

AKME STAR HOUSING FINANCE LIMITED

N.H.B. Registration No. 12.0080.09

CIN : U45201RJ2005PLC020463



Akme Business Center (ABC)

4-5, Subcity Centre, Savina Circle

Udaipur - 313 002 (Rajasthan)

Phone : (0294) 2489501 - 02

E-mail : akmestarthousing@yahoo.com

Ref. No.

Date :

Date : 31.07.2015

To,
The Bombay Stock Exchange
Corporate Services Department
PJ Towers , Dalal Street
Mumbai 400001

Subject : Changes has been made in Annual report of Akme Star Housing Finance Limited

Ref : Scrip Code 539017

Dear Sir,

With reference to above mentioned subject we would like to submit the correction which has been made in Annual report are as under

1. Page no 1 the disbursement figure has been rectified .
2. Page no 4 spelling of Vision has been rectified .
3. Page no 5 in profile of ML Nagda Director of our group replaced by the Director of our Company.
4. Page no 17 point 8 Qualification of Mr Avinash Bhatnagar Director has been rectified .
5. Page 32 Director report - Listing of share of the Company FY 2014-15 has been rectified .

These all are typical error and has been incorporated unknowingly , kindly consider and replace the old Annual Report of the Company.

For Akme Star Housing Finance Limited


Nirmal Kumar Jain
Director
DIN 00240441

AKME STAR HOUSING FINANCE LIMITED

ANNUAL REPORT 2014-15

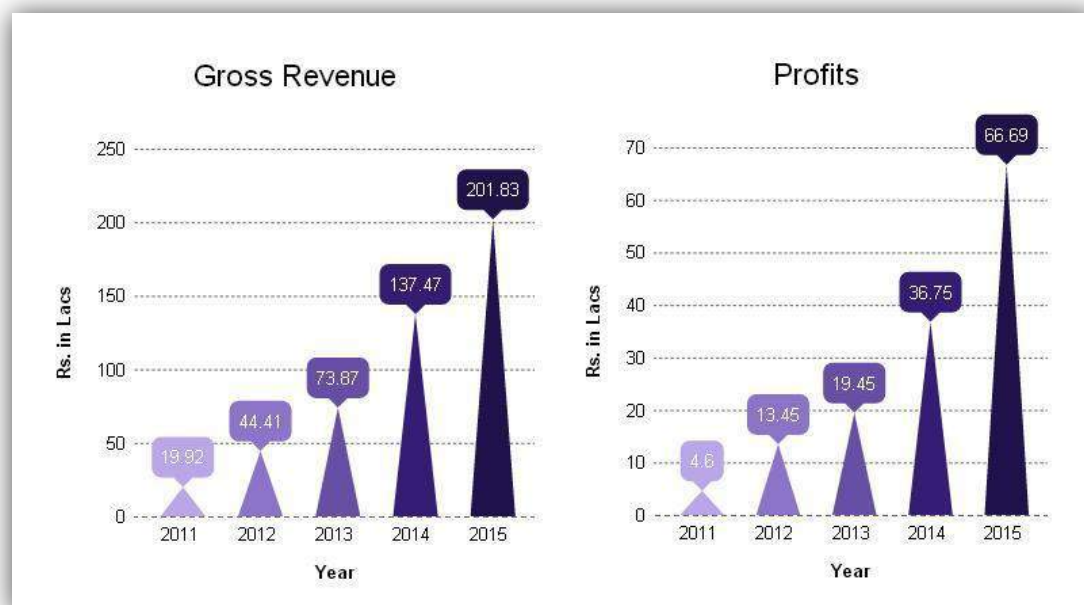
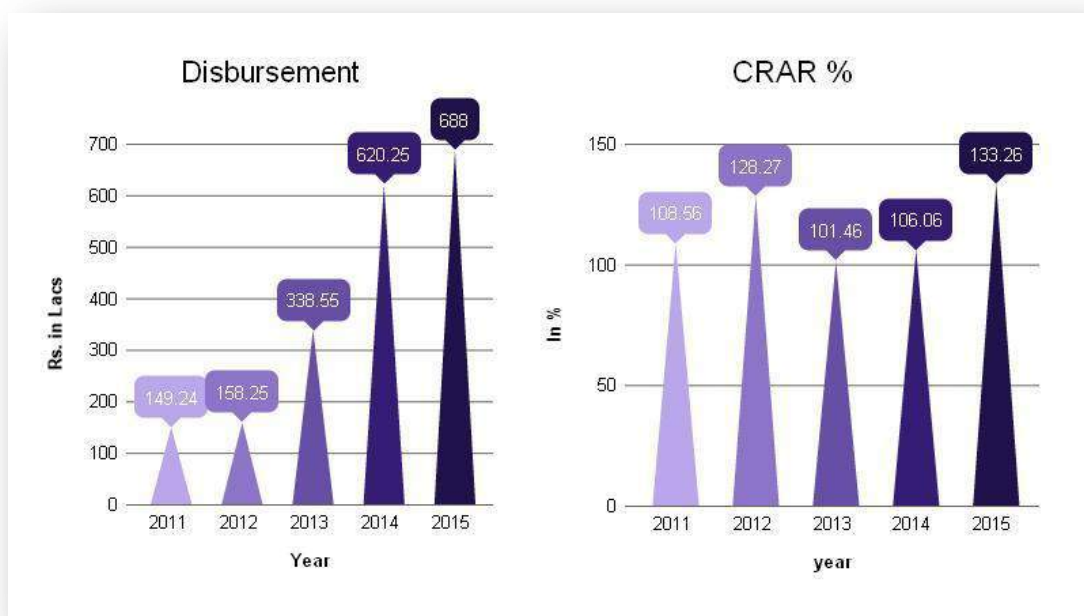




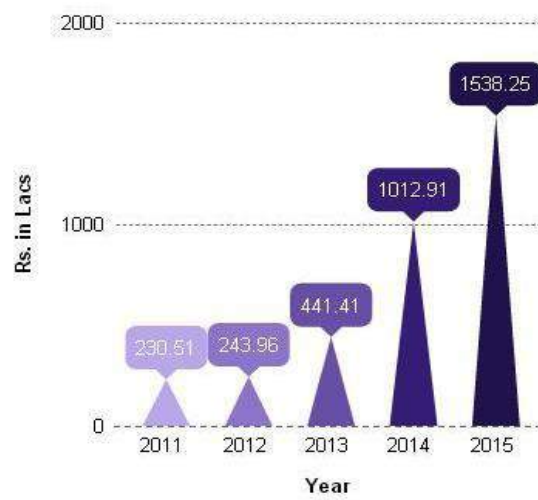
CHRONICLE...

	COMPANY OVERVIEW	<ul style="list-style-type: none"> ▪ Key Highlights..... (1) ▪ Chairman’s Message..... (3) ▪ Board’s Profile..... (5) ▪ Corporate Information..... (7)
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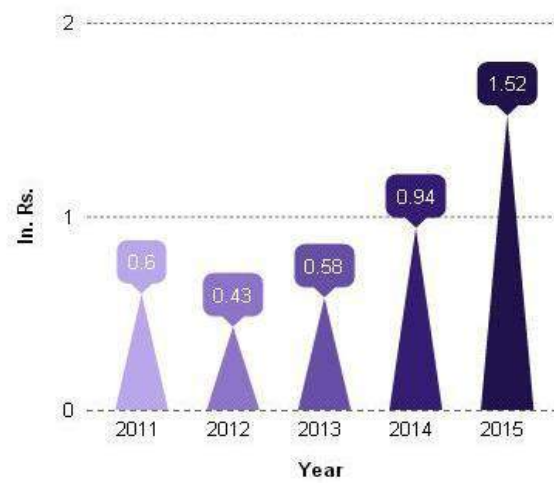
KEY HIGHLIGHTS...



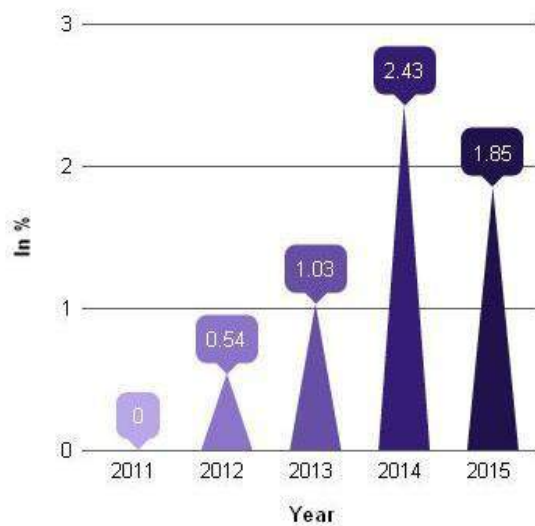
ShareHolder's Fund



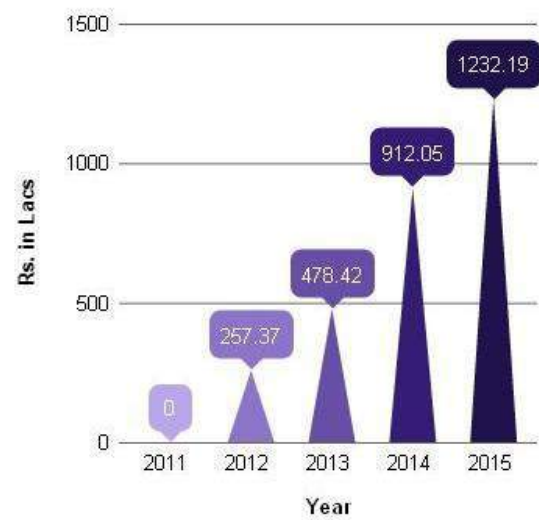
Earning Per Share



NET NPA



Portfolio



CHAIRMAN'S MESSAGE

Dear Shareholders,

It gives me great pleasure to welcome you to the Company's 10th Annual General Meeting. This AGM assumes immense significance, as it is our first AGM after Initial Public Offer (IPO) of the company. We must record our sincere thanks and appreciation to all those who applied in our IPO and have stood by us with their investments.



