FIVE STAR
Business Finance Limited

August 06, 2026

The National Stock Exchange of India Limited,
Exchange Plaza, Bandra-Kurla Complex,
Bandra (E), Mumbai – 400051
Symbol: FIVESTAR

BSE Limited
Listing department, First floor, PJ Towers,
Dalal Street, Fort Mumbai - 400 001
Scrip code: 543663, ,974905,975246,975598

Dear Sir/ Madam,

Sub: Submission of Business Responsibility and Sustainability Report for FY 2025-26

Pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Business Responsibility and Sustainability Report for the financial year 2025-26.

A copy of the same is also available on the website of the Company https://fivestargroup.in/

Kindly take the above information on record.

Thanking you,

Yours faithfully,
For Five-Star Business Finance Limited
Vigneshkumar S M
Digitally signed by Vigneshkumar S M
Date: 2026.08.06 17:21:01 +05'30'
Vigneshkumar SM
Company Secretary & Compliance Officer

Business Responsibility & Sustainability Report

Business Responsibility & Sustainability Report

Annexure E

SECTION A: GENERAL DISCLOSURE

I. Details of the Listed Entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L65991TN1984PLC010844
2.	Name of the Listed Entity	FIVE-STAR BUSINESS FINANCE LIMITED
3.	Year of incorporation	1984
4.	Registered office address	New No 27, Old No 4, Taylor's Road, Kilpauk, Chennai 600010
5.	Corporate address	New No 27, Old No 4, Taylor's Road, Kilpauk, Chennai 600010
6.	E-mail	cs@fivestargroup.in
7.	Telephone	044-4610 6200
8.	Website	Five Star Business Finance (www.fivestargroup.in)
9.	Financial year for which reporting is being done	FY 2025 - 2026
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange, Bombay Stock Exchange
11.	Paid-up Capital	INR 295,175,278

Contact Person

12.	Name of the Person	Vigneshkumar S M
	Telephone	044-4610 6260
	Email address	cs@fivestargroup.in

Reporting Boundary

13.	Type of Reporting:	The disclosures in this report have been made on standalone basis for Five Star Business Finance Limited.
	If selected consolidated:	Not Applicable
14.	Name of assessment or assurance provider	SGS India Pvt. Ltd
15.	Type of assessment or assurance obtained	Reasonable Assurance has been provided for BRSR core indicators for the period 1 April, 2025 to 31 March, 2026

II. Product/Services

	S.No.	Description of Main Activity	Description of Business Activity	% Turnover of the Entity
16. Details of business activities	1.	Onward Lending	Five-Star Business Finance Limited is registered with the Reserve Bank of India (RBI) as a non-deposit taking Non-Banking Financial Company (NBFC). The Company offers secured financial products, primarily in the form of small business loans, to micro-entrepreneurs and self-employed individuals who typically have limited access to formal credit channels. Its operations are largely concentrated in urban and semi-urban markets. The loans extended are predominantly secured against the self-occupied residential properties of borrowers, which account for over 95% of the collateral provided. Loan amounts generally range from ₹ 1 lakh to ₹ 10 lakh, with the majority of disbursements falling below ₹ 5 lakh. These loans are structured with longer repayment tenures, typically between five and seven years, to enhance affordability and customer convenience. Additionally, the Company follows a prudent risk-management approach by maintaining conservative Loan-to-Value (LTV) and Debt Burden Ratio (DBR) thresholds of approximately 50% at the time of loan origination, ensuring adequate security coverage and sustained repayment capability throughout the loan tenure.	100%

17. Products / Services sold by the entity

S.No.	Product / Service	NIC Code	% of Total Turnover Contributed
1.	Small Business	64920	100%

III. Operations

18. Number of locations where plants and/or operations / offices of the entity are situated include:

Location	Number of Plants	No. of Offices	Total
National	0	844	844
International	0	0	0

Market served by the entity	Locations
19. a. No. of Locations	
National (No. of States)	10
International (No. of Countries)	0
19. b. What is the contribution of exports as a percentage of the total turnover of the entity?	Nil; the Company is a domestic entity with 100% of its operations within India, with 100% of its business activities conducted domestically.
19. c. A brief on types of customers	**Secured Business Loans:** The Company operates in the secured lending segment, primarily serving micro-entrepreneurs, small business owners, and self-employed individuals who have limited access to formal credit systems, to meet their business and related financial requirements and other needs.

IV. Employees

20. Details as at the end of financial year:

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
		Employees				
a. Employees and workers (including differently abled)						
1	Permanent Employees (D)	14,153	13,824	98%	329	2.32%
2	Other than Permanent Employees (E)	6	5	83%	1	16.67%
3	Total Employees (D+E)	14,159	13,829	98%	330	2.33%
b. Differently abled employees and workers						
1	Permanent Employees (F)	0	0	0	0	0
2	Other than Permanent Employees (G)	0	0	0	0	0
3	Total Employees (F+G)	0	0	0	0	0

21. Participation/Inclusion/Representation of women

S.No.	Category	Total (A)	No. and % of Female	
			No. (B)	% (B/A)
1	Board of Directors	8	2	25%
2	Key Management Personnel	3	0	0

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

Category	FY 2025 - 2026 (Turnover rate in current FY)			FY 2024 - 2025 (Turnover rate in current FY)			FY 2023 - 2024 (Turnover rate in the year prior to previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	57%	32%	56%	46%	32%	45%	49%	28%	49%

V. Holding, Subsidiary, and Associate Companies (including joint ventures)

23. Name of the holding / subsidiary / associate companies / joint ventures

S.No.	Name of the holding / subsidiary / associate companies / joint ventures	Indicate whether it is a holding / Subsidiary / Associate / or Joint Venture	% of shares held by the listed entity	Does the entity indicated in column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Nil	NA	NA	NA

VI. CSR Details

24. a. **Whether CSR is applicable as per section 135 of Companies Act, 2013** Yes

    b. **Turnover (in Rs.)** INR 324,597 lakhs

    c. **Net Worth (in Rs.)** INR 738,015 lakhs

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

Stakeholder group from whom the complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	If Yes, then provide web-link for the grievance redress policy	FY 2025 - 26 (Current FY)			FY 2024 - 25 (Previous FY)		
			Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks
Communities	Yes	Business-Responsibility-and-Sustainability-Reporting-Policy.pdf	0	0	-	0	0	-
Investors (other than shareholders)	Yes	https://fivestargroup.in/investor-grievances/	0	0	-	0	0	-
Shareholders	Yes	https://fivestargroup.in/investor-grievances/	4	0	All complaints reported during the period have been reviewed and resolved.	0	0	-
Employees and workers	Yes	Whistle-Blower-Policy-Vigil-Mechanism.pdf	0	0	-	0	0	-
Customers	Yes	Grievance-Redressal-Policy.pdf	956	151	A total of 956 complaints were recorded, of which 151 are currently pending and in the process of being resolved.	250	0	-
Value Chain Partners	Yes	Business-Responsibility-and-Sustainability-Reporting-Policy.pdf	0	0	-	0	0	-
Others (please specify)		NA	0	0	-	0	0	-

26. Overview of the entity's material responsible business conduct issues

Material Issue Identified	Indicate whether risk or opportunity	The rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)

Please refer the section on 'Material ESG issues in the ESG section of the Annual Report

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

The National Guidelines for Responsible Business Conduct (NGRBCs) as prescribed by the Ministry of Corporate Affairs advocates the following nine principles referred to as P1 to P9.

P1 - Business should conduct and govern themselves with Ethics, Transparency and Accountability

P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

P3 - Businesses should promote the wellbeing of all employees

P4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

P5 - Businesses should respect and promote human rights

P6 - Business should respect, protect, and make efforts to restore the environment

P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

P8 - Businesses should support inclusive growth and equitable development

P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes									
1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	Web links of the policies which cover the principles and core elements of the NGRBCs are as follows: **BRSR Policy:** Business-Responsibility-and-Sustainability-Reporting-Policy.pdf **POSH:** Policy-on-Prevention-of-Sexual-Harassment.pdf **Code of Conduct:** Code-of-Conduct-for-Board-of-Directors-and-Senior-Management-Personnel.pdf **Whistle Blower Policy:** Whistle-Blower-Policy-Vigil-Mechanism.pdf **Investor Policy:** https://fivestargroup.in/investor-grievances/ **Risk Management Policy:** Risk-Management-Policy.pdf **CSR Policy:** Corporate-Social-Responsibility.pdf **Remuneration Policy:** Appointment-Remuneration-Evaluation-Policy.pdf **Board Diversity Policy:** Board-Diversity-Policy.pdf								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes								
3. Do the enlisted policies extend to your value chain partners (Yes / No)	Yes, While the Company has not formally identified material ESG risks emanating from its value chain, the Company expects all value chain partners with whom it enages to adhere to fundamental principles aligned with its Business Responsibility and Sustaintability Policy. These include ethical business practices, compliance with applicable laws, respect for human rights and environmental responsibility. The Company's policies are publicly available on its website. Further, under Principle 4, the Company has stated that it expects value chain partners to operate responsibly and in alignment with key sustainability principles. The Company remains committed to progressively strengthening its engagement with value chain partners on ESG matters in line with evolving regulatory requirements and industry practices.								
4. Name of the national and international codes/ certifications/labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance,Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Nil								
5. Specific commitments,	Five Star is working towards identifying goals and targets and will be disclosed in future reports.								
6. Performance of the entity	1. The Company has been working extensively towards the goal of financial and serving the needs of the underserved. 2. The Company is also committed to contributing to community development through its CSR activities Details of the same are presented in the ESG Report.								

Governance, Leadership, and Oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG-related challenges, targets, and achievements	Please refer the ESG Report for a statement from the Chairman & Managing Director, highlighting our ESG Goals, performance and outlook.
8. Details of the highest authority responsible for implementation and oversight for the Business Responsibilty Policy (ies)	Mr. Lakshmipathy Deenadayalan, Chairman & Managing Director, is the highest authorithy responsible for implementation and oversight of the Business Responsibilty Policies.
9. Does the entity have a specified Committee of the Board / Director responsible for decision-making on sustainability-related issues? (Yes / No) If Yes, provide details	Mr. Lakshmipathy Deenadayalan, Chairman & Managing Director, is the highest responsible for decision making in relation to sustainability related focus areas, goals and other issues. The CSR Committee reviews the business responsibilty initiatives on a periodic basis. Further, the Board/Customer Service Committee periodically reviews the responsible business conduct practices (including adherence to Fair Practices).

10. Details of Review of NGRBCs by the Company:

Indicate whether the review was undertaken by the Director / Committee of the Board/ Any other Committee Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)	
Performance against the above policies and follow-up action	The aforementioned policies have been approved by the Board and its Committees. The same has also been reviewed by the Company's Senior Management. Performance against the policies is reviewed on annual basis.
Compliance with statutory requirements of relevance to the principles, and the rectification of any non-compliances	Audit Committee of the Board, along with the Management team and review and ensure continued compliance with laws applicable to the Company. No non-compliances were observed/reported in this reporting period.

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency	No								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated	Not Applicable

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	6	Corporate Governance	100%
Key Management Personnel	6	Corporate Governance	100%
Employees other than BODs and KMPs	70	Aspects covered in training include: • Code of Conduct • Prevention of Sexual Harassment • Health and Safety	98%

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
		• Information Security • Employee Benefits and Policies • Grievance Redressal • Fair Practice Code Five-Star Business Finance Limited remains committed to continuosly expanding the scope of employee training to include emerging regulatory requirements, sustaintability awareness and ethical business conduct.	
Workers	NA	NIL	NA

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

a. Monetary					
Type	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NIL	NIL	NIL	NIL	NIL
Settlement	NIL	NIL	NIL	NIL	NIL
Compounding fee	NIL	NIL	NIL	NIL	NIL
b. Non-Monetary					
Imprisonment	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NIL	Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, as per Five Star's anti-corruption policy, it goes against the company's policy to give anything of value to anybody directly or indirectly in order to influence decisions, unlawfully obtain or maintain business, or otherwise benefit unjustly from business connections. Receiving or agreeing to receive anything of value that causes or would cause to breach the duties at Five Star is also prohibited. The web-link of the policy - Anti-Corruption-or-Anti-Bribery-Policy.pdf.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Category	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

6. Details of complaints with regard to conflict of interest:

	FY 2026 Current Financial Year		FY 2025 Previous Financial Year	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NIL	NIL	NIL
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NIL	NIL	NIL

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not applicable;

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Number of days of accounts payables	NA	NA

9. Open-ness of Business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	NA	NA
	b. Number of trading houses where purchases are made from	NA	NA
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	NA	NA
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	NA	NA
	b. Number of dealers / distributors to whom sales are made	NA	NA
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	NA	NA
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	NA	NA
	b. Sales (Sales to related parties / Total Sales)	NA	NA
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	NA	NA
	d. Investments (Investments in related parties / Total Investments made)	NA	NA

LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes

During the year, the Company did not conduct formal sustainability specific awareness programmes for its value chain partners. However, the Company remains committed to enhancing engagement with value chain partners on sustainability issues and intends to explore such initiatives in future years as part of its ESG roadmap

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes, the Company has established a Code of Conduct applicable to the Board of Directors and Senior Management Personnel. On an annual basis, Directors and Senior Management Personnel submit formal confirmation affirming compliance with the Code of Conduct for the financial year under review and declaring the absence of any conflicts of interest during the period. Further, Directors and Senior Management Personnel abstain from participating in discussions and decision-making on matters at Board or Committee meetings where they have an actual or potential interest. The Code of Conduct is available for reference at the link provided below.

