

Directors Report to members

Your directors have pleasure in presenting the First Annual report together with the audited accounts of the company for the financial year ended March 31, 2016.

1. Financial Results

1.1 Standalone Financial Highlights

Particulars	(in Rs)
	For the Financial Year ended 31 st March 2016
Operating income	0.00
Other Income	49,26,349.00
Less: Expenditure including depreciation	4,31,816.00
Profit before taxation	4,49,533.00
Provision for taxation	14,35,862.00
Profit after taxation	30,58,671.00

2. State of Company's Affairs and Future Outlook

The Company was incorporated on 28th September 2015 under the Companies Act, 2013 bearing CIN: U74900TN2015PTC102366. The Company had made an application to National Housing Bank (NHB) for obtaining license to carry on housing finance business. The certificate of registration was received by the company from NHB during May 2016.

The Company aims to provide Small Housing loans to under banked segment of the borrower population, catering primarily to the affordable housing segment, operating on a reasonably well-spread geographical scale with a view to ultimately becoming the preferred choice in these borrower segments and geographies. The Company envisages to contribute effectively towards realizing the Government's dream of Housing for all by 2022, which will also translate to significant benefits for the borrowers. The company hopes to leverage on the experience of operating in this segment along with the infrastructure of the parent company during the initial stages which will ultimately result in value creation for all its stakeholders.

3. Change in Nature of Business

There is no change in the nature of Business of your Company during the year under review.

Five Star Housing Finance Private Limited

Corporate Office : No.39, Outer Circular Road, Kilpauk Garden Colony, Kilpauk, Chennai - 600 010.

Phone & Fax : 23460963 e-mail : info@fivestarbcl.com Website : www.fivestarbcl.com

CIN No. : U74900TN2015PTC102366

4. Dividend

Your directors do not recommend any dividend for the financial year, since the company is yet to commence its operations.

5. Amounts Transferred to Reserves

Your Company has not transferred any amount to reserve during the year under review.

6. Changes in Share Capital

The Company was incorporated on 28.09.2015. The Subscribers to the Memorandum of Association are:

1. M/s FIVE-STAR BUSINESS FINANCE LIMITED (formerly known as Five-Star Business Credits Limited), (Holding Company) - 9,99,900 equity shares
2. Mr D Lakshmipathy Nominee on behalf of M/s FIVE-STAR BUSINESS FINANCE LIMITED (formerly known as Five-Star Business Credits Limited), (Holding Company) - 100 Equity shares.

Subsequently the Company had issued 14,00,000 equity shares at Rs 10/- per share on right basis and paid up Share capital stood to Rs 15,00,00,000 as on 31st March 2016.

7. Disclosure regarding issue of Employee Stock Options

Your Company has not implemented an Employees Stock Option Scheme during the year.

8. Extract of Annual Return

As per Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in Form MGT 9 is enclosed and form part of this report as **Annexure A**.

9. Number of Board Meetings

During the financial year ended 31st March 2016, Three (3) Board Meetings were held on 14th October 2015, 29th January 2016 and 12th February 2016 respectively.

Particulars of the Directors' attendance to the Board Meetings are given below:

Name	Nature of Directorship	Attendance
Mr D Lakshmipathy	Chairman & Director	3
Mr Rangarajan Krishnan	Director	3

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10. Particulars of Loans, Guarantees or Investments under Section 186 of Companies Act, 2013

During the year under review, the Company had not granted any loans or guarantees and investments covered under Section 186 of the Act 2013.

11. Particulars of Contracts or Arrangements with Related parties

During the financial year, the Company has not entered into any contract or Arrangement with Related Parties as per Section 188 of the Companies Act, 2013 and the Rules framed thereunder.

12. Material Changes Affecting the Financial Position of the Company.

There are no material changes and commitments between 31st March 2016 and the date of this report having an adverse bearing on the financial position of the Company.

13. Conservation of Energy, Technological Absorption & Foreign Exchange Earnings/Outgo

(i) Conservation of Energy & Technological Absorption

Since your Company does not own any manufacturing facility, the requirement of disclosure of particulars relating to conservation of energy and technology absorption in terms of Section 134 of the Companies Act, 2013 and the Rules framed thereunder is not applicable.