I proudly present you the performance of Akme Star Housing Finance Limited for the financial year 2014-15. The year has been of excellent business growth and repeat of still better success story of charting road map of further reduction of NPA levels as compared to previous year.

In India, unfortunately housing has still not been accorded the importance it deserves. Now is an opportunity to change this. The housing storage in the country is immense and the only way homes can become more affordable for the mass is by ramping up supply.

It is my opinion that your Company is going to reap the benefits of rising residential demand and your Company's ability and competency to meet the rising demand. Your Company has certain residential development projects in pipeline which will meet out the rising residential demand and the benefits of these projects shall accrue to you in the coming years.

The Company did quite well in FY 2014-15, reporting a rise in its revenues and profits as can be seen from the Annual Report.

Looking at the overall picture and business environment, I feel we have made good progress in FY 2014- 15, in spite of the fact that your Company's Board and management had intensively invested its time and resources to roll out the Company's IPO successfully. Now, we should be able to post even better results next year as we are all set to strongly focus on taking our business to higher levels of operational excellence and growth. This gives me the confidence to say that with God's blessings, team's hard work and your support; we shall be able to report stellar results for the next year.

I look forward to the continued support of all our stakeholders in taking your Company forward on this journey of sustainable and profitable growth.

With best wishes,

Mohan Lal Nagda
Chairman & Managing Director
DIN 00211925



VISION...

*“To provide financial
Assistance for shelter
With no burden”*

MISSION...

- ***A**ccelerating participation in the growth of India by providing security in form of a roof over every Indian head.*
- ***K**eeing up customer's requirements and offer customized financial solutions.*
- ***M**obilizing resources & attention to Lower and Middle Income (LMI) segment.*
- ***E**nhancing the stakeholder's value and regulating innovations in our products, services, processes and credit policies.*



PROFILE OF DIRECTORS...



**DR. MOHAN
LAL NAGDA**
DIN 00211925

MANAGING DIRECTOR & CHAIRMAN

Mr. Mohan Lal Nagda, aged 57 years, is the Promoter and Managing Director of our Company to achieve new heights in business. He is a qualified Chartered Accountant with additional qualifications of CS, ICWA, MBA and Phd degree from private University on the topic "Disinvestment by Government. After a service of more than 23 years on higher managerial post in Hindustan Zinc, he had taken VRS and started active participation in the functioning of various activities of the Akme group. Under his dynamic leadership group has got the license for establishing Housing Finance Company.



**MR. NIRMAL
KUMAR JAIN**
DIN 00240441

EXECUTIVE DIRECTOR

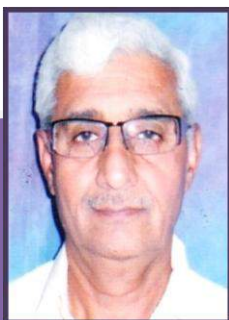
Mr. Nirmal Kumar Jain, aged 47 years, is the Promoter and Executive Director of our Company. Founder member of the Akme Group he is a first generation entrepreneur, a Chartered Accountant and Cost Accountant by qualification and visionary having more than two decades business experience. He along with other promoters of Group have started groups operation through its company M/s Akme Fintrade (India) Limited which was incorporated in the year 1996. Mr. Nirmal Kumar Jain also awarded as "Business Leader Corporate 2nd Rank by Institute of Chartered Accountants of India and the Mahaveer Yuva Sansthan, Udaipur give honor as "YUVA GAURAV" in 2012.



MR. KALU LAL JAIN
DIN 00451442

DIRECTOR

Mr. Kalu Lal Jain, aged 44 years, is the Promoter and Director of our Company. He is a highly acclaimed dignitary of the city having vast experience of real estate market since 1986. He actively looks after the housing finance division of the Company and has adequate experience of activities allied thereto.



NON - EXECUTIVE INDEPENDENT DIRECTOR

Mr. Amrit Singh Rajpurohit, aged 61 years, is the Non-Executive & Independent Director of our Company. He has a vast experience in mineral industries and development of land. He is a active social worker and is associated with various NGOs.

MR. AMRIT SINGH
RAJPUROHIT
DIN 02173432



NON - EXECUTIVE INDEPENDENT DIRECTOR

Mrs. Rajni Gehlot, aged 32 years, is the Non-Executive & Independent Director of our Company. She is a young dynamic Chartered Accountant member of ICAI having a bright knowledge of Finance and managing functioning of Company in well manner, having experience of more than 3 years. She is also the chairperson of the audit committee of our Company.

MRS. RAJNI
GEHLOT
DIN 06627287



NON - EXECUTIVE INDEPENDENT DIRECTOR

Mr. Avinash Bhatnagar, aged 65 years, is the Non-Executive & Independent Director of our Company. He is a seasoned retired Senior Manager from a private Sector Bank having more than 33 years of experience in the banking industry and is a guiding force for our Housing Finance activities of the company.

MR. AVINASH
BHATNAGAR
DIN 06968417



ASHFL's CORPORATE INFORMATION..

Board of Directors

Dr. Mohan Lal Nagda- Managing Director
Mr. Nirmal Kumar Jain- Director
Mr. Kalu Lal Jain- Director
Mr. Amrit Singh Rajpurohit- Director
Mr. Avinash Bhatnagar- Director
Mrs. Rajni Gehlot- Director

Committees of Board of Directors

• Audit Committee

Mrs. Rajni Gehlot- Chairperson
Mr. Avinash Bhatnagar- Member
Mr. Nirmal Kumar Jain- Member
.....

• Stakeholder's Relationship Committee

Mr. Avinash Bhatnagar- Chairman
Mrs. Rajni Gehlot- Member
Mr. Amrit Singh Rajpurohit- Member
.....

• Nomination and Remuneration Committee

Mr. Avinash Bhatnagar- Chairman
Mrs. Rajni Gehlot- Member
Mr. Amrit Singh Rajpurohit- Member
.....

• Corporate Social Responsibility Committee

Mr. Avinash Bhatnagar- Chairman
Mr. Nirmal Kumar Jain- Member
Dr. Mohan Lal Nagda- Member
.....

• Risk Management Committee

Mr. Avinash Bhatnagar- Chairman
Mr. Nirmal Kumar Jain- Member
Mrs. Rajni Gehlot- Member

Chief Financial Officer

Mr. Ashish Jain

Company Secretary & Compliance Officer

Mr. Paritosh Kothari

Registered Office & Corporate Office

Akme Business Center, 4-5 Subcity Center
Savina Circle, Udaipur 313002
Tel: 0294-2489501
Email: akmestarthousing@yahoo.com

Secretarial Auditor

Ronak Jhuthawat & Co.
Akme Business Center, 4-5 Subcity Center
Savina Circle Udaipur 313002
Tel: +91-9887422212
Email: csronakjhuthawat@gmail.com

Statutory Auditors

Nyati Mundra & Co
G-1, Shanti niketan Complex, 115/3
Ashok Nagar, Udaipur 313001
Email: caakashjain@gmail.com

Bankers

Bank of Baroda (BOB)
Main Branch, Town hall, Udaipur 313001

Registrar And Transfer Agent Big Share Services Private Limited

E2 Ansa Industrial Estate, Sakivihar Road, Sakinaka,
Andheri East, Mumbai 400072
Email: ipo@bigshareonline.com

Stock Exchange

Bombay Stock exchange (BSE)

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400,001

Depositories

National Securities Depository Limited (NSDL)

Trade World, 4th Floor, Kamala Mills, Compounds,
Senapati Bapat Marg, Lower Parel, Mumbai-400013

Central Depository Services Limited (CDSL)

17th floor, P J Towers, Dalal Street, Mumbai 400001



**ASHFL'S
NOTICE OF 10th
ANNUAL GENERAL MEETING
HELD ON 08th AUGUST 2015**



AKME STAR HOUSING FINANCE LIMITED

CIN U45201RJ2005PLC020463

**Registered office : AKME Business Center,
4-5 Subcity Center Udaipur Raj 313001**

E mail : akmestarhousing@yahoo.com

Contact No 0294-2489501

NOTICE OF THE 10th ANNUAL GENERAL MEETING

Notice is hereby given that 10th Annual General Meeting of the members of the AKME Star Housing Finance Limited. will be held on, Saturday 08th August 2015 at 2.30 p.m. at Hotel Gorbhandh 138-138A, Inside Udaipole, Udaipur 313001 (Raj) to transact the following business.

ORDINARY BUSINESS

1. To receive consider and adopt audited Financial Statements for the financial year ended on 31st March 2015 the reports of the Board of Directors and Auditors thereon.

2. Reappointment of Director

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Kalu lal Jain (DIN : 0451442), who retires from the office of by rotation in this annual general meeting and being eligible offer himself for re-election be and is hereby re-elected as a director of the company, whose office shall be liable to retire by rotation.”

3. Appointment of Statutory Auditors

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

To re appoint the Retiring Auditors M/s Nyati Mundra & Co., Chartered Accountants as statutory auditor of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to pass the following resolution as Ordinary resolution, with or without modification(s) :

“RESOLVED THAT M/s Nyati Mundra & Co., Chartered Accountants Having ICAI registration No 08153C Be and are hereby re-appointed as Statutory Auditors of the Company for the period from the conclusion of this Annual general Meeting to the conclusion of the next Annual General meeting at such remuneration as may be fixed by the Board of Directors as per the provision of Section 139 and other applicable provisions of Companies Act, 2013.”

4. Appointment of Director

To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution.

“RESOLVED THAT Mr. Avinash Bhatnagar having DIN 06968417 who was appointed as an additional Independent director of the company with effect from 15.09.2014 by the Board Of Directors and who holds the office up to the date of this Annual General Meeting of the company under Section 161(1) of the Companies Act, 2013



“RESOLVED THAT pursuant to the provisions of Sections 149,150,152 read with schedule IV and all other provisions applicable of the Companies Act, 2013 and The Companies (Appointment and qualification of director) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and subject to such approvals as may be required in that behalf and in respect of whom the company have received a notice in writing under section 160 of the Act, from a Member proposing his candidature for the office of Director, as an Independent Director of the Company, not liable to retire by rotation, approval of the Members of the Company be and is hereby accorded for the appointment of Mr. Avinash Bhatnagar (DIN : 06968417), as an Independent Director of the Company, to hold office as such for a period of five years with effect from the date of this Annual General Meeting.”