Code-of-Conduct-for-Board-of-Directors-and-Senior-Management-Personnel.pdf

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

ESSENTIAL INDICATORS

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

The company is in the business of offering financial services (small business loans and mortgage loans) and does not have significant scope for investing in R&D activities.

Type	FY 2026 Current Financial Year	FY 2025 Previous Financial Year	Details of improvement in social and environmental aspects
Research & Development (R&D)	NA	NA	NA
Capital Expenditure (CAPEX)	NA	NA	NA

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

No, given the nature of the Company's business, the Company sources materials only for running its operations. Accordingly, sustainable sourcing is not a key focus area of for the Company

b. If yes, what percentage of inputs were sourced sustainably?

Not Applicable

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Product	Process to safely reclaim the product
a. Plastics (including packaging) b. E-Waste c. Hazardous Waste	Hazardous and e-waste are disposed through authorized recyclers, in accordance with the laws of the land.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not Applicable

LEADERSHIP INDICATORS

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

The company is in the business of providing secured lending solutions primarily catering to micro-entrepreneurs, small businesses and self-employed individuals hence the said assessment is not applicable

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency - (Yes/No)	Results communicated in public domain - (Yes/No) If yes, provide the web-link.
NA	NA	NA	NA	NA	NA

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
NA	NA	NA

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Since the company is in loan lending business, no inputs materials are used in the same.

Indicate input material	Recycled or re-used input material to total material FY 2026 Current Financial Year	 FY 2025 Previous Financial Year
NA	NA	NA

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2025-26 Current financial year			FY 2024-25 Previous financial year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (Including packaging)	NA	NA	NA	NA	NA	NA
E-waste	NA	NA	NA	NA	NA	NA
Hazardous waste	NA	NA	NA	NA	NA	NA
Other waste	NA	NA	NA	NA	NA	NA

The company is in the business of providing secured lending solutions primarily catering to micro-entrepreneurs, small businesses and self-employed individuals, utilisation of packaging materials and wastes generated thereof is negligible.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
NA	NA

The company is in the business of providing secured lending solutions primarily catering to micro-entrepreneurs, small businesses and self-employed individuals hence reclaiming products and their packaging materials does not arise.

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

ESSENTIAL INDICATORS

1. a. Details of measures for the well-being of employees:

FY 2025-26 Category	Total (A)	% of employees covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent Employees											
Male	13,824	13,824	100%	13,824	100%	0	0%	0	0%	0	0%
Female	329	329	100%	329	100%	329	100%	0	0%	0	0%
Total	14,153	14,153	100%	14,153	100%	329	2%	0	0%	0	0%
Other than Permanent Employees											
Male	5	5	100%	5	100%	0	0%	0	0%	0	0%
Female	1	1	100%	1	100%	1	100%	0	0%	0	0%
Total	6	6	100%	6	100%	1	17%	0	0%	0	0%

b. Details of measures for the well-being of workers

Category	Total (A)	% of workers covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent Workers											
Male	0	0	0%	0	0%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	0	0	0%	0	0%	0	0%	0	0%	0	0%
Other than Permanent Workers											
Male	0	0	0%	0	0%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	0	0	0%	0	0%	0	0%	0	0%	0	0%

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

Particulars	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the company	0.34%	0.27%

2. Details of retirement benefits, for Current FY and Previous financial year:

Benefits	FY 2026 Current Financial Year			FY 2025 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of employees covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)
PF	14,154	99.96%	Yes	11,930	(100%)	Yes
Gratuity	14,153	99.96%	Yes	11,930	(100%)	Yes
ESI	6,451	45.56%	Yes	6,913	(57%)	Yes
Others	NA	NA	NA	NA	NA	NA

3. Accessibility of workplaces:

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

The Company is committed to creating an inclusive and accessible workplace for differently abled employees in line with the Rights of Persons with Disabilities Act, 2016.The Company's corporate office premises are equipped with facilities such as elevators and /or ramps wherever feasible, to enhance accessibility. However, certain branch offices located in Tier 3 to Tier 6 cities operate from rented premises, where structural modifications may not always be possible due to property constraints. Despite this, the Company strives to provide reasonable facilities to ensure accessibility for all employees wherever practicable.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.

Yes. The Company adheres to the principles of equal opportunity and is committed to fostering a workplace that provides equitable growth and development opportunities to all employees, including persons with disabilities. The Company has formulated an Equal Opportunity Policy in accordance with the Rights of Persons with Disabilities Act, 2016. The policy can be accessed at Equal Opportunity Policy.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Total number of people returned after parental leave in FY 2025-26	Total Number of people who took parental leave in FY 2025-26	Return to work rate	Total Number of people retained for 12 months after returning from parental leave	Total number of people returned from parental leave in prior FY	Retention Rate
Permanent Employees						
Male	0	0	0%	0	0	0%
Female	11	16	69%	10	11	91%
Others	0	0	0%	0	0	0%
Total	11	16	69%	10	11	91%
Permanent Workers						
Male	0	0	0%	0	0	0%
Female	0	0	0%	0	0	0%
Others	0	0	0%	0	0	0%
Total	0	0	0%	0	0	0%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

Category	Yes / No	Details of the mechanism in brief
Permanent Employees	Yes	All permanent employees of Five Star have access to a well-established Grievance Redressal Mechanism, regardless of their hierarchical level. The Company has implemented a Whistle-Blower Policy that enables employees and Directors to report concerns related to unethical behavior, actual or suspected fraud or violations of the Company's Code of Conduct without fear of retaliation. Additionally, the Company maintains a zero-tolerance policy towards sexual harassment in the workplace. The Company is fully compliant with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, including the constitution of an Internal Complaints

Category	Yes / No	Details of the mechanism in brief
		Committee (ICC) to address complaints in a confidential and timely manner
Other than Permanent Employees	Yes	Grievances reported by employees other than Permanent Employees are addressed within ten working days to ensure timely and fair resolution

7. Membership of employees and workers in association(s) or Unions recognized by the listed entity:

Category	FY 2025-26 (Current FY)			FY 2024-25 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
			Permanent Employees			
Male	13,824	NA	0%	11,571	NA	0%
Female	329	NA	0%	358	NA	0%
Total	14,153	NA	0%	11,929	NA	0%
			Other than Permanent Employees			
Male	5	NA	0%	5	NA	0%
Female	1	NA	0%	0	NA	0%
Total	6	NA	0%	5	NA	0%

8. Details of training given to employees and workers:
a. Details of Skill training given to employees and workers.

Category	FY 2025-26 (Current FY)			FY 2024-25 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who received Skill Training (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who received Skill Training (D)	% (D/C)
			Permanent Employees			
Male	13,824	13,600	98.38%	11,571	11,500	99.39%
Female	329	320	97.26%	358	320	89.39%
Others	0	0	0	0	0	0
Total	14,153	13,920	98.35%	11,929	11,820	99.09%
			Permanent Workers			
Male	0	0	0%	0	0	0%
Female	0	0	0%	0	0	0%
Others	0	0	0%	0	0	0%
Total	0	0	0%	0	0	0%

b. Details of training on Health and Safety given to employees and workers.

Category	FY 2025-26 (Current FY)			FY 2024-25 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who received training on Health and Safety measures (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who received training on Health and Safety measures (D)	% (D/C)
			Permanent Employees			
Male	13,824	9,516	68.84%	11,571	7,312	63.19%
Female	329	74	22.49%	358	128	35.75%
Others	0	0	0	0	0	0
Total	14,153	9,590	67.76%	11,929	7,440	62.37%
			Permanent Workers			
Male	0	0	0%	0	0	0%
Female	0	0	0%	0	0	0%
Others	0	0	0%	0	0	0%
Total	0	0	0%	0	0	0%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2025-26 (Current FY) Total employees / workers in respective category (A)	FY 2025-26 (Current FY) No. of employees / workers in respective category, who had a career review (B)	FY 2025-26 (Current FY) % (B/A)	FY 2024-25 (Previous FY) Total employees / workers in respective category (C)	FY 2024-25 (Previous FY) No. of employees / workers in respective category, who had a career review (D)	FY 2024-25 (Previous FY) % (D/C)
Permanent Employees						
Male	11,576	8,514	73.55%	9,039	7,667	84.82%
Female	358	327	91.34%	288	277	96.18%
Others	0	0	0	0	0	0
Total	11,934	8,841	74.08%	9,327	7,944	85.17%
Permanent Workers						
Male	0	0	0%	0	0	0%
Female	0	0	0%	0	0	0%
Others	0	0	0%	0	0	0%
Total	0	0	0%	0	0	0%

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No)	No
a.1. What is the coverage of such system?	Not Applicable
b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	The primary occupational risk identified at Five Star relates to Road Safety, given that certain employees are required to travel for business purposes, including customer visits and field operations. The Company has implemented the following measures to mitigate such risks: 1. Employee training in safe driving practices 2. Insurance coverage for employees engaged in travel-related work 3. Periodic communication on road safety guidelines Five Star continuously evaluates workplace risks and is committed to maintaining a safe working environment for all employees.
c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/ No)	Not Applicable
d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	Yes. All employees of the Company are covered under a Group Medical Insurance policy, which includes non-occupational healthcare services. The Company strives to support the health and well-being of its employees beyond occupational risks.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2025-2026	FY 2024-2025
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.615	0.6
	Workers	0	0
Total recordable work-related injuries	Employees	16	17
	Workers	0	0
No. of fatalities	Employees	6	6
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Fire extinguishers are placed at appropriate places to ensure safety environment, At the time of on boarding the new joiners are briefed on the process to be followed at the time of evacuation due to fire/natural calamities. Hand sanitizers are provided at the entry points and also will be provided to employees on need basis

13. Number of Complaints on the following made by employees and workers:

Topic	FY 2025-26 (Current FY)			FY 2024-25 (Previous FY)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	NA	0	0	NA
Health & Safety	0	0	NA	0	0	NA

14. Assessments for the year:

Topic	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	No such assessments have been undertaken in the current year; no such statutory requirements.
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.
Significant health and safety risks identified for our employees relate to Road Safety only. Suitable remedial measures have been instituted.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of
(A) Employees (Y/N) - The company has not enrolled for any life insurance scheme. However, for those covered under PF and ESI, coverage is available as per the respective statute. Additionally the company has covered its employees against personal accident via group personal accident insurance.
(B) Workers (Y/N) - Not Applicable

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners
The Company follows robust monitoring practices to ensure that value chain partners fulfil their statutory obligations as under :
(a)Monthly reconciliation of accounts related to statutory dues for services rendered by value chain partners
(b)Regular reminders to partners regarding timely remittance of statutory dues
(c) Withholding payments to vendors equivalent to any overdue statutory amounts
(d) Suspension of operations with vendors who fail to meet statutory compliance despite repeated reminders
These measures are designed to ensure compliance with applicable laws and protect the Company from regulatory risks associated with non-compliance by third parties.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Particulars	Total No. of affected employees / workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025-26 Current FY	FY 2024-25 Previous FY	FY 2025-26 Current FY	FY 2024-25 Previous FY
Employees	NIL	NIL	NIL	NIL
Workers	NIL	NIL	NIL	NIL

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)
No

5. Details on assessment of value chain partners:

Topic	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	No specific assessment in respect of the value chain partners has been carried out.
Working Conditions	

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Awareness initiatives have been conducted to promote road safety and highlight the importance of wearing helmets.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all their stakeholders

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity:

At Five Star, stakeholders are defined as individuals, institutions or groups who contribute or create value to the organisation or derive value from Company's operations in alignment with its core vision and mission. Key stakeholder groups identified includes Employees at all levels, Investors, Customers, Lenders and Communities benefitting from CSR initiatives.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly /others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Branch level communication	Ongoing	Terms of business; Awareness on NPA, Due date, Fair Practice Code.
Investors	No	Earnings call, website disclosures	Quarterly	Various topics relating to Company's performance;
Communities	Yes	Through CSR initiatives, field visits	Periodic basis	Identifying community needs (healthcare, livelihood, education) assessing CSR impact
Employees	No	-	Ongoing	Policies, performance reviews, compliance with Code of Conduct
Lenders	No	-	Ongoing	The lenders are engaged on a frequent basis on 1. Performance updates, both financial & operational 2. Ad hoc updates, basis any event in the company or external environment The goal is to keep the lenders informed of all significant events through regular updates as well as ad hoc updates based on the occurrence of any significant event. Communication on findings, upgrading of security or hypothecation, covenant compliance, etc. are all examples of periodic updates. In addition to these, there will occasionally be one-on-one meetings with lenders, either during normal limit renewal or review or in response to any significant business-related or external environment incident. These typically include guidance for the short- to medium-term as well as performance updates.