(ii) Foreign Exchange Earnings/Outgo

Your Company does not have any foreign currency earnings or expenditure during the financial year ended 31st March 2016.

14. Risk Management Framework

Your Company, being in the business of service Industry, has to manage various risks. The management reviews and monitors these risks at periodic intervals.

Also, your Company has introduced and adopted appropriate risk-management measures, policies, systems and processes that seek to strike an appropriate balance between risk and returns.

15. Details of Directors and Key Managerial Personnel

As on date of this report, your company's Board of Directors comprises of the following members, namely:

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1. Mr D Lakshmipathy
2. Mr Rangarajan Krishnan

During the financial year ended 31st March 2016, no change took place in the Board of Directors of your Company.

16. Details of Significant & Material Orders passed by the Regulators or court or tribunal

During the financial year, there are no significant and material orders passed by the regulators or Courts or Tribunals impacting the going concern status and your company's operations in future.

17. Deposits

Your Company has not accepted any deposits since its inception.

18. Auditors

Statutory Auditors

M/s Brahmayya & Co, Chartered Accountant, were appointed as the statutory auditors of the Company to hold office upto conclusion of 1st AGM.

The Board of Directors recommends the appointment of M/s Brahmayya & Co, Chartered Accountant as statutory auditors of the Company from the conclusion of the First AGM till the conclusion of sixth AGM of the Company. In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

19. Directors' Responsibility Statement

To the best of their knowledge and belief, and according to the information and explanations obtained by them, your Directors confirm the following in terms of Section 134 of the Companies Act, 2013 and the Rules made thereunder:-

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the

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- financial year and of the profit of the company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
 - d. the directors had prepared the annual accounts on a going concern basis; and
 - e. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgement

Your Directors wish to thank the customers, bankers, shareholders, service agencies and other stakeholders for their support. The directors also thank the employees for their contribution during the financial year under review.

For and on behalf of the Board of Directors

Chennai
24th May 2016


D Lakshmi Pathy
Chairman

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a) Bodies Corp.									
i) Indian									0.00%
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (specify)									
Non Resident Indians	-	-	-	-	-	-	-	-	0.00%
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	
Foreign Nationals	-	-	-	-	-	-	-	-	0.00%
Clearing Members	-	-	-	-	-	-	-	-	0.00%
Trusts	-	-	-	-	-	-	-	-	0.00%
Foreign Bodies - D R	-	-	-	-	-	-	-	-	0.00%
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	0.00%
Total Public (B)	-	-	-	-	-	-	-	-	0.00%
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	-	15,000,000	15,000,000	100.00%	-	15,000,000	15,000,000	100.00%	

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	D Lakshmi pathy	100	0.01%	-	100	0.01%	-	0.00%
2	M/s Five Star Business Finance Limited (Holding Co	14,999,900	99.99%	-	14,999,900	99.99%	-	0.00%

(iii) Change In Promoters' Shareholding (please specify, if there is no change) - No change

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total
	At the beginning of the year				
	Changes during the year	NO CHANGE			
	At the end of the year				

(iv) Shareholding Pattern of top ten Shareholders NIL

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	D Lakshmi pathy	100	0.01%	100	0.01%

V. INDEBTEDNESS - NIL

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness

Indebtedness at the beginning of the financial year				
i) Principal Amount		-	-	-
ii) Interest due but not paid		-	-	-
iii) Interest accrued but not due		-	-	-
Total (i+ii+iii)		-	-	-
Change in Indebtedness during the financial year				
* Addition		-	-	-
* Reduction		-	-	-
Net Change		-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount		-	-	-
ii) Interest due but not paid		-	-	-
iii) Interest accrued but not due		-	-	-
Total (i+ii+iii)		-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (Rs/Lac)
		D Lakshmiopathy	
		Chairman Director	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		-
2	Stock Option		-
3	Sweat Equity		-
4	Commission		-
	- as % of profit		-
	- others, specify		-
5	Others, please specify		-
	Total (A)		-
	Ceiling as per the Act		-

B. Remuneration to other Directors NIL

SN.	Particulars of Remuneration of Directors (Name)	Total Amount (Rs/Lac)
1	Independent Directors	
	Fee for attending board committee meetings	-
	Commission	-
	Others, please specify	-
	Total (1)	-
2	Other Non-Executive Directors	
	Fee for attending board committee meetings	-
	Commission	-
	Others, please specify	-
	Total (2)	-
	Total (B)=(1+2)	-
	Total Managerial Remuneration	-
	Overall Ceiling as per the Act	-

