

Date: 23.08.2024

ISIN: INE526R01028
SCRIP CODE: 539017
SCRIP ID: STARHFL
PAN NO. AAGCA1988C

To,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

Sub: Annual Report 2023-24 of Star Housing Finance Limited

Dear Sir,

Pursuant to Regulation 34, 53 and other applicable SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith Annual Report of the Company for the Financial Year 2023-24. The 19th Annual General Meeting of the Company is scheduled to be held on Monday, 16th September, 2024 at 12.30 p.m. IST through Video Conferencing (VC)/Other Audio Visual Means (OAVM).

The Annual Report and the AGM Notice is also being published on our website at www.starhfl.com

Thanking you

For M/s. Star Housing Finance Limited

Shreyas Mehta
Company Secretary & Compliance Officer
M.No. A38639



19TH ANNUAL REPORT FY 2023-24

WWW.STARHFL.COM

CORPORATE INFORMATION

BOARD OF DIRECTORS

- ▶ **Mr. Ashish Jain**
Chairman & Managing Director
(*Resigned w.e.f. 30.06.2024)
- ▶ **Mr. Kavish Jain**
Executive Director
- ▶ **Mr. Amlendra Prasad Saxena**
Non-Executive Independent Director
- ▶ **Mr. Ajith Kumar Lakshmanan**
Non-Executive Independent Director
- ▶ **Mr. Pradip Kumar Das**
Non-Executive Independent Director
- ▶ **Mrs. Neelam Tater**
Non-Executive Independent Director
- ▶ **Mr. Chinnathambi Ilango**
Non- Executive Independent Director
- ▶ **Mr. Kalpesh Dave**
Chief Executive Officer & Additional Director
(Appointed as Additional Director w.e.f. 18.06.2024)

KEY MANAGERIAL PERSONNEL

- ▶ **Mr. Natesh Narayanan**
Chief Financial Officer
- ▶ **Mr. Anoop Saxena**
Chief Operating Officer
- ▶ **Mr. Shreyas Mehta**
Company Secretary & Compliance Officer
- ▶ **Mr. Bhanwar Singh Kachhawaha**
Chief Compliance Officer
(Appointed w.e.f 25.09.2023)
- ▶ **Mr. Ajit Kumar Sathpathy**
Chief Risk Officer
(Appointed w.e.f 01.07.2024)

SECRETARIAL AUDITOR

M/s Ronak Jhuthawat & Co.

328, Samriddhi Complex, 3rd Floor, Above Udaipur Urban Co. operative Bank, Opp Krishi Upaz Mandi, Sector 11, Main Road, Udaipur - 313001.

T: +91 98874 22212
E: csronakjhuthawat@gmail.com

STATUTORY AUDITORS

M/s Nyati Mundra & Co.

52, Ashok Nagar. Udaipur (Raj) - 313001

M: +91 98295 67400

E: nyatimundraco@gmail.com

REGISTRAR AND TRANSFER AGENTS

Bigshare Services Pvt. Ltd

E-2-3, Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Mumbai Mh 400072

T: 011 42425004, 011 47565852

E: bssdelhi@bigshareonline.com

STOCK EXCHANGE

BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001.

T: +91 22 22721233/4

E: corp.comn@bseindia.com

REGISTERED OFFICE

Star Housing Finance Ltd.

603, Western Edge 1, Above Metro Mall Borivali East. Mumbai - 400066.

W: www.starhfl.com

E: compliance@starhfl.com

DEPOSITORIES

National Securities Depository Ltd. (NSDL)

Trade World, 4th Floor, Kamala Mills, Mumbai- 400013.

Central Depository Services Ltd. (CDSL)

17th Floor, P J Towers, Dalal Street, Mumbai - 400001.

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01

COMPANY OVERVIEW



KEY HIGHLIGHTS



GROSS LOAN BOOK

₹**382.90 crs**

↑ 68.62% YOY growth



DISBURSEMENTS

₹**240.73 CRS**

↑ 16.01% YOY growth



GROSS AUM

₹**426.86 crs**

↑ 73.52% YOY growth



NETWORTH

₹**133.01 CRS**

↑ 24.99% YOY growth



BORROWINGS

₹**320.30 CRS**

↑ 97.11% YOY growth



PBT & PAT

₹**11.47 CRS**

₹**8.88 CRS**

↑ 43.10% and 27.27% YOY growth respectively



GNPA & NNPA

**1.50% &
1.02%**



ROE

7.42%



ROTA

2.29%



NO. OF EMPLOYEES

256

↑ 70.67% YOY growth



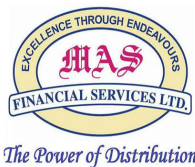
NO. OF BRANCHES

34

↑ 142.86% YOY growth

Rates as BBB / Stable by CARE Edge and India Ratings

OUR LENDERS



**AK SECURITIZATION &
CREDIT OPPORTUNITIES
FUND II**

ABOUT US

“Star Housing Finance Limited (Star HFL) is BSE listed rural focused housing finance company operational in the affordable housing financespace helping achieve the dreams of the first-time home buyers from the Economic Weaker Section / Low Income Group to own their first house through simple and easy processes.

Since the commencement of our home loan business operations in Sep 2009, Star HFL has worked with the intent to enable homeownership through providing housing finance to target EWS/LIG customers in semi-urban and rural geographies. Star HFL is managed by a team of experienced housing finance professionals with strong domain at experience at regional and national level. Star HFL offers retail home loans up to INR 25 lakhs. These loans qualify under Priority Sector Lending Norms and the units financed qualify under PMAY guidelines. Star HFL has its Registered & Corporate Office in Mumbai, Maharashtra.



VISION

To let the people feel the warmth of their “own house” by delivering quality financial products both in appearance and content.



MISSION

To be known as an organization where personal attention will never become obsolete. We want to employ people who are extremely satisfied and go the extra mile for clients. We want a culture of growth, profitability, and enthusiasm throughout the company.

CORE VALUES



SEEKING EXCELLENCE

We strive for perfection and excellence in all that we do and it is this motto that has led to the sustained growth of Star HFL, regardless of upheavals in the economic environment. The sincerest efforts of every member of the STAR family to uphold these values shows in the treatment of customers and employees, while dealing with investors and clients and above all, in the supportive and inspiring environment we work in.

ACCOUNTABILITY & OWNERSHIP

Accountability is all about answerability; the willingness to accept a task and be responsible for completing it to the best of one's abilities. Ownership, on the other hand, requires not only taking onus of the task at hand, but responsibility for the outcome of it, whatever that may be while workload and responsibilities are often shared at Star HFL, each person feels completely accountable for the job they do. Employee diligence and dedication form the very foundation on which happy, successful companies are built.



TEAMWORK & COLLABORATION

The Star HFL way is to 'do it better together!' We believe in the collaborative approach; each person finds their niche in the company and the best manner in which to serve its needs, rather than chasing individual gains. Teamwork brings out the best in people and at Star HFL, we feel that positive, constructive and efficient collaboration can ensure success.

NURTURING LIVES

As a company, Star HFL aims to create value for all the people associated with it, through its various endeavors and actions. Be our customer, vendor or people we work with, Star HFL endeavors to make an impact and difference to all those we interact with.



GEOGRAPHIC FOOTPRINT

The Company commenced its journey from Udaipur, Rajasthan, in 2005 and is now present in 6 states of India, covering Rajasthan, Maharashtra, Gujarat, Madhya Pradesh, Tamil Nadu and Uttar Pradesh. During the journey Star HFL added 34 branches till March 31, 2024.

INTEGRITY

Strength and stability, both moral and financial, are the backbone of Star HFL. Integrity is at the apex of our business and we hold ourselves to the highest financial, intellectual and ethical standards no matter what.



HUMAN CAPITAL

Star HFL comprises dedicated and qualified professionals like Chartered Accountants, Company Secretaries, Lawyers and MBAs from reputed institutions enhancing a culture of outperformance.



OUR JOURNEY

MAR
2005

Incorporated originally “Akme Build Home Pvt. Ltd.” to provide various housing loans with the objective to provide housing loans to target EWS/LIG/MIG and first time buyers segment.

DEC
2009

License Sanctioned by National Housing Board (NHB); name changed to Akme Star Housing Finance in Dec 2009.

MAR
2015

Akme Star HFC gets Listed on SME platform of the Bombay Stock Exchange (BSE).

JUL
2017

Stock migrates to BSE Main board Shares of **Star HFL gets actively traded** on Bombay Stock Exchange (BSE).

MAR
2021

Present across 5 states (Maharashtra, MP, Gujarat, Rajasthan & TN) through 7 branches, 15 digital POPs with 75+ employees.

MAR
2020

Deployment of core lending suite (Jaguar) & mobility apps (Credility).

- Expansion of physical presence to Rajasthan, Maharashtra, Madhya Pradesh, Tamil Nadu & Gujarat (Head Office in Mumbai).
- On Boarding of experienced management team to augment overall business.
- Mr. A P. Saxena (Ex NHB Official) inducted on the board.

OCT
2019

AIAPL invests incremental capital in Akme Star HFC thereby **acquiring 21.5% stake** in the Company.

JUN
2019

Gets into **strategic partnership with Arkfin Investments & Advisors Private Limited** (Formerly known as Arkfin Investments Private Limited) with an aim to initiate overall transformation.

Loan book as of Mar 31, 2021 of **Rs.94.54 Cr with 1108 live accounts.**

The name of the Company has **changed from “Akme Star Housing Finance Limited” to “Star Housing Finance Limited”.**

The company has **received Rs. 7 Cr.** (Rupees Seven crore only) through term loan augmentation (TLTRO) **from State Bank Of India.**

The Company has **received Rs. 12 Cr.** (Rupees Twelve Crore Only) **through term Loan Union Bank of India.**

Star HFL was able to initiate engagement with the NHB and received credit lines through LIFT, SRF, and **regular refinance in FY 2021 amounting to Rs.24.60 Cr.**

- AUM as of March 31, 2024 of Rs. 426.86 crs with 4340 live accounts.
- Recorded highest disbursements
- PAT at Rs. 8.88 Cr.
- Net-worth at Rs. 133.01 Cr.
- Receives Ratings Upgrade from CARE Edge & India Ratings , now rated as “BBB / Stable”.
- Appointed Kalpesh Dave as CEO and Anoop Saxena as COO

OUR PRINCIPLES

TRANSPARENCY

Conducting and governing ethically with complete transparency and accountability

WELFARE

Promoting and prioritising the well-being of the entire workforce ensuring mental, physical and emotional wellness

SAFETY

Providing goods and services that are safe and creating a positive impact throughout its lifecycle

SUSTAINABILITY

Respecting, safeguarding and actively contributing towards the preservation of the environment



RESPONSIBILITY

Engaging in influencing public and regulatory policy in a responsible and conscientious manner

INCLUSIVITY

Respecting the interests of all stakeholders, especially those who are underprivileged, vulnerable and marginalised

HUMAN RIGHTS

Upholding and promoting the fundamental rights and maintaining the dignity of all individuals

GROWTH

Supporting and driving inclusive economic growth and equitable development for all



OUR OFFERINGS

HOME LOANS



Purchase of Flats / Houses

Star Housing Finance Limited completely understands the need of a livable home. The company was formed with main objective of providing financial assistance where an individual family can live in. In this scheme, we support the people who are looking to purchase a new or second hand flat / home depending upon their need.



Renovation of Existing Units

We have a scheme known as Renovating existing units for renovation / repair of your existing units. The facility for this loan is also easy and fast depending upon the condition of house.



Extension of Existing Units

To extend the house for any reason, we do provide extension loan plan for individuals, corporate in this scheme. This scheme is available even for a small bedroom, a balcony or roof top etc.



Balance Transfer

To extend the house for any reason, we do provide extension loan plan for individuals, corporate in this scheme. This scheme is available even for a small bedroom, a balcony or roof top etc.



Purchase of Plot for Construction of Houses

Star Housing provides the loan even for a plot on which a residential house is to be constructed.



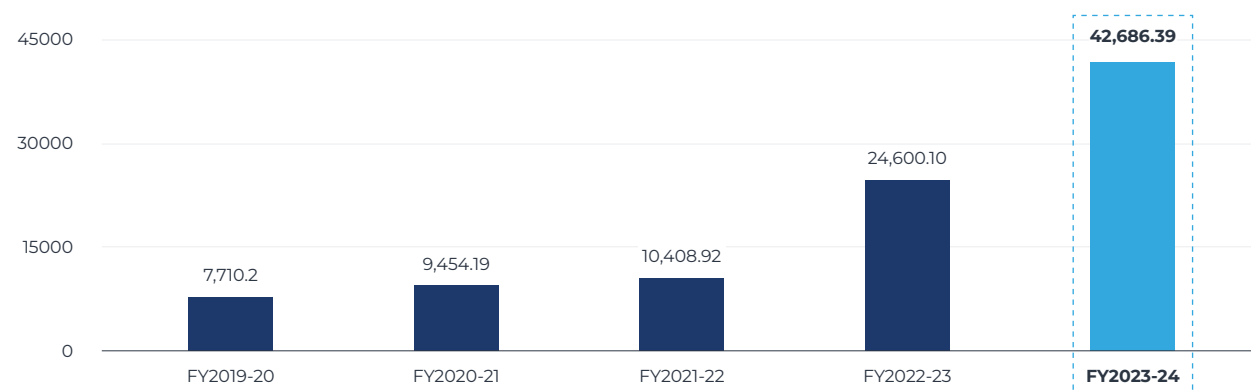
OPERATING MODEL



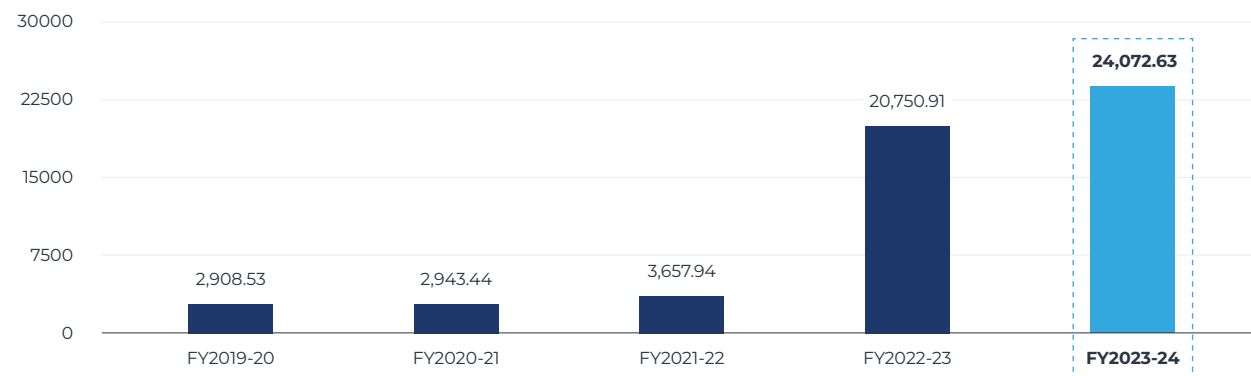
PERFORMANCE HIGHLIGHTS

BUSINESS METRICS

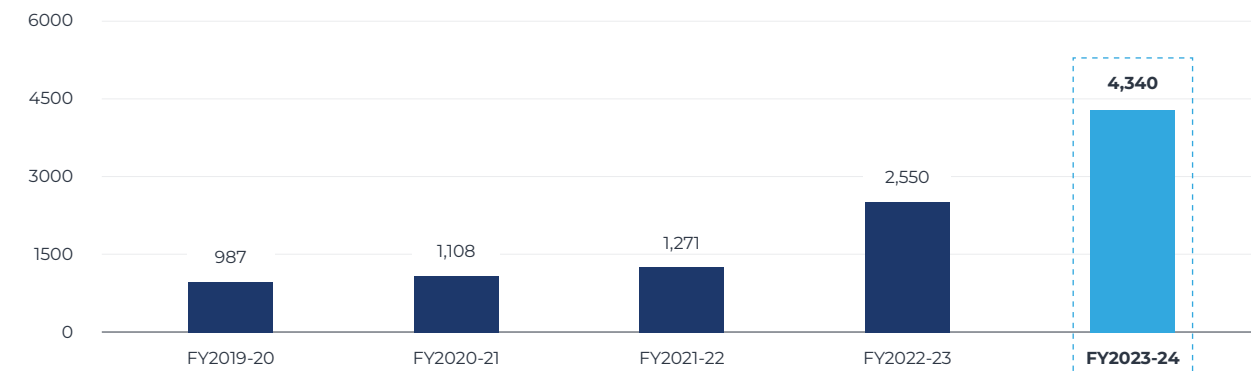
➤ AUM GROWTH (IN LAKHS)



➤ DISBURSEMENTS (IN LAKHS)

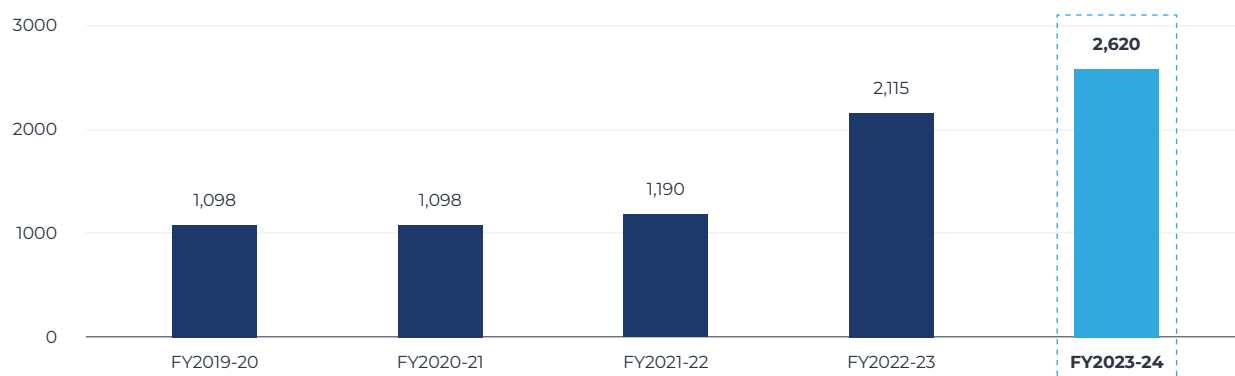


➤ NO. OF LOAN ACCOUNTS

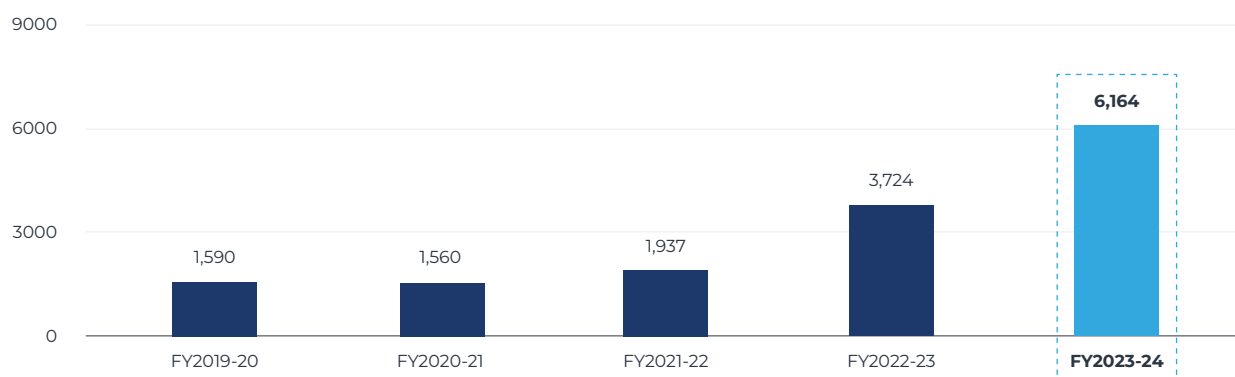


OPERATIONAL METRICS

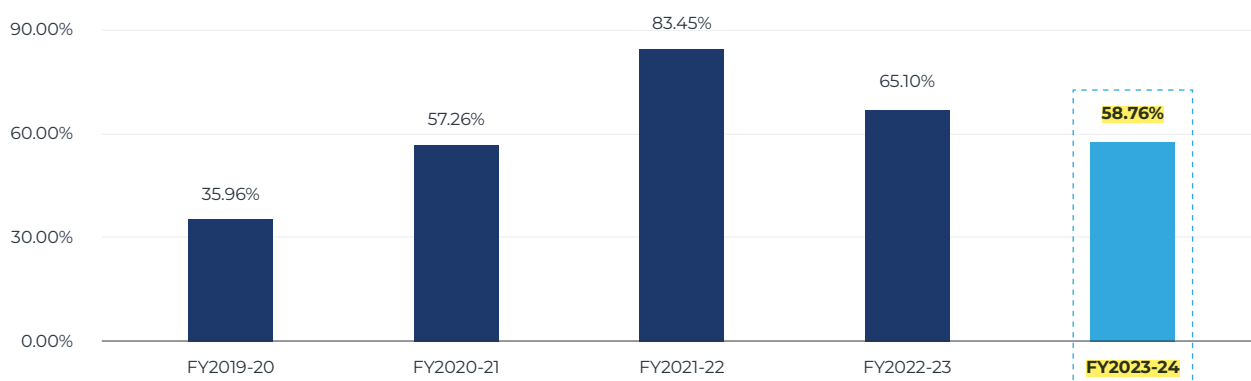
➤ NET INTEREST INCOME (IN LAKHS)



➤ GROSS TOTAL INCOME (IN LAKHS)

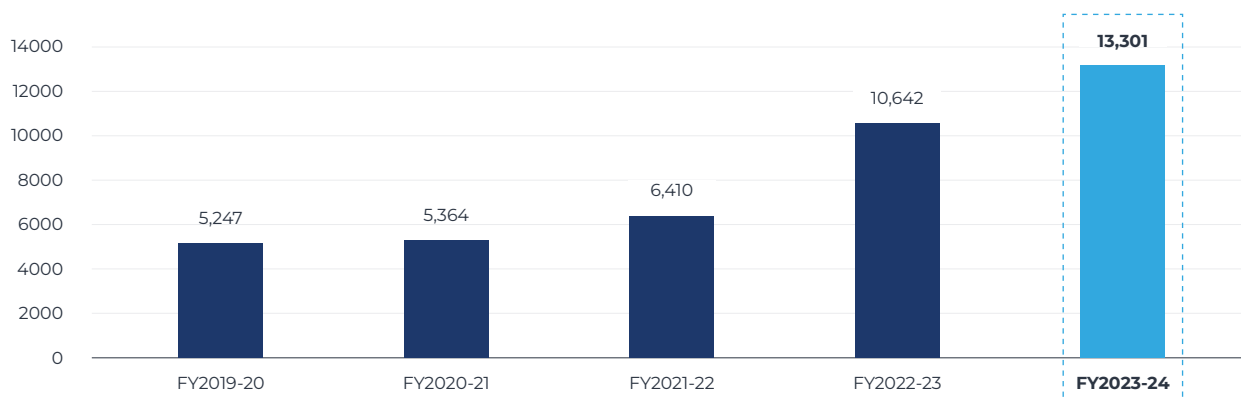


➤ COST TO INCOME (%)

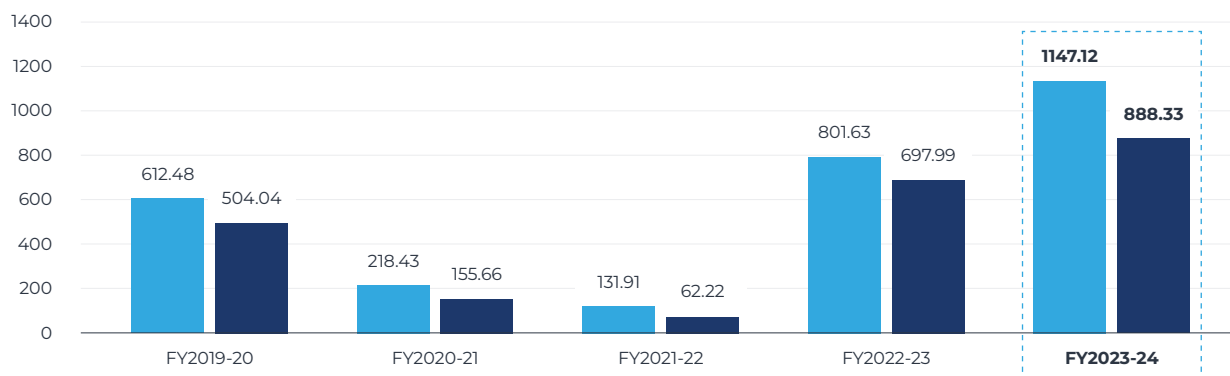


FINANCIAL METRICS

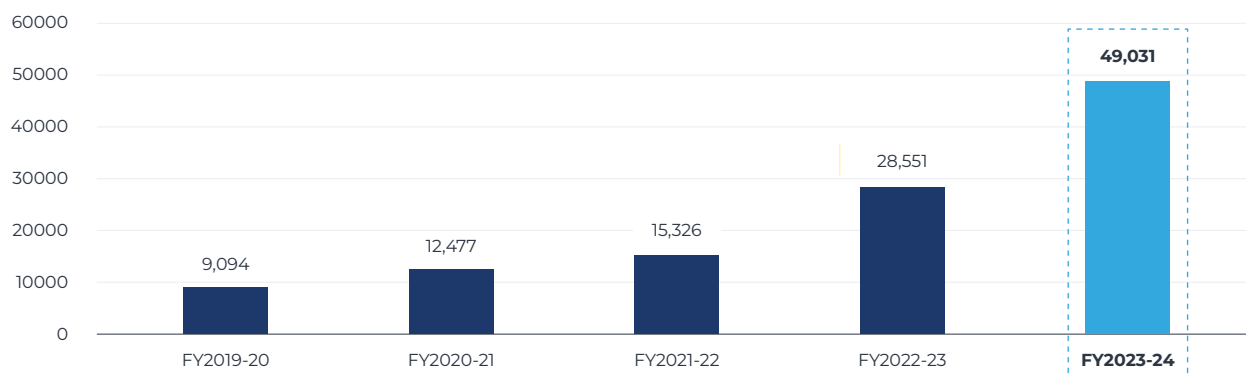
➤ NET WORTH (IN LAKHS)

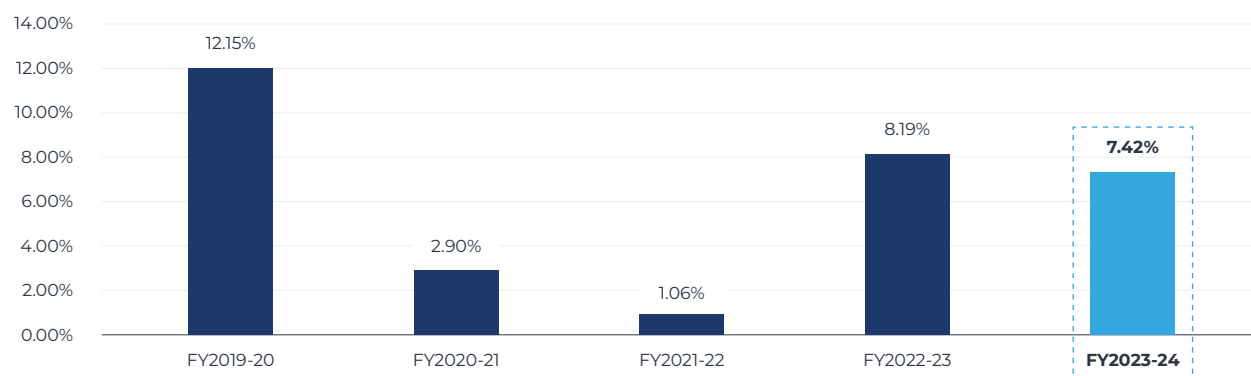
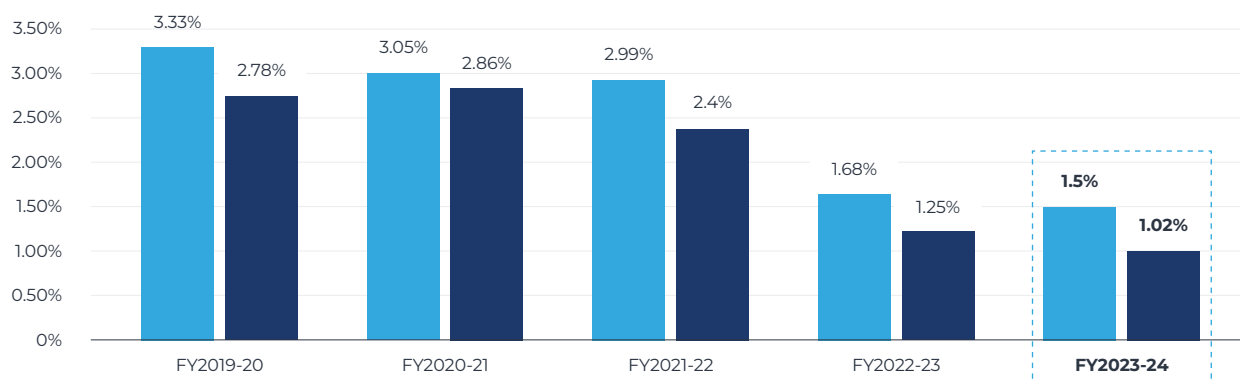


➤ PBT-PAT (IN LAKHS)



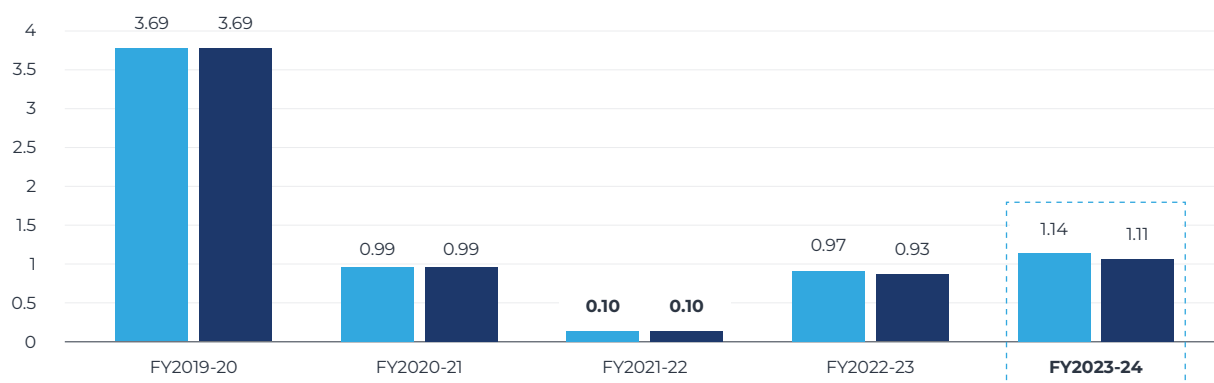
➤ TOTAL ASSETS (IN LAKHS)



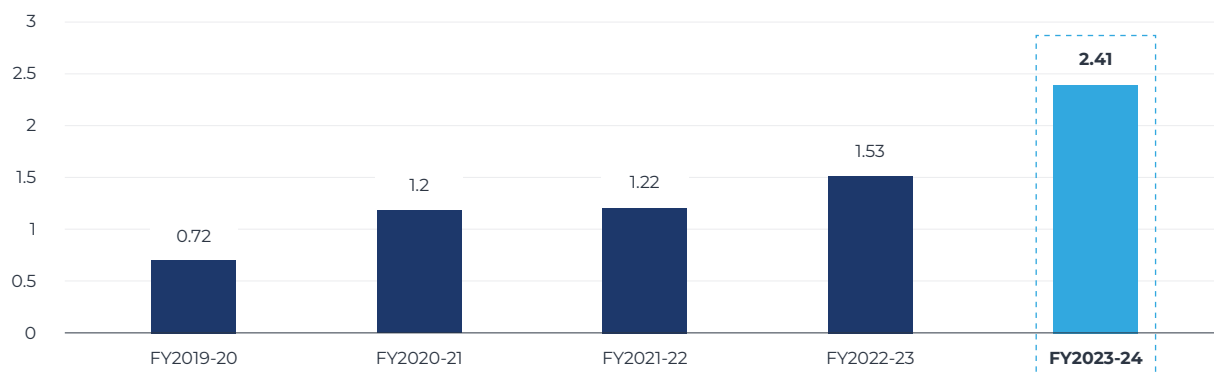
ROE (%)**GNPA-NNPA (%)**

KEY FINANCIAL RATIOS

EARNING PER SHARE - Basic and Diluted



LEVERAGE





BOARD OF DIRECTORS



Ashish Jain

Managing Director

Mr. Ashish Jain is the Managing Director of Star Housing Finance Limited. An Engineer by qualification and a post graduate from the University of Nottingham, UK. Has been involved in the general management of the company in different capacities and has been actively involved since 2015.



C Ilango

Independent Director

With over 36 years in commercial banking, Shri C. Ilango is a seasoned professional whose career highlights include transforming **CanFin Homes Ltd as Managing Director and CEO** from 2011 to 2016. Under his leadership, branch network expanded from 41 to 140, and Assets under Management surged from INR 2,199 crore to INR 10,643 crore. His core competencies span strategic planning, revenue enhancement, operational excellence, relationship building, and financial skills.



Pradip Kumar Das

Independent Director

A career banker with 36+ years of experience with expertise in business growth, strategic planning & compliance. **Former ED of IDBI Bank** heading the retail banking and operations group. A leader with strong analytical and problem solving qualities inherited by delivering solutions in conjunction with operational requirements.



Ajith Kumar Lakshmanan

Independent Director

35+ years of rich experience of brand building in life insurance and HFC space with extensive domain in strategy, business process re-engineering & digital marketing. **Former ED of LIC of India** having led brands and people to success in an open and competitive market environment. Masters in Law from University of Madras and Fellow of Insurance Institute of India.



Amlendra Prasad Saxena

Independent Director

Mr. A. P. Saxena retired as **General Manager from National Housing Bank (NHB)** after completing 29 years of service with NHB. He has been actively engaged in the areas of Regulation and supervision of Housing Finance Companies, besides Refinance, Risk Management, Policy Formulations in the field of Housing Finance.



Kavish Jain

Executive Director

Mr. Kavish Jain, an MBA and a law graduate heads the business operations at Star Housing Finance Limited. Mr. Kavish Jain leverages his in-depth expertise and knowledge to streamline retail asset operations from lead generation to loan management.



Neelam Tater

Independent Director

CA & CS with professional experience encompassing audit & risk management and business / management advisory in BFSI space.



Kalpesh Dave

CEO & Director

Mr. Kalpesh Dave has more than 12 years of experience in housing finance space. His expertise includes competitive environment scanning, setting and scaling up of business processes, setting up of branch infrastructure, developing practical and result oriented strategies for implementation on ground.



KEY MANAGEMENT



Ashish Jain
Managing Director

Mr. Ashish Jain is the Managing Director of Star Housing Finance Limited. An Engineer by qualification and a post graduate from the University of Nottingham, UK. Has been involved in the general management of the company in different capacities and has been actively involved since 2015.



Natesh Narayanan, CFA
Chief Financial Officer

Mr. Natesh Narayanan has been on the fund raising side since more than one and a half decade. A known and respected professional in the liability side of the business, Mr. Natesh Narayanan brings in his rich experience and relationships with various banks and financial institutions to ensure strong liability management program at Star Housing Finance Limited.



CA Anoop Saxena
Chief Operations Officer

Mr. Anoop Saxena is a professional CA with 15+ years of experience in Credit & Operations Management, Business Management, Product Development, Portfolio Management, Underwriting and internal Audit in housing finance space. He is instrumental in setting up the risk framework at Star HFL along with the policies and processes. He also heads the current Co-lending vertical and development of rural focused housing loan products.



CS Shreyas Mehta
Company Secretary
& Compliance Officer

Result-oriented professional with 9 years of experience in corporate secretarial, statutory compliances, legal and corporate regulatory affairs. Rich experience in a wide spectrum of drafting, vetting and finalizing various corporate policies like Board Charter & policies.



Bhanwar Singh Kachhawaha
Chief Compliance Officer

Mr B. S. Kachhawaha is the Chief Risk Officer of our Company. With an illustrious career spanning more than 37 years behind him, Mr. Kachhawaha a banker with a difference – his rich experience across the Banking & Financial Services industry has also witnessed his ability to oscillate between micro and macro-level thinking. He is commerce graduate from Rajasthan university and is a Certified Associate of Indian Institute of Bankers.





Ajit Kumar Sathpathy
Chief Risk Officer

A seasoned finance professional with over 17 years of extensive experience in credit risk analysis, marketing, SME and MID corporate business analysis, credit monitoring, compliance, relationship management, grievance handling and trade finance. Ajit holds an MBA in Finance and Marketing from IBS, Hyderabad, and an MBA in Marketing from NIBM, Chennai. He also has an engineering background with a B.E. in Mechanical Engineering from North Orissa University.



Murtaza Vohra
Head - Planning

Mr. Murtaza Vohra comes with over a decade and half professional experience and is proficient in developing comprehensive business plans, optimizing operational processes, and driving organizational efficiency. Skilled in forecasting market trends, mitigating risks, and facilitating decision-making to achieve long-term growth objectives.



Hemant Shinde
Head - Fund Raising

Mr. Hemant Shinde is a dynamic and results-driven professional with over 2 decades of proven track record in fund raising. Expertise in cultivating relationships, implementing effective fundraising strategies, and driving sustainable growth. A strategic thinker adept at navigating regulatory frameworks and leveraging opportunities for impactful fundraising initiatives.



CA Shikha Dharmawat
Finance Controller &
Head - Accounts

A qualified member of the ICAI having vast knowledge in the areas of Financial accounting, Auditing, Direct and Indirect Taxation, Budgeting & Analysis. Has proven capability to structure, manage and drive financial interface of an organization with a strong ability to manage profitable growth through critical analysis of loan accounting, expense and revenue streams of the company.



Sandeep Kadam
Chief Business Officer

Mr. Sandeep Kadam is a senior level business executive with more than 15 years of housing finance experience in Maharashtra region. He has a strong experience in leading & supervising high performing professional team. He has strong hold on administration, portfolio management, customer service and in providing overall business growth direction at regional level.



MESSAGE FROM MD



Dear Shareholders,

Reflecting on the past year with a sense of accomplishment, I am honoured to present to you the Annual Report, underscoring the remarkable growth we have achieved and the resilience of our business model.

Our sustainable, granular, and affordable portfolio, bolstered by a robust distribution network, diverse liability franchise, and stringent credit underwriting, has fortified our business, enabling us to generate competitive growth.

Macro Environment

Despite elevated interest rates and global economic headwinds, the affordable housing finance market has sustained robust portfolio quality, revenue, and profitability. While elevated interest rates may persist in the near term, an eventual reversal in the interest rate cycle will favour our business. The resilience of the Indian economy amidst global uncertainties instils optimism, driven by rapid urbanization, rising per capita GDP, and expanding growing middle class.

Financial Inclusion

The government's emphasis on financial inclusion, increasing financial literacy, and mobile penetration have paved the way for a more inclusive financial system, resulting in a surge in demand for financial products, particularly in non-metropolitan areas. We are well-positioned to capitalize on these growth opportunities and deliver long-term value to our stakeholders.

We serve a niche market segment, focusing on non-metro markets and addressing the credit gap faced by this segment. Our specialized expertise of underwriting self-employed individuals enables us to devise effective strategies for customer satisfaction. With a strong focus on unbanked and underbanked sectors, over 65% of our clientele are self-employed, fostering entrepreneurship and transforming lives in rural and semi-urban India.

Our Performance

We have achieved outstanding performance in the year under review. Our distribution across the affordable housing market has been expanding, now encompassing 34 branches across 6 states. The AUM stands at Rs. 42,686 Lakhs with 4,340 active accounts. During the year, we incrementally disbursed Rs. 24,073 Lakhs. Our net worth is Rs. 13,301 Lakhs, with borrowing outstanding at Rs. 32,030 Lakhs, maintaining leverage levels at 2.41x.

Sustained Growth

Our strategy is to develop Star HFL as a national player with a strong presence across key markets while expanding our footprint and doubling our branch presence over FY25 and FY26. We are investing in infrastructure and technology to drive growth, leveraging co-lending partnerships, and channelling innovative funding sources toward financing affordable housing in the country.

Underwriting

Our rigorous underwriting processes and credit policy are essential in mitigating credit risks. Our decentralized credit functions, with multiple control points and comprehensive quantitative checks, contribute in maintaining excellent asset quality. Our branch level teams are empowered



We have clearly outlined our goals and demonstrated significant progress through strategic execution and enhanced performance.



to take ownership of underwriting decisions, ensuring swift turnaround times and a high-quality portfolio. We uphold high collection efficiency, and our prudent underwriting coupled with sustained collection efforts has led to improved delinquency metrics across all categories. As of March 31, 2024, PAR (0+ days past due) stood at 3.25%, with GNPA at 1.50% and NNPA at 1.02%.

Customer-Centric Digital Transformation

At Star Housing Finance, we acknowledge technology as a pivotal factor in enhancing efficiency and elevating customer experience. We are continuously enhancing our technology infrastructure to benefit both customers and employees. Technology plays a critical role in risk management across our portfolio. Moving forward, we are enthusiastic to explore the potential of emerging technologies, which hold the power to optimize processes, improve customer experience, and uncover new risks and opportunities.

Our People

Our employees are the cornerstone of our growth and success. We firmly believe that diverse organizations achieve greater success and strive to promote diversity through our HR policies and gender-inclusive workplace practices. We hold ourselves to high standards of honesty and transparency, moving swiftly with flexibility and decisiveness. This culture of mutual respect enables us to promote an environment of equal opportunity and compassion while establishing productive, long-term relationships with all stakeholders.

Star HFL is governed by a robust and independent board comprising reputed professionals from the BFSI space, including Mr. C. Ilango (Ex-MD CanFin Homes Ltd.), Mr. Amlendra Prasad Saxena (Ex GM, NHB), Mr. Ajith Lakshmanan (Ex ED of LIC of India), Mr. Pradip Kumar Das (Ex-ED IDBI Bank), and Ms. Neelam Tater (Professional CA & CS).

Way Forward

As we look forward, we have a clear vision for the future. Our team remains the key differentiator driving our high-growth trajectory. The stability and expertise of my leadership team provide a solid foundation for our ongoing advancement.

I extend my gratitude and appreciation to the Star HFL Board for their mentorship and guidance to the leadership team in achieving business objectives backed by strong principles of corporate governance. I also thank the regulator, the Reserve Bank of India, and the National Housing Bank for their guidance and support. I am pleased to report that our company continues to be in full compliance with their guidelines.

Regards,
Ashish Jain
Managing Director

MESSAGE FROM CFO



Dear Shareholders,

It is with immense pleasure and fulfilment that I present the key highlights of the previous financial year. While the full impact of our dedicated vision and principles cannot be solely quantified, it is essential to evaluate our progress, communicate our outcomes, and affirm our standing in the market.

Homeownership is a source of pride and a pivotal step toward long-term stability. At Star Housing Finance Limited, we are dedicated to assisting customers in overcoming barriers to homeownership, particularly first-time buyers who are often self-employed. Our vision of 'Housing for All' continues to guide us as we uphold our values and strengthen our organization.

We have consistently embraced a customer-centric approach, aiming to bridge the credit divide in the largely underserved affordable housing segment. Our objective remains to serve underserved customers, particularly in Tier-2 and Tier-3 cities, where the demand for affordable housing is most pronounced.

Our assets under management (AUM) have grown significantly, reaching Rs. 426.86 Crores, up from Rs. 246 Crores in March 2023. This growth is attributed to our expanding branch network, dedicated workforce, and the inclusion of diverse lenders to our portfolio. The 74% rise in AUM underscores our effective strategy and investments in expanding our distribution network, resulting in disbursements totalling to Rs. 240.73 Crores in FY2023-24.

Our financial performance demonstrates our growth trajectory. The company recorded a Profit before Tax of Rs. 11.47 Crores and a Profit after Tax of Rs. 8.88 Crores. Furthermore, our Net Interest Margin stood at 7.86%, reflecting our efficient fund management and operational effectiveness.

The quality of our portfolio continues to validate our stringent underwriting standards and proactive collection strategies. Our Gross and Net NPAs remained at 1.50% and 1.02%, respectively. Consistent high collection efficiency throughout the year highlights our robust credit risk management practices.

Our strong leadership team has been pivotal in driving quality business growth. Prudent risk management, coupled with effective operational strategies, has significantly enhanced our bottom line, creating increased value for our shareholders.

A balanced customer mix, comprising 35% salaried employees and 65% self-employed consumers, has enabled us to build a niche, high-quality portfolio. Our average ticket size of approximately Rs. 11 Lakhs indicates the affordability and accessibility of our financial products, catering to the consistent spending patterns of our customer base.

In conclusion, our ongoing efforts to strengthen our liability franchise ensure that we continue to fulfil the housing finance needs of our customers while delivering robust financial performance. We remain steadfast in our vision of enabling affordable housing for all and driving inclusive growth nationwide.



Our vision of 'Housing for All' continues to guide us as we uphold our values and strengthen our organization.



Lastly, I would like to extend my appreciation to our stakeholders, lenders, and investors for their continuous support. Achieving our objectives in the years ahead will require your continued guidance. I also express our sincere gratitude to all our customers for their trust and for choosing us as their financial partner. Finally, I extend my thanks to our dedicated employees for their unwavering commitment to Star HFL.

Regards,
Natesh Narayanan
CFO

STATUTORY REPORTS



MANAGEMENT DISCUSSION AND ANALYSIS 2023-24

GLOBAL ECONOMY

OVERVIEW

The global growth proved surprisingly resilient despite higher policy rates. Economic activity outpaced expectations in most countries, and employment, in particular, remained robust, even as inflation retreated significantly. The global economy registered a decline in growth from 3.5% in 2022 to an estimated 3.2% in 2023. Asia is expected to contribute significantly to global growth in FY 23-24, despite the weaker-than-expected recovery in China, sustained weakness in USA, rising energy costs in Europe, weak global consumer sentiment due to the Ukraine-Russia war, and the Red Sea crisis resulting in increased logistics costs. A tightening monetary policy translated into increased policy rates and interest rates for new loans. Inflation is edging down from multi decade highs, with intermittent upticks. Financial market sentiments have been fluctuating with changing views about an early pivot by central banks in advanced economies (AEs). Growth in advanced economies is estimated to decline from 2.6% in 2022 to 1.5% in 2023 and further, 1.4% in 2024 as policy tightening takes effect. Emerging markets and developing countries are projected to report a modest decline in economic growth from 4.1% in 2022 to 4.0% in 2023 and 2024. Emerging market economies (EMEs) are facing currency fluctuations amidst volatile capital flows. The likelihood of lower interest rates has spurred rallies in equity markets, although uncertainty about the timing

of interest rate reduction is reflected in bi directional movements in the US dollar and sovereign bond yields. Global equity markets ended 2024 on a strong note, with major global equity benchmarks achieving double-digit returns. This outperformance was driven by a downturn in global inflation, a slide in the dollar index, declining crude prices, and higher expectations of rate cuts by the US Fed and other central banks. Global inflation is projected to decline steadily from 8.7% in 2022 to 6.9% in 2023 and 5.8% in 2024 on account of a tighter monetary policy coupled with relatively lower international commodity prices. Core inflation is expected to decrease gradually, as inflation is not expected to return to its target until 2025 in most cases. The US Federal Reserve approved a much-anticipated interest rate hike that raised the benchmark borrowing costs to their highest in over 22 years. Global headline inflation is expected to fall from an annual average of 6.8% in 2023 to 5.9% in 2024 and 4.5% in 2025, with advanced economies returning to their inflation targets sooner than emerging markets and developing economies. The pace of convergence toward higher living standards for middle- and lower-income countries has slowed, implying a persistence in global economic disparities.

OUTLOOK

Asia is poised to continue leading global growth in FY 24-25. Inflation is expected to ease gradually as cost pressures decrease; headline inflation in G20 countries is projected to decline. Amid high inflation and monetary tightening, the global economy has shown resilience as the growth is expected to be stabilised at previous levels over the next two years (Source: World Bank).

The baseline forecast is for the world economy to continue growing at 3.2% during 2024 and 2025, at the same pace as in 2023. A little acceleration in advanced countries—where growth is predicted to climb from 1.6% in 2023 to 1.7% in 2024 and 1.8% in 2025—will be countered by a

modest slowdown in emerging market and developing economies, from 4.3% in 2023 to 4.2% in both 2024 and 2025. The global growth projections for the next five years are at its lowest in decades, at 3.1%. Global inflation is expected to slowly drop, from 6.8% in 2023 to 5.9% in 2024 and 4.5% in 2025, with advanced nations returning to their inflation objectives sooner than emerging market and developing economies. Core inflation is expected to drop more gradually. Despite large interest rate rises by central banks to preserve price stability, the global economy has remained unexpectedly robust.

