

**Five-Star Business Finance Limited**  
**Balance Sheet as at December 31, 2021**

(All amounts are in Indian Rupees in lakhs, except share data and stated otherwise)

Particulars	Note	As at Dec 31, 2021	As at Dec 31, 2020	As at Mar 31, 2021
<b>ASSETS</b>				
<b>Financial Assets</b>				
Cash and cash equivalents	4	75,977.05	95,538.37	1,26,718.28
Bank balances other than cash and cash equivalents	5	38,991.91	19,935.49	8,853.99
Investments		33,789.02	-	-
Loans	6	4,76,643.77	3,95,829.38	4,35,874.94
Other financial assets	8	573.31	1,405.99	474.34
	0	<b>6,25,975.06</b>	<b>5,12,709.24</b>	<b>5,71,921.55</b>
<b>Non-financial Assets</b>				
Current tax assets (net)	9	1,805.65	450.04	795.79
Deferred tax assets (net)	37	4,468.74	3,261.59	3,698.94
Investment property	10	3.56	3.56	3.56
Property, plant and equipment	11	920.90	886.35	845.60
Right of use asset		1,852.67	1,502.70	1,452.63
Other intangible assets	12	131.89	192.46	190.30
Other non-financial assets	13	1,583.07	704.11	452.77
		<b>10,766.48</b>	<b>7,000.82</b>	<b>7,439.59</b>
<b>Total assets</b>		<b>6,36,741.54</b>	<b>5,19,710.06</b>	<b>5,79,361.14</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Financial Liabilities</b>				
Payables	14			
Trade payables				
total outstanding dues to micro and small enterprises		-	-	-
total outstanding dues to creditors other than micro and small enterprises		896.35	999.44	867.17
Debt securities	15	1,23,443.53	1,18,258.67	1,30,378.55
Borrowings (other than debt securities)	16	1,48,133.10	1,74,579.67	2,12,141.12
Other financial liabilities	17	2,143.50	1,659.90	1,717.01
		<b>2,74,616.48</b>	<b>2,95,497.69</b>	<b>3,45,103.84</b>
<b>Non-financial Liabilities</b>				
Current tax liabilities (net)	18	-	164.51	-
Provisions	19	1,078.99	745.97	719.79
Other non-financial liabilities	20	3,033.43	1,173.60	1,720.28
		<b>4,112.42</b>	<b>2,084.07</b>	<b>2,440.07</b>
<b>Equity</b>				
Equity share capital	21	2,901.71	2,564.37	2,564.49
Other equity	22	3,55,110.93	2,19,563.92	2,29,252.73
		<b>3,58,012.64</b>	<b>2,22,128.30</b>	<b>2,31,817.22</b>
		<b>6,36,741.54</b>	<b>5,19,710.06</b>	<b>5,79,361.14</b>

**Five-Star Business Finance Limited****Statement of Profit and loss for the period ended December 31, 2021**

(All amounts are in Indian Rupees in lakhs, except share data and stated otherwise)

Particulars	Note	Nine months ended Dec 31, 2021	Nine months ended Dec 31, 2020	Year ended Mar 31, 2021
<b>Revenue from operations</b>				
Interest income	23	89,006.95	75,422.58	1,01,487.58
Fee income	24	1,909.70	1,144.71	2,167.61
Net gain on fair value changes	25	1,873.09	678.66	1,319.03
<b>Total revenue from operations</b>		<b>92,789.74</b>	<b>77,245.94</b>	<b>1,04,974.22</b>
Other income	0	108.55	60.08	151.25
<b>Total Income</b>		<b>92,898.29</b>	<b>77,306.01</b>	<b>1,05,125.47</b>
<b>Expenses</b>				
Finance costs	27	23,654.14	24,520.18	32,519.12
Fees expenses	28	100.24	97.61	266.83
Impairment on financial instruments	29	3,722.53	1,856.03	3,517.57
Employee benefits expenses	30	16,858.19	11,531.85	16,371.75
Depreciation and amortization	11 & 12	843.31	836.01	1,138.39
Other expenses	31	3,198.96	2,472.55	3,667.70
<b>Total Expenses</b>		<b>48,377.37</b>	<b>41,314.23</b>	<b>57,481.36</b>
<b>Profit before tax</b>		<b>44,520.92</b>	<b>35,991.78</b>	<b>47,644.11</b>
<b>Tax expense</b>				
Current tax	33 A	11,680.93	9,349.50	12,594.12
Deferred tax (net)	37	(726.39)	(413.17)	(849.47)
		10,954.55	8,936.33	11,744.65
<b>Profit for the period</b>		<b>33,566.38</b>	<b>27,055.44</b>	<b>35,899.46</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Re-measurements of the defined benefit plan		(172.51)	(101.13)	(105.30)
reclassified to profit or loss		43.42	25.45	26.50
<b>Net other comprehensive income not to be reclassified subsequently to profit or loss</b>		<b>(129.09)</b>	<b>(75.68)</b>	<b>(78.80)</b>
<b>Other comprehensive (income) / deficit for the year, net of income tax</b>		<b>(129.09)</b>	<b>(75.68)</b>	<b>(78.80)</b>
<b>Total comprehensive income</b>		<b>33,437.28</b>	<b>26,979.77</b>	<b>35,820.66</b>

**Five-Star Business Finance Limited**

**Notes forming part of the financial statements for the period ended Dec 31, 2021 (continued)**

(All amounts are in Indian Rupees in lakhs, except share data and stated otherwise)