LEADERSHIP INDICATORS

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company encourages continuous and proactive engagement with its stakeholders to better communicate its strategies and performance. Feedback and insights gathered from stakeholders are shared with the Board through management presentations and specific Board agenda items addressing stakeholders concerns. This ensures that the Board remains informed on material economic, environmental and social topics and can incorporate stakeholders' perspectives into strategic decision making.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, stakeholder consultations play a critical role in shaping the Company's identification and management of environmental and social topics. As part of this process, during the materiality assessment conducted in FY 2025-26, feedback from stakeholders such as customers, employees and lenders was analysed to prioritise sustainability issues. This feedback has guided the Company in refining its ESG focus areas and integrating sustainability considerations into business strategy and policies. Please refer to the ESG Section of the Annual report 2025-26 for further details.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

During the financial year under review, the Company did not receive any specific complaints or concerns raised by vulnerable/ marginalized stakeholder groups. However, the Company actively engages with vulnerable communities through its CSR initiatives focused on healthcare, livelihood and education. These engagements help identify needs and ensure that CSR interventions create meaningful impact.

PRINCIPLE 5: Businesses should respect and promote human rights

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2025-26 (Current FY)			FY 2024-25 (Previous FY)		
	Total (A)	No. of employees / workers covered(B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	14,153	9,590	67.76%	11,929	7,440	62.37%
Other than Permanent	6	3	50.00%	5	3	60.00%
Total Employees	14,159	9,593	67.75%	11,934	7,443	62.37%
Workers						
Permanent	0	0	0%	0	0	0%
Other than Permanent	0	0	0%	0	0	0%
Total Employees	0	0	0%	0	0	0%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2025-26 (Current FY)					FY 2024-25 (Previous FY)				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Permanent Employees										
Male	13,824	2,664	19%	11,160	81%	11,571	877	8%	10,694	92%
Female	329	79	24%	250	76%	358	137	38%	221	62%
Others	0	0	0%	0	0%	0	0	0%	0	0%
Total	14,153	2,743	19%	11,410	81%	11,929	1,014	9%	10,915	91%
Other than Permanent Employees										
Male	5	2	40%	3	60%	5	2	40%	3	60%
Female	1	0	0%	1	100%	0	0	0%	0	0%
Others	0	0	0%	0	0%	0	0	0%	0	0%
Total	6	2	33%	4	67%	5	2	40%	3	60%
Permanent Workers										
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Others	0	0	0%	0	0%	0	0	0%	0	0%
Total	0	0	0%	0	0%	0	0	0%	0	0%
Other than Permanent Workers										
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Others	0	0	0%	0	0%	0	0	0%	0	0%
Total	0	0	0%	0	0%	0	0	0%	0	0%

3. Details of remuneration/salary/wages, in the following format:

a. Median Remuneration/Wages

FY 2025 - 26	Male Number	Male Median Remuneration of Men (Rs in lakhs)	Female Number	Female Median Remuneration of Women (Rs in lakhs)
Board of Directors (BoD)	6	24.13	2	27.68
Key Managerial Personnel	3	256.44	0	0.00
Employees other than BoD and KMP	13,829	3.88	330	3.42
Workers	0	0.00	0	0.00

Remuneration to Board of Directors represents Commission paid to Directors.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

Particulars	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Gross wages paid to females as % of total wages	2.16%	2.43%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. The Company has various Committees responsible for addressing human rights impacts and issues. The Internal Complaints Committee (ICC) addresses matters related to sexual harassment in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act). Additionally, the Company ensures that broader human rights concerns and any issues related to ethics, harassment, discrimination or other human rights violations are appropriately addressed through Company's Grievance Redressal Policy, Fair Practices Code, Code of Conduct and Whistle-Blower Policy.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company maintains a zero - tolerance policy against all forms of exploitative or forced labour, discrimination, harassment or any abuse. Employees grievances are addressed through POSH framework, the Code of Conduct and Whistle Blower Policy. As for customers, they can lodge complaints via calls, emails or letters under the Grievance Redressal Policy. All Complaints are resolved in a time-bound manner, overseen by senior management and the relevant committees

For customers, a structured Grievance Redressal Policy is in place, under which complaints can be lodged through multiple channels, including telephone calls, emails, or written communication addressed to the designated grievance redressal officer.

6. Number of Complaints on the following made by employees and workers:

	FY 2025-26 (Current FY)			FY 2024-25 (Previous FY)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	NIL	NIL	NA	NIL	NIL	NIL
Discrimination at workplace	NIL	NIL	NA	NIL	NIL	NIL
Child Labour	NIL	NIL	NA	NIL	NIL	NIL
Forced Labour/ Involuntary Labour	NIL	NIL	NA	NIL	NIL	NIL
Wages	NIL	NIL	NA	NIL	NIL	NIL
Other human rights related issues	NIL	NIL	NA	NIL	NIL	NIL

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Particulars	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workspace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	NIL	NIL
Complaints on POSH as a % of female employees / workers	NIL	NIL
Complaints on POSH upheld	NIL	NIL

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Yes, A whistleblower policy and vigil system, a code of conduct for directors and senior management, a policy on combating sexual harassment, and a code of fair behavior are all in place as methods for reporting instances of discrimination and harassment. The complainant will be completely protected from any unfair practices such as retaliation, threats of termination or suspension of employment, disciplinary action, transfer, demotion, refusal of promotion, or similar actions, as well as any direct or indirect use of authority to obstruct the his/her right to continue performing his duties and functions, including additional protected disclosure. The Grievance Redressal Policy has also clearly laid out the hierarchy for escalation for the customers to ensure they are treated fairly and respectfully throughout the compliant resolution process.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes; the Company includes compliance requirements related to human rights in its agreements and contracts with vendors and partners. These requirements include (1) prohibition of child labour and forced / involuntary labour (2) compliance with applicable laws regarding health, safety and working conditions.

10. Assessments for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labor	100%, The Company does not engage child labour in any of its offices / branches
Forced / Involuntary Labor	NIL, No forced / involuntary labor
Sexual Harassment	100%, as per POSH Policy
Discrimination at Workplace Wages	100%, Company does not discriminate either on sex or caste or otherwise
Wages	100%, the Company is in compliance with wages payable as per the Minimum Wages Act, 1948 and in compliance with wages being notified by the State Governments

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.

No such incidents were observed in the reporting year.

LEADERSHIP INDICATORS

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

During the financial year under review, the Company did not receive any significant human rights grievances that necessitated changes to business processes. The Company continues to uphold human rights principles across its operations, consistent with its Human Rights Policy.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

The Company fosters an environment where employees and directors are encouraged to report concerns related to wrongful conduct, ethical breaches or human rights issues via its Whistle-Blower Policy and Vigil Mechanism. The Audit Committee oversees the functioning of this mechanism and the employees, are facilitated with direct access to the Chairperson of the Audit Committee for raising significant concerns.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes. The Company ensures that its corporate office premises are accessible to differently abled employees and visitors, including facilities like elevators and/or ramps wherever feasible. However, certain branches in Tier 3 to Tier 6 cities operate from rented premises where structural modifications are not always possible. Nevertheless, the Company remains committed to progressively improving accessibility in compliance with the Rights of Persons with Disabilities Act, 2016.

4. Details on assessment of value chain partners:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Sexual Harassment **Discrimination at workplace** **Child Labour** **Forced Labour/Involuntary Labour** **Wages** **Others - please specify**	The Company expects all its value-chain partners to comply with applicable laws and regulations regarding health, safety, and working conditions. The Environment & Social Policy includes a prohibited activities list which excludes child labor, forced labor, and other unethical practices from financing eligibility. No specific percentage assessments have been conducted yet.

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

No corrective actions were necessitated during the year, as specific assessments of value chain partners on human rights and working conditions have not yet been conducted

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

ESSENTIAL INDICATORS

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	Unit	FY 2025-26	FY 2024-25
For Renewable Sources			
Total Electricity Consumption (A)	(GJ)	NIL	NIL
Total Fuel Consumption (B)	(GJ)	NIL	NIL
Energy Consumption through other sources (C)	(GJ)	NIL	NIL
Total energy consumed from renewable sources (A+B+C)	**(GJ)**	**NIL**	**NIL**
For Non-Renewable Sources			
Total Electricity Consumption (D)	GJ	11610.92	18335.83
Total Fuel Consumption (E)	GJ	48.89	16.56
Energy Consumption through other sources (F)	GJ	0	0
Total energy consumed from non-renewable sources (D+E+F)	GJ	11659.81	18335.83
Energy intensity per rupee of turnover (Total energy consumed/ Revenue from operations)(GJ per million INR)	**GJ/rupee of turnover**	**0.0000004**	**0.53**
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (Total energy consumed/Revenue from operations adjusted for PPP)	**GJ/rupee of turnover adjusted for PPP**	**0.0000004**	**NA**
Energy intensity in terms of physical output	**GJ/FTE**	**0.8234912**	**NA**
Energy intensity (optional) - the relevant metric may be selected by the entity	-	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Independent assurance has been carried out by SGS India Pvt. Ltd

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any. -

No; The Company's business does not fall under the scope of the Designated consumers (DCs) category as per the Government of India's Performance, Achieve and Trade (PAT) Scheme.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water	179040.56	-
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)		
Total volume of water consumption (in kilolitres)	179040.56	-
Water intensity per rupee of turnover (Total water consumption/Revenue from operations)	0.0000055	-
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP)	0.0000055	-
Water intensity in terms of physical output (FTE)	12.6450000	-
Water intensity (optional) - the relevant metric may be selected by the entity	-	-

**Water consumption has been estimated for office locations using CGWA norms of 45 litres per person per working day*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Independent assurance has been carried out by SGS India Pvt. Ltd

4. Provide the following details related to water discharged:

Parameter	Unit	FY 2025-26	FY 2024-25
Water discharge by destination and level of treatment (in kilolitres)	The total water discharged is ZERO		
(i) Surface water			
- No treatment			
- With treatment - Please specify level of treatment			
(ii) Groundwater			
- No treatment			
- With treatment - Please specify level of treatment			
(iii) Third party water			
- No treatment			
- With treatment - Please specify level of treatment			
(iv) Seawater / desalinated water			
- No treatment			
- With treatment - Please specify level of treatment			
(v) Others			
- No treatment			
- With treatment - Please specify level of treatment			
Total water discharged (in kilolitres)			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.
NA

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.
The Company has not implemented a Zero Liquid Discharge mechanism, as water usage is minimal and limited to domestic consumption in office facilities.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:
Not applicable. the Company operates is in the financial service sector and does not engage in manufacturing or industrial processes that generate air emission.

Parameter	Please specify Unit	FY 2025-26	FY 2024-25
Nox	mg/m3	NA	NA
Sox	mg/m3	NA	NA
Particulate matter(PM)	mg/m3	NA	NA
Persistent organic pollutants(POP)	NA	NA	NA
Volatile organic compounds(VOC)	NA	NA	NA
Hazardous air pollutants(HAP)	mg/m3	NA	NA
Others - please specify	PPM	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.
No

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	3.64	1.11
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	2289.93	3646.79
Total Scope 1 and Scope 2 emissions per rupee of turnover (in Rs.)	**tCO2e**	**0.0000001**	**3647.91**
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP)	**tCO2e/rupee turnover adjusted for PPP**	**0.0000001**	**NA**
Total Scope 1 and Scope 2 emission intensity in terms of physical output	**tCO2e/FTE**	**0.1619866**	**NA**
Total Scope 1 and Scope 2 emission intensity (optional) - the relevant metric may be selected by the entity		NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Independent assurance has been carried out by SGS India Pvt. Ltd

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide detail

Currently, the company does not have specific projects aimed at reducing Green House Gas (GHG) emission, given the low environment footprint inherent to its service-based operations

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2025-26	FY 2024-25
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	NA	NA
E-waste **(B)**	1.65	NA
Bio-medical waste **(C)**	NA	NA
Construction and demolition waste **(D)**	NA	NA
Battery waste **(E)**	NA	NA
Radioactive waste **(F)**	NA	NA
Other Hazardous waste. Please specify, if any. **(G)**	NA	NA
Other Non-hazardous waste generated **(H)**. Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	NA	NA
Total (A+B + C + D + E + F + G+ H)	**1.65**	**NA**
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)	**0.0000000001**	**NA**
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP)	**0.0000000001**	**NA**
Waste intensity in terms of physical output	**0.0001167808**	**NA**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled		
(ii) Re-used	1.65	NA
(iii) Other recovery operations		
Total	**1.65**	**NA**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0	NA
(ii) Landfilling	0	NA
(iii) Other disposal operations	0	NA
Total	**0**	**NA**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Independent assurance has been carried out by SGS India Pvt. Ltd

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

As a financial services company, the Company's operations do not involve significant use of hazardous or toxic chemicals. Waste generated is minimal and primarily includes office waste and e-waste. Hazardous or e-waste is disposed of responsibly through authorised recyclers in compliance with applicable laws. Formal waste management strategy has not been adopted due to negligible volume of waste produced

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required:

Not Applicable. The Company does not have operations or offices located in or around ecologically sensitive areas such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, coastal zones, or biodiversity hotspots

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Given its nature of business, the Company is not required to undertake environmental impact assessments under applicable laws.