INDIAN ECONOMY

OVERVIEW

The Indian economy grew at 8.2% in FY 23-24 as against 7.0% in FY 22-23, primarily driven by sharp revival in the secondary sector that grew at 9.7%. Manufacturing and Construction activities were in full swing and lead with a 9.9% expansion during the year. Along with being one of the fastest growing economies in the world, India ranked fifth in the world in terms of nominal GDP for 2023 according to IMF forecasts (World Economic Outlook –April 2024 Update). India overtook the UK to become the fifth-largest economy in the world in 2022 and has maintained its position since then. In terms of purchasing power parity (“PPP”), India is the third largest economy in the world, only after China and the United States. The Indian rupee displayed relative resilience compared to the previous year as the rupee depreciated 0.8% from Rs.82.66 against the US dollar on the first trading day of 2023 to Rs.82.18 on the last trading day of December 2023. Over the course of FY 23-24, the headline CPI inflation persisted to remain sticky at an average of 5.4% with rural inflation exceeding urban inflation. Core inflation, on the other hand, averaged at 4.4%, down from 6.2% in FY 23, moderated by softening global commodity prices and pullback in the fuel and light categories. Lower production and erratic weather caused spikes in food inflation especially in cereal, pulses and vegetables undermining the gains made in Core CPI. However, the forecast of an above-normal monsoon by the IMD bodes well for the kharif season, which would bring a respite to food inflation pressures, particularly in cereals and pulses. RBI has forecasted CPI inflation for FY 24-25 is projected at 4.5%.

India's foreign exchange reserves reached a historic peak of \$651.5 billion in May 2024. The credit quality of Indian companies remained robust from October 2023 to March 2024 on account of deleveraged Balance Sheets, sustained domestic demand, and government-led capital expenditure. Rating upgrades continued to surpass rating downgrades in the second half of FY 23-24. UPI transactions in India witnessed a record 56% growth in volume and 43% growth in value in FY 23-24. International agencies like S&P Global Ratings revised its outlook on India to positive from stable. Moreover, the International Monetary Fund (IMF), in its April 2024 economic outlook update, revised its India economic growth estimate in real terms for Fiscal 2024 to 7.6% from the previous 6.3% estimate in October 2023, citing momentum from resilient domestic demand. Further, the growth forecast for Fiscal 2025 also witnessed an increase of 6.5% from the previous 6.3% forecast in October 2023. Taking note of all these factors the RBI revised upward its growth forecast to 7.2% for Fiscal 2025 from 7.0%.

India's monsoon in 2023 hit a five year low, with August 2023 marking the driest month in a century. Despite receiving only 94% of its long-term average rainfall from June to September, wheat production was estimated at 114 million tonnes in the 2023-24 crop year due to higher coverage. Rice production was anticipated to decrease to reach 106 million metric tons (MMT) in comparison to 132 million metric tonnes in the previous year. Total Kharif pulses produced in 2023-24 stood at an estimated 71.18 lakh metric tonnes, which is lower than FY 22-23 due to climatic conditions. As per the first advance estimates of national income released by the National Statistical Office (NSO), the manufacturing sector output is projected to have grown 6.5% in FY 23-24 compared to 1.3% in FY 22-23. The Indian mining sector experienced an estimated growth of 8.1% in FY 23-24 compared to 4.1% in FY 22-23. Financial services, real estate, and professional services grew a projected 8.9% in FY 23-24 compared to 7.1% in FY 22-23. Real GDP or GDP at constant prices increased to Rs. 173.81 lakh crore in FY 23-24 (provisional GDP estimate released on May 31, 2024) from H160.71 lakh crore in FY 22-23. Growth in real GDP during FY 24-25 was estimated at 7.2%. Nominal GDP or GDP at current prices was at Rs.295.35 lakh crore in FY 23-24 as compared to Rs. 269.49 lakh crore. As per provisional data, the GNPA ratios of Banks and NBFCs stood at 2.8% and 2.5%, respectively, as at end March 2024 improved from 3.9% as of March 2023 indicating a sound and resilient financial system. India's exports of goods and services were expected to reach \$900 billion in FY 23-24 compared to \$770 billion in the previous year despite global headwinds. Merchandise exports were expected to expand between \$495 billion and \$500 billion, while services exports were expected to touch \$400 billion during the year. India's net direct tax collection increased 17.7% to ₹19.58 lakh crore in FY 23-24. Gross GST collection amounted to Rs.20.2 lakh crore, marking an 11.7% increase, with an average monthly collection of Rs.1,68,000 crore, surpassing the previous year's average of Rs.1,50,000 crore. The agriculture sector grew 1.4% in FY 23-24, which is lower than the 4.7% expansion recorded in FY 22-23. Trade, hotel, transport, communication, and services related to the broadcasting segment witnessed a slowdown growing at 6.4% in FY 23-24, against the 12% in FY 22-23. The Indian automobile segment was expected to close FY 23-24 with a growth of 6-9%, despite global supply chain disruptions and rising ownership costs. The construction sector accelerated to 9.9% year-on-year from 9.4% in FY 22-23. Public administration, defence and other services expanded at a moderated pace of 7.8% in FY 23-24 as against 8.9% in FY 22-23. The growth in gross value added (GVA) at basic prices expanded at 7.2%, up from 6.7%

in FY 22-23. India entered a pivotal phase in its S-curve, marked by rapid urbanisation, industrialisation, increase in household incomes, and rising energy consumption. The country emerged as the fifth largest economy with a GDP of USD 3.6 trillion and a nominal per capita income of Rs.1,22,766 in FY 23-24. In FY 23-24, India's Nifty 50 index experienced a 30% growth, propelling India's stock market to become the fourth largest globally with a market capitalisation of US\$4 trillion. Foreign investment in Indian

government bonds saw a significant increase in the final quarter of 2023. India ranked 63rd out of 190 economies in the ease of doing business, according to the latest World Bank annual ratings. Moreover, India's unemployment rate in urban areas declined to 6.7% in Jan-Mar 2024 according to NSSO from 6.8% during the same quarter last year. It was recorded at 6.6% in both the April-June 2023 quarter and July-Sept 2023 quarter, and 6.5% for Oct-Dec 2023 quarter.

OUTLOOK

India successfully tackled its global economic challenges in 2023 and is poised to continue as the world's fastest-growing major economy backed by a boost in the rural consumption and continued urban demand, a favourable monsoon should provide relief from the sticky inflation. Further, with the financial sector at the peak of health with strong balance sheets, the unwinding of interest rates

would be a welcome tailwind for the sector. Additionally, the sustained buoyancy in services activity, government's continued thrust on capex; high capacity utilisation and business optimism augur well for investment activity, which indicate the Indian economy is anticipated to surpass USD 4 trillion in FY 24-25.

UNION BUDGET FY 24-25

The Interim Union Budget 2024- 25 continued to prioritise capital expenditure spending, comprising investments in infrastructure, solar energy, tourism, medical ecosystem, and technology. In FY 24-25, the top 13 ministries in terms of allocations accounted for 54% of the estimated total expenditure. Of these, the Ministry of Defence received the highest allocation at Rs.6,21,541 crore, constituting 13% of the total budgeted expenditure

of the central government. Other ministries with high allocation included Road transport and highways (5.8%), Railways (5.4%), and Consumer Affairs, food, and public distribution (4.5%).

(Source: Times News Network, Economic Times, Business Standard, and Times of India)

HOUSING FINANCE SECTOR REVIEW

The housing finance sector stands as a beacon of growth, powered by a robust 15-year CAGR of 17%, reaching a market size of 33.7 lakh crore. The sector's expansion is tightly interwoven with GDP per capita, showcasing a strong historical correlation with home loans outstanding. With a projected 10% nominal GDP growth over the next two decades, the mortgage industry is poised to flourish at a 13-14% CAGR. Key drivers fuelling this growth include the aspirational demand for homes and an environment of improving affordability, supported by healthy household balance sheets. While the South and West markets have traditionally led the industry, the North and Central regions, home to approximately 40% of the population, present untapped potential for higher growth rates. Recent trends indicate a surge in demand from tier-2 and tier-3 districts outpacing tier-1 districts in growth rates. This optimistic outlook positions the housing finance sector as a cornerstone of sustainable economic development, promising a future where aspirations and affordability converge to drive progress.

Retail asset under management of housing financiers, comprising home loans and loan against property is expected to grow at a relatively moderate 12-14% in FY 23-24 on the back of growing competition from banks. The total asset under management of the sector comprising retail and other wholesale loans is estimated to grow 13-15% in FY 23-24 on account of the expected growth rate of 10-12% in infrastructure and other wholesale loans of non-bank lenders and housing financiers. Digitalisation and cross-selling have emerged as the two driving factors behind high growth in unsecured loans. NBFCs and housing finance companies are either driving the digitalisation of credit on their own or partnering with financial technology or small peers, especially for new-to-credit borrowers. The jump in unsecured credit could also be partly attributed to the borrower focused approach in the past. In overall, NBFCs and housing finance companies were expected to have incremental funding of Rs. 4.7-5 trillion in FY 23-24 to manage 13- 15% AUM growth. Expansion in the overall bank credit, healthy market issuances and strong securitisation

demand should ensure adequate fund availability for the sector. However, the weighted average cost of funds was expected to increase by 60-80 basis points in FY 23-24. The trajectory of home loan trends in India for FY 23-24 lies on the Reserve Bank of India's interest rate fluctuations, intertwined with economic factors like GDP growth and employment rates. Government policies on affordable housing and tax regulations wield influence,

while technological strides in banking digitisation impact loan accessibility. Demographic shifts, urbanisation and evolving homebuyer preferences further shape housing demand, reflecting transformative effects on home loan trends.

(Source: Informist Media, Business Standard, Business World.in, ICRA)

AFFORDABLE HOUSING FINANCE SECTOR REVIEW

After the pandemic, affordable housing has taken centre stage in India's real estate market. This sector's growth is ignited by several factors, including the entrance of numerous real estate developers, the availability of financing alternatives for potential home buyers, rapid urbanisation, the increasing trend towards nuclear families, and higher income levels. The affordable housing sector in India has become an attractive avenue for real estate developers, attracted by the potential for significant returns on investment while simultaneously fulfilling a crucial social need. The Affordable Housing Finance Companies (AHFCs) witnessed a resurgence in their growth in FY 22-23 and are expected to have continued their growth trajectory with 29% in FY 23-24. Furthermore, the market is expected to further boom in FY 24-25, continuing the upward trend in the upcoming financial year. This optimistic outlook for the housing finance companies is backed by several factors including a relatively smaller base compared to traditional banking institutions and prime housing finance entities, their capacity to penetrate unorganised market segments, and their adept appraisal skills. These competencies have enabled the AHFCs to effectively serve customers who may not meet the prime credit criteria. The priority sector share of lending compliant home loans within the overall banking sector portfolio has been on the decline over the past two years. This has created opportunities for AHFCs to expand their portfolios through co-lending or direct assignment transactions.

The RBI's decision to maintain the repo rate at 6.5% for the fifth time in a row, coupled with favourable inflation expectations, mirrors a strategic stance fostering economic stability. The robust demand in India's real estate sector along with enhanced buyer confidence and an inviting investment environment is anticipated to boost growth and prosperity in the housing market in 2024. With the cost of funds witnessing an increase in FY 23-24, net interest margins (NIM) are anticipated to face pressure in FY 23-24 and FY 24-25, coupled with an increase in operating expenses due to the expansion phases of AHFCs. As a result, the Return on Total Assets (ROTA) is projected to moderate to 3.23% in FY 23-24 and further to 3.04% in FY 24-25, down from 3.8% in FY 22-23.

Non-Housing Portfolio

The share of the non-housing portfolio among AHFCs has risen from 17% as of March 31, 2019, to 26% as of March 31, 2023. This trend is expected to continue, with the non-housing portfolio proportion projected to have reached 27% by March 31, 2024, and further with another 27% in FY 24-25. This comes on account of rising competition and the imperative to maintain margins. For a few affordable housing finance companies, where the non-housing portfolio is near the threshold, the regulation may pose as a constraining factor for short-term growth.

Improving Asset Quality

The improvement in collection efficiency and strategic write-offs have led to a better asset quality metrics in FY 22-23. These metrics are anticipated to remain strong in FY 23-24, with the Gross Non Performing Assets (GNPA) ratio expected to be around 1.2% as of March 31, 2024. AHFCs primarily cater to self-employed individuals, who may experience more fluctuations in income due to economic downturn, thus presenting a higher credit risk.

Capital Structure

The sector's capital structure is expected to remain strong, supported by healthy internal accruals, with a projected gearing ratio of nearly 2.9x by March 31, 2024. Banks are expected to continue as the main source of funding for AHFCs.



GROWTH DRIVERS



Population

India is the most populous country with an estimated 1.44 billion people as of 2024. Increased population helped in household demand growth creating a growing lending opportunity. The share of India's working age population to the total population will reach its highest level at 68.9% by 2030.



Growing middle-class population

The size of India's middle class is expected to double to 61% of its total population by 2047 from 31% in 2020-21 leading to the growing demand in the housing market.



Health Awareness

The COVID-19 pandemic has resulted in increased awareness towards safe and healthy housing leading to an increased emphasis on affordable housing projects.



Growing Nuclear Families

Nuclear families comprised half of Indian households in 2022 compared to 34% in 2008. Increased nuclearisation is expected to catalyze the demand for affordable housing.



Housing Shortage

India's housing shortage is expected to widen to an estimated 38 million homes by 2030 largely due to the rising population and increased urbanisation. This is expected to increase housing demand in India.



Mortgage Penetration

India's mortgage penetration remains low at an estimated 13% of the GDP as against over 60% in the US and mid-30% for China in FY 22-23. This leaves a headroom of growth for the housing finance companies.



Government Support

In June 2024 during its cabinet meeting, the government decided to further expand PMAY and provide assistance to additional 30 million rural and urban households. Under PMAY, 41 million houses (29 million rural + 12 million urban) were sanctioned to eligible families in the last 10 years. CLSS, one of the verticals of PMAY-U where home loan interest subsidy was provided, had 2.5 million beneficiaries (20%/6% of PMAY-U/ PMAY beneficiaries). As per the latest data, PMAY-G accounts for two-third of the total allocation of Rs.80,671 crore for FY 24- 25 under PMAY, announced in the interim Budget 2024 in February. From HFCs perspective, PMAY expansion scheme would boost the supply of affordable housing, and extension of CLSS subsidy will also be critical to improve financing demand visibility.



Increased Urbanisation

Half of India's population is expected to live in urban cities in a few decades. This is expected to increase the housing and housing demand offtake.

COMPANY OVERVIEW

SHFL is a housing finance company headquartered in Mumbai, Maharashtra, with its corporate and registered offices located there. The Company's primary focus lies in offering housing loans in the underdeveloped rural and semi-urban markets across 6 states of India. As of March 31, 2024, the Company possesses a branch network of 34 locations and manages assets worth Rs.42,686.39 Lakh.

SCOT Analysis (SHFL)

STRENGTHS	CHALLENGES
<ul style="list-style-type: none"> • Core competencies being in-house sourcing and execution, resulting in superior asset quality • Strong technology framework and data analytics • Positive asset-liability mismatch across all time buckets with no short-term borrowings • Higher Capital Adequacy Ratio (CRAR) • Strong management bandwidth backed by robust middle-layer management. Relatively large distribution network focused on semi urban and rural geographies 	<ul style="list-style-type: none"> • Managing growth with profitability • Challenging interest rate environment would adversely impact cost of funds • Opex-intensive nature of operations • Higher prepayment rates
<ul style="list-style-type: none"> • Low mortgage penetration • Government's thrust on promoting affordable housing segment via 'housing for all' • Increased urbanization • Growing aspirations coupled with increased early age home ownership in rural and semi-urban areas • Leveraging technology and artificial intelligence for spurring productivity, efficiency and transforming customer experience. 	<ul style="list-style-type: none"> • Challenging macroeconomic situation affecting portfolio quality • Increased market player and growing competition due to competitor strategies
OPPORTUNITIES	THREATS



PERFORMANCE REVIEW, FY 23-24

FINANCIAL PERFORMANCE

INCOME AND PROFITS

Total income of the Company for the year ended March 31, 2024 was Rs.6,163.55 Lakh compared to Rs.3,724.31 Lakh in the previous year, growing 65.49%.

STATEMENT OF PROFIT AND LOSS

Key highlights of the Statement of Profit and Loss for the year ended March 31, 2024, were:



Net interest income stood at **Rs.2,620.42** Lakh **growth of 23.89%**.



The spread and net interest margin for the year stood at **5.46% and 7.86%** respectively.



Total expenses increased **71.64%** during the year under review.



Profit before Tax stood at **Rs. 1,147.12** Lakh, a **growth of 43.10%** over Rs.801.63 Lakh in the previous year.



The Earnings per Share (basic) stood at **Rs.1.14** compared to **Rs.0.97** in the previous year.



The Company's Return on Average total Assets stood at **2.29%** for the year ended March 31, 2024.



Return on average Net Worth was **7.42%** compared to **8.19%** in the previous year.



Debt-equity ratio stood at **2.41** times compared to **1.53** times in the previous year.



OPERATIONAL PERFORMANCE

SHFL is a retail affordable housing finance company servicing the low and middle-income self-employed customers in India's semi-urban and rural areas. The Company offers its customers home loans for the purchase or construction of residential properties and the extension and repair of existing housing units. As of March 31, 2024, majority of the home loans disbursed by the Company were for single-unit properties, out of which, almost all of them were to be occupied by the borrowers. Most of the Company's customers have limited access to formal banking credit for a mortgage loan.

Loan Products

The Company offers customers home loans for the purchase or construction of residential properties and for the extension and repair of existing housing units. Besides home loans, the Company offered other mortgage backed loans, comprising loans against property which accounted for 15.68% of total loan asset as of March 31, 2024. As of March 31, 2024, major part of our gross loan assets were from customers who belonged to the economically weaker section (EWS) and low-income group (LIG), earning less than Rs.50,000 per month.

Sanctions

The Company sanctioned Rs.23,796.11 Lakh of loans during the year compared to Rs.19901.83 Lakh in the previous year, a growth of 19.57%. The cumulative loan sanction since inception stood at Rs. 63,324.95 Lakh by the end of the year.

Disbursements

The Company disbursed Rs. 24,072.63 Lakh (Including off balance sheet disbursement of Rs.3,592.33 Lakhs) loans during the year compared to Rs. 20,750.91 Lakh (including off balance sheet disbursement of Rs.2,071.09 Lakhs) in the previous year, a growth of 16.01%.

Assets Under Management (Aum)

The AUM of the Company stood at Rs.42,686.39 Lakh (Including off balance sheet AUM of Rs.4,396.10 Lakh) as of March 31, 2024, compared to Rs. 24,600.10 Lakh (including off balance sheet AUM of Rs.1,891.60 Lakhs) in the previous financial year, a growth of 73.52%. As of March 31, 2024, the average loan sanctioned was Rs.9.84 Lakh.

Spread on loans

The average yield on loan assets as on March 31, 2024, stood at 16.96% per annum. The cost of funds stood at 11.50% per annum as on March 31, 2024, as against 9.29% as on March 31, 2023. The spread on loans was 5.46% as on March 31, 2024.

Non-Performing Assets

The Company maintained its gross NPAs at Rs.572.56 Lakh (1.50% of the loan assets) as on March 31, 2024. The Company reviewed its delinquency and loan portfolio on a regular basis. The Company followed a defined policy with procedures to address delinquencies and collections. As a result, **Gross NPA and Net NPA as of March 31, 2024, were 1.50% and 1.02% respectively (compared to 1.68% and 1.25% respectively as of March 31, 2023).**

Capital Adequacy Ratio

The Company is required to maintain a capital adequacy ratio of 15% on a standalone basis from March 31, 2024. The Company's Capital Adequacy Ratio as of March 31, 2024, stood at 54.65%, which was far above the minimum required level of 15%.

Branch Network

SHFLs engaged in contiguous on-ground expansion across regions. As of March 31, 2024, the Company conducted operations through 34 branches covering 6 States. The Company has its registered office in Mumbai. The Company added 20 branches in FY 23-24.

RESOURCE MOBILISATION

During the financial year 2023-24, the company met its funding requirements through short-term debt (ICDs and bank loans) and long-term debt (NCDs, NHB refinance facilities, bank and FIs loans). Total long-term borrowing as of March 31, 2024, amounted to Rs. 32,029.93 Lakh, with no outstanding short-term borrowings. The company has been regular in servicing its debt obligations.

The Company has been regular in servicing its debt obligations.

Non-Convertible Debentures (“NCDs”)

During the financial year 2023-24, the Company raised Rs. 3,100.00 Lakh (Rupees Thirty One Hundred Lakh only) through secured, listed redeemable NCDs on private placement basis.

As on March 31, 2024, Rs. 2,813.68 Lakh remained outstanding by way of issuance of NCDs through private placement basis. The issued NCDs are listed on the Wholesale Debt Market Segment of BSE Limited.

During the financial year under review, the interest and/ or principal obligation, as applicable, on Non-Convertible Debentures issued by way of private placement basis was paid by the Company on their respective due dates and there were no instances of any interest and/or principal amount being paid by the Company after the due date of payment.

Refinance from National Housing Bank (“NHB”)

NHB extended its support to the Company through refinance assistance and during the financial year under review, the Company has received sanction of refinance assistance of Rs. 5,000 Lakh under the NHB and total outstanding refinance at the end of the current financial year stood at Rs. 6,950.37 Lakh.

Term Loans from Banks and Financial Institutions

The Company, during the Financial Year, received aggregate fresh loan sanctions amounting to Rs.14,342.00 Lakh and has availed loans aggregating to Rs.13,842.00 Lakh. The outstanding term loan from Banks and Financial Institutions as at March 31, 2024 were Rs. 22,265.88 Lakh with an average tenure of 6 years.



CREDIT RATING:

During the Financial Year under review, the Company has sustained the long-term bank facility credit ratings of BBB; Stable, which has been reaffirmed by both Care Rating Limited and India Rating & Research Private Limited. Outlook on both ratings is Stable. The Company's Non-Convertible Debenture facility rated as BBB Stable has been reaffirmed, by India Rating & Research Private Limited. For more details on credit ratings, kindly refer Corporate Governance Report forming part of this report or visit to website of the Company at link www.starhfl.com.

HUMAN RESOURCES:

SHFL has always believed its employees as its greatest asset and in pursuit of excellence, we continue to uphold our commitment to nurture and empower them. As we reflect on the past Financial Year, 2023, it is evident that our success is intrinsically linked to the quality and competence of our human capital. Building upon the foundation laid in the preceding years, SHFL introduced strategic initiatives aimed at enhancing the well-being and professional growth of our employees. Notably among these initiatives are our efforts to support holistic well-being of our female employees and development of senior leadership team. During last Financial Year the Company has also come up with performance-based equity scheme to foster the culture of performance and ownership. The Company continues to invest in a technology-driven HR department workflow and leverage the same to create seamless employee experience. These initiatives, along with our ongoing efforts to strengthen a progressive HR culture, underscore our commitment to provide a conducive and performance driven organisational environment for employee enrichment. SHFL values its people as its competitive edge. With diverse expertise and domain knowledge, its workforce drives innovation. The Company's HR culture challenges traditional norms to boost competitiveness, aligning decisions with employees' professional and personal goals for a balanced work-life dynamic. As of March 31, 2024, SHFL had 256 permanent employees.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal financial control over financial reporting is a structured process aimed at ensuring the reliability of financial reporting and the preparation of financial statements for external use in compliance with generally accepted accounting principles. This control framework encompasses policies and procedures meticulously designed to provide reasonable assurance.

- (1) The Company ensures accurate and fair maintenance of records that detail transactions and asset dispositions.
- (2) It provides reasonable assurance that transactions are recorded appropriately for the preparation of financial statements, and that expenditures align with authorised management and director directives.
- (3) Provides a 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.
- (4) The Company operates a robust internal audit program, led by an independent assurance function supported by specialist firms as needed. This internal audit conducts risk-based assessments, testing adherence to policies, and suggests process improvements. Audit activities are conducted according to a plan approved by the Audit Committee, with observations and recommendations reported to the committee for ongoing monitoring and remediation as necessary.

CAUTIONARY STATEMENT

This section contains forward looking statements regarding the Company's objectives, projections, expectations, and estimates. These statements are based on certain assumptions and expectations about future events, but the Company cannot guarantee their accuracy or realisation. Actual results may differ due to external factors beyond the Company's control. The Company assumes no responsibility to publicly update or revise any forward-looking statements based on subsequent developments.



DIRECTOR'S REPORT

To,

The Members

Star Housing Finance Limited

(Formerly known as "Akme Star Housing Finance Limited")

The Board of Directors are pleased to present the Company's Nineteenth Director Report on the business & operations of the Company, together with the Audited Financial Statement for the financial year ended March 31, 2024.

FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY

The Company's financial performance for the financial year ended March 31st, 2024, is summarized as below:

(INR in Lakh)

PARTICULARS	YEAR ENDED 31ST MARCH, 2024	YEAR ENDED 31ST MARCH, 2023
Gross Income	6,163.55	3724.31
Less : Finance Cost	2,782.78	1128.84
Employee Benefit Exp.	1,320.53	950.25
Overhead	666.15	745.34
Depreciation	66.71	35.55
Impairment of Financial instruments	180.26	62.70
PROFIT BEFORE TAX	1,147.12	801.63
Less : Provision for taxation	258.79	103.64
PROFIT AFTER TAX	888.33	697.99
Balance Brought Forward from last year	1,627.49	1,119.10
Appropriations	888.33	697.99
Transferred to Statutory Reserve under Section 36(1)(viii) of the Income Tax Act, 1961 read with Section 29C of National Housing Bank Act, 1987	229.42	160.33
TRANSFERRED TO GENERAL RESERVE	Nil	Nil
OTHERS	43.09	29.27
BALANCE CARRIED OVER TO THE BALANCE SHEET	2,243.30	1627.49
Return on Net Worth (%)	7.42 %	8.19%
Return on Total Assets (%)	2.29%	3.18%
EPS (Basic) (in Rs.)	1.14	0.97
Debt Equity Ratio (times)	2.41	1.53
Average Cost of Funds (%)	11.50%	9.29%
Average Yield on advances (%)	16.96%	18.66%
Net Interest Margin (%)	7.86%	11.90%

BUSINESS PERFORMANCE:

KEY FACTORS	2023-24	2022-23	GROWTH (%)
Loan Portfolio (Rs. In Lakhs)	42,686.39	24,600.10	73.52%
EPS (Basic) (in Rs.)	1.14	0.97	
CRAR (%)	54.65%	77.88%	(17.85%)

Note: Figures of the previous year/ period have been regrouped and/or reclassified whenever necessary while preparing the statement as per IND-AS requirements.

DIVIDEND

The Company has in place a Dividend Distribution Policy formulated in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), which intends to ensure that a rationale decision is taken, with regard to the amount to be distributed to the shareholders as dividend, after retaining sufficient funds for the Company's growth, to meet its long-term objective and other purposes. The Policy also lays down various parameters to be considered by the Board of Directors of the Company before recommendation of dividend to the Members of the Company.

Considering the performance of the Company during the financial year 2023-2024, the Board of Directors felt the need to strike a balance between being prudent and conserving capital in the Company, while at the same time catering to the expectations of shareholders, and also considering the Dividend Distribution Policy and in terms of RBI Circular No. DOR.ACC.REC.No.23/21.02.067/2021-22 dated 24th June, 2021, have recommended payment of final dividend amounting to Rs. 0.075 per equity share of Rs.5/- for the financial year ended March 31, 2024 in its meeting held on 25th July, 2024. The dividend payable shall be subject to the approval of the Members at the 19th Annual General Meeting ('AGM').

The dividend declared by the Company for the financial year ended 31st March, 2024 is in compliance with the Dividend Distribution Policy of the Company. The Dividend Distribution Policy is available on the website of the Company at <https://www.starhfl.com/wp-content/uploads/2023/02/Dividend-Distribution-Policy.pdf>

TRANSFER TO RESERVES

During the year under review, your Company appropriated Rs. 229.42 Lakhs to the Statutory Reserve under Section 36(1) (viii) of the income Tax Act, 1961 read with Section 29C of National Housing Bank (NHB) Act, 1987 out of the amount available for appropriation and an amount of Rs. 888.33 Lakhs is proposed to be retained in the Profit and Loss Account.

REGULATORY COMPLIANCE

Following the amendment in the Finance Act, 2019 and the subsequent notification by the Reserve Bank of India (RBI) in August 2019, HFCs are being treated as one of the categories of Non-Banking Financial Companies (NBFCs) for regulatory purposes and accordingly come under RBI's direct oversight. The National Housing Banks (NHB), however, would continue to carry out supervision of HFCs. In this regard Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 was notified on 17th February, 2021 in supersession of the regulations/ directions as given in Chapter XVII of these directions.

The Company has been following guidelines, circulars and directions issued by the RBI/ NHB, from time to time. The Company has complied with the Master Direction-Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 including amendments thereof and other directions/guidelines prescribed by RBI regarding, accounting standards, prudential norms, capital adequacy, credit rating, corporate governance, liquidity, information technology framework, fraud monitoring, concentration of investments, risk management, capital market exposure norms, Know Your Customer, Anti-Money Laundering and the Company also adopted the guidelines on maintenance of Liquidity Coverage Ratio with effect from 1st December, 2021, as per RBI master directions.

The Company also has been following Directions / Guidelines / Circulars issued by SEBI, MCA, NHB and RBI from time to time, as applicable to a Listed Company.

SHARE CAPITAL

► Authorized Share Capital

During the year, the company's Authorized share capital remain unchanged. Hence, the authorized share capital of the Company as at March 31, 2024 was Rs. 50,00,00,000 (Rupees Fifty Crore only) consisting of 10,00,00,000 (Ten Crore) equity shares of Rs. 5 (Rupees Five) each.

► Issued and Paid-up Capital

The paid-up Equity Share Capital of the company as on March 31, 2024 is Rs. 39,36,03,080 (divided into 7,87,20,616 Equity Shares of Rs. 5/-each).

During the year under review:

- The Board of Directors of the Company in their meeting held on 27th June, 2023 allotted 60,000 fully paid up equity shares of face value Rs. 5/- each and on 08th November, 2023 allotted 15,02,350 fully paid up equity shares of face value

Rs. 5/- each ESOP under "Akme Employee Stock Option Plan 2021." The disclosure with regard to ESOP as required under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations 2021 is available on the website of the Company at: www.starhfl.com.

b) The company has issued & allotted 93,78,500 convertible warrants of Rs. 5/- each at Rs. 64 /- per warrant (including a premium of Rs. 59/- per share) under preferential allotment on a private placement basis for cash consideration through approval accorded by the shareholders at the Extra Ordinary General Meeting held on 06th December, 2023. These warrants shall be converted into equity shares within 18 months from the date of the allotment. The resulting equity shares shall rank pari-passu with the existing equity shares of the company. Proceeds of the said Preferential Issue were utilized for expansion of business, general corporate purposes and working capital requirements. Therefore, there are no details to be disclosed as per Regulations 32(7A) of the SEBI Listing Regulations.

Changes after the Financial Year:

a) The Board of Directors of the Company in their meeting held on 18th June, 2024 allotted 60,000 fully paid up equity shares of face value Rs. 5/- each ESOP under "Akme Employee Stock Option Plan 2021."

Apart from the above, there was no change in the structure of the paid up share capital.

CREDIT RATING

The following ratings have been reaffirmed/assigned to the Company for its Bank Loan and Non-Convertible Debentures (NCDs) during the Year by India Ratings & Research Agency & CareEdge Ratings Agency:

SR.NO.	NAME OF RATING AGENCY	FACILITIES	LIMITS (IN MILLION)	TENURE	RATING	RATING ACTION
1	India Ratings & Research Agency	Bank Loans	1590	Long Term	IND BBB/ Stable	Upgraded
2	India Ratings & Research Agency	Bank Loans	1590	Long Term	IND BBB/ Stable	Affirmed
3	India Ratings & Research Agency	Bank Loans	2910	Long Term	IND BBB/ Stable	Assigned
4	India Ratings & Research Agency	Non-Convertible Debentures (NCDs)	500	Long Term	IND BBB/ Stable	Assigned

NAME OF RATING AGENCY	FACILITIES	LIMITS (IN MILLION)	TENURE	RATING	RATING ACTION
CareEdge Ratings	Bank Loans	1670	Long Term	CARE BBB; Stable (Triple B; Outlook: Stable)	Revised from CARE BBB-; Positive (Triple B Minus; Outlook: Positive)
CareEdge Ratings	Bank Loans	Increased from Rs. 1670 mn to Rs. 3000 mn	Long Term	CARE BBB; Stable (Triple B; Outlook: Stable)	Reaffirmed

The following ratings have been reaffirmed/assigned to the Company for its bank facilities after the Closure of financial Year by India Ratings

NAME OF RATING AGENCY	FACILITIES	LIMITS (IN MILLION)	TENURE	RATING	RATING ACTION
India Ratings & Research Agency	Bank Loans	4500	Long Term	IND BBB/Stable	Affirmed
India Ratings & Research Agency	Non-Convertible Debentures (NCDs)	500	Long Term	IND BBB/Stable	Assigned

TERM LOANS

A. BORROWING (OTHER THEN DEBT SECURITIES)

During the financial year 2023-24 your company raised term loans of Rs. 193. 42 crores from the following institutions:

NAME OF THE INSTITUTION	AMOUNT RAISED (RS IN CRORES)
Sundaram Home Finance Limited	15.00
MAS Financial Services Limited	12.50
Hinduja Housing Finance Limited	9.50
Additional refinance Assistance from National Housing Bank	50.00
IDBI Bank Limited	10.00
ICICI Bank Limited	2.92
Tata Capital Financial Services Limited	6.00
MAS Rural Housing & Mortgage Finance Limited	2.50
SBICAP Trustee Company Limited (LIC Housing Finance Limited)	30.00
ESAF Small Finance Bank Limited	5.00
State Bank of India	50.00
Total	193.42

The Outstanding Borrowings (other then debt securities) as on 31.03.2024 stood at Rs.292.16 Crores.

B. NON-CONVERTIBLE DEBENTURES

Your Company has issued Secured Non-Convertible Debentures (NCDs) of Rs. 31 Crores during the year under review, on private placement basis. The details of the same are as follows:

NAME OF THE ALLOTTEE	DATE OF ALLOTMENT	NO. OF DEBENTURES	FACE VALUE	TOTAL CONSIDERATION
Northern Arc Capital Private Limited	19th October, 2023	2000	1,00,000	20,00,00,000
AK Securitization & Credit Opportunities Fund II	12th March, 2024	1100	1,00,000	11,00,00,000

The total secured Non-Convertible Debentures outstanding as on March 31, 2024 is 28.14 Crores.

Your company affirms that there has been no deviation or variation in the utilization of proceeds of NCDs issue, from the objects stated in offer document(s).

Pursuant to NBFC-HFCs (RBI) Master Directions, 2021, the following statement is provided –

Total No. of NCDs which have not been claimed by the Investors or paid by the Company after the date on which NCDs became due for redemption.	Nil
Total Amount in respect of NCDs remaining unclaimed / unpaid beyond due date	Nil

REVIEW OF OPERATIONS

Your Company is registered as a Housing Finance Company (HFC) with RBI to carry out the housing finance activities in India.

In accordance with the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, Housing finance company” shall mean a company incorporated under the Companies Act, 2013 that fulfils the following conditions:

- It is an NBFC whose financial assets, in the business of providing finance for housing, constitute at least 60% of its total assets (netted off by intangible assets).

b) Out of the total assets (netted off by intangible assets), not less than 50% should be by way of housing financing for individuals.

The Company meets the aforesaid principal business criteria for HFCs.

To build a quality loan book, your Company endeavors to adopt superior underwriting practices backed by robust monitoring and recovery mechanism. Your Company is committed towards improving efficiency in all its processes and service levels for its customers.

Your Company's thrust continues to be the affordable housing segment, with its focus on catering to the aspirations of low and middle-income Indian families who dream to own their homes. Your Company has been facilitating credit access to the low and middle-income self-employed customers in semi-urban and rural areas in India. The majority of your Company's customers have limited access to formal banking credit facilities.

During the Financial Year under review, your Company delivered a resilient performance, which is reflected in the following financial snapshot:

► Income & Profits

Total Revenue from operations increased by 65.49 % to Rs. 6,163.55 Lakhs for the Financial Year ended March 31, 2024 as compared to Rs. 3,724.31 Lakhs for the previous Financial Year. Profit before Tax (PBT) was 43.10 % higher at Rs. 1,147.12 Lakhs as compared to Rs. 801.63 Lakhs for the previous Financial Year. The Total Comprehensive Income for the Financial Year 2023-24 increased by 48.11% from Rs. 593.75 in the Financial Year to Rs. 879.39 Lakhs in the Previous Financial Year.

► Sanctions

During the Financial Year under review, your Company sanctioned housing loans of Rs. 23,796.11 Lakhs as compared to Rs. 19,901.83 Lakhs sanctioned in the previous Financial Year registering a growth of 19.57 % .The cumulative loan sanctions since inception of your Company stood at Rs. 63,324.95 Lakhs as at March 31, 2024.

► Disbursements

During the Financial Year under review, your Company disbursed loans of Rs. 24,072.63 Lakhs (including off balance sheet disbursement of Rs. 3,592.33 lacs) as compared to Rs 20,750.91 Lakhs (including off balance sheet disbursement of Rs.2,071.09 Lakhs) disbursed in the previous Financial Year and recorded growth of 16.01%.

► Capital Adequacy

The Company has been maintaining the Capital Adequacy Ratio (CAR) above the minimum required level prescribed by National Housing Bank (NHB) / Reserve Bank of India (RBI) from time to time.

The Capital Adequacy Ratio of the Company as at March 31, 2024 is 54.65 % as against 77.88 % as at March 31, 2023.

► Assets Under Management (AUM)

The AUM of your company stood at Rs. 42,686.39 Lakhs (including off balance sheet AUM of Rs.4,396.10 Lakhs) as at March 31, 2024 as against Rs. 24,600.10 Lakhs (including off balance sheet AUM of Rs.1891.60 Lakhs) in the previous financial year, registering a growth of 73.52%.

Prudential Norms for the HFCs Issued By RBI:

A discussion paper titled '[Revised Regulatory Framework for NBFCs - A Scale-based Approach](#)' was issued for public comments on January 22, 2021. Based on the inputs received, the RBI has put in place a revised regulatory framework for NBFCs on October 22, 2021.

Regulatory structure for NBFCs shall comprise of four layers based on their size, activity, and perceived risk. NBFCs in the lowest layer shall be known as NBFC - Base Layer (NBFC-BL). NBFCs in middle layer and upper layer shall be known as NBFC - Middle Layer (NBFC-ML) and NBFC - Upper Layer (NBFC-UL) respectively. The Top Layer is ideally expected to be empty and will be known as NBFC - Top Layer (NBFC-TL).

As the SBR framework encompasses different facets of regulation of NBFCs covering capital requirements, governance standards, prudential regulation, etc., RBI issued an integrated regulatory framework for NBFCs under SBR providing a holistic view of the SBR structure. These revised regulatory framework has come into effect from October 01, 2023.

According to these Directions, all HFCs fall under the category of Middle layer for the purpose of regulation and supervision. The company has put in place all the necessary steps in this direction to comply with the new Regulatory framework.

Asset Classification and Provisioning Norms:

The RBI has come out with certain clarifications on Income Recognition, Asset Classifications and Provisioning norms with a view to have a uniformity across all the lending institutions including HFCs vide their notification dated November, 12 2021. As per the notification, all the NBFCs have to specify the exact due dates of loan repayment alongwith the methodology of SMA/NPA classifications reckoning from the due dates, in their loan agreements. Upgradation of accounts classified as NPA to STANDARD may be done only if entire arrears of interest and principal are paid by the borrower. Further, the companies would also provide consumer education literature on their websites explaining with examples, the concepts of overdue SMA and NPA classification and upgradation of accounts. The company has been complying with these instructions meticulously.

PROSPECTS AND DEVELOPMENTS

There is a very huge market to be served, which needs an efficient last mile delivery of credit, thus creating enormous opportunity for all the financial institutions and HFCs in special. The Company continues to pursue the strategy of being multi-product and multi-location, thus giving the distinct edge from the risk management and scalability perspective. The focus across the product is of catering to the lower and the middle income segment, which are the key drivers of our economy.

HOUSING FINANCE

The Company aims at serving the middle income and the lower income sector of the economy, especially in the semi urban and rural areas, which are reckoned to be the key drivers of the sector in the coming decades. Full-fledged efforts are on to execute efficiently, as per the detail planning. Being aware of the challenges involved in serving this class of the society, a very cautious approach is adopted in building up volumes. Nevertheless, Company is quite confident of building substantial volumes in the near future. The Company's rural initiative will also start yielding results shortly. It is worth mentioning that despite the creditworthy customer class, ascertaining the title of the property remains a challenging job. The Company is actively involved with all the stakeholders to smoothen the process and is assertive in getting the right set of documents. We continue to endeavor relentlessly and are confident of creating a quality portfolio and add value to the ecosystem we work in.

DISTRIBUTION NETWORK

Your company has been successful in continuous expansion of its branch network with a view to support its disbursement growth, deeper penetration in the states in which the Company operates and enhancing customer reach. During the Financial Year under review, the Company has expanded its branch network to 6 states with 34 branches as on March 31, 2024. Your Company operates in Akola, Baramati, Chennai, Hingoli, Indore, Jaipur, Jalgoan, Mahad, Nashik, Pune, Udaipur, Rajsamand, Surat. Devas, Ahmednagar, Vapi, Vyara, Pithampur, Khargone, Chalisgaon, Kalyan, Kolhapur, Washim, Panvel, Vashi, Buldhan, Hapur, Meerut, Ghazibad, Dudu, Kanchipuram, Sholinghur, Vellore and Udaipur RO.

HUMAN RESOURCE MANAGEMENT

During the year, the HR continued to provide timely on-board experienced resources across all locations, imparting functional and system training to develop productive resources for all the functional teams. The Company also gives an opportunity to identify and develop the internal talent pool. The Company hired professionals at senior positions as Functional Heads for heading the various Departments of the Company, having relevant industry experience and expertise to strengthen and grow the housing finance business of the Company.

The Company's success depends largely upon the quality and competence of its Management team and key personnel. Attracting and retaining talented professionals is therefore a key element of the Company's strategy and a significant source of competitive advantage. The Company has a diverse workforce of 256 employees as on March 31, 2024.

Human resource development is considered vital for effective implementation of business plans. Constant endeavors are being made to offer professional growth opportunities and recognition, apart from imparting training to the employees at all levels. Your Company has also provided the sales training to the new recruits to provide them better understanding of the Company and align them towards the working culture of the Company.

Your Company will always strive to strengthen this most important resource in its quest to have enabling human capital.

CAPITAL AND LIABILITY MANAGEMENT

The Company in tandem with its philosophy of pursuing the mission of "Excellence through Endeavors" will strive to maximize the shareholders' value. The Company continues to pursue an efficient capital management policy, which aims at maximizing the return on capital employed and at the same time adhering to the prudential guidelines laid down by RBI/NHB from time to time.

The Company by virtue of its performance over the years enjoys very good relationships with many leading banks and financial institutions. The Company could raise the required resources from various banks and financial institutions easily. We anticipate the same response from all our lending partners for the coming years too. The Company anticipates credit lines from few more banks and financial institutions besides the existing ones.

During the year passed by when the whole sector was looked upon as a risky proposition the Company could not only manage to raise the required resources but also obtained credit lines for the coming year.

Your Company continues to command the respect and the confidence of Bankers as their extended channel in their task of providing efficient delivery of credit. The company acknowledges the constructive support of the Investors and Banks.

RESOURCE MOBILISATION

Your Company's borrowing policy is under the control of the Board. The Company has vide special resolution passed on 10th August, 2023, under Section 180 (1) (a) & 180(1)(c) of the Companies Act, 2013, authorized the Board of Directors to borrow money upon such terms and conditions as the Board may think fit in excess of aggregate of paid up share capital, free reserves, security premium of the Company up to an amount of Rs. 700 crore and the total amount so borrowed shall be within the limits as prescribed under the regulatory directions issued from time to time. The prevalent relevant directions issued by RBI under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 are being complied with.

Your Company continued to use a variety of funding sources to optimize funding costs, protect interest margins and maintain a diverse funding portfolio which further strengthened its funding stability and liquidity needs. Your Company continued to keep tight control over the cost of borrowings through negotiations with lenders and thus, raised resources at competitive rates from its lenders while ensuring proper asset liability match.

Your Company continued to diversify its funding sources by exploring the Capital Market through private placement to Financial Institution, Banks, NHB Refinance, NHB SRF (Special Refinance Facility Assistance), NHB's LIFT (Liquidity infusion scheme).

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013, apart from the loans made, guarantee given or security provided by the Company in the ordinary course of business are given in the Notes to accounts forming part of the Audited Financial Statements for the year ended March 31, 2024.

ALTERATION IN MEMORANDUM AND ARTICLES OF ASSOCIATION

The Company has made alteration in the Object Clause of the Memorandum of Association of the Company in accordance with the provisions of Companies Act, 2013 by passing Special Resolution through Postal Ballot on 21st February, 2024, as follows:

SR. NO	ALTERATIONS
a	Under Clause III (A): The below mentioned sub-clause was inserted after existing S. No (2) 3. "To solicit and procure insurance business as Corporate Agent and to undertake such other activities as are incidental or ancillary thereto."
b	Under Clause III (B): The below mentioned sub-clause was inserted after existing S. No (35) 36. "To render services relating to Marketing, Advisory, Processing, Consultancy, Advertising, Promotion, Distribution, Agency, Sub-letting and collect fees/commission/brokerage including revenue generation thereon so as to directly or indirectly benefit the company."
c	Under Clause III (B): The existing sub-clause 2 was substituted by the below mentioned sub-clause: 2. "Subject to Section 73 of the Companies Act, 2013 and the rules framed there under and the directive by the Reserve Bank of India, to borrow or raise money or to take money on loan on interest from banks, financial institutions, government agencies, co-operative societies, persons, companies, firm, in such manner as the Company may think fit and in particular by the issue of debentures or debenture stock, perpetual including debentures or debenture stock convertible into shares of this Company or perpetual annuities and in security of any such money borrowed, raised or received to mortgage, pledge, hypothecate, or charge the whole or any part of the properties (movable or immovable) assets or revenue of the Company present or future including its uncalled capital by special assignments or to transfer or convey the same absolutely or in trust and to give the lenders power of sale and other powers as may be deemed expedient and to purchase, redeem or pay off any such securities. The Company shall not carry on any banking business which may fall within the purview of Banking Regulations Act, 1949."

The Company deleted below the mentioned Clause of the Article of Association of the Company in accordance with the provisions of Companies Act, 2013 by passing Special Resolution in the Annual General Meeting held on 10th August, 2023.

Common Seal

156 The Board shall provide a common seal of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof. The common seal shall be kept at the Registered Office of the Company and committed to the custody of the Directors.

Affixture of Common Seal

157 The Common Seal of the Company. If required to be affix, shall be affixed to any instrument(s) in the presence of any of the Director or of the company and/or Chief Financial officer and/or Company secretary and/or such person(s) as the authorized by the Board or Committee or aforesaid persons may appoint for them purpose and who shall sign every instrument which the seal of the company is so affixed in their presence.

NON-PERFORMING ASSETS AND PROVISIONS FOR CONTINGENCY

The Gross NPA of your Company as on March 31, 2024 was Rs.572.56 Lakhs; 1.50 % (previous year 381.12 Lakhs; 1.68 %). The Net NPA as on March 31, 2024 was Rs. 388.90 Lakhs; 1.02 % (previous year 282.44 Lakhs; 1.25 %). The regulatory and compliance reporting, has been done in accordance with the prudential guidelines for Non-Performing Assets (NPAs) issued by the Reserve Bank of India under Master Direction - Non Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021.

A detailed comparison of asset classification as per the Ind AS provisions and IRACP norms has been provided under Point No. 9 of Disclosures required by Reserve Bank of India/National Housing Bank forming part of the Financial Statements.

Your Company has made adequate provision for the assets on which installments are overdue for more than 90 days and on other assets, as required. For details on the impairment provisioning, please refer to annexure no.9 of disclosures required by RBI/NHB to the financial statements. By way of prudence and abundant caution, Company has provided additional provision over and above the RBI guidelines as on March 31, 2024.

The Company has maintained cumulative NPA provision of Rs. 183.66 lakhs against the required provision of Rs. 143.57 lakhs. Further for standard assets Company carries provision of Rs. 65.99 lakhs.

DETAILS RELATING TO DEPOSITS

The Company has been granted registration by the Reserve Bank of India as a non-deposit taking Housing Finance Company. Being so, the Company has neither accepted in the past nor has any future plans to accept any public deposits, by whatever name called.