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD = NIL

SN.	Particulars of Remuneration	Name of Key Managerial Personnel	Total Amount (Rs/Lac)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		-
	(b) Value of perquisites u/s 17(2) Income-tax Act,		-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		-
2	Stock Option		-
3	Sweat Equity		-
4	Commission		-
	- as % of profit		-
	- others, specify		-
5	Others, please specify		-
	Total		0.00



VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL					
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY - NA					
Penalty					
Punishment					
Compounding					
B. DIRECTORS - NA					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT - NA					
Penalty					
Punishment					
Compounding					

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FIVE-STAR HOUSING FINANCE PRIVATE LIMITED**

1. Report on the Financial Statements

We have audited the accompanying financial statements of Five-Star Housing Finance Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the period 28th September 2015 (date of incorporation) to 31st March 2016, and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of



the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

4. **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- b) in the case of the Statement of Profit and Loss, of the profit for the period ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

5. **Report on Other Legal and Regulatory Requirements**

- (i) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we give in the "Annexure - A" a statement on the matters specified in paragraph 3 and 4 of the Order.
- (ii) As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the Operating Effectiveness of such controls, refer to our separate report in "Annexure - B"
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company has disclosed the effect of the pending legal proceedings against it in its financial statements as mentioned in Note 13.4 of the Notes to the Accounts;
 - ii. the company did not have any long term contracts including derivative contracts
 - iii. there was no amount to be transferred to the Investor Education and Protection Fund by the company during the period.

Place: Chennai

Date: 24th May, 2016



For BRAHMAYYA & Co.,
Chartered Accountants
Firm Regn. No.000511S


L. Ravi Sankar

Partner

Membership No. 025929

FIVE-STAR HOUSING FINANCE PRIVATE LIMITED

**"ANNEXURE A" TO THE AUDITORS' REPORT REFERRED TO IN PARAGRAPH
5 OF OUR REPORT OF EVEN DATE**

1. In our opinion and according to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, clauses (iii)(a), (b) and (c) of paragraph 3 of the Order are not applicable to the Company for the period.
2. In our opinion and according to the information and explanations given to us, the company has not granted any loan to its directors and has not made any investment as envisaged in section 185 and 186 of the Companies Act, 2013 respectively.
3. The company has not accepted deposits from public.
4. i) In our opinion and according to the information and explanations given to us, undisputed statutory dues, including Income tax and other material statutory dues have been regularly deposited during the period with the appropriate authorities. According to the information and explanations given to us, there are no arrears of statutory dues which are outstanding as at 31st March 2016 for a period of more than six months from the date they became payable.

ii) According to the records of the Company and the information and explanations given to us, there are no dues of any cess or tax which have not been deposited on account of any dispute.
5. To the best of our knowledge and belief and according to the information and explanations given to us, during the period, no fraud by the Company and no fraud on the Company by its officers or employees were noticed or reported during the period.
6. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Section 177 and Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
7. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them.



8. In our opinion and according to the information and explanations given to us, the nature of the Company's business/ activities during the period has been such that clause (i), clause (ii), clause(vi), clause (viii), clause(ix), clause(xi), clause(xii), clause(xiv) and clause (xvi) of paragraph 3 of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company for the period.

Place: Chennai

Date: 24th May, 2016



For BRAHMAYYA & Co.,
Chartered Accountants
Firm Regn. No.000511S

L.Ravi Sankar
Partner

Membership No. 025929

FIVE-STAR HOUSING FINANCE PRIVATE LIMITED
“ANNEXURE B” TO THE AUDITORS’ REPORT REFERRED TO IN PARAGRAPH
5 OF OUR REPORT OF EVEN DATE

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies, Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Five-Star Housing Finance Private Limited (“the Company”) as of 31st March 2016 in conjunction with our audit of the standalone financial statements of the Company for the period ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Chennai