Particulars	As at Dec 31, 2021	As at Dec 31, 2020	As at Mar 31, 2021
<b>4 Cash and cash equivalents</b>			
Cash on hand	542.17	440.28	425.85
Balances with banks			
(i) In current accounts	5,266.67	27,847.11	31,454.90
(ii) In other deposit accounts (original maturity less than 3	70,168.22	67,250.99	94,837.53
	<b>75,977.05</b>	<b>95,538.37</b>	<b>1,26,718.28</b>
<b>5 Bank Balances other than cash and cash equivalents</b>			
Fixed deposit with bank	38,989.33	19,931.53	8,850.03
In earmarked accounts			
Unclaimed Dividend account	2.58	3.96	3.96
	<b>38,991.91</b>	<b>19,935.49</b>	<b>8,853.99</b>
<b>5A Investments</b>			
Investments in Mutual funds	6,570.53	-	-
Investments in government securities	27,218.49	-	-
	<b>33,789.02</b>	<b>-</b>	<b>-</b>
<b>6 Loans (At amortised cost)</b>			
<b>A Based on nature</b>			
<b>Term Loans</b>			
<b>Gross term loans</b>	4,76,762.75	4,03,103.23	4,44,538.09
Inter corporate loans	10,173.57	-	-
Less: Impairment loss allowance	10,292.55	7,273.85	8,663.15
<b>Net term loans</b>	<b>4,76,643.77</b>	<b>3,95,829.38</b>	<b>4,35,874.94</b>
<b>B Based on security</b>			
Secured by tangible assets	4,76,762.75	4,03,103.23	4,44,538.09
Unsecured	10,173.57	-	-
<b>Gross term loans</b>	<b>4,86,936.32</b>	<b>4,03,103.23</b>	<b>4,44,538.09</b>
Less: Impairment loss allowance	10,292.55	7,273.85	8,663.15
<b>Net term loans</b>	<b>4,76,643.77</b>	<b>3,95,829.38</b>	<b>4,35,874.94</b>
<b>C Based on region</b>			
<b>Loans in India</b>			
Public sector	-	-	-
Others	4,86,936.32	4,03,103.23	4,44,538.09
Less: Impairment loss allowance	10,292.55	7,273.85	8,663.15
	<b>4,76,643.77</b>	<b>3,95,829.38</b>	<b>4,35,874.94</b>
<b>Loans outside India</b>	-	-	-
Less: Impairment loss allowance	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>4,76,643.77</b>	<b>3,95,829.38</b>	<b>4,35,874.94</b>

**Note:** Inter-corporate loans represent fixed deposits placed with HDFC limited

**Five-Star Business Finance Limited****Notes forming part of the financial statements for the period ended Dec 31, 2021 (continued)**

(All amounts are in Indian Rupees in lakhs, except share data and stated otherwise)

<b>Particulars</b>	<b>As at Dec 31, 2021</b>	<b>As at Dec 31, 2020</b>	<b>As at Mar 31, 2021</b>
<b>8 Other financial assets</b>			
<b>Unsecured, considered good</b>			
Security deposits	424.92	380.57	369.56
Other receivables	148.36	1,025.42	104.78
<b>Total</b>	<b>573.28</b>	<b>1,405.99</b>	<b>474.34</b>
<b>9 Current tax assets (net)</b>			
Advance income tax, net of provision	1,805.65	450.04	795.79
<b>Total</b>	<b>1,805.65</b>	<b>450.04</b>	<b>795.79</b>
<b>10 Investment Property</b>			
<b>Cost or deemed cost (Gross carrying amount)</b>			
Balance at the beginning of the year	3.56	3.56	3.56
Acquisitions	-	-	-
Transfer from property, plant and equipment	-	-	-
<b>Balance at the end of the year</b>	<b>3.56</b>	<b>3.56</b>	<b>3.56</b>
<b>Accumulated depreciation</b>			
Balance at the beginning of the year	-	-	-
Depreciation for the year	-	-	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net carrying amounts</b>	<b>3.56</b>	<b>3.56</b>	<b>3.56</b>
<b>Fair value</b>	<b>6.86</b>	<b>6.86</b>	<b>6.86</b>
<b>13 Other non-financial assets</b>			
Capital advances	74.20	43.24	42.62
Prepaid expenses	1,445.74	537.73	331.14
Balance with government authorities	63.13	123.15	79.01
	<b>1,583.07</b>	<b>704.11</b>	<b>452.77</b>

**Five-Star Business Finance Limited**

**Notes forming part of the financial statements for the period ended Dec 31, 2021 (continued)**

(All amounts are in Indian Rupees in lakhs, except share data and stated otherwise)

