt during the quarter dropped sharply to 9.29% (as against the cost of incremental debt of 9.56% for the previous quarter).
4. Cost of funds on overall borrowing book for the quarter was at 9.63%.

Financial Performance for the quarter:

1. Total income of Rs. 760 Cr; y-o-y growth of 23%
2. PBT of Rs.371 Cr; y-o-y growth of 18%
3. PAT of Rs.279 Cr; y-o-y growth of 18%
4. ROA at 8.04%; q-o-q decrease of 6 bps and y-o-y decrease of 39 bps.
5. ROE at 18.36%; q-o-q decrease of 13 bps and y-o-y decrease of 29 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 748 branches catering to around 460,000 active live accounts in Tamil Nadu (including the Union Territory of Puducherry), Andhra Pradesh, Telangana, Karnataka, Madhya Pradesh, Maharashtra, Uttar Pradesh, Chhattisgarh, Rajasthan and Gujarat. 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.