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Based on the nature of business its operations, the Company complies with all applicable environmental norms. Laws and regulations, including:

- Water (Prevention and Control of Pollution) Act
- Air (Prevention and Control of Pollution) Act
- Environment Protection Act and associated rules

No Non compliances have been reported during the year

LEADERSHIP INDICATORS

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area – Not Applicable

(ii) Nature of operations - Not Applicable

(iii) Water withdrawal, consumption and discharge:

Parameter	Unit	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres) (i) Surface water (ii) Groundwater (iii) Third party water (iv) Seawater / desalinated water (v) Others **Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)** **Total volume of water consumption (in kilolitres)** **Water intensity per rupee of turnover** (Total water consumption / Revenue from operations) **Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total water consumption/Revenue from operations adjusted for PPP) **Water intensity in terms of physical output** Water intensity (optional) – the relevant metric may be selected by the entity	Not applicable. The Company does not have facilities located in waterstressed areas. Water usage remains minimal and restricted to personnel consumption in office premises.		
Water discharge by destination and level of treatment (in kilolitres) (i) Surface water - No treatment - With treatment - Please specify level of treatment (ii) Groundwater - No treatment - With treatment - Please specify level of treatment (iii) Third party water - No treatment - With treatment - Please specify level of treatment (iv) Seawater / desalinated water - No treatment - With treatment - Please specify level of treatment (v) Others - No treatment - With treatment - Please specify level of treatment **Total water discharged (in kilolitres)**	Not applicable. The Company does not have facilities located in waterstressed areas. Water usage remains minimal and restricted to personnel consumption in office premises.		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not Applicable.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

There are no Scope 3 emissions from upstream and downstream value chains of the company.

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	-	-
Total Scope 3 emissions per rupee of turnover	-	-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.
Not Applicable.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.
Not Applicable, as the Company has no operations in ecologically sensitive areas, there are no significant direct or indirect impacts on biodiversity.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:
Not Applicable. Given the low resource intensity of its operations, the Company has not undertaken specific projects related to resource efficiency, emissions reduction or waste minimization beyond standard office management practice.

5. Does the entity have a business continuity and disaster management plan?
Yes. Five-Star Business Finance Limited has a comprehensive Business Continuity Policy aimed at ensuring minimal disruption to critical operations. The policy is closely linked with the IT Disaster Recovery Plan and Cyber Crisis Management Plan. These plans enables Company's staff to address the disturbance to core Business applications, systems and networks, helps prioritize efforts and ensures swift restoration of IT system and Critical Business Processes, safeguarding customer services and stakeholder interests.

This would also involve general contingency procedures outlining the overall generic steps involved in the response recovery resumption and return phases.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.
The company, being a financial institution, does not generate significant environmental impact through its value chain activities.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.
Not applicable. Five Star has not conducted formal environmental assessments of its value chain partners, given the nature of its service-based business.

8. How many Green Credits have been generated or procured
a. By the Company: NIL
b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners: NIL

PRINCIPLE 7: Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

ESSENTIAL INDICATORS

1. a) Number of affiliations with trade and industry chambers/ associations.
One

b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Finance Companies Association(India)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities
Not applicable as no issues or adverse orders related to anti-competitive conduct by the Company were raised by regulatory authorities.

LEADERSHIP INDICATORS

1. Details of public policy positions advocated by the entity:

The company has not advocated any public policies. Hence assessing its position is not applicable.

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Not applicable. There was no social impact assessments required to be taken by the Company by applicable laws.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:

Not applicable. No such projects where Rehabilitation and Resettlement is required are being undertaken by the Company.

3. Describe the mechanisms to receive and redress grievances of the community

The Company undertakes Corporate Social Responsibility (CSR) initiatives through reputed institutions such as the Ramakrishna Mission, Single Teachers' School (affiliated with the Ramakrishna Mission), and the M.S. Swaminathan Research Foundation. In addition, the Company supports other credible organizations working in areas such as education, sustainable livelihoods, and healthcare through targeted contributions.

The institutions are responsible for conducting community-level need assessments and identifying relevant concerns, which are subsequently communicated to the Company to enable appropriate support. Periodic summaries of CSR activities and progress are presented to the CSR Committee of the Board for review. The Company also monitors the utilization of CSR funds to ensure that expenditures are incurred for the intended purposes, within approved locations, and in a timely manner.

4. Percentage of input material (inputs to total inputs by value) sourced from local or small-scale suppliers:

Parameter	FY 2025-26	FY 2024-25
Directly sourced from MSMEs/ Small producers	**19.8%**	**NA**
Sourced directly from within the district and neighboring districts	**100%**	**NA**

5. Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2025-26	FY 2024-25
Rural	11.44%	6.68%
Semi - Urban	25.28%	3.99%
Urban	36.72%	5.91%
Metropolitan	26.56%	1.21%

(Place categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Not Applicable. There were no social impact assessments required to be taken by the Company by applicable laws.

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S.No.	State	Aspirational District	Amount Spent (In INR)
1	Tamil Nadu	Virudhunagar	6,066,000.00

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups? (Yes/No)

No, The Company currently does not have a preferential procurement policy targeting marginalized or vulnerable groups.

(b) From which marginalized /vulnerable groups do you procure?

Not Applicable.

(c) What percentage of total procurement (by value) does it constitute?

Not Applicable.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

The company does not own or hold any intellectual properties, based on traditonal knowledge. Therefore, there are no benefits derived or shared from such properties.

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

No adverse orders have been received, and no corrective actions are pending in relation to intellectual property disputes involving traditional knowledge.

6. Details of beneficiaries of CSR Projects:

S.No.	NGO / Trust Name	No. of Persons Benefited from the Project	% of Beneficiaries from Vulnerable and marginalised groups	Project Name
1.	Aram Charitable Trust	30	100%	Annual Expenses towards Welfare of Homeless Girl Children
2.	Annai Trust	200	100%	Installation of Houses in Kani Kudyiruppu (Kaani Tribal Village) in the Western Ghats of Tamil Nadu
3.	All The Children	30	100%	Purchase of Air Condition Units - Specialized adoption unit Infants and special need children
4.	Team Everest	50	100%	Education Expenses to Marginalized Students
5.	Sri Arunodayam Charitable Trust	300	100%	School Bus for CHILDREN WITH INTELLECTUAL DISABILITIES and Special Needs in Rural Area
6.	Sri Sai Education Trust	200	80%	Construction of School Building
7.	Bharatiya Vidya Bhavan	100	80%	Infrastructure & Classroom Furniture Support for their Bhavans Gandi Vidyashram Unit Kodaikanal
8.	Kodaikanal Health And Medical Services	1000	100%	Running Expenses of Hospital for One Year
9.	Vidyasagar	1000	100%	School Bus for children with intellectual disabilities and Special Needs
10.	Auxilium Rural Under Privileged Women And Youth Empowerment	200	100%	School Bus for Underprivileged & SC/ST Children
11.	Multipurpose Integrated Developmental Society	2000	100%	Construction of Apex Skill Development Centre for Women with Equipments
12.	Auxilium Rural Under Privileged Women And Youth Empowerment	200	100%	Purchase of School Bus for Underprivileged Students
13.	Kadamai Education And Social Whelfare Trust	2000	100%	Construction of Skill Development Centre to Destitute Women in Athur Village, Dindivanam
14.	New Mighty Grace Charitable Trust	300	100%	Construction of Education Centre for Underprivileged Students with Transport Facility
15.	Satya Special School	1000	100%	Strengthening Livelihoods for Persons with Disabilities
16.	Amenity Lifeline Emergency Response Team	2790	80%	Empowering Community in Emergency Response, Road Safety, Defensive Driving Techniques and Vision Screening
17.	Dorcas Research Centre For Education Art And Culture	200	100%	Procurement of fully Adapted Bus for Physically Challenged women with disability
18.	Rotary Club Of Madras Charitable Trust	200	100%	Purchase of Dialysis Machines - 5 Units
19.	Team Everest	1	100%	Education Fees to Poor Student
20.	Ramakrishna Mission	2000	80%	Smartboard to their Girls Higher Sec School
21.	Thirumalai Charity Trust	2000	100%	Construction of Hospital

S.No.	NGO / Trust Name	No. of Persons Benefited from the Project	% of Beneficiaries from Vulnerable and marginalised groups	Project Name
22.	Annai Trust	200	100%	Construction of Houses to Kani Tribal Peoples - 50 Nos
23.	Sri Matha Trust	300	100%	Food & Medical Expenses to Cancer Patients and their Caretakers - 3 months
24.	Nithilyam Spastic Children Welfare Trust	300	100%	Purchase of School Bus for Special Children
25.	Akshaya Patra Foundation	5000	100%	Purchase of Food Distribution Vehicle (5 Nos)
26.	Multipurpose Integrated Developmental Society	240	100%	Empowering Rural Woman in Apparel Training with placements (Trainer Cost, Hall Cost, Uniform cost, Kits Cost & Machine Cost)
27.	Maithree	487	100%	Education and Skilling of Persons with Intellectual and Developmental Disability
28.	Thalassemia Welfare Association	300	100%	Purchase of Medicines to Thalassemia Patients
29.	Danirasa Foundation	200	100%	Purchase of Equipments for Skill Development for Destitute Women's
30.	Rural Organisation for Poverty Eradication Services	200	100%	Empowering Women and Marginalized Communities
31.	Schieffelin Institute of Health Research and Leprosy Centre	200	100%	Purchase of Humphrey Visual Field - Analyzer (HFA)
32.	Kalpavriksham	5000	80%	Purchase of Bus for Project Femicare+ to solve Cancer Crisis in Tamil Nadu
33.	Team Everest	100	100%	Scholarship for 100 Students for 3 Years
34.	Akshaya Trust	1200	100%	Construction of 8 Classrooms at their Kancheepuram School
35.	Hope Public Charitable Trust	1000	100%	Purchase of School Equipments for Special Children and Underprivileged
36.	Sri Arunodayam Charitable Trust	125	100%	Support for Young Adult Special Children with Safe and Accessible Living Quarters
37.	Paalam Charitable Trust	200	100%	Community Centre with 4 Toilets to Irular Community
38.	Sai Educare Trust	200	100%	Construction of School
39.	The United Educational And Social Welfare Trust	110	100%	Food expenses for 110 Orphans for 3 months
40.	Orion Educational Society	200	100%	Skilling in General Duty Assistance (GDA)

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in responsible manner

ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Five Star has a structured Grievance Redressal Mechanism. in line with applicable RBI Master Directions as detailed hereunder: -

- Customer complaints can be lodged through calls, emails or written communication at branches.
- Responses are provided within 10 working days of receipt.
- A defined escalation matrix is in place:
- First Level : Grievance Redressal Officer
- Second Level: Principal Nodal Officer
- The Customer Service Committee of the Board periodically reviews the efficacy of the grievance redressal mechanism.
- If customers remain unsatisfied, they can directly approach the Reserve Bank of India for redressal.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information.

Type	As a percentage to total turnover
Environment and Social parameters relevant to product	NA
Safe and responsible usage	NA
Recycling and/or safe disposal	NA

3. Number of consumer complaints

	FY 2025-26 (Current FY)			FY 2024-25 (Previous FY)		
	Received during the year	Pending resolution at the end of year	Remarks	Received during the year	Pending resolution at the end of year	Remarks
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Others	956	151	A total of 956 complaints were recorded, of which 151 are currently pending and in the process of being resolved	250	-	-

4. Details of instances of product recalls on account of safety issues

	Number	Reason for recall
Voluntary recalls	Not Applicable	
Forced recalls		

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.
Yes - Cyber-Security-Guidelines.pdf and Privacy Policy - Five Star

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.
Not applicable since no such incidents were reported.

