

 Early Warning System

ADB-58533-001

Five-Star Social Loan Improving Access to Micro, Small, and Medium-Sized Enterprises Finance for Lower-Income Women Borrowers Project



## Quick Facts

<b>Countries</b>	India
<b>Financial Institutions</b>	Asian Development Bank (ADB)
<b>Status</b>	Approved
<b>Bank Risk Rating</b>	C
<b>Voting Date</b>	2025-09-19
<b>Borrower</b>	Five-Star Business Finance Limited
<b>Sectors</b>	Finance, Industry and Trade
<b>Investment Type(s)</b>	Loan
<b>Investment Amount (USD)</b>	\$ 100.00 million
<b>Project Cost (USD)</b>	\$ 100.00 million



## Project Description

According to the Bank's website, the project entails Asian Development Bank (ADB) providing long-term debt financing to FBFL to support the financing of micro, small, and medium-sized enterprises (MSME) business loans to eligible women borrowers in the lower-income group under a women-inclusive social loan framework.

The project will support onlending for MSME business loans to eligible women borrowers in the lower-income group under a women-inclusive social loan framework. FBFL will disburse an additional \$200 million from its own resources to the same segment under the social loan framework over a four-year period from the disbursement date of the first tranche. ADB will provide support to FBFL in obtaining the necessary external verification of the social loan framework through existing technical assistance.



## Early Warning System Project Analysis

The proposed project with FBFL will support MSME business loans to women in the lower-income group, with loans up to \$11,000. Given the loan size range and the borrowers' engagement in the services sector, the project is expected to have minimal to no environmental impacts and no physical or economic displacement is expected.

Given the nature of the loan activities, these will not result to impacts to distinct and vulnerable Indigenous Peoples.

FBFL committed to exclude loans Categorized as A or B for environment, involuntary resettlement and Indigenous Peoples.



## Investment Description

- Asian Development Bank (ADB)

The financing amount is \$100,000,000, which will be financed on a loan basis by ADB's ordinary capital resources.

## Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [Five-Star Business Finance Ltd.](#) (Financial Intermediary)



## Private Actors Description

*Five Star* is a Non-Banking Financial Company (NBFC) focused on serving the underserved micro, small, and medium enterprises (MSME) segment in India, by providing small ticket secured financial solutions to small business owners (micro-entrepreneurs) and self-employed individuals who are largely cut-off from the formal lending ecosystem. As of December 2023, the Company held assets under management (AUM) of approximately US\$1.1 billion. It has a distribution network of 480 branches across 10 states and union territories through which it reaches these underserved customers.

The Company is listed on the Bombay Stock Exchange and National Stock Exchange and has a market capitalization of approximately US\$ 2.4 billion as of April 23, 2024. As of December 31, 2023, on a fully diluted basis, 18.29 percent of the Company's shares were held by the individual promoters & promoter group, and 81.71 percent of Company's shares were held by others (foreign institutional investors, domestic institutions public shareholders and others).



## Contact Information

*No contacts available at the time of disclosure.*

### ACCESS TO INFORMATION

You can submit an information request for project information at: <https://www.adb.org/forms/request-information-form>

ADB has a two-stage appeals process for requesters who believe that ADB has denied their request for information in violation of its Access to Information Policy. You can learn more about filing an appeal at: <https://www.adb.org/site/disclosure/appeals>

### ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: <http://www.adb.org/site/accountability-mechanism/main>.



## Media

- [ADB Partners with Five-Star Business Finance to Boost Financial Access for Women Entrepreneurs in In](#)