Particulars	As at Dec 31, 2021	As at Dec 31, 2020	As at Mar 31, 2021
<b>14 Payables</b>			
<b>14.1 Trade payables</b>			
total outstanding dues of micro and small enterprises	-	-	-
total outstanding dues of creditors other than micro and small enterprises	896.35	999.44	867.17
	<b>896.35</b>	<b>999.44</b>	<b>867.17</b>
To related parties	-	-	-
Others	896.35	999.44	867.17
	<b>896.35</b>	<b>999.44</b>	<b>867.17</b>
<b>15 Debt securities (refer note 16.1)</b>			
<b>At amortised cost</b>			
<b>Secured debentures</b>			
Debentures at Amortised Cost	1,18,000.55	1,16,204.27	1,28,004.27
Interest accrued but not due on debt securities	5,988.65	2,687.35	3,286.54
	1,23,989.20	1,18,891.62	1,31,290.81
Less: Unamortised processing fee	(545.67)	(632.95)	(912.25)
	<b>1,23,443.53</b>	<b>1,18,258.67</b>	<b>1,30,378.55</b>
Debts securities in India	1,23,443.53	1,18,258.67	1,30,378.55
Debts securities outside India	-	-	-
	<b>1,23,443.53</b>	<b>1,18,258.67</b>	<b>1,30,378.55</b>
<b>16 Borrowings (other than debt securities) (refer note 16.1)</b>			
<b>At amortised cost</b>			
Term loans (secured)			
From banks	70,976.91	85,834.06	97,745.53
From other parties	19,276.52	29,274.42	30,973.06
Loans repayable on demand (secured)			
From banks	403.15	146.81	196.60
Securitisation	57,810.40	59,783.93	83,992.22
Interest accrued but not due on borrowings	218.77	410.97	308.57
Interest accrued on securitisation	211.27	219.11	290.72
	<b>1,48,897.01</b>	<b>1,75,669.30</b>	<b>2,13,506.70</b>
Less: Unamortised processing fee	(763.92)	(1,089.63)	(1,365.59)
	<b>1,48,133.10</b>	<b>1,74,579.67</b>	<b>2,12,141.12</b>
Borrowings in India	1,48,133.10	1,74,579.67	2,12,141.12
Borrowings outside India	-	-	-
	<b>1,48,133.10</b>	<b>1,74,579.67</b>	<b>2,12,141.12</b>
<b>17 Other financial liabilities</b>			
Unpaid dividends	2.58	3.96	3.96
CSR liability	112.50	-	150.00
Lease liabilities	1,997.56	1,609.58	1,529.37
Others	30.86	46.36	33.68
	<b>2,143.50</b>	<b>1,659.90</b>	<b>1,717.01</b>
<b>18 Current tax liabilities (net)</b>			
Provision for tax (net)	-	164.51	-
	<b>-</b>	<b>164.51</b>	<b>-</b>

**Five-Star Business Finance Limited****Notes forming part of the financial statements for the period ended Dec 31, 2021 (continued)**

(All amounts are in Indian Rupees in lakhs, except share data and stated otherwise)

<b>Particulars</b>	<b>As at Dec 31, 2021</b>	<b>As at Dec 31, 2020</b>	<b>As at Mar 31, 2021</b>
<b>19 Provisions</b>			
Provision for employee benefits			
Provision for gratuity	281.72	171.51	254.78
Provision for compensated absences	797.27	574.46	465.01
	<b>1,078.99</b>	<b>745.97</b>	<b>719.79</b>
<b>20 Other non-financial liabilities</b>			
Statutory dues payable	384.69	304.44	487.39
Employee related payables	2,583.75	869.21	1,232.89
Others	64.98	-	-
	<b>3,033.43</b>	<b>1,173.65</b>	<b>1,720.28</b>

**Five-Star Business Finance Limited**

**Notes forming part of the financial statements for the period ended Dec 31, 2021 (continued)**

(All amounts are in Indian Rupees in lakhs, except share data and stated otherwise)

**11 Property, plant and equipment and capital work-in-progress**

<b>Particulars</b>	<b>Furniture and fittings</b>	<b>Computers and accessories</b>	<b>Office equipments</b>	<b>Vehicles</b>	<b>Leasehold improvements</b>	<b>Total (A)</b>	<b>Capital work-in-progress (B)</b>	<b>Total (A) + (B)</b>
<b>Cost or deemed cost (gross carrying amount)</b>								
<b>As at March 31, 2021</b>	<b>729.00</b>	<b>952.53</b>	<b>317.49</b>	<b>39.26</b>	<b>405.00</b>	<b>2,443.28</b>	<b>-</b>	<b>2,443.28</b>
Additions / Transfer-in	114.23	231.21	26.08	-	9.46	380.98	-	380.98
Disposals / Transfer-out	4.97	-	0.48	-	-	5.44	-	5.44
<b>As at December 31, 2021</b>	<b>838.26</b>	<b>1,183.74</b>	<b>343.10</b>	<b>39.26</b>	<b>414.46</b>	<b>2,818.82</b>	<b>-</b>	<b>2,818.82</b>
<b>Accumulated depreciation</b>								
<b>As at March 31, 2021</b>	<b>319.76</b>	<b>739.96</b>	<b>185.99</b>	<b>30.37</b>	<b>321.60</b>	<b>1,597.68</b>	<b>-</b>	<b>1,597.68</b>
Additions / Transfer-in	86.80	136.99	49.01	1.86	29.43	304.10	-	304.10
Disposals / Transfer-out	3.17	0.34	0.36	-	-	3.87	-	3.87
<b>As at December 31, 2021</b>	<b>403.39</b>	<b>876.61</b>	<b>234.65</b>	<b>32.23</b>	<b>351.03</b>	<b>1,897.91</b>	<b>-</b>	<b>1,897.91</b>
<b>Carrying amount (net)</b>								
<b>As at March 31, 2021</b>	409.24	212.57	131.50	8.89	83.40	845.60	-	845.60
<b>As at December 31, 2021</b>	434.87	307.13	108.45	7.03	63.42	920.91	-	920.91

**Five-Star Business Finance Limited**

Notes forming part of the financial statements for the period ended Dec 31, 2021 (continued)

(All amounts are in Indian Rupees in lakhs, except share data and stated otherwise)