7. Provide the following information relating to data breaches:
a. Number of instances of data breaches - Nil
b. Percentage of data breaches involving personally identifiable information of customers - Nil
c. Impact, if any, of the data breaches - NA

LEADERSHIP INDICATORS

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).
The information on various products and services of the Company is available on:
- Branch office/Registered office
- SERVICES - Five Star (fivestargroup.in)

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.
At Five Star, the consumers are educated on digital banking and paperless transaction through the front-end employees at our branches. The consumers are also encouraged to visit the Company's website through which digital transaction/banking services may be availed. A welcome kit is being sent to customers as part of the customer onboarding process to familiarize them with various aspects of products or services offered by the Company.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

The firm notifies its clients through SMS on their registered mobile number in the event of any disruption or termination of vital services. Details about the impact of the disruption or discontinuation are also posted at the branches. The Company will proactively engage with its customers and ensure that they do not suffer on account of disruption of services. If the disruption is due to technological failure, then the Company shall resort to manual means to fulfill the needs of the customers. If the tech disruption is expected to be long lasting, COB plan would be triggered to ensure that the customers are not put to significant difficulties.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable)? If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Not Applicable - there is no product information mandated by law. Given the nature of the business, there is limited applicability of this indicator.

Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

The Company has robust grievance redressal mechanism where grievance in form of query/compliant are monitored regularly and the grievance information are leveraged in order to improve the servicing of products.

Independent Reasonable Assurance Statement

Independent Assurance Statement to Five Star Business Finance Ltd on its BRSR Core Indicators for FY 2025-26

The Board of Directors,
Five Star Business Finance Ltd,
Chennai,
Tamil Nadu - 600 010.

Nature of Assurance

SGS India Private Limited (hereinafter referred to as 'SGS India') was engaged by Five Star Business Finance Ltd (the 'Company') to conduct an independent assurance of the Company's Business Responsibility and Sustainability Reporting (BRSR) (the 'Core Report') for the reporting period of April 1, 2025, to March 31, 2026. SGS India has conducted a Reasonable level of Assurance for the BRSR core indicators. This assurance engagement was conducted in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) and ISAE 3410.

Reporting Framework

The Report has been prepared following

1. BRSR Core and Non-Core Framework for Assurance and ESG Disclosures for Value Chain (Circular No. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026), dated 30 January 2026 circular.
2. Greenhouse Gas Protocol Standard.
3. ISO 14064-1:2018 Standard.

Intended Users of this Assurance Statement

This Assurance Statement is provided with the intention of informing all Five Star Business Finance Ltd internal and external Stakeholders.

Responsibilities

The information in the report and its presentation is the responsibility of the management of the Company. SGS India has not been involved in the preparation of any of the material included in the report.

Our responsibility is to express an opinion on the text, data, and statements within the defined scope of assurance, aiming to inform the management of the Company, and in alignment with the agreed terms of reference. We do not accept or assume any responsibility beyond this specific scope. The Statement shall not be used for interpreting the overall performance of the Company, except for the aspects explicitly mentioned within the scope.

Assurance Standard

SGS has conducted a Reasonable level of Assurance for BRSR core parameters under 9 ESG Attributes, including all essential indicators as specified under BRSR standards and amendments made as on date. This engagement was performed in accordance with the International Standard on Assurance Engagement (ISAE) 3000 (revised) and ISAE 3410 (Assurance Engagements other than Audits or Reviews of Historical Financial Information).

Our evidence-gathering procedures were designed to obtain a 'Reasonable' level of assurance, which is a high level of assurance in accordance with ISAE 3000(revised) standard, but is not absolute certainty. It involves obtaining sufficient appropriate evidence to support the conclusion that the information presented in the report is fairly stated and is free from material misstatements.

Statement of Independence and Competence

The SGS Group of companies is the world leader in inspection, testing, and assurance, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social, and ethical auditing and training; and environmental, social, and sustainability report assurance. SGS India affirms our independence from Five Star Business Finance Ltd, being free from bias and conflicts of interest with the organization, its subsidiaries, and stakeholders.

The assurance team was assembled based on their knowledge, experience, and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification, and GHG Validation Lead Auditors, and experience on the SRA Assurance.

Scope of Assurance

The assurance process involved assessing the quality, accuracy, and reliability of BRSR Indicators (KPIs) within the report for the period April 1, 2025, to March 31, 2026. The reporting scope and boundaries include the corporate office and all branches spread across different states in India.

Assurance Methodology

The assurance comprised a combination of desktop review, interaction with the key personnel engaged in the process of developing the report, and remote verification of data. Specifically, SGS India undertook the following activities:

- Assessment of the suitability of the applicable criteria in terms of their comprehensiveness, reliability, and accuracy.
- Interaction with key personnel responsible for collecting, consolidating, and calculating the BRSR core and essential indicators, and assessing the internal control mechanisms in place to ensure data quality.
- Application of analytical procedures and verification of documents on a sample basis for the compilation and reporting of the KPIs.
- Assessing the aggregation process of data at the Head Office level.
- Critical review of the report regarding the plausibility and consistency of qualitative and quantitative information related to the KPIs.

Limitations

SGS India did not come across any limitation to the agreed scope of the assurance engagement. SGS India verified data on a sample basis; the responsibility for the authenticity of the data entirely lies with the Company. The assurance scope excluded forward-looking statements, product- or service-related information, external information sources, and expert opinions. SGS India has not been involved in the evaluation or assessment of any financial data/performance of the company. Our opinion on financial indicators is based on the third-party financial reports audited by the Company. SGS India does not take any responsibility for the financial data reported in the audited financial reports of the Company.

The assurance scope excludes:

- Disclosures other than those mentioned in the assurance scope.
- Data reviews outside the operational sites as mentioned in the reporting boundary.
- Disclosures pertaining to the fugitive emissions, number of days of accounts payable and all other waste sub-categories other than e-waste have not been included in the assurance scope since these parameters are not being tracked currently.
- Validation of any data and information other than those presented in "Findings and Conclusions."
- The assurance engagement considers an uncertainty of ±5% based on the materiality threshold for Assumption/ estimation/measurement errors and omissions.
- The Company's statements that describe the expression of opinion, belief, aspiration, expectation, aim to future intention provided by the Company, and assertions related to Intellectual Property Rights and other competitive issues.
- Mapping of the Report with reporting frameworks other than those mentioned in the Reporting Criteria above.

Findings and Conclusions

Based on the procedures we have performed and the evidence we have obtained, we are satisfied that the information presented by the Company in its report (as per the table below) is complete, accurate, reliable, fairly stated in all material respects, and is prepared in line with the BRSR requirements. The list of BRSR Core Indicators that were verified within this assurance engagement is given below:

S. No.	BRSR Core Attribute	BRSR Core Indicator
1	Greenhouse gas (GHG) footprint	Total scope 1 emissions Total scope 2 emissions GHG emission intensity (scope 1 +2)
2	Water footprint	Total water consumption Water consumption intensity Water discharge by destination and levels of treatment
3	Energy footprint	Total energy consumed % of energy consumed from renewable sources Energy intensity
4	Embracing circularity	E-waste Total waste generated Waste intensity Each category of waste generated, total waste recovered through recycling, reusing or other recovery operations For each category of waste generated, the total waste disposed of by the nature of the disposal method
5	Employee well-being and safety	Spending on measures towards well-being of employees as a % of total revenue of the Company Details of safety-related incidents for employees.
6	Enabling gender diversity in business	Gross wages paid to females as % of wages paid. Complaints on POSH

S. No.	BRSR Core Attribute	BRSR Core Indicator
7	Enabling inclusive development	Input material sourced from MSMES/ small producers as % of total purchases: Directly sourced from MSMEs/ small producers and from within India Job creation in smaller towns: Wages paid to people employed in smaller towns as % of total wage cost
8	Fairness in engaging with customers and suppliers	Instances involving loss/breach of data of customers as a percentage of total data breaches or cybersecurity events.
9	Openness of business	Concentration of purchases & sales done with trading houses, dealers, and related parties Loans and advances & investments with related parties

For and on behalf of SGS India Private Limited

Kalpesh Thombare
Techincal Reviewer
National Manager - ESG & Sustainability Services, SGS
India
Date: 27th April, 2026

Anisha Udaykumar
Lead Verifier - ESG & Sustainability Services, SGS

India
Date: 27th April, 2026

ESG @ Five Star

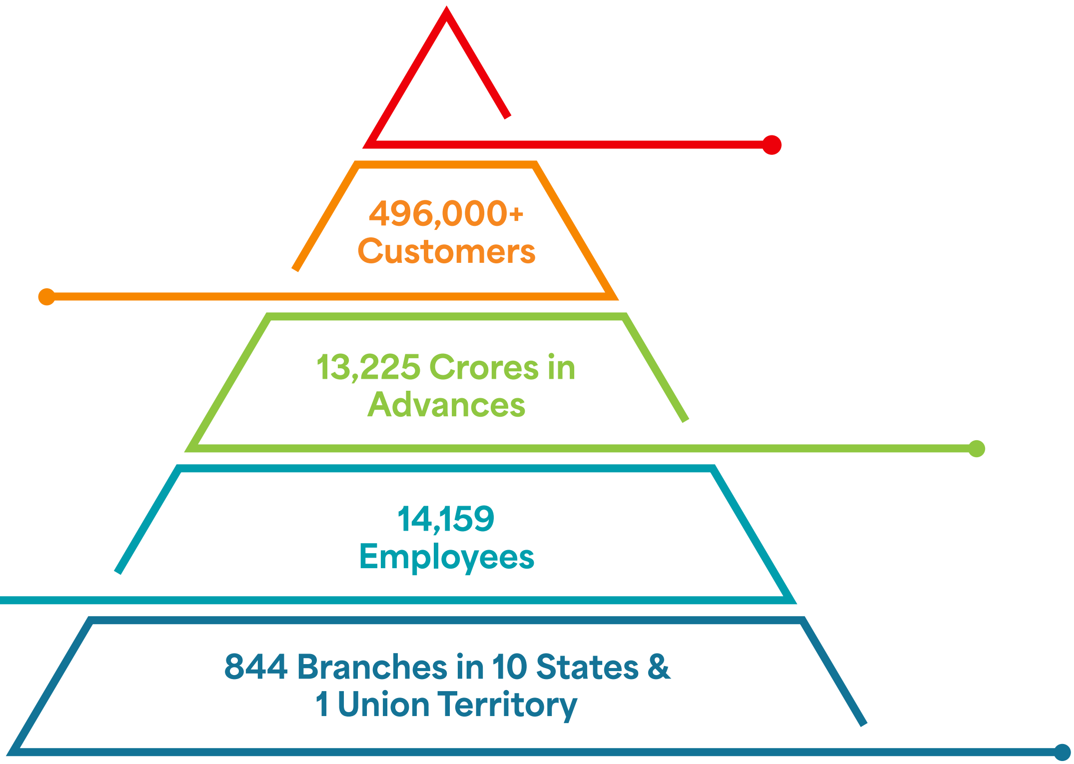
Fostering Financial Inclusion

About Five Star

Five-Star Business Finance Limited is registered with the Reserve Bank of India as a Systemically Important Non-Deposit Taking Non-Banking Financial Company (SI-ND-NBFC). Established in 1984, the Company has spent nearly four decades supporting micro-entrepreneurs and self-employed individuals by providing loans for business expansion, asset creation, and other financing needs. Through these efforts, Five Star has positively impacted lakhs of customers and emerged as a leader in the industry.

Over the years, the Company has focused on addressing the credit gap by extending financial services to unbanked and underbanked segments of society. This initiative has played a significant role in reducing the socio-economic disparity between urban and semi-urban or rural regions–largely comprising underprivileged communities–and in improving overall living standards.

With deep industry expertise and a strong understanding of the financial ecosystem, Five Star continues to pursue sustainable growth while remaining committed to its core vision.



Presence and Reach

The Company has a strong operational footprint across Tamil Nadu–where its corporate headquarters is located in Chennai–along with a significant presence in Andhra Pradesh, Telangana, Karnataka, and Madhya Pradesh. In addition, it has begun establishing an early presence in states such as Maharashtra, Uttar Pradesh, Chhattisgarh, Rajasthan, and Gujarat.

A substantial portion of the Company's branch network is concentrated in Tier 3, Tier 4, Tier 5, and Tier 6 cities and towns. These semi-urban and rural regions, characterized by rapidly growing populations, often have limited access to formal financial services.

The organization is supported by a robust workforce of over 14159 employees who play a key role in sustaining its strong growth trajectory. Approximately 5906 of these employees serve as field agents, enabling the Company to effectively reach existing and potential customers across every geography in which it operates.

Vision

To extend access to financial services by reaching underserved and unbanked segments through tailored credit solutions.