Date: 24th May, 2016



For BRAHMAYYA & Co.,
Chartered Accountants
Firm Regn. No.000511S

L. Ravi Sankar
L. Ravi Sankar

Partner

Membership No. 025929

FIVE-STAR HOUSING FINANCE PRIVATE LIMITED
Balance Sheet as at 31st March 2016

Particulars		Note No	As at 31st March 2016 Rs.
A	<u>EQUITY AND LIABILITIES</u>		
	1 Shareholders' funds		
	(a) Share capital	3	150,000,000
	(b) Reserves and surplus	4	3,058,671
			153,058,671
	2 Non-current liabilities		
	(a) Long term borrowings		-
	(b) Other Long term Liabilities		-
	(c) Long term provisions		-
	3 Current liabilities		
	(a) Short Term borrowings		-
	(b) Trade payables		-
	(A) total outstanding dues of micro enterprises and small enterprises		-
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises	5	11,450
	(c) Other Current Liabilities		-
	(d) Short term provisions	6	943,227
			954,677
	TOTAL		154,013,348
B	<u>ASSETS</u>		
	1 Non-current assets		
	(a) Fixed assets		
	(i) Tangible assets		-
	(ii) Intangible assets		-
	(b) Non-Current Investments		-
	(c) Deferred tax assets(net)		-
	(d) Long term receivables under financing activity		-
	(e) Long term loans and advances		-
	(f) Other Non Current Assets	7	1,637,436
			1,637,436
	2 Current assets		
	(a) Current Investments		-
	(b) Cash and Bank Balances	8	147,942,198
	(c) Short term receivables under financing activity		-
	(d) Short term loans and advances		-
	(e) Other Current Assets	9	4,433,714
			152,375,912
	TOTAL		154,013,348
	Significant Accounting Policies and Notes to the Accounts	2 to 13	

As per our report of even date attached
For Brahmayya & Co.

Chartered Accountants
Firm Registration Number 0005115

L. Ravi Sahkar

Partner

Membership No. 025929

Place : Chennai

Date: 24.05.2016

D. Lakshmpathy
Director

K. Rangarajan
Director



FIVE-STAR HOUSING FINANCE PRIVATE LIMITED


Statement of Profit and Loss for the Period 28th September 2015 (Date of Incorporation) to 31st March 2016

Particulars	Note No	28.09.2015 to 31.03.2016 Rs.
REVENUE		
Revenue from Operations		-
other income	10	4,926,349
Total revenue		4,926,349
EXPENSES		
Administrative and other expenses	11	22,457
Preliminary Expenses written off		409,359
Total Expenses		431,816
Profit Before Tax		4,494,533
Tax expenses		
Current tax expenses		1,435,862
Deferred tax		-
		1,435,862
Profit for the Year		3,058,671
Earnings per share - (Refer Note 13.2)		
Weighted Average number of Shares (Face Value Rs.10/- per share)		6,844,262
- Basic (of Rs.10/- each)		0.45
- Diluted		0.45
Significant Accounting Policies and Notes to the Accounts	2 to 13	

As per our report of even date attached
For Brahmaya & Co.
Chartered Accountants
Firm Registration Number 0005115



L. Ravi Sankar
Partner
Membership No. 025929
Place : Chennai
Date: 24.05.2016


D. Lakshmpathy
Director


K. Rangarajan
Director



CASH FLOW STATEMENT FOR THE PERIOD 28TH SEPTEMBER 2015 (DATE OF INCORPORATION) TO 31ST MARCH 2016

A) CASH FLOW FROM OPERATING ACTIVITIES	Year Ended 31.03.2016	
	(Rs.)	
Net Profit	3,058,671	
Add: Provision for Taxation	1,435,862	
Add: Preliminary Expenses written off	409,359	
		4,903,892
Operating Profit Before Working Capital Changes		4,903,892
(Increase) Decrease in Other Current Assets	(4,433,714)	
Increase (Decrease) in Current Liabilities	11,450	
Preliminary Expenses Paid	(2,046,795)	
		(6,469,059)
		(1,565,167)
Direct Taxes Paid	(492,635)	
Net Cash from Operating Activities (A)		(2,057,802)
B) CASH FLOW FROM INVESTING ACTIVITIES		-
Net Cash from Investing Activities (B)		-
C) CASH FLOW FROM FINANCING ACTIVITIES		
<u>Long Term</u>		
Increase in Share Capital		150,000,000
Net Cash from Financing Activities (C)		150,000,000
Net Increase in Cash and Cash Equivalents (A) + (B) + (C)		147,942,198
Cash and Cash Equivalents at the Beginning of the Year		-
Cash and Cash Equivalents at the End of the Year		147,942,198
Components of Cash and Cash Equivalents at the end of the Year		
Cash on Hand		-
Cash with Scheduled Banks		147,942,198
Cash and Cash Equivalents		147,942,198