**12 Intangible assets and intangibles under development**

<b>Particulars</b>	<b>Softwares</b>	<b>Total (A)</b>	<b>Intangibles under development (B)</b>	<b>Total (A) + (B)</b>
<b>Cost or deemed cost (gross carrying amount)</b>				
<b>As at March 31, 2021</b>	<b>414.83</b>	<b>414.83</b>	<b>-</b>	<b>414.83</b>
Additions / Transfer-in	15.35	15.35	-	15.35
Disposals / Transfer-out	-	-	-	-
<b>As at December 31, 2021</b>	<b>430.18</b>	<b>430.18</b>	<b>-</b>	<b>430.18</b>
<b>Accumulated amortisation</b>				
<b>As at March 31, 2021</b>	<b>224.54</b>	<b>224.54</b>	<b>-</b>	<b>224.54</b>
Additions / Transfer-in	73.76	73.76	-	73.76
Disposals / Transfer-out	-	-	-	-
<b>As at December 31, 2021</b>	<b>298.29</b>	<b>298.29</b>	<b>-</b>	<b>298.29</b>
<b>Carrying amount (net)</b>				
<b>As at March 31, 2021</b>	<b>190.30</b>	<b>190.30</b>	<b>-</b>	<b>190.30</b>
<b>As at December 30, 2021</b>	<b>131.89</b>	<b>131.89</b>	<b>-</b>	<b>131.89</b>



**Five-Star Business Finance Limited**

**Notes forming part of the financial statements for the period ended Dec 31, 2021 (continued)**

**(All amounts are in Indian Rupees in lakhs, except share data and stated otherwise)**

Particulars	As at Dec 31, 2021	As at Dec 31, 2020	As at Mar 31, 2021
<b>21 Equity share capital</b>			
<b>Authorised</b>			
550,000,000 shares of INR 1 each	5,500.00	5,500.00	5,500.00
<b>Issued, subscribed and fully paid up</b>			
29,01,71,120 shares of INR 1 each	2,901.71	2,547.19	2,547.31
<b>Issued, subscribed and partly paid up</b>			
17,17,597 shares of INR 10 each	-	17.18	17.18

Particulars	As at Dec 31, 2021	As at Dec 31, 2020	As at Mar 31, 2021
<b>22 Other Equity</b>			
Statutory reserve u/s 45-IC of the Reserve Bank of India Act, 1934	18,022.90	10,843.01	18,022.90
Statutory reserve u/s 29C of the National Housing Bank Act, 1987	18.81	18.81	18.81
Share options outstanding account	4,364.20	956.11	1,795.27
Securities premium	2,29,086.45	1,39,225.72	1,39,234.46
General reserve	719.60	719.59	719.60
Retained earnings	1,02,898.97	67,800.70	69,461.69
Other comprehensive income	-	-	-
	<b>3,55,110.93</b>	<b>2,19,563.92</b>	<b>2,29,252.73</b>

Particulars	As at Dec 31, 2021	As at Dec 31, 2020	As at Mar 31, 2021
<b>i Statutory reserve u/s 45-IC of the Reserve Bank of India Act, 1934</b>			
Opening balance	18,022.90	10,843.01	10,843.01
Amount transferred from surplus in the statement of profit and loss	-	-	7,179.89
<b>Closing balance</b>	<b>18,022.90</b>	<b>10,843.01</b>	<b>18,022.90</b>
<b>ii Statutory reserve u/s 29C of the National Housing Bank Act, 1987</b>			
Opening balance	18.81	18.81	18.81
Amount transferred from surplus in the statement of profit and loss	-	-	-
<b>Closing balance</b>	<b>18.81</b>	<b>18.81</b>	<b>18.81</b>
<b>iii Share options outstanding account</b>			
Opening balance	1,795.27	428.30	428.30
Share based payment expense	2,898.59	663.00	1,509.39
Less : Transfer to securities premium	329.66	135.20	142.43
<b>Closing balance</b>	<b>4,364.20</b>	<b>956.11</b>	<b>1,795.27</b>
<b>iv Securities premium</b>			
Opening balance	1,39,234.45	1,39,069.20	1,39,069.20
Premium on shares issued during the period	90,022.10	156.52	165.25
Less : Utilised during the year for share issue expenses	170.10	-	-
<b>Closing balance</b>	<b>2,29,086.45</b>	<b>1,39,225.72</b>	<b>1,39,234.45</b>

**Five-Star Business Finance Limited**

Notes forming part of the financial statements for the period ended Dec 31, 2021 (continued)

(All amounts are in Indian Rupees in lakhs, except share data and stated otherwise)

Particulars	As at	As at	As at
	Dec 31, 2021	Dec 31, 2020	Mar 31, 2021
<b>22 Other Equity (Continued)</b>			
<b>v General reserve</b>			
Opening balance	719.60	719.60	719.60
<b>Closing balance</b>	<b>719.60</b>	<b>719.59</b>	<b>719.59</b>
General reserve are free reserves which can be utilised for any purpose as may be required.			
<b>vi Retained earnings</b>			
Opening balance	69,461.69	40,820.93	40,820.92
Net Profit for the year	33,566.38	27,055.44	35,899.46
Less : Appropriations			
Transfer to Statutory reserve	-	-	7,179.89
Transfer from other comprehensive income	(129.09)	(75.68)	(78.80)
<b>Closing balance</b>	<b>1,02,898.97</b>	<b>67,800.70</b>	<b>69,461.69</b>
<b>vii Other comprehensive income</b>			
Opening balance	-	-	-
Remeasurements of defined benefit asset/ (liability)	(129.09)	(75.68)	(78.80)
Transferred to retained earnings	129.09	75.68	78.80
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

comprise actuarial gain or loss, if any.