Mission

To deliver customized credit solutions to previously unreached segments of the market by developing a specialized underwriting framework that assesses both the borrower's intent and capacity to repay, with the ultimate goals of enhancing customer satisfaction and maximizing value for all stakeholders.

What does 'ESG' mean to us?

There is a growing recognition that businesses do not operate in isolation. The social and environmental value created by organizations is increasingly acknowledged as critical to long-term success, reflecting a paradigm shift away from traditional metrics that defined success solely in financial terms. Corporations across the globe now recognize their responsibility in promoting social equity and enabling the development of communities in which they operate. It is widely understood that sustainable business growth is closely linked to the growth and well-being of these communities.

From an environmental perspective, both individuals and businesses are exposed–albeit to varying degrees–to the risks arising from climate change and its far-reaching consequences.

Financial institutions occupy a unique position in contributing to sustainable development by empowering individuals and enterprises to achieve their growth aspirations. This role is particularly significant in our case, as a substantial portion of our customers may not have traditionally had access to structured financial services.

We acknowledge the importance of identifying and addressing ESG-related risks and opportunities to ensure continued business success. With this in mind, we conducted extensive stakeholder engagements to identify and assess material ESG issues.

Stakeholder Engagement & Materiality Assessment

Five Star accords paramount importance to setting high standards in corporate governance and creating social value. We recognize that there are a host of stakeholders with whom the organization interacts on a day-to-day basis, who are impacted by the organization and its operations.

The table below summarizes our key stakeholders and existing channels of engagement and topics of interest.

Stakeholder group	How we engage with them	Frequency of engagement	Key Discussions
Shareholders/ Investors	Quarterly Investor Calls, Presentations and meetings Annual General Meetings Press Releases Dedicated investor grievance redressal channels	Annual Quarterly On an as-needed basis (for grievances)	• Resilient business model and long-term profitability reputation • Transparency in corporate governance and disclosures • Financial performance • Risk Management • Business ethics and compliance
Employees	Employee Communication & Employee Management Webinars, learning and development programmes with feedback Employee web portal Policies and guidelines	Continuous Periodic (newsletters and other communications for the management)	• Business goals, continuity & strategy • Human rights, treating people with respect and dignity • Ethics and compliance to codes policies • Learning and development • Professional growth
Customers	Transparent documentation of the terms of business Publication of customer-relevant information on our website Customer grievance portal	Continuous Need-based	• Customer focus • Financial inclusion • Transparency in operations • Resolution of customer grievances a timely manner
Local Community/ NGO	CSR programmes and initiatives Needs assessment by implemenation partners	Continuous Need-based	• Community development • Local Employment
Regulatory bodies	Structured engagement through meetings Contribution by Management and Directors on matter on policy Regulatory filings	Continuous Need-based	• Compliance with applicable rules and regulations • Corporate Governance & ethics • Contribution to sustainable development

Materiality Assessment

It is essential to identify ESG issues that are of varying priority to different stakeholder groups and have the potential to influence the organization's pursuit of excellence.

During the reporting year, the Company conducted a comprehensive materiality assessment to deepen stakeholder engagement and better understand stakeholder perspectives on a wide range of ESG topics relevant to Five Star. The assessment also incorporated a review of industry trends, regulatory expectations, and peer performance to identify issues most material to the Company.

Our approach to the materiality assessment process, along with the key material ESG issues identified, is outlined below.

Universe of Material Issues	Stakeholder Analysis	Stakeholder Engagement	Business Mapping	Materiality Matrix
Collation of global, sectoral and core business priorities	Stakeholder Identification and prioritisation	Interviews, and meetings - inputs from all stakeholder groups on issues of priority	Mapping business objectives and risks to material issues	Comprehensive analysis to arrive at Materiality Matrix

Rationale for identifying if the issue is the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Material Issue Identified: 1. Financial Inclusion **Is it a Risk / Opportunity: Opportunity**		
Five Star sees an opportunity to contribute to India's growth story by meeting the financial services needs of underserved segments. Access to structured finance could be a game-changer for MSMEs, entrepreneurs and small businesses which employ millions of people.	N.A	**Positive:** Making financial services accessible offers strong growth prospects for the Company while also contributing to the national aspirations of achieving financial inclusion.
Material Issue Identified: 2. Corporate Governance **Indicate Whether Risk / Opportunity: Risk**		
Financial services is an industry that is highly regulated and compliance driven. Multiple risks may arise from ongoing/ quick changes in the markets and the regulatory environment for the sector.	Five Star stands for good corporate governance and ethical business practises and has created strong governance frameworks and polices. Please refer the Corporate Governance Report for details of how our Corporate Governance structures work effectively to safeguard the organization from compliance and other risks.	**Negative:** Non-compliance / any negative sentiments about our Corporate Governance may adversely affect our ability to raise fresh capital and threaten business continuity. In our case, the corollary has been observed to be true, i.e., recognition for strong corporate governance has been facilitating fresh investments in Five Star from financing partners from world-wide
Material Issue Identified: 3. Employee Wellbeing **Indicate Whether Risk / Opportunity: Opportunity**		
We view employees as the Company's most valued asset and accord top priority to ensuring their wellbeing.	N.A	**Positive:** Our motivated workforce has been one of the cornerstones for our continued success. Our on-field employees are the principal touch-points for our customers; business prospects and the reputation of our brand are significantly influenced by how our employees engage with the customers. For this reason, employees receive appropriate trainings and are also rewarded by schemes such as 'Lakshathipathi'. Please refer the ensuing Social section for details.
Material Issue Identified: 4. Stakeholder Engagement **Indicate Whether Risk / Opportunity: Risk**		
In its functioning, Five Star engages with a host of stakeholders, each with different sets of priorities, governed by different sets of rules/ conventions for engagement.	The Company has put in place strong governance systems for engagement with stakeholders. Customer and investor grievances are accorded high priority and are regularly reviewed by Senior Management and the Board. An open work culture ensures that employees can voice concerns freely without fear of reprisal.	**Negative:** Weakness in stakeholder engagement & management might have a detrimental effect on the Company's brand, market standing, and clientele. Each stakeholder group is to be handled with due care, responding to their reasonable expectations and maintaining legal compliance.
Material Issue Identified: 5. Digitization **Indicate Whether Risk / Opportunity: Opportunity**		
Digitization of business operations can contribute to improving service delivery quality and efficiency for last-mile solutions, including customer service and experience. Use of technology and linked data systems has the potential to facilitate smooth client base growth.	N.A	**Positive:** Digitization has been paving the way for efficient, convenient and secure business with customers.

Rationale for identifying if the issue is the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Material Issue Identified: 6. Risk Management **Indicate Whether Risk / Opportunity: Opportunity**		
To achieve our business objectives and provide long-term value for all our stakeholders, Five Star has recognised effective risk management as a key enabler. The Company has identified key risk categories and suitable safeguards. It is also in the process of identifying and integrating key ESG risks into the overall risk management framework.	A Risk Management Committee (RMC), is responsible for all important and practical facets of risk management The current risk management framework is intended to make it easier to detect, handle, and mitigate emerging risks quickly and effectively. This framework's primary goals and guiding principles include promoting strategic and data-driven decision-making, facilitating supervision, and monitoring, and guaranteeing effective checks and balances. Please refer the Risk Management section of the Annual Report for further details.	**Positive:** Framework for risk management and effective risk supervision provided by the Risk Committee has helped the Company tide through challenges included the COVID-19 pandemic, with efficiency. Effective risk management helped the business resume on its growth path in quick time.

Governance

At Five Star Business Finance, we firmly believe that robust corporate governance is fundamental to creating sustainable, long-term value for all stakeholders. The Company's operations are overseen by an effective Board comprising seasoned industry leaders with decades of collective experience.

Accountability, transparency, fairness, and ethical conduct form the cornerstone of our governance framework. Guided by these principles, we have established a strong and effective governance structure designed to protect the long-term interests of all stakeholders, including minority and individual shareholders.

This commitment is further reinforced by the leadership of Independent Directors across several key Board Committees, including the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, IT Strategy Committee, and Stakeholder Relationship Committee

Board Level Committees

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Business and Resource Committee
- Asset Liability Committee
- Risk Management Committee
- IT Strategy Committee
- Stakeholders Relationship Committee
- Customer Service Committee
- Review Committee for Wilful Defaulter

The Company has established a comprehensive framework of policies and guidelines that govern its operations and decision-making processes. These policies provide clear direction and are supported by robust risk management mechanisms to ensure effective oversight and regulatory compliance.

In alignment with the outcomes of the materiality assessment and acknowledgement the growing significance of ESG considerations in our business, the Company has formulated an ESG Policy, which has been reviewed and approved by the Board of Directors. Business-Responsibility-and-Sustainability-Reporting-Policy.pdf

The following sections outline some of our key governance priorities, including certain focus areas that may not have emerged as "material" issues through the assessment process have been identified by Management as strategically significant.

Risk Management

At Five Star, we recognize a wide range of risks–including strategic, regulatory, and operational risks–that could potentially impact our financial position, human capital, physical and information assets, intellectual property, as well as our reputation. Like any enterprise, our business is exposed to both Internal and external risks, which are systematically identified and assessed through a structured risk identification framework.

Given our focus on serving the 'unlent' segment, we have accorded this area the highest priority and developed a well-defined strategy to assess and mitigate the risks associated with this business model. The primary risks identified by the Company are outlined below, along with the corresponding policies, controls, and procedures that have been established to ensure effective monitoring and mitigation.

Our business strategy prioritizes engagement with consumers located predominantly beyond major urban centers who are willing to access reliable and established lending channels to meet their business or personal financing needs.

Independent risk assessment, monitoring, and control activities are supported by Five Star's robust and independent risk governance framework.

The Company's Risk Management Policy has been published on its website and is accessible through the following link: Risk-Management.pdf

Business Ethics & Transparency

At Five Star, all matters related to ethics and transparency are escalated to the Audit Committee, which oversees such cases until satisfactory resolution. These matters are thoroughly documented and formally recorded in the minutes of Audit Committee meetings.

The Company has a well-established compliance framework supported by a dedicated and experienced team that ensures adherence to internal policies and alignment with the Code of Conduct across all business practices. Stakeholders are encouraged to report any instances of unethical behaviour, misconduct, or grievances through established reporting channels.

In addition, Five Star proactively operates an ethics helpline that enables employees to confidentially raise concerns or report instances of non-compliance. Employees are required to promptly report to the management ethics helpline any actual or suspected violations of the Code of Conduct, including misconduct, misdemeanours, or actions that may be contrary to the best interests of the Company.

Digitization

At Five Star, we are actively working toward digitizing all aspects of our operations to enhance ease of doing business. Our customer-facing employees play a key role in educating customers about the availability and benefits of digital repayment options, thereby minimizing reliance on physical cash transactions. We are encouraged by the increased adoption of online payment methods observed during the previous financial year.

Data Privacy & Security

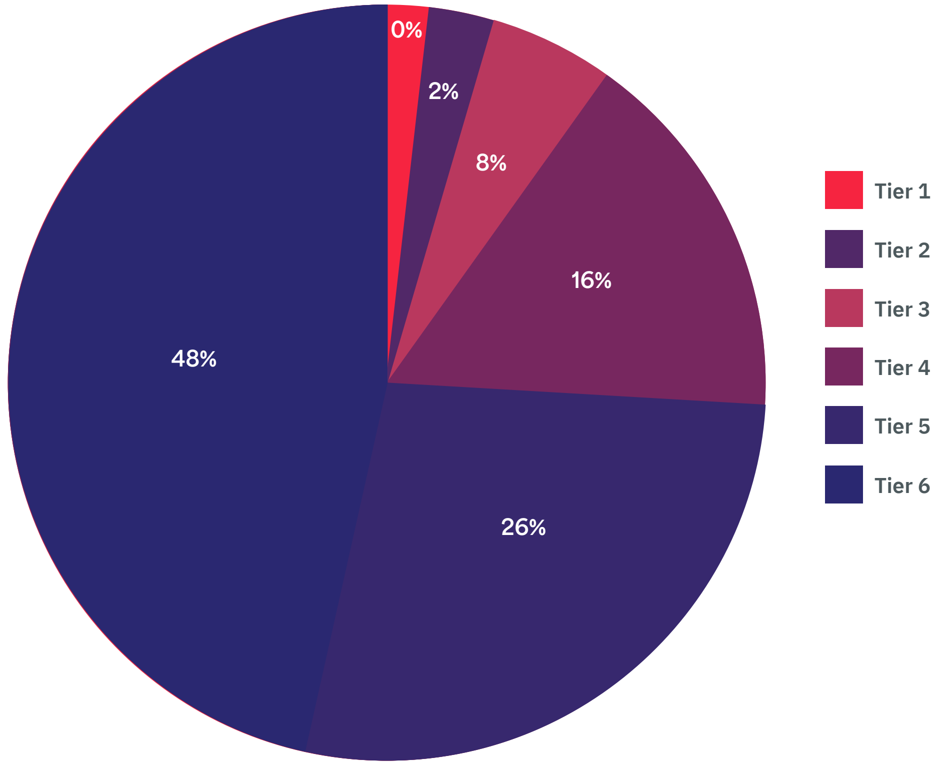
At Five Star, we have made notable progress in strengthening data protection and cybersecurity measures in recent years. To mitigate risks arising from the increasing complexity of the digital ecosystem, we have adopted advanced technology solutions, including the use of the Amazon cloud platform, periodic information technology audits, and regular vulnerability assessments and penetration testing conducted by an independent third-party agency. Additionally, we are progressively transitioning to SaaS-based solutions and trusted hosting partners such as Salesforce and Oracle to further reduce technology-related risks. As highlighted earlier, an independent IT audit was conducted during the previous financial year.