SPECIAL BUSINESS

5. Revision in Remuneration of Mr. Mohan Lal Nagda (DIN 00211925) Managing Director & Chairman of the Company

To consider and, if thought fit, to pass with or without modification, the following resolution as Special Resolution:

“RESOLVED THAT pursuant to Section 197 and other applicable provisions, if any, of the Companies Act, 2013 read with Part II of Schedule V of the Companies Act, 2013, Mr. Mohan Lal Nagda, Chairman & Managing Director, be and is hereby paid a remuneration of 6.00 lakhs per annum as approved by the Remuneration Committee in its meeting dated 20th May 2015 with effect from 01st April 2015 for a remainder of duration of appointment up to March 31, 2018. Inclusive of all other benefits, allowances, perquisites.”

“RESOLVED FURTHER THAT Mr. Mohan Lal Nagda, Chairman & Managing Director would be eligible for the following perks as approved by the Remuneration Committee in its meeting dated 20th may 2015, in addition to the above mentioned remuneration, as per Section 197 read with Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 or any Statutory modification(s) or re-enactment thereof.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the payment of remuneration, the Company Secretary or any other Director of the Company be and is hereby authorized on behalf of the company to do all such acts, deeds, things and matters as may be deemed expedient or desirable to give effect to the above said resolution.”

Registered office

AKME Business Center
4-5 Subcity Center Savina Circle
Udaipur.313002
Date: 11.07.2015

By order of the Board

sd/-
Mohan Lal Nagda
(Managing Director)
DIN 00211925

Notes:

1. A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of him and the proxy need not be a member of the Company. The instrument appointing the proxy should, however be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.

2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.



3. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company duly certified copy of the relevant Board resolution authorizing such a representative to attend and vote on their behalf at the meeting.

4. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (Act), setting out the material facts concerning Item Nos. 5 of the Notice, is annexed hereto.

5. Relevant documents referred to in the accompanying Notice and the Statement pursuant to Section 102 of the Act, shall be open for inspection by the members at the Registered Office of the Company during normal business hours (between 11.00 A.M. to 5.00 P.M.) on all working days up to and including the date of the Annual General Meeting.

6. The Register of Members and the Share Transfer Books of the Company will remain closed from 01st August 2015 to 08th August 2015 (both days inclusive).

7. In furtherance of the Go Green Initiative of the Government, electronic copy of the Annual Report for 2014-15 is being sent to all the members whose email addresses are registered with the Company/Depository Participants. Physical copy of the Annual Report for 2014-15 may be sent on request by any Member.

8. Electronic copy of the Notice of the 10th Annual General Meeting (AGM) of the Company, inter alia, indicating the process and manner of e-voting along with Admission Slip and Proxy Form is being sent to all the Members whose email addresses are registered with the Company/Depository Participants. Members may note that the Notice of the 10th AGM and the Annual Report for 2014-15 will also be available on the Company's website- www.akmestarthousing.com.

9. Members who have not registered their email addresses so far are requested to register their e-mail addresses for receiving all communications including Annual Report, Notices, Circular Circulars, etc. from the Company electronically.

10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their respective Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to the Registrar and Share Transfer Agents.

11. Appointment of Mr. Avinash Bhatnagar as Director of the Company.

Mr. Avinash Bhatnagar [DIN 06968417] was appointed as an Additional Director of the Company with effect from 15th September 2014. As per the provisions of Section 161 of the Companies Act, 2013 read with Article 149 of the Articles of Association of the Company, Mr. Avinash Bhatnagar continues to hold office as a Director until the conclusion of the ensuing Annual General Meeting. Pursuant to Section 160 of the Companies Act, 2013, the Company has received notice together with requisite deposit of Rupees One lakh, proposing the candidature of Mr Avinash Bhatnagar for the office of Independent Director of the Company, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Avinash Bhatnagar his consent to act as Director of the Company along with a declaration to the effect that he meets the criteria of independence as provided in Section 149 of the Companies Act, 2013 and Clause 52 of the Listing Agreement and an intimation to the effect that he is not disqualified from being appointed as a Director in terms of Section 164(2) of the Companies Act, 2013.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, the resolution seeks the approval of the members for appointment of Mr. Avinash Bhatnagar, as an Independent Director for a term of five consecutive years, up to 31st March, 2020 and he shall not be liable to retire by rotation.



In the opinion of the Board of Directors, Mr. Avinash Bhatnagar fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Avinash Bhatnagar as an Independent Director.

Accordingly, the Board recommends the resolution in relation to appointment of Mr. Avinash Bhatnagar as an Independent Director as set out at Item No. 4 of the Notice, for the approval of the members of the Company.

Except, Mr. Avinash Bhatnagar to whom the resolution relates, and his relatives (to the extent of their shareholding interest in the Company), none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

This explanatory statement along with the details of Director as annexed herewith may also be regarded as disclosure under Clause 52 of the Listing Agreement with the Stock Exchanges.

Item No. 4 of the Notice. This explanatory statement along with the disclosure pertaining to the details of director as annexed herewith, may also be regarded as a disclosure under Clause 52 of the Listing Agreement with the Stock Exchanges.

12. Voting through electronic means:

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members, facility to exercise their right to vote at the 10th Annual General Meeting by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL).

13. E-Voting is optional.

▪ The instructions for shareholders voting electronically are as under:

The voting period begins on Wednesday 05th August, 2015 at 10.00 A.M. and ends on Friday 7th August 2015 at 5.30 PM During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Friday 31st July 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

The shareholders should follow process as given under:

1. log on to the e-voting website www.evotingindia.com.
2. Click on Shareholders.
3. Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
4. Members holding shares in Physical Form should enter Folio Number registered with the Company.
5. Next enter the Image Verification as displayed and Click on Login.
6. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
7. If you are a first time user follow the steps given below:



For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

8. After entering these details appropriately, click on "SUBMIT" tab.
9. Members holding shares in physical form will then directly reach the Company selection screen.
10. However, members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field.
11. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform.
12. **It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.**
13. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
14. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
15. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
16. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
17. After selecting the resolution you have decided to vote on, click on "SUBMIT".
18. A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
19. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
20. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
21. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

■ Note for Non – Individual Shareholders and Custodians

1. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
2. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
3. After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.



4. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
5. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
6. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

▪ **Voting at the Annual General Meeting:**

1. Pursuant to the provisions of Rule 20 of Companies (Management and Administration) Rules 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015, the Company is also offering the facility for voting by way of ballot paper at the AGM.
 2. The Members attending the AGM, who are entitled to vote, but have not cast their vote by remote e-voting, shall be able to exercise their voting rights at the AGM through ballot paper. A member may attend the AGM even after exercising his/her right to vote through remote e-voting but shall not be allowed to cast their vote again at the AGM.
 3. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the Remote e-voting facility.
 4. The voting rights of Members shall be in proportion to the shares held by them on the paid up equity share capital of the Company as on cut-off date being, Friday 31st July, 2015. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of e-voting or voting at the AGM through ballot paper.
- 14.** The Company has appointed Shri Ronak Jhuthawat of **M/s Ronak Jhuthawat & Co.**, Practicing Company Secretary as Scrutinizer for conducting the e-voting process in a fair and transparent manner.
- 15.** The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witness not in the employment of the Company and make a Scrutinizer Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.
- 16.** The Results shall be declared after the AGM of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.akmestarthousing.com and on the website of CDSL within two days of passing of the resolutions at the AGM of the Company.



**Annexure to the Notice
Statement under Section 102 of The Companies Act, 2013**

Item No. 5

The members are being informed that Mr. Mohan Lal Nagda was appointed as Chairman & Managing Director of the Company for a period of 5 years with effect from June 01 2013 at the Annual General Meeting of the Company held on July 30th 2013.

The Board of Directors of the Company considered the nature of services and on the recommendation and resolution passed by Nomination and Remuneration Committee at its meeting held on 20th May 2015 considered for revision in remuneration payable to Mr.

Mohan Lal Nagda, Chairman & Managing Director from existing annual remuneration of Rs 4,80,000 to Rs 6,00,000 P.A. payable for a further period of three years (i.e., from April 01, 2015 to May 31, 2018).

Statement as required under Part II of Section II of Schedule V to the Companies Act, 2013:

S No	General Information:			
A	Nature of Industry	Housing Finance		
1	Date or expected date of commencement of Business	Company has started working in Housing Finance Sector in 2009		
2	In case of new companies, expected date of commencement of activities	NA		
3	Financial performance based on given indicators	Particulars	FY 013-14	FY14-15 Rs in Lacs
		Paid Up Capital	216.72	593.45
		Reserve & Surplus	796.18	944.79
		Income from Operations	137.46	201.83
		EBITDA	54.33	99.74
		PBT	53.56	98.00
		PAT	36.75	66.70
4	Foreign investments, if any	NOT Applicable		

The explanatory statement may also be regarded as an abstract of Memorandum under Section 190 of the Companies Act, 2013 and disclosure under Clause 52 of the Listing Agreement read with Schedule V to the Companies Act, 2013, approval of members is required by way of Special Resolution for payment of aforesaid remuneration to Mr. Mohan Lal Nagda, Chairman & Managing Director of the Company.

Your Directors recommend that the said resolution for your approval.

Save and except Mr Ashish Jain CFO, being his relative none of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way concerned or interested, financially or otherwise, in the above resolution set out in the Notice except to the extent of their shareholding.

Information about the appointee:

1. Background details

Dr. Mohan Lal Nagda is a Chartered Accountant of 1983 batch. His hunger to acquire more and more knowledge is still alive. A highly qualified and experienced director of the Company under whose leadership the company is able to achieve progress year by year.