**Five-Star Business Finance Limited**

**Notes forming part of the financial statements for the period ended Dec 31, 2021 (continued)**

(All amounts are in Indian Rupees in lakhs, except share data and stated otherwise)

Particulars	Nine months ended Dec 31, 2021	Nine months ended Dec 31, 2020	Year ended Mar 31, 2021
<b>23 Interest income</b>			
<b>(On financial assets measured at amortised cost)</b>			
Interest on loans	83,573.40	71,547.28	96,515.94
Additional interest	747.55	507.03	641.18
Interest on deposits with banks	2,210.05	1,575.96	1,937.47
Interest on other investments	346.18	-	-
Processing fee income (EIR)	2,129.77	1,792.30	2,392.99
<b>Total</b>	<b>89,006.95</b>	<b>75,422.58</b>	<b>1,01,487.59</b>
<b>24 Fee income</b>			
Legal and inspection fees	1,666.87	987.52	1,894.14
Others charges	242.84	157.20	273.47
<b>Total</b>	<b>1,909.70</b>	<b>1,144.71</b>	<b>2,167.61</b>
<b>25 Net gain on fair value changes</b>			
<b>Net gain on financial instruments at fair value through profit or loss (FVTPL)</b>			
<b>On trading portfolio</b>			
-Mutual fund investments at FVTPL	1,873.09	678.66	1,319.03
	<b>1,873.09</b>	<b>678.66</b>	<b>1,319.03</b>
<b>Fair value changes</b>			
Realised	1,871.20	678.66	1,319.03
Unrealised	1.89	-	-
	<b>1,873.09</b>	<b>678.66</b>	<b>1,319.03</b>
<b>26 Other Income</b>			
Recovery of bad debts	97.26	-	86.88
Other non-operating income	11.30	60.08	64.37
	<b>108.55</b>	<b>60.08</b>	<b>151.25</b>
<b>27 Finance costs</b>			
<b>(On financial liabilities measured at amortised cost)</b>			
Interest on borrowings			
- term loans from banks	5,950.21	6,450.33	8,500.78
- cash credits and overdraft	5.59	1.96	5.04
- term loans from others	1,922.59	1,578.00	2,300.69
Interest on debt securities	9,506.06	11,027.96	14,276.28
Interest on securitisation	5,105.13	3,672.76	5,326.45
Other borrowing cost	995.25	1,615.93	1,930.34
Interest on lease liabilities	169.31	173.24	179.53
Interest on current tax liability	-	-	-
	<b>23,654.14</b>	<b>24,520.18</b>	<b>32,519.12</b>
<b>28 Fees expenses</b>			
Amortisation of ancillary costs relating to borrowings	100.24	97.61	266.83
	<b>100.24</b>	<b>97.61</b>	<b>266.83</b>

**Five-Star Business Finance Limited****Notes forming part of the financial statements for the period ended Dec 31, 2021 (continued)**

(All amounts are in Indian Rupees in lakhs, except share data and stated otherwise)

Particulars	Nine months ended Dec 31, 2021	Nine months ended Dec 31, 2020	Year ended Mar 31, 2021
<b>29 Impairment on financial instruments</b>			
<b>(On financial assets measured at amortised cost)</b>			
Impairment loss allowance on loans	3,722.53	1,856.03	3,517.57
	<b>3,722.53</b>	<b>1,856.03</b>	<b>3,517.57</b>
Includes write off of Rs. 2093 lakhs for 31 Dec 2021 and Rs. 725 lakhs for 31 Dec 2020 (31 Mar 2021 - 997 lakhs)			
<b>30 Employee benefits expenses</b>			
Salaries, wages and bonus	12,438.28	10,022.41	13,270.83
Contribution to provident and other funds	1,168.05	640.46	1,185.77
Employee stock option expenses	2,898.59	663.00	1,509.39
Staff welfare expenses	353.27	307.12	405.79
	<b>16,858.19</b>	<b>11,632.98</b>	<b>16,371.78</b>
<b>31 Other expenses</b>			
Rent	38.30	28.05	40.77
Rates and taxes	30.46	81.64	110.78
Electricity expenses	72.27	68.93	92.55
Repairs and maintenance	240.28	184.41	259.89
Communication costs	430.49	289.94	443.73
Printing and stationery	182.19	167.71	238.27
Advertisement and publicity	4.09	2.57	3.23
Directors fees, allowances and expenses	37.06	9.52	14.43
Auditor's fees and expenses	154.27	39.43	49.61
Legal and professional charges	1,044.39	697.44	1,183.11
Insurance	12.86	10.38	13.33
Corporate social responsibility expenses	-	350.00	428.63
Travel expenses	128.55	20.94	45.47
Information technology expenses	674.46	397.66	568.43
Loss on sale of property, plant and equipment	0.83	0.60	2.32
Bank charges	131.55	104.88	140.80
Customer referral expenses	2.07	0.49	1.57
Miscellaneous expenses	14.85	17.96	30.77
	<b>3,198.96</b>	<b>2,472.55</b>	<b>3,667.70</b>

**Five-Star Business Finance Limited**

Regd. Office: New No. 27, Old No.4, Taylors Road, Kilpauk, Chennai - 600 010

CIN: U65991TN1984PLC010844

**Statement of Unaudited Assets and Liabilities as at 31 December 2021**

(All amounts are in lakhs, except share data and as stated)