GOVERNMENT POLICIES FOR THE HOUSING FINANCE COMPANIES

The master directions issued by the RBI on 17 February 2021 are expected to bring in greater discipline by way of detailed regulatory requirements which will bring about more transparency and compliance in the housing finance sector.

The central bank's mandate regarding liquidity buffer with respect to liquidity coverage ratio (LCR) is expected to enhance HFCs' resilience to potential disruptions to liquidity. This will be on account of HFCs maintaining sufficient high-quality liquid assets to mitigate any acute liquidity stress scenarios lasting 30 days.

The RBI's master directions on HFCs detailed the purview of housing finance to include financing for purchase/construction/reconstruction/repairs and renovation of housing dwelling units. With this, the RBI brought companies engaged in construction finance also under the ambit of these directions thereby increasing the scope of its supervision and enhancing the transparency across the construction value chain.

The regulations pertaining to HFCs were with the extant NBFC regulations. The RBI maintained the flexibility of the HFCs with respect to risk weights, as NBFCs generally have lesser flexibility for risk weights, which are broadly classified into 0%, 20% and 100%. As the flexibility has been continued, the HFCs would not require additional capital to service the same Loan Book and can maintain the current levels, subject of course to minimum capital requirements.

As the larger HFCs already meet the above guidelines, they are unlikely to face significant challenges when HFC regulations are further harmonized with NBFCs going forward.

BSE COMPLIANCES

The Company has submitted compliances as required quarterly/half yearly/ yearly in accordance with the prescribed guidelines.

INVESTOR COMPLAINTS AND COMPLIANCE

The Company received nil investor complaint during the year and the same was submitted to BSE pursuant to SEBI (LODR) Regulations, 2015.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

In accordance with the provisions of Sections 124, 125 and other applicable provisions, if any, of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as 'IEPF Rules') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the amount of dividend remaining unclaimed or unpaid for a period of 7 (Seven) years from the date of transfer to the Unpaid Dividend Account is required to be transferred to the Investor Education and Protection Fund (IEPF) maintained by the Central Government. Further as per the provisions of Section 124(6) of the Act read with IEPF Rules, the shares in respect of which dividend has not been paid or claimed by the Shareholders for 7 (Seven) consecutive years or more are also required to be transferred to the designated demat account created by the IEPF Authority.

Your Company does not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there are no funds which were required to be transferred to IEPF till the date of this Report.

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY FROM THE END OF FINANCIAL YEAR TILL THE DATE OF REPORT:

Following changes took place from the end of financial year till the date of report:

1. Mr. Kalpesh Dave-Chief Executive Officer of the Company has been appointed as Chief Executive Officer and Executive Director (Additional) vide Board Meeting dated 18.06.2024 subject to RBI approval.
2. Mr. Ajit Kumar Satpathy has been appointed as Chief Risk Officer of the Company vide Board Meeting dated 18.06.2024 for a tenure of 3 years wef_1st July, 2024.
3. Mr. Ashish Jain has resigned from the position of Managing Director & Chairman of the Company with effect from 30.06.2024 vide his letter dated 28.06.2024 and accepted by Board of Directors of the Company vide dated July 25, 2024 subject to RBI Approval.

PROVISION OF FINANCIAL ASSISTANCE TO THE EMPLOYEES OF THE COMPANY FOR THE PURCHASE OF ITS OWN SHARES:

The company has not provided any financial assistance to its employees as per Section 67 of the Companies Act, 2013 (the 'Act') for the purchase of its own shares.

SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES

As on March 31, 2024 the Company does not have any Subsidiary Company or Joint Venture Company or Associate Company.

PARTICULARS OF EMPLOYEES

In terms of Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the disclosures with respect to the remuneration of Directors, Key Managerial Personnel and Employees of the Company have been provided in Annexure VIII to this Board's Report. Further, statement containing details of employees as required in terms of Section 197 of the Act read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is available for inspection at the Registered Office of the Company during working hours for a period of 21 days before the date of the ensuing Annual General Meeting. A copy of the statement may be obtained by shareholders by writing to the Company Secretary at the Registered & Corporate Office of the Company or at compliance@starhfl.com.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO:

In accordance with the provision of sec 134(3) (m) of the Act, read with Rule 8 of the Companies(Accounts) Rules 2014 the requisite information relating to your Company are as under:-

A. Conservation of energy:

The Company does not fall under any of the industries covered by the Companies (Disclosure of particulars of Directors) Rules, 1988.

B. Technology absorption:

Your company has implemented a next generation, core housing virtual solution, with the purpose of aligning itself with the fast growing technology evolution and leveraging operational capabilities, while reducing the time taken for whole loan process. The company has inter-connected different branches with the head office in a safe, secure and reliable 360 degree cloud platform. For the aforesaid purpose, your company has signed-up with Jaguar Software India & IXL (Mobility Solutions) in 2019-2020 and customized it with the practical needs to area of operation of company, which results in following benefits:

- ▶ Digitization of documents
- ▶ Centralization of all branches with corporate /registered office
- ▶ Speed-up the loan process
- ▶ Single- Click Report Generation
- ▶ "Inter-departmental solution (robust the collaboration)
- ▶ Android / iOs app based system for field staff to submit initial documents and verification remarks
- ▶ Saving cost in logistics, handling, printing, and mitigating risk of physical movements.
- ▶ Improves the quality of credit analysis.
- ▶ Secured and Safe cloud based system with end to end encryption.
- ▶ Predefined roles with maker-checker concept, with final approval authority to Managing director/ Authorized Personnel
- ▶ Keeping of Digital trails which can keep the whole loan process details in one click and useful during audit(s) and tracing purpose.
- ▶ Simplification of work flow, with regular MIS.

Jaguar Software India as a service provider / software vendor provides applicable upgrades and latest security protocols as and when needed.

The RBI vide its Master Direction - Information Technology Framework for the NBFC Sector dated November 7, 2023, which shall apply mutatis mutandis to all HFCs also, had notified Information technology framework (guidelines) for all NBFCs including Housing Finance companies ('HFCs') to enhance safety, security, efficiency in process leading to benefit for HFCs and their customer.

Your company is in compliance with the aforesaid guidelines.

Your company does not have any foreign exchange earnings and outgo during the year under review.

RISK MANAGEMENT FRAMEWORK

With the challenging macroeconomic conditions and uncertainties, there are heightened risks faced by the Company which can be inherent or market-related risks. There has been a continuous focus on identifying, measuring and mitigating risks by the Company. As a housing finance company, the Company is exposed to various risks like credit risk, market risk (interest rate and currency risk), liquidity risk and operational risk (technology, employee, transaction and reputation risk). A key risk in the competitive home loans, and mortgage-backed funding in general is losing customers that transfer out their loans for small gains in interest rates, this represents a significant loss of opportunity to the Company given the long-term nature of mortgage loans. To identify and mitigate all these risks, the Company has an effective Risk Management Control Framework that has been developed compassing all the above areas.

The Company has a Risk Management Committee (RMC). The RMC has met three times during the year and kept an active watch on the emergent risks the Company come across during the course of business. The Risk Management Committee

oversees the process of identification, measurement and mitigation of risks.

During the Financial Year under review, the Risk Management Committee reviewed the risks associated with the business of your Company, undertook its root cause analysis and monitored the efficacy of the measures taken to mitigate the same.

The Board of Directors in its meeting held on 18.06.2024 has appointed Mr. Ajit Kumar Satpathy as Chief Risk Officer of the Company for a tenure of 3 years w.e.f. 01.07.2024 to function independently and ensure highest standards of risk management.

The Company has a Risk Management Policy in place and the same can be accessed on the website of the Company at <https://www.starhfl.com/wp-content/uploads/2023/12/1.-Risk-Management-Policy.pdf>.

ASSET LIABILITY MANAGEMENT COMMITTEE (ALCO)

The Asset Liability Management Committee (ALCO) lays down policies and quantitative limits that involve assessment of various types of risks and shifts in assets and liabilities to manage such risks. ALCO ensures that the liquidity and interest Rate risks are contained within the limits laid down by the Board. The Company has duly implemented the RBI's Asset Liability Management Guidelines.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

Pursuant to the provisions of Section 177 (9) & (10) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has in place a Whistle Blower Policy, which provides for a framework to report the genuine concerns against the suspected or confirmed fraudulent activities, allegations of corruption, violation of the Company's Code of Conduct.

The Company will provide adequate safeguards against victimisation of persons who use this mechanism. Such persons shall have direct access to the Chairman of the Audit Committee when appropriate.

The whistle blower policy is placed on the website of the Company and can be accessed at <https://www.starhfl.com/wp-content/uploads/2024/02/Vigil-Mechanism-Whistle-Blower-Policy.pdf>

CODES AND STANDARDS

Your Company has formulated various policies and codes in compliance with provisions of Directions and Guidelines issued by the Reserve Bank of India, Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and to ensure high ethical standards in the overall functioning of the organization. The said policies and codes are periodically reviewed by the Board of Directors. The key policies and codes as approved by the Board of Directors and the respective compliance thereunder are detailed herein below:

(a) Know Your Customer & Anti Money Laundering Measure Policy

Your Company has approved Know Your Customer & Anti Money Laundering Measure Policy (KYC & AML Policy) in place and adheres to the said Policy. The said Policy is in line with the Reserve Bank of India Master Directions – 2016 on KYC and AML applicable to all regulated entities. The Company has also adhered to the compliance requirement in terms of the said policy relating to the monitoring and reporting of cash / suspicious transactions. The Company furnishes to Financial Intelligence Unit (FIU), India, in the electronic medium, information of all cash transactions of the value of more than Rupees ten lakh or its equivalent in foreign currency and suspicious transactions whether or not made in cash, in terms of the said policy. The policy is placed on the website of the Company and can be accessed at https://www.starhfl.com/wp-content/uploads/2024/03/Star_KYC-And-AML-Policy_1.0.pdf

(b) Fair Practice Code

Your Company has in place a Fair Practice Code (FPC), which includes guidelines on appropriate staff conduct when dealing with the customers and on the organization's policies vis-à-vis client protection. The FPC captures the spirit of the Reserve Bank of India guidelines on fair practices for Housing Finance Companies. During the year under review, FPC was modified by the Board and the grievance redressal mechanism within the Company was further strengthened. The policy is placed on the website of the Company and can be accessed at https://www.starhfl.com/wp-content/uploads/2024/03/Star_Fair-Practices-Code_1.0.pdf

(c) Policy on Disclosure of material events and information

During the year under review, your Company has adopted the Policy on Disclosure of Material Events and Information, in accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to determine the events and information which are material in nature and are required to be disclosed to the Stock Exchanges. The policy is placed on the website of the Company and can be accessed at <https://www.starhfl.com/wp-content/uploads/2024/02/Disclosure-of-policy-for-determination-of-materiality-of-events-or-information.pdf>

(d) Code of Conduct for Board Members and the senior management

The Company has adopted Code of Conduct for the Board of Directors and the Senior Management Personnel to set forth the guiding principles on which the Company and its Board and Senior Management Personnel shall operate and conduct themselves with multitudinous stakeholders, government and regulatory agencies, media and anyone else with whom it is connected. The policy is placed on the website of the Company and can be accessed at <https://www.starhfl.com/wp-content/uploads/2024/02/Code-of-conduct-of-Board-of-Directors-and-Senior-Management-Personnel.pdf>

(e) CEO & CFO Certification

The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) have certified to the Board in accordance with Regulation 17(8) read with Part B of Schedule II of the Listing Regulations pertaining to CEO/CFO certification for the financial year ended March 31, 2024, which is annexed hereto as Annexure VII.

(f) Code for Prevention of Insider Trading Practices

The Company has formulated and adopted a Code for Prevention of Insider Trading Practices in accordance with the model code of conduct as prescribed under the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018, as amended. The code lays down guidelines, which includes procedures to be followed and disclosures to be made while dealing in the shares of the Company. The code is applicable to the promoters, directors, senior designated employees and their dependents and the said persons are restricted from dealing in the securities of the Company during the 'restricted trading periods' notified by the Company, from time to time.

(g) Code of Business Ethics (COBE)

The Company has adopted a Code of Business Ethics (COBE) which lays down the principles and standards that govern the activities of the Company and its employees to ensure and promote ethical behavior within the legal framework of the organization.

The Company has a Policy on Prevention, Prohibition & Redressal of Sexual Harassment of Women at Workplace and an Internal Complaints Committee (ICC) has been constituted there under. The Policy's primary objective is to protect the women employees from sexual harassment at the place of work and also provides for punishment in case of false and malicious representations. During the year no complaint was received in this regard.

The policy is placed on the website of the Company and can be accessed at https://www.starhfl.com/wp-content/uploads/2023/03/Star_Anti-Sexual-Harrasment-Policy_1.0.pdf.

(h) Comprehensive Risk Management Policy

The Company is committed to manage its risk in a proactive manner and has adopted a structured and disciplined approach to risk management by developing and implementing risk management framework. With a view to manage its risk effectively your Company has in place a Comprehensive Risk Management Policy which covers a formalized Risk Management Structure, along with other aspects of risk management i.e. credit risk management, operational risk management, market risk management and enterprise risk management. The Risk Management Committee of the Board, on periodic basis, oversees the risk management systems, processes and minimization procedures of the Company.

(i) Corporate Social Responsibility (CSR) Policy

The Company has Corporate Social Responsibility Policy (CSR Policy), as per the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, which, inter-alia, lays down the guidelines and mechanism for undertaking socially useful projects for welfare and sustainable development of the community at large. As per the provisions of Section 135 of the Companies Act, 2013, the Company has constituted a Corporate Social Responsibility Committee. The Committee assists the Board in fulfilling its duty towards the community and society at large by identifying the activities and programmers that can be undertaken by the Company, in terms of the Company's CSR Policy. The composition

of the CSR Committee and its terms of reference are given in the Corporate Governance Report forming part of this Annual Report.

The brief outline on CSR activities is mentioned in Notes to Financial Statements forming part of the Annual Report. The policy is available on the Company's website <https://www.starhfl.com/wp-content/uploads/2024/08/CG-Policy.pdf>

(j) Remuneration Policy

The Nomination and Remuneration Committee had laid down criteria for determining Director's Qualification, Attributes and Independence of a Director, remuneration of Directors, Key Managerial Personnel and other employees and criteria for evaluation of Directors, Chairperson, Non-Executive Directors and Board and the evaluation process of the same. In this respect the Company framed the Remuneration Policy in order to align with various provisions under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and RBI Circular DOR.GOV.REC.No.29/18.10.002/2022-23 dated 29th April, 2022. The policy may be accessed on the Company's website at <https://www.starhfl.com/wp-content/uploads/2023/06/Remuneration-Policy.pdf>

(k) Related Party Transactions Policy

The Company has a Related Party Transaction Policy, intended to ensure requisite approval, reporting and disclosure of transactions between the Company and its related parties. The said policy also defines the materiality of related party transactions and lays down the procedures of dealing with related party transactions. During the year under review, the Related Party Transaction Policy was amended to align the same with the requirements of Companies (Amendment) Act, 2015 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy is placed on the website of the Company and can be accessed at <https://www.starhfl.com/wp-content/uploads/2023/02/Policy-on-dealing-with-Related-Party-Transactions.pdf>

(l) Familiarization Programme for Independent Directors

The objective of a familiarization programme is to ensure that the non-executive directors are updated on the business environment and overall operations of the Company. This enables the non-executive directors to make better informed decisions in the interest of the Company and its stakeholders. The policy is placed on the website of the Company and can be accessed at <https://www.starhfl.com/wp-content/uploads/2023/02/2.-Familiarization-Programmes-imparted-to-Independent-Directors.pdf>

DIRECTORS AND KEY MANAGERIAL PERSONNELS

The Board of Directors of the Company comprises of Seven [7] directors of which one [1] is Executive Director; One [1] is Chairman & Managing Director & Five [5] are Non- Executive Independent Directors including one woman director as on March 31, 2024 who brings in a wide range of skills and experience to the Board.

► Retirement of Director by rotation

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and Articles of Association of the company, Mr. Kavish Jain, Executive Director of the Company liable to retire by rotation, has offered himself for re-appointment at the ensuing 19th Annual General Meeting of the Company. A resolution for his reappointment is being proposed at the 19th Annual General Meeting and his Profile is included in the Notice.

► Composition of the Board as on March 31, 2024

DIN	NAME OF DIRECTOR	CATEGORY OF DIRECTORS
02041164	Mr. Ashish Jain	Chairman & Managing Director
02041197	Mr. Kavish Jain	Executive Director
06964564	Mr. Amlendra Prasad Saxena	Non-Executive & Independent Director
09724549	Mr. Ajith Kumar Lakshmanan	Non-Executive & Independent Director
07653773	Mrs. Neelam Tater	Non-Executive & Independent Director
06593113	Mr. Pradip Kumar Das	Non-Executive & Independent Director
03498879	Mr. Chinnathambi Illango	Non-Executive & Independent Director

Based on the confirmations received, none of the Directors are disqualified from being appointed/re-appointed as a director in terms of Section 164 the Companies Act, 2013, a Certificate from M/s. Ronak Jhuthawat & Co., Practicing Company Secretaries regarding the Non-disqualification of Directors from being appointed/continue for the office of Director in your Company is placed as Annexure VI.

During the year following changes took place in the Board of Directors / KMP of Company:

NAME OF DIRECTORS/ KMP	DESIGNATION	APPOINTMENT/ RESIGNATION	DATE OF CHANGE
Mr. Chinnathambi Illango	Non-Executive & Independent Director	Appointment	08.11.2023
Mr. Kalpesh Dave	Chief Executive Officer	Appointment	27.06.2023
Mr. Anoop Saxena	Chief Operating Officer	Appointment	27.06.2023
Mr. B.S. Kachhwaha	Chief Compliance Officer	Appointment	25.09.2023

► **Declaration from Independent Directors on Annual Basis:**

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 that he or she meets the criteria of his or her Independence as laid down in Section 149(6) and the provisions of Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

STOCK OPTION

During the year Company has allotted 15,62,350 Equity Shares under the “Akme Employee Stock Option Plan 2021” to the eligible Employees of the Company on 26th June, 2023 & 08th November, 2023.

Further, the members of the Company have approved “Star Housing Finance Limited Employee Stock Option Scheme II 2023” in its Annual General Meeting held on 10th August, 2023 and the Company has received in-principle approval dated 4th October, 2023 from Bombay Stock Exchange for 77,00,000 Equity shares of Rs.5/- each to be issued under the same scheme.

FORMAL EVALUATION OF THE PERFORMANCE OF THE BOARD COMMITTEE OF THE BOARD AND INDIVIDUAL DIRECTOR

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 and Part D of Schedule II to the Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as working of its Audit, Nomination and Remuneration, Stakeholders’ Relationship and Corporate Social Responsibility Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board’s functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specified duties, obligations and governance.

The exercise was carried out to evaluate the performance of individual Directors, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company, etc.

The Independent Directors of the Company met on February 19, 2024 without the presence of Non-Independent Directors and members of the management to review the performance of Non Independent Directors and the Board of Directors as a whole; to review the performance of the Chairman and Managing Director of the Company and to assess the quality, quantity and timeliness of flow of information between the management and the Board of Directors. The performance evaluation of the Independent Directors was carried out by the entire Board.

NUMBER OF THE MEETINGS OF THE BOARD

The Board met Thirteen (13) times during the year under review. The details of the number of meetings of the Board held during the Financial Year 2023-24 and the attendance therein forms part of the Report on Corporate Governance which forms part of the Annual Report.

COMMITTEES OF THE BOARD

The Board of Directors has the following Committees:

- a) Audit Committee
- b) Nomination and Remuneration Committee
- c) Stakeholders' Relationship Committee
- d) Corporate Social Responsibility Committee
- e) Risk Management Committee

The details of the required Committees of the Board along with their composition, number of meetings and attendance at the meetings are provided in the Report on Corporate Governance as required under Schedule V of the Listing Regulations.

► Shareholder's Meeting

During the financial year ended March 31, 2024, 3 (Three) General Meetings were held. Further, details of the meetings are given in the Corporate Governance Report, which forms part of the Annual Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY TRANSACTIONS

In accordance with the provisions of Section 188 of the Act and rules made thereunder and Considering the nature of the industry in which the Company operates, all the transactions entered with related parties are in the ordinary course of business and on an arm's length basis, the details with respect to the related party transactions are mentioned in the notes to the audited financial statements.

During the financial year under review, the company has not entered into material contract, arrangement or transaction with related party, as defined under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Related Party Transaction Policy of the Company. The Related Party Transactions Policy and Procedures, as amended from time to time, as reviewed by the Audit Committee and approved by Board of Directors is uploaded on the website of the Company at <https://www.starhfl.com/wp-content/uploads/2024/02/Policy-on-dealing-with-Related-Party-Transactions.pdf>

Form AOC-2 pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed as "Annexure I" to this Report and forms a part of it.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

As per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Company has in place a Policy on Prevention Prohibition & Redressal of Sexual Harassment of Women at Workplace and has a robust mechanism to redress the complaints reported thereunder.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

Pursuant to the provisions of Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the complaints received thereunder and the details relating thereto are as follows:

- (a) Number of complaints at the beginning of the year: Nil
- (b) Number of complaints received during the year: Nil
- (c) Number of complaints disposed of during the year: Nil
- (d) Number of complaints pending at the end of the year: Nil

Your Company on a regular basis sensitises its employees on prevention of sexual harassment through various workshops, awareness programmes. It may be mentioned here that the Company has Zero tolerance towards any action on the part of any executive / staff which may fall under the ambit of 'Sexual Harassment' at workplace, and is fully committed to uphold and maintain the dignity of every women working in the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATOR OR COURT OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the year there has been no such significant and material order passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

LISTING FEES

Your Company has paid requisite annual listing fees to Bombay Stock Exchange (BSE) where its equity shares are listed.

CHANGE IN NATURE OF BUSINESS

There has been no change in the nature of business of the Company during the year under review.

MAINTENANCE OF COST RECORDS

The Company being a Housing finance Company is not required to maintain cost records as prescribed under section 148(1) of the Companies Act, 2013.

SECRETARIAL STANDARDS

During the year under review, the Company has complied with the applicable secretarial standards issued by the Institute of Company Secretaries of India.

AUDITORS AND AUDITORS' REPORT

1. Statutory Auditors

M/S Nyati Mundra & Co., Chartered Accountants (Firm Registration No. 008153C) were appointed as Statutory Auditors of the Company for a period of 5 (five) consecutive years, at the Annual General Meeting of Members held on September 29, 2021 on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors. They have confirmed their eligibility and qualifications required under the Act for holding office as Statutory Auditors of the Company.

The Statutory Auditor's Report forms part of the Annual Report. There is no audit qualification, reservation or adverse remark for the year under review. There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and/ or Board under Section 143(12) of Act and Rules framed thereunder.

The Statutory Auditors have also submitted a separate Auditor's Report on Regulatory compliance to the Board to comply with the requirement under chapter XII of the Master Directions. The copy of the Auditor Report is annexed herewith.

2. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 and Pursuant to Reg. 24A of Securities Exchange Board of India (Listing Obligation & Disclosure Requirement) (Amendments) Regulations, 2018, the Board of Directors of the Company appointed M/s Ronak Jhuthawat & Co., Practicing Company Secretaries, Udaipur, to undertake the Secretarial Audit of the Company for the financial year 2023-24. The Secretarial Audit Report & Annual secretarial Compliance Report for the financial year ended March 31, 2024, is annexed as "Annexure II" and "Annexure III" forms an integral part of this Report.

The said report, does not contain any qualification, reservation or adverse remark, and thus do not call for any further comments.

INTERNAL AUDIT & INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

3. Internal auditor

Your Company has adequate internal control procedures commensurate with its size and nature of business. Your Company has clearly laid down policies, guidelines, and procedures that form a part of the internal control systems. The adequacy of the internal control systems encompasses the Company's business processes and financial reporting systems and is examined by the management as well as by its internal auditors at regular intervals.

The internal auditors conduct audits at regular intervals to identify the weaknesses and suggest improvements for better functioning. The observations and recommendations of the internal auditors are discussed by the Audit Committee to ensure timely and corrective action.

Your Company has appointed M/s. KVV & Associates, Chartered Accountants as an Internal Auditor of the Company, who reports to the Audit Committee and to the Board of Directors of the Company. The Internal Auditor conducts comprehensive audit of functional areas and operations of the Company to examine the adequacy of and compliance with policies, procedures, statutory and regulatory requirements. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations.

The audit function maintains its independence and objectivity while carrying out assignments. It evaluates on a continuous basis, the adequacy and effectiveness of internal control mechanism. The function also proactively recommends improvement in policies and processes, suggests streamlining of controls against various risks.

Your Company has laid down set of standards, processes and structure, which enables it to implement internal financial control across the Company and ensure that the same are adequate and operating effectively.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the Statutory Auditors nor the Secretarial Auditor has reported to the Audit Committee under Section 143(12) of the Act any instance of fraud committed against the Company by its officers or employees.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(5) of the Act, for the financial year ended on March 31, 2024, the Directors hereby confirm that:

- ▶ In the preparation of the annual financial statements for the year ended March 31, 2024, the applicable accounting standards read with the requirements set out under Schedule III to the Act have been followed and there were no material departures from the same;
- ▶ The Directors have 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 and of the profit of the Company for the year ended on that date;
- ▶ The Directors have taken proper and sufficient care for the 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 fraud and other irregularities;
- ▶ The Directors have prepared the annual accounts on a going concern basis;
- ▶ The Directors have laid down internal financial controls to be followed by the Company and that the financial controls were adequate and were operating effectively;
- ▶ The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and were adequate and operating effectively.

REPORT ON CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION

The Company has taken adequate steps to adhere to all the stipulations laid down in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Chapter IX (Corporate Governance) of Master Directions Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and the Companies Act, 2013 and Rules thereto, as amended from time to time.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, RBI Directions and disclosures as required under The Companies Act, 2013 and the Rules thereto, a separate Section titled 'Report on Corporate Governance' forms part of this Annual Report as Annexure IV.

The certificate issued by Mr. Ronak Jhuthawat & Co. complies with the conditions of Corporate Governance as stipulated in the SEBI (LODR) Regulations, 2015 & forms part of this report as Annexure V.

The said certificate for financial year 2023-24 does not contain any qualification, reservation or adverse remarks.

In terms of Section 136 of The Companies Act, 2013, the reports and accounts are being sent to the members and others entitled thereto.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Management's Discussion and Analysis Report, for the year under review, is presented in as separate section forming part of this Annual Report.

ANNUAL RETURN

Pursuant to section 92(3) read with Section 134(3)(a) of the Act, the Annual Return is available on the Company's website and can be accessed under the annual return tab at <https://www.starhfl.com/disclosure-under-regulation-46-of-sebi-lodr-2015/>

ENHANCING SHAREHOLDERS VALUE

Your Company believes that its Members are among its most important stakeholders. Accordingly, your Company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building for growth, enhancing the productive asset and resource base and nurturing overall corporate reputation. Your Company is also committed to creating value for its other stakeholders by ensuring that its corporate actions positively impact the socio-economic and environmental dimensions and contribute to sustainable growth and development.

OUTLOOK

- ▶ Focus on growth of Individual home loans segment.
- ▶ Making online loan application more effective and enhance its contribution towards the incremental business.
- ▶ Strengthening marketing offices opened during the last 3 years and making them high growth centers.
- ▶ To grow business qualitatively by consolidating position and strengthening the competitiveness on service delivery.
- ▶ Understanding the inherent risks to the business and managing it effectively.
- ▶ Widespread market studies assisting modelling of loan products to suit customer needs.
- ▶ Making use of information provided by marketing offices about ground market conditions.

INSOLVENCY AND BANKRUPTCY

The Company has not made any application or no proceeding is pending under the Insolvency and Bankruptcy Code, 2016 during the Financial Year and hence not being commented upon.

THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF.

During the Financial Year under review, there has been no incident of one time settlement for loan taken from the banks of financial institutions and hence not being commented upon.

ACKNOWLEDGEMENTS

Your Board of Directors take this opportunity to express their appreciation to all stakeholders of the Company including the Reserve Bank of India, National Housing Bank, the Ministry of Corporate Affairs, Securities and Exchange Board of India, the Government of India, Stock Exchanges and other Regulatory Authorities, Bankers, Lenders, Financial Institutions, Members, Credit Rating agencies, Customers of the Company for their continued support and trust. Your directors would like to express deep appreciation for the commitment shown by the employees in supporting the Company in achieving continued robust performance on all fronts.

In closing, we would like to thank all the investors as well as the communities we operate in who have reposed their trust in us and supported us in our journey.

For and on behalf of the Board of Directors

Sd/-

Kalpesh Dave
Chief Executive Officer & Director

DIN: 08221964

Date: 25.07.2024

Place: Mumbai

Sd/-

Kavish Jain
Director

DIN: 02041197

ANNEXURE I

FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

1. Details of contracts or arrangements or transactions not at arm's length basis: Star Housing Finance Limited ("the Company") has not entered into any contract/arrangement/transaction with its related parties, which is not in ordinary course of business or at arm's length during FY 2023-24. The Company has laid down policies and processes/ procedures so as to ensure compliance to the subject section in the Companies Act ("the Act") and corresponding Rules. In addition, the process goes through internal and external checking, followed by half yearly reporting to the Audit Committee.

SR.NO.	PARTICULARS	DETAILS
1	Name(s) of the related party and nature of relationship	N.A
2	Nature of contracts/arrangements/transactions	N.A
3	Duration of the contracts/arrangements/transactions	N.A
4	Salient terms of the contracts or arrangements or transactions including the value, if any	N.A
5	Justification for entering into such contracts or arrangements or transactions	N.A
6	Date (s) of approval by the Board	N.A
7	Amount paid as advances, if any	N.A
8	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	N.A

2. Details of material contracts or arrangement or transactions at of arm's length basis as on 31.03.2024

NAME OF RELATED PARTY & NATURE OF RELATIONSHIP	NATURE OF CONTRACTS/ ARRANGEMENTS/ TRANSACTION	DURATION OF THE CONTRACTS/ ARRANGEMENTS/ TRANSACTION	SALIENT TERMS OF THE CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS INCLUDING THE VALUE, IF ANY	JUSTIFICATION FOR ENTERING INTO SUCH CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS	DATE OF APPROVAL BY BOARD/ MEMBER	AMOUNT PAID AS ADVANCES, IF ANY
Mr. Anil K. Sachidanand	Professional Fees	12 months	NA	Normal Course of Business	27.06.2023	Out of the total amount 22 lakhs was paid in advance.
Arkfin Investments & Advisors Private Limited (Formerly Known as "Arkfin Investments Private Limited")	Professional Services	12 months	NA	Normal Course of Business	10.08.2023	No such amount was paid as Advances.

For, and on behalf of the Board

Sd/-

Kalpesh Dave
Chief Executive Officer & Director

DIN: 08221964

Date: 25.07.2024

Place: Mumbai

Sd/-

Kavish Jain
Director

DIN: 02041197

SECRETARIAL AUDIT REPORT

Annexure II

FORM MR-3

SECRETARIAL AUDIT REPORT

(For The Financial Year Ended March 31st, 2024)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members

Star Housing Finance Limited

(Formerly known as "Akme Star Housing Finance Limited")

603, Western Edge I, Above Metro Cash & Carry, Borivali East, Mumbai 400066

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Star Housing Finance Limited** (formally known as "Akme Star Housing Finance Limited") (hereinafter called "**The Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period **01.04.2023 to 31.03.2024**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, registers, papers, minute books, forms and returns filed and other records maintained by **Star Housing Finance Limited** (hereinafter called "**The Company**") for the financial year ended on March 31st, 2024 according to the provisions of:

The Company's financial performance for the financial year ended March 31st, 2024, is summarized as below:

1. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) to the extent **applicable** to the Company:-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) were **not applicable** to the Company under the Financial Year under report: -

- a. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
- b. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021
- c. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018

5. I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- 6. As confirmed, following other laws are specifically applicable to the Company for which the Management has confirmed that the Company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively:
 - a. Housing Finance Company (Reserve Bank) Directions, 2021;
- 7. During the period under review, the Company has complied with provisions of the Act, Rules, applicable Regulations, Guidelines, Standards, etc. mentioned above.

8. I further report that:

- A. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors Independent Directors including one Woman Director. The changes in the composition of the Board of Directors took place during the period under review were carried out in compliance with the provisions of the Act & Listing Regulations;
- B. Except in case of meetings convened at a shorter Notice, adequate notice was given to all directors to schedule the Board Meetings and the agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting;
- C. All decision at Board Meetings and Committee Meetings are carried out majority/unanimously as recorded in the minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be;
- 9. I further report that there are adequate systems and processes in the Company commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.
- 10. I further report that following event(s)/action(s) had a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to hereinabove:
 - A. Pursuant to the provisions of Section 42, 71 and other provisions, applicable, if any, of the Companies Act, 2013, the Company has allotted 2000 rated, listed, taxable, secured, transferable, redeemable non-convertible debentures of the face value of INR 1,00,000/- (Indian Rupees One Lakh only) each aggregating to INR 20,00,00,000 (Indian Rupees Twenty Crores only) on a Private Placement Basis vide its Board meeting dated 19th October, 2023.
 - B. Pursuant to the provisions of Section 42, 71 and other provisions, applicable, if any, of the Companies Act, 2013, the Company has allotted 1100 rated, listed, taxable, secured, transferable, redeemable non-convertible debentures of the face value of INR 1,00,000/- (Indian Rupees One Lakh only) each aggregating to INR 11,00,00,000 (Indian Rupees Eleven Crores only) on a Private Placement Basis vide its Board meeting dated 12th March, 2024.
 - C. Pursuant to the provisions of Section 23, 42, 62(1)(c) and other applicable provisions of the Companies Act, 2013, the Company has approved in its EGM held on 6th December, 2023 of offer, issue and allot, by way of preferential issue on a private placement basis upto a maximum of 93,78,500 (Ninety Three Lakhs Seventy eight thousand five hundred) Convertible Warrants ("Warrants"), of face value of Rs.5 /- (Rupees Five Only) each ("the Equity Shares") at a price of Rs. 64/- (Rupees Six Four Only) each, aggregating upto Rs. 60,02,24,000/- [Rupees Sixty Crores two lakhs twenty four thousand only).
 - D. The Object Clause of the Memorandum of Association (MOA) of the Company was altered pursuant to the Board meeting held on 17th January, 2024 & the same was approved by shareholders through postal ballot on 21st February, 2024.

For Ronak Jhuthawat & Co.
(Company Secretaries)

Dr. Ronak Jhuthawat
Proprietor
FCS: 9738, CP: 12094
Peer Review: 1270/2021
UDIN- F009738F000478514

Place: Udaipur
Date: 29.05.2024

Note: This report is to be read with our letter of even date which is annexed as "ANNEXURE A" and forms an integral part if this report.

“Annexure A”

To,

The Members

Star Housing Finance Limited

(Formerly known as “Akme Star Housing Finance Limited”)

603, Western Edge I, Above Metro Cash & Carry, Borivali East, Mumbai 400066

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Ronak Jhuthawat & Co.
(Company Secretaries)

Dr. Ronak Jhuthawat
Proprietor
FCS: 9738, CP: 12094
Peer Review: 1270/2021
UDIN- F009738F000478514

Place: Udaipur
Date: 29.05.2024

Annexure III

ANNUAL SECRETARIAL COMPLIANCE REPORT STAR HOUSING FINANCE LIMITED (FORMERLY KNOWN AS "AKME STAR HOUSING FINANCE LIMITED") (FOR THE YEAR ENDED 31.03.2024)

We M/s Ronak Jhuthawat & Co. have examined:

- All the documents and records made available to us and explanation provided by **Star Housing Finance Limited** (Formerly known as "Akme Star Housing Finance Limited") (CIN: L45201MH2005PLC376046) ("the listed entity"),
- The filings/ submissions made by the listed entity to the stock exchanges,
- Website of the listed entity,
- Any other document/ filing, as may be relevant, which has been relied upon to make this certification,

For the year ended 31st March, 2024 ("Review Period") in respect of compliance with the provisions of:

- The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- The Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the review period);**
- Securities and Exchange Board of India (Share Based Employee Benefits and sweat Equity) Regulations, 2021;
- Securities and Exchange Board of India (Issue and Listing of Debt Securities and Security Receipts) Regulations, 2008;
- Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021;
- Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- Securities and Exchange Board of India (Registrars to an Issue and share transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client: **(Not applicable to the Company during the review period)**
- Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the review period)** And circulars/ guidelines issued thereunder and based on the above examination, we hereby report that, during the Review period:

- The listed entity has complied with the provisions of the above Regulations and Circulars/guidelines issued thereunder, except in respect of matters specified below:
Refer Annexure "A" annexed to the Report

- The listed entity has taken the following actions to comply with the observations made in previous reports:
NA

I further report that:

Actions taken by SEBI or Stock Exchange (s), if any

- The Company has complied with the requirements of Structural Digital Data Base in term of Securities & Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015 including various Circulars issued by SEBI thereunder and Circular(s) issued by BSE Limited dated March 16, 2023.
- There was no event of appointment/ re-appointment/ resignation of Statutory Auditors in the Listed Entity during the review period and the Listed Entity has not modified the terms of appointment of its existing Auditor. In this regard, I report that the Listed Entity has complied with Circular No. CIR/CFD/CMD1/114/2019 dated October 18, 2019.

Further to the matter and as advised in the BSE Notice No. 20230329-21 dated 29th March, 2023 as well as BSE Notice No. 20230410-41 dated 10th April, 2023, following are the additional information which is the parts of ongoing Annual Secretarial Audit Report –

PARTICULARS	COMPLIANCE STATUS (YES/NO/NA)	OBSERVATIONS/ REMARKS BY PCS
Secretarial Standards:		
The Compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI)	Yes	-
Adoption and timely updation of the Policies:		
· All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities.	Yes	-
· All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/circulars/guidelines issued by SEBI		-
Maintenance and disclosures on Website:		
· The Listed entity is maintaining a functional website	Yes	-
· Timely dissemination of the documents/ information under a separate section on the website	Yes	-
· Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website.	Yes	-
Disqualification of Director:		
None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013	Yes	-
To examine details related to Subsidiaries of listed entities:		
(a) Identification of material subsidiary companies (b) Requirements with respect to disclosure of material as well as other subsidiaries	N.A.	The Company does not have any subsidiary
Preservation of Documents:		
The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	-
Performance Evaluation:		
The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations.	Yes	-
Related Party Transactions:		
(a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions	Yes	-
(b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit committee	N.A.	-
Disclosure of events or information:		
The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	-
Prohibition of Insider Trading:		
The listed entity is in compliance with Regulation 3(5) & 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	-

Actions taken by SEBI or Stock Exchange (s), if any

No Actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder

N.A.

Additional Non-Compliances, if any:

No any additional non-compliance observed for all SEBI regulation/circular/guidance note etc.

N.A.

For Ronak Jhuthawat & Co.
(Company Secretaries)

Dr. Ronak Jhuthawat
Proprietor
FCS: 9738, CP: 12094
Peer Review: 1270/2021
UDIN- F009738F000478437

Place: Udaipur
Date: 29.05.2024

“Annexure A”

A) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below: –

COMPLIANCE REQUIREMENT (REGULATIONS/ CIRCULARS/ GUIDELINES INCLUDING SPECIFIC CLAUSE)	REGULATION/ CIRCULAR NO.	DEVIATIONS	ACTION TAKEN BY	TYPE OF ACTION (ADVISORY/ CLARIFICATION/FINE/SHOW CAUSE NOTICE/ WARNING, ETC.)	DETAILS OF VIOLATION	FINE AMOUNT	OBSERVATIONS / REMARKS OF THE PRACTICING COMPANY	MANAGEMENT RESPONSE
NA	NA	NA	NA	NA	NA	NA	NA	NA

B) The listed entity has taken the following actions to comply with the observations made in previous reports:

COMPLIANCE REQUIREMENT (REGULATIONS/ CIRCULARS/ GUIDELINES INCLUDING SPECIFIC CLAUSE)	REGULATION/ CIRCULAR NO.	DEVIATIONS	ACTION TAKEN BY	TYPE OF ACTION (ADVISORY/ CLARIFICATION/FINE/SHOW CAUSE NOTICE/ WARNING, ETC.)	DETAILS OF VIOLATION	FINE AMOUNT	OBSERVATIONS / REMARKS OF THE PRACTICING COMPANY	MANAGEMENT RESPONSE
Not Any	NA	Not Any	Not Any	Not Any	Not Any	NIL	Not Any	Not Any

Note: This report to be read with our letter of even date which is annexed as “ANNEXURE B” and forms an integral part if this report.

“Annexure B”

Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.
5. This Report is limited to the Statutory Compliances on laws/ regulations / guidelines listed in our report which have been complied by the Company up to the date of this Report pertaining to financial year ended March 31, 2024.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
7. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion

For Ronak Jhuthawat & Co.
(Company Secretaries)

Sd/-

Dr. Ronak Jhuthawat
Proprietor
FCS: 9738, CP: 12094
Peer Review: 1270/2021
UDIN- F009738F000478437

Place: Udaipur
Date: 29.05.2024

REPORT ON CORPORATE GOVERNANCE

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. The objective is to meet stakeholders' aspirations and societal expectations. Good governance practices stem from the dynamic culture and positive mindset of the organization. We are committed to meet the aspirations of all our stakeholders.

The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons. The demands of Corporate Governance require professionals to raise their competence and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics. It has thus become crucial to foster and sustain a culture that integrates all components of good governance by carefully balancing the inter-relationship among the Board of Directors, Board Committees, Finance, Compliance & Assurance teams, Auditors and the Senior Management. Our employee satisfaction is reflected in the stability of senior management, ability to attract talent across various levels and substantially higher productivity. Above all, we feel honoured to be integral to India's social development.

The Company is in compliance with Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (hereinafter "RBI Master Directions") (including erstwhile regulations), the Companies Act, 2013 (hereinafter "the Act"), Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter "SEBI LODR Regulations or "Listing Regulations") and all other applicable rules and regulations.

The Board of Directors of Star Housing Finance Limited have pleasure in presenting the Company's report containing the details of governance systems and processes for the Financial Year 2023-2024:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's policy on Corporate Governance is based on the principles of full disclosure, fairness, equity, transparency, and accountability in the various aspects of its functioning, leading to the protection of the stakeholders' interest and an enduring relationship with stakeholders. The Management's commitment to these principles is reinforced through the adherence of all Corporate Governance practices which forms part of the Regulation Nos. 17 to 27 of the Listing Regulations. The Company has also adopted the Code of Conduct for the Directors and Senior Management Personnel. The Company has in place a Code for Fair Disclosure and Conduct as required under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 which has been amended from time to time. The Company adheres to good corporate governance practices and is constantly striving to adopt emerging best practices. It is the Company's on-going endeavour to achieve the highest levels of governance as a part of its responsibility towards its stakeholders and the Company is strongly committed to these principles.

2. BOARD OF DIRECTORS

The Board of Directors is the apex body for overseeing the Company's overall functioning. The Board provides strategic direction and leadership and oversees the management policies and their effectiveness looking at long-term interests of shareholders and other stakeholders. The Board of Directors of the Company plays a crucial role in overseeing how the management serves the short and long term interests of stakeholders. This belief is reflected in Star governance practices, under which the Company strives to maintain an effective, informed and independent Board.

The Board of Directors of the Company plays a key role, as they oversee the functioning of the organization and ensures that it continues to operate in the best interest of all the stakeholders. Thus, the Company strives to keep its Board well-informed, independent and actively involved in the important decision making process pertaining to the Company.

The Board of Directors represents the interest of Company's Shareholders, in optimizing long-term Value by providing the Management with the guidance and strategic direction on the shareholder's behalf. The Board has a formal schedule of matters reserved for its consideration and decision, which includes reviewing corporate performance, ensuring adequate availability of financial resources, regulatory compliance, safeguard interest of shareholder and reporting to shareholder.

The Directors attend and actively participate in Board Meetings and meetings of the Committees in which they are Members. The Board's responsibilities include various matters, inter-alia, including:

- a) Overall direction of the Company's business, including projections on capital requirements, budgets, revenue streams, expenses and profitability;
- b) Review of quarterly/annually results and its business segments.
- c) Compliance with various laws and regulations;
- d) Addressing conflicts of interest;
- e) Ensuring fair treatment of borrowers and employees;
- f) Ensuring information sharing with and disclosures to various Stakeholders, including investors, employees and regulators;
- g) Developing a corporate culture that recognizes and rewards adherence to ethical standards;

2.1. Composition and Category of the Board

The Board of the Company comprises upright combination of Independent and Non-Independent Directors, including Woman Director in line with the provisions of the Companies Act, 2013 (the "Act") and the Listing Regulations. The Board of the Company has a good and diverse mix of Executive and Non-Executive Directors with majority of the Board Members comprising Independent Directors.

The Board of Directors have professional knowledge and experience, in diverse fields viz. finance, banking, public policy and legal/judicial, thereby bringing about an enabling environment for value creation through sustainable business growth.

The Board is competent in making informed decisions, expediently with various perspectives and skills that work together in the best interest of the Company.

Independent Directors:

Independent Director acts as a guide, coach, and mentor to the Company. Their wide knowledge of both, their field of expertise and Board Room practices help foster varied, unbiased, independent and experienced perspectives. The Company benefits immensely from their inputs in achieving its strategic direction.

The Independent Directors have confirmed that they satisfy the criteria prescribed for an Independent Director as stipulated in Regulation 16(1)(b) & 25 of the SEBI LODR Regulations and have also submitted the declaration of independence stating that they meet the criteria as provided under Section 149(6) of the Companies Act, 2013 (Act) as amended from time to time. All Independent Directors of the Company have been appointed as per the provisions of the Act and SEBI LODR Regulations. They have also confirmed compliance with the Section 150 of the Act and Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014 relating to the inclusion of their name in the databank of Independent Directors maintained by Indian Institute of Corporate Affairs (IICA). The terms and conditions of appointment of Independent Directors are available on the Company's website at <https://www.starhfl.com>. In the opinion of the Board, the Independent Directors fulfil the conditions as specified in Schedule V of the SEBI LODR Regulations and are independent of the management. None of the Independent Directors has resigned before the expiry of their respective tenures during the Financial Year 2023-24.

Fit & Proper Criteria:

The Company has formulated and adopted a Policy on Fit & Proper Criteria for the Directors as per the provisions of the RBI Master Directions. All the Directors of the Company have confirmed that they satisfy the fit and proper criteria of Directors at the time for their appointment/re-appointment and on a continuing basis as prescribed under the RBI Master Directions.

The Composition of the Board as on March 31, 2024 was as under:

NAME OF THE DIRECTORS	DESIGNATION	NO. OF SHARES HELD AS ON MARCH 31, 2024
Mr. Ashish Jain	Chairman & Managing Director	16,19,000 (2.06%)
Mr. Kavish Jain	Executive Director	16,41,289 (2.08%)
Mr. Amlendra Prasad Saxena	Non- Executive Independent Director	Nil
Mr. Ajith Kumar Lakshmanan	Non- Executive Independent Director	Nil
Mr. Pradip Kumar Das	Non- Executive Independent Director	60,000 (0.08%)
Ms. Neelam Tater	Non- Executive Independent Director	Nil
Mr. Chinnathambi Illango	Non- Executive Independent Director	Nil

Director's Profile

Mr. Ashish Jain (Chairman & Managing Director)

Mr. Ashish Jain, aged 36 years, is the Managing Director & Chairman of the Company. He is a qualified Engineer from University of Pune. He did his Masters in Logistic and Supply Chain Management from University of Nottingham, UK. After finishing his Masters' in 2011 he joined Star Housing Finance Limited as Credit and Field Officer. During his tenure as Credit Officer, he under took several reforms in credit appraisal and field investigation. After that in year 2014, he was appointed as Chief Financial Officer of the Company. Later on he became the Board Member and was appointed Director in the Company in year 2017. Looking into his work and dedication, he was appointed Managing Director cum Chairman in the Company in year 2018. His understanding and vision is among the key for consistent performance of the Company. His hard work, immaculate working and determination to excel; accompanied by dedicated support from the management, has provided excellent results for the Company.

Mr. Kavish Jain (Executive Director)

Mr. Kavish Jain, is MBA and Law graduate, was head of operations at Star Housing Finance Ltd. and now appointed as Executive Director of the Company. Mr. Jain is committed to create the most fulfilling and helpful consumer journey for millions of Indians who need home finance loans. Mr. Jain brings his in-depth expertise & knowledge, spanning over 6 years, to retail asset operations, operating systems & processes, disbursement handling and many more topics. He has been overseeing and directing the entire marketing team as well as co-ordinating with Channel partners/Business associates of the company.