Dr. Mohan Lal Nagda prior to joining Akme Star housing Finance Limited was employed with Hindustan Zinc Ltd. Udaipur for more than 23 years. During his tenure with HZL he was responsible for the following assignments:-

- Control over financial aspects
- Budgetary control
- Internal checks and heading the costing section of the company with stress on analysis of profit & loss statements.

After attaining senior position in the company he was assigned secretarial responsibilities which included conducting Board & General Meetings, heading the share cell and over all insurance work of the company.

Dr. Mohan Lal Nagda is qualified with the number of degrees like Doctorate, CA, CS, CS, MBA, LLB, DLL etc and well versed with the finance sector as well.

2. Past remuneration

The shareholders in the 8th AGM approved an annual remuneration of 5.40 Lakhs for a period of 5 years from June 2013.

3. Job Profile and his suitability

Dr. Mohan Lal Nagda keen business acumen and a sharp focus on innovation combined with an urge to set new milestones in business and technology have been the key drivers of the company's success.

4. Remuneration Proposed

The Nomination and Remuneration Committee in its meeting held on 20th May 2015 proposed an Annual Remuneration of Rs 6.00 lakhs for a period of 3 years from April 2014 subject to the approval of members by passing Special Resolution in the ensuing 18th Annual General Meeting.

5. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.

The indicative salary range for this role, based on the study conducted by the Company is 25.00 Lakhs to 120.00 Lakhs which includes annual cash and bonus, as applicable. Considering the current financial position of the Company, the Board has deemed it fit to approve a annual remuneration of 6.00 Lakhs, excluding perquisites mentioned in Schedule V of the Companies Act 2013.

6. Pecuniary Relationship

There is no pecuniary relationship either directly or indirectly with the company, or relationship with the managerial personnel except with Mr. Ashish Jain, the CFO of the Company. In addition Mr. Mohan Lal Nagda holds 351300 equity shares constituting 5.92% of the paid up capital of the Company.

Other information

1. Reasons for inadequate profits

Company has reported growth in Earnings as on 31.03.2015 was Rs 201.83 Lacs in compare to 31.03.2014 was Rs 137.46 Lacs

Company has booked growth in profit as well for 31.03.2015 Rs 98.00 Lacs in compare to FY 31.03.2014 was Rs 53.56 Lacs.

In view of the above performance Company is looking for Growth in near future but the at present profit is inadequate as per the Companies Act 2013.

The total remuneration payable to all the Managerial personnel cannot exceed 60.00 Lakhs per annum as per Part II of Schedule V of the Companies Act, 2013, this limit can be doubled if the shareholders' pass a special resolution in the ensuing Annual General Meeting. Nomination and Remuneration Committee has been authorized to review and fix monthly salary and also to determine performance linked incentives including commission, either on quarterly, half yearly or yearly basis, considering the maximum



remuneration payable under Section 197 read with Schedule V of Companies Act, 2013. The Nomination and Remuneration Committee thus met on May 20, 2015 and passed a resolution approving the proposed salary payable.

2. Steps taken or proposed to be taken for improvement

For the improvement Company is planning of expansion in other state like Gujarat and Maharashtra also.

3. Expected increase in productivity and profits in measurable terms

The Company expects to generate increased revenues in the coming years

Registered office

AKME Business Center
4-5 Subcity Center Savina Circle
Udaipur.313002
Date : 11.07.2015

By order of the Board

sd/-
Mohan Lal Nagda
(Managing Director)
DIN 00211925

ANNEXURE TO ITEM NOS. 2, 4 & 5 OF THE NOTICE

Details of Directors seeking appointment and / or re-appointment at the ensuing Annual General Meeting

Sr. No	Name of the Directors	Dr Mohan lal Nagda	Mr Avinash Bhatnagar	Mr Kalu lal Jain
1	Date of Birth	06.11.1957	17.10.1949	07.04.1970
2	Age	58	66	45
3	Date of Appointment	01.09.2007	15.09.2014	14.05.2011
4	Permanent Account Number (PAN)	AAOPN7420K	ABAPB9074C	AAVPJ1116G
5	Director Identification Number (DIN)	00211925	06968417	00451442
6	Expertise in specific functional areas	Having 33 years experience in Finance, accounts and Legal matters	Having Experience of More than 35 years in Banking Sector	Expertise in Real Estate and having More than 15 year Experience in this field
7	No. of equity shares held in the Company (as on 31st March 2015)	351300	13340	316700
8	Qualifications	Doctorate, CA, CS, CMA, LLB, MBA Etc	M.COM	MBA
9	Membership/Chairmanship of Committees of other Public Companies (includes only Audit Committee and Stakeholders Relationship Committee).	NIL	NIL	NIL
10	Relationships, if any, between Directors inter se	NIL	NIL	NIL



AKME STAR HOUSING FINANCE LIMITED

CIN U45201RJ2005PLC020463

Registered office : AKME Business Center, 4-5 Subcity Center Udaipur Raj 313001

E mail : akmestarhousing@yahoo.com Contact No 0294-2489501

10th Annual General Meeting on Saturday 08th August 2015

ADMISSION SLIP

Folio No or DP ID / Client ID	
No of Share Held	

I hereby record my presence at the 10th Annual General Meeting of the Company being held at **Hotel Gorbandh, 138-138A Inside Udaipole Udaipur Raj 313001**

Name of the Member (in block letters)	
Name of the Proxy-holder/ Authorised Representative attending the Meeting * (in block letters)	

Signature of the Member/Proxy/
Authorised Representative *

Notes: 1. A member/proxy/authorised representative wishing to attend the Meeting must complete this Admission Slip before coming to Meeting and hand it over at the entrance.

2. If you intend to appoint a proxy, please complete, stamp, sign and deposit the Proxy Form at the Company's Registered Office at least 48 hours before the Meeting.

**AKME STAR HOUSING FINANCE LIMITED**

CIN U45201RJ2005PLC020463

Registered office : AKME Business Center, 4-5 Subcity Center Udaipur Raj 313001

E mail : akmestarthousing@yahoo.com Contact No 0294-2489501**Form No MGT - 11****Proxy Form****[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]**

Name of the member(s)	
Registered Address	
E-mail Id	
Folio No/ Client Id	
DP ID	

I/We, being member(s) ofshares of the above named hereby appoint :

1. Name	
2. Address	
3. E-mail Id	
4. Signature	
	Or failing him
1. Name	
2. Address	
3. E-mail Id	
4. Signature	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 10th Annual General Meeting of the Company, to be held on the 08th August 2015 at 2.30 PM at Hotel Gorbandh 138-138A, Inside Udaipole, Udaipur 313001 (Raj) and at any adjournment thereof in respect of such resolutions as are indicated below:

S No	Particulars	For	Against
01	Considering and adoption of the financial statements and the reports of the Directors and Auditors thereon.		
02	Re-appointment of Kalu Lal Jain who retires by rotation		
03	Appointment of Auditors and fixing their remuneration		
04	Appointment of Mr Avinash Bhatnagar as a Director		
05	Increase in Remuneration of Managing Director		

Signed this _____ day of _____ of 2015.

Signature of the Member: _____

Signature of the Proxy holder/s: _____

Affix
Revenue
Stamp of
Rs 1/-

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company addressed to the "Company Secretary", **not later than 48 hours before the commencement of the AGM.**
2. A person can act as proxy on behalf of Members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than ten percent of the total share capital of the Company, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.

** it is optional to put a (✓) in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate*



ASHFL'S MANAGEMENT DISCUSSION & ANALYSIS REPORT



MANAGEMENT DISCUSSION & ANALYSIS...

Industry Overview

The new government at the centre has infused optimism in the sentiments in general. The Reserve Bank of India has managed to bring down the CPI inflation to 6% from the double digit level of inflation which persisted over the previous two years. A large part of disinflation has been on account of the slump in international crude oil prices. The Union Budget has also announced initiatives to boost investment. As a result, the outlook for the GDP growth has improved.

However, the unseasonal rains and hailstorms during the last month could have adverse impact on the agriculture and CPI inflation. Hence, what remains to be seen is the pace with which the acceleration takes place without increasing the inflation.

The Reserve Bank of India, in its endeavors to boost the pace of growth, reduced repo rate twice during the year. In its recent bimonthly policy, RBI has also indicated that it will continue to be accommodative in further easing of the rates if the inflation remains within the acceptable range and transmission to lending rates.

It is therefore expected that the credit growth which had declined to 9% - lowest in the decade from 14% during the previous year; is likely to improve during the new financial year. The asset quality which had deteriorated in general across the banking sector during the year under review, is expected to remain weak until economic growth gathers momentum. Even, net-interest margins are expected to follow the similar pattern after experiencing decline by the banking sector.

Market Scenario

There has been no change in the status of demand in the real estate sector and inventory of unsold properties had bulged to an all time high level. As a result, most of the lenders stepped up the disbursements of loans against existing properties. The spurt in mortgage loans, at a time when the economy has been at its lowest ebb; could prove difficult while effecting recoveries. Hence the risks have increased in the housing finance market when the demand for new residential properties is very sluggish and property valuations have increased.

The market scenario has become much more discouraging and it is expected that the scenario might not change for a further period of 12 to 15 months. However, in line with the Central Government's Housing for all – 2022 program, various State Governments have taken up housing projects in the affordable segment through their agencies viz. Municipal Corporations, Housing Boards, Development Authorities or through specialized agencies set up for the purpose.

AKME Star Housing Finance Limited (ASHFL) has been trying to minimize the risk while lending to these segments as much as possible by entering into tripartite agreements with various banks and financial agencies.

Affordable Housing for All

"Affordable Housing for All" has been an important policy agenda of the government, as it seeks to create an enabling and supportive environment for expanding credit flow and increasing home ownership. This will help create an ecosystem of opportunities for every potential home buyer.

The affordable housing policy has introduced an interest subvention scheme for housing loans, which is implemented through scheduled commercial banks and housing finance companies (HFC). This came under the purview of the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) programme, the flagship scheme of the Ministry of Urban Development. In addition, the Government also promotes rural housing finance in the lower and middle income (LMI) segment through the Ministry of Finance. The schemes are conducted through the Rural Housing Fund, Golden Jubilee Rural Housing Refinance Scheme and Special Refinance for Urban Poor Scheme. These



are aimed at providing affordable housing finance to the under-served, low income segments in India's rural and urban parts.