Social

Financial Inclusion

Our guiding philosophy of "Reaching the Unreached," also expressed as "Lending to the Unlent," reflects our commitment to advancing financial inclusion. By extending credit to unbanked and underbanked segments of society, we enable broader access to formal financial services and promote economic empowerment. Our loan offerings range from INR 1 lakh to INR 10 lakhs, with an average ticket size of approximately INR 3-5 lakhs, supporting both business and personal financial needs of our customers.

A majority of Five Star's customers avail loans primarily for business-related purposes. These borrowers are typically first-time entrants into the secured lending segment within the formal financial system and are often overlooked by larger banks and financial institutions. While nearly 25% of our customers are completely new to credit, for over 75% we are the first formal lender to provide loans of this scale–often representing their first experience with secured borrowing from a structured financial institution.
To effectively serve this customer base, a substantial portion of our branch network is located in Tier 3 to Tier 6 and smaller cities and towns.

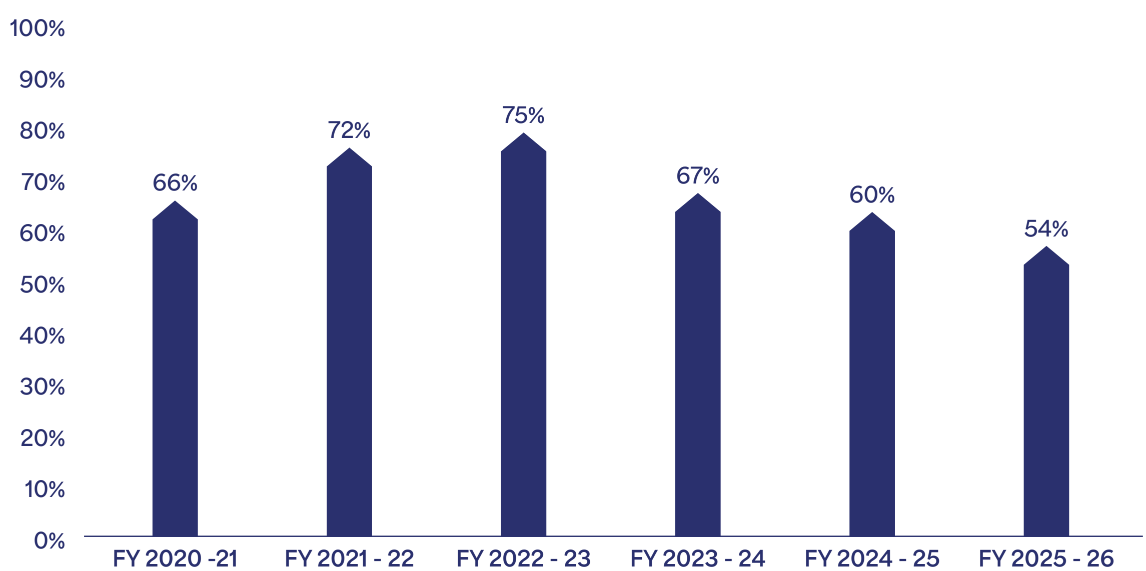


Branch Presence across India

Our sustained focus on serving this customer segment has led to a consistent growth in Assets Under Management (AUM) from the low income group, reinforcing the strength of our core business strategy while also generating meaningful social impact.

Given India's favourable demographic profile, the credit market presents significant growth potential, particularly in addressing the financing needs of micro entrepreneurs and self employed individuals.

In line with our commitment to financial inclusion and empowerment, the Company actively promotes greater participation of women in business ownership and key financial decisions by encouraging them to come forward as primary borrowers in family owned enterprises.



Asset Under Management from Lower Income Group

Providing individuals from economically disadvantaged backgrounds access to formal credit and financial services helps protect them from exploitation, enables them to break free from the cycle of poverty, and promotes inclusive growth and social stability.

The insights and expertise gained through our journey, coupled with the strong brand recognition we have established within this segment, position the Company well for its next phase of growth and the continued development of a resilient and diversified portfolio.

Customer Relationship Management

Five Star's success is built on the trust and loyalty of its customers, as well as a strong commitment to addressing their needs. The Company has consistently worked toward this goal through initiatives such as financial literacy programs, innovative product development, and continuous training and skill enhancement of its workforce.

Robust customer grievance redressal mechanisms have been put in place to ensure timely and effective resolution of concerns. As a standard practice, customer complaints are acknowledged and addressed within 10 days of receipt. If a customer is dissatisfied with the resolution, the matter can be escalated to the Grievance Redressal Officer, who is required to provide a response within a further 10 working days.

Grievance Redressal Mechanism

- Number: 044 - 2346 0957 / 044 - 2346 0958 / 78258 55555
- Email: customercare@fivestargroup.in
- Customers can get in touch with the branch and voice their compliants to the personnel. The compliant must be entered in the Branch's Compliant Register.
- Customers can file written compliants with branch manager of the branch where they obtained the loan by submitting a letter

Any grievances that remain unresolved at this level may subsequently be escalated to the Company's Principal Nodal Officer.

In rare instances where grievances remain unresolved at the Company level, customers may approach the Reserve Bank of India, which regulates and supervises the operations of non-banking financial institutions.

However, vast majority of complaints are addressed and resolved internally, reflecting the effectiveness and robustness of our grievance redressal framework. Only a small proportion of cases are escalated to the regulator, and these typically arise from misunderstandings on the part of customers. In such instances, the Company has consistently provided satisfactory clarifications to the regulator, resulting in closure of the complaints.

The Company has also appointed an Internal Ombudsman–an independent authority–to review the merits of customer complaints and the resolutions provided. To date, there have been no instances where the Internal Ombudsman has disagreed with the Company's position on complaints received either directly by the Ombudsman or through regulatory channels.

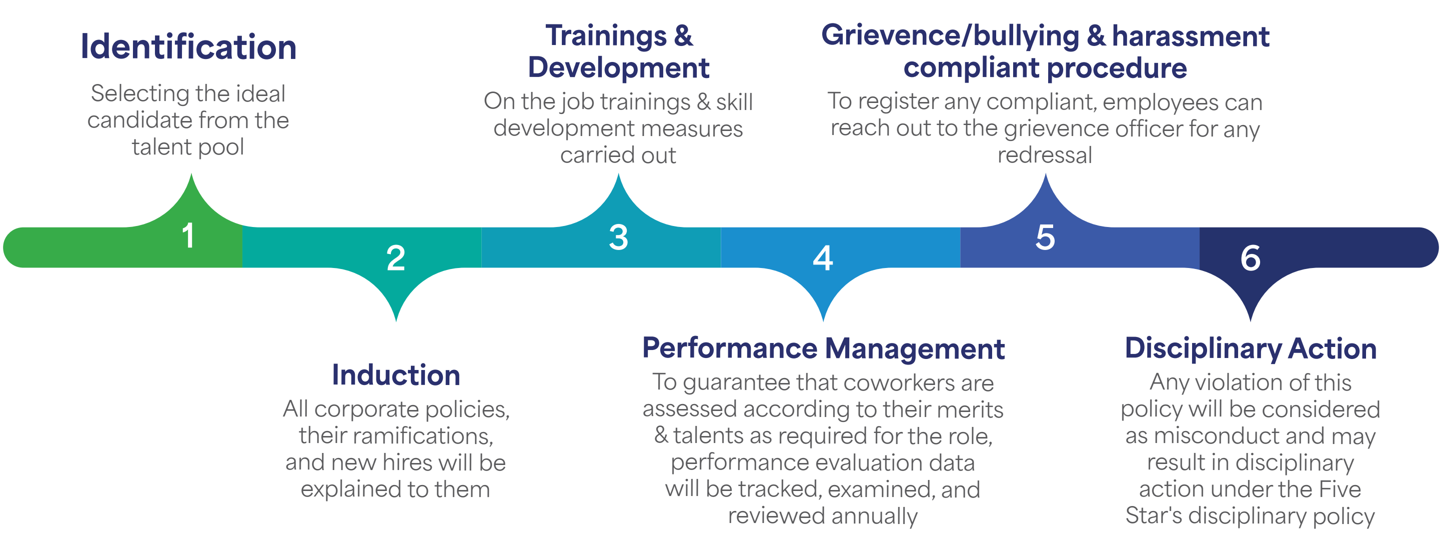
Talent Management and Retention

The Company's consistent delivery of best in class service is closely linked to the strength and performance of its workforce. Employees are Five Star's most valuable asset and have played a pivotal role in the Company's success since its inception.

We are committed to building a high quality talent pool by selecting the most suitable candidates from the market across all levels. The recruitment process is led by a highly experienced Human Resources team that ensures agile, effective identification and onboarding of talent.

Five Star is an equal opportunity employer and recruits for both permanent and contractual roles. All employees are on the Company's rolls, as we do not engage off roll staff, in keeping with our commitment to employee welfare and long term career development. For mid level and senior positions, internal talent is given primary consideration, with external hiring undertaken only when suitable internal candidates are not available.

During the last financial year, 1,010 employees were promoted internally to managerial roles, underscoring our strong focus on career progression and internal talent development.



Currently, the company employs 14159 individuals, including both permanent and non permanent staff, across its branch network, regional offices, and head office, performing a wide range of roles. The Company remains committed to operating responsibly and demonstrates strong accountability toward ensuring the safety, security, and overall, well being of its employees.

Employee Benefits

All our employees receive competitive salaries and other benefits in-line with industry best practices.

Our employees at all levels are protected by various health and life insurance policies for a secure future. The ESIC programme, which is supported by the government, covers over 50% of the workforce. All permanent employees of Five Star, regardless of their position, are protected by a family floater health insurance plan with a coverage of up to INR 5 lakhs in addition to the ESIC scheme.

In the event of a medical emergency or casualty, employees working as collection agents are entitled to receiving the basic pay component of their salary for the duration of the treatment period under a group personal accident policy.

1. ESIC Scheme

2. Health Insurance

All the employees are covered under Health Insurance at a base flaoter of INR 5 Lakhs irrespective of designation and hierarchy

3. Accidental Insurance

All the field agents on the field are covered under group accident policy

4. Maternity Benefits

The female employees are covered under Maternity benefits. The Company witnessed 69% women returning to work in FY 2025 - 26, following their maternity benefits

Employees are eligible to receive a gift voucher for INR 10,000 on the occasion of their marriage.

To retain top talent, the Company has also initiated certain incentive schemes as a means to appreciating employees' relentless contribution to the organization's success.

Lakshathipathi Scheme

The senior employees are given Rs. 1 lakh on successful completion of 3 years at Five Star.

The scheme was introduced in 2018 - 154 employees to date, with incentive payouts ranging from INR 1 lakh to 5 lakhs, depending on tenure and eligibility

Employee Stock Option Schemes

The Company has introduced two Employee Stock Option Schemes to promote long-term employee ownership and retention:

- Five-Star Associate Stock Option Scheme 2015 (ASOP 2015)
- Five-Star Associate Stock Option Scheme 2018 (ASOP 2018)
- Five-Star Associate Stock Option Scheme 2018 (ASOP 2023)

Under these schemes, stock options have been granted to a total of 320 employees, reinforcing their participation in the Company's growth and value creation.

Diversity, Equity, and Inclusion

Five Star has put in pace a Diversity, Inclusion and Equal Opportunities Policy. The goal of this policy is to create a diverse, engaged, and equitably treated workforce. We support the diversity of our workforce and advance equality by making sure that no one is treated less favourably than another in any matter pertaining to employment based on ethnic origin, nationality, disability, age, gender, religion, marital status, family responsibilities, sexual orientation, social class, or other distinction unrelated to the requirements of the job. We reject all types of unjust and illegal discrimination.