Mr. Amlendra Prasad Saxena (Non- Executive Independent Director)

Mr. Amlendra Prasad Saxena, aged 66 years, superannuated as General Manager from National Housing Bank (NHB) after having completed about 3 decades of service with NHB. During his stint with NHB, he had been actively engaged in the areas of Regulation and Supervision of HFCs, Refinance, Risk Management, Accounts and Policy Formulation in the field of Housing Finance. He had in his career numerous exposure to International trainings /seminars viz., International Housing Finance at Wharton University, World Urban Forum IV at Nanjing (China), kfw Germany. He was on the Board of CERSAI as a Nominee Director of NHB. Prior to joining NHB, He had worked with the Central Govt., as an Officer of Indian Statistical Service. He is also on the Board of one HFC and engaged in the Advisory Capacity with few HFCs. Mr. Saxena is having Post Graduate Qualification in Statistics from University of Lucknow and MBA (Finance) from Faculty of Management Studies, University of Delhi.

Mr. Ajith Kumar Lakshmanan (Non- Executive Independent Director)

Mr. Ajith Kumar Lakshmanan, aged 63 years, has a distinguished career of over 35 years, building Life Insurance and Housing Finance businesses, brands and people by leading large teams in an open and competitive market environment.

Extensive domain of life insurance and housing finance industry with insights in strategy, business process re-engineering and digital marketing. Served on the Board of LIC International and LIC HFL as Senior Management and served as a Nominee Director at a Govt. of India Enterprise.

71 Mr. Pradip Kumar Das (Non- Executive Independent Director)

Mr. Pradip Kumar Das, aged 61 years is a well-known commercial banker with more than three decades of all-round rich experience in public & private banking industry (more than 21 years in IDBI Bank Ltd and 14 years in Central Bank of India with 18 years plus in leadership role) across various business verticals & geographies, series of accolades in terms of performance in Retail Banking. He is also on the Board of various reputed Industries in the country.

He is having experience in the field of Retail Banking, Wholesale Banking viz Corporate Banking Priority Sector Lending, Trade Finance, Cash Management services, Government Business Branch Banking operations, Policy, Currency Chest Management, Recovery & Resolution etc.

71 Ms. Neelam Tater (Non- Executive Independent Director)

Mrs. Neelam Tater, aged 32 years, is a fellow member of the Institute of Chartered Accountants of India and also a Company Secretary. She has rich professional Experience in CA Practice approx. 4 years and in employment having 1 year of Experience. She is having hands on experience across Income tax filing, Finance Management, Risk review, Internal Control over Financial Reporting.

Mrs. Neelam Tater comes with a rich professional experience encompassing audit and risk management and business/ management advisory services to diverse mix of corporate clients including banking and financial institutions.

71 Mr. Chinnathambi Illango (Non- Executive Independent Director)

Mr. Chinnathambi Illango, aged 67 years, a seasoned professional with a remarkable career spanning over 36 years in the commercial banking sector. Beginning as an Officer at Canara Bank in 1980, he honed his skills and expertise, culminating in a prestigious role as the Managing Director and CEO of CanFin Homes Ltd from 2011 to 2016.

Mr. Chinnathambi Illango's core competencies include strategic planning, revenue enhancement, operational excellence, relationship building, communication, resource allocation, competitive intelligence, and team leadership. He excels in financial skills such as regulatory compliance, credit underwriting, portfolio management, risk management, and commercial lending. Throughout his career, he displayed a knack for turning around poorly performing branches, streamlining internal controls, and achieving exceptional recovery rates for non-performing assets. His illustrious performance was not limited to the national stage, as he garnered international acclaim in 2004 at Seoul, Korea. Mr. Illango's extraordinary career is a testament to his unwavering commitment to the banking industry and his ability to drive sustained growth and excellence.

71 Kalpesh Dave (Chief Executive Officer & Additional Director)

Mr. Kalpesh Dave has more than 15 years of experience in housing finance space. His expertise includes competitive environment scanning, setting and scaling up of business processes, setting up of branch infrastructure, developing practical and result oriented strategies for implementation on ground. He has strong domain of business intelligence and reporting of banking industry, both nationally and internationally.

2.2 Attendance at Board Meetings and last Annual General Meeting, Relationship between Directors inter-se, Number of Directorships and Committee Memberships/Chairmanships.

Details of attendance of each Director at the Board Meetings and last Annual General Meeting ("AGM") and the number of Companies and Committees where he/she is a Director/Member/Chairman/Chairperson as on March 31, 2024 are given below:

NAME	CATEGORY	ATTENDANCE AT THE BOARD MEETINGS	ATTENDANCE AT AGM HELD ON AUGUST 10, 2023	1 NO. OF OTHER DIRECTORSHIPS	COMMITTEE POSITION IN INDIA (NUMBER OF MEMBERSHIPS IN AUDIT/STAKEHOLDER COMMITTEE (S) INCLUDING THIS LISTED ENTITY)	
					Chairman	Member
² Mr. Ashish Jain	Chairman & Managing Director	13 out of 13	Yes	Nil	0	1
Mr. Kavish Jain	Executive Director	13 out of 13	Yes	Nil	0	1

Mr. Amlendra Prasad Saxena	Non-Executive Independent Director	13 out of 13	Yes	Nil	0	0
Mr. Ajith Kumar Lakshmanan	Non- Executive Independent Director	13 out of 13	Yes	Nil	0	0
Mrs. Neelam Tater	Non- Executive Independent Director	13 out of 13	Yes	Pacific Industries Limited	1	4
Mr. Pradip Kumar Das	Non- Executive Independent Director	13 out of 13	Yes	Nil	1	1
³ Mr. Chinnathambi Illango	Non- Executive Independent Director	5 out of 5	Not Applicable	Nil	0	0

¹ Aforesaid directorships do not include directorship held in private companies, foreign companies and companies incorporated under Section 8 of the Companies Act, 2013.

² Mr. Ashish Jain (DIN: 02041164) resigned from the position of Chariman & Managing Director w.e.f. June 30, 2024

³ Mr. Chinnathambi Illango has been appointed as Non- Executive Independent Director of the Company w.e.f. November 8, 2023.

None of the Directors is a Director in more than 20 companies or more than 10 public limited companies or acts as an independent director in more than 7 listed companies and also more than 3 NBFCs of scale Middle and above. Further, none of the directors is a member of more than 10 committees or is a Chairperson/ Chairman of more than 5 committees across all the public companies in which he/ she is a Director. Only Audit Committee and Stakeholders' Relationship Committee were considered for reckoning the limit of membership/ chairmanship of the committees. For this purpose, Directorship/ Chairmanship/Membership held in the Company has also been considered. There are no material significant related party transactions made by the Company with its Promoters, Directors, Key Managerial Personnel or other designated persons and their relatives which may have a potential conflict with the interest of the Company at large.

None of the other directors except Mr. Ashish Jain & Mr. Kavish Jain are related inter-se to each other.

Names of listed entities (other than Star Housing Finance Limited) where the person is a Director and Category of Directorship:

NAME OF THE DIRECTORS	NAME OF THE COMPANY	CATEGORY OF DIRECTORSHIP
Mr. Ashish Jain	Not Applicable	Not Applicable
Mr. Kavish Jain	Not Applicable	Not Applicable
Mr. Amlendra Prasad Saxena	Not Applicable	Not Applicable
Mr. Ajith Kumar Lakshmanan	Not Applicable	Not Applicable
Mr. Pradip Kumar Das	Not Applicable	Not Applicable
Mrs. Neelam Tater	Pacific Industries Limited	Non-Executive Independent Director
Mr. Chinnathambi Illango	Not Applicable	Not Applicable

2.3. Meetings of the Board of Directors

The Company holds at least four Board meetings in a year, one in each quarter. Apart from the four scheduled Board Meetings, additional Board Meetings are also convened to address the specific requirements of the Company, as and when required. In case of urgency or business exigencies, matters are also approved by way of circular resolution as per the provisions of Companies Act, 2013 and subsequently noted at the next Board meeting.

Presentations are made by the Senior Management on the Company's performance, operations, plans and other matters on a periodic basis. The proceedings of the meetings of the Board and its Committees are recorded in the form of minutes, which are circulated to the Board for perusal. The important decisions taken at the Board / Committee meetings are promptly communicated to the concerned departments.

The Notice and Agenda of the Board and Committee Meetings are circulated well in advance and in accordance with the applicable laws to enable the Board to discharge its responsibilities effectively and take informed decisions. With the unanimous consent of the Board, all information which is in the nature of Unpublished Price Sensitive Information (UPSI), is circulated to the Board and its Committees at a shorter notice before the commencement of the respective Meetings. All statutory and other significant matters, including the minimum information as required to be placed before Board in terms of Schedule II- Part A of SEBI LODR Regulations and Secretarial Standards under the Act were placed before the Board. The participation in the Board and Committee Meetings is also facilitated through video conferencing, to encourage effective and active involvement in the Board deliberations by Directors located in other locations. The Board meets at least once in

a quarter to inter-alia review the Company's quarterly performance and Financial Results, assess business strategies and their implementation and also discuss policy, compliances and other matters. The Meetings are conducted in compliance with the regulatory requirements including those prescribed under the Act. Additional meetings are held when necessary.

Further, 13 (Thirteen) Board Meetings were held in the financial year 2023-24 and the gap between any two consecutive board meetings did not exceed one hundred and twenty days. The details of the same is mentioned below:

S. NO.	DATE OF BOARD MEETING	S. NO.	DATE OF BOARD MEETING
1	22nd April, 2023	8	08th November, 2023
2	29th May, 2023	9	28th December, 2023
3	27th June, 2023	10	17th January, 2024
4	15th July, 2023	11	19th February, 2024
5	25th September, 2023	12	09th March, 2024
6	19th October, 2023	13	12th March, 2024
7	25th October, 2023		

2.4. Details of directors appointed/ re-appointed/ resigned

a) Pursuant to Sections 149, 152 and 161 and other applicable provisions of the Act read with the Companies (Appointment & Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulation, 2015, Mr. Chinnathambi Illango has been appointed as an Additional Director (in the Category of Non-Executive Independent Director) of the Company who is not liable to retire by rotation by the resolution passed by the Board of Directors as on November 08, 2023. Thereafter, he was appointed as Director (in the Category of Non-Executive Independent Director) in the Extra Ordinary General Meeting of the Company held on December 06, 2023.

The Company has furnished to National Housing Bank ("NHB") a quarterly statement on change of Directors and a certificate from the Managing Director that "fit and proper criteria" in selection of the Directors has been followed. The certified statement by the Statutory Auditor for quarter ended on March 31, 2024 on the change of Directors was also submitted to NHB, as a matter of compliance

2.5. Familiarization program

As required under the Listing Regulations and the Act, the Board of Directors has framed the Familiarization Programme for the Independent Directors.

The Familiarization Programme aims to provide Independent Directors with the Housing industry scenario, the socio-economic environment in which the Company operates, the business model, the operational and financial performance of the Company, to update the Independent Directors on a continuous basis on significant developments in the Industry or regulatory changes affecting the Company, so as to enable them to take well informed decisions in a timely manner. The familiarization programme also seeks to update the Independent Directors on the roles, responsibilities rights and duties under the Act and other relevant legislations.

The Familiarization Programme for the new and continuing Independent Directors of the Company ensures valuable participation and inputs which help in bringing forth the best practices into the organization and taking informed decision(s) at the Board Level.

Further, at the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/ her role, function, duties and responsibilities. During the year under review, the Company had provided suitable training to Independent Directors, familiarizing them with their roles, rights, duties and responsibilities, nature of Industry in which the company operates and business model of the Company.

Independent Directors are provided with necessary documents/brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved.

Pursuant to Regulation 46 of the SEBI LODR Regulations, details of such programmes imparted to Independent Directors are available on the Company's website and can be accessed through the Web link <https://www.starhfl.com/wp-content/uploads/2023/02/2.-Familiarization-Programmes-imparted-to-Independent-Directors.pdf>

Selection and Appointment of Directors:

The selection and appointment of Directors of the Company is carried out in accordance with provisions of the Act and relevant rules made thereunder, Directions and Guidelines issued by RBI and NHB, SEBI LODR Regulations and as per the Nomination and Remuneration Policy of the Company.

2.6. A chart or a matrix setting out the skills/expertise/ competence of the board of directors specifying the following

The Board of Directors have identified the following skills required for the Company and the availability of such skills with the Board:

NAME OF THE DIRECTORS	TECHNOLOGY	BUSINESS STRATEGY	LEGAL & ADMINISTRATIVE	FINANCE	CORPORATE GOVERNANCE	LEADERSHIP	AUDIT & RISK MANAGEMENT
Mr. Ashish Jain	✓	✓	✓	✓	✓	✓	✓
Mr. Kavish Jain	✓	✓	✓	✓	✓	✓	✓
Mr. Amlendra Prasad Saxena	✓	✓	✓	✓	✓	✓	✓
Mr. Ajith Kumar Lakshmanan	✓	✓	✓	✓	✓	✓	✓
Mr. Pradip Kumar Das	✓	✓	✓	✓	✓	✓	✓
Mrs. Neelam Tater	✓	✓	✓	✓	✓	✓	✓
Mr. Chinnathambi Illango	✓	✓	✓	✓	✓	✓	✓

In terms of RBI Master directions considering the need for professional experience in managing the affairs of the Company at least one of the directors shall have relevant experience of having worked in a Bank/ NBFC/ HFC. The Company is in compliance with these directions.

2.7. Performance Evaluation

During the year under review, the Nomination & Remuneration Committee specified the manner for effective evaluation of performance of the Board, its committees and individual directors in accordance with the provisions of Section 178 of the Act and performance evaluation was carried out in accordance therewith.

Regulation 17 of Listing Regulations read with Schedule IV and other applicable provisions of the Act, mandates a formal evaluation to be done by the Board of its own performance and that of its Committees and individual Directors. Independent Directors shall also evaluate the performance of Non- Independent Directors and the Chairperson of the Board.

The evaluation of the performance of the Board is based on the approved criteria such as the Board composition, strategic planning, role of the Chairperson, independence from the entity, independent views and judgement, knowledge and participation, Non-Executive Directors and other senior management, assessment of the timeliness and quality of the flow of information by the Company to the Board and adherence to compliance and other regulatory issues. The manner in which formal annual evaluation of the Board, its Committees and individual Directors are conducted includes:

- In light of the criteria prescribed for the evaluation, the Board analyses its own performance, that of its Committees and each Director during the year and suggests changes or improvements, if required.
- The performance evaluation of Independent Directors of the Company is carried out by the Board of the Company excluding the Director being evaluated.
- The Independent Directors, at their separate meeting review the performance of Non-Independent Directors, the Board as a whole and Chairperson.

During the year under review Performance Evaluation of the Board as a whole, as well as that of its Committees, Independent

Directors and Non Independent Directors has been carried out in accordance with the relevant provisions of the Act read with relevant rules made thereunder and SEBI LODR Regulations and in compliance of guidance note issued by SEBI under Circular no. SEBI/HO/ CFD/ CMD/CIR/P/2017/004 dated Jan. 05, 2017. With the objective of enhancing the effectiveness of the Board, the Nomination and Remuneration Committee has formulated the methodology and criteria to evaluate the performance of the Board and its Committees and each Director.

The Board has expressed its satisfaction with the evaluation process.

The evaluation of all the directors including Independent Directors was carried out by the entire Board at its meeting held on 19th February, 2024. The directors were satisfied with the outcome of the evaluations of the Board, its Committees and the individual directors and on the basis of the evaluation reports, the present term of appointment of independent directors shall be continued.

2.8. Criteria for performance evaluation of Directors

The criteria for performance evaluation of Directors inter alia includes following:

Attendance at the Board meetings.	Understanding the critical issues affecting the Company.	Prompt Board discussion on strategic issues.
Brings relevant experience to the Board and uses it effectively.	Understands and evaluates the risk environment of the organization.	Conducts himself/ herself in a manner that is ethical and consistent with the laws of the land.
Maintain confidentiality wherever required.	Communicates in an open and constructive manner.	Seeks satisfaction and accomplishment through serving on the Board.

2.9. Separate Meeting of Independent Directors

A separate meeting of the Independent Directors of the Company was held on February 19, 2024 as per Schedule IV of the Act and Regulation 25 of the Listing Regulations, to review the performance of all Non-Independent Directors, the Board as a whole and the performance of the Chairman of the Company taking into account the views of other executive and non- executive directors. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees towards effective and reasonable performance and discharge of their duties. All the Independent Directors have participated in the Meeting.

3. COMMITTEES OF THE BOARD

The Board has constituted sub-committees comprising of Directors and Senior Management Personnel (wherever required) as its Members to focus on specific areas and make informed decisions within the authority delegated to each of the Committees. Each Committee of the Board is guided by its charter, which defines the scope, powers and composition of the Committee. All decisions and recommendations of the Committees were placed before the Board for information or approval. All decisions and recommendations of the various Committees were accepted by the Board during the Financial Year 2023-24. The composition and functioning of these Board Committees is in compliance with the applicable provisions of the Companies Act, 2013, SEBI LODR Regulations and the Master Directions issued by RBI.

3.1. Audit Committee

The Board has constituted the Audit Committee in terms of provisions of Section 177 of the Act, Regulation 18 read with Part C of Schedule II of SEBI LODR Regulations, RBI Master Directions and is chaired by an Independent Director. At present, the Audit Committee comprises of 3 Directors as its Members, out of them 2/3rd are Independent Directors. All the Members of the Committee are financially literate and majority of the Members including the Chairperson possess accounting and financial management expertise. The Company Secretary of the Company acts as Secretary to the Committee. The

Audit Committee acts as a link between the Statutory Auditors, Internal Auditors and the Board of Directors. Its purpose, amongst others, is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory, internal audit activities and related party transactions. The Board has accepted and implemented the recommendations of the Audit Committee, whenever provided by it.

The functions of Audit Committee are:

The Board of Directors has formed and approved a charter for the Audit Committee setting out the roles, responsibilities and functioning of the Committee. In adherence to the provisions of the Act, and SEBI LODR Regulations and Housing Finance Companies-Corporate Governance (Reserve Bank) Master Directions, 2021 and all other applicable regulatory requirements, the terms of reference of the Audit Committee are covered by its charter. Its functioning inter alia broadly includes the following:

- ▶ Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- ▶ Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor and the fixation of audit fees.
- ▶ Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- ▶ Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters required being included in the Directors Responsibility Statement to be included in the Board's report in terms of section 134 of the Companies Act.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
- ▶ Reviewing, with the management, the quarterly, half yearly and annual financial statements before submission to the board for approval
- ▶ Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- ▶ Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the Internal Control Systems.
- ▶ Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- ▶ Discussion with internal auditors on any significant findings and follow up there on.
- ▶ Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the board.
- ▶ Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- ▶ To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- ▶ To review the functioning of the Whistle Blower mechanism, in case the same exists.
- ▶ Approval of appointment of CFO (i.e., the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

- To overview the Vigil Mechanism of the Company and took appropriate actions in case of repeated frivolous complaints against any Director or Employee.
- Monitoring the end use of funds raised through public offers & related matters.
- The Audit Committee must ensure that an Information System Audit of the critical and significant internal systems and processes is conducted at least once in two years to assess operational risks faced by the HFC. Note: The Information System Audit as prescribed shall be carried out separately through a Certified Information System Auditor (CISA).

Powers of the Audit Committee:

The power of Audit Committee inter alia broadly includes the following

- Investigating any activity within its terms of reference;
- Seeking information from any employee;
- Obtaining outside legal or other professional advice; and
- Securing attendance of outsiders with relevant expertise, if it considers necessary.

The Company holds minimum four pre-scheduled Audit Committee meetings annually, one in each quarter and the maximum time gap between two Audit Committee meetings is not more than One Hundred Twenty days.

3.1.1 Composition, Meetings and Attendance

The Audit Committee comprises of, Mr. Pradip Kumar Das (Chairman) (w.e.f. 22.04.2023), Mrs. Neelam Tater (w.e.f. 22.04.2023) & Mr. Kavish Jain as members. Mr. Pradip Kumar Das was present at the Annual General Meeting, held on August 10, 2023, being the Chairperson of the Audit Committee as on date of AGM. The Chief Financial Officer and Company Secretary are permanent invitees to the meetings.

During the financial year 2023-24, the Audit Committee met 6 (Six) times on April 21, 2023; June 27, 2023; July 14, 2023; October 25, 2023; November 30, 2023 and January 17, 2024. The gap between two consecutive meetings did not exceed 120 (one hundred and twenty) days.

The attendance details are given below:

NAME OF THE DIRECTORS	DESIGNATION	NO. OF MEETINGS ATTENDED
Mr. Pradip Kumar Das ¹	Non-Executive Independent Director (Chairman)	6 out of 6
Mr. Kavish Jain	Executive Director (Member)	6 out of 6
Mrs. Neelam Tater ²	Non-Executive Independent Director (Chairman)	6 out of 6

¹ Mr. Pradip Kumar Das has been re-designated as Chairman of the Audit Committee w.e.f. 22nd April, 2023 by the Board of Directors of the Company.

² Mrs. Neelam Tater has been re-designated as member of the Audit Committee w.e.f. 22nd April, 2023.

The Board of Directors of the Company appointed Mr. Chinnathambi Illango as the Member of the Committee by replacing Ms. Neelam Tater] w.e.f 08th May, 2024.

3.1.2 Terms of Reference

The terms of reference of the Committee are wide enough to cover the matters specified for Audit Committee under Part C of Schedule II with reference to Regulation 18 of the Listing Regulations as well as under Section 177 of the Companies Act, 2013.

3.2. Nomination and Remuneration Committee

The Board has constituted the Nomination and Remuneration Committee in terms of the provisions of Section 178 of the Act, Regulation 19 read with Part D of Schedule II of SEBI LODR Regulations, RBI Master Directions and is chaired by an Independent Director. At present, the Nomination and Remuneration Committee comprises of 3 Directors as its Members, all of them being Independent Directors. The Company Secretary of the Company acts as Secretary to the Committee. The Board has accepted and implemented the recommendations of the Nomination and Remuneration Committee, whenever

provided by it. The Board has formed and approved a charter for the Nomination and Remuneration Committee setting out the roles, responsibilities and functioning of the Committee.

The composition of the Nomination and Remuneration Committee as on March 31, 2024 and the details of Members participation at the Meetings of the Committee are as under:

3.2.1. Composition, Meeting and Attendance

The Nomination and Remuneration Committee comprises of, Mr. Ajith Kumar Lakshmanan (Chairman), Mr. Amlendra Prasad Saxena (Member), Mrs. Neelam Tater (Member). Mr. Ajith Kumar Lakshmanan, Chairman of the Committee, attended the AGM.

The Committee met six times during the year on April 18, 2023, May 29, 2023, June 26, 2023, September 22, 2023, November, 08, 2023, and January 16, 2024, the details of attendance are as under:

NAME OF THE DIRECTORS	DESIGNATION	NO. OF MEETINGS ATTENDED
Mr. Ajith Kumar Lakshmanan	Non-Executive Independent Director (Chairman)	6 out of 6
Mr. Amlendra Prasad Saxena	Non-Executive Independent Director (Chairman)	6 out of 6
Mrs. Neelam Tater	Non-Executive Independent Director (Chairman)	6 out of 6

3.2.2 Terms of Reference of the Committee

The terms of reference of the Nomination and Remuneration Committee inter-alia includes the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of the Directors, KMP and other Employees;
2. For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may: use the services of an external agencies, if required; & consider candidates from a wide range of backgrounds, having due regard to diversity; and c. consider the time commitments of the candidates.
3. Devising a policy on diversity of Board of Directors;
4. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board for their appointment and removal;
5. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
6. Recommend to the Board, all remuneration, in whatever form, payable to senior management;
7. Performing such functions as are required to be performed by the Compensation Committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, including the following:
 - (a) Administering the ESOP plans;
 - (b) Determining the eligibility of Employees to participate under the ESOP plans;
 - (c) Granting options to eligible Employees and determining the date of grant;
 - (d) Determining the number of options to be granted to an Employee;
 - (e) Determining the exercise price under the ESOP plans; and
 - (f) Construing and interpreting the ESOP plans and any agreements defining the rights and obligations of the Company and eligible Employees under the ESOP plans, and prescribing, amending and / or rescinding rules and regulations relating to the administration of the ESOP plans.

8. Framing suitable policies and systems to ensure that there is no violation by any Employee of any applicable laws in India or overseas, including:
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, (SEBI PIT Regulations);
 - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003 and
9. Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended by the Nomination and Remuneration Committee.

3.2.3 Remuneration Policy

The Company has duly formulated Policy on Nominations & Remuneration for Directors, KMP and Senior Management ("Remuneration Policy") as per the provisions of the Act read with applicable Rules, Regulations under the Act, RBI Master Directions, 2021, and SEBI LODR Regulations as amended from time to time, which, inter-alia, lays down the approach to diversity of the Board, the criteria for identifying the persons who are qualified to be appointed as Directors and such persons who may be appointed as Senior Management Personnel of the Company and also lays down the criteria for determining the remuneration of the Directors, KMP and the process of their evaluation.

In order to address issues arising out of excessive risk taking caused by misaligned packages while formulating the policy inter-alia the following factors were included:

- Constitution of a Remuneration Committee,
- Principles for fixed/variable pay structures, and
- Malus/ clawback provisions.

The remuneration paid to the Directors, KMPs and Senior management personnel is in line with the Remuneration Policy of the Company. In reviewing the overall remuneration of the Board of Directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company. The company has uploaded its remuneration policy on the website <https://www.starhfl.com/wp-content/uploads/2023/06/Remuneration-Policy.pdf>

Details of remuneration for Directors paid during the Financial Year 2023-24 are provided in table below:

a) Non-Executive Directors

(In Lakhs)

NAME	FIXED SALARY			COMMISSION	SITTING FEES	TOTAL COMPENSATION
	BASIC	PERQUISITES	TOTAL			
NON-EXECUTIVE INDEPENDENT DIRECTORS						
Mr. Amlendra Prasad Saxena	-	-	-	-	7.25	7.25
Mr. Ajith Kumar Lakshmanan	-	-	-	-	7.25	7.25
Mrs. Neelam Tater	-	-	-	-	7.40	7.40
Mr. Pradip Kumar Das	-	-	-	-	6.50	6.50
¹ Mr. Chinnathambi Illango	-	-	-	-	2.20	2.20

¹ Mr. Chinnathambi Illango has been appointed as the Non-Executive Independent Director w.e.f. 08th November, 2023.

b) Executive Director

PARTICULARS	MR. ASHISH JAIN	MR. KAVISH JAIN
Salary paid during the FY 2023-24	61.09	22.50
Commission	-	-
Variable Pay	-	-
Perquisites	-	-
Sitting Fees	-	-
Sitting Fess from Subsidiary Companies	-	-
Number of shares held	16,19,000	16,41,289

3.3. Stakeholders' Relationship Committee

In compliance with the provisions of Section 178 of the Act, and Regulation 20 read with Part D of the Schedule II of SEBI LODR Regulations the company has Stakeholders' Relationship Committee ('SRC') in line to consider and resolve the grievances of our shareholders, and other security holders, including complaints relating to non-receipt of annual report, transfer and transmission of securities, non-receipt of dividends/interests and such other grievances as may be raised by the security holders from time to time.

3.3.1. Composition, Meeting and Attendance

The Stakeholders' Relationship Committee comprises of 3 (Three) Directors of which 2 (Two) are Non-Executive Directors i.e. Mrs. Neelam Tater (Chairperson), Mr. Pradip Kumar Das & Mr. Ashish Jain as members.

During the year under review, the Committee met on February 19, 2024. All the members were present at the said meeting.

3.3.2. Terms of Reference

The terms of reference of the Stakeholder Relationship committee are as follows:

- ▶ transfer/transmission of shares/debentures and such other securities as may be issued by the Company from time to time;
- ▶ issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- ▶ issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates/certificates relating to other securities;
- ▶ to approve and monitor dematerialization of shares/debentures/other securities and all matters incidental or related thereto; to authorize the Company Secretary and Head Compliance/other Officers of the Share Department to attend to matters relating to non-receipt of annual reports, notices, non-receipt of declared dividend/interest, change of address for correspondence etc. and to monitor action taken;
- ▶ to redress the complaints of the members and investors, related to transfer and transmission of securities, non-receipt of annual reports and other securities related matters
- ▶ to review the request/Complaints received by the Registrar and Share Transfer Agent from the members relating to transfer, transmission, consolidation, replacement of share certificates, issue of duplicate share certificates and dematerialization of securities certificates
- ▶ to recommend the measures for overall improvement in the quality of investor services
- ▶ monitoring expeditious redressed of investors/stakeholders grievances;
- ▶ All other matters incidental or related to shares, debentures and other securities of the Company.
- ▶ Any other function as may be stipulated by the Companies Act, 2013, SEBI, Stock Exchange or any other regulatory authorities from time to time

3.3.3. Compliance Officer

NAME AND DESIGNATION OF THE COMPLIANCE OFFICER	MR. SHREYAS MEHTA (COMPANY SECRETARY & COMPLIANCE OFFICER)
Address	603, Western Edge-I, Above Metro Cash & Carry, Borivali (East), Mumbai-400066
Telephone Number	8828036610
E-mail ID	compliance@starhfl.com

3.3.4. Details of Shareholders' Complaints

Details of investor complaints received and resolved during the year ended 31st March, 2024 are as follows:

COMPLAINTS PENDING AS ON APRIL 1, 2023	COMPLAINTS RECEIVED DURING THE YEAR	COMPLAINTS RESOLVED DURING THE YEAR	COMPLAINTS PENDING AS ON MARCH 31, 2024
NIL			

All shares of the Company are in dematerialized form except eight shares which are in physical form due to rematerialisation request. "Bigshare Services Private Limited", has been appointed and it has been acting as the Registrar and Share Transfer Agent of the Company for carrying out transfer and other ancillary work related thereto. Bigshare Services Private Limited, has appropriate systems to ensure that requisite service is provided to investors of the Company in accordance with the applicable corporate and securities laws and within the adopted service standards. None of complaints of investors/ shareholders has come to the notice of Registrar and Share Transfer Agent of the Company.

3.4 Risk Management Committee

The Company has voluntarily formed Risk Management Committee of the Board, besides the Asset Liability Management Committee (at executive level) as per the requirement mentioned under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 for assisting the Board to establish a risk culture and risk governance framework in the organization. The Committee was formed to supervise, guide, review and identify current and emerging risks; developing risk assessment and measurement systems, establishing policies, practices and other control mechanisms to manage risks, developing risk tolerance limits for Senior Management and Board approval, monitoring positions against approved risk tolerance limits, reporting results of risk monitoring to Senior Management and the Board.

3.4.1. Terms of Reference:

- To formulate a detailed Risk Management Policy which shall include:
 - Framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability, information, cyber security risks or any other risk as may be determined by the Committee.
 - Measures for risk mitigation including systems and processes for internal control of identified risks.
 - Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the

Risk Management Committee;

7. Reporting results of risk and credit monitoring to the Board;
8. Reviewing and approving various credit proposals in terms of credit and risk management policies approved by the Board;
9. Establishing policies, practices and other control mechanism to manage risks;
10. Reviewing and monitoring the effectiveness and application of credit risk management policies, related standards and procedures and to control the environment with respect to credit decisions.

The Committee coordinates its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.

Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, and potential impact analysis and mitigation plan.

3.4.2. Composition, name of members and chairperson

Risk Management Committee consist of the following, personnels:

- ▶ Mr. Amlendra Prasad Saxena– Chairman
- ▶ Mr. B S Kachhawaha– Member
- ▶ Mr. Ashish Jain– Member
- ▶ Mr. Ajith Kumar Lakshmanan– Member

3.4.3. Meetings and attendance during the year

The Risk Management Committee met 3 (Three) times during the financial year 2023-24 i.e. on July 14, 2023; September 25, 2023 & January 16, 2024.

NAME OF THE DIRECTORS	DESIGNATION	NO. OF MEETINGS ATTENDED
Mr. Amlendra Prasad Saxena	Non-Executive Independent Director (Chairman)	3 out of 3
Mr. B.S. Kachhawaha	Chief Compliance Officer (Member)	3 out of 3
Mr. Ajith Kumar Lakshmanan	Non-Executive Independent Director (Member)	3 out of 3
Mr. Ashish Jain	Managing Director (Member)	3 out of 3

3.5. Corporate Social Responsibility (CSR) Committee

Pursuant to the provisions of Section 135 of the Companies Act, 2013, every company having

1. Net worth of rupees five hundred crore or more, or
2. Turnover of rupees one thousand crore or more or
3. Net profit of rupees five crore or more during the immediately preceding financial year shall constitute a Corporate Social Responsibility (CSR) Committee of the Board consisting of three or more Directors, out of which at least one director shall be an independent director.

The Board has constituted the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Act and is chaired by the Managing Director. At present, the Corporate Social Responsibility Committee comprises of 3 Directors as its Members including one of them being Independent Director. The company has board approved CSR Policy which is uploaded on the website link: <http://www.starhfl.com>.

The following are the Terms of reference:

- ▶ To formulate and recommend to the Board, Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII.
- ▶ To monitor the Corporate Social Responsibility Policy of the Company from time to time.

- ▶ To recommend the amount of expenditure to be incurred on the CSR activities to be undertaken.
- ▶ The composition of the Corporate Social Responsibility Committee as on March 31, 2024 and the details of Members participation at the Meetings of the Committee are as under:

3.5.1 Composition, name of members and chairperson

Corporate Social Responsibility Committee consist of the following, Directors of the Company as its members:

- ▶ Mr. Ashish Jain– Chairman
- ▶ Mr. Kavish Jain– Member
- ▶ Mrs. Neelam Tater- Member

3.5.2 Meetings and attendance during the year

The Corporate Social Responsibility Committee met 2 (Two) times during the financial year 2023-24 i.e. on September 30th, 2023 & February 19, 2024.

NAME OF THE DIRECTORS	DESIGNATION	NO. OF MEETINGS ATTENDED
Mr. Ashish Jain	Managing Director (Chairman)	2 out of 2
Mr. Kavish Jain	Executive Director (Member)	2 out of 2
Mrs. Neelam Tater	Non-Executive Independent Director (Member)	2 out of 2

3.6 Asset Liability Management Committee

Your Board has created an Asset Liability Management Committee to oversee the ALM position of the Company. The Asset Liability Management Committee is responsible for overseeing the liquidity position of the Company and liquidity risk management.

3.6.1 Terms of Reference:

- ▶ To ensure that the asset liability management strategy and Company's market risk management policies are implemented.
- ▶ To provide a strategic framework to identify, assess quality and manage market risk, liquidity risk, interest rate risk, price risk etc.
- ▶ To report to the Board of Directors on the adequacy of the Company's systems and controls for managing risk, and for recommending any changes or improvements, as necessary.
- ▶ To review and assess the management of funding undertaken by the Company and formulate appropriate actions.
- ▶ To review and assess the management of the Company's liquidity with the framework and policies established by the Board, as the case may be, and formulate appropriate actions to be taken.
- ▶ To consider the significance of ALM of any changes in customer behaviour and formulate appropriate actions

3.6.2 Composition, name of members and chairperson

Asset Liability Management Committee consist of the following persons as its members

- ▶ Mr. Ashish Jain-Chairman
- ▶ Mr. Natesh Narayanan-Member
- ▶ Mr. B.S. Kachhawaha- Member
- ▶ Mr. Kalpesh Dave-Member
- ▶ Mr. Anoop Saxena-Member

3.6.3 Meetings and attendance during the year

The Asset Liability Management Committee met 4 (Four) times during the financial year 2023-24 i.e. on June 30, 2023; September 30, 2023; December 30, 2023 and February 19, 2024.

NAME OF THE MEMBERS	DESIGNATION	NO. OF MEETINGS ATTENDED
Ashish Jain	Managing Director (Chairman)	4 out of 4
Natesh Narayanan	Chief Financial Officer (Member)	4 out of 4
B.S. Kachhawaha	Chief Compliance Officer (Member)	2 out of 4
Kalpesh Dave	Chief Executive Officer (Member)	4 out of 4
Anoop Saxena	Chief Operating Officer (Member)	4 out of 4

4. DETAILS OF SENIOR MANAGEMENT AS ON MARCH 31, 2024

NAME	DESIGNATION
Mr. Kalpesh Dave	Chief Executive Officer (w.e.f 27th June, 2023)
Mr. Natesh Narayanan	Chief Financial Officer
Mr. Anoop Saxena	Chief Operating Officer (w.e.f 27th June, 2023)
Mr. Shreyas Mehta	Company Secretary & Compliance Officer
Mr. B.S. Kachhawaha	Chief Compliance Officer (w.e.f. 25th September, 2023)

CHANGES DURING THE F.Y. 2023-24	
Mr. Kalpesh Dave	Appointed as Chief Executive Officer
Mr. Anoop Saxena	Appointed as Chief Operating Officer
Mr. B.S. Kachhawaha	Appointed as Chief Compliance Officer

CHANGES AFTER F.Y. 2023-24	
Mr. Kalpesh Dave	Appointed as Chief Executive Officer & Director (Additional) w.e.f. 18th June, 2024
Mr. Ashish Jain	Resigned as Chairman & Managing Director w.e.f. 30th June, 2024
Mr. Ajit Kumar Sathpathy	Appointed as Chief Risk Officer w.e.f. 01st July, 2024

5. GENERAL BODY MEETINGS

5.1. Location and time, where Annual General Meeting (AGM) for the last 3 years were held:

FINANCIAL YEAR	AGM	DATE	TIME	LOCATION
2022-23	18th AGM	10th August, 2023	12:30 P.M.	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") in compliance with the applicable provisions of the Companies Act, 2013 read with MCA General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated 5th May, 2020, 22/2020 dated 15th June, 2020, 33/2020 dated 28th September, 2020, 39/2020 dated 31st December, 2020, 10/2021 dated 23rd June, 2021, 20/2021 dated 8th December, 2021, 3/2022 dated 5th May, 2022 11/2022 dated 28th December, 2022 and General Circular No. 9/2023 dated September 25, 2023 (in continuation to the circulars issued earlier in this regard), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") vide circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023
2021-22	17th AGM	16th July, 2022	12:30 P.M.	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") in compliance with the applicable provisions of the Companies Act, 2013 read with MCA general circular no. 14/2020, dated 8th April, 2020, MCA general circular no. 17/2020, dated 13th April, 2020 and MCA general circular no. 20/2020 dated 5th may, 2020, 22/2020 dated 15th June, 2020, 33/2020 dated 28th September, 2020 and 39/ 2020 dated 31st December, 2020 and circular no. 10/2021 dated 23rd June, 2021 issued by the Ministry of Corporate Affairs (referred to as the "MCA circulars") and SEBI circular no. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated 12th May, 2020 and SEBI circular no. SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated 15th January, 2021.

2020-21	16th AGM	29th September, 2021	12:30 P.M.	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") in compliance with the applicable provisions of the Companies Act, 2013 read with MCA general circular no. 14/2020, dated 8th April, 2020, MCA general circular no. 17/2020, dated 13th April, 2020 and MCA general circular no. 20/2020 dated 5th May, 2020, 22/2020 dated 15th June, 2020, 33/2020 dated 28th September, 2020 and 39/2020 dated 31st December, 2020 and circular no. 10/2021 dated 23rd June, 2021 issued by the Ministry of Corporate Affairs (referred to as the "MCA circulars") and SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 and SEBI circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021.
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5.2. Special Resolution passed in the previous three year Annual General body meetings of the Company

ANNUAL GENERAL MEETING (AGM) / EXTRA-ORDINARY GENERAL MEETING (EGM)/ POSTAL BALLOT	DATE OF AGM/ EGM	LOCATION & TIME	PARTICULARS OF THE SPECIAL RESOLUTION
18th AGM	10th August, 2023	Through video conferencing AT 603, Western Edge I, Above Metro Cash & Carry, Borivali East, Mumbai 400066 AT 12:30 P.M.	<ul style="list-style-type: none"> To Reappoint Mr. Ashish Jain, as Chairman and Managing Director of the Company, including his terms of re-appointment and remuneration. To Approve "Star Housing Finance Limited Employee Stock Option Scheme II 2023." To Approve the Amendments to Articles of Association of the Company. To approve increase in the borrowing powers in excess of Paid-up Share Capital, Free Reserves and Securities Premium of the Company under Section 180(1)(c) of the Companies Act, 2013. To approve creation of charges on assets of the Company under Section 180(1)(a) of the Companies Act, 2013 to secure borrowings made/to be made under section 180(1)(c) of the Companies Act, 2013. To consider and approve issue of Non-Convertible Debentures. Payment of remuneration to Executive Directors who are Promoters or members of Promoter Group.
17th AGM	16th July, 2022	Through video conferencing AT 603, Western Edge I, Above Metro Cash & Carry, Borivali East, Mumbai 400066 AT 12:30 P.M.	<ul style="list-style-type: none"> Re- appointment of Mrs. Rekha Jain (DIN: 07703994) as an Independent Director of the company for the second term of three years w.e.f. 29th July, 2022. Extension of period of Remuneration of Mr. Ashish Jain (DIN: 02041164), Chairman & Managing Director of the Company. Approval of Remuneration payable to Mr. Kavish Jain (DIN: 02041197) Executive Director of the company. Approval of Issuance of Equity Shares on Preferential Basis through Private Placement.
16th AGM	29th September, 2021	Through video conferencing At Akme Business Centre (ABC), 4-5 Subcity center, Savina, opp. Krishi Upaz mandi Udaipur 313002(Raj) AT 12:30 P.M.	<ul style="list-style-type: none"> Re- appointment of Mr. Amlendra Prasad Saxena (DIN: 06964564) as an Independent Director of the company for a term of five years. Approval of Remuneration payable to Mr. Nirmal Kumar Jain (DIN: 00240441) Non-Executive Director of the company.

5.3 Postal Ballot:

Details of Special Resolutions passed through postal ballot in the financial year 2023-24:

During the year 2023-24, the Company conducted One Postal Ballot for –

1. Approval of the Alteration in Object Clause of the Memorandum of Association (MOA) of the Company.

Pursuant to the provisions of Sections 4, 13 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with applicable rules made thereunder, including any statutory modification(s) or re-enactment(s) thereto for the time being in force, and subject to the necessary approvals, consents, permissions and sanctions required, if any, by any appropriate authority(ies) and subject to such terms, conditions, amendments or modifications as may be required or advised by any such appropriate authority(ies), the consent of Members of the Company be and is hereby accorded to amend and alter the Object clause of the Memorandum of Association ("MOA") of the Company as below:

a. Under Clause III (A): The below mentioned sub-clause be inserted after existing S. No (2)

3. "To solicit and procure insurance business as Corporate Agent and to undertake such other activities as are incidental or ancillary thereto."

b. Under Clause III (B): The below mentioned sub-clause be inserted after existing S. No (35)

36. "To render services relating to Marketing, Advisory, Processing, Consultancy, Advertising, Promotion, Distribution, Agency, Sub-letting and collect fees/commission/brokerage including revenue generation thereon so as to directly or indirectly benefit the company."

c. Under Clause III (B): The existing sub-clause 2 be substituted by the below mentioned sub-clause:

2. "Subject to Section 73 of the Companies Act, 2013 and the rules framed there under and the directive by the Reserve Bank of India, to borrow or raise money or to take money on loan on interest from banks, financial institutions, government agencies, co-operative societies, persons, companies, firm, in such manner as the Company may think fit and in particular by the issue of debentures or debenture stock, perpetual including debentures or debenture stock convertible into shares of this Company or perpetual annuities and in security of any such money borrowed, raised or received to mortgage, pledge, hypothecate, or charge the whole or any part of the properties (movable or immovable) assets or revenue of the Company present or future including its uncalled capital by special assignments or to transfer or convey the same absolutely or in trust and to give the lenders power of sale and other powers as may be deemed expedient and to purchase, redeem or pay off any such securities. The Company shall not carry on any banking business which may fall within the purview of Banking Regulations Act, 1949."

Shareholders were given e voting facility to cast their vote.

M/s. Ronak Jhuthawat & Co., Company Secretaries Udaipur (COP No. 12094), was appointed as the Scrutiniser for conducting the postal ballot through the e-voting process in a fair and transparent manner.

The resolution passed by way of postal ballot along with the voting pattern in respect of the Special Resolution passed is as mentioned below:

Details of voting pattern of the Special Resolutions passed:

PARTICULARS OF THE RESOLUTION	% OF VOTES IN FAVOUR ON VOTES CASTED	% OF VOTES AGAINST ON VOTES CASTED
Approval of the Alteration in Object Clause of the Memorandum of Association (MOA) of the Company	99.9998	0.0002

Whether any special resolution is proposed to be conducted through postal ballot:

No Special Resolution is proposed to be conducted through Postal Ballot as on the date of adoption of this report.

Procedure for Postal Ballot:

Your Company follows the provisions of the Companies Act, 2013, secretarial standard 2 issued by ICSI and SEBI (LODR) Regulations, 2015 for Postal Ballot Exercise, if any.

5.4 Extra-Ordinary General Meeting

During the year 2023-24, the Company conducted one Extra-Ordinary General Meeting for the below mentioned items:

1. Considered and Approved the appointment of _Mr. Chinnathambi Ilango (DIN: 03498879) by appointing him as a Non-Executive Independent Director of the Company.
2. Considered and Approved issue of Convertible Warrants on a Preferential Basis to Persons/Entities belonging to the Promoter & Non-Promoter Category.

6. MEANS OF COMMUNICATION

Timely disclosure of relevant and reliable information on financial performance is at the core of good governance.

The channels of communication include informative Annual Report containing Directors' Report, Report on Corporate

Governance, Management's Discussion and Analysis Report and the audited Financial Statements.

The Company also communicates with the shareholders through its website www.starhfl.com. The quarterly and annual financial results as well as shareholding pattern of the Company, Code of Conduct for Board of Directors and Senior Management and Code of Conduct for Insider Trading are hosted on the Company's website for information of its shareholders.

Quarterly / Annual Financial Results: The quarterly and annual results are announced within stipulated period. The financial results are generally published in English newspapers and in vernacular i.e. Marathi newspapers respectively and are simultaneously posted on the Company's website at www.starhfl.com.

BSE Corporate Compliance & Listing Centre: BSE have developed web-based applications for corporates. Periodical compliances like financial results, shareholding pattern, corporate governance reports, etc. are filed electronically on BSE Listing Centre.

Website: The Company's website www.starhfl.com contains dedicated section "INVESTOR DESK" having updated relevant information for shareholders.

Earnings call: Earnings call were made to the investors on periodic basis during the Financial Year 2023-2024 on April 22, 2023, July 17, 2023, October 26, 2023 January 18, 2024.

Annual Report: The Annual Report containing inter-alia Standalone Audited Financial Statements Auditors' Report, Directors' Report, Management Discussion and Analysis, Corporate Governance Report is also available on the website of the company in a user friendly and downloadable form.

SCORES (SEBI Complaints Redressal System): SEBI processes investors' complaints in a centralised web-based complaints redressal system i.e. SCORES. Through this system, a shareholder can lodge complaint(s) against a Company for his grievance.

The Company is registered with SEBI Complaints Redress System (SCORES). The salient features of this system are:

Centralized database of all complaints, online upload of Action Taken Reports (ATR) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

Green Initiative: Sending important communication to shareholders through email - In terms of the Green initiative launched by the Ministry of Corporate Affairs, to allow service of documents to the members through electronic mode. The Company has been sending various communications/ documents like Annual Report, Notice of AGM, etc. through e-mail to those shareholders who have registered their email id with the DP/ RTA.

7. GENERAL SHAREHOLDERS INFORMATION

This section inter-alia provides information pertaining to the Company, its Shareholding Pattern, means of dissemination of information, service standards, share price movements and such other information, in terms of point no. C (9) of Schedule V to the SEBI LODR Regulations relating to Corporate Governance.

The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L45201MH2005PLC376046

7.1. 19th Annual General Meeting

DATE	TIME	VENUE
16th September, 2024	12:30 P.M.	Video Conferencing

7.2. Financial Year: The financial year of the Company starts from 01ST April, 2023 to 31st March, 2024

7.3. Book Closure Dates: 10th September, 2024 to 16th September, 2024

7.4. Dividend payment date: 15th October, 2024

7.5. Listing of Equity Shares on Stock Exchanges and Stock Codes

NAME OF THE STOCK EXCHANGE	STOCK CODE/ ID
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai Samachar Marg, Mumbai, Maharashtra – 400001	539017
ISIN	INE526R01028

The Company has paid Annual Listing fees to the Stock Exchange for the year 2023-24.