Housing Finance Companies

Housing finance companies (HFCs) have been on a strong footing, with a keen focus on the large affordable housing segment. Over the years, HFCs have come to play a vital role in the Indian economy and are gaining market share in the housing loan segment. They are at the forefront in catering to the financial needs of the under-banked masses in the rural and semi-urban areas through strong linkages with these segments.

Decelerating Inflation and Interest Rate Scenario

The Consumer Price Index (CPI) has been easing since July 2014 and has been below the expected trajectory. The decline in inflation and subdued commodity prices provided enough headroom for the Reserve Bank of India (RBI) to cut interest rates. Home loan rates settled at 10% for general borrowers by FY2015 end, down from over 11% in FY2014. Further easing of interest rates is expected to spur housing loan demand and drive the end-user market

Opportunities & Challenges facing India's Housing Sector

India's housing sector has a strong growth potential in the coming decade, as it thrives upon tremendous growth opportunities linked with the country's development cycle and socio-economic transformation. Few of these opportunities have been discussed below:

▪ Population Growth

India's population grew at a CAGR of 1.6% from 2001 to 2011. Any increase in population will have a direct bearing on requirement of housing units. Increase in working population will lead to greater demand for housing. The requirement for households is likely to rise with a change in age mix, growing number of nuclear families, continuous urbanization and growing penetration of finance.

▪ Housing for All

The Indian government is committed towards Housing for All by 2022, involving construction of 20 million houses in urban India and 40 million houses in rural India. During FY2014, projects worth ` 4,17,231.3 million were sanctioned by the National Housing Bank (NHB) for building 15,69,000 houses and dwelling units for economically weaker and lower income portion of the population.

▪ Rural Demand

Rural India accounts for 55.6% of the nation's total income, higher than urban India's contribution of 44.6%. Rural markets have become a powerful economic engine. Since 2000, per capita Gross Domestic Product (GDP) has grown faster in rural areas than the urban centres. Between 2009 and 2012, spending in rural India reached \$69 billion, significantly higher than \$55 billion spent by urban India during the same period.

▪ Working Population

India is expected to see a significant rise in its working age population. In 2010, about 781 million made up the working-age population of 15-62 years. By 2020, this working age population is expected to reach 916 million; and by 2030, this will touch an impressive 1.02 billion. This is when India will have the youngest median age of 31.2 years.

▪ Housing Shortage

Rapid pace of urbanization owing to rural-urban migration is putting a strain on urban infrastructure in India and leading to substantial housing shortage. The Technical Group on Housing Shortage estimated housing shortage in urban India to be at 18.78 million by 2012, with 95% shortage in the Economically Weaker Sections (EWS)/ Low Income Group segments. Besides urban areas, there is also a looming housing shortage in rural India, where



approximately 68% of India's population resides. Rural housing shortage is estimated at 43.9 million in 2012 by the Working Group on Rural Housing Shortage. More than 90% of this lies with the lower income and marginalized groups.

▪ **Make in India**

The Government's "Make in India" initiative, which seeks to make India a manufacturing hub, will have a rub-off effect on the key sectors. It seeks to invite the world's top companies to explore investment possibilities in India. The central objective of the initiative is to take the economy to a sustainable high growth path and follow a new model of urbanization by the creation of various industrial corridors.

▪ **Rising Per Capita Income**

Increase in per capita income leads to creation of increasing wealth and positively impacts disposable incomes. This results in a significant investment multiplier effect on the Indian economy, further leading to increasing consumerism and wealth creation and positively impacting savings

▪ **Regulatory Framework**

Regulatory changes to bring about a level-playing field between private HFCs and banks will benefit the former. A regulatory framework to mitigate risks, improve disclosures and strengthen governance standards will also reduce the perceived risks of private housing finance companies (HFCs). Correspondingly, a stronger framework on risk mitigation, disclosure norms and governance standards will minimize the general risk perception on private HFCs in the backdrop of a spurt in the new entrants in the HFC space

▪ **Key Challenges**

Some of the key challenges to overcome supply side constraints are sourcing of long term bulk finance at lower rates, institutional framework to deliver housing finance to economically weaker sections (EWS) and lower income group (LIG) section, leveraging on technology to achieve scale and reach in a cost effective manner. On the demand side, poor availability and reliability of land records, realigning laws and regulations at the state level to minimize regional disparities are some of the challenges of HFCs

▪ **Threats**

Primary threat to housing finance arises from the economic downturn and a slowdown in employment opportunities or rise in unemployment. Interest rate scenario is yet another major factor significantly affecting the home loan prospects.

The demand for home loan being rate sensitive, it can witness post-ponement in new demand, when rates harden. It may even impact repayment commitment of existing loans, when repriced. From the borrowing side for HFCs, it could pose significant threat to sustain growth.

Adverse developments in the real estate sector causing delay and default in completion of projects may cause a setback to disbursement of new loans. Likewise, growing prices act as a barrier to end user affordability and demand resistance may trigger inventory build-up and overall slowdown in the housing sector. Spurt in competition, coupled with an intensive fight for market share between HFCs and Commercial Banks within the same space can heighten the risk profile with aggressive underwriting standards. Over reliance on takeover of loans as an easier option to build size and price war, and squeezing margins to undesirable levels are other areas of possible threats.

Loan Products

ASHFL's major focus has been to provide home loans to individuals and families for purchase, construction and extension. ASHFL also provides loans for repair and renovation of houses and home loans to families in the self-employed category where formal income proofs are not easily available and the repayment capacity of such families are appraised based on their cash flows. Apart from extending home loans, ASHFL offers loans for purchase and construction of nonresidential properties (NRP) and also offers mortgage loans against existing residential and commercial properties. ASHFL offers developer loans on a selective basis.



Home loan products are being offered at variable and fixed rates, giving customers an option to decide on the type of interest rate risk. Customers are also offered an option to select the mode of calculation of interest on loans, since ASHFL offers loans on annual rest basis and also planning to provide loan on monthly and daily rest basis.

ASHFL trying to offer home loans under the Rural Housing Fund (RHF) scheme of NHB wherein loans are given in rural areas for select categories viz. Backward classes or Minority Community or Women owners or families having annual household income less than 2 lacs. Since NHB offers refinance at concessional rate of interest under the scheme, the ultimate rate of interest applicable on loans to beneficiaries is regulated with a cap on the spread.

Loans

The loan approval process at ASHFL is decentralized with varying approval limits. Approvals of lending proposals are carried out by the Directors up to the limits delegated. Larger proposals, as appropriate, are referred to the Committee of Directors, set up by the Board. Details regarding the loan disbursement are laid down in financial highlights.

NHB Guidelines and Prudential Norms

ASHFL has complied with the guidelines issued by NHB regarding accounting standards, prudential norms for asset classification, income recognition, provisioning, capital adequacy, concentration of credit, credit rating, "Know Your Customer" (KYC), Fair Practices Code, grievance redressal mechanism, recovery of dues, channel partners and real estate and capital market exposures.

Inspection by National Housing Bank (NHB)

NHB, under section 34 of the NHB Act, 1987, carries out inspection of HFCs every year. NHB conducts comprehensive inspection of ASHFL and also inspects ASHFL's lending, resource raising, and accounting activities apart from the compliances with the Prudential Guidelines issued by NHB.

Risk Management

ASHFL has formulated a risk management framework which lays the procedure for risk assessment and mitigation. The Risk Management Committee (RMC) comprises the Independent Director as the chairman and the members include senior Director holding key positions in the Company. The RMC apprises the Audit Committee of the key risks associated with the business of the Company and the measures to mitigate them.

The Audit Committee has been periodically reviewing the risk profile of the Company and evaluating the adherence by the functions of the systems and processes in place for monitoring, evaluation, assessment and mitigation of risk through a systematic and effective audit programme. The observations of Audit Committee, if any, on the risk management are reported to the Board.

ASHFL manages various risks like financial risk, operational risk, marketing risk, external risk and regulatory risks associated with the mortgage business. The critical risks which can significantly impact profitability and financial strength are credit risk, interest rate risk and liquidity risk. ASHFL manages credit risk through internal credit norms. Liquidity risk and interest rate risks arising out of maturity mismatch of assets and liabilities are managed through regular monitoring of the maturity profile.

Functions and scope of work of the committee has been laid down in detail in Corporate Governance Report part of the annual report.

Internal Audit and Control

ASHFL has an adequate system of internal control in place which has been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls, monitoring of operations, protecting assets



from unauthorized use or losses, compliance with regulations and for ensuring reliability of financial reporting. ASHFL has documented procedures covering all financial and operating functions.

ASHFL has robust internal audit programme, where the internal auditors, an independent firm of chartered accountants, conduct a risk-based audit with a view to not only test adherence to laid down policies and procedures but also to suggest improvements in processes and systems. Their audit program is agreed upon by the Audit Committee. Internal audit observations and recommendations are reported to the Audit Committee, which monitors the implementation of such recommendations.

IT Audit and Security

An information system is the backbone of ASHFL's business. ASHFL has implemented an application software developed by SRG Global Solutions Private Limited (SRG) and has been enhanced and modified by the in-house IT software development group. The application software is integrated to record and process lending and accounting transactions of ASHFL. The Information System at ASHFL operates under centralized IT environment. The centralized IT environment enables prompt communication and also provides highway for easy and quick MIS and preparation of various monthly reports.

Considering the significant dependence of ASHFL's operations on its IT system, Company also takes initiative in maintaining adequate control for data integrity and its confidentiality. The Application Software and IT System at ASHFL are upgraded from time to time.

Human Resource

The enthusiasm of staff members continued to be high in sustaining positive growth of disbursements and in maintaining healthy recoveries. With the high level of commitment and loyalty by staff members, ASHFL is confident to face the challenges of the tougher market conditions.