As per our report of even date attached

For Brahmayya & Co.
Chartered Accountants
Firm Registration Number 0005115



[Signature]

L. Ravi Sankar
Partner
Membership No. 025929
Place : Chennai
Date: 24.05.2016

[Signature]
D. Lakshminath
Director

[Signature]
K. Rangarajan
Director



FIVE-STAR HOUSING FINANCE PRIVATE LIMITED
Notes forming part of the financial statements

Note	Particulars
1	Corporate information
	<p>Five-Star Housing Finance Private Limited ('the Company') was incorporated on 28th September 2015 with the primary objective of carrying on the business of providing long term housing finance to meet the housing needs of the low and middle income segment in the country.</p> <p>The Company received the certificate of registration from the National Housing Bank (NHB) on 3rd May 2016 to commence the business of Housing Finance without accepting public deposits.</p>
2	Significant accounting policies
2.1	Basis of accounting and preparation of financial statements
	<p>The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India, Accounting Standards (AS) notified by the Companies (Accounting Standards) Rules, 2006 (as amended) / issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013. Besides, the company follows the Directions prescribed by the National Housing Bank (NHB) for Housing Finance Companies.</p>
2.2	Use of estimates
	<p>The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.</p>
2.3	Revenue recognition
	<p>Income and Expenditure are accounted on accrual basis.</p>



FIVE-STAR HOUSING FINANCE PRIVATE LIMITED

Notes forming part of the financial statements

Note	Particulars
2.4 Earnings per share	<p>Basic earnings per share is computed by dividing the profit / (Loss) after tax (including the post tax effect of extraordinary item, if any) by the weighted average number of equity shares outstanding during the year.</p>
2.5 Taxes on Income	<p>Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.</p>
2.6 Provisions and contingencies	<p>Provisions are recognised only when the Company has present or legal obligations as a result of past events for which it is probable that an outflow of economic benefit will be required to settle the transaction and when a reliable estimate of the amount of obligation can be made.</p>
2.7 Preliminary Expenses	<p>Preliminary Expenses incurred for Incorporation are written off over a period of 5 years. 1/5th of the total preliminary expenditure recognised in the current financial year</p>



FIVE-STAR HOUSING FINANCE PRIVATE LIMITED
Notes forming part of the financial statements

Note 3 Share Capital

Particulars	As at 31st March 2016	
	Number of Shares	Rs.
(a) Authorised		
Equity Shares of Rs.10 each	25,000,000	250,000,000
(b) Issued, Subscribed and fully paid up		
Equity Shares of Rs.10 each	15,000,000	150,000,000

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year

Particulars	Period ended 31st March 2016	
	Number of Shares	Amount (Rs.)
Equity Shares		
Shares Issued During the period 28.09.2015 to 31.03.2016	15,000,000	150,000,000
Closing Balance	15,000,000	150,000,000

(ii) Terms/rights attached to Equity Shares:

The Company has only one class of equity shares having a par value of Rs.10 each. Each holder is entitled to one vote per equity share.

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31st March 2016	
	Number of Shares held	% of holding in that class of shares
Equity Shares		
Five-Star Business Credits Limited	14,999,900	100.00
D. Lakshmiopathy *	100	0.00

* Nominee of Five-Star Business Credits Limited



FIVE-STAR HOUSING FINANCE PRIVATE LIMITED
Notes forming part of the financial statements

Note 4 Reserves and Surplus

Particulars	As at 31st March 2016 Rs.
(a) Statutory Reserve (Note 4.1)	
Amount transferred from surplus In the statement of profit and loss	660,000
Closing Balance	660,000
(b) General Reserve	
Amount transferred from surplus In the Statement of Profit and Loss	360,000
Closing Balance	360,000
(c) Surplus in the statement of profit and loss	
Profit for the year from statement of Profit and Loss	3,058,671
Less: Appropriations	
Transfer to Statutory Reserve	660,000
Transfer to General Reserve	360,000
Net Surplus in the statement of Profit and Loss	2,038,671
Total Reserves and surplus	3,058,671