7.6 Stock Market Data and their Performance v/s S&P BSE Sensex

The high/low of the market price of the shares of the Company and the performance thereof with the BSE Sensex are given in the charts below:

MONTH	HIGH STARHFL	LOW STARHFL	SENSEX CLOSING	SHARE CLOSING	STARHFL AVERAGE
Apr-23	52.90	47	61,112.44	48.42	73.45
May-23	50	41.70	62,622.24	46.60	66.7
Jun-23	52	40	64,718.56	50.92	66
Jul-23	67.95	49.50	66,527.67	60.36	83.475
Aug-23	61.99	53.10	64,831.41	60.13	84.095
Sep-23	61.35	57.80	65,828.41	59.38	88.475
Oct-23	69.90	57	63,874.93	68.59	91.95
Nov-23	82.50	68	66,988.44	77.52	109.25
Dec-23	81	73.30	72,240.26	74.50	113.8
Jan-24	78.25	62	71,752.11	63.86	101.125
Feb-24	72.60	58	72,500.30	59.39	94.3
Mar-24	61.99	34.10	73,651.35	46.35	65.095

Source: BSE Websites

7.7 Shareholding Pattern as on March 31, 2024

CATEGORY	NO. OF SHARES	% OF SHAREHOLDING	NO. OF WARRANTS	% OF SHAREHOLDING
A. Shareholding of Promoter and Promoter Group				
1. Promoter's Holding				
(i) Indian Promoters	1,43,54,022	18.23	3,20,000	3.41
2. Persons acting in concert (Promoter Group)				
(i) Individuals				
(ii) Body Corporate	10,93,312	1.39		
Total A	1,54,47,334	19.62	3,20,000	3.41
B. Non Promoter Shareholding				
(i) Individual (including NRI's)	3,80,82,616	48.38	21,46,000	22.88
(ii) Foreign portfolio Investors	9,00,000	1.14		
(iii) Body Corporate	2,24,08,895	28.47	62,40,000	66.54
(iv) Others	1881771	2.39	672500	7.17
Total B	6,32,73,282	80.38	90,58,500	96.59
Total A+B	7,87,20,616	100	93,78,500	100

7.8 Distribution of Shareholding as on March 31, 2024

SHAREHOLDING OF NOMINAL		NO. OF SHAREHOLDERS	% OF TOTAL SHAREHOLDING	SHARE AMOUNT (IN RS)	% OF TOTAL CAPITAL
Rs.	Rs.				
1	5000	7,763	89.45%	1,89,22,595	4.81%
5001	10000	272	3.13%	1,05,61,845	2.68%
10001	20000	255	2.94%	1,91,66,775	4.87%
20001	30000	97	1.12%	1,21,67,930	3.09%
30001	40000	72	0.83%	1,22,43,250	3.11%
40001	50000	31	0.36%	72,03,075	1.83%
50001	100000	81	0.93%	2,94,52,740	7.48%
100001	999999	108	1.24%	28,38,84,870	72.12%
		8,679	100%	39,36,03,080	100%

7.9 Commodity Price Risks or Foreign Exchange Risk and Hedging Activities

The Company did not enter into any Commodity transactions. Further, the Company did not have any foreign currency exposure.

7.10 Details of utilization of funds under Regulation 32 (7A) of SEBI LODR Regulations

The Company has raised funds through preferential allotment of warrants & non-convertible debentures. However, the amount raised through the same has been fully utilised and there was no deviation/ variation in the utilization of funds against the stated objects.

7.11 Fees for all services paid by the listed entity to the statutory auditor

During financial year 2023-2024, the total fees paid by the Company, on a consolidated basis, to M/s. Nyati Mundra & Co., the Statutory Auditors, and all entities in the network firm/network entity of M/s. Nyati Mundra & Co. was Rs. 5,00,000/-.

7.12 Disclosure in respect to Loans and advances

During the financial year 2023-2024 the Company has not disbursed any 'Loans and advances in the nature of loans to firms/ companies in which directors are interested.

7.13 Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, Conversion Date and Likely Impact on Equity

The Company has issued 93,78,500 (Ninety-three lakhs seventy eight thousand five hundred) convertible Warrants at a price of Rs. 64/- per Warrant with a right to the Warrant holders to apply for and be allotted 1 (One) Equity Share of the face value of Rs. 5/- (Rupees Five) each of the Company at a premium of Rs. 59/- per share aggregating upto Rs. 60,02,24,000 (Rupees Sixty Crores two lakhs twenty four thousand only) to the persons/entities belonging to Promoter & Non-Promoter Category on preferential basis through private placement vide their Board meeting & Shareholder's meeting dated 08.11. 2023 & 06.12. 2023 respectively. The Company allotted 93,78,500 to the Warrant holders vide their meeting dated 28.12.2023.

There are no outstanding Global Depository Receipts or American Depository Receipts or any convertible instruments issued by the Company except above mentioned warrants & ESOP's issued by the Company.

7.14 Listing of Shares & Non-Convertible Debentures

Equity Shares - The equity shares issued by the Company are listed on the BSE Ltd. Annual Listing fees as prescribed have been paid to the stock exchange well in advance.

Non-Convertible Debentures – During the year under review, your company issued 2,000 (Two thousand) & 1100 (One thousand and one hundred) Secured, Rated, Listed, Senior, Redeemable, Transferable Non-Convertible Redeemable Debentures (“NCD’s”) to Northern Arc Capital Limited & AK Securitization & Credit Opportunities Fund II respectively on a private placement basis, having face value of Rs. 1,00,000 (Indian Rupees One Lakh Only) each aggregating Rs. 31 Crores. The same were listed on BSE on 23rd October, 2023 & 15th March, 2024 respectively. Listing fees as prescribed have been paid to BSE Ltd.

7.15 Share Transfer Agent

Bigshare Services Private Limited, Share Transfer Agent of the Company has been appointed as one point agency for dealing with shareholders. Shareholders’ correspondence should be addressed to the Company’s Share Transfer Agent at the address mentioned below:

7.16 Registered Office of the Share Transfer Agent

Address : Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai – 400093.

Tel : 022 6263 8200

E-mail : investor@bigshareonline.com

Website : www.bigshareonline.com

7.17 Share Transfers System (Physical Form)

The Board has delegated the authority for approving transfer, transmission, etc. of the Company’s equity shares to a Stakeholder’s Relationship Committee. However during the year no request for physical transfer of shares was received to the Company.

The Certificate of Compliance obtained from the Company Secretary in practice as required under Regulation 40(9) of the Listing Regulations, confirms the compliance with the share transfer formalities within the timelines prescribed.

The Company conducts a Reconciliation of Share Capital Audit on a quarterly basis in accordance with Securities and Exchange Board of India (SEBI) requirements. M/s. Ronak Jhuthawat & Co., Practicing Company Secretary appointed by the Company to conduct this audit. Reconciliation of Share Capital Audit Reports of M/s. Ronak Jhuthawat & Co., which have been submitted to the Stock Exchanges within the stipulated period, inter alia confirms that the equity shares of the Company held in dematerialized form and in physical form tally with the issued and paid-up equity share capital of the Company.

7.18 Dematerialization of shares and liquidity

The Company’s Equity Shares are regularly traded on the BSE.

7.19 Plant Location

SHARES IN PHYSICAL & DEMAT AS ON MARCH 31, 2024	NO. OF SHARES	PERCENTAGE
In Physical form	8	0.01
In Dematerialized form	7,87,20,608	99.99

The Company is mainly engaged in providing housing finance and as such does not have any manufacturing plant.

7.20 Address for correspondence:

Shareholders can contact the Compliance officer of the Company for Secretarial matters of the Company as mentioned below.

A. Star HFL Secretarial Department

Mr. Shreyas Mehta (Company Secretary and compliance officer)

Add: 603, Western Edge-I, Above Metro Cash & Carry, Borivali (East), Mumbai-400066 Email: compliance@starhfl.com

Tel No.: 8828036610

B. Registrar and Transfer Agent

Bigshare Services Private Limited

Add: Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai – 400093.

E-mail : investor@bigshareonline.com

Website: www.bigshareonline.com

Tel : 022 6263 8200

7.21 List of all credit ratings obtained during the FY 2023-24

Your Company's financial discipline and prudence is reflected in the strong credit rating assigned by India Ratings & Research and Care rating during the year as under:

The following ratings have been reaffirmed/assigned to the Company for its Bank Loan & Non-Convertible Debentures (NCDs) during the Year by India Ratings & Research Agency & Care Ratings Agency:

NAME OF RATING AGENCY	FACILITIES	LIMITS (IN MILLION)	TENURE	RATING	RATING ACTION
India Ratings & Research Agency	Bank Loans	1590	Long Term	IND BBB/ Stable	Upgraded
India Ratings & Research Agency	Bank Loans	1590	Long Term	IND BBB/ Stable	Affirmed
India Ratings & Research Agency	Bank Loans	2910	Long Term	IND BBB/ Stable	Assigned
India Ratings & Research Agency	Non- Convertible Debentures (NCDs)	500	Long Term	IND BBB/ Stable	Assigned

NAME OF RATING AGENCY	FACILITIES	LIMITS (IN MILLION)	TENURE	RATING
CareEdge Ratings	Bank Loans	1670	Long Term	Revised from CARE BBB-; Positive (Triple B Minus; Outlook: Positive)
CareEdge Ratings	Bank Loans	Increased from Rs. 1670 mn to Rs. 3000 mn	Long Term	Reaffirmed

The following ratings have been reaffirmed/assigned to the Company for its bank facilities after the Closure of financial Year by India Ratings

NAME OF RATING AGENCY	FACILITIES	LIMITS (IN MILLION)	TENURE	RATING	RATING ACTION
India Ratings & Research Agency	Bank Loans	4500	Long Term	IND BBB/ Stable	Affirmed
India Ratings & Research Agency	Non- Convertible Debentures (NCDs)	500	Long Term	IND BBB/ Stable	Assigned

7.22 Shareholders Relation

Majorly, annual report is the main source of information to the shareholders of the Company which inter alia, includes the Directors' Report, the shareholders' information, Report of Directors on Corporate Governance, Management Discussion and Analysis Report and the audited financial results. Company emphasizes the importance of regular communication with its shareholders to ensure that the Company's strategy is clearly understood. Since, shareholders have an opportunity to attend the Annual General Meeting at which the business outlook is presented and relevant aspects of the Company's operations are discussed.

Along with the financial results, other information as per the listing guidelines such as Annual Report and Shareholding Pattern, are being uploaded on BSE website under "BSE Listing Centre" on regular basis, the presentation on quarterly results & performance of the Company is placed on the website of the Company and furnished to stock exchanges for the benefit of the investors. The quarterly, half yearly and annual financial results of the Company are communicated to the stock exchanges as per the provisions of SEBI (LODR) Regulations, 2015 and uploaded on Company's website.

The Ministry of Corporate Affairs (MCA) and the Companies Act, 2013, has taken a "Green Initiative" in corporate governance by allowing paperless compliances by the Companies through electronic mode. The listing agreement with the stock exchanges and the Companies Act, 2013 permits companies to send soft copies of the annual report to all those shareholders who have registered their e-mail addresses with the Company/Depository participant. In every Annual Report, the Company has been requesting the shareholders holding shares both in physical/demat form to register/update their e-mail addresses to the Company/depository participants. Accordingly, the annual report for 2023-24, notice for AGM etc., are being sent in electronic mode to shareholders who have registered their e-mail addresses with the Company/depository participants.

8. OTHER DISCLOSURES

A. Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large.

There were no transactions with related party that may have potential conflict with the interest of the Company. Details of related party transaction entered into by the Company in the ordinary course of its business are included in notes forming part of financial statement and also uploaded on the website of the Company along with the submission to stock exchanges on a half yearly basis.

The Transactions are in accordance with regulation 23 of SEBI (LODR) Regulation 2015 were entered with the related parties pursuant to approval of the shareholder's, Audit Committee and Board of Directors of the Company. The policy on related party transaction is available on the website at <https://www.starhfl.com/disclosure-under-regulation-46-of-sebi-lodr-2015/>

B. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

COMPLIANCE REQUIREMENT (REGULATIONS/CIRCULARS/ GUIDELINES INCLUDING SPECIFIC CLAUSE)	REGULATION/ CIRCULAR NO.	DEVIATIONS	ACTION TAKEN BY	TYPE OF ACTION (ADVISORY/ CLARIFICATION/ FIN E/ SHOW CAUSE NOTICE/ WARNING, ETC.)	DETAILS OF VIOLATION	FINE AMOUNT PAID (*)	MANAGEMENT RESPONSE	FINANCIAL YEAR
Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements)	Reg 17(1)	Composition of Board	The Company received an notice through E-mail from BSE	Fine/Penalty	As per Regulation 17(1), Company was required to have minimum Six (6) Directors on Board, Company was having 5 Directors.	Rs 9,14,500	The Company has appointed two non-executive Independent Director w.e.f. 03rd September, 2022 & the Company has filed waiver application to the Stock Exchange to waive of the penalty levied by them	2022-23

Regulation 295(1) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018	Reg 295(1)	The bonus issue was not completed within two months	The Company has received mail from BSE	Fine/Penalty	The bonus issue of shares was not completed within two months	Rs 1,65,200	The Company has paid penalty in regards to the delay of issue by 7 days to the Stock Exchange & will further take precaution with respect to the timelines	2022-23
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There were no cases of non-compliance of any other matter related to capital markets during the last three years.

C. Disclosure of Compliance of Corporate Governance

Compliance with all the requirements of the Listing Regulations including the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulations (2) of Regulation 46 are as under:

SR.NO	PARTICULARS	REGULATIONS	BRIEF DESCRIPTION OF THE REGULATIONS	COMPLIANCE STATUS (YES/NO/N.A.)
1	Board of Directors	17(1)	Composition of Board	Yes
		17(2)	Meeting of Board of Directors	Yes
		17(3)	Review of Compliance Reports	Yes
		17(4)	Plans for orderly succession for appointments	Yes, as and when applicable
		17(5)	Code of Conduct	Yes
		17(6)	Fees/Compensation	Yes
		17(7)	Minimum Information to be placed before the Board	Yes
		17(8)	Compliance Certificate	Yes
		17(9)	Risk Assessment & Management	Yes
		17(10)	Performance Evaluation	Yes
		17A	Maximum Number of Directorships	Yes
2	Audit Committee	18(1)	Composition of Audit Committee & Presence of the Chairman of the Committee at the Annual General Meeting	Yes
		18(2)	Meeting of Audit Committee	Yes
		18(3)	Role of the Committee and Review of information by the Committee	Yes
3	Nomination and Remuneration Committee	19(1) & (2)	Composition of Nomination and Remuneration Committee	Yes
		19(3)	Presence of the Chairman of the Committee at Annual General Meeting	Yes
		19(4)	Role of the Committee	Yes
4	Stakeholders Relationship Committee	20(1), (2) & (3)	Composition of Stakeholders Relationship Committee	Yes
		20(4)	Role of the Committee	Yes
5	Risk Management Committee	21(1),(2),(3) & (4)	Composition, terms of reference.	N.A.
6	Vigil Mechanism	22	Formulation of Vigil Mechanism for Directors and Employee	Yes
7	Related Party Transaction	23(1),(5),(6),(7) & (8)	Policy for Related Party Transaction	Yes
		23(2)&(3)	Approval including omnibus approval of Audit Committee for all Related Party Transactions and review of transaction by Committee	Yes
		23(4)	Approval for Material Related Party Transactions	Yes
		23 (9)	Half yearly disclosure of Related Party Transactions	Yes

8	Obligations with respect to Independent Directors	25(1)&(2)	Maximum Directorship & Tenure	Yes
		25(3)	Meeting of Independent Directors	Yes
		25(4)	Review of Performance by the Independent Directors	Yes
		25(7)	Familiarisation of Independent Directors	Yes
9	Obligations with respect to Directors and Senior Management	26(1)&(2)	Memberships & Chairmanship in Committees	Yes
		26(3)	Affirmation with compliance to code of conduct from members of Board of Directors and Senior Management Personnel	Yes
		26(4)	Disclosure of Shareholding by Non-Executive Directors	Yes
		26(5)	Disclosures by Senior Management about potential conflicts of Interest	Yes
10	Other Corporate Governance Requirements	27(1)	Compliance of Discretionary Requirements	Yes
		27(2)	Filing of Quarterly Compliance Report on Corporate Governance	Yes
11	Disclosures on Website of the Company	46(2)(a)	Details of Business	Yes
		46(2)(b)	Terms & Conditions of appointment of Independent Directors	Yes
		46(2)(c)	Composition of various committees of Board of Directors	Yes
		46(2)(d)	Code of Conduct of Board of Directors and Senior Management Personnel	Yes
		46(2)(e)	Details of establishment of Vigil Mechanism / Whistle Blower policy	Yes
		46(2)(f)	Criteria of making payments to Non-Executive Directors	N.A.
		46(2)(g)	Policy on dealing with Related Party Transactions	Yes
		46(2)(h)	Policy for determining Material Subsidiaries	Yes
		46(2)(i)	Details of familiarization programmes imparted to Independent Directors	Yes
		46(2)(j)	Email address for grievance redressal and	Yes
		other relevant details		
		46(2)(k)	Contact Information of designated officials for assisting and handling investor grievances	Yes
		46(2)(l)	Financial Information	Yes
		46(2)(m)	Shareholding Pattern	Yes
		46(2)(n)	Details of Agreements entered with Media Companies and/or their Associates	N.A.
		46(2)(o)	Schedule of Analyst/Institutional Investors Meet	Yes
		46(2)(p)	New name and old name for a continuous period of one year	Yes
		46(2)(q)	Advertisement in Newspaper	Yes
		46(2)(r)	Credit ratings obtained and any revision thereof	Yes
		46(2)(s)	Separate Audited Financial Statements of each subsidiary	N.A.

D. Disclosure under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021

The Company being a Non-Banking Financial Company has to furnish monthly, quarterly & annual returns to the National Housing Bank. The Company has submitted all the returns to the National Housing Bank in the respective timelines. The statutory auditors have made the additional report of the status of compliance to the Board of Directors in terms of the compliance of the chapter XII of the RBI Master Directions- 2021.

E. Internal Guidelines on Corporate Governance

The Company has formulated and adopted the Internal Guidelines on Corporate Governance in accordance with Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 which lay down the Corporate Governance practices of the Company and the same is available on the website of the Company at <https://www.starhfl.com/wp-content/uploads/2024/08/CG-Policy.pdf>

POLICIES AND CODES

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

A policy is a statement of intent and is implemented as a procedure or protocol. For compliance with the Chapter II (Principles governing disclosures and obligations of listed entity) of SEBI LODR, RBI Master Directions and other applicable guidelines on the company and keeping with the commitment to the principle of integrity and transparency in business operations for good corporate governance and also to ensure effective and efficient Internal Controls System, the Company has adopted several codes / policies / guidelines which among others include the following:

a. Internal Guidelines on Corporate Governance:

Your Company has formulated and adopted Internal Guidelines on Corporate Governance in accordance with the RBI Master Directions, which inter-alia, defines the legal, contractual and social responsibilities of the Company towards its various Stakeholders and lays down the Corporate Governance guidelines of the Company. The guidelines have been framed in accordance with the Companies Act, 2013, SEBI LODR, Regulations, RBI Master Directions and other applicable rules and regulations. The policy is reviewed, as and when necessary, by the Board in the context of changing regulations and emerging best practices with a view to improving the Company's governance standards on an ongoing basis. The said guidelines are available on the website of the Company at www.starhfl.com.

b. Policy on Know Your Customer ("KYC") Norms and Anti Money Laundering ("AML") Measures ("KYC & AML Policy"):

In terms of the circular(s) and direction(s) on KYC norms and AML measures issued by the RBI, the Prevention of Money Laundering Act, 2002 and Rules made thereunder, the Board has adopted 'KYC & AML Policy' which inter-alia incorporates your Company's approach towards KYC norms, AML measures and combating of financing of terrorism ("CFT") related issues. The KYC & AML Policy provides a comprehensive and dynamic framework and measures to be taken in regard to KYC, AML and CFT. The primary objective of the Policy is to prevent the Company from being used, intentionally or unintentionally, by criminal elements for money laundering or terrorist financing activities. The said policy is available on the website of the Company at www.starhfl.com.

c. Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions:

Pursuant to Regulation 23 of SEBI LODR Regulations, the Company has in place policy on materiality of Related Party Transactions and on dealing with Related Party Transactions. All transactions entered into with Related Parties during the Financial Year were in the ordinary course of business and on arm's length basis. There were no materially significant transactions with related parties during the Financial Year which conflicted with the interest of the Company. Suitable disclosures as required by the applicable Accounting Standards have been made in the notes to the Financial Statements. The details of the transactions with related parties, if any, are placed before the Audit Committee from time to time. The said policy is available on the website of the Company at <https://www.starhfl.com/wp-content/uploads/2023/12/2.-Policy-on-dealing-with-Related-Party-Transactions.pdf>.

d. Code of Conduct for the Board and the Senior Management Personnel:

In terms of the SEBI LODR Regulations and as an initiative towards setting out a good Corporate Governance structure within the organization, the Board adopted a comprehensive 'Code of Conduct for the Board and the Senior Management Personnel' which is applicable to all the Directors, including Non-Executive and Independent Directors and Senior Management Personnels of the Company. The Code intends to provide guidance to the Directors and Senior Management Personnel to conduct their business affairs ethically and in full compliance with applicable laws, rules and regulations. In accordance with Part D of Schedule V of the SEBI LODR Regulations, declaration from Managing Director and Chief Executive Officer of the Company has been received confirming that all the Directors and the Senior Management Personnel of the Company have complied to the Code of Conduct for the Board and the Senior Management Personnel for the Financial Year ended March 31, 2024 and is attached as an annexure with this Report. The said policy is available on the website of the Company at www.starhfl.com.

e. Policy on “Valuation of Properties and Empanelment of Valuers”:

In terms of the RBI Master Directions, your Company is required to frame a system /procedure /policy on valuation of properties and appointment of valuers. In reference to the above, the Board adopted the Policy on Valuation of Properties and Empanelment of Valuers. The said policy is available on the website of the Company at www.starhfl.com.

f. CSR Policy:

In terms of the provision of Section 135 of the Act, the Board adopted a ‘CSR Policy’ which helps in furtherance of your Company's objective to create value in the society and community in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and community, in fulfilment of its role as a socially responsible corporate citizen. The CSR Policy encompasses the philosophy of Company for delineating its responsibility as a corporate citizen and as a part of its initiatives the Company has undertaken various projects in the area of skill / rural area development, women empowerment, environment protection and healthcare/medical facility etc. inter-alia indicates the CSR activities that can be undertaken by the Company and defines the roles and responsibilities of the Board and CSR Committee in implementing and monitoring CSR projects identified and supported by the Company.

g. Code for Independent Directors:

In terms of Section 149 and Schedule IV of the Companies Act, 2013 the Company has adopted a code for Independent Directors in order to ensure fulfilment of responsibilities of Independent Directors of the Company in a professional manner. The Code for Independent Directors aims to promote confidence of the Investment Community, particularly minority Shareholders, Regulators and other Stakeholders in the institution of Independent Directors and sets out the guidelines of professional conduct of Independent Directors, their roles, functions and duties, the process of performance evaluation etc.

h. Prevention of Sexual Harassment Policy, and information required to be disclosed under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company is committed to providing a work environment that ensures that every Employee is treated with equal dignity and respect. The Company has implemented a robust framework on prevention of sexual harassment, which is in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company educates Employees regarding Sexual Harassment Policy through posters and regular mailers and also conducts online trainings which form a part of the induction process. Pursuant to the said Act, the details of the total reported and closed cases pertaining to incidents under the above framework/ law are as follows:-

NAME OF THE STOCK EXCHANGE	STOCK CODE/ ID
Number of complaints filed during the Financial year	NIL
Number of complaints disposed of during the Financial Year	NIL
Number of complaints pending as on end of the Financial Year	NIL

i. Dividend Distribution Policy:

The Company has in place Dividend Distribution Policy, duly approved by the Board of Directors. The same is available on the website of the Company and can be accessed at <https://www.starhfl.com/wp-content/uploads/2024/08/Dividend-Distribution-Policy.pdf> “<http://www.starhfl.com/>”.

Code for Prevention of Insider Trading Practices

The Company has adopted Code of Conduct for Prevention of Insider Trading Practices for its Directors and designated employees. The objective of the Code is to regulate, monitor and report trading by directors, promoters, designated persons and specified connected persons of the Company as required under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The code lays down guidelines, which include procedures to be followed, and disclosures to be made while dealing in the shares of the Company.

The said code of conduct has been posted on the website of the Company at i.e. <https://www.starhfl.com/wp-content/uploads/2024/08/PIT-Policy.pdf> the said code is in line with the provisions of the Companies Act, 2013. In accordance with the said Code, the Company closes its trading window for the designated employees and directors from time to time. As per policy, trading window closes from every quarter end and reopens after 48 hours from the conclusion of Board Meeting, in which the respective half yearly/yearly financial results are approved.

j. Certificate from Practicing Company Secretary (PCS):

A certificate from a Company Secretary in practice has been received stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI/ Ministry of Corporate Affairs or any such statutory authority. The same forms part of this Annual Report as an annexure to the Directors Report.

k. Accounting Standards:

The Company has complied with the applicable Accounting Standards specified u/s 133 of the Companies Act, 2013. The financial statements for the year have been prepared in accordance with and in compliance of Schedule III notified by the Ministry of Corporate Affairs (MCA).

l. Vigil Mechanism/Whistle Blower Policy:

The Board of Directors of the Company at its meeting held on July 25, 2014 has established a Policy on Vigil Mechanism for the Directors and Employees of the Company to report their genuine concerns or grievances relating to actual or suspected fraud, unethical behaviour, violation of the Company's Code of Conduct or Ethics Policy, and any other event which would adversely affect the interests of the business of the Company. Whistle Blowers may send their concerns/complaints to the Chairman of Audit Committee in a sealed envelope marked confidential, for appropriate action. The details of establishment of such mechanism have been also disclosed on the website of the Company.

The Company further affirms that no personnel has been denied access to the Audit Committee.

m. Auditors Certificate on Corporate Governance:

As required under the SEBI LODR Regulations, The Company has complied with all mandatory requirements of corporate governance norms as enumerated in Chapter IV of SEBI (LODR) Regulations, 2015. M/S Ronak Jhuthawat & Co., Practicing Company Secretary of the Company have certified that the Company has complied with the conditions of corporate governance which is part of this Annual Report.

n. Certification of Financial Reporting and Internal Controls / (CEO/CFO Certificate):

In accordance with Regulation 18(3) of SEBI (LODR) Regulations, 2015, Mr. Kalpesh Dave, the Chief Executive Officer and Mr. Natesh Narayanan, the CFO of the Company, have inter alia, certified and confirmed to the Board about the correctness of the financial statements, adequacy of internal control measures and matters to be reported to the Audit Committee. The same forms part of this Annual Report as an annexure to the Directors Report.

o. Compliance with Mandatory Requirements and adoption of the Non-Mandatory Requirements of Corporate Governance:

During the period under review, Company has complied with all the Mandatory requirements of SEBI LODR Regulations. The Company has also adopted certain voluntary compliance requirements as stipulated in the Act, SEBI LODR Regulations, 2015 and other acts, rules, regulations & guidelines applicable to the Company.

p. Demat Suspense Account / Unclaimed Suspense Account:

There are no shares lying under Demat Suspense Account/ Unclaimed Suspense Account and hence the Company does not have any Demat Suspense Account / Unclaimed Suspense Account.

q. Disclosure of certain types of agreements binding listed entities:

The Company has not entered into any agreements as required to be disclosed under clause 5A of paragraph A of Part A of Schedule III of SEBI LODR Regulations

r. Separate Section for Investor Information on Company's website

Shareholders are requested to visit www.starhfl.com for online information about the Company. The financial results and other relevant information of the Company are posted on the website of the Company. Besides, the shareholders have the facility to post any query to the Company directly from the website which are acted upon within 24 hours of receipt of query.

s. Designated Exclusive Email-Id

The Company has designated an exclusive email id compliance@starhfl.com which would enable the shareholders to post their grievances and monitor its redressal. Any shareholder having any grievance or query may send the same to the said email address for its quick redressal.

t. Going Concern:

The directors are satisfied that the Company has adequate resources to continue its business for the foreseeable future and consequently consider it appropriate to adopt the going concern basis in preparing the financial statements.

u. Other useful information for Shareholders:**► Shares held in Electronic Form**

Members holding shares in electronic form may please note that instructions regarding change of address, bank details, nomination, email address and power of attorney should be given directly to the Depository Participant.

► Shares held in Physical Form

Shareholders holding shares in physical form may please note that instructions regarding change of address, bank details, nomination, email address and power of attorney should be given to the Company's RTA viz. Bigshare Services Private Limited.

► Service of documents through electronic mode

Members, who are desirous of receiving the notice and other documents through email, may kindly intimate their respective email address to the Company's Registrar and Share Transfer Agent, Bigshare Services Private Limited or may send an email from the irrespective email id to compliance@starhfl.com, with a subject "Registration of email id".

► SEBI investors' contact for feedback and assistance:

Tel: 022-26449188, **E-mail:** sebi@sebi.gov.in

By order of the Board of Directors

For **Star Housing Finance Limited**

Sd/-

Kalpesh Dave
Chief Executive Officer & Additional Director

DIN: 08221964

Registered Office Address: 603, Western Edge I, Above Metro
Cash & Carry, Borivali East, Mumbai – 400066.

Tel: +91 8828036610

Email Id: compliance@starhfl.com

Website: <https://www.starhfl.com/>

CIN: L45201MH2005PLC376046

Date: 25.07.2024

Place: Mumbai

Sd/-

Kavish Jain
Director

DIN: 02041197

ANNEXURE V**CORPORATE GOVERNANCE CERTIFICATE 2023-24****PRACTISING COMPANY SECRETARY CERTIFICATE ON COMPLIANCE OF CONDITIONS OF
CORPORATE GOVERNANCE**

To,

The Members

Star Housing Finance Limited

(Formerly known as "Akme Star Housing Finance Limited")

603, Western Edge I, Above Metro Cash & Carry, Borivali East, Mumbai 400066

We have examined the compliance of conditions of Corporate Governance by Star Housing Finance Limited, ("the Company") for the year ended on March 31, 2024, as stipulated in Regulations 17 - 27, clause (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to review the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Listing Regulations.

We state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For, Ronak Jhuthawat & Co.
(Company Secretaries)

Sd/-

Ronak Jhuthawat
Proprietor

FCS: 9738 CP: 12094

Peer Review No.: 1270/2021

UDIN: F0009738F000580770

Date: 17.06.2024

Place: Udaipur

ANNEXURE VI**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members

Star Housing Finance Limited

(Formerly known as "Akme Star Housing Finance Limited")

603, Western Edge I, Above Metro Cash & Carry, Borivali East, Mumbai 400066

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Star Housing Finance Limited having CIN: L45201MH2005PLC376046 and having registered office at 603, Western Edge I, Above Metro Cash & Carry, Borivali East, Mumbai 400066 (hereinafter referred to as "The Company"), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our knowledge and based on the following:

1. Documents available on the website of the Ministry of Corporate Affairs ("MCA");
2. Verification of Directors Identification Number ("DIN") status at the website of the MCA;
3. Disclosures provided by the Directors to the Company;

we hereby certify that none of the Directors on the Board of the Company (as enlisted in Table A) have been debarred or disqualified from being appointed or continuing as Directors of the companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority as on March 31, 2024.

Table- A:

NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT
Mr. Ashish Jain	02041164	29.07.2017
Mr. Kavish Jain	02041197	18.05.2020
Mr. Amlendra Prasad Saxena	06964564	14.09.2020
Mr. Ajith Kumar Lakshmanan	09724549	03.09.2022
Mrs. Neelam Tater	07653773	03.09.2022
Mr. Pradip Kumar Das	06593113	17.10.2022
Mr. Chinnathambi Illango	03498879	08.11.2023

For, Ronak Jhuthawat & Co.
(Company Secretaries)

Sd/-

Ronak Jhuthawat
Proprietor

FCS: 9738 CP: 12094

Peer Review No.: 1270/2021

UDIN: F009738F000580726

Date: 17.06.2024

Place: Udaipur

ANNEXURE VII

CHIEF EXECUTIVE OFFICER (CEO) / CHIEF FINANCIAL OFFICER (CFO) CERTIFICATE 2023-24

To,

The Board of Directors

Star Housing Finance Limited

(Formerly known as "Akme Star Housing Finance Limited")

603, Western Edge I, Above Metro Cash & Carry, Borivali East, Mumbai 400066

We the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Star Housing Finance Limited ("the Company") to the best of our knowledge and belief certify that:

1. We have reviewed the financial statements and the cash flow statement of Star Housing Finance Limited for the year ended 31st March, 2024 and to the best of our knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company
4. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
5. We have indicated to the Auditors and the Audit Committee:
 - (i) That there are no significant changes in internal control over financial reporting during the year;
 - (ii) That there are no significant changes in accounting policies during the year; and
 - (iii) That there are no instances of significant fraud of which we have become aware.

**For and on behalf of the Board of Directors of
Star Housing Finance Limited**

Sd/-

Kalpesh Dave
Chief Executive Officer & Director

DIN: 08221964

Sd/-

Natesh Narayanan
Chief Financial Officer

Date: 25.07.2024

Place: Mumbai

ANNEXURE VIII

DETAILS OF MANAGERIAL REMUNERATION

**Information under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014**

The statement of disclosure of Remuneration under sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Ratio of remuneration of each Director of median remuneration of employee of the company for the FY-2023-24

REQUIREMENTS	REMUNERATION
Ratio of remuneration of each Director of median remuneration of employee of the company For the FY-23-24	Executive Director 1. Ashish Jain 19.00X 2. Kavish Jain 7.00X
Percentage Increase/ (Decrease) in Remuneration of each director, CFO, CEO, CS, if any, in the Financial Year	Director 1. Mr. Ashish Jain 27.27% 2. Mr. Kavish Jain 7.14% KMP 1. Mr. Kalpesh Dave (CEO) 69.65% 2. Mr. Natesh Narayanan (CFO) 47.20% 3. Mr. Anoop Saxena (COO) 29.61% 4. Mr. Shreyas Mehta (CS) 44.08% 5. Mr. B.S. Kachhawaha (CCO) 43.52%
The Percentage Increase in the median Remuneration of Employees in Financial Year	6.83%
No. of Permanent Employee on the roll of Company	256
Average percentile already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in managerial remuneration.	<p>The average percentage increase in remuneration of all employees (other than Key managerial personnel's (KMP's) For the FY-2023-24) stood at 47% whereas the average Percentage increase in the remuneration of KMP'S was at 38%</p> <p>Further there was no exceptional circumstance which warranted an increase in managerial remuneration which was not justified by the overall performance of the Company</p>
Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, it is affirmed that the remuneration is as per the remuneration policy of the company

Note:

1. Calculation of remuneration have been made on comparable and annualized basis
2. The remuneration of KMP's was taken from Audited Financial statement for F.Y. 2023-24
3. Remuneration comprises of salary (Fixed and variable), allowances, perquisites/taxable Value of perquisites.

For, and on behalf of the Board

Sd/-

Kalpesh Dave
Chief Executive Officer & Director

DIN: 08221964

Date: 25.07.2024

Sd/-

Kavish Jain
Director

DIN: 02041197

ANNEXURE IX

Annual Report on Corporate Social Responsibility (CSR) Activities for FY 2023-24

1. BRIEF OUTLINE OF THE COMPANY'S CSR POLICY

Star Housing Finance Limited ("The Company") has a Board approved Corporate Social Responsibility (CSR) Policy in compliance with Section 135 of the Companies Act 2013 and the rules made thereunder.

The main objective of the CSR Policy is to lay down guidelines to inculcate the objective of society betterment and philanthropy in its growth plan.

The CSR policy of the Company inter alia provides guiding principles for selection and implementation of CSR activities in pursuance of Schedule VII to the Companies Act, 2013, roles and responsibilities of the CSR Committee, guidance for formulation of an annual action plan, process for implementation of CSR activities, modalities of monitoring and evaluation framework and reporting mechanism. The CSR Policy of the Company is available on the Company's website

The CSR projects undertaken by the Company are within the framework of Schedule VII of the Companies Act, 2013. The Company's CSR projects are focused on core sectors such as Healthcare, Environment sustainability, Education, Protection of national heritage, art and culture etc.

2. THE CORPORATE SOCIAL RESPONSIBILITY COMMITTEE COMPRISED OF:

SR. NO.	NAME OF THE DIRECTOR	DESIGNATION	NUMBER OF MEETINGS OF CSR COMMITTEE HELD DURING THE YEAR	NUMBER OF MEETINGS OF
1.	Mr. Ashish Jain	Managing Director (Chairman)	2	2
2.	Mr. Kavish Jain	Executive Director (Member)	2	2
3.	Mrs. Neelam Tater	Non-Executive Independent Director (Member)	2	2

3. THE WEB-LINK WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY.

The web-link for the requisite information is as under www.starhfl.com

4. IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014

Not applicable.

5. AMOUNT AVAILABLE FOR THE SET OFF IN PURSUANCE SUB-RULE (3) OF RULE 7 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014 AND AMOUNT REQUIRED FOR SET OFF FOR THE FINANCIAL YEAR

FINANCIAL YEAR	AMOUNT AVAILABLE FOR SET-OFF FROM PRECEDING FINANCIAL YEARS (IN LAKHS.)	AMOUNT REQUIRED TO BE SET OFF FOR THE FINANCIAL YEAR, IF ANY (IN LAKHS)
	Nil	

6. AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135(5)

Rs. 375.25 lakhs

7. CSR OBLIGATION

SR. NO.	PARTICULARS	AMOUNT (IN LAKHS)
1.	2% of average net profit of the Company as per section 135(5)	7.51
2.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
3.	Amount required to be set off for the financial year, if any	Nil

8. CSR AMOUNT SPENT OR UNSPENT FOR THE FINANCIAL YEAR:

a. CSR Amount spent or unspent for the Financial Year:

TOTAL AMOUNT SPENT FOR THE FINANCIAL YEAR. (IN LAKHS)	AMOUNT UNSPENT (IN LAKHS)					
	TOTAL AMOUNT TRANSFERRED TO UNSPENT CSR ACCOUNT AS PER SECTION 135(6)			AMOUNT TRANSFERRED TO ANY FUND SPECIFIED UNDER SCHEDULE VII AS PER SECOND PROVISO TO SECTION 135(5)		
	AMOUNT	DATE OF TRANSFER	NAME OF THE FUND	AMOUNT	DATE OF TRANSFER	
7.51				Nil		

b. Details of CSR amount spent against ongoing projects for the financial year - Nil

c. Details of CSR amount spent against other than ongoing projects for the financial year.

SR. NO.	NAME OF THE PROJECT	ITEM FROM THE LIST OF ACTIVITIES IN SCHEDULE VII TO THE ACT	LOCAL AREA (YES/ NO)	LOCATION OF THE PROJECT	AMOUNT SPENT FOR THE PROJECT	MODE OF IMPLEMEN- TATION -DIRECT (YES/NO)	MODE OF IMPLEMENTATION THROUGH IMPLEMENTING AGENCY	
							NAME	CSR REGISTRATION NUMBER
1.	Construction of Classrooms for government School	Promotion of Education	No	Rajasthan & Maharashtra	7,01,000	No	Round Table India Trust	CSR00000895
2.	Computers Donated at Mahavir Government English Medium School	Purchase of Computers	No	Raipur	50,000	No	Ladies Circle India Trust	CSR00005330.

d. Amount spent in Administrative Overheads: Nil

e. Amount Spent on Impact Assessment: Not Applicable.

f. Total amount spent for the Financial Year: 7.51 Lakhs

g. Excess amount for set off, if any: 0.00

SR. NO.	PARTICULARS	AMOUNT (IN RS. LAKHS)
i	Two percent of average net profit of the company as per section 135(5)	7.51
ii	Total amount spent for the Financial Year	7.51
iii	Excess amount spent for the financial year [(ii)-(i)]	Nil
iv	Surplus arising out of the CSR projects or programmes or activities of the previous	Nil
v	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. a) Details of Unspent CSR amount for the preceding three financial years:

SR. NO.	PRECEEDING FINANCIAL YEAR	AMOUNT TRANSFERRED TO UNSPENT CSR ACCOUNT UNDER SECTION 135 (6) (IN LAKHS)	AMOUNT SPENT IN THE REPORTING FINANCIAL YEAR (IN LAKHS)	AMOUNT TRANSFERRED TO ANY FUND SPECIFIED UNDER SCHEDULE VII AS PER SECTION 135(6), IF ANY.			AMOUNT REMAINING TO BE SPENT IN SUCCEEDING FINANCIAL YEAR (IN LAKHS)
				NAME OF THE FUND	AMOUNT	DATE OF TRANSFER	

Nil

b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s) - Nil.

10. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SECTION 135(5) - Not Applicable.

For M/s. Star Housing Finance Limited

Sd/-

Ashish Jain
Chairman, CSR Committee

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FINANCIAL STATEMENT



INDEPENDENT AUDITOR'S REPORT

To,
The Members of Star Housing Finance Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Star Housing Finance Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. The matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter. We have determined the matter described below to be the key audit matter to be communicated in our report

 KEY AUDIT MATTER	 AUDITOR'S RESPONSE
Impairment Of Loans	Principal Audit Procedures Performed
<p>Management estimates impairment provision of the Financial assets using Expected Credit loss model for the loan exposure as per the Board approved policy which is in line with Ind AS and the Regulations. Measurement of loan impairment involves application of significant judgement by the management. The most significant judgements are:</p> <ul style="list-style-type: none"> • Timely identification and classification of the impaired loans, including classification of assets to stage 1, 2, or 3 using criteria in accordance with Ind AS 109 which also include considering the impact of RBI's regulatory circulars, • The segmentation of financial assets when their ECL is assessed on a collective basis, • Determination of probability of defaults (PD) and loss given defaults (LGD) based on the default history of loans, subsequent recoveries made and other relevant factors and • Assessment of qualitative factors having an impact on the credit risk. <p>There are disclosures made in financial statements for ECL especially in relation to judgements and estimates by the Management in determination of the ECL. Refer note 3.6 and note 6.1 to the financial statements.</p>	<p>We examined Board Policy approving methodologies for computation of ECL that address policies, procedures and controls for assessing and measuring credit risk on all lending exposures, commensurate with the size, complexity and risk profile specific to the borrowers.</p> <p>We evaluated the design and operating effectiveness of controls across the processes relevant to ECL, including the judgements and estimates.</p> <p>We tested the completeness of loans and advances included in the Expected Credit Loss calculations as of March 31, 2024 by reconciling it with the balances as per loan balance register and loan commitment report as on that date.</p> <p>We tested assets in stage 1, 2 and 3 on sample basis to verify that they were allocated to the appropriate stage.</p> <p>Tested samples to ascertain the completeness and accuracy of the input data used for determining the PD and LGD rates and agreed the data with underlying books of accounts and records.</p> <p>For samples of exposure, we tested the appropriateness of determining EAD, PD and LGD.</p> <p>For exposure determined to be individually impaired, we tested samples of loans and advances and examined management's estimate of future cash flows, assessed their reasonableness and checked the resultant provision calculations.</p> <p>We performed an overall assessment of the ECL provision levels at each stage including management's assessment and provision on account of Company's portfolio, risk profile, credit risk management practices. We assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 in relation to ECL especially in relation to judgements used in estimation of ECL provision.</p>
<p>Evaluation of Company's IT Systems and Controls</p> <p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>Due to the pervasive nature and complexity of the IT environment, we have ascertained IT systems and controls as a key audit matter</p>	<p>Our audit procedures includes:</p> <ul style="list-style-type: none"> • Assessing the reliability of electronic data processing, we included specialized IT auditors as part of the audit team. • Obtained an understanding of the IT control environment, IT policies during the audit period. • Tested the design and operating effectiveness of the IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were reviewed and authorized.

	<ul style="list-style-type: none"> • Tested the Company's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization. • Considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit. • Assessment and identification of key IT applications, and further verifying, testing, and reviewing the design and operating effectiveness of the IT system on the basis of reports /returns and other financial and non-financial information generated from the system on a test check basis. <p>Where we identified the need to perform additional procedures, we placed reliance on manual reconciliations between systems and other information sources.</p>
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Information Other than the Financial Statements and Auditors' Report Thereon

- The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis and Directors' Report (the "Reports") but does not include financial statements and our auditors' report thereon. The reports are expected to be made available to us after the date of this auditors' report.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 (Revised) 'The Auditor's responsibilities Relating to Other Information'. We have nothing to report in this regard.

Management's Responsibilities for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management in the financial statements.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under the Listing Regulations.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Results, including the disclosures, and whether the Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in
 - I. planning the scope of our audit work and in evaluating the results of our work; and
 - II. to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirement regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit 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 including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration has been paid by the Company to its directors during the year in accordance with the provisions of section 197 of the Act.
 - h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its Standalone financial statements - Refer Note 29 of financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts as at the year-end for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes of accounts, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate

Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer note 45 to the financial statements.

- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer note 45 to the financial statements.
- (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub- clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.
- v. (a) The dividend declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) The company has not proposed or declared final dividend for the year.
- vi. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As provision to Rule 3(1) of the Companies (Accounts) Rules 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For NYATI MUNDRA & CO.

Chartered Accountants

Firm Registration Number : 008153C

SD/-

CA Ashok Kumar Jain

Partner

Membership No. 071210

UDIN: 24071210BKJPYG3522

Place: Udaipur

Date: 08-05-2024

REPORT ON INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date) Report on the Internal Financial Controls Over Financial Reporting 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 STAR HOUSING FINANCE LIMITED (the "Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year 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 (the "Guidance Note"). 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 the 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 Act.

Auditor's 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 and the standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 procedure selected depend on the auditor's judgement, 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, to the best of our information and according to the explanations given to us, 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 March 31, 2024, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note.

For NYATI MUNDRA & CO.

Chartered Accountants

Firm Registration Number : 008153C

SD/-

CA Ashok Kumar Jain

Partner

Membership No. 071210

UDIN: 24071210BKJPG3522

Place: Udaipur

Date: 08-05-2024

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

- (i) **According to the information and explanations given to us, in respect of Property, Plant and Equipment & Intangible Assets.**
- The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment. The Company has maintained proper records showing full particulars of intangible assets.
 - The Company has a program of verification of Property, Plant and Equipment, so to cover all the items in a phased periodical manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - Based upon the audit procedure performed and according to the records of the Company, the title deeds of all the immovable properties are held in the name of the Company.
 - The Company has not revalued any of its Property, Plant and Equipment including Right of Use Assets and intangible assets during the year.
 - No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The Company does not have any inventory and hence, reporting under clause 3 (ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at any points of time during the year, from banks on the basis of security of current assets hence, reporting under clause 3 (ii)(b) of the Order is not applicable.
- (iii) **During the year, the Company has made investments in and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties. The Company has not provided any guarantee or security to any other entity during the year. With respect to such investments and loans and advances:**
- The Company's principal business is to give loans, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
 - The investments made and the terms and conditions of the grant of all the loans and advances in the nature of loans, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
 - In respect of loans and advances in the nature of loans (together referred to as "loan assets"), the schedule of repayment of principal and payment of interest has been stipulated. Note 3.5 to the Financial Statements explains the Company's accounting policy relating to impairment of financial assets which include loans assets. In accordance with that policy, loan assets with balances as at March 31, 2024, aggregating **572.56 Lacs** were categorized as credit impaired ("Stage 3") and **459.12 Lacs** were categorized as those where the credit risk has increased significantly since initial recognition ("Stage 2"). Disclosures in respect of such loans have been provided in Note 6.1 to the Financial Statements. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemized list of loan assets where delinquencies in the repayment of principal and interest have been identified.
 - The total amount overdue for more than ninety days, in respect of loans and advances in the nature of loans, as at the year-end is **254.15 Lacs**. Reasonable steps are been taken by the Company for recovery of the principal and interest as stated in the applicable Regulations and loan agreements.
 - The Company's principal business is to give loans, and hence reporting under clause 3(iii) (e) of the Order is not applicable.
 - According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii) (f) is not applicable.

- (iv) According to information and explanation given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits during the year and no order in this respect has been passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunals in regard to the Company. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of the services rendered by the Company. Hence, reporting under clause 3(vi) of the Order is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) Undisputed statutory dues, including Goods and Service tax (GST), Provident Fund, Employees' State Insurance, Income-tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of GST, Provident Fund, Employees' State Insurance, Income-tax, cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.
 - (c) There were no dues referred in sub clauses (a) above which have not been deposited on account of disputes as at March 31, 2024.
- (viii) According to the information and explanations given to us, no transactions relating to previously unrecorded income were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during the year.
- (ix) According to the information and explanations given to us, in respect of borrowings:
 - a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
 - b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority..
 - c) In our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application in respect of term loans raised towards the end of the year.
 - d) On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.
 - e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.
 - f) The Company does not have any subsidiary or associate or joint venture and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) (a) Based on our audit procedures and according to the information given by the management, moneys raised by way of initial public offer or further public offer (including debt instruments) during the year were applied for the purposes for which those are raised.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has utilized funds raised by way of preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) for the purposes for which they were raised.
- (xi) (a) According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under section 143(12) of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and up to the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year

- (xii) The Company is not a Nidhi Company and hence, reporting under clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements, etc. as required by the applicable accounting standards.
- (xiv) (a) In our opinion, the Company has an adequate Internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) According to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence, provisions of section 192 of the Act are not applicable.
- (xvi) (a) According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India (RBI) Act, 1934. Thus, paragraph 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is a registered Housing Finance Company (HFC) and holds a valid Certificate of Registration (CoR) from National Housing Bank and hence reporting under paragraph 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence reporting under paragraph 3 (xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us, there is no CIC in the Group.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company. Hence, reporting under clause 3(xviii) of the Order is not applicable
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, Asset Liability Maturity (ALM) pattern, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Act or special account in compliance with the provision of section 135(6) of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.
- (xxi) According to the information and explanations given to us, the Company does not have subsidiary, associate and joint venture. Accordingly, reporting under clause 3(xxi) of the Order is not applicable.