ASHFL'S DIRECTOR'S REPORT_{FY 2014-15}



Director's Report

To
The Members
Akme Star Housing Finance Limited
Udaipur

The Directors take pleasure in presenting the 10th Annual Report together with the audited financial statements for the year ended March 31, 2015. The Management Discussion and Analysis has also been incorporated into this report.

HIGHLIGHTS OF PERFORMANCE

The Company has achieved a gross income and net profit of Rs. 201.83 lacs and Rs. 66.69 lacs during the year under review as compared to Rs. 137.47 lacs and Rs. 36.74 lacs in the previous year respectively.

The housing loans/other loan outstanding during the year ended 31st March, 2015 were of Rs. 1232.20 lacs as against Rs. 895.58 lacs during the previous year.

The Net Owned Funds (NOF)/ Net worth of your Company is worth Rs 1538.25 Lacs as on 31.03.2015 as against Rs.1012.91 lacs during the previous year.

The Earnings Per Share (EPS) is Rs. 1.52 as at March 31, 2015 as against Rs. 0.94 as at March 31, 2014.

FINANCIAL RESULTS OF THE COMPANY

The Board's Report shall be prepared based on the stand alone financial statements of the company.

The Financial data for the current year and previous year are to be stated in a summarized form with the details of the appropriation of the credit balance (including the balance brought forward from the previous year).

Particular	Rs. In Lacs	
	2014-15	2013-2014
Total Income	201.83	137.46
Total Expenditure	103.83	83.90
Profit before depreciation	99.74	54.33
Depreciation	1.74	0.77
Profit before Taxation	97.99	53.56
Provision for Taxation	31.30	16.81
Profit after Tax	66.69	36.74
Earnings Per Share	1.52	0.94
Net Owned Funds	1538.24	1012.91

DIVIDEND

To look after the further expansion of business activity and inadequacy of profits your directors do not recommend any payment of dividend for the year ended 31st March, 2015.



PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, there are no employees of the Company covered under this section who is earning salary over and above specified limit.

AMENDMENT IN MEMORANDUM & ARTICLES OF ASSOCIATION

During the year under review, pursuant to a special resolution passed on September 10, 2015, in the Annual General Meeting, the Members of the Company had approved the adoption of new set of Articles of Association (AOA) of the Company (replacing the existing set of Articles of Association), in conformity with the provisions of the Companies Act, 2013

SHARE CAPITAL

▪ Authorized Share Capital

The authorized share capital of the Company stood at 6,00,00,000 (divided into 60,00,000 Equity Shares of Rs. 10/- each.

Company has increased its Authorized Capital during the year From Rs 3,00,00,000/- to Rs 6,00,00,000/-.

▪ Issued and Paid-up Capital

Your Company's Share Capital was at Rs 5.93 crore as at March 31, 2015 as compared to Rs 2.16 crore as at March 31, 2014. The increase was mainly on account of issuance and allotment of following equity shares:

1. Bonus Issue at Ratio of 1:1
2. Company has offered its Shares to the Public by way of IPO during the year.

FINANCE

Cash and cash equivalent as at March 31, 2015 was 402.44 lacs. The Company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

DEPOSITS

Your Company has neither accepted nor invited any fixed deposit from the Public during the year under review as per NHB regulations.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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, 2015.

CREDIT RATING

The Company's borrowings enjoy the following Credit Ratings

Nature of Borrowing	Rating	Rating Agency
Cash Credit Limit	BB+	CARE



CAPITAL ADEQUACY

As required under National Housing Bank Directions, your Company is presently required to maintain a minimum capital adequacy of 12% on a standalone basis. In addition, the National Housing Bank Directions also require that your Company transfers minimum 20% of its annual profits to a reserve fund.

Your Company's Capital Adequacy Ratio is at 133.26 % as at March 31, 2015, which provides an adequate cushion to withstand business risks and is above the minimum requirement of 12% stipulated by the National Housing Bank.

HUMAN RESOURCES AND TRAINING

The Company aims to align HR practices with business goals, motivate people for higher performance and build a competitive working environment. Productive high performing employees are vital to the company's success. The Board values and appreciates the contribution and commitment of the employees towards performance of your Company during the year. In pursuance of the Company's commitment to develop and retain the best available talent, the Company continued to offer in-house training program to staff members in executive development, leadership and management skills. The Company had organized various training programs for upgrading the skill and knowledge of its employees in different operational areas. The Company also sponsored its employees at various levels to attend various seminars and programs conducted by various organizations and institutions including Training programs conducted by the National Housing Bank so as to update their knowledge and to keep them abreast of all the developments in their respective fields.

Employee relations remained cordial and the work atmosphere remained congenial during the year.

DISCLOSURE UNDER SUB-SECTION (3) OF SECTION 134 OF COMPANIES ACT, 2013, READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

- **Conservation of energy:**

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

- **Technology absorption:**

The Company is not involved in any technology absorption nor is there any R&D activity during the year

- **Foreign Exchange Earnings and Outgo**

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

NATIONAL HOUSING BANK (NHB) GUIDELINES

The Company has complied with the provisions of the Housing Finance Companies (NHB) Directions, 2010 as prescribed by NHB and has been in compliance with the various Circulars, Notifications and Guidelines issued by National Housing Bank (NHB) from time to time. The Circulars and the Notifications issued by NHB are also placed before the Audit Committee / Board at regular intervals to update Committee / Board members on the same.



BUSINESS RISK MANAGEMENT

Pursuant to the requirement of the Listing Agreement, the Company has constituted a Business Risk Management Committee. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report. The Company has a robust Business Risk Management (BRM) framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level. Risk management forms an integral part of the Company's Mid-Term Planning cycle.

During the year, the Board reviewed the risks associated with the business of the Company, its root causes and the efficacy of the measures taken to mitigate the same. The procedures are adopted to assess the risks and their mitigation mechanisms.

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 also implemented NHB's Asset Liability Management Guidelines

CODES, STANDARDS & POLICIES KNOW YOUR CUSTOMER & ANTI MONEY LAUNDERING MEASURE POLICY

Your Company has a Board 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 National Housing Bank guidelines.

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.

▪ 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 National Housing Bank 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.

▪ Code Of Conduct For Board Members And The Senior Management

Your Company has adopted a Code of Conduct for its Board Members and Senior Management personnel. The code requires the directors and employees of the Company to act honestly, ethically and with integrity and in a professional and respectful manner.

The declaration by the Chairman & Managing Director of the Company regarding compliance with the Code of Conduct for Board Members and Senior Management is annexed with the Corporate Governance report.



▪ **Code For Prevention Of Insider Trading Practices**

Your 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 SEBI (Prohibition of Insider Trading) Regulations, 2015, 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.

▪ **Code Of Business Ethics (COBE)**

Your 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.

▪ **Whistle Blower Policy**

Your Company believes and is committed to adhere to high ethical standards and compliance with laws and regulations applicable to its business. Company adopted a Whistle Blower Policy which provides for a vigil mechanism that encourages and supports its Directors and employees to report to the management / Chairperson of the Audit Committee instances of unethical behavior, actual or suspected, fraud or violation of the Company's Code of Conduct or Ethics Policy.

The said policy, however, provides for adequate safeguards against the victimization of the Whistle Blower who avail this mechanism. The policy also provides for direct access to the Chairperson of the Audit Committee in exceptional cases.

▪ **Sexual Harassment Policy**

The policy on "Workplace Sexual Harassment" was formulated and an Internal Complaints Committee (ICC) was also constituted as per the provisions of "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The said policy seeks to protect women employees from sexual harassment at the place of work. The primary objective of the same is to safeguard the interest of female employees in the Company and also provides for punishment in case of false and malicious representations.

▪ **Comprehensive Risk Management Policy**

Your Company has formulated and adopted 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.

▪ **Corporate Social Responsibility (CSR)**

Considering these, the concept of Corporate Social Responsibility (CSR) is the demand of the current era. CSR has become a concept that frequently overlaps similar approaches, such as corporate sustainability, corporate sustainable development and corporate responsibility.

Your Company is a socially responsible organization and always keen to promote the interest of customers, employees, shareholders and communities as a whole.



Our founder chairman's vision and legacy continues to guide our company and our people. Social responsibility is a way of life at ASHFL. It means investing in and enriching our communities. It means encouraging employee volunteerism.

Company has constituted a CSR Committee on in Board meeting held on 13th March 2015.

▪ **Remuneration Policy**

The Board of Directors had on the recommendation of the Nomination & Remuneration Committee Appointed Mrs. Rajni Gehlot Independent Director as Member, Mr. Amrit Singh Rajpurohit and Mr. Avinash Bhatnagar Independent Director as Chairman.

The Company follow a Policy on remuneration of Directors and senior management Employees, The Policy is approved by the Nomination & Remuneration Committee and the Board.

VIGIL MECHANISM

Fraud free and corruption free work culture has been core to the Company. on view of the potential risk of fraud and corruption due to rapid growth and geographical spread of operations, the company has put an even greater emphasis to address this risk.

The Audit Committee of the Company is also looking for prevent the fraud under the Vigil mechanism for the Company.

LISTING OF SHARES OF THE COMPANY

The Equity Shares of your Company continue to remain listed on the BSE Limited. The Company has paid the listing fees as payable to the BSE Limited for the financial year 2014-15.

DIRECTORS AND KEY MANAGERIAL PERSONAL

▪ **Appointment**

To meet out the requirement of Companies Act 2013 and SME Listing Agreement Company has appointed Mr. Avinash Bhatnagar as Independent Director in Board of Directors meeting as Additional Director on 15.09.2014.

As an Additional Director, Mr. Avinash Bhatnagar shall hold office up to the date of ensuing General Meeting. The Company has received notice as per section 160 (1) of the Companies Act 2013 from a member proposing her appointment as Director. The Board of Directors recommends his appointment.

Further details about the all directors are given in Corporate Governance report as well as in the Notice of the ensuing General Meeting being sent to the shareholders along with Annual Report

▪ **Appointment of Independent Directors**

The Board appointed all the existing Independent Directors viz. Mr. Amrit Singh Rajpurohit and Mrs. Rajni Gehlot as Independent Director under Section 149 of the Companies Act 2013 for a term of Five Years from the 9th Annual general Meeting.