Particulars	As at 31 December 2021	As at 31 March 2021
	Unaudited	Audited
<b>ASSETS</b>		
<b>Financial assets</b>		
Cash and cash equivalents	75,977.05	1,26,718.28
Bank balances other than cash and cash equivalents	38,991.91	8,853.99
Loans	4,76,643.77	4,35,874.94
Investments	33,789.02	(0.00)
Other financial assets	573.31	474.34
	<b>6,25,975.06</b>	<b>5,71,921.55</b>
<b>Non - financial assets</b>		
Current tax assets (net)	1,805.65	795.79
Deferred tax assets (net)	4,468.74	3,698.94
Investment property	3.56	3.56
Property, plant and equipment	920.90	845.60
Right of use asset	1,852.67	1,452.63
Other intangible assets	131.89	190.30
Other non-financial assets	1,583.07	452.77
	<b>10,766.48</b>	<b>7,439.59</b>
<b>Total assets</b>	<b>6,36,741.54</b>	<b>5,79,361.14</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Financial liabilities</b>		
Payables		
Trade payables		
total outstanding dues of micro and small enterprises	-	-
total outstanding dues of creditors other than micro and small enterprises	896.35	867.17
Debt securities	1,23,443.53	1,30,378.55
Borrowings (Other than debt securities)	1,48,133.10	2,12,141.12
Other financial liabilities	2,143.50	1,717.01
	<b>2,74,616.47</b>	<b>3,45,103.85</b>
<b>Non-financial liabilities</b>		
Current tax liabilities (net)	-	-
Provisions	1,078.99	719.79
Other non-financial liabilities	3,033.43	1,720.28
	<b>4,112.43</b>	<b>2,440.07</b>
<b>Equity</b>		
Equity share capital	2,901.71	2,564.49
Other equity	3,55,110.93	2,29,252.73
	<b>3,58,012.64</b>	<b>2,31,817.22</b>
<b>Total equity and liabilities</b>	<b>6,36,741.54</b>	<b>5,79,361.14</b>
See accompanying notes to the unaudited financial results		

## Five-Star Business Finance Limited

Regd. Office: New No. 27, Old No.4, Taylors Road, Kilpauk, Chennai - 600 010

CIN: U65991TN1984PLC010844

## Statement of unaudited financial results for the quarter and year to date ended 31 December 2021

(All amounts are in lakhs, except share data and as stated)

Particulars	Quarter ended			Year to date ended		Year ended
	31 December 2021	30 September 2021	31 December 2020	31 December 2021	31 December 2020	31 March 2021
	Unaudited	Unaudited	Unaudited (refer note 12)	Unaudited	Unaudited (refer note 12)	Audited
<b>Revenue from operations</b>						
Interest income	30,370.30	29,426.63	25,710.77	89,006.95	75,422.58	1,01,487.58
Fee income	799.14	682.43	639.03	1,909.70	1,144.71	2,167.61
Net gain on fair value changes	551.02	714.20	466.61	1,873.09	678.66	1,319.03
<b>Total revenue from operations</b>	<b>31,720.46</b>	<b>30,823.26</b>	<b>26,816.41</b>	<b>92,789.74</b>	<b>77,245.95</b>	<b>1,04,974.22</b>
Other income	53.96	30.10	41.70	108.55	60.08	151.25
<b>Total Income</b>	<b>31,774.42</b>	<b>30,853.36</b>	<b>26,858.11</b>	<b>92,898.29</b>	<b>77,306.02</b>	<b>1,05,125.47</b>
<b>Expenses</b>						
Finance costs	7,230.55	7,808.69	8,617.60	23,654.14	24,520.18	32,519.12
Fees expenses	4.22	69.54	43.19	100.24	97.61	266.83
Impairment on financial instruments	1,529.14	350.40	1,322.15	3,722.53	1,856.03	3,517.57
Employee benefits expenses	5,841.13	5,862.20	4,334.29	16,858.19	11,531.85	16,371.75
Depreciation and amortization	306.70	275.79	291.36	843.31	836.01	1,138.39
Other expenses	1,182.56	1,028.77	1,331.48	3,198.96	2,472.55	3,667.70
<b>Total Expenses</b>	<b>16,094.30</b>	<b>15,395.39</b>	<b>15,940.06</b>	<b>48,377.37</b>	<b>41,314.22</b>	<b>57,481.36</b>
<b>Profit before tax</b>	<b>15,680.12</b>	<b>15,457.97</b>	<b>10,918.05</b>	<b>44,520.92</b>	<b>35,991.81</b>	<b>47,644.11</b>
<b>Tax expenses</b>						
Current tax	4,093.44	3,738.69	3,172.32	11,680.93	9,349.50	12,594.12
Deferred tax (net)	(224.98)	(64.60)	(396.45)	(726.39)	(413.17)	(849.47)
<b>Total tax expenses</b>	<b>3,868.46</b>	<b>3,674.09</b>	<b>2,775.88</b>	<b>10,954.54</b>	<b>8,936.34</b>	<b>11,744.65</b>
<b>Profit after tax for the period / year</b>	<b>11,811.66</b>	<b>11,783.88</b>	<b>8,142.18</b>	<b>33,566.38</b>	<b>27,055.46</b>	<b>35,899.46</b>
<b>Other comprehensive income</b>						
<b>Items that will not be reclassified to profit or loss</b>						
Re-measurements of the defined benefit plan	23.69	(138.33)	(63.57)	(172.51)	(101.13)	(105.30)
Income tax relating to items that will not be reclassified to profit or loss	(5.96)	34.82	16.00	43.42	25.45	26.50
<b>Other comprehensive income / (deficit) for the period / year, net of income tax</b>	<b>17.73</b>	<b>(103.51)</b>	<b>(47.57)</b>	<b>(129.09)</b>	<b>(75.68)</b>	<b>(78.80)</b>
<b>Total comprehensive income for the period / year, net of income tax</b>	<b>11,829.39</b>	<b>11,680.37</b>	<b>8,094.60</b>	<b>33,437.29</b>	<b>26,979.78</b>	<b>35,820.66</b>
<b>Earnings per equity share*</b>						
a. Basic (in rupees)	4.07	4.22	3.18	12.04	10.56	14.01
b. Diluted (in rupees)	4.02	4.16	3.08	11.86	10.26	13.61
Face value per share	Not annualised	Not annualised	Not annualised	Not annualised	Not annualised	Annualised
	1.00	1.00	1.00	1.00	1.00	1.00

