

 Early Warning System

FMO-44998

FIVE - STAR BUSINESS FINANCE LTD



## Quick Facts

<b>Countries</b>	India
<b>Financial Institutions</b>	Netherlands Development Finance Company (FMO)
<b>Status</b>	Approved
<b>Bank Risk Rating</b>	B
<b>Voting Date</b>	2015-12-14
<b>Borrower</b>	Five-Star Business Finance Ltd.
<b>Sectors</b>	Finance, Industry and Trade
<b>Investment Type(s)</b>	Loan
<b>Investment Amount (USD)</b>	\$ 4.47 million
<b>Loan Amount (USD)</b>	\$ 4.47 million



---

## Project Description

According to FMO website, Five-Star is one of the few financial institutions in India that fully focuses on small enterprises. The facility will support the growth of the financial institution and the strengthening of its long term funding profile. It will help it grow to reach 10,000 clients by 2018. The target segment of Five-star is exclusively small-business owners (tea shops, vegetable vendors, small workshop owners etc.), very much in line with MASSIF and FMO mandate; additionality of our funding is expected to be very high. It will also provide support with its management systems, its risk management framework and its client protection practices.



---

## Investment Description

- Netherlands Development Finance Company (FMO)

## 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

As stated by the FMO, Five-Star is one of the few financial institutions in India that fully focuses on small enterprises, with an average loan size of about USD 6000, and a customer base of 5,270 as of March 2015. Despite a relatively well developed financial system in India, this segment remains deeply underserved. Five-Star aims at filling this gap with an attractive product offering, combined with conservative credit procedures.



## Contact Information

*No contact information provided at the time of disclosure.*

### Financial Intermediary - Five-Star Business Finance Ltd.:

Address: New No.27, old No. 4, Taylor's Road, Kilpauk, Chennai – 600 010

Email: [customercare@fivestargroup.in](mailto:customercare@fivestargroup.in)

Phone: +91-7825855555

Website: <https://fivestargroup.in/>

## ACCOUNTABILITY MECHANISM OF FMO

Communities who believe they will be negatively affected by a project funded by the Dutch Development Bank (FMO) may be able to file a complaint with the Independent Complaints Mechanism, which is the joint independent accountability mechanism of the Dutch Development Bank (FMO) and the German Investment Corporation (KfW) . A complaint can be filed in writing, by email, post, or online. The complaint can be filed in English or any other language of the complainant. The Independent Complaints Mechanism is comprised of a three-member Independent Expert Panel and it can provide either problem-solving, compliance review or both, in either order. Additional information about this accountability mechanism, including a guide and template for filing a complaint, can be found at: <https://www.fmo.nl/independent-complaints-mechanism>