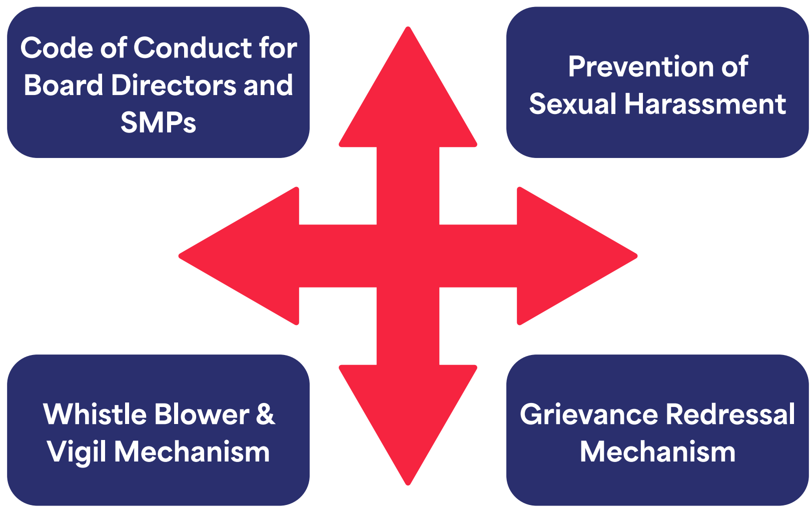
Diversity, Inclusion and Equity policy is available in the following weblink: Diversity-Inclusion-and-Equal-Opportunity-Policy.pdf

While women constitute a meaningful share of employees at the corporate office, their overall representation across the organization remains relatively lower, primarily due to the predominance of field officer roles within the workforce. These roles are largely travel-intensive and may involve responsibilities such as cash collection, extended working hours, and operating across varied geographies. Although the Company remains open and committed to hiring women for field positions, the nature of these operational requirements has posed challenges in attracting higher female participation. Recognizing this, Five Star continues to explore ways to enhance women's representation across functions, wherever feasible, while addressing the practical constraints associated with certain roles.

Human Rights

Since its inception, Five Star has grown and succeeded on the foundation of a culture rooted in respect, empathy, and dignity. The Company ensures that all interactions with stakeholders, including employees and customers, are guided by and aligned with fundamental human rights principles and practices.

Five Star follows a zero tolerance policy toward any form of discrimination or harassment in the workplace, including sexual harassment. To reinforce this commitment, employees are provided with appropriate training and awareness programs on key human rights-related issues, fostering a safe, inclusive, and respectful work environment.



No cases of sexual harassment or any other forms of human rights violations have been reported in the current year.

Community Engagement

Corporate Social Responsibility (CSR) is a core element of Five Star's business philosophy and reflects our commitment to being a responsible corporate citizen. Our CSR strategy is designed to deliver tangible and measurable improvements in the lives of communities impacted by our operations.

Five Star's social initiatives are structured around four priority pillars–Education, Skill Development, Health and Hygiene, and Community Conservation–ensuring focused interventions aligned with national priorities and community needs.

The CSR Committee of the Board oversees the planning, implementation, and monitoring of all CSR initiatives and meets at least once every half year to review progress, assess impact, and provide strategic direction. The Board of Directors receives a detailed quarterly report on the execution status of CSR programmes, ensuring transparency, governance, and accountability. All initiatives undertaken during the year are aligned with Schedule VII of the Companies Act, 2013, covering livelihood enhancement, education, and healthcare.

Education: Improving Access, Inclusion, and Learning Outcomes

Education continues to be a key focus area for Five Star, with interventions designed to improve access, inclusion, infrastructure, and continuity of learning for children from marginalized, underprivileged, and special needs backgrounds.

During the year, Five Star supported the education of 150 students from marginalized communities through scholarship programmes of Team Everest, an NGO, enabling continued access to formal education. In addition, the Company sustained its long term commitment by continuing education fee sponsorship for 100 college students in Tamil Nadu for the third consecutive year through Team Everest.

Recognising infrastructure as a critical enabler of quality education, Five Star funded the construction of multiple school buildings and classrooms to improve learning environments for underprivileged students. This included the construction of a well equipped school building through Sri Sai Education Trust, financial support to Akshaya Trust Chennai for the construction of eight classrooms at Akshaya Vidyalaya School in Kancheepuram district, and funding for a safe and functional school building through Sai Educare Trust. The Company also supported the construction of an education centre with transport facilities for orphaned and underprivileged students through New Mighty Grace Charitable Trust in Bengaluru, ensuring consistent access to education for vulnerable children.

To enhance the classroom experience, Five Star provided infrastructure and classroom furniture support to Bharatiya Vidya Bhavan's Gandhi Vidyashram unit at Kodaikanal and sponsored a smart board for Sri RKM Sarada Vidyalaya Girls Higher Secondary School through Ramakrishna Mission. Educational inclusion was further strengthened through the purchase of school equipment for special children and underprivileged communities pursuing the NIOS syllabus through Hope Public Charitable Trust at Annamedu, Thiruvallur district.

Ensuring safe and reliable access to schools remained a priority, particularly for children with intellectual and developmental disabilities. Five Star sponsored school buses for children with intellectual disabilities and special needs through Sri Arunodayam Charitable Trust at Thiruvallur, Vidyasagar Trust, and Nithilyam Spastic Children Welfare Trust at Coimbatore. Additional school bus support was extended to Auxilium Rural Underprivileged Women and Youth Empowerment at North Arcot to improve inclusive access for underprivileged students.

Addressing the link between education and nutrition, Five Star supported the Akshaya Patra Foundation by funding five food distribution vehicles under the "Healthy Meals on Wheels" initiative for government and Balwadi school students in Warangal district, Telangana, helping ensure that no child's education is compromised by hunger. The Company also sponsored education and skilling programmes for Persons with Intellectual and Developmental Disabilities through Maithree Foundation, bridging resource gaps through personalised education, vocational training, and sustained support.

Beyond formal education, Five Star supported community empowerment initiatives such as emergency response training, road safety, defensive driving techniques, and vision screening through Alert NGO, addressing gaps that contribute to preventable accidents, delayed medical response, and reduced quality of life.

Health and Hygiene: Expanding Healthcare Access and Preventive Care

Five Star's healthcare initiatives aim to improve equitable access to quality medical services, with a focus on affordability, preventive care, and early diagnosis for underserved populations. During the year, the Company supported the running expenses of Kodaikanal Health and Medical Services Hospital, which provides primary and secondary healthcare services to underprivileged communities in and around Kodaikanal, ensuring continuity of accessible and affordable care.

To strengthen critical care infrastructure, Five Star sponsored five dialysis machines for the Government Hospital in Mannargudi through the Rotary Club of Madras Charitable Trust, improving access to timely dialysis treatment for patients suffering from chronic kidney disease and renal failure. The Company also extended financial support to Thirumalai Charitable Trust for the construction of a hospital in the Ranipet region, focusing on primary, secondary, and preventive healthcare services for underprivileged communities.

Targeted medical assistance was provided to vulnerable patient groups through financial support for essential food and medical expenses for cancer patients and their caretakers for three months via Sri Matha Trust, Chennai. In addition, Five Star funded the provision of free medicines to thalassemia patients for a period of one year through the Thalassemia Welfare Association, significantly reducing treatment-related financial burdens.

Preventive and diagnostic healthcare remained a priority area, with the purchase of a Humphrey Visual Field Analyzer for the Schieffelin Institute of Health Research and Leprosy Centre, Vellore, enabling improved early detection, diagnosis, and treatment of eye diseases. The Company also supported the purchase of a bus for Project Femicare, including a mobile mammogram unit, through Kalpavriksham, Chennai. This initiative focuses on cancer awareness across rural and urban communities and facilitates mobile breast cancer screening, on site biopsy of breast masses, Pap smear tests for cervical cancer screening, and other cancer related diagnostic procedures.

Five Star also contributed to broader community well being by supporting the construction of a functional community centre with sanitation facilities for the Irular community at Kaayar, Chengalpattu district, through Paalam Charitable Trust, enhancing social, educational, and health outcomes.

Livelihoods, Skill Development, and Social Protection

Five Star's livelihood and skill development initiatives are aimed at enabling sustainable income generation, economic independence, and social empowerment for women, persons with disabilities, tribal communities, and other vulnerable groups. The Company supported the annual welfare expenses of Aram Charitable Trust, ensuring year round safety, education, healthcare, and overall development for homeless girl children.

To improve living conditions and community stability, Five Star funded the construction of houses for 50 Kani tribal families in Kani Kudyiruppu in the Western Ghats near Ambasamudram, providing safe, secure, and dignified housing. The Company also provided air conditioning units for the specialised adoption unit at All the Children Trust Home, ensuring a safe and temperature controlled environment for infants and children with special needs.

Women centric economic empowerment remained a key focus through financial support for the construction and equipping of state of the art skill development centres. These initiatives were implemented through the Multipurpose Integrated Developmental Society (MINDS) at Kamarajapuram, Chennai, and the Kadamai Education and Social Welfare Trust at Tholupedu, Dindivanam, facilitating practical training, entrepreneurship, and employability. Five Star further supported the empowerment of 240 rural women in Virudhunagar, an aspirational district of Tamil Nadu, through apparel skill training and job placements through MINDS.

Additional livelihood interventions included financial support to Danirasa Foundation to empower destitute women in Pattabiram through fully equipped skill development facilities, and support for women and marginalized communities in Bangarupalayam, Chittoor district, Andhra Pradesh, through micro enterprise initiatives involving petty shops, food carts, and transportation assets.

Inclusive livelihoods for persons with disabilities were strengthened through support to Satya Special School, Puducherry, focusing on economic independence and skill development for persons with disabilities and their parents. Five Star also procured a fully adapted bus for Dorcas Research Centre for Education, Art and Culture to provide accessible transportation for women with physical disabilities, enabling greater participation in education, employment, and community programmes.

The Company supported the provision of safe and inclusive living quarters for young adult special children through Sri Arunodayam Charitable Trust at Ramasamudiram, Thiruthani, enhancing independence, dignity, and quality of life. Nutritional security was addressed through the provision of food to approximately 110 orphans, persons with disabilities, and elderly beneficiaries at The United Educational and Social Welfare Trust in Coimbatore.

Addressing workforce needs in the healthcare sector, Five Star supported skill development for General Duty Assistants through a programme implemented by Orion Educational Society in Hyderabad, Telangana, and Tirupati, Andhra Pradesh, contributing to inclusive growth while addressing the growing demand for skilled healthcare support staff.

Ongoing and Multi Year CSR Initiatives

Several of Five Star's CSR interventions are designed as multi year programmes to ensure sustained impact. These include continued education fee sponsorship for 100 college students through Team Everest, ongoing support for classroom construction at Akshaya Vidyalaya School in Kancheepuram district, continued deployment of the Project Femicare mobile mammogram unit through Kalpavriksham, Chennai, and sustained support for inclusive residential facilities for young adults with special needs through Sri Arunodayam Charitable Trust at Ramasamudiram, Thiruttani.

Environment

Environmental well being is a fundamental pillar of sustainable development. While environmental considerations were historically viewed as secondary to economic priorities, emerging global challenges such as climate change and water scarcity have highlighted their far reaching impact across all industries, including the financial services sector.

The Company remains fully compliant with all applicable environmental regulations and is committed to systematically identifying, assessing, and managing environmental risks across all stages of its operations to ensure responsible and sustainable business practices.

Energy and Emission Management

Our direct energy consumption primarily comprises the use of diesel for operating DG sets at our corporate headquarters in Chennai and central hub offices in Andhra Pradesh and Karnataka. Indirect energy consumption arises from electricity procured from the grid across our operational locations.

We recognize that effective monitoring and efficient use of energy are critical not only to reducing our carbon footprint but also to achieving cost efficiencies, enhancing long term business sustainability, and mitigating risks associated with evolving climate related challenges.

S.No.	Source of Energy	FY 2025 - 26	FY 2024 - 25
1	Fuel Consumption	48.89	16.56
2	Electricity Purchased from Grid	11,610.92	18,335.83

S.No.	GHG Emissions (tCO_2e)	FY 2025 - 26	FY 2024 - 25
1	Scope 1	3.64	1.11
2	Scope 2	2,289.93	3,647

Waste Management

The company actively seeks to enhance operational eco efficiency by promoting digitalization and transitioning toward paperless processes across its operations.

All electronic waste generated is disposed of through authorized recyclers in accordance with applicable regulatory requirements. Beyond e waste management, the Company's operations do not present any other material risks or opportunities related to waste management at this time.

Water Management

The Company's water consumption is limited to employee use, such as for restrooms and pantry facilities. We actively ensure that water is used efficiently at our corporate headquarters and have installed water efficient fixtures to prevent wastage. In addition, we are in the process of implementing systems to monitor, measure, and report water usage more effectively.

S.No.	Water Parameter (KL)	FY 2025 - 26
1	Total Water Consumption	179,040.56
2	Total Water Discharged	0