\* Refer Note 11

See accompanying notes to the unaudited financial results

**Five-Star Business Finance Limited****Regd. Office: New No. 27, Old No.4, Taylors Road, Kilpauk, Chennai - 600 010****CIN: U65991TN1984PLC010844**

(All amounts are in Indian Rupees in lakhs, except share data and as stated otherwise)

**Notes:**

- 1 Five-Star Business Finance Limited ("the Company") is a Systematically Important Non-Deposit taking Non-Banking Finance Company (NBFC-ND-SI) registered with the Reserve Bank of India ("the RBI").
- 2 The unaudited financial results for the quarter and year to date period ended 31 December 2021 along with comparative period have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their respective meetings held on 11 February 2022. The above results for the quarter and year to date period ended 31 December 2021 have been subjected to limited review by the statutory auditors of the Company. The auditors have issued an unmodified review opinion.
- 3 These unaudited financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS), 34 - "Interim Financial Reporting" as prescribed under Section 133 of the Companies Act, 2013 (the Act), and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations 2015. The financial results have been drawn upon the basis of Ind AS, that are applicable to the Company as at 31 December 2021. Any application guidance / clarifications / directions issued by the RBI or other regulators are implemented as and when they are issued / applicable.
- 4 There is no separate reportable segment in accordance with Ind AS 108 on "Operating Segments" in respect of the Company.
- 5 Reserves include Statutory Reserves as per Section 45IC of Reserve Bank of India Act 1934, as per Section 29C of the National Housing Bank Act, 1987, balance in Securities Premium, Employee Stock Option Plan Reserve, General Reserve, Retained Earnings and Other Comprehensive Income.
- 6 The outbreak of COVID-19 pandemic and consequent regional lockdowns has severely impacted various social and economic activities across the country. The extent of impact of COVID-19 on the economy would also be dependent upon on future developments including measures taken by the Government, Regulator, responses of businesses and consumers to the pandemic. Therefore, the impact on the Company's business, cash flows and financial results, is dependent on such future developments, which are highly uncertain.

During the previous year ended 31 March 2021, in accordance with the Board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated 27 March 2020, 17 April 2020, 23 May 2020 and 6 August 2020 relating to 'COVID-19 – Regulatory Package' and guidelines issued thereto, the Company had granted moratorium up-to five months on the payment of instalments falling due between 1 April 2020 and 31 August 2020 to all eligible borrowers on a suo-moto basis based on the Company's policy approved by its Board.

During the current period, the RBI issued guidelines with regard to "Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses" dated 5 May 2021. In accordance with this guidelines dated 5 May 2021 and Board approved policy, the Company offered restructuring plan i.e., moratorium period upto six months to eligible customers.

Based on an assessment by the Company, the above COVID-19 – Regulatory Package and Resolution Framework - 2.0 has not been deemed to be automatically triggering significant increase in credit risk and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria. Accordingly, in respect of accounts where moratorium benefit has been granted, the staging of those accounts as at 31 December 2021 is based on the days past due status considering the benefit of moratorium period in accordance with the Reserve Bank of India Covid-19 Regulatory Package and Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses.

Estimates and associated judgments / assumptions applied in preparation of these financial results including determining the impairment loss allowance and expected future cash inflows / outflows are based on a combination of historical experience and emerging / forward looking indicators resulting from the pandemic. In addition to these early indicators, the Company has separately incorporated estimates, assumptions and judgements specific to the impact of the COVID-19 pandemic in the measurement of impairment loss allowance for the period ended 31 December 2021. In addition to the indicators available, the Company has also used potential stress on probability of default and exposure at default on the expected credit losses on loans and accordingly recognized an expected credit loss on loans of INR 10,293 lakhs as at 31 December 2021 (As at 31 March 2021 - INR 8,663 lakhs) including an additional impairment provision amounting to INR 1,529 lakhs and INR 3,723 (including write offs of INR 769 lakhs and INR 2093 lakhs) during the quarter and year to date period ended 31 December 2021 respectively (quarter and year to date period ended 31 December 2020 - INR 1,322 lakhs and INR 1,856 (including write offs of INR 501 lakhs and INR 725 lakhs) respectively). The Company believes that it has considered all the possible impact of the currently known events arising out of the COVID-19 pandemic in the preparation of financial results. However, the impact assessment of COVID-19 is a continuing process given its uncertainty in nature and duration, this may have a corresponding impact on the financial position. The Company will continue to monitor any material changes to the future economic conditions.