The Shareholder approves their appointment in Annual General Meeting held on 10th September 2014.



All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 52 of the Listing Agreement

▪ **Retire By Rotation**

In accordance with the provisions of section 152 (6) of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Mr. Kalu Lal Jain (DIN 00451442) will retire by rotation at the ensuing general meeting of the Company and being eligible offer themselves for re-appointment. The Board recommends their re appointment.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 52 of the SME Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees.

MEETINGS

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year 13 Board Meetings and 4 (Four) Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a half yearly basis.

SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATOR OR COURT OR TRIBUNALS

There were no significant/material orders passed by any Regulator or Court or Tribunal which would impact the going concern status of the Company and its future operations

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.



The internal audit department also assesses opportunities for improvement in business process systems and controls provides recommendations, designed to add value to the organization and follows up on the implementation of corrective actions and improvements in business process after review by the Audit Committee.

SECRETARIAL AUDITOR & SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed Mr. Ronak Jhuthawat Proprietor of M/s Ronak Jhuthawat & Co., Practicing Company Secretaries, Udaipur, to undertake the Secretarial Audit of the Company for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015, is annexed as "Annexure - A" to this report. The said report, does not contain any qualification, reservation or adverse remark, however, contains certain observations of the Secretarial Auditor which are self explanatory, and thus do not call for any further comments. "Annexure A".

AUDITORS

▪ Statutory Auditors

The Company's Statutory Auditors, M/s Nyati Mundra & Co. (ICAI Firm Registration No. 08153C), Chartered Accountants, Udaipur will hold office until the conclusion of the ensuing Annual General Meeting of the Company are eligible for reappointment as per section 139 of the Companies Act 2013.

M/s Nyati Mundra & co have expressed their willingness to get re appointed as the statutory auditors of the company and They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed there under for reappointment as Auditors of the Company. As required under Clause 52 of the SME Listing Agreement, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Board based on the recommendation of the audit committee recommends the re appointment of M/s Nyati Mundra & co as the statutory Auditor of the Company.

The Members are requested to appoint M/s Nyati Mundra & co Chartered Accountants as Auditors from the conclusion of the ensuing annual general meeting till the Conclusion of the next Annual General Meeting in 2016 and to authorize the Board to fix their remuneration for the year 2015.

▪ Notes to Accounts and Auditors Report

The notes to the accounts referred to in Auditors Report are self-explanatory and do not call for any further comments. The Statutory Auditors Report does not contain any qualification, reservation or adverse remark.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134 (3) (c) of the Companies Act, 2013:

- that in the preparation of the annual financial statements for the year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that such accounting policies as mentioned in Note of the Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended on that date;



- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual financial statements have been prepared on a going concern basis;
- that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

CORPORATE GOVERNANCE

Pursuant to Clause 52 of the listing agreement with Stock Exchanges, a separate section titled Report on Corporate Governance forms part of this Annual Report. The Report on Corporate Governance also includes certain disclosures that are required, as per Companies Act, 2013.

Auditors' Certificate confirming compliance with the conditions of Corporate Governance as stipulated under Clause 52 of the Listing Agreement also forms part of this Annual Report.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 134 (3) (a) and Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return as at March 31, 2015, in the prescribed form MGT 9, forms part of this report and is annexed as "Annexure B".

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.

ACKNOWLEDGEMENTS

Your Directors thank the various departments like NHB, MCA, Registrar of Companies, various Organizations and Agencies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

CAUTIONARY STATEMENT

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions



AKME STAR HOUSING FINANCE LIMITED

affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

Registered office

AKME Business Center
4-5 Subcity Center Savina Circle
Udaipur.313002

Date: 11.07.2015

For and on behalf of the Board

Sd/-

Mohan Lal Nagda
(Managing Director)
DIN 00211925

Sd/-

Nirmal Kumar Jain
(Director)
DIN 00240441



Annexure - A

ASHFL'S SECRETARIAL AUDIT REPORT 2014-15



**FORM MR-3
SECRETARIAL AUDIT REPORT**

(For the period ended 31.03.2015)

[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
Akme Star Housing Finance Limited
Akme Business Centre
4-5 Subcity Centre Savina Udaipur 313001

Company No. **U45201RJ2005PLC020463**
Authorised Capital 6,00,00,000 /-

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **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 our verification of the 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, we hereby report that in our opinion, the Company has, during the audit period ended on **31.03.2015**, 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:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Akme Star Housing Finance Limited** ("The Company") for the period ended on 31.03.2015 according to the provisions of:
 - a. The Companies Act, 2013 (**the Act**) and the Rules made there under;
 - b. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the Rules made there under;
 - c. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - d. 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:-
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - 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;



- the Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited; and
- The Memorandum and Articles of Association.

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with the BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, and Listing Agreements etc mentioned above.

2. I further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 1956 and the Rules made under that Act and the provisions of Companies Act, 2013 as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:

- a. maintenance of various statutory registers and documents and making necessary entries therein;
- b. Closure of the Register of Members.
- c. forms, returns, documents and resolutions required to be filed with the Registrar of Companies
- d. service of documents by the Company on its Members, Auditors and the Registrar of Companies;
- e. notice of Board meetings and Committee meetings of Directors;
- f. the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
- g. the 9th Annual General Meeting held on 10th September 2014;
- h. minutes of proceedings of General Meetings and of the Board and its Committee meetings;
- i. approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
- j. constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director;
- k. payment of remuneration to Directors including the Managing Director,
- l. appointment and remuneration of Auditors;
- m. transfers and transmissions of the Company's shares and issue and dispatch of Split certificates of shares;
- n. borrowings and registration, modification and satisfaction of charges wherever applicable;
- o. investment of the Company's funds including investments and loans to others;



- p. form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;
- q. Directors' report;
- r. contracts, common seal, registered office and publication of name of the Company; and
- s. Generally, all other applicable provisions of the Act and the Rules made under the Act.

3. I further report that:

- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 - b. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
 - c. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
 - d. The Company has obtained all necessary approvals under the various provisions of the Act; and
 - e. There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
 - f. The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;
 - g. The Directors have disclosed their interest and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities as and when required and their disclosures have been noted and recorded by the Board;
4. The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.
5. I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Byelaws framed thereunder by the Depositories with regard to dematerialization of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
6. The Company has complied with the provisions of the National Housing Bank Act 1987 and the Rules and Regulations made under that Act to the extent applicable.



7. I further report that:

- a. the Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited.
- b. the Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
- c. the Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;

8. I further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Udaipur
Date: 30.05.2015

For Ronak Jhuthawat & Co.

Sd/-
Ronak Jhuthawat
Company Secretaries
M NO 32924 CP No 12094



Annexure – B

ASHFL'S

EXTRACT OF ANNUAL RETURN_{FY 2014-15}



FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the Financial year ended on 31st March 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS		
a.	CIN	U45201RJ2015PLC020463
b.	Registration Date	17/03/2015
c.	Name of the Company	AKME Star Housing Finance Limited
d.	Category/Sub-Category of the Company	Company Limited by Shares, Indian Company
e.	Address of the Registered Office and Contact Details-	AKME Business Center, 4-5 Sub city Center, Savina Circle Udaipur Raj 313002. 0294-2489501
f.	Whether Listed Company Yes/ No	Yes
g.	Name, Address and Contact Details of Registrar and Transfer Agent, if any-	
	Name:	Big Share Services Private Limited
	Address:	E 2 Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri East, Mumbai 400072
	Contact Details:	022 40430200

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-			
Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Carrying out activities of housing finance companies (Housing Loan & Non-Housing Loans)	65922	100.00

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-					
Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
	NIL				



IV. SHARE HOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)

1. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1st April 2014)				No. of Shares held at the end of the year (as on 31st March 2015)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters/ Promoters Group									
i. Indian									
a. Individual/ HUF	-	1004440	1004440	46.35	2521560	-	2521560	42.49	3.86
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt(s)	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	-	256250	256250	11.82	512500	-	512500	8.64	3.19
e. Banks/FI	-	-	-	-	-	-	-	-	-
f. Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (i):-	0	1260690	1260690	58.17	3034060	0	3034060	51.13	7.04
ii. Foreign		-	-	-	-	-	-	-	-
a. NRIs- Individuals	-	-	-	-	-	-	-	-	-
b. Other- Individuals	-	-	-	-	-	-	-	-	-
c. Bodies Corp.	-	-	-	-	-	-	-	-	-
d. Banks/ FI	-	-	-	-	-	-	-	-	-
e. Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (ii):-	-	-	-	-	-	-	-	-	-
Total Share holding of Promoter (A)= (A)(i)+(A)(ii)	0	1260690	1260690	58.17	3034060	0	3034060	51.13	7.04
B. Public Share holding									
i. Institutions	-	-	-	-	-	-	-	-	-
a. Mutual Funds	-	-	-	-	-	-	-	-	-
b. Banks/FI	-	-	-	-	-	-	-	-	-
c. Central Govt.	-	-	-	-	-	-	-	-	-
d. State Govt(s)	-	-	-	-	-	-	-	-	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Companies	-	-	-	-	-	-	-	-	-
g. FIIs	-	-	-	-	-	-	-	-	-
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i. Market Maker	-	-	-	0	80000	-	80000	1.35	-1.35
Sub-Total (B)(i):-	-	-	0	0	80000	0	80000	1.35	-1.35



ii. Non-Institutions	-								
a. Bodies Corp.	-	88370	88370	4.08	184740	-	184740	3.11	0.96
i. Indian	-	-	-	-	-	-	-	-	-
ii. Overseas	-	-	-	-	-	-	-	-	-
b. Individuals	-								
i. Individual Shareholders holding nominal share capital upto 1 lakh	-	372150	372150	17.17	1298500	64400	1362900	22.97	-5.79
ii. Individual Shareholders holding nominal share capital in excess of 1 lakh	-	446040	446040	20.58	735440	537360	1272800	21.45	-0.87
c. Others (specify)	-	-	-	-	-	-	-	-	-
i. Clearing members	-	-	-	-	-	-	-	-	-
ii. Directors & Relatives (other than Promoters)	-	-	-	-	-	-	-	-	-
iii. Non-Resident Indians	-	-	-	-	-	-	-	-	-
iv. Trust	-								
Sub-Total (B)(ii):-	-	906560	906560	41.83	2218680	601760	2820440	47.53	-5.70
Total Public shareholding (B)= (B)(i)+(B)(ii)	-	906560	906560	41.83	2298680	601760	2900440	48.87	-7.04
C. Shares held by Custodian for GDRs & ADRs - NIL									
Grand Total (A+B+C)	-	2167250	2167250	100.00	5332740	601760	5934500	100.00	0.00