For NYATI MUNDRA & CO.

Chartered Accountants

Firm Registration Number : 008153C

SD/-

CA Ashok Kumar Jain

Partner

Membership No. 071210

UDIN: 24071210BKJPG3522

Place: Udaipur

Date: 08-05-2024

NHB REPORT

To

The Board Of Directors

Star Housing Finance Limited

Independent Auditor's Additional Report for the year ended 31 March 2024, pursuant to the requirements of the Master Direction – Non- Banking Finance Company - Housing Finance Company (Reserve Bank) Directions, 2021.

1. This report has been issued in accordance with the requirements of the Master Direction – Non- Banking finance Company - Housing Finance Company (Reserve Bank) Directions, 2021.
2. We have audited the accompanying audited Ind-AS financial statements of Star Housing Finance Company ("the Company") which comprise the Balance Sheet as at 31st March 2024, the Statement of Profit and loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the Ind-AS financial statements including a summary of significant accounting policies and other explanatory information and have issued an unqualified opinion vide our Audit report dated 8th May' 2024.

In addition to the said report made under Section 143 of the Companies Act, 2013 ('the Act') on the Ind AS financial statements of the Company for the year ended 31 March 2024 and as required by the requirements of Master Direction – Non- Banking finance Company - Housing Finance Company (Reserve Bank) Directions, 2021., and Information/ explanations and representation received from the management, we report on the matters specified in paragraphs 70 of Chapter XII of the said Directions.

Management and those Charged with Governance's Responsibility for the Financial Statements

3. 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other Comprehensive Income), changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for the 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 In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
4. The Management of the Company is also responsible for Compliance with the National Housing Bank Act, 1987 ('the NHB Act'), Master Direction – Non- Banking finance Company - Housing Finance Company (Reserve Bank) Directions, 2021, and other circulars and directions issued by the NHB there under and for providing all the required information to the NHB. Further, the Company is responsible for compliance of RBI circular or guidelines, wherever applicable.

Auditors Responsibility

5. Pursuant to the requirements of the Auditor's Report Directions, it is our responsibility to provide reasonable assurance on the matters specified in para 70 of the Directions, to the extent applicable to the Company, on the basis of our audit of the financial statements of the Company for the year ended 31st March 2024 and examination of books of account and other records maintained by the Company for the year then ended.
6. We conducted our examination in respect of this certificate in accordance with the Guidance Note on Reports or Certificates for Special Purposes ("the Guidance Note") issued by the Institute of Chartered Accountants of India. The

Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SOC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related and Related Services Engagements, issued by ICAI.

Opinion:

Based on our audit of the financial statements for the year ended 31st March 2024 and examination as above, evidences obtained and the information and explanations, along with the representations provided by the Management, we report that:

A. APPLICABLE TO ALL HOUSING FINANCE COMPANIES:

- 1 The company has obtained a Certificate of Registration No. 12.0080.09 from National Housing Bank (CoR not valid for acceptance of public deposit). According to the information and explanations given to us, the housing company is complying with the principal Business Criteria as defined in para 4.1.17 of the master- direction- Non Banking Finance company- Housing Finance company (Reserve Bank) Directions 2021.
- 2 According to the information and explanations given to us and as per the audit evidences gathered during the audit, the company is meeting the required Net Owned Fund (NOF) requirement as prescribed under section 29A of the National Housing Bank Act, 1987 during the period under audit and as on 31st March 2024. During the year, the housing finance company has not issued paid-up preference shares which are compulsorily convertible into equity. However company has issued total 93,78,500 warrants of Rs 64/- each against the receipt of Rs. 15,00,56,000/- (Rs. Fifteen Crores fifty six thousand only) being the warrants subscription price i.e 25% of the issue price. These warrants are convertible into equal no. of equity shares upon payment of balance 75% of the issue price.at a price of Rs.
- 3 According to the information and explanations given to us and as per the audit evidences gathered during the audit, the company has complied with section 29C of the National Housing Bank Act, 1987 by creating a reserve fund in which 20 percent of its net profit has been transferred during the financial year ended 31 March 2024.
- 4 According to the information and explanations given to us and as per the audit evidences gathered during the audit, the Company's total borrowings as on March 31st 2024 amounting to Rs. **320.30 Crs** is less than 12 times of NOF.
- 5 According to the information and explanations given to us and as per the audit evidences gathered during the audit, the company has complied with the prudential norms on income recognition, accounting standards, asset classification, loan-to-value ratio, provisioning requirements, disclosure in balance sheet, investment in real estate, exposure to capital market and engagement of brokers, and concentration of credit/investments as specified in the Master Direction – Non- Banking finance Company - Housing Finance Company (Reserve Bank) Directions, 2021. However, we draw your attention to:
 - a) The company has granted moratorium to the eligible borrowers as per the RBI circular on Covid-19 Regulatory package dated 17.04.2020 and 23.05.2020 whereby Term Loan EMIs payable from 01.03.2020 to 31.08.2020 have been deferred and the Loan tenure has been extended by the respective period. **As on 31-March-2024 outstanding of those accounts is 13.56 Crore and total no. of that account is 209 out of 4340 live customer.**
- 6 According to the information and explanations given to us, the capital adequacy ratio as disclosed in the half yearly statutory return and revised return filed thereafter, submitted to National Housing Bank has been correctly determined by the company and such ratio is in compliance with the minimum capital to risk weighted asset ratio (CRAR).
- 7 According to the information and explanations given to us, the Company during the **half financial year ended 30th Sep 2023** has furnished to the NHB the half yearly Statutory Return within the stipulated period. **Further half yearly NHB Statutory Return for the period end as on 31-March-2024 yet to be submitted** because it is not falling due as on the date of the Audit report.
- 8 According to the information and explanations given to us, the Schedule-III Return on statutory liquid assets is not applicable to the company as its non-deposit taking company
- 9 According to the information and explanations given to us, the company **has open 11 (Eleven) new branches during the FY-23-24**

- 10 According to the information and explanations given to us, the company has not given any loan against security of shares (Para 3.1.3 of the Directions), not given any loan against security of single product- gold jewellery, not given any loan against HFCs own shares (Para 18 of the Directions).
- 11 According to the information and explanations given to us, the Board of Directors of the company have passed a resolution for non-acceptance of any public deposit dated 22nd April-2023.
- 12 According to the information and explanations given to us, the company has not accepted any public deposits during the financial year ended 31 March 2024.

B. APPLICABLE TO HOUSING FINANCE COMPANIES ACCEPTING/HOLDING PUBLIC DEPOSITS:

- 13 According to the information and explanations given to us, the Company has Certificate of Registration as Housing Finance Company and not accepting/holding public deposits. Accordingly Paragraph 70.2.1 to 70.2.7 of Master Direction – Non- Banking finance Company - Housing Finance Company (Reserve Bank) Directions, 2021, are not applicable to the company for the financial year ended 31st March 2024.

For NYATI MUNDRA & CO.

Chartered Accountants

Firm Registration Number : 008153C

SD/-

CA Ashok Kumar Jain

Partner

Membership No. 071210

UDIN: 24071210BKJPG3522

Place: Udaipur

Date: 08-05-2024

FINANCIAL STATEMENT

STAR HOUSING FINANCE LIMITED

Statement of Assets and Liabilities as on 31.03.2024

(INR in Lakh)

PARTICULARS	NOTE NO.	AS AT MARCH 31, 2024	AS AT MARCH 31, 2023
ASSETS			
FINANCIAL ASSETS			
- Cash and cash equivalents	5	6,093.61	2,810.12
- Bank balance other than cash and cash equivalents	5A	2,461.73	1,272.73
- Loans	6	38,202.55	22,807.76
- Investments	7	801.23	738.29
- Other financial assets	8	701.16	320.69
TOTAL FINANCIAL ASSETS		48,260.28	27,949.59
NON- FINANCIAL ASSETS			
- Property, plant and equipment	9A	283.65	219.17
- Intangible Assets	9B	25.31	37.67
- Capital work in progress	9C	186.38	118.78
- Deferred tax assets (net)	25.2	-	76.12
- Current tax assets (net)	10	130.66	86.73
- Other non-financial assets	11	144.53	62.75
TOTAL NON-FINANCIAL ASSETS		770.54	601.22
TOTAL ASSETS		49,030.82	28,550.81
LIABILITIES AND EQUITY			
LIABILITIES			
FINANCIAL LIABILITIES			
- Debt securities	12	2,813.68	-
- Borrowings (other than debt securities)	13	29,216.25	16,249.99
- Other financial liabilities	14	3,577.85	1,447.08
TOTAL FINANCIAL LIABILITIES		35,607.78	17,697.07
NON-FINANCIAL LIABILITIES			
- Provisions	15	6.04	14.92
- Other non-financial liabilities	16	72.88	196.94
- Deferred tax liability (net)	25.2	42.67	-
TOTAL NON-FINANCIAL LIABILITIES		121.59	211.86
EQUITY			
- Equity share capital	17	3,936.03	3,857.91
- Other equity	18	9,365.42	6,783.97
TOTAL EQUITY		13,301.46	10,641.88
TOTAL LIABILITIES AND EQUITY		49,030.82	28,550.81

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

For NYATI MUNDRA & CO.

Chartered Accountants

ICAI FR No : 008153C

SD/-

CA Ashok Kumar Jain

Partner

Membership No. 071210

UDIN: 24071210BKJPYG3522

Place: Mumbai

Date: 08-05-2024

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

SD/-

Ashish Jain

Chairman & Managing Director

DIN: 02041164

SD/-

Kalpesh Dave

CEO

SD/-

Natesh Narayanan

Chief Financial Officer

SD/-

Kavish Jain

Director

DIN: 02041197

SD/-

Shreyas Mehta

Company Secretary

M.No. A38639

STAR HOUSING FINANCE LIMITED

Statement of Profit & Loss for the year ended 31-03-2024

(INR in Lakh)

	PARTICULARS	NOTE NO.	FOR THE YEAR ENDED 31-03-2024	FOR THE YEAR ENDED 31-03-2023
A	REVENUE FROM OPERATIONS	19A		
i	Interest income		5,395.43	3,234.89
ii	Fees & commission income		189.95	106.39
iii	Gain/loss on de-recognition of financial assets		97.62	29.90
iv	Net gain/loss on fair value changes		62.94	15.01
v	Other operating income		116.22	146.82
B	OTHER INCOME	19B	301.38	191.29
I	Total Income		6,163.55	3,724.31
	Expenses			
i	Finance cost	20	2,782.78	1,128.84
ii	Impairment of financial instruments	21	180.26	62.70
iii	Employee benefits expenses	22	1,320.53	950.25
iv	Depreciation and amortisation expenses	23	66.71	35.55
v	Other expenses	24	666.15	745.34
II	TOTAL EXPENSES		5,016.43	2,922.68
III	PROFIT BEFORE TAX (I-II)		1,147.12	801.63
IV	TAX EXPENSES	25		
	- Current tax		136.99	129.95
	- Deferred tax		121.80	(26.31)
V	PROFIT FOR THE PERIOD (III-IV)		888.33	697.99
	- Other comprehensive Income			
	a) Items that will not be reclassified to profit or loss (net of tax)			
	- Re-measurements of defined benefit liability		(8.94)	0.88
	b) Items that will be reclassified to profit & loss (net of tax)			
	- Loss on equity instruments through OCI		-	(105.12)
VI	TOTAL OTHER COMPREHENSIVE INCOME		(8.94)	(104.24)
VII	TOTAL COMPREHENSIVE INCOME (V+VI)		879.39	593.75
	Earnings Per Share (of Rs. 5/- each)			
	- Basic	26	1.14	0.97
	- Diluted		1.11	0.93

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

For NYATI MUNDRA & CO.

Chartered Accountants

ICAI FR No : 008153C

SD/-

CA Ashok Kumar Jain

Partner

Membership No. 071210

UDIN: 24071210BKJPYG3522

Place: Mumbai

Date: 08-05-2024

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

SD/-

Ashish Jain

Chairman & Managing Director

DIN: 02041164

SD/-

Kalpesh Dave

CEO

SD/-

Natesh Narayanan

CFO

SD/-

Kavish Jain

Director

DIN: 02041197

SD/-

Shreyas Mehta

Company Secretary

M.No. A38639

STAR HOUSING FINANCE LIMITED

Statement of Changes in Equity for the period ended 31.03.2024

A) EQUITY SHARE CAPITAL

(INR in Lakh)

PARTICULARS	AS AT MARCH 31, 2024	AS AT MARCH 31, 2023
AUTHORISED SHARE CAPITAL		
10,00,00,000 Equity Shares @ 5 Each	5,000.00	5,000.00
(P.Y. 10,00,00,000 Equity Shares @ 5 Each)		
ISSUED, SUBSCRIBED, CALLED UP & PAID UP SHARE CAPITAL		
7,87,20,616 Equity Shares @ 5 Each	3,936.03	3,857.91
(P.Y. 7,71,58,266 Equity Shares @ 5 Each)		
TOTAL	3,936.03	3,857.91

Note: Reconciliation of number of shares outstanding and the amount of share capital at the beginning and end of the year:

PARTICULARS	AS AT MARCH 31, 2024		AS AT MARCH 31, 2023	
	NO. OF SHARES	₹ IN LAKH	NO. OF SHARES	₹ IN LAKH
At the beginning of the year	7,71,58,266	3,857.91	1,65,82,229	1,658.22
Add: Share issued during the year	-	-	23,30,500	233.05
Add: Split during the year	-	-	1,89,12,729	-
Add: Bonus issue during the year	-	-	3,78,25,458	1,891.27
Add: ESOP issue during the year	15,62,350	78.12	15,07,350	75.37
OUTSTANDING AT THE END OF THE YEAR	7,87,20,616	3,936.03	7,71,58,266	3,857.91

B) OTHER EQUITY

(INR in Lakh)

PARTICULARS	RESERVES AND SURPLUS				OTHER COMPREHENSIVE INCOME				Covid 19 -impairment reserve	Total other equity attributable to equity holders
	Share premium reserve	Money received against share warrants	ESOP outstanding reserve	Special reserve	Retained earnings	Equity instruments through other comprehensive income	Revaluation surplus	Others		
RESTATED BALANCES AS AT MARCH 31, 2022	2,446.31	-	175.98	549.21	1,119.10	268.14	55.68	7.47	129.74	4,751.63
Share premium	3,298.23	-	-	-	-	-	-	-	-	3,298.23
Transfer to special reserve	-	-	-	160.33	(160.33)	-	-	-	-	-
Profit for the year	-	-	-	-	697.99	-	-	-	-	697.99
Dividend expenses	-	-	-	-	(33.16)	-	-	-	-	(33.16)
Bonus share issued	(1,891.27)	-	-	-	-	-	-	-	-	(1,891.27)
Other comprehensive income	-	-	-	-	-	(105.12)	-	0.88	-	(104.24)
Others	-	-	60.92	-	3.89	-	-	-	-	64.80
BALANCES AS AT MARCH 31, 2023	3,853.26	-	236.90	709.54	1,627.49	163.02	55.68	8.34	129.74	6,783.97
Share premium	262.87	-	-	-	-	-	-	-	-	262.87
Money received against share warrant	-	1,500.56	-	-	-	-	-	-	-	1,500.56
Transfer to special reserve	-	-	-	229.42	(229.42)	-	-	-	-	-
Profit for the year	-	-	-	-	888.33	-	-	-	-	888.33
Dividend expenses	-	-	-	-	(38.61)	-	-	-	-	(38.61)
Other comprehensive income	-	-	-	-	(0.60)	-	-	(8.34)	-	(8.94)
Others	-	-	(18.87)	-	(3.89)	-	-	-	-	(22.75)
BALANCES AS AT MARCH 31, 2024	4,116.13	1,500.56	218.04	938.96	2,243.30	163.02	55.68	-	129.74	9,365.42

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

For NYATI MUNDRA & CO.

Chartered Accountants

ICAI FR No : 008153C

SD/-

CA Ashok Kumar Jain

Partner

Membership No. 071210

UDIN: 24071210BKJPYG3522

Place: Mumbai**Date:** 08-05-2024**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

SD/-

Ashish Jain

Chairman & Managing Director

DIN: 02041164

SD/-

Kalpesh Dave

CEO

SD/-

Natesh Narayanan

CFO

SD/-

Kavish Jain

Director

DIN: 02041197

SD/-

Shreyas Mehta

Company Secretary

M.No. A38639

STATEMENT OF CASH FLOW

(INR in Lakh)

PARTICULARS	FOR THE PERIOD ENDED 31-03-2024	FOR THE PERIOD ENDED 31-03-2023
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and exceptional items	1,147.12	801.63
Adjustments for:		
Depreciation and amortisation expenses	66.71	35.55
Provision for employee benefit	(34.70)	65.97
Provision for ECL	65.72	6.47
Bad debts written-off	114.54	56.23
Operating cash flow before working capital changes	1,359.39	965.85
Decrease/(Increase) in other financial assets	(380.47)	160.06
Decrease/(Increase) in current tax assets	(82.54)	(31.51)
Decrease/(Increase) in other non- financial assets	(81.78)	(18.91)
Increase/(Decrease) in other financial liabilities	2,130.77	422.42
Increase/(Decrease) in other non-financial liabilities	(124.06)	190.71
Increase/(Decrease) in provision	(8.89)	(22.58)
Cash From/(Used) for operations	2,812.43	1,666.03
(Increase)/Decrease in loans	(15,575.05)	(12,638.99)
Less: Taxes paid	(136.99)	(129.95)
Net Cash Generated From Operating Activities (A)	(12,899.60)	(11,102.91)
CASH FLOW FROM INVESTING ACTIVITIES		
Investment in fixed deposits	(1,187.91)	(753.36)
Purchase/sale of fixed assets	(186.44)	(246.60)
(Increase)/Decrease in investment	(62.94)	(14.24)
Net Cash Flow From Investing Activities (B)	(1,437.30)	(1,014.20)
CASH FLOW FROM FINANCING ACTIVITIES		
Cash flow from issue of shares	78.12	308.42
Share premium received	262.87	3,298.23
Share warrant money received	1,500.56	-
Dividend paid	(1.09)	0.45
Borrowing taken/(repayment)	15,779.93	8,402.21
Net cash flow from financing activities (c)	17,620.39	12,009.30
Net increase in cash and cash equivalents (A+B+C)	3,283.49	(107.81)
Cash and cash equivalents as at beginning of the year	2,810.12	2,917.93
Cash and cash equivalents	6,093.60	2,810.12

Note:

a) The cash flow statements have been prepared under the indirect method as ("IND AS 7") statements of Cash Flow.

b) Figures in the brackets indicate outflow.

c) Previous year figures have been regrouped/ reclassified whenever applicable.

The accompanying notes are an integral part of the financial statements.

In terms of our report of even date

For NYATI MUNDRA & CO.

Chartered Accountants

ICAI FR No : 008153C

SD/-

CA Ashok Kumar Jain

Partner

Membership No. 071210

UDIN: 24071210BKJPYG3522

Place: Mumbai

Date: 08-05-2024

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

SD/-

Ashish Jain

Chairman & Managing Director

DIN: 02041164

SD/-

Kalpesh Dave

CEO

SD/-

Natesh Narayanan

CFO

SD/-

Kavish Jain

Director

DIN: 02041197

SD/-

Shreyas Mehta

Company Secretary

M.No. A38639

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

1. REPORTING ENTITY

Star Housing Finance Limited ("The Company"), was incorporated on March 21st, 2005 with registered office at Mumbai, India. The company is registered with National Housing Bank (NHB) under section 29A of the National Housing Bank Act, 1987 with effect from 31st August, 2009. Subsequently with the change in the name from "Akme Star Housing Finance Limited" to "Star Housing Finance Limited" a new incorporation certificate from ROC dated 10th May, 2021 has been obtained. The company also received an amended registration certificate from the regulator RBI vide Reg. No. DOR-00080 dated 27th July 2021. The company is primarily engaged in the business of providing loans to individuals, corporate and developers for the purchase, construction, development and repair of houses, apartments and commercial properties in India. The Company is a public listed company and its shares are listed on Bombay Stock Exchange (BSE), India.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 STATEMENT OF COMPLIANCE

The Balance Sheet, the Statement of Profit and Loss, the Statements of Changes in Equity and the Statement of Cash Flow (the "financial statements") have been prepared under historical cost convention on an accrual basis in accordance with the Indian Accounting Standard ("Ind AS") and the relevant provision of the Companies Act, 2013 (the "Act") (to the extent notified) and the guidelines issued by the National Housing Bank ("NHB") and the Reserve Bank of India ("RBI") to the extent applicable. The Ind AS is prescribed under section 133 of the Act read with Rule 3 of the companies (Indian Accounting Standards) Rules, 2015 and relevant amendment II rules issued thereafter and in compliance with Regulation 33 and 52 of the SEBI ("Listing Obligations and Disclosure Requirements") Regulations, 2015, as amended from time to time. Details of the Company's accounting policies are disclosed below.

2.2 PRESENTATION OF FINANCIAL STATEMENTS

The company presented its financial statements as per Division III of Schedule III of the act. Balance sheet is prepared in order of liquidity.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognized amounts without being contingent on a future event, the parties also intend to settle on a net basis in all the circumstances :-

- (i) the normal course of business and
- (ii) the event of default

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Indian rupee (INR) which is also the company's functional currency. All amounts have been rounded off to the nearest rupee in Lakh and at two decimal places, unless otherwise indicated.

2.4 BASIS OF MEASUREMENT

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting date as required under relevant Ind AS.

2.5 USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future years. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes.

JUDGMENTS

(I) BUSINESS MODEL ASSESSMENT

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The company considers the frequency, volume and timing of sales in prior years, the reason for such sales, and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of a holistic assessment of how company's stated objective for managing the financial assets is achieved and how cash flows are realised. Therefore, the company considers information about past sales in the context of the reasons for those sales, and the conditions that existed at that time as compared to current conditions.

If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly

originated or newly purchased financial assets going forward. Based on this assessment and future business plans of the Company, the management has measured its financial assets at amortised cost as the asset is held within a business model whose objective is to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest ('the 'SPPI criterion').

(II) FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial instruments is the price that would be received upon selling an asset or paid upon transforming liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether the price is directly observable or estimated using another valuation technique. When the fair value of financial assets and liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The input to these models is taken from observable markets wherever possible, where this is not feasible, and estimation is required in establishing fair values. Judgments and estimations include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

(III) EFFECTIVE INTEREST RATE ("EIR") METHOD

EIR methodology recognizes interest income/expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given/taken and recognizes the effect of potentially different interest rates at various stages and characteristics of the product life cycle (including prepayments, penalty interest and charges).

This estimation by nature requires an element of judgment regarding the expected behaviour and life cycle of the instruments, as well expected changes to interest rates and other fee income / and expense that are integral part of the instrument.

(IV) IMPAIRMENT OF FINANCIAL ASSET

The measurement of impairment losses across all categories of financial assets require judgment, in particular, the estimation of the amount and the timing of the future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

(V) PROVISIONS AND OTHER CONTINGENT LIABILITIES

The company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. Cases where the company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflow probable, it recognizes a provision against the

same. Where the probability of outflow is considered remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed for the same.

3. MATERIAL ACCOUNTING POLICIES

3.1 REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

A. INTEREST INCOME

Interest income on financial instrument is recognized on a time proportion basis taking into account the amount outstanding and the effective interest rate applicable.

EIR method

Under Ind AS 109, interest income is recorded using the effective interest rate method for all financial instruments measured at an amortized cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument, or when appropriate, a shorter period to the net carrying amount of the financial asset.

The EIR (and therefore, the amortized cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and cost that are an integral part of the EIR. The company recognizes interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of financial instrument.

If expectations regarding the cash flow on the financial assets are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortized through interest income in the statement of profit and loss.

The company calculate the interest income by applying EIR to the gross carrying amount of financial assets other than credit impaired assets.

When a financial asset becomes credit impaired and is, therefore, regarded as 'Stage-3', the company calculate interest income on the net basis. If the financial asset cures and is no longer credit impaired, the company reverts to calculating interest income on gross basis.

B. FEE AND COMMISSION INCOME

Fee and commission income include fees other than those that are an integral part of EIR. The company recognizes the fee and commission income in accordance with the terms of the relevant contracts / agreements and when it is probable that the Company will collect the consideration.

C. OTHER INCOME

Other Income represents income earned from the activities incidental to the business and is recognized when the right to receive the income is established as per the terms of the contract. During the current year the other income predominantly consist of online (through company's website) marketing and branding of the company name M/s Blink Fix Private Limited.

3.2 FINANCIAL INSTRUMENT-INITIAL RECOGNITION

A. DATE OF RECOGNITION

Financial assets and liabilities, with the exception of loans, debt securities, deposits and borrowings are initially recognized on the trade date, i.e., the date that the company becomes a party to the contractual provisions of the instrument. Loans are recognized when fund transfer is initiated or disbursement cheque is issued to the customer. The Company recognizes debt securities, deposits and borrowings when funds are received by the Company.

B. INITIAL MEASUREMENT OF FINANCIAL INSTRUMENTS

The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

C. MEASUREMENT CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

The company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at amortized cost.

3.3 FINANCIAL ASSETS AND LIABILITIES

A. FINANCIAL ASSETS

Business model assessment

The company determines its business model at the level that best reflects how it manage group of financial assets to achieve its business objective.

The company's business model is not assessed on an instrument-by-instrument basis; but at a higher level of aggregated portfolio and is based on observable factors such as:-

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the company's key management personnel.
- The risk that affect the performance of the business model (and the financial assets held within that business model) and in particular, the way those risks are managed.
- The expected frequency, value and timing of sales are also important aspects of the company's assessment

SPPI test (Solely Payment of Principal and Interest)

As a second step of its classification process, the company assesses the contractual terms of financial asset to identify whether they meet SPPI test.

Principal for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of financial assets (for example, if there are repayments of principal or amortization of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the company applies judgment and considers relevant factors such as the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement that do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, financial assets are measured as follows:

I) FINANCIAL ASSETS CARRIED AT AMORTIZED COST (AC)

A 'Financial asset' is measured at the amortised cost if both the following conditions are met:

The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

II) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVTOCI)

A 'Financial asset' is classified as at the FVTOCI if both of the following criteria are met:

The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the asset's contractual cash flows represent SPPI. Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On de-recognition of the asset, cumulative gain or loss

previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

III) FVTPL IS A RESIDUAL CATEGORY FOR DEBT FINANCIAL ASSET.

Any financial assets, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the company may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Financial asset included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

FINANCIAL ASSETS: SUBSEQUENT MEASUREMENT AND GAINS AND LOSSES

I) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (FVTPL)

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in statement of profit or loss.

II) FINANCIAL ASSETS CARRIED AT AMORTIZED COST (AC)

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairments are recognized in statement of profit and loss. Any gains and losses on de recognition is recognized in statement of profit and loss.

B. FINANCIAL LIABILITY

I) INITIAL RECOGNITION AND MEASUREMENT

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

II) SUBSEQUENT MEASUREMENT

Financial liabilities are carried at amortized cost using the effective interest method.

3.4 RECLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

The company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The company did not reclassify any of its financial assets or liabilities in the

year ended 31st March, 2024

3.5 DE-RECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

A. DE-RECOGNITION OF FINANCIAL ASSETS DUE TO SUBSTANTIAL MODIFICATION OF TERMS AND CONDITIONS.

The company derecognizes a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially it becomes a new loan, with the difference recognized as a de-recognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognized loans are classified as Stage 1 for ECL measurement purposes.

B. DE-RECOGNITION OF FINANCIAL INSTRUMENTS OTHER THAN DUE TO SUBSTANTIAL MODIFICATION

I) FINANCIAL ASSETS

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when the contractual right to the cash flow from the financial assets expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership are transferred and it does not retain control of the financial asset.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of de-recognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognized in the statement of profit and loss.

Accordingly, gain on sale or de-recognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109. Also, the company recognizes servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset.

II) FINANCIAL LIABILITY

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognized in the statement of profit and loss.

3.6 IMPAIRMENT OF FINANCIAL ASSETS

A. OVERVIEW OF ECL PRINCIPLES

In accordance with Ind AS 109, the company uses ECL model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL) Expected credit losses are measured at fair value

through a loss allowance at an amount equal to:

i) the 12 months expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date or,

ii) Full lifetime expected credit losses that result from all possible default events over the life of the financial instrument.

The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

Based on the above, the company categorizes its loans into stage 1, stage 2 and stage 3, as described below:

STAGE 1

When loans are first recognized, the company recognizes an allowance based on 12 months ECL. Stage 1 (loans which are current (on time) or past due for less than or equal to 30 days) loans include those loans where there is no significant credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2 or stage 3.

STAGE 2

When a loan (loans which are past due for more than 30 days and less than or equal to 90 days) has shown a significant increase in credit risk since origination, the company recreates an allowance for the lifetime ECL. Stage 2 loans also include facilities where the credit risk has improved and the loan has been reclassified from stage 3.

STAGE 3

Loans considered credit impaired is the loans which are past due for more than 90 days. The company records an allowance for life time ECL.

Loan commitments:

When estimating ECL for undrawn loan commitments, the company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

The mechanics of ECL calculations are outlined below and the key elements are as follows:

PD:

Probability of default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognized and is still in the portfolio.

EAD:

Exposure at default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayment of principal and interest.

LGD:

Loss given default ("LGD") is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

The company has calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans and discounted at an approximation to the EIR. At every reporting date, the above calculated PDs, EAD and LGDs are re-viewed and changes in the forward looking estimations are analysed.

The mechanics of the ECL method are summarized below:

STAGE 1

The 12 months ECL is calculated on the portion of ECL that represent the ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date. The company calculates the 12 months following the reporting date. These expected 12 months default probabilities are applied to forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

STAGE 2

When a loan has shown a significant increase in credit risk since origination (if financial asset is more than 30 days past due), the company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

STAGE 3

For loans considered credit impaired (if financial asset is more than 90 days past due), the company recognizes the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%.

B. LOANS AND ADVANCES MEASURED AT FVTOCI

The ECLs for loans and advances measured at FVTOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortized cost is recognized in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognized in OCI is recycled to the profit and loss upon de-recognition of the assets.

C. FORWARD LOOKING INFORMATION

While estimating the expected credit losses, the company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, Property Price Index, Unemployment rates, Benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays are embedded in the methodology to reflect such macro-economic trends reasonably.

3.7 PRESENTATION OF ALLOWANCE FOR EXPECTED CREDIT LOSSES IN THE BALANCE SHEET

Loss allowance for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

3.8 WRITE-OFFS

Financial assets are written off when the company has stopped pursuing recovery. If the amount to be written off is greater than the accumulated loss allowance, difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in the statement of profit and loss.

3.9 DETERMINATION OF FAIR VALUE

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participation at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the company has taken into account characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value measurements under Ind AS are categorised into fair value hierarchy based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **LEVEL 1** quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access on measurement date.
- **LEVEL 2** inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- **LEVEL 3** where unobservable inputs are used for the valuation of assets or liabilities.

3.10 PROPERTY, PLANT AND EQUIVALENT

I. RECOGNITION AND MEASUREMENT

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit and loss.

II. SUBSEQUENT EXPENDITURE

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

III. DEPRECIATION

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the Written down value method, and is recognized in the statement of profit and loss.

The company follows estimated useful lives which are given under Part C of the schedule II of the Companies Act, 2013. The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

ASSET CATEGORY	ESTIMATED USEFUL LIFE
Building	60 years
Furniture and fittings	8 years
Office equipment	5 years
Computers	3 years

INTANGIBLE ASSETS

I. RECOGNITION AND MEASUREMENT

Intangible assets include those acquired by the company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortization and any accumulated impairment losses.

II. SUBSEQUENT EXPENDITURE

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

III. AMORTIZATION

Amortization is calculated to write off the cost of intangible

assets less their estimated residual values over their estimated useful lives using the straight line method, and is included in depreciation and amortization in statement of profit and loss.

ASSET CATEGORY	ESTIMATED USEFUL LIFE
Computer Software	5 years

Amortization method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

3.12 IMPAIRMENT OF NON-FINANCIAL ASSETS

The Company determines periodically whether there is any indication of impairment in the carrying amount of its non-financial assets. The recoverable amount (higher of net selling price and value in use) is determined for an individual asset, unless the asset does not generate cash inflow that are largely independent of those from other assets or group of assets. The recoverable amount of such assets are estimated, if any indication exists and impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

3.13 EMPLOYEE BENEFITS

I. POST EMPLOYEE BENEFITS

Defined contribution plan

The Company's contribution to provident fund is considered as defined contribution plan and is charged as an expense as they fall due based on the amount of contribution required to be made and when the services are rendered by the employees.

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling') In order to calculate the present value of economic benefits consideration is given to any minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses and the effect of the asset ceiling (if any, excluding interest) are recognized in OCI. The Company Determines the net interest expense

(income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset) taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past services ('past service cost or' past service gain) or the gain or loss on curtailment is recognized gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short term employee benefit

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive which are expected to occur within 12 months after the end of the year in which the employee renders the related service.

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The fair value of the options determined at grant date is accounted as employee compensation cost over the vesting period on a straight-line basis over the period of option, based on the number of grants expected to vest, with corresponding increase in equity. On cancellation or lapse of option granted to employees, the compensation cost charged to statement of profit & loss is credited with corresponding decrease in equity.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.14 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation, when the effect of the time value of money is material, the company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability.

The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or; present obligation that arises from past events where it is not probable that an amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

Contingent asset

A contingent asset is a probable asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of company. Contingent assets are neither recognized nor disclosed in the financial statements.

3.15 INCOME TAX

Income tax comprises current and deferred tax. It is recognized in Statement of profit or loss except to the extent that it relates to a business combination or to an item recognized directly in equity or in other comprehensive income.

I. CURRENT TAX

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

II. DEFERRED TAX

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purpose and the corresponding amount used for taxation purposes.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised, for all deductible temporary differences, to the extent it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that they have become probable that future taxable profits will be available against which they can be used. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3.16 BORROWING COST

Borrowing costs are interest and other costs incurred in connection with the borrowings of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use and are capitalized as part of the cost of the asset. All other borrowings costs are recognized as an expense in the profit & loss in the year in which they are incurred.

3.17 CASH & CASH EQUIVALENTS

Cash & Cash equivalents comprise cash on hand, cheques on hand and balance with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investment that are readily convertible into known amounts of cash & which are subject to insignificant risk of changes in value.

3.18 SEGMENT REPORTING-IDENTIFICATION OF SEGMENTS

The Company has only one reportable business segment, i.e. lending to borrowers, which have similar nature of products and services, type/class of customers and the nature of the regulatory environment (which is banking), risks and returns for the purpose of Ind AS 108 on 'Segment Reporting'. Accordingly, the amounts appearing in the financial statements relate to the Company's single business segment.

3.19 EARNINGS PER SHARE

The Company reports basic & diluted earnings per equity share in accordance with Ind AS 33, Earnings per Share. Basic Earnings per equity share is computed by dividing net profit/ loss after tax attributable to the equity share holders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed & disclosed by dividing the net profit/ loss after tax attributable to the equity share holders for the year after giving impact of dilutive potential equity shares for the year by the weighted average number of equity shares & dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.

3.20 CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of

transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from regular revenue generating, financing & investing activities of the Company is segregated.

3.21 ACCOUNTING OF LEASES

Company has applied Ind AS 116 "Leases" for the lease contracts covered by the Ind AS. Under Ind AS 116 a contract is, or contains a lease, if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company undertook an assessment of all applicable contracts to determine if a lease exists as defined in Ind AS 116. This assessment will also be completed for each new contract or change. Measurement of Lease Liability At the time of initial recognition, the Company measures lease liability as present value of all lease payment discounted using the Company's incremental cost of borrowing rate. Subsequently, the lease liability is

- i) Increase by interest on lease liability
- ii) Reduce by lease payments made

Measurement of Right-of-Use asset At the time of initial recognition, the company measures 'Right-of-Use assets'

as present value of all lease payment discounted using the Company's incremental cost of borrowing rate w.r.t said lease contract. Subsequently, 'Right-of-Use assets' is measured using cost model i.e. at cost less any accumulated depreciation and any accumulated impairment losses adjusted for any re-measurement of the lease liability specified in Ind AS 116 'Leases'. Depreciation on 'Right-of-Use assets' is provided on straight line basis over the lease period.

In contract going forward. The Company has further elected not to recognize ROU assets and lease liabilities for leases of low value assets and for short-term leases (less than 12 months).

3.22 DIVIDEND PAY-OUT

The Company recognises a liability towards the equity shareholders of the Company when the dividend is authorised and the distributions no longer at the discretion of the Company. As per the corporate laws in India, an interim dividend is authorised when it is approved by the Board of Directors and final dividend is authorised when it is approved by the Shareholders. A corresponding amount is recognised directly in equity.

4. NEW TECHNICAL PRONOUNCEMENT

Ministry of Corporate Affairs (MCA) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2024.

Note 5: Cash and cash equivalents

(INR in Lakh)

PARTICULARS	AS AT MARCH 31, 2024	AS AT MARCH 31, 2023
Cash in hand	92.27	49.52
Balances with banks in current / cash credit accounts	1,787.07	1,246.27
Deposit with original maturity of less than three months	4,214.27	1,514.33
	6,093.61	2,810.12

Note 5A: Bank balance other than cash and cash equivalents

(i) Earmarked balances with bank	1.69	0.60
(ii) Balances with bank to the extent held as margin money or security against the borrowings, guarantees, other commitments	2,460.04	1,272.13
(iii) Repatriation restrictions in respect of cash and bank balances	-	-
	2,461.73	1,272.73

Note 6: Loans (at amortised cost)

PARTICULARS	AS AT MARCH 31, 2024	AS AT MARCH 31, 2023
TERM LOANS		
Retail Loans	38,250.32	22,496.73
- Housing Loan	31,770.41	19,078.40
- Non Housing Loan	6,479.91	3,418.55
Builder/Corporate Loan	39.97	211.56
Total Gross	38,290.29	22,708.50
Less: Expected credit loss allowance	(249.65)	(183.93)
Total Net	38,040.64	22,524.57
Others	161.91	283.19
TOTAL LOANS	38,202.55	22,807.76
Secured by tangible assets	37,680.01	22,431.59
Unsecured	610.28	276.92
Total Gross	38,290.29	22,708.50
Less: Expected credit loss allowance	(249.65)	(183.93)
Total Net	38,040.64	22,524.57
Others	161.91	283.19
Total Loans	38,202.55	22,807.76
Public Sector		
Others	38,290.29	22,708.50
Total Gross	38,290.29	22,708.50
Less: Expected credit loss allowance	(249.65)	(183.93)
Others	161.91	283.19
Total Net	38,202.55	22,807.76

- Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.
- Loans granted by the Company are secured by equitable mortgage/registered mortgage of the property and/or undertaking to create a security and/or personal guarantees and/or hypothecation of assets and/or assignments of life insurance policies.
- Loans sanctioned but undisbursed amount is Rs. 1,468.07 Lakh as on March 31, 2024 (31.03.2023 – Rs. 948.48 Lakh).

6.1) An analysis of changes in the gross carrying amount* and the corresponding ECL allowances

(INR in Lakh)

PARTICULARS	AS AT MARCH 31, 2024				AS AT MARCH 31, 2023			
	STAGE 1	STAGE 2	STAGE 3	TOTAL	STAGE 1	STAGE 2	STAGE 3	TOTAL
Gross carrying amount opening balance	21,933.10	394.39	381.01	22,708.50	8,187.17	1,910.27	311.46	10,408.90
Less: Assets repaid (excluding write offs)*	4,689.02	39.22	55.79	4,784.03	6,046.33	251.91	25.80	6,324.04
Transfers from Stage 1**	(679.68)	445.25	234.42	-	(154.06)	145.48	8.58	-
Transfers from Stage 2**	286.49	(333.47)	46.97	-	1,234.93	(1,370.96)	136.04	-
Transfers from Stage 3**	-	-	-	-	48.21	-	(48.21)	-
Less: Amounts written off	72.65	7.84	34.05	114.54	16.69	38.48	1.06	56.23
New assets originated	20,480.35	-	-	20,480.35	18,679.86	-	-	18,679.86
Gross carrying amount closing balance	37,258.61	459.12	572.56	38,290.29	21,933.10	394.39	381.01	22,708.50

The gross carrying value includes Housing Loan, Builder Loan and other Loan & Advances.

* Excludes the unamortised component of sourcing cost/ income which is adjusted as part of loan balances.

** Represents the balance outstanding as at beginning of the year, net of repayments made during the year, if any.

The repayments are forming part of " Assets repaid (excluding write offs)".

6.2) Reconciliation of ECL balance is given below:

PARTICULARS	AS AT MARCH 31, 2024				AS AT MARCH 31, 2023			
	STAGE 1	STAGE 2	STAGE 3	TOTAL	STAGE 1	STAGE 2	STAGE 3	TOTAL
ECL allowance - opening balance	74.02	11.23	98.68	183.93	48.06	66.11	63.29	177.46
Addition during the year	-	1.31	84.98	86.29	25.96	-	35.40	61.35
Reversal during the year	20.57	-	-	20.57	-	54.88	-	54.88
ECL allowance - closing balance	53.45	12.54	183.66	249.65	74.02	11.23	98.68	183.93

The contractual amount outstanding on loans that have been written off during the year, but were still subject to enforcement activity is Rs. 114.54 Lakh as at March 31, 2024 (31.03.2023-Rs.56.23 Lakh).

Note 7: Investments

(INR in Lakh)

PARTICULARS	AS AT MARCH 31, 2024	AS AT MARCH 31, 2023
INVESTMENTS IN INDIA		
Alternate Investment Fund	578.83	515.89
Equity instruments (Unquoted)	222.40	222.40
Total gross	801.23	738.29
Investments outside India	-	-
Total gross	801.23	738.29
Less: Allowance for impairment loss	-	-
TOTAL NET	801.23	738.29
Alternate Investment fund (FVTPL)	578.83	515.89
Equity Instrument Fair Valued through Other Comprehensive Income	222.40	222.40
Less: Allowance for impairment loss	-	-
TOTAL NET	801.23	738.29

1. Based on the assessment, no impairment loss has been recognised on the securities.
2. With reference to the RBI circular no. RBI/2023-24/90 DOR.STR.REC.58/21.04.048/2023-24 dated Dec 19, 2023, Company is not required to liquidate or made provision against investment in AIF as the AIF does not have any exposure in the debtor company which are presently on our debtor list or had been during the last twelve months from the date of the circular issued.

Note 8: Other financial assets

(INR in Lakh)

PARTICULARS	AS AT MARCH 31, 2024	AS AT MARCH 31, 2023
Interest Receivable on Loans	37.09	41.11
Other Receivables/Advances	585.93	214.90
Security deposit	78.14	64.69
TOTAL	701.16	320.69

Note 9A: Property plant and equipment

(INR in Lakh)

PARTICULARS	GROSS CARRYING VALUE				DEPRECIATION				NET CARRYING VALUE	
	AS AT MARCH 31, 2023	ADDITION DURING THE YEAR	ADJUSTMENTS/ DEDUCTIONS DURING THE YEAR	AS AT MARCH 31, 2024	AS AT MARCH 31, 2023	FOR THE YEAR	ADJUSTMENTS/ DEDUCTIONS DURING THE YEAR	AS AT MARCH 31, 2024	AS AT MARCH 31, 2024	AS AT MARCH 31, 2023
Land	92.56	-	-	92.56	-	-	-	-	92.56	92.56
Building	-	61.30	-	61.30	-	1.75	-	1.75	59.55	-
Furniture & Fixtures	105.53	25.67	-	131.20	7.09	27.39	-	34.49	96.71	98.44
Vehicle	14.92	-	-	14.92	14.09	0.26	-	14.35	0.57	0.83
Computers & printer	47.60	24.24	-	71.84	26.27	19.67	-	45.94	25.90	21.33
Other Equipment (mobile)	1.99	0.78	-	2.77	0.67	0.63	-	1.31	1.46	1.31
Electrical Equipment	5.64	4.12	-	9.76	0.95	1.92	-	2.86	6.90	4.69
TOTAL	268.24	116.11	-	384.35	49.07	51.62	-	100.70	283.65	219.17

There have been no acquisition through business combinations and no change of amount due to revaluation of property, plant and equipment and other intangible assets during the year ended 31st March 2024 and 31st March 2023.