**Five-Star Business Finance Limited**

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**Notes (continued):****7 Disclosure as per format prescribed under RBI circular RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated 5 May 2021 ("RBI Resolution Framework – 2.0") for the period ended 31 December 2021**

Particulars	Individual Borrowers		Small Businesses**
	Personal Loans**	Business Loans**	
i) Number of requests received for invoking resolution process under Part A of the Resolution Framework – 2.0	943	1,757	-
ii) Number of accounts where resolution plan has been implemented under this window	943	1,757	-
iii) Exposure to accounts mentioned at (ii) before implementation of the plan	2,829.89	5,475.34	-
iv) Of (iii), aggregate amount of debt that was converted into other securities	-	-	-
v) Additional funding sanctioned, if any, including between invocation of the plan and implementation	-	-	-
vi) Increase in provisions on account of the implementation of the resolution plan*	*	*	-

\* The Company has recorded provision for impairment loss allowance including potential stress on probability of default and exposure at default as per expected credit loss model for the period ended 31 December 2021.

\*\* Classification of borrowers is based on the data available with the Company and has been relied upon by the auditors. Above loans are secured wholly by mortgage of property.

8 On 12 November 2021, Reserve Bank of India (RBI) issued circular no. RBI/ 2021-2022/125 DOR. STR. REC. 68/21.04.048/2021-22, requiring changes to and clarifying certain aspects of Income Recognition and Asset Classification Norms (IRACP norms). The Company has since implemented the provisions of this circular in the IRAC provisioning norms including asset classification effective from 12 November 2021. In respect of financial results for the quarter and year to date period ended 31 December 2021, prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended, the Company continues to follow the Board approved Expected Credit Loss (ECL) policy with respect to asset classification and provisioning. The impairment allowances on loans as at 31 December 2021 exceeds the provision requirements under IRACP norms.

9 In terms of the requirement as per RBI notifications no. RBI/2019-20/170 DOR (NBFC).CC. PD No. 109/22.10.106/2019-20 dated 13 March 2020 on implementation of Indian Accounting Standards, Non Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income recognition, Asset Classification and Provisioning (IRACP) Norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the company exceeds the total provision required under IRACP (including Standard asset provisioning), as at 31 December 2021 and accordingly, no amount is required to be transferred to impairment reserve.

10 All debentures are secured by pari pasu charge on immovable property and exclusive first charge on book debts with security cover ranging from 1 to 1.25 times of outstanding amount at any point in time.

11 The Board of Directors at their meeting held on 8 September 2021 approved the sub-division of each equity share of face value of INR 10 each fully paid up into 10 equity shares of face value of INR 1 each fully paid up. The same was approved by the members at the Extra-Ordinary General Meeting held on 8 October 2021. In compliance with IND AS - 33, Earnings Per Share, the disclosure of basic and diluted earnings per share for all the periods presented has been arrived at after giving effect to the above sub-division.

12 The corresponding figures for the quarter ended and the year to date period ended 31 December 2020 included in the Statement, are based on the information that has been compiled by the Management which have not been subjected to review / audit. However, the management has exercised necessary due diligence to ensure that the financial results for the quarter ended and the year to date period ended 31 December 2020 provide a true and fair view of the Company's affairs.



## Five-Star Business Finance Limited

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## Notes (continued):

## 13 Analytical ratios / disclosures required under Regulation 52 / 54 of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015

Particulars	As at	As at
	31 December 2021	31 March 2021
Debt-equity ratio*	0.76	1.48
Total debts to total assets**	0.43	0.59
Net worth***	3,58,012.64	2,31,817.22
Gross Stage 3 term loans <sup>^</sup> / Gross term loans	1.27	1.02
Net Stage 3 term loans / Net term loans <sup>^^</sup>	0.83	0.85
Liquidity coverage ratio (LCR) <sup>^^^</sup>		162%
Asset cover over listed non-convertible debentures <sup>###</sup>	1.15	1.16

Particulars	Quarter ended	Quarter ended	Quarter ended	Year to date period	Year to date period	Year ended
	31 December 2021	30 September 2021	31 December 2020	ended 31 December 2021	ended 31 December 2020	31 March 2021
Net profit margin (%) <sup>^^^^</sup>	#	38%	30%	36%	35%	34%

\*Debt-equity ratio is (Debt Securities+Borrowings (Other than debt securities)) / net worth i.e. Equity share capital + Other equity

\*\*Total debts to total assets is Debt Securities and Borrowings (other than debt securities) / Total Assets

\*\*\*Net Worth is equal to Equity share capital + Other equity

<sup>^</sup> Gross Stage 3 term loans pertains to loans which are overdue beyond 90 days as at the reporting period.<sup>^^</sup> Net Stage 3 term loans / Net term loans is (Gross Stage 3 term loans - Impairment Loss allowance for Stage 3 term loans) / (Gross term loans - Impairment allowance for Stage 3 term loans)<sup>^^^</sup> LCR = Stock of High-Quality Liquid Assets (HQLAs) / Total Net Cash Outflows over the next 30 calendar days<sup>###</sup> Asset cover over listed non-convertible debentures represents the number of times the listed non-convertible debentures is covered through the term loans provided as security.<sup>^^^^</sup> Net profit margin is Total comprehensive income for the period, net of income tax / Total Income

Other ratios / disclosures such as debt service coverage ratio, interest service coverage ratio, outstanding redeemable preference shares (quantity and value), capital redemption reserve/debenture redemption reserve, current ratio, long term debt to working capital, bad debts to account receivable ratio, current liability ratio, debtors turnover, inventory turnover and operating margin (%) are not applicable / relevant to the Company and hence not disclosed.

14 Previous period's figures have been regrouped / reclassified wherever necessary, to conform with the current period presentation.

For and on behalf of the Board of Directors

Place: Chennai

Date: 11 February 2022

D Lakshminpathy  
Chairman and Managing Director