4.1 - As per Section 29C of the National Housing Bank Act, 1987, the company is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared. For this purpose, the company has transferred Rs.6,60,000/- to the statutory reserve (u/s 29C of NHB Act)



FIVE-STAR HOUSING FINANCE PRIVATE LIMITED
Notes forming part of the financial statements

Note 5 : Trade Payable

Particulars	As at 31st March 2016 Rs.
Total outstanding dues of creditors other than micro enterprises and small enterprises	11,450
	11,450

Note 6 : Short Term Provisions

Particulars	As at 31st March 2016 Rs.
Provision for Income Tax	943,227
	943,227

Provision for Income Tax comprises net off TDS - Rs.492,635/-

Note 7 : Other Non Current Assets

Particulars	As at 31st March 2016 Rs.
Unamortised Preliminary Expenes	1,637,436
	1,637,436

Note 8 : Cash and Bank Balances

Particulars	As at 31st March 2016 Rs.
Cash and Cash Equivalents:	
(a) Cash on Hand	
(b) Balances with Banks	
(i) In Current accounts	2,942,198
(ii) In Deposit accounts with less than 3 months maturity	145,000,000
	147,942,198



FIVE-STAR HOUSING FINANCE PRIVATE LIMITED
Notes forming part of the financial statements

Note 9 : Other Current Assets

Particulars	As at 31st March 2016 Rs.
Interest Accrued on Fixed Deposits with Banks	4,433,714
	4,433,714

Note 10: Other Income

Particulars	28.09.2015 to 31.03.2016 Rs.
Interest on Bank Deposits	4,926,349
	4,926,349

Note 11 : Other Expenses

Particulars	28.09.2015 to 31.03.2016 Rs.
Audit Fees - Statutory Audit	11,450
NHB Application Fee	10,000
Printing & Stationery	950
Bank Charges	57
	22,457



FIVE-STAR HOUSING FINANCE PRIVATE LIMITED
Notes forming part of the financial statements

Note 12 : Additional information to the financial statements

Note	Particulars
12	Micro, Small and Medium Enterprises
	There are no amounts due to Small Scale Industries in terms of "The Micro, Small and Medium Enterprises Development Act, 2006"

Note 13 : Disclosure under Accounting Standards

13.1	Related Party Transactions		
13.1.a	Related Parties: Holding Company : Five-Star Business Credits Limited (100% holding) Key Management Personnel: Mr.D. Lakshmiopathy, Chairman		
13.1.b	Details of related party transactions for the year		
		Key Management Personnel	Relatives of Key Management Personnel
	Nature of Transactions		Holding Company
		31.03.2016	31.03.2016
		Rs.	Rs.
	Transactions during the period 28.09.2015 to 31.03.2016		
	Receipt of Share Capital	-	150,000,000
	Liabilities at the end of the year		
	Equity Share Capital	-	150,000,000

13.2 Earnings per share

Particulars	As at 31st March 2016
	Rs.
Profit after tax (Rs.)	3,058,671
Weighted Average Number of Equity Shares	
- Basic (No.)	6,844,262
- Diluted (No.)	6,844,262
Earnings Per Share (EPS)	
- Basic (No.)	0.45
- Diluted (No.)	0.45
Face Value of Shares (Rs.)	10



FIVE-STAR HOUSING FINANCE PRIVATE LIMITED
Notes forming part of the financial statements

13.3 Contingent liability

There is no Contingent liability as on 31.03.2016.

13.4 Pending Litigations

The Pending Litigations as on 31st March 2016 have been compiled by the company and reviewed by Statutory Auditors. The Current position of the litigations has been evaluated and the effect thereof has been disclosed in the financial statements wherever appropriate.

13.5 Previous Year Figures

The Company was incorporated on 28th September 2015. The financial statement pertains to the period from the date of incorporation to 31st March 2016. Therefore there are no comparative figures for the previous period.

As per our report of even date attached
For Brahmaya & Co.
Chartered Accountants
Firm Registration Number 0005115



L. Ravi Sankar

Partner

Membership No. 025929

Place : Chennai

Date: 24.05.2016



D. Lakshmi pathy
Director



K. Rangarajan
Director