Note 9B: Other intangible assets

(INR in Lakh)

PARTICULARS	GROSS CARRYING VALUE				AMORTISATION				NET CARRYING VALUE	
	AS AT MARCH 31, 2023	ADDITION DURING THE YEAR	ADJUSTMENTS/ DEDUCTIONS DURING THE YEAR	AS AT MARCH 31, 2024	AS AT MARCH 31, 2023	FOR THE YEAR	ADJUSTMENTS/ DEDUCTIONS DURING THE YEAR	AS AT MARCH 31, 2024	AS AT MARCH 31, 2024	AS AT MARCH 31, 2023
Software	39.03	-	-	39.03	21.09	7.14	-	28.24	10.80	17.94
Jaguar Software	39.07	2.73	-	41.79	19.34	7.94	-	27.28	14.52	19.73
TOTAL	78.10	2.73	-	80.83	40.43	15.08	-	55.51	25.31	37.67

Note 9C: Capital Work In Progress

(INR in Lakh)

PARTICULARS	GROSS CARRYING VALUE				AMORTISATION				NET CARRYING VALUE	
	AS AT MARCH 31, 2023	ADDITION DURING THE YEAR	ADJUSTMENTS/ DEDUCTIONS DURING THE YEAR	AS AT MARCH 31, 2024	AS AT MARCH 31, 2023	FOR THE YEAR	ADJUSTMENTS/ DEDUCTIONS DURING THE YEAR	AS AT MARCH 31, 2024	AS AT MARCH 31, 2024	AS AT MARCH 31, 2023
SOFTWARE - WIP	118.78	67.61	-	186.38	-	-	-	-	186.38	118.78
TOTAL	118.78	67.61	-	186.38	-	-	-	-	186.38	118.78

Note 13: Borrowings (Other than debt securities)

PARTICULARS	AS AT MARCH 31, 2024	AS AT MARCH 31, 2023
SECURED (AT AMORTISED COST) (REFER NOTE 13A)		
Term Loan		
From Bank & FI	22,265.88	13,256.73
From NHB	6,950.37	2,993.26
Others		
Loan Repayable on demand	-	-
TOTAL	29,216.25	16,249.99
Borrowings in India	29,216.25	16,249.99
Borrowings outside India	-	-
TOTAL	29,216.25	16,249.99

Note 13A: Details of term of redemption / repayment and security provided in respect of term loan:

PARTICULARS	AMOUNT (INR IN LAKH)	TERMS OF REDEMPTION/ REPAYMENT	SECURITY	ROI %
TERM LOANS FROM BANKS/FIS				
Capital India Finance Limited	51.01	Repayable in 36 monthly instalments (principal) of Rs. 6.79 Lakhs each	Hypothecation of specific book debts with security coverage of 1.20 times and personal guarantee of Mr. Ashish Jain.	13.50%
Capital India Finance Limited 2	417.47	Repayable in 59 monthly instalments of Rs. 11.44 Lakhs each and last instalments of Rs. 7.38 Lakhs	Hypothecation of specific book debts with security coverage of 1.15 times and personal guarantee of Mr. Ashish Jain.	14.25%
Cholamandal Investment & Finance Company Limited	200.92	Repayable in 47 monthly instalments of Rs. 7.87 Lakhs each and last instalments of Rs. 2.56 Lakhs	Hypothecation of specific book debts with security coverage of 1.15 times and personal guarantee of Mr. Ashish Jain.	13.50%
Cholamandal Investment & Finance Company Limited 2	255.98	Repayable in 48 monthly instalments of Rs. 8.51 Lakhs each and last instalments of Rs. 7.86 Lakhs	Hypothecation of specific book debts with security coverage of 1.15 times and personal guarantee of Mr. Ashish Jain.	13.50%
ESAF Small Finance Bank	483.27	Repayable in 56 monthly instalments of Rs. 11.81 Lakhs each and last instalments of Rs. 11.54 Lakhs	Hypothecation of specific book debts with security coverage of 1.20 times and 5% cash collateral in form of Fixed deposit.	13.00%
Hinduja Housing Finance Ltd.-TL-1	33.29	Repayable in 54 monthly instalments (principal) of Rs.11.12 Lakhs each	Hypothecation of specific book debts with security coverage of 1.10 times and personal guarantee of Mr. Nirmal Kumar Jain	11.60%
Hinduja Housing Finance Ltd. TL-2	239.17	Repayable in 60 monthly instalments (principal) of Rs.8.83 Lakhs each	Hypothecation of specific book debts with security coverage of 1.10 times and personal guarantee of Mr. Ashish Jain.	11.20%
Hinduja Housing Finance Ltd. TL-3	757.85	Repayable in 60 monthly instalments (principal) of Rs.16.67 Lakhs each	Hypothecation of specific book debts with security coverage of 1.10 times and personal guarantee of Mr. Ashish Jain.	13.50%
Hinduja Housing Finance Ltd. TL-4	769.28	Repayable in 60 monthly instalments (principal) of Rs.15.83 Lakhs each	Hypothecation of specific book debts with security coverage of 1.10 times and personal guarantee of Mr. Ashish Jain.	13.50%
Hindujha Leyland Finance Limited-Tranch-1	272.96	Repayable in 23 monthly instalments of Rs. 12.97 Lakhs each and 25 monthly instalments of Rs. 13.04 Lakhs each	Hypothecation of specific book debts with security coverage of 1.10 times and personal guarantee of Mr. Ashish Jain	11.70%
Hindujha Leyland Finance Limited-Tranch-2	272.97	Repayable in 22 monthly instalments of Rs. 12.97 Lakhs each and 26 monthly instalments of Rs. 13.04 Lakhs each	Hypothecation of specific book debts with security coverage of 1.10 times and personal guarantee of Mr. Ashish Jain	11.70%
ICICI Bank Limited	327.03	Repayable in 24 monthly instalments(principal) of Rs. 41.67 Lakhs each	Hypothecation of specific book debts with security coverage of 1.25 times and 10% cash collateral in form of Fixed deposit and personal guarantee of Mr. Ashish Jain	9.65%

PARTICULARS	AMOUNT (INR IN LAKH)	TERMS OF REDEMPTION/ REPAYMENT	SECURITY	ROI %
ICICI Bank Limited-TL-2	203.40	Repayable in 24 monthly instalments(principal) of Rs. 12.17 Lakhs each	Hypothecation of specific book debts with security coverage of 1.25 times and personal guarantee of Mr. Ashish Jain	9.50%
IDBI Bank Ltd.	932.26	Repayable in 83 monthly instalments of Rs. 12.00 Lakhs each and last instalments of Rs. 4.00 Lakhs	Hypothecation of specific book debts with security coverage of 1.30 times and 10% cash collateral in form of Fixed deposit and personal guarantee of Mr. Ashish Jain	11.50%
Indian Overseas Bank	759.01	Repayable in 83 monthly instalments(principal) of Rs. 11.90 Lakhs each and last instalments of Rs.12.30 Lakhs	Hypothecation of specific book debts with security coverage of 1.25 times and 10% cash collateral in form of Fixed deposit and personal guarantee of Mr. Ashish Jain	11.50%
LIC Housing Finance Ltd.	756.86	Repayable in 11 monthly instalments of Rs. 11.49 Lakhs each and 48 monthly instalments of Rs. 24.26 Lakhs each and last instalments of Rs. 23.12 Lakhs	Hypothecation of specific book debts with security coverage of 1.25 times.	12.50%
LIC Housing Finance TL-2	2,282.19	Repayable in 60 monthly instalments of Rs. 55.62 Lakhs each	Hypothecation of specific book debts with security coverage of 1.25 times and personal guarantee of Mr. Ashish Jain	12.00%
Maanaveeya Development And Fincnace TI	607.62	Repayable in 33 monthly instalments(principal) of Rs. 30.30 Lakhs each and last instalments of Rs. 5.40 Lakhs	Hypothecation of specific book debts with security coverage of 1.20 times and personal guarantee of Mr. Ashish Jain	13.50%
Maanaveeya Development And Finance TI -2	553.93	Repayable in 33 monthly instalments(principal) of Rs. 24.24 Lakhs each	Hypothecation of specific book debts with security coverage of 1.20 times and personal guarantee of Mr. Ashish Jain	13.50%
Mas Financial Service Ltd TI -2	309.81	Repayable in 48 monthly instalments (principal) of Rs. 10.41 Lakhs each	Hypothecation of specific book debts with security coverage of 1.00 times and personal guarantee of Mr. Ashish Jain.	13.50%
Mas Financial Service Ltd TI-3	182.41	Repayable in 60 monthly instalments (principal) of Rs. 04.17 Lakhs each	Hypothecation of specific book debts with security coverage of 1.00 times and personal guarantee of Mr. Ashish Jain.	13.35%
Mas Financial Service Ltd TI-4	420.05	Repayable in 60 monthly instalments (principal) of Rs. 08.33 Lakhs each	Hypothecation of specific book debts with security coverage of 1.00 times and personal guarantee of Mr. Ashish Jain.	13.50%
Mas Financial Service Ltd TI-5	443.96	Repayable in 60 monthly instalments (principal) of Rs. 08.33 Lakhs each	Hypothecation of specific book debts with security coverage of 1.00 times and personal guarantee of Mr. Ashish Jain.	13.10%
Mas Financial Service Ltd TI-6	226.04	Repayable in 60 monthly instalments (principal) of Rs. 04.17 Lakhs each	Hypothecation of specific book debts with security coverage of 1.00 times and personal guarantee of Mr. Ashish Jain.	13.10%
Mas Rural Housing & Mortgage Finance Limited	310.09	Repayable in 48 monthly instalments (principal) of Rs. 10.41 Lakhs each	Hypothecation of specific book debts with security coverage of 1.00 times and personal guarantee of Mr. Ashish Jain.	13.50%
Mas Rural Housing & Mortgage Finance Limited-TL-2	186.47	Repayable in 60 monthly instalments (principal) of Rs. 4.17 Lakhs each	Hypothecation of specific book debts with security coverage of 1.00 times and personal guarantee of Mr. Ashish Jain.	13.35%

PARTICULARS	AMOUNT (INR IN LAKH)	TERMS OF REDEMPTION/ REPAYMENT	SECURITY	ROI %
Mas Rural Housing & Mortgage Finance Limited-TL-3	221.84	Repayable in 60 monthly instalments (principal) of Rs. 04.17 Lakhs each	Hypothecation of specific book debts with security coverage of 1.00 times and personal guarantee of Mr. Ashish Jain.	13.10%
National Housing Bank - Lift	79.24	Repayable in 18 quarterly instalments (principal) of Rs. 27.00 Lakhs each and last instalments of Rs.25.24 Lakhs	Hypothecation of specific book debts with security coverage of 1.25 times and personal guarantee of Mr. Nirmal Kumar Jain, Mr. Ashish Jain and Mrs. Pushpa Nagda and corporate guarantee of Akme Build Estate Ltd.	8.45%
National Housing Bank - Refinance	201.93	Repayable in 26 quarterly instalments (principal) of Rs. 19.00 Lakhs each and last instalments of Rs.13.52 Lakhs	Hypothecation of specific book debts with security coverage of 1.25 times. It is also secured by Bank guarantee to 15% of the sanctioned amount and personal guarantee of Mr. Nirmal Kumar Jain, Mr. Ashish Jain and Mrs. Pushpa Nagda and corporate guarantee of Akme Build Estate Ltd.	8.45%
National Housing Bank - Refinance	320.00	Repayable in 26 quarterly instalments (principal) of Rs. 37.04 Lakhs each and last instalments of Rs.22.00 Lakhs	Hypothecation of specific book debts with security coverage of 1.25 times. It is also secured by Bank guarantee to 15% of the sanctioned amount and personal guarantee of Mr. Nirmal Kumar Jain, Mr. Ashish Jain and Mrs. Pushpa Nagda and corporate guarantee of Akme Build Estate Ltd.	8.60%
National Housing Bank - Refinance	283.30	Repayable in 38 quarterly instalments (principal) of Rs. 8.34 Lakhs each and last instalment of Rs. 8.08 Lakh	Hypothecation of specific book debts with security coverage of 1.30 time It is also secured by Bank guarantee to 10% of the sanctioned amount and personal guarantee of Mr. Ashish Jain and Mrs. Pushpa Nagda.	8.35%
National Housing Bank - Refinance	588.45	Repayable in 38 quarterly instalments (principal) of Rs. 17.31 Lakhs each and last instalments of Rs.17.22 Lakhs.	Hypothecation of specific book debts with security coverage of 1.30 time It is also secured by Bank guarantee to 10% of the sanctioned amount and personal guarantee of Mr. Ashish Jain and Mrs. Pushpa Nagda.	8.45%
National Housing Bank - Refinance	637.00	Repayable in 26 quarterly instalments (principal) of Rs. 37.05 Lakhs each and last instalment of Rs.33.21 lakhs	Hypothecation of specific book debts with security coverage of 1.35 times. It is also secured by Bank guarantee to 15% of the sanctioned amount and personal guarantee of Mr. Ashish Jain and Mrs. Pushpa Nagda.	8.60%
National Housing Bank - Refinance	923.05	Repayable in 38 quarterly instalments (principal) of Rs. 25.65 Lakhs each and last instalment of Rs.25.30 lakhs	Hypothecation of specific book debts with security coverage of 1.30 time It is also secured by Bank guarantee to 10% of the sanctioned amount and personal guarantee of Mr. Ashish Jain and Mrs. Pushpa Nagda.	8.35%
National Housing Bank - Refinance	3,917.40	Repayable in 38 quarterly instalments (principal) of Rs. 102.60 Lakhs each and last instalment of Rs.101.20 lakhs	Hypothecation of specific book debts with security coverage of 1.30 time.	8.60%
State Bank of India-TL-1	718.70	Repayable in 50 monthly instalments (principal) of Rs. 20.00 Lakhs each	Hypothecation of specific book debts with security coverage of 1.30 times and 10% cash collateral in form of Fixed deposit and personal guarantee of Dipesh Jain, Ashish Jain and Kavish Jain	10.00%
State Bank Of India-TL-2	2,100.62	Repayable in 93 monthly instalments (principal) of Rs. 26.50 Lakhs each and last instalment of Rs. 10.49 Lakhs	Hypothecation of specific book debts with security coverage of 1.30 times it is also secured by mortgage of residential plot and 10% cash collateral in form of Fixed deposit and personal guarantee of Mr. Ashish Jain, Kavish Jain.	10.00%
State Bank Of India-TL-3	4,441.90	Repayable in 95 quarterly instalments (principal) of Rs. 52.00 Lakhs each and last instalment of Rs.60.00 lakhs	Hypothecation of specific book debts with security coverage of 1.25 times and 10% cash collateral in form of Fixed deposit and personal guarantee of Mr. Ashish Jain and Mr. Kavish Jain.	10.00%

PARTICULARS	AMOUNT (INR IN LAKH)	TERMS OF REDEMPTION/ REPAYMENT	SECURITY	ROI %
Sundram Home Finance LTD	189.36	Repayable in 48 monthly instalments (principal) of Rs. 6.25 Lakhs each	Hypothecation of specific book debts with security coverage of 1.20 times and personal guarantee of Mr. Ashish Jain.	12.30%
Sundaram Home Finance Ltd TI 2	145.64	Repayable in 48 monthly instalments (principal) of Rs. 4.17 Lakhs each	Hypothecation of specific book debts with security coverage of 1.20 times and personal guarantee of Mr. Ashish Jain.	12.30%
Sundaram Home Finance Ltd TI 3	383.60	Repayable in 48 monthly instalments (principal) of Rs. 10.42 Lakhs each	Hypothecation of specific book debts with security coverage of 1.15 times and personal guarantee of Mr. Ashish Jain.	12.09%
Sundaram Finance Ltd-TL4	950.34	Repayable in 60 monthly instalments of Rs. 22.50 Lakhs each	Hypothecation of specific book debts with security coverage of 1.20 times and personal guarantee of Mr. Ashish Jain.	12.50%
TATA Capital	465.60	Repayable in 36 monthly instalments (principal) of Rs. 16.67 Lakhs each	Hypothecation of specific book debts with security coverage of 1.20 times and personal guarantee of Mr. Ashish Jain and Mr. Kavish Jain.	12.00%
Union Bank of India	392.96	Repayable in 15 quarterly instalments (principal) of Rs. 80.00 Lakhs each	Hypothecation of specific book debts with security coverage of 1.33 times. It is also provide upfront FDR of Rs.1.80 Cr. and personal guarantee of Mr. Nirmal Kumar Jain, Mr. Ashish Jain and Mr. Kavish Jain.	11.35%
Total	29,216.25			

There has not been any default in repayment of borrowings and interest during the year ended March 31, 2024, (no default during the year ended March 31, 2023).

Maturity pattern of repayment:

PARTICULARS	DUE WITHIN 1 YEAR		DUE 1-3 YEARS		DUE 3-5 YEARS		DUE 5-10 YEARS		DUE 10 YEARS		TOTAL	
MATURITIES	NO. OF INSTAL- MENTS	AMOUNT	NO. OF INSTAL- MENTS	AMOUNT	NO. OF INSTAL- MENTS	AMOUNT	NO. OF INSTAL- MENTS	AMOUNT	NO. OF INSTAL- MENTS	AMOUNT	NO. OF INSTAL- MENTS	AMOUNT
RATE OF INTEREST												
From Bank & FI												
9.00% - 9.99%	20	492.33	4	48.67							24	541.00
10.00% - 10.99%	36	1,179.88	72	2,347.76	49	1,920.24	55	2,446.15			212	7,894.03
11.00% - 11.99%	67	1,001.66	89	1,088.89	48	573.60	27	317.81			231	2,981.97
12.00%-12.99%	93	1,275.06	180	2,869.77	61	1,708.33					334	5,853.16
13.00%-13.99%	212	1,826.77	362	2,706.14	148	928.77					722	5,461.68
14.00%-14.99%	12	80.61	24	199.89	15	149.61					51	430.11
From NHB												
8.00% - 8.99%	35	1,067.93	61	1,975.90	45	1,806.26	82	2,192.88	-	-	223	7042.96
TOTAL		6924.25		11237.02		6653.50		5390.15				30204.91
EIR Impact												(988.66)
TOTAL												29216.25

Note 14: Other financial liabilities

(INR in Lakh)

PARTICULARS	AS AT MARCH 31, 2024	AS AT MARCH 31, 2023
Interest accrued but not due on borrowings	43.89	14.26
Employee related liability	3.14	3.92
Book overdraft	3,258.51	1,380.78
Other liabilities	272.31	48.11
TOTAL	3,577.85	1,447.08

Note 15: Provisions

PARTICULARS	AS AT MARCH 31, 2024	AS AT MARCH 31, 2023
Provision for expenses	6.04	14.92
TOTAL	6.04	14.92

Note 16: Other non-financial liabilities

PARTICULARS	AS AT MARCH 31, 2024	AS AT MARCH 31, 2023
Duties and taxes	11.71	17.08
Other non-financial liabilities	-	0.68
Statutory dues payable	61.17	179.18
TOTAL	72.88	196.94

Note 17: Equity Share capital

PARTICULARS	AS AT MARCH 31, 2024	AS AT MARCH 31, 2023
AUTHORISED SHARE CAPITAL		
10,00,00,000 Equity Shares @ 5 Each	5,000.00	5,000.00
(P.Y. 10,00,00,000 Equity Shares @ 5 Each)		
ISSUED, SUBSCRIBED, CALLED UP & PAID UP SHARE CAPITAL		
7,87,20,616 Equity Shares @ 5 Each	3,936.03	3,857.91
(P.Y. 7,71,58,266 Equity Shares @ 5 Each)		
TOTAL	3,936.03	3,857.91

Note 17.1: Reconciliation of number of shares outstanding and the amount of share capital at the beginning and end of the year:

PARTICULARS	AS AT MARCH 31, 2024		AS AT MARCH 31, 2023	
	NO. OF SHARES	₹ IN LAKH	NO. OF SHARES	₹ IN LAKH
At the beginning of the year	7,71,58,266	3,857.91	1,65,82,229	1,658.22
Add: Share issued during the year	-	-	23,30,500	233.05
Add: Split during the year	-	-	1,89,12,729	-
Add: Bonus issue during the year	-	-	3,78,25,458	1,891.27
Add: ESOP issue during the year	15,62,350	78.12	15,07,350	75.37
OUTSTANDING AT THE END OF THE YEAR	7,87,20,616	3,936.03	7,71,58,266	3,857.91

Note 17.2: Details of shareholders holding more than 5% of equity shares in the Company:

PARTICULARS	AS AT MARCH 31, 2024		AS AT MARCH 31, 2023	
	NO. OF SHARES	% OF HOLDING	NO. OF SHARES	% OF HOLDING
Arkfin Investments Private Limited	1,28,52,197	16.33%	1,30,17,008	16.87%
Pushpa Nagda	46,26,240	5.88%	46,26,240	6.00%

Note –

The company has allotted 15,62,350 equity shares of the face value of Rs. 5/- each to eligible employees upon exercise of stock options vested with them under the 'Akme Employee Stock Option Plan 2021'.

Note- 18 Other Equity

(INR in Lakh)

PARTICULARS	OTHER EQUITY									
	RESERVES AND SURPLUS					OTHER COMPREHENSIVE INCOME			Covid 19 -impairment reserve	Total other equity attributable to equity holders
	Share premium reserve	Money received against share after warrants*	ESOP outstanding reserve	Special reserve	Retained earnings	Equity instruments through other comprehensive income	Revaluation surplus	Others		
RESTATED BALANCES AS AT MARCH 31, 2022	2,446.31	-	175.98	549.21	1,119.10	268.14	55.68	7.47	129.74	4,751.63
Share premium	3,298.23	-	-	-	-	-	-	-	-	3,298.23
Transfer to special reserve	-	-	-	160.33	(160.33)	-	-	-	-	-
Profit for the year	-	-	-	-	697.99	-	-	-	-	697.99
Dividend expenses	-	-	-	-	(33.16)	-	-	-	-	(33.16)
Bonus share issued	(1,891.27)	-	-	-	-	-	-	-	-	(1,891.27)
Other comprehensive income	-	-	-	-	-	(105.12)	-	0.88	-	(104.24)
Others	-	-	60.92	-	3.89	-	-	-	-	64.80
BALANCES AS AT MARCH 31, 2023	3,853.26	-	236.90	709.54	1,627.49	163.02	55.68	8.34	129.74	6,783.97
Share premium	262.87	-	-	-	-	-	-	-	-	262.87
Money received against share warrant	-	1,500.56	-	-	-	-	-	-	-	1,500.56
Transfer to special reserve	-	-	-	229.42	(229.42)	-	-	-	-	-
Profit for the year	-	-	-	-	888.33	-	-	-	-	888.33
Dividend expenses	-	-	-	-	(38.61)	-	-	-	-	(38.61)
Other comprehensive income	-	-	-	-	(0.60)	-	-	(8.34)	-	(8.94)
Others	-	-	(18.87)	-	(3.89)	-	-	-	-	(22.75)
BALANCES AS AT MARCH 31, 2024	4,116.13	1,500.56	218.04	938.96	2,243.30	163.02	55.68	-	129.74	9,365.42

* The company vide meeting dated Dec 28, 2023 allotted 93,78,500 warrants of Rs.64/- each against the receipt of Rs. 15,00,56,000 being the warrants subscription price i.e 25% of the issue price. These warrants are convertible into equal no. of equity shares upon payment of balance 75% of the issue price.

Note 19A: Revenue From Operations

(INR in Lakh)

PARTICULARS	YEAR ENDED MARCH 31, 2024	YEAR ENDED MARCH 31, 2023
INTEREST INCOME ON FINANCIAL ASSETS MEASURED AT AMORTISED COST		
- Interest Income on loans to customers	5,171.50	3,089.64
- Interest on Bank Deposits from Banks	178.63	93.82
- Other interest income	45.29	51.43
TOTAL (A)	5,395.43	3,234.89
FEES & COMMISSION INCOME		
- Service charges	0.94	-
- Other charges	189.01	106.39
TOTAL (B)	189.95	106.39
- Gain/loss on de-recognition of financial Assets	97.62	29.90
TOTAL (C)	97.62	29.90
- Net Gain/Loss on Fair Value Changes	62.94	15.01
TOTAL (D)	62.94	15.01
OTHER OPERATING INCOME		
- Bad Debt Recovered	116.22	146.82
TOTAL (E)	116.22	146.82
TOTAL (A+B+C+D+E)	5,862.17	3,533.02

Note 19B: Other Income

PARTICULARS	YEAR ENDED MARCH 31, 2024	YEAR ENDED MARCH 31, 2023
- Marketing and Branding Income	301.38	-
- Professional and Advisory Income	-	191.29
TOTAL	301.38	191.29

Note 20: Finance Cost

PARTICULARS	YEAR ENDED MARCH 31, 2024	YEAR ENDED MARCH 31, 2023
FINANCE COSTS ON FINANCIAL LIABILITIES MEASURED AT AMORTISED COST		
INTEREST ON BORROWINGS		
- Interest on loan from Bank, FI's, NHB and on NCD	2,775.00	1,119.28
- Interest on cash credit and working capital demand loan	0.01	0.42
Other borrowing cost (incl. Bank Charges)	7.77	9.14
TOTAL	2,782.78	1,128.84

Note 21: Impairment on financial instruments

PARTICULARS	YEAR ENDED MARCH 31, 2024	YEAR ENDED MARCH 31, 2023
ON FINANCIAL ASSETS MEASURED AT AMORTISED COST		
- Loans	65.72	6.47
- Bad Debts written off	114.54	56.23
TOTAL	180.26	62.70

Note 22: Employee benefits expenses

(INR in Lakh)

PARTICULARS	YEAR ENDED MARCH 31, 2024	YEAR ENDED MARCH 31, 2023
Salaries, allowances and benefits	1,138.15	712.22
Employee Compensation Expenses-ESOP	99.50	182.75
Contribution to provident and other funds	13.57	11.95
Gratuity Expenses	14.78	10.06
Staff welfare expenses	54.52	33.27
TOTAL	1,320.53	950.25

Note 23: Depreciation and Amortization

PARTICULARS	YEAR ENDED MARCH 31, 2024	YEAR ENDED MARCH 31, 2023
Depreciation of property, plant and equipment	51.62	18.09
Amortisation of intangible assets	15.08	15.06
Amortisation of Right to use assets	-	2.40
TOTAL	66.71	35.55

Note 24: Other Expenses

(INR in Lakh)

PARTICULARS	YEAR ENDED MARCH 31, 2024	YEAR ENDED MARCH 31, 2023
Advertising expense	10.42	3.39
Annual listing expense	3.54	3.27
Other annual fee	0.23	-
Audit fee	7.37	4.63
Business promotion expense	15.80	2.44
Commission	6.64	1.09
Computer & software expense	11.98	1.55
Conveyance	36.91	16.59
Credit rating expense	23.06	4.92
Director sitting fee	33.35	12.26
Donation	0.46	-
CSR expense	7.51	-
Electricity expense	8.53	7.08
Insurance expense	6.26	8.31
Office expense	62.44	26.40
Office rent expense	114.82	78.78
Municipal tax	0.16	0.16
I.T. - Infrastructure expense	14.78	36.81
Media and PR expense	17.03	42.68
Interest, penalty & fine	0.60	10.67
Postage and courier	9.52	8.81
Printing & stationery	36.64	20.63
Professional & technical fee	81.22	317.99
Professional tax	0.03	0.04
Repair & maintenance expense	12.95	8.64
ROC & compliance fee	0.59	19.63
Telephone expense	2.15	2.13
Travelling expense	41.32	51.21
Legal and recovery expense	99.85	55.24
TOTAL	666.15	745.34

Note 25: Tax Expenses

(INR in Lakh)

PARTICULARS	YEAR ENDED MARCH 31, 2024	YEAR ENDED MARCH 31, 2023
THE COMPONENTS OF INCOME TAX EXPENSE ARE:		
Current tax	136.99	129.95
Deferred tax	121.80	(26.31)
TOTAL TAX CHARGE	258.79	103.64

Note 25.1: Reconciliation of tax expense and the accounting profit multiplied by statutory income tax rate for the year ended March 31, 2024 and March 31, 2023 is as follows:

PARTICULARS	YEAR ENDED MARCH 31, 2024	YEAR ENDED MARCH 31, 2023
Current Tax	136.99	129.95
Deferred Tax (Refer note 25.2)	121.80	(26.31)
Tax adjustment of earlier year	-	-
Total income tax expenses recognized in the current year	258.79	103.64
Profit before tax	1,147.12	801.63
Statutory Income tax rate (%)	25.17%	25.17%
Tax at statutory Income Tax rate	288.73	201.77
Tax Effect of:		
Items that are allowable or disallowable in determining tax-able profits (net)	69.74	125.02
Deduction under section 36 (1) (viii)	(39.80)	(26.89)
Tax Adjustment of earlier year	-	-
Income Tax expense recognised in profit and loss	258.79	103.64
Income tax recognised in other comprehensive income	3.01	28.33

Note 25.2: Deferred Tax

The components of deferred tax assets and liabilities are as follows:

DEFERRED TAX ASSET/ (LIABILITY)	OPENING BALANCE AS ON 01.04.2023	RECOGNISED IN PROFIT OR LOSS (EXPENSES) / INCOME	RECOGNISED IN OTHER COMPREHENSIVE INCOME	CLOSING BALANCES AS ON 31.03.2024
Fiscal allowances on fixed assets	(3.52)	6.45	-	2.93
Measurement of financial instruments at amortised cost	(2.92)	(137.45)	-	(140.38)
Impairment loss allowance on financial assets	46.29	16.54	-	62.83
From OCI (Investment/Gratuity)	28.33	-	3.01	31.33
Others adjustment	7.95	(7.34)	-	0.61
TOTAL	76.12	(121.80)	3.01	(42.67)

DEFERRED TAX ASSET/ (LIABILITY)	OPENING BALANCE AS ON 01.04.2022	RECOGNISED IN PROFIT OR LOSS (EXPENSES) / INCOME	RECOGNISED IN OTHER COMPREHENSIVE INCOME	CLOSING BALANCES AS ON 31.03.2023
Fiscal allowances on fixed assets	(3.06)	(0.46)	-	(3.52)
Measurement of financial instruments at amortised cost	(18.26)	15.34	-	(2.92)
Impairment loss allowance on financial assets	44.67	1.62	-	46.29
From OCI (Investment/Gratuity)	(2.51)	2.51	28.33	28.33
Others adjustment	0.66	7.29	-	7.95
TOTAL	21.50	26.30	28.33	76.12

Note 26: Earning per share

The Earnings Per Share (EPS) is calculated as follows:

PARTICULARS	UNIT	YEAR ENDED MARCH 31, 2024	YEAR ENDED MARCH 31, 2024
a) Amount used as the numerator for basic EPS profit after tax	(in ₹ lakh)	888.33	697.99
b) Weighted average number of equity shares for basic EPS	Number	7,77,95,590	7,19,98,502
c) Weighted average number of equity shares for diluted EPS	Number	8,02,45,225	7,51,36,231
d) Nominal value per share	(in ₹)	5	5
e) Earnings per share:			
- BASIC (a/b)	(in ₹)	1.14	0.97
- DILUTED (a/c)	(in ₹)	1.11	0.93

Note 27: Related Party Transactions (As required by INDAS 24 - Related Party Disclosures)

List of Related parties and relationship:

NAME OF THE RELATED PARTY	NATURE OF RELATIONSHIP
Mr. Ashish Jain	Chairman and Managing Director (KMP)
Mr. Kavish Jain	Executive Director
Mr. Amlendra Prasad Saxena	Non-Executive Independent Director
Mrs. Neelam Tater	Non-Executive Independent Director
Mr. Ajit Kumar Lakshmanan	Non-Executive Independent Director
Mr. Pradip Kumar Das	Non-Executive Independent Director
Mr. Chinnathambi Llango	Non-Executive Independent Director
Mr. Natesh Narayanan	Chief Financial Officer (KMP)
Mr. Shreyas Mehta	Company Secretary and Compliance officer (KMP)
Mr. Kalpesh Dave	Chief Executive Officer (KMP)
Mr. Anoop Saxena	Chief Operating Officer (KMP)
Mr. Bhanwar Singh Kachhawaha	Chief Compliance Officer (KMP)
Mr. Amrit Singh Rajpurohit	Ex Non-Executive Independent Director (Resigned dated 28.10.2022)
Mrs. Rekha Jain	Ex Non-Executive Independent Director (Resigned dated 03.01.2023)
Mr. Paritosh Kothari	Ex Company Secretary and Compliance officer (Resigned dated 01.06.2022)
Mr. Anil K Sachidanand	Key Management Personnel in Arkfin Investment Pvt Ltd
Arkfin Investment Pvt. Ltd.	Shareholder having substantial Interest
Arkfin Housing Fund	Significant Influence in Arkfin Investment Pvt Ltd
Akme Fintrade (India) Limited	Promoter Group Company
Akme Build Estate Limited	Promoter Group Company

Transactions with Related Parties

The nature & volume of transactions of the Company during the year, with the above related parties were as follows. These transactions were carried out in ordinary course of business and were at arm's length price:

(INR in Lakh)

NAME OF THE RELATED PARTY	NATURE OF TRANSACTIONS	MARCH 31, 2024			MARCH 31, 2023		
		Amount Received	Amount Paid	Outstanding	Amount Received	Amount Paid	Outstanding
Mr. Ashish Jain*	Remuneration	-	61.09	-	-	48.00	-
Mr. Kavish Jain*	Remuneration	-	22.50	-	-	21.00	-
Mr. Amlendra Prasad Saxena	Sitting Fees	-	7.25	-	-	3.25	-
Mrs. Neelam Tater	Sitting Fees	-	7.40	-	-	1.75	-
Mr. Ajit Kumar Lakshmanan	Sitting Fees	-	7.25	-	-	2.00	-
Mr. Pradip Kumar Das	Sitting Fees	-	6.50	-	-	1.25	-
Mr. Chinnathambi Ilango	Sitting Fees	-	2.20	-	-	-	-
Mr. Amrit Singh Rajpurohit	Sitting Fees	-	-	-	-	0.75	-
Mrs. Rekha Jain	Sitting Fees	-	-	-	-	2.25	-
Mr. Paritosh Kothari	Remuneration	-	-	-	-	1.00	-
Mr. Shreyas Mehta**	Remuneration	-	25.94	-	-	18.00	-
Mr. Natesh Narayanan**	Remuneration	-	49.46	-	-	33.60	-
Mr. Kalpesh Dave**	Remuneration	-	38.91	-	-	-	-
Mr. Anoop Saxena**	Remuneration	-	26.02	-	-	-	-
	Housing Loan Given	-	27	27	-	-	-
	EMI Received against Loan	1.58	-	-	-	-	-
	Interest/charges Earned	1.64	-	-	-	-	-
Mr. Bhanwar Singh Kachhawaha**	Remuneration	-	4.56	-	-	-	-
Mr. Anil K. Sachidanad	Professional Fees	-	49.50	-	-	-	-
	Professional Fess Advance	-	22.00	-	-	-	-
Akme Fintrade (India) Limited	Interest	-	-	-	18.41	-	-
	Loan	-	-	-	360.00	-	-
	Professional Services	0.34	-	48.00	12.45	-	48.34
Arkfin Investments Private Limited	Professional Services	-	39.96	149.04	-	-	-
Arkfin Housing Fund	Investment	-	-	515.89	-	-	501.65
	Net Gain/Loss on Fair Value Changes	-	-	62.94	-	-	14.24
Akme Build Estate Limited	Professional Services	11.04	-	-	-	-	11.04

***Share Warrant issued:**

NAME	RELATIONSHIP OF THE COUNTERPARTY WITH THE LISTED ENTITY OR ITS SUBSIDIARY	NO. OF SHARE WARRANTS ISSUED		AMOUNT IN LAKH	
		MARCH 31, 2024	MARCH 31, 2023	MARCH 31, 2024	MARCH 31, 2023
Mr. Ashish Jain	Managing Director and Key Management Personnel	1,60,000	-	25.60	-
Mr. Kavish Jain	Executive Director	1,60,000	-	25.60	-

****Allotment of Equity shares pursuant to "Akme Employee Stock Option Plan 2021":**

NAME	RELATIONSHIP OF THE COUNTERPARTY WITH THE LISTED ENTITY OR ITS SUBSIDIARY	NO. OF EQUITY SHARE ISSUED		AMOUNT IN LAKH	
		MARCH 31, 2024	MARCH 31, 2023	MARCH 31, 2024	MARCH 31, 2023
Mr. Shreyas Mehta	Key Management Personnel	60,000	-	27.35	-
Mr. Natesh Narayanan	Key Management Personnel	1,00,000	1,00,000	70.05	47.25
Mr. Kalpesh Dave	Key Management Personnel	1,50,000	-	105.08	-
Mr. Anoop Saxena	Key Management Personnel	1,50,000	-	105.08	-
Mr. Bhanwar Singh Kachhawaha	Key Management Personnel	20,000	-	14.01	-

Note: Remuneration or transactions is considered from the date of appointment of Chief Executive Officer, Chief Operating Officer, Chief Compliance Officer.

28. SEGMENT REPORTING

An operating segment is a component of the company that emerges in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the company's management to make decisions about resources to be allocated to the segments and assess their performance. The MD is considered to be the chief operating decision maker ('CODM') within the purview of Ind AS 108 operating segments.

The CODM considers the entire business of the company on a holistic basis to making operating decisions and thus there are no segregated operating segments. The company is engaged into the business of providing housing loans and property loans. The CODM of the company reviews the operating results of the company as a whole and therefore not more than one reportable segment is required to be disclosed by the company as envisaged by Ind AS 108 operating segments. Accordingly, amounts appearing in these financial statements relates to the business of providing housing loans and property loans.

The company does not have any separate geographic segment other than India. As such there are no separate reportable segments as per IND AS 108 operating segments.

29. CONTINGENT LIABILITIES AND COMMITMENTS

A) CONTINGENT LIABILITIES-

- 1) There is no contingent liability as at March 31, 2024 (31-03- 2023: Nil).
- 2) The Company's pending litigations comprise of Proceedings by the company against its customers for recovery of loans, pending with various authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in the financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

B) CONTINGENT COMMITMENTS-

- 1) Undisbursed Amount- Loans sanctioned but undisbursed or partially disbursed amount is Rs. 1,468.07 Lakh as on March 31, 2024 (31.03.2023 - Rs. 948.48 Lakh).
- 2) Capital work-in-progress- Intangible Assets
Intangible assets under development ageing schedule / completion schedule:

(INR in Lakh)

INTANGIBLE ASSETS UNDER DEVELOPMENT	AMOUNT IN INTANGIBLE ASSET UNDER DEVELOPMENT FOR A PERIOD OF				TOTAL
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	186.38	-	-	-	186.38
Projects temporarily suspended	-	-	-	-	-

30. RETIREMENT BENEFITS

A) DEFINED CONTRIBUTION PLANS:

The company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident and other fund, which is defined contribution plan. The company has no obligation other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognized as an expense towards contribution to provident and other fund for the year aggregated to Rs. 13.57 Lakh (Previous Year: Rs. 11.95 Lakh).

(B) DEFINED BENEFIT PLAN:

The Company has a defined benefit plan i.e., Gratuity, for its employees. Under the gratuity plan every employee who has completed at least five years of services gets a gratuity on departure at 15 days of salary for each year service.

Contribution to gratuity fund

In accordance with Indian Accounting Standard 19 'Employee benefits', actuarial valuation was done in respect of the aforesaid defined benefit plan of gratuity based on the following assumption:

(I) PRINCIPAL ACTUARIAL ASSUMPTIONS

PARTICULARS	31-MAR-2024 (12MONTHS)	31-MAR-2023 (12MONTHS)
Discount Rate	7.20% p.a.	7.35% p.a.
Salary Growth Rate	8.00% p.a.	8.00% p.a.
Withdrawal Rates	Age 25 & Below: 25 % p.a. 25 to 35: 20 % p.a. 35 to 45: 15 % p.a. 45 to 55: 10 % p.a. 55 & above: 5 % p.a.	Age 25 & Below: 25 % p.a. 25 to 35: 20 % p.a. 35 to 45: 15 % p.a. 45 to 55: 10 % p.a. 55 & above: 5 % p.a.

(II) MAJOR RISK TO THE PLAN**A. ACTUARIAL RISK:**

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. INVESTMENT RISK:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C. LIQUIDITY RISK:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cash flows.

D. MARKET RISK:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E. LEGISLATIVE RISK:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

(III) RECONCILIATION OF DEFINED BENEFIT OBLIGATION

(INR in Lakh)

PARTICULARS	31-MAR-2024 (12MONTHS)	31-MAR-2023 (12MONTHS)
Opening Defined Benefit Obligation	27.43	19.93
Transfer in/(out)obligation	-	-
Current service cost	14.57	8.93
Interest cost	1.94	1.38
Components of actuarial gain/losses on obligations:	-	-
Due to Change in financial assumptions	0.51	1.27
Due to change in demographic assumption	-	(1.41)
Due to experience adjustments	11.39	(1.29)
Past service cost	-	-
Loss(gain) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefit paid from fund	-	(1.38)
Benefits paid by company	-	-
Closing Defined Benefit Obligation	55.84	27.43

(IV) RECONCILIATION OF PLAN ASSETS

PARTICULARS	31-MAR-2024 (12MONTHS)	31-MAR-2023 (12MONTHS)
Opening value of plan assets	18.54	-
Transfer in/(out) plan assets	-	-
Expenses deducted from assets	-	(0.01)
Interest Income	1.73	0.25
Return on plan assets excluding amounts included in interest	-	-
Income	(0.04)	(0.25)
Assets distributed on settlements	-	-
Contributions by Employer	8.88	19.93
Contributions by Employee	-	-
Exchange differences on foreign plans	-	-
Benefits paid	-	(1.38)
Closing value of plan assets	29.12	18.54

Note –

Since the value of the interest is not known as at the report date, I have computed accrued interest of Rs. 1.68 Lakh for the current valuation period and I have adjusted the closing Fair Value of the assets accordingly.

(V) ASSETS AND LIABILITIES RECOGNIZED IN THE BALANCE SHEET

PARTICULARS	31-MAR-2024 (12MONTHS)	31-MAR-2023 (12MONTHS)
Present value of unfunded obligations	-	-
Present value of funded obligations	55.84	27.43
Fair value of plan assets	(29.12)	(18.54)
Unrecognised Past Service Cost	-	-
Net Defined Benefit Liability/ (Assets)	26.72	8.88

(VI) PROFIT AND LOSS ACCOUNT FOR THE PERIOD

PARTICULARS	31-MAR-2024 (12MONTHS)	31-MAR-2023 (12MONTHS)
Service cost:		
Current service cost	14.57	8.93
Past service cost	-	-
loss/(gain) on curtailments and settlement	-	-
Net interest cost	0.21	1.12
Total included in 'Employee Benefit Expenses/(Income)	14.78	10.05

(VII) OTHER COMPREHENSIVE INCOME FOR THE PERIOD

PARTICULARS	31-MAR-2024 (12MONTHS)	31-MAR-2023 (12MONTHS)
COMPONENTS OF ACTUARIAL GAIN/LOSSES ON OBLIGATIONS:		
- Due to Change in financial assumptions	0.51	1.27
- Due to change in demographic assumption	-	(1.41)
- Due to experience adjustments	11.39	(1.29)
Return on plan assets excluding amounts included in interest	0.04	0.25
Amounts recognized in Other Comprehensive (Income) / Expense	11.94	(1.17)

(VIII) RECONCILIATION OF NET DEFINED BENEFIT LIABILITY / (ASSETS)

PARTICULARS	31-MAR-2024 (12MONTHS)	31-MAR-2023 (12MONTHS)
Opening Defined Benefit Obligation	27.43	19.93
Transfer in/(out) obligation	-	-
Current service cost	14.57	8.93
Interest cost	1.94	1.38
Components of actuarial gain/losses on obligations:	-	-
- Due to Change in financial assumptions	0.51	1.27
- Due to change in demographic assumption	-	(1.41)
- Due to experience adjustments	11.39	(1.29)
Past service cost	-	-
Loss (gain) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefit paid from fund	-	(1.38)
Benefits paid by company	-	-
Closing Defined Benefit Obligation	55.84	27.43

(IX) SENSITIVITY TO KEY ASSUMPTIONS

PARTICULARS	31-MAR-2024	31-MAR-2023
	Rs.	%
DISCOUNT RATE SENSITIVITY		
Increase by 0.5%	54.16	26.53
(% change)	(3.01%)	(3.26%)
Decrease by 0.5%	57.62	28.38
(% change)	3.19%	3.46%
SALARY GROWTH RATE SENSITIVITY		
Increase by 0.5%	57.11	28.20
(% change)	2.27%	2.80%
Decrease by 0.5%	54.62	26.70
(% change)	(2.18%)	(2.65%)
WITHDRAWAL RATE (W.R.) SENSITIVITY		
W.R. x 110%	55.34	26.92
(% change)	(0.88%)	(1.86%)
W.R. x 90%	56.27	27.91
(% change)	0.78%	1.77%

(X) THE MATURITY PROFILE OF DEFINED BENEFIT OBLIGATION EXPECTED FUTURE CASH FLOWS (UNDISCOUNTED)

PARTICULARS	INR	%
Year 1 Cash flow	6.49	6.7%
Year 2 Cash flow	6.30	6.5%
Year 3 Cash flow	6.61	6.9%
Year 4 Cash flow	6.52	6.8%
Year 5 Cash flow	6.42	6.6%
Year 6 to Year 10 Cash flow	26.97	27.9%

(C) Other long term employee benefits - There was no other liability.

30. EMPLOYEE STOCK OPTIONS

AKME ESOP SCHEME 2021 (EMPLOYEE STOCK OPTION SCHEME I)

- i. The Company has an Employee Share based payment scheme, under which stock options were granted to employees as per details provided below:

During the year ended 31 March 2024, the employees has exercise the second tranche of ESOP i.e. 25% second vesting of share option from the date of grant out of approved 15,67,350 of Employee Stock options under the AKME ESOP Scheme 2021 (pre-split and bonus) via board resolution dated 7th April 2021 and shareholders' special resolution dated 30th April 2021. The Board has granted 15,57,000 options under ESOP 2021, which is in accordance with the provisions of the law and/or guidelines issued by relevant authority applicable at the date of the grant.

ii. Vesting Conditions:

Vesting of options will be over a period of three years from the effective date in following manner:-

- 25% on completion of one year from the date of grant
- 25% on completion of second year from the date of grant
- 50% on completion of third year from the date of grant

iii. Contractual Life:

The contractual life (Vesting period plus exercise period) ranges from 1.6 years to 3.6 years i.e. vesting period ranging from 1 to 3 years and exercise period of 6 months from the date of vesting of options. In case of resignation of, employee may exercise all options vested on the date of submission of resignation. Similarly in case of termination, employee may exercise all options vested before vacating the office.

- iv. Method of Settlement:** AKME ESOP Scheme 2021 will be settled through issue of Equity shares.

- v. Method used to account for ESOP:** The Company used Intrinsic Value Method for accounting of the ESOP Option.

- vi. Option movement during the year 2023-24**

PARTICULARS	ESOP PLAN 2021
Total Number of Options outstanding at the beginning of the period	47,62,050
Total Number of Options Granted (During FY 2023-24)	-
Options Lapsed/Forfeited (During FY 2023-24)	-
Number of Options Vested (During FY 2023-24)	15,07,350
No. of Options Exercised (During FY 2023-24)	15,62,350
Total Number of Shares arising as a result of Exercise of the Options	15,62,350
Money realized by Exercise of Options (INR) (During FY 2023-24)	2,18,72,900
Loan repaid by the Trust during the year from exercise price received	Not applicable since the ESOP Plans are implemented directly by the Company
Total Number of Options outstanding at the end of the year	31,99,700
Total Number of Options Exercisable at the end of the year	-

STAR HOUSING FINANCE LIMITED EMPLOYEE STOCK OPTION SCHEME II 2023

As per the outcome of the Board Meeting held on 17th January, 2024, 6807500 no. of ESOPs granted to eligible employees under Star Housing Finance Ltd Employee Stock Option Scheme II, 2023 are being surrendered by the employees in the wake of fall in price of the equity shares of the company. Currently no options are outstanding under this scheme.

31. DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS PER MSMED ACT 2006

There is no overdue amount that need to be disclosed in accordance with the Micro Small and Medium Enterprises Development Act, 2006 (the MSMED) pertaining to Micro or Small enterprises.

32. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regards to the loans and advances to customers, the company uses the same basis of expected repayment behaviour as used for estimating the EIR.

(INR in Lakh)

PARTICULARS	AS AT MARCH 31, 2024			AS AT MARCH 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
FINANCIAL ASSETS:						
Cash and cash equivalents	1,879.34	-	1,879.34	2,810.12	-	2,810.12
Bank balance other than cash and cash equivalents	4,947.79	1,726.52	6,674.31	421.76	850.97	1,272.73
Loans	6,635.68	31,566.87	38,202.55	3,277.01	19,530.75	22,807.76
Investments	753.41	47.82	801.23	174.58	563.71	738.29
Other financial assets	535.75	167.11	702.86	232.43	88.26	320.69
NON-FINANCIAL ASSETS:						
Deferred tax assets	-	-	-	-	76.12	76.12
Current Tax Assets (Net)	130.66	-	130.66	86.73	-	86.73
Property, plant and equipment	-	283.65	283.65	-	219.17	219.17
Intangible assets	-	25.31	25.31	-	37.67	37.67
Capital work in progress	-	186.38	186.38	-	118.78	118.78
Other non-financial assets	117.24	27.29	144.53	62.75	-	62.75
TOTAL ASSETS	14,999.86	34,030.96	49,030.83	7,065.38	21,485.43	28,550.81
LIABILITIES						
FINANCIAL LIABILITIES:						
Borrowings	7,495.67	24,534.26	32,029.93	4,215.00	12,034.99	16,249.99
Other financial liabilities	3,577.85	-	3,577.85	1,447.08	-	1,447.08
Non-financial liabilities:						
Provisions	6.04	-	6.04	14.92	-	14.92
Other non-financial liabilities	72.88	-	72.88	196.94	-	196.94
Deferred tax liabilities	-	42.67	42.67	-	-	-
TOTAL LIABILITIES	11,152.44	24,576.93	35,729.37	5,873.94	12,034.99	17,908.93
NET	3,847.42	9,454.03	13,301.45	1,191.45	9,450.43	10,641.88

33. FINANCIAL INSTRUMENT FAIR VALUE MEASUREMENT

A). FINANCIAL INSTRUMENTS BY CATEGORY

The carrying value and fair value of financial instruments by categories As at March 31, 2024 were as follows:

(INR in Lakh)

PARTICULARS	CARRYING AMOUNT	FAIR VALUE			
		Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS NOT MEASURED AT FAIR VALUE*					
Cash and Cash equivalents	6,093.61	-	-	-	-
Bank balance other than cash and cash equivalents	2,460.04	-	-	-	-
Loans	38,202.55	-	-	38,202.55	38,202.55
Investments	801.23	-	801.23	-	801.23
Other financial assets	701.16	-	701.16	-	701.16
Total	48,258.59	-	1,502.39	38,202.55	39,704.94
FINANCIAL LIABILITIES NOT MEASURED AT FAIR VALUE*					
Borrowings	29,216.25	-	-	29,216.25	29,216.25
Debt Securities	2,813.68	-	-	2,813.68	2,813.68
Other financial liabilities	3,577.85	-	-	-	-
Total	35,607.78	-	-	32,029.93	32,029.93

The carrying value and fair value of financial instruments by categories As at March 31, 2023 were as follows:

PARTICULARS	CARRYING AMOUNT	FAIR VALUE			
		Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS NOT MEASURED AT FAIR VALUE*					
Cash and cash equivalents	2,810.12	-	-	-	-
Bank balance other than cash and cash equivalents	1,272.73	-	-	-	-
Loans	22,807.76	-	-	22,807.76	22,807.76
Investments	738.29	-	738.29	-	738.29
Other financial assets	320.69	-	320.69	-	320.69
Total	27,949.59	-	1,058.98	22,807.76	23,866.74
FINANCIAL LIABILITIES NOT MEASURED AT FAIR VALUE*					
Borrowings	16,249.99	-	-	16,249.99	16,249.99
Other financial liabilities	1,447.08	-	-	-	-
Total	17,697.07	-	-	16,249.99	16,249.99

*The company has not disclosed the fair values for financial instruments which are short term in nature because their carrying amounts are a reasonable approximation of fair value.

B) MEASUREMENT OF FAIR VALUE

VALUATION METHODOLOGIES OF FINANCIAL INSTRUMENTS NOT MEASURED AT FAIR VALUE:

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the financial statements, these fair values were calculated for disclosure purpose only:

SHORT TERM FINANCIAL ASSETS AND LIABILITIES

For financial assets and financial liabilities that have a short term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value.

Such instruments include: cash and cash equivalent, other financial assets (excluding security deposit), trade payables and other financial liability.

LOANS AND ADVANCES TO CUSTOMERS

In case of retail loans and term loans with floating rates, the interest rate represents the market rate. Consequently the carrying amount represents the fair value.

Term Loan with fixed rate: - The fair values estimated by discounted cash flow model that incorporates assumptions for

credit risk, probability of default and loss given default estimates. As per management assumptions, the fair value of the loans & advances has been at par with the carrying value of the portfolio considering the fact that the competitive interest rates in the operational area of the company and the portfolio in which the company has exposure are more or less as per prevailing market rates.

INVESTMENTS

Investment in mutual funds has been taken as Level 2 and value has been considered based on mutual fund statement. Investments in unlisted equity instruments has been taken as Level 2 and value has been considered based on latest available fair value of the Instruments.

BORROWINGS

In case of borrowings with floating rates, the interest rate represents the market rate. Consequently the carrying amount represents the fair value.

TRANSFER BETWEEN LEVEL I AND LEVEL II

There has been no transfer in between level I and level II.

C) CAPITAL

The company maintains an activity managed capital base to cover risks inherit in the business and is meeting the capital adequacy of the local regulatory body, National Housing Bank (NHB). The adequacy of the Company's capital is monitored using, among other measures the regulation issued by NHB.

The Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company's capital management.

CAPITAL MANAGEMENT

The Primary objectives of the company's capital management policy are to ensure that the Company complies with externally imposed capital requirement and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder value.

The company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment of shareholders, return capital to shareholder or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the board.

The Company's policy is to keep the gearing ratio at reasonable level of 5-6 times in imminent year while Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021 currently permits HFCs to borrow up to 12 times of their net owned funds ("NOF"). The Company includes with in debt, it's all interest bearing loans and borrowings.

Deb to Networth Ratio

(INR in Lakh)

PARTICULARS	31 MARCH 2024	31 MARCH 2023
Debts	32,029.93	16,249.99
Net Worth	13,301.46	10,641.88
Debt to Net Worth (in times)	2.41	1.53

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

Internal capital adequacy assessment process (ICAAP): The Company is in the process of devising suitable ICAAP, looking to the size of scale and operation of the company. Nevertheless, the company has been maintaining the CRAR of 54.65% as against prescribed minimum level of 15%. Thus the company not only covering the regular risk i.e., credit, market and operation but also the residual risk (Litigation, reputation, strategic risks etc).

34. FINANCIAL RISK MANGEMENT OBJECTIVES AND POLICIES

The Company's Principal financial liabilities comprise borrowings. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include loans, cash, and cash equivalents, investments and other financial assets and that derives directly from its operations.

(I) CREDIT RISK

Credit Risk is the risk of financial loss to the company if a customer or counter party to financial instruments fails to meet its contractual obligations and arises primarily from the company's loan and investments.

The carrying amounts of financial assets represent the maximum credit risk exposure.

A. LOANS AND ADVANCES

The Company has a comprehensive framework for monitoring credit quality of its retail and other loans primarily based on number of days past due. The Company manage credit risks by using a set of credit procedures and guidelines, laid down in our credit risk policy, to ensure effective credit risk management and health of our portfolio. The adherence to the policy and various process is monitored and appraised in credit committee meetings on a quarterly basis. The policy is amended periodically to ensure compliance with the guidelines of the RBI as well as other regulatory bodies. We have implemented a structured credit approval process, established a process by which separate set of verifications are conducted by a customer relationship manager and service officer to ensure the quality of customers acquired as well as eliminate misuse of borrowing practices and comprehensive credit risk assessment, which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of a potential customer. Portfolio quality, credit limits, collateral quality and credit exposure limits are regularly monitored at various levels.

The Company's gross exposure to credit risk for loans and investments by type of counterpart is as follows:

Carrying Amount		(INR in Lakh)
PARTICULARS	AS AT 31 MARCH 2024	AS AT 31 MARCH 2023
Retail Loan	38250.32	22496.73
Builder/Corporate Loan	39.97	211.56
Investments	801.23	738.29
TOTAL	39,091.52	23,446.58

The above exposures are entirely concentrated in India. There is no overseas exposure.

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purpose of this analysis, the loan receivables are categorized into groups based on days past due. Each group is then assessed for impairment using the Expected Credit Loss (ECL) model as per the provisions of Ind AS 109- Financial instruments.

STAGING

As per the provisions of Ind AS 109 general approach all financial instruments are allocated to stage 1 on initial recognition. However, if a significant increase to credit risk is identified at the reporting date as compared with the initial recognition, then an instrument is transferred to stage 2. If there is objective evidence of impairment, then the asset is credit impaired and transferred to stage 3.

The Company considers a financial instruments defaulted and therefore stage 3 (credit- impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

For Financial assets in stage 1, the impairment calculated based on defaults that are possible in next twelve months, whereas for financial instruments in stage 2 and 3 the ECL calculation considers default event for the lifespan of the instrument.

As per Ind AS 109, Company assesses whether there is a significant increase in credit risk at the reporting date from the initial recognition. Company has staged the assets based on the day past dues criteria and other market factors which significantly impacts the portfolio.

DAYS PAST DUE STATUS	STAGE	PROVISIONS
Current	Stage 1	12 Months Provision
1-30 days	Stage 1	12 Months Provision
31-60 days	Stage 2	Lifetime Provision
61-90 days	Stage 2	Lifetime Provision
90+ days	Stage 3	Lifetime Provision

GROUPING

As per Ind AS 109, Company is required to group the portfolio based on the shared risk characteristics. Company has assessed the risk and its impact on the various portfolios and has divided the portfolio into following groups:

- Retail Loans (Housing and non-housing loans)
- Other Loan & Advances
- Builder and Developer loans, and are further sub grouped as a. Geography wise (State wise) and b. Salaried and Non-salaried wise

IMPAIRMENT-EXPECTED CREDIT LOSS (ECL):

The accounting standard, Ind AS 109 does not specifically prescribe any methodology for computing ECL. However, entities are required to adopt sound and market acceptable methodologies which are in line with the size, complexity and risk profile of the financial entity for computing the ECL. The Company uses following three main components to measure ECL:

- a. Probability of default. (PD)
- b. Loss given default (LGD).
- c. Exposure at default (EAD).

PROBABILITY OF DEFAULT (PD):

PD is defined as the probability of whether borrowers will default their obligations in an ensuring period of 12 months. Historical PD is derived from the HFC's internal data calibrated with forward looking macro-economic factors.

For computation of probability of default company has considered three years Historical data and the current Macroeconomic conditions along with probable Impacts of COVID-19. Based on these factors PD has been worked out.

LOSS GIVEN DEFAULT (LGD):

LGD is an estimate of the loss from a transaction given that a default occurs. Under Ind AS 109, Lifetime LGD's are defined as collection of LGD's estimates applicable to different future periods.

Various approaches are available to compute the LGD. Company has considered workout LGD approach.

The following steps are performed to calculate the LGD.

- 1.) Haircut was applied on the value of the collateral (asset cost) as of reporting date.
- 2.) The outstanding amount was adjusted with the haircut adjusted collateral value.
- 3.) LGD has been computed using the outstanding amount in step 2.

Over and above the LGD has been floored using regulatory guidelines.

EXPOSURE AT DEFAULT (EAD)

As per Ind AS 109, EAD is estimation of the extent to which the financial entity may be exposed to counterparty in the event of default and at the time of counterparty's default. Company has modelled EAD based on the contractual and behavioural cash flows till the lifetime of the loan and considering the expected prepayments.

Company has considered expected cash flows for all loans at DPD bucket level for each of the segments which were used for computation for ECL. Moreover, the EAD comprised of principal component, accrued interest on the outstanding exposure for the ensuring 12 months. So discounting was done for computation of expected credit loss.

ECL COMPUTATION:

Proportion of expected credit loss provided for across the stage is summarized below:

(INR in Lakh)

PARTICULARS	AS AT 31 MARCH 2024	AS AT 31 MARCH 2023
Stage 1	53.45	74.02
Stage 2	12.54	11.23
Stage 3	183.66	98.68
Amount of expected credit loss provided for	249.65	183.93

The loss rates are based on actual credit loss experience over past years. These loss rates are then adjusted approximately to reflect differences between current and historical economic conditions and the Company's view of prevailing economic conditions over the expected lives of the loan receivable.

Movement in provision of expected credit loss has been provided in below note.

MOVEMENT OF ECL

(INR in Lakh)

PARTICULARS	AS AT 31 MARCH 2024	AS AT 31 MARCH 2023
Opening provision of ECL	183.93	177.46
Addition of during the year	65.72	6.47
Utilization/ reversal during the year	-	-
Closing provision of ECL	249.65	183.93

B COLLATERAL AND OTHER CREDIT ENHANCEMENTS

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral. The main types of collateral obtained are mortgaged properties based on the nature of loans. Management monitors the market value of collateral in accordance with underlying agreement. The Company advances loan to maximum extent of 80% of the value of the mortgaged properties.

(II) ANALYSIS OF RISK CONCENTRATION

The Company's concentrations of risk are managed based on Loan to value (LTV) segregation as well as geographical spread. The following tables stratify credit exposures from housing and other loans to customers by range of loan to-value (LTV) ratio .LTV is calculated as the ratio of gross amount of the loan - or the amount committed for loan commitments - to the value of the collateral.

LTV TO CUSTOMERS:

LTV WISE BIFURCATION:

AS ON MARCH 31, 2024

(INR in Lakh)

LTV BUCKET	STAGE-1		STAGE-2		STAGE-3		TOTAL	
	Own	Managed	Own	Managed	Own	Managed	Own	Managed
0%-40%	11,961.40	1,319.30	163.23	4.22	207.99	-	12,332.62	1,323.52
40.01%-60%	12,583.93	1,681.41	98.38	36.21	228.25	17.35	12,910.56	1,734.98
60.01%-80%	11,864.23	1,197.58	145.82	49.31	110.46	21.90	12,120.51	1,268.78
More than 80%	849.05	62.01	51.69	6.82	25.86	-	926.60	68.83
Total	37,258.61	4,260.30	459.12	96.56	572.56	39.25	38,290.29	4,396.10

AS ON MARCH 31, 2023

(INR in Lakh)

LTV BUCKET	STAGE-1		STAGE-2		STAGE-3		TOTAL	
	Own	Managed	Own	Managed	Own	Managed	Own	Managed
0%-40%	7,956.30	1,867.05	216.04	-	285.74	-	8,458.08	1,867.05
41%-60%	7,567.36	24.55	104.52	-	75.44	-	7,747.32	24.55
61%-80%	5,901.95	-	49.53	-	4.50	-	5,955.98	-
More than 80%	507.49	-	24.30	-	15.33	-	547.12	-
Total	21,933.10	1,891.60	394.39	-	381.01	-	22,708.50	1,891.60

CUSTOMERS PROFILE

AS ON MARCH 31, 2024

(INR in Lakh)

CUSTOMER PROFILE	STAGE-1		STAGE-2		STAGE-3		TOTAL	
	Own	Managed	Own	Managed	Own	Managed	Own	Managed
HOUSING LOAN								
Self Employed	19,039.13	2,487.18	340.53	67.14	447.34	39.25	19,826.99	2,593.56
Salaried	11,770.92	956.59	111.28	21.38	101.19	-	11,983.39	977.97
NON HOUSING LOAN								
Self Employed	4,748.48	669.90	7.32	8.04	24.04	-	4,779.84	677.94
Salaried	1,700.07	146.63	-	-	-	-	1,700.07	146.63
Total	37,258.61	4,260.30	459.12	96.56	572.56	39.25	38,290.29	4,396.10

AS ON MARCH 31, 2023

(INR in Lakh)

CUSTOMER PROFILE	STAGE-1		STAGE-2		STAGE-3		TOTAL	
	Own	Managed	Own	Managed	Own	Managed	Own	Managed
HOUSING LOAN								
Self Employed	13,098.67	1,170.76	324.08	-	309.70	-	13,732.46	1,170.76
Salaried	5,450.42	249.77	49.30	-	57.79	-	5,557.50	249.77
NON HOUSING LOAN								
Self Employed	2,753.20	358.77	8.43	-	13.52	-	2,775.15	358.77
Salaried	630.81	112.29	12.58	-	-	-	643.39	112.29
Total	21,933.10	1,891.60	394.39	-	381.01	-	22,708.50	1,891.60

(III) LIQUIDITY RISK

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

The company is monitoring its liquidity risk by estimating the future inflows and outflows during the start of the year and planned accordingly the funding requirement. The company manages the liquidity by unutilized cash credit facility, term loan and by issuing the NCDs. The composition of the Company's liability mix ensures healthy asset liability maturity pattern and well diverse resource mix. The total cash credit and working capital limit available to the Company is INR 27 Lakh spread across 3 banks. The utilization level is maintained in such a way that ensures sufficient liquidity on hand. Majority of the company's portfolio is individual housing loans and the company have off book asset under management. Total AUM is Rs. 42,686.39 Lakh (own book AUM is Rs. 38,290.29 Lakh and off book AUM is Rs. 4,396.10 Lakh).

The table below summarizes the maturity profile of the Company's non-derivative financial liabilities based on contractual discounted payments along with its carrying value as at the balance sheet date.

(INR in Lakh)

PARTICULARS	MARCH 31, 2024		MARCH 31, 2023	
	Borrowing	Trade payable	Borrowing	Trade Payable
1 day to 30/31 days (one month)	481.68	-	298.00	-
Over 1 month to 2 months	527.76	-	279.00	-
Over 2 months to 3 months	881.23	-	383.00	-
Over 3 months to 6 months	1,930.04	-	1,113.00	-
Over 6 months to 1 year	3,674.96	-	2,142.00	-
Over 1 year to 3 years	12,819.88	-	7,271.00	-
Over 3 years to 5 years	7,746.21	-	3,427.00	-
Over 5 years	3,968.17	-	1,337.00	-
Total	32,029.93	-	16,250.00	-

(IV) MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest rate risk and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

A. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial Instrument will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to the company's investment in bank deposits and variable interest rate on borrowings and lending. Whenever there is a change in borrowing interest rate for the company, necessary change is reflected in the lending interest rates over the timeline in order to mitigate the risk of change in interest rates of borrowings.

The sensitivity analysis has been carried out based on the exposure to interest rates lending and borrowing carried at variable rate.

(INR in Lakh)

PARTICULARS	MARCH 31, 2024		MARCH 31, 2023	
	Decrease by 100 bps	Increase by 100 bps	Decrease by 100 bps	Increase by 100 bps
Impact on profit before tax for the year - Gain/(Loss)	(63.59)	63.59	(45.10)	45.10

B. Foreign Currency Risk

The company does not have any instrument denominated or traded in foreign currency. Hence such risk does not affect the company.

35. IMPACT OF COVID-19

COVID-19 pandemic had led to a significant decrease in global & local economic activities, which may persist. The company has used the principal of prudence to provide for the impact of pandemic on the financial statements specifically while assessing the expected credit loss on financial assets by applying management overlays, approved by its Board of Directors.

36. Disclosure required under the RBI Resolution Framework 2.0 for COVID-19 related Stress” of Individuals and Small Business dated May 05, 2021 in the Format-B prescribed in the Resolution Framework -1.0 are given below:

FORMAT FOR DISCLOSURE TO BE MADE YEAR ENDING MARCH 31, 2024	HOUSING LOAN
Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous year (A)	14.05 Cr
Of (A), aggregate debt that slipped into NPA during the year	1.49 Cr
Of (A) amount written off during the year	0.01 Cr
Of (A) amount paid by the borrowers during the year	3.19 Cr
Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the year	10.33 Cr

37. The title deeds of immovable property held by the company are duly executed in favour of the company.

38. No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (prohibition) Act 1988 and rules made thereunder, as at 31st March 2024 and 31st March 2023.

39. The company is not declared wilful defaulter by any bank or financial institution or any other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended 31st March 2024 and 31st March 2023.

40. The Company does not have any transactions with the companies struck off under section 248 of The Companies Act 2013 or section 560 of Companies Act, 1956 during the year ended 31st March 2024 and 31st March 2023.

41. Registration of charges or satisfaction with registrar of Companies (ROC): There has been no delay in registration of charges or satisfaction with ROC beyond the statutory date during the year ended 31st March 2024.

42. The Company has borrowings from banks and financial institutions on the basis of security of current assets and the quarterly returns filed by the company with the banks and financial institutions are in accordance with the books of accounts of the company for the respective quarters.

43. The company has taken borrowings from banks and financial institutions and utilized them for the specific purpose for which they were taken as at the balance sheet date. Unutilized funds as at 31st March 2024 are held by the company in the form of deposits till the time utilization is made subsequently.

44. There have been no transactions which have not been recorded in the books of accounts that have been surrendered or disclosed as income during the year ended 31st March 2024 and 31st March 2023. In the tax assessments under the Income Tax Act, 1961 there have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended 31st March 2024 and 31st March 2023.

45. As a part of normal lending business, the company grants loans and advances on the basis of security/guarantee provided by the borrower/co-borrower. These transactions are conducted after exercising proper due diligence.

Other than the transactions described above,

- No funds have been advanced or loaned or invested by the Company to or in any other person(s) or entity(ies) including foreign entities (“Intermediaries”) with the understanding that the intermediary shall lend or invest in a party identified by or on behalf of the company (ultimate beneficiaries);
- No funds have been received by the Company from any party(ies) (funding party) with the understanding that the Company shall whether, directly or indirectly, lend or invest in other persons or entities identified by or on behalf of the Company (“Ultimate beneficiaries”) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

46. The company has not traded or invested in crypto currency or virtual currency during the year ended 31st March 2024 and 31st March 2023.

47. Pursuant to the RBI circular DOR.STR.REC.68/21.04.048/2021-22 dated 12 November 2021- "Prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to Advances – Clarification". In this regards our company has been following the same procedure as specified in the said guidelines with regard to classify the account as NPA or SMA.

We hereby further clarify that the account is recognized as NPA or SMA from the very date it crosses the 90 days / 60 days or 30 days as applicable from its due date of repayment for respective classification. As such, NPA amount computed by the company does not have any impact of the above referred circular. Apart from this no NPA account is being upgraded unless the entire overdue amount as on date is fully recovered.

48. SUBSEQUENT EVENT

There is no significant subsequent event that has occurred after the reporting period till the date of these financial statements.

49. CSR EXPENSES

Other expenses include Rs. 7.51 lakh for the year ended March 31, 2024 (P.Y. Nil, as the Company does not have to comply with the requirements of CSR Committee in view of the fact that Company's net worth, or turnover or net profit does not exceed the limits as mentioned in the Section 135 of the Companies Act, 2013.) towards Corporate Social Responsibility (CSR) expenditure, in accordance with the Section 135 of the Companies Act, 2013. Gross Amount required to be spent by the Company during the year is Rs. 7.51 lakh.

The details of amount spent during the respective year towards CSR expenditure are as under:

PARTICULARS	AS AT MARCH 31, 2024			AS AT MARCH 31, 2023		
	Amount spent	Yet to be spent	Total	Amount spent	Yet to be spent	Total
Construction / Acquisition of any assets	-	-	-	-	-	-
On the purpose of other then Above	7.51	-	7.51	-	-	-

(INR in Lakh)

50. The figures for the previous year have been regrouped and / or reclassified to conform to current year's classification.

51. SURVEY – INCOME TAX

The survey operations were carried out by the Income Tax Department at the Office of the Company during the period from November 23, 2022, to November 27, 2022. The department has issued the notices u/s 143 (1) and 143 (3) seeking clarifications on certain points pertaining to the income and other ancillary issues related to the company. The company submitted its reply from time to time. Finally, the department has reassessed the income of the company for the A.Y. 2022-23 and found that the assessments submitted earlier was in order and closed the matter vide their letter dated 23.03.2024 with nil demand and penalty.

DISCLOSURES REQUIRED BY THE RESERVE BANK OF INDIA /NATIONAL HOUSING BANK AS PER NOTIFICATION NO. DOR.FIN.HFC. CC.NO.120/03.10.136/2020-21 DATED FEBRUARY 17. 2021- MASTER DIRECTION – NON-BANKING FINANCIAL COMPANY – HOUSING FINANCE COMPANY (RESERVE BANK) DIRECTIONS, 2021

1. MINIMUM DISCLOSURES:

The following additional disclosures have been given in terms of Notification no. DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17. 2021- Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by the RBI.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies regarding key areas of operations are disclosed as note 1 of accounting policy to the Standalone Financial Statement for the year ended March 31, 2024.

3. DISCLOSURE:**(I) ANALYTICAL RATIOS****(a) Capital to Risk Assets Ratio (CRAR)**

PARTICULARS	AS AT 31 MAR 2024	AS AT 31 MAR 2023
CRAR %	54.65%	77.88%
CRAR – Tier I capital %	54.31%	77.10%
CRAR – Tier II Capital %	0.34%	0.78%
Amount of subordinated debt raised as Tier II capital	-	-
Amount raised by issue of perpetual debt instruments	-	-
Unutilized amount at the end of the year	-	-

(b) Liquidity Coverage Ratio (LCR)

The Company was not required to comply with the guidelines on Liquidity Coverage Ratio (LCR) in line with Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 as at 31 March 2024.

(II) RESERVE FUND U/S 29C OF NHB ACT, 1987 - STATUTORY RESERVE

The Company has transferred a sum of Rs. 229.42 Lakh (PY Rs.160.33 Lakh) during the year in the Special Reserve out of its profits in terms of Section 29C of the National Housing Bank Act, 1987. This amount includes a sum of Rs.158.14 Lakh (PY 106.82 Lakh) toward the reserve created under Section 36(1) (viii) of the Income Tax Act, 1961. Breakup of transfer of funds in both the reserves is as under: -

(INR in Lakh)

PARTICULARS	AS AT MARCH 31, 2024	AS AT MARCH 31, 2023
BALANCE AT THE BEGINNING		
a) Statutory reserve as per section 29C of the National Housing Bank Act, 1987	323.97	270.46
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken in to account for the purpose of statutory reserve u/s 29C of National Housing Bank Act, 1987	385.57	278.75
c) Total	709.54	549.21
ADDITION/APPROPRIATION/WITHDRAWALS DURING THE YEAR		
Add:		
a) Amount transferred as per section 29C of the National Housing Bank Act, 1987	71.28	53.51
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of statutory reserve u/s 29C of the National Housing Bank Act, 1987	158.14	106.82
Less:		
a) Amount appropriated as per section 29C of the National Housing Bank Act, 1987	Nil	Nil
b) Amount withdrawn from special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of statutory reserve u/s 29C of the National Housing Bank Act, 1987	Nil	Nil
BALANCE AT THE END OF THE YEAR	AS AT MARCH 31, 2024	AS AT MARCH 31, 2023
a) Statutory reserve as per section 29 C of the National Housing Bank Act, 1987	395.25	323.97
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of statutory reserve u/s 29C of the National Housing Bank act, 1987	543.71	385.57
c) Total	938.96	709.54

(III) INVESTMENTS

PARTICULARS	AS AT MARCH 31, 2024	AS AT MARCH 31, 2023
1. VALUE OF INVESTMENT		
(i) Gross value of investment		
(a) In India	801.23	738.29
(b) Outside India	-	-
(ii) Provision for depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investment		
(a) In India	801.23	738.29
(b) Outside India	-	-
2. MOVEMENT OF PROVISIONS HELD TOWARDS DEPRECIATION ON INVESTMENTS		
(i) Opening balance	-	-
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write off/write back of excess provisions during the year	-	-
(iv) Closing balance	-	-

(IV) DERIVATIVES

There has been no forward rate contract/interest rate swap or any other derivative transaction carried out by the company during the year ended As at March 31st, 2024 and As at March 31st, 2023.

(V) DISCLOSURES RELATING TO SECURITIZATION

There has been no securitization/assignment transactions carried out by the company during the year ended March 31st, 2024 and March 31st, 2023.

(VI) ASSET LIABILITY MANAGEMENT (ALM)

Maturity pattern of certain items assets and liabilities – As at March 31st, 2024

(INR in Lakh)

PARTICULARS	1 DAY TO 7 DAYS	8 DAYS TO 14 DAYS	15 DAYS TO 30/31 DAYS	OVER 1 MONTH TO 2 MONTHS	OVER 2 MONTH UP TO 3 MONTHS	OVER 3 MONTH UP TO 6 MONTHS	OVER 6 MONTH UP TO 1 YEAR	OVER 1 YEAR UP TO 3 YEARS	OVER 3 YEARS UP TO 5 YEARS	OVER 5 YEARS	TOTAL
LIABILITIES											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowing from Banks -TL	20.00	-	150.10	176.23	530.22	901.98	1,611.49	5,233.07	4,718.26	3,968.18	17,309.53
Borrowing from FIs - TL	25.76	12.01	226.19	303.91	303.39	885.21	1,777.75	6,003.95	2,368.55	-	11,906.72
Borrowing from FI's - NCD	-	-	47.62	47.62	47.62	142.86	285.71	1,582.86	659.39	-	2,813.68
Market Borrowing	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
ASSETS											
Advances	50.00	128.99	175.00	389.09	646.60	1,884.00	3,362.00	12,051.00	11,405.00	8,360.86	38,452.54
Investments	-	-	-	-	578.83	174.58	-	-	-	47.82	801.23
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
Other Liquid Assets	1,879.34	-	3,714.06	610.62	-	1.01	622.10	889.06	466.50	370.97	8,553.65

Maturity pattern of certain items assets and liabilities – As at March 31st, 2023

(INR in Lakh)

PARTICULARS	1 DAY TO 7 DAYS	8 DAYS TO 14 DAYS	15 DAYS TO 30/31 DAYS	OVER 1 MONTH TO 2 MONTHS	OVER 2 MONTH UP TO 3 MONTHS	OVER 3 MONTH UP TO 6 MONTHS	OVER 6 MONTH UP TO 1 YEAR	OVER 1 YEAR UP TO 3 YEARS	OVER 3 YEARS UP TO 5 YEARS	OVER 5 YEARS	TOTAL
LIABILITIES											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowing from banks	30.00	0.00	126.00	125.00	205.00	738.00	1052.00	3,178.14	2,047.46	1,350.45	8,852.05
Borrowing from FI's	9.00	10.00	123.00	154.00	178.00	375.00	1,090.00	4092.62	1,366.33	0.00	7,397.95
Market Borrowing	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
ASSETS											
Advances	50.00	30.00	190.00	273.00	601.19	903.00	1,182.00	6,270.00	4,856.59	8,635.92	22,991.69
Investments	-	-	-	-	-	174.58	-	-	563.71	-	738.29
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
Other Liquid Assets	1795.79	585.04	514.00	104.10	0.00	21.20	211.76	257.47	158.00	434.88	4082.25

(VII) EXPOSURE

A. Exposure to real estate sector

(INR in Lakh)

CATEGORY		AS AT MARCH 31, 2024	AS AT MARCH 31, 2023
DIRECT EXPOSURE			
Residential Mortgages:			
(i)	- Lending fully secured by Mortgages on Residential property that is or will be occupied by borrower or that is rented; (Individual Housing Loans up to Rs. 15.00 Lakh may be shown separately)	18,271.84	11,544.48
	- Individual Housing Loans up to Rs. 15.00 Lakh	19,368.20	10,675.55
Commercial Real Estate			
(ii)	Lending secured by Mortgages on commercial real estates (Office buildings, Retail Space, Multi-purpose commercial Premises, Multi-family residential buildings, Multi-tenanted commercial premises, Industrial or warehouse space, hotels, land acquisition, development and construction etc.) Exposure would also include non-fund based (NFB) limits.	39.97	211.56
Investment in Mortgage backed Securities (MBS) and other securitized exposures			
(iii)	a. Residential	-	-
	b. Commercial Real Estate	-	-
INDIRECT EXPOSURE			
Fund based and non-fund based exposures on National Housing Bank (NHB) and housing finance companies (HFC's)		-	-
Total (a) + (b)		37,680.01	22,431.59

B. Exposure to capital market

There is no exposure to capital market during the year ended as on March 31st, 2024 and as on March 31st, 2023.

C. Details of financing of parent company products

During the year, Company has not entered into any (a) derivative transaction, (b) securitization and assignment transaction, (c) financing of Parent Company product, and (e) finance of any unsecured advances against intangible securities such as rights, licenses, authority etc. as collateral security.

D. Details of single borrower limit(SGL)/group borrower limit (GBL)

The Company has not exceeded limit prescribed by National Housing Bank for Single Borrower Limit (SGL) and Group Borrower Limit (GBL).

E. Unsecured loans

There is exposure of Rs. 610.28 Lakh during the year ended March 31st, 2024 and Rs. 276.92 Lakh during the year ended March 31st, 2023.

4. MISCELLANEOUS**(I) REGISTRATION/ LICENSE/ AUTHORIZATION OBTAINED FROM OTHER FINANCIAL SECTOR REGULATORS**

REGISTRATION/ LICENSE	AUTHORITY ISSUING THE REGISTRATION/ LICENSE	REGISTRATION/ LICENSE REFERENCE
Certificate of registration	Reserve Bank of India	DOR-00080

(II) DISCLOSURE OF PENALTIES IMPOSED BY NHB AND OTHER REGULATORS

ITEMS	AS AT MARCH 31, 2024	AS AT MARCH 31, 2023
a) Penalty		
Penalty if any levied by National Housing Bank	Nil	Nil
Penalty if any levied by SEBI	Nil	i) Yes, Penalty of Rs. 914500/- for contravention of provision of the regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) ii) Penalty of Rs. 165200/- for contravention of provision of the regulation 295(1) of SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2018
b) Adverse remarks		
Adverse remarks if any given by national housing bank	Nil	Nil
c) Percentage of outstanding loans granted against collateral gold jewellery to their outstanding assets	Nil	Nil

(III) RELATED PARTY TRANSACTION

Details of all material transactions with related parties are disclosed in Note 27.

(IV) RATINGS ASSIGNED BY CREDIT RATING AGENCY AND MIGRATION OF RATINGS:

As on 31.03.2024

FACILITY	RATING AGENCY	AS AT MARCH 31, 2024	DATE OF RATING
Long term-Bank Loan	Care Rating Limited	CARE BBB / Stable	25-10-2023
Long term-NCD	India Rating & Research Private Limited	IND BBB / Stable	10-05-2023
Long term-Bank Loan	India Rating & Research Private Limited	IND BBB / Stable	27-04-2023

As on 31.03.2023

FACILITY	RATING AGENCY	AS AT MARCH 31, 2023	DATE OF RATING
Long term	Care Rating Limited	CARE BBB-/ Positive	30-01-2023
Long term	India Rating & Research Private Limited	IND BBB-/ Stable	03-02-2023

(V) REMUNERATION OF DIRECTORS

Details of Remuneration of Directors are disclosed in Form No. MGT - 9.

(VI) MANAGEMENT

Refer to the Management Discussion and Analysis report for the relevant disclosures.

(VII) NET PROFIT OR LOSS FOR THE PERIOD, PRIOR PERIOD ITEMS AND CHANGES IN ACCOUNTING POLICIES

There are no prior period items that have impact on the current year's profit and loss.

(VIII) REVENUE RECOGNITION

There have been no instances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

(IX) CONSOLIDATED FINANCIAL STATEMENTS (CFS)

There are no group company to be consolidated, and accordingly, is not required to prepare consolidated financial statement as per Ind AS 110- "Consolidated Financial Statements".

5. ADDITIONAL DISCLOSURES**i) Provisions and contingencies**

(INR in Lakh)

PARTICULARS	AS AT MARCH 31, 2024	AS AT MARCH 31, 2023
Provisions for depreciation on investment	-	-
Provisions made towards income tax	-	-
Provisions towards non-performing assets	183.66	98.69
Provisions for standard assets	65.99	85.25
Other provisions and contingencies	6.04	14.92

Note –

As per RBI Direction regarding computation of GNPA and NNPA, these have been computed as per the IND-AS standard. Comparative figure for the previous year have been recomputed as per the requirements.

ii) Break up of loans and advances and provisions thereon

(INR in Lakh)

PARTICULARS	HOUSING LOAN		NON-HOUSING LOAN	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
STANDARD ASSETS				
Total outstanding	31,261.85	18,922.47	6,455.87	3,405.02
Provisions	57.12	73.10	8.87	12.15
SUB-STANDARD ASSETS				
Total outstanding	243.27	170.02	15.28	8.76
Provisions	78.51	43.07	3.97	3.94
DOUBTFUL ASSETS-CATEGORY-I				
Total outstanding	138.77	66.69	8.76	4.76
Provisions	47.04	16.67	3.94	1.19
DOUBTFUL ASSETS-CATEGORY-II				
Total outstanding	166.48	130.78	-	-
Provisions	50.20	33.80	-	-
DOUBTFUL ASSETS-CATEGORY-III				
Total outstanding	-	-	-	-
Provisions	-	-	-	-
LOAN ASSETS				
Total outstanding	-	-	-	-
Provisions	-	-	-	-
TOTAL				
Total outstanding	31,810.38	19,289.96	6,479.91	3,418.55
Provisions	232.86	166.65	16.79	17.28

Note –

1. The total outstanding amount means principal + accrued interest + other charges pertaining to loans without netting off.
2. The Category of Doubtful Assets will be as under:

PERIOD FOR WHICH THE ASSETS HAS BEEN CONSIDER AS DOUBTFUL	CATEGORY
Upto one year	Category-I
One to three years	Category-II
More than three years	Category-III

3. As per RBI Direction regarding computation of GNPA and NNPA, these have been computed as per the IND-AS standard. Comparative figure for the previous year have been recomputed as per the requirements.

(III) DRAW DOWN FROM RESERVES

Draw down of Rs. Nil from reserves during the year ended March 31, 2024 (P.Y. Rs. 1,891.27 Lakh).

IV) CONCENTRATION OF PUBLIC DEPOSITS, ADVANCES*, EXPOSURE# AND NPAs

(INR in Lakh)

S.NO	PARTICULARS	AS AT MARCH 31, 2024	AS AT MARCH 31, 2023
1.	Concentration of public deposits (for public deposit taking/holding HFCs)	-	-
2.	Concentration of loans and advances		
	Total advances to twenty largest borrowers	700.19	598.33
	Percentage of advances to twenty largest borrowers to total advances of the HFC	1.83%	2.63%
3.	Concentration of all exposures (including off-balance sheet exposures)		
	Total exposure to twenty largest borrowers/customers	739.95	598.33
	Percentage of exposures to twenty largest borrowers/customers to total exposure of the HFC on borrowers/customers	1.73%	2.63%
4.	Concentration of NPAs		
	Total exposure to top ten NPA accounts	151.92	152.48

*advances represents the outstanding balances as at the respective year end

#Exposure represents the total amount financed as at the respective year end

V) SECTOR WISE NPA

PARTICULARS	% OF NPAs TO TOTAL ADVANCES IN THAT SECTOR AS AT MARCH 31, 2024	% OF NPAs TO TOTAL ADVANCES IN THAT SECTOR AS AT MARCH 31, 2023
A. HOUSING LOANS :		
Individuals	1.72%	1.91%
Builders/project loans	-	-
Corporate	-	-
Others (specify)	-	-
B. NON HOUSING LOANS :		
Individuals	0.37%	0.40%
Builder/project loans	-	-
Corporate	-	-
Other (specify)	-	-

VI) MOVEMENT OF NPAs

(INR in Lakh)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
(I) Net NPAs to Net Advances (%)	1.02	1.25
(II) Movement of NPAs (Gross)		
a) Opening Balance	381.01	310.89
b) Additions during the year	284.74	135.00
c) Reductions during the year	93.18	64.88
d) Closing Balance	572.56	381.01
(III) Movement of Net NPAs		
a) Opening Balance	282.33	247.89
b) Additions during the year	185.81	101.52
c) Reductions during the year	79.24	67.08
d) Closing Balance	388.90	282.33
(IV) Movement of Provisions for NPAs (excluding provisions on standard assets)		
a) Opening Balance	98.68	63.47
b) Provisions made during the year	85.06	35.21
c) Closing Balance	183.66	98.68

Note –

As per RBI Direction regarding computation of GNPA and NNPA, these have been computed as per the IND-AS standard. Comparative figure for the previous year have been recomputed as per the requirements.

VII) OVERSEAS ASSETS

The company does not have any joint ventures and subsidiaries abroad during the year ended as at March 31, 2024 and as at March 31, 2023 and hence this disclosure is not applicable.

VIII) OFF-BALANCE SHEET SPVS SPONSORED

There was no off-balance sheet SPVs sponsored by the company during the year ended as at March 31, 2024 and as at March 31, 2023.

IX) DISCLOSED PURSUANT TO NOTIFICATION NO. NHB.HFC.CG-DIR.1/2016 DATED 9TH FEBRUARY 2017 ISSUED BY NHB FOR CUSTOMER COMPLAINTS

Customer complaints*

PARTICULARS	YEAR ENDED AS AT MARCH 31, 2024	YEAR ENDED AS AT MARCH 31, 2023
(a) No. of complaints pending at the beginning of the year	-	-
(b) No. of complaints received during the year	-	-
(c) No. of complaints redressed during the year	-	-
(d) No. of complaints pending at the end of the year	-	-

*as per the records of the company

6. LIQUIDITY RISK MANAGEMENT FRAMEWORK

(I) FUNDING CONCENTRATION BASED ON SIGNIFICANT COUNTERPARTY (BORROWINGS)

(INR in Lakh)

PARTICULARS	AS AT MARCH 31, 2024	AS AT MARCH 31, 2023
Number of significant counter parties	2	3
Amount	14,211.59	8,226.577
Percentage of funding concentration to total liabilities*	39.78%	45.94%

* Total liabilities excludes net worth

(II) TOP 20 LARGE DEPOSITS

PARTICULARS	AS AT MARCH 31, 2024	AS AT MARCH 31, 2023
Total amount of top 20 deposits	NA	NA
Percentage of amount of top 20 deposits to total deposits	NA	NA

(III) TOP 10 BORROWINGS

PARTICULARS	AS AT MARCH 31, 2024	AS AT MARCH 31, 2023
Total amount of top 10 borrowings	27,430.78	14,171.45
Percentage of amount of top 10 borrowings to total borrowings	85.64%	87.21%

(IV) FUNDING CONCENTRATION BASED ON SIGNIFICANT INSTRUMENT/PRODUCT

PARTICULARS	AS AT MARCH 31, 2024	PERCENTAGE OF TOTAL LIABILITIES*	AS AT MARCH 31, 2023	PERCENTAGE OF TOTAL LIABILITIES*
Borrowings from Banks & FI's	22,265.88	62.32%	13,256.73	74.02%
Borrowings from National Housing Bank (NHB)	6,950.37	19.45%	2,993.26	16.71%
Debt securities	2,813.68	7.87%	-	-

* Total liabilities excludes net worth

(V) STOCK RATIO-NOT APPLICABLE**(VI) INSTITUTIONAL SET-UP FOR LIQUIDITY RISK MANAGEMENT**

The company has an Asset Liability Management Committee (ALCO) to monitor asset liability mismatches to ensure that there is no imbalances or excessive concentration on the either side of the balance sheet. The company maintains a judicious mix of borrowings in the form of Term Loans, Refinance, and working capital and continues to diversify its source of borrowings with the emphasis on longer tenor borrowings. The company has diversified mix of investors/lenders which includes Banks, National Housing Bank, Financial Institution.

The Liquidity Risk Management (LRM) of the company is governed by the LRM Policy approved by the Board. The Asset Liability Committee (ALCO) is responsible for implementing and monitoring the liquidity risk management strategy of the company in line with its risk management objectives and ensures adherence to the risk tolerance/limits set by the Board.

Refer note no. 33 of standalone financials statement

7. LOANS AGAINST SECURITY OF SHARES- NOT APPLICABLE**8. LOANS AGAINST SECURITY OF SINGLE PRODUCT - GOLD JEWELLERY- NOT APPLICABLE**

9. IN COMPLIANCE WITH THE RBI CIRCULAR NO. RBI/2019-20/170, DOR (NBFC) C.C.PD NO. 109/22.10.106/2019-20 DATED 13.03.2021 THE ADDITIONAL DISCLOSURE IN THE PRESCRIBED FORMAT IS APPENDED BELOW:

(INR in Lakh)

ASSET CLASSIFICATION AS PER RBI NORMS	ASSET CLASSIFICATION AS PER IND AS 109	GROSS CARRYING AMOUNT AS PER IND AS	LOSS ALLOWANCES (PROVISIONS) AS REQUIRED UNDER IND AS 109	NET CARRYING AMOUNT	PROVISIONS REQUIRED AS PER IRACP NORMS	DIFFERENCE BETWEEN IND AS 109 PROVISIONS AND IRACP NORMS
1	2	3	4	(5) = (3) - (4)	6	(7) = (4) - (6)
PERFORMING ASSETS						
Standard	Stage 1	37,269.41	53.56	37,215.86	103.05	(49.49)
	Stage 2	448.31	12.43	435.88	1.13	11.30
Subtotal		37,717.73	65.99	37,651.74	104.18	(38.19)
NON-PERFORMING ASSETS (NPA)						
Substandard	Stage 3	258.55	83.32	175.23	38.78	44.54
Doubtful - up to 1 year	Stage 3	147.53	50.98	96.55	38.20	12.78
1-3 years	Stage 3	166.48	49.36	117.13	66.59	(17.23)
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		314.01	100.34	213.68	104.79	(4.45)
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		572.56	183.66	388.90	143.57	40.09
Other items such as guarantees, loan commitments, etc. Which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1					
	Stage 2					
	Stage 3					
Subtotal		38,290.29	249.65	38,040.64	247.75	1.90
Total	Stage 1	37,269.41	53.56	37,215.86	103.05	(49.49)
	Stage 2	448.31	12.43	435.88	1.13	11.30
	Stage 3	572.56	183.66	388.90	143.57	40.09
	Total	38,290.29	249.65	38,040.64	247.75	1.90

10. SCHEDULE TO THE BALANCE SHEET OF AN HFC

(INR in Lakh)

PARTICULARS			
	LIABILITIES SIDE	AMOUNT OUTSTANDING	AMOUNT OVERDUE
(1)	Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:		
(a)	Debentures : Secured	2,813.68	-
	: Unsecured	-	-
	(other than falling within the meaning of public deposits*)		
(b)	Deferred Credits	-	-
(c)	Term Loans	29,216.25	-
(d)	Inter-corporate loans and borrowing	-	-
(e)	Commercial Paper	-	-
(f)	Public Deposits*	-	-
(g)	Other Loans – DLOF	-	-
	* Please see Note 1 below		
(2)	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):		
(a)	In the form of Unsecured debentures	-	-
(b)	In the form of partly secured debentures i.e. debentures where there is a short-fall in the value of security	-	-
(c)	Other public deposits	-	-
	* Please see Note 1 below		

	ASSETS SIDE		AMOUNT OUTSTANDING		
(3)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:				
	(a)	Secured	37,592.27		
	(b)	Unsecured	610.28		
(4)	Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities				
	(i)	Lease assets including lease rentals under sundry debtors		-	
		(a)	Financial lease	-	
		(b)	Operating lease	-	
	(ii)	Stock on hire including hire charges under sundry debtors		-	
		(a)	Assets on hire	-	
		(b)	Reposessed Assets	-	
	(iii)	Other loans counting towards asset financing activities		-	
		(a)	Loans where assets have been reposessed	-	
		(b)	Loans other than (a) above	-	
(5)	Break-up of Investments				
	Current Investments				
	1.	Quoted			
		(i)	Shares		
			(a) Equity	-	
			(b) Preference	-	
		(ii)	Debentures and Bonds	-	
		(iii)	Units of mutual funds	-	
		(iv)	Government Securities	-	
		(v)	Others (please specify)	-	
	2.	Unquoted			
		(i)	Shares		
			(a) Equity	-	
			(b) Preference	-	
		(ii)	Debentures and Bonds	-	
		(iii)	Units of mutual funds	-	
		(iv)	Government Securities	-	
		(v)	Others (please specify)	-	
	Long Term investments				
	1.	Quoted			
		(i)	Shares		
			(a) Equity	-	
			(b) Preference	-	
		(ii)	Debentures and Bonds	-	
		(iii)	Units of mutual funds	-	
		(iv)	Government Securities	-	
		(v)	Others (please specify)	-	
	2.	Unquoted			
		(i)	Shares		
			(a) Equity	222.40	
			(b) Preference	-	
		(ii)	Debentures and Bonds	-	
		(iii)	Units of mutual funds	-	
		(iv)	Government Securities	-	
		(v)	Others (Alternative Investment Fund)	578.83	
(6)	Borrower group-wise classification of assets financed as in (3) and (4) above: (Please see Note 2 below)				
CATEGORY			AMOUNT NET OF PROVISIONS		
			Secured	Unsecured	Total
1. Related Parties **					
	(a)	Subsidiaries	-	-	-
	(b)	Companies in the same group	-	-	-

	(c) Other related parties	-	-	-
2.	Other than related parties	37,592.27	610.28	38,202.55
	Total	37,592.27	610.28	38,202.55

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :
(Please see Note 3 below)

CATEGORY	MARKET VALUE / BREAK UP OR FAIR VALUE OR NAV	BOOK VALUE NET OF PROVISIONS)
1. Related Parties **		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	174.57	40.00
2. Other than related parties	626.66	626.83
Total	801.23	666.83

** As per notified Accounting Standard (Please see Note 3)

(8) Other information

PARTICULARS	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	572.56
(ii) Net Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	388.90
(iii) Assets acquired in satisfaction of debt	-

Notes –

- As defined in Paragraph 4.1.30 of these Directions.
 - Provisioning norms shall be applicable as prescribed in these Directions.
 - All notified Accounting Standards are applicable including for valuation of investments and other assets.
- As also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.

11. PRINCIPAL BUSINESS CRITERIA FOR HFCS

"Housing finance company" shall mean a company incorporated under the Companies Act, 2013 that fulfils the following conditions:

- It is an NBFC whose financial assets, in the business of providing finance for housing, constitute at least 60% of its total assets (netted off by intangible assets).
- Out of the total assets (netted off by intangible assets), not less than 50% should be by way of housing financing for individuals.

The Company meets the aforesaid principal business criteria for HFCs.

(INR in Lakh)

PARTICULARS	AS AT MARCH 31, 2024
Total Assets	49,030.82
Less: Intangible assets	356.15
Net total Assets	48,674.67
Housing Finance	31,810.38
Individual Housing Finance	31,770.41
Percentage of housing finance to total assets (netted off intangible assets)	65.35%
Percentage of individual housing finance to total assets (netted off intangible assets)	65.27%
Percentage of individual housing finance to housing finance	99.87%

12. DISCLOSURES REQUIRED BY THE RBI VIDE SCALE BASED REGULATION (SBR): A REVISED REGULATORY FRAMEWORK FOR NBFCs DATED 22 OCTOBER 2021 – THE COMPANY FALLS UNDER THE MIDDLE LAYER.

1) Sectoral exposure

(INR in Lakh)

SECTORS	CURRENT YEAR			PREVIOUS YEAR		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	-	-	-	-	-	-
2. Industry	-	-	-	-	-	-
3. Services	-	-	-	-	-	-
4. Personal Loan						
i. Project /Builder Loans	39.97	-	0.00%	211.56	-	0.00%
ii. Housing Loans	35,341.94	548.53	1.55%	20,498.93	367.49	1.79%
iii. Non Housing Loans	7,304.48	24.04	0.33%	3,889.61	13.52	0.35%
Total of Personal Loans	42,686.39	572.56	1.34%	24,600.10	381.01	1.55%
5. Others, if any	-	-	-	-	-	-

2) Breach of Covenants

The Company has complied with the covenants under the terms of major borrowing facilities throughout the year ended 31st March 2024 and 31st March 2023.

3) Divergence in Asset Classification and Provisioning

The last inspection of the regulator for the year ended 31.03.2022 conducted on between 12.06.2023 to 16.06.2023. The regulator has indicated no divergence in asset classification and provisioning. The regulator is yet to inspect the company for the audit of year ended 31st March 2024 and 31st March 2023.

In terms of our report of even date

For NYATI MUNDRA & CO.

Chartered Accountants
ICAI FR No : 008153C

SD/-

CA Ashok Kumar Jain

Partner

Membership No. 071210

UDIN: 24071210BKJPYG3522

Place: Mumbai

Date: 08-05-2024

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

SD/-

Ashish Jain

Chairman & Managing Director

DIN: 02041164

SD/-

Kalpesh Dave

CEO

SD/-

Natesh Narayanan

CFO

SD/-

Kavish Jain

Director

DIN: 02041197

SD/-

Shreyas Mehta

Company Secretary

M.No. A38639



REGISTERED & CORPORATE OFFICE



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