2. Shareholding of Promoters

S. No.	Share holder's Name	Shareholding at the beginning of the year (as on 1st April 2014)			Shareholding at the end of the year (as on 31st March 2015)			% change in share holding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Nirmal Kumar Jain	213500	9.85	-	427000	7.19	-	-2.66
2	Mohan Lal Nagda	175650	8.1	-	351300	5.92	-	-2.18
3	Kalu Lal Jain	158350	7.3	-	316700	5.34	-	-1.96
4	Abhilasha Jain	81500	3.76	-	163000	2.75	-	-1.01
5	Anil Kumar Jain	110520	5.09	-	221040	3.72	-	-1.37
	Total	739520	34.10		1479040	24.92		



3. Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year (as on 1st April 2014)		Cumulative Shareholding during the year ()	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	At the beginning of the year	739520	34.10%	739520	34.10%
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc.)	10.09.2014 Bonus Share Allotted in Ratio of 1:1			
	At the end of the year (or on the date of separation, if separated during the year)	1479040	24.92%	1479040	24.92%

4. Shareholding Pattern of top ten Shareholders

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

Sl. No.	For each of the top ten Shareholders	Shareholding at the beginning of the year (as on 1st April 2014)		Change in shareholding		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	Increase *	Decrease	No. of Shares	% of total shares of the Company
1	Anchor Metal Private Limited	88370	4.08	88370	-	176740	2.98
2	Panna Lal Jain	52770	2.43	52770	-	105540	1.78
3	Ashok Kumar Jain	41700	1.92	41700	-	83400	1.41
4	Ramesh Kumar Jain	41500	1.91	41500	-	83000	1.40
5	Choice Equity Broking Pvt Limited	0	0.00	80000	-	80000	1.35
6	Narendra Kumar Pamecha	27190	1.25	31190	-	58380	0.98
7	Pavan Kumar Jain	23900	1.10	27900	-	51800	0.87
8	Bansi Lal Champa Lal Ji Jain	24000	1.11	24000	-	48000	0.81
9	Monika Jain	0	0.00	45400	-	45400	0.77
10	Sanjay Jain	5000	0.23	38000	-	43000	0.72
	Change in shareholding due to Bonus share allotment 10.09.2014 & transfer of shares on 08.05.2014 & 10.12.2014						


5. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year (as on 1st April 2014)		Date of Change	Increase / Decrease	Reason	Cumulative shareholding during the year (as on 31st March 2015)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
	Directors							
1	Nirmal Kumar Jain	213500	9.85	10.09.2014	213500	Bonus	427000	7.20
2	Mohan Lal Nagda	175650	8.10	10.09.2014	175650	Bonus	351300	5.92
3	Kalu Lal Jain	158350	7.31	10.09.2014	158350	Bonus	316700	5.34
4	Amrit Singh Rajpurohit	Nil	Nil	Nil Holding During the year				
5	Avinash Bhatnagar	6670	0.31	10.09.2014	6670	Bonus	13340	0.22
6	Rajni Gehlot	3350	0.15	10.09.2014	3350	Bonus	6700	0.11
	KMP's							
7	Paritosh Kothari	Nil	Nil	Nil Holding During the year				
8	Ashish Jain	Nil	Nil	Nil Holding During the year				

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

Rs In Lacs				
Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
(i) Principal Amount	280.02	Nil	Nil	280.02
(ii) Interest due but not paid	Nil	Nil	Nil	Nil
(iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	280.02	Nil	Nil	280.02
Change in indebtedness during the financial year		Nil	Nil	Nil
• Addition	Nil	Nil	Nil	Nil
• Reduction	7.37	Nil	Nil	7.37
Net Change	-7.37	Nil	Nil	-7.37



Indebtedness at the end of the financial year				
(i) Principal Amount	272.65	Nil	Nil	272.65
(ii) Interest due but not paid	nil	Nil	Nil	Nil
(iii) Interest accrued but not due	nil	Nil	Nil	Nil
Total (i+ii+iii)	272.65	Nil	Nil	272.65

VI. Remuneration of Directors and Key Managerial Personnel					
A. Remuneration to Managing Director, Whole-time Director and/or Manager					
Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Mohan lal Nagda	Nirmal Kumar Jain	Kalu lal Jain	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	480000	480000	NIL	960000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	
	(c) Profits in lieu of Salary under section 17(3) Income-tax Act, 1961	-	-	-	
2	Stock Option	-	-	-	
3	Sweat Equity	-	-	-	
4	Commission				
	- as % of profit	-	-	-	
	- others, specify	-	-	-	
5	Others, please specify	-	-	-	
	Total (A)	480000	480000	NiL	960000
	Ceiling as per the Act	In terms of the provisions of the Companies Act, 2013 ("Act") the remuneration payable to the Managing Directors shall not exceed 5% of the net profit of the Company as calculated as per the Act. Company has Complied with the Act and the remuneration approved accorded by the members of the Company.			



B. Remuneration to other Directors:						
Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	Rajni Gehlot	Avinash Bhatnagar	Amrit Singh Rajpurohit		
	• Fee for attending Board Committee Meetings	27500	15000	27500		70000
	• Commission					
	• Others, please specify					
	Total (1)	27500	15000	27500		70000
2	Other Non-Executive Directors	Kalu Lal Jain				
	• Fee for attending Board Committee Meetings	32500				32500
	• Commission					
	• Others, please specify					
	Total (2)	32500				32500
	Total (B)=(1+2)	60000	15000	27500		102500
	Total Managerial Remuneration					1062500
	Overall Ceiling as per the Act	The remuneration paid to the Directors of the Company were within the overall ceiling as prescribed under the Companies Act, 2013.				



C. Remuneration to Key Managerial Personnel Other than MD/Manager/ WTD:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	49000	-	49000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of Salary under section 17(3) Income-tax Act, 1961				
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	49000		

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ COURT)	Appeal made, if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

None



ASHFL'S

CORPORATE GOVERNANCE REPORT



CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2015.

The evolving principles of good corporate governance involves a set of systems, procedures, policies, practices and standards to be put in place by a corporate to ensure that the relationship with various stakeholders is maintained in the most transparent manner. The heart of good corporate governance is transparency, disclosure, accountability and integrity which are indispensable to have effective corporate discipline. It goes beyond rules and regulations that the Government can put in place. It is about ethics and the values which drive companies in the conduct of their business.

Corporate Governance involves a set of relationships amongst the Company's management, its Board of Directors, its members, its auditors and other stakeholders. These relationships involve various rules and incentives; provide the structure through which the objectives of the Company are set, and the means of attaining these objectives as well as monitoring the performances.

Companies around the world are realizing that better corporate governance adds considerable value to their operational performance

- It improves strategic thinking at the top by inducting independent directors who bring a wealth of experience and a host of new ideas
- It rationalizes the management and monitoring of risk that a firm faces globally
- It limits the liability of top management and directors, by carefully articulating the decision-making process
- It assures the integrity of financial reports
- It has long term reputational effects among key stakeholders, both internally and externally

Thus, the key aspects of good corporate governance include corporate transparency and fairness in operations

CORPORATE GOVERNANCE AT ASHFL

ASHFL's Corporate Governance practices outlays ethical business conduct. It encompasses not only regulatory and legal requirements, including the SEBI Regulations in respect of Corporate Governance but also other practices aimed to achieve accountability and enhancement of value for all stakeholders. ASHFL's Corporate Governance policies recognizes the importance of transparency and a committed approach of disclosure level to all its constituents, including employees, customers, investors and the regulatory authorities. ASHFL is committed to function such corporate governance norms and practices that primates the long term interests of the members, strengthens the accountability of its management and Board of Directors and that entrusts other stakeholders' trust in the Company. The Report of the Company on Corporate Governance as per Clause 52 of the SME Listing Agreement is listed hereunder:-

BOARD OF DIRECTORS

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 your Company continuously strives to strengthen the accountability mechanism, ensures value creation for its members and accountability of the organization towards its stakeholders and regulatory authorities.



The Board monitors and approves the major financial and business strategies and policies of the Company. It reviews the operational and financial performance of the Company. The Board sets up performance objectives and monitors its implementation and ensures proper delegation of appropriate authority to the Senior Executives of the Company for effective management of operations. The Board also oversees the mechanism of financial control, internal control and risk management and ensures that the processes are in place with regard to the compliance with the applicable laws.

The Board while performing its fiduciary duties recognizes its responsibilities towards its members and other stakeholders to uphold the highest standards in all matters concerning the Company and for the purpose empowers responsible officials to implement its broad policies and guidelines. The Company's business is conducted by its employees under the directions of the Chairman & Managing Director, Presidents and overall supervision of the Board.

Composition of the Board

The Board of the Company represents an optimum combination of Executive and Non-Executive Directors as well as Independent Directors, who possess varied professional knowledge and experience in diverse fields like finance, banking, insurance, economics, corporate laws and administration.

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

The Board of Directors comprises of Six [6] members of which Two [2] is an Executive Director, One [1] is Managing Director & Three [3] Independent & Non-Executive Director. The Company is in compliance with Clause 52 of the SME Listing Agreements and with the provisions of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, as applicable, with regard to composition of Board of Directors. None of the Director on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees, across all the companies in which he is a Director.

Composition of the Board as on March 31, 2015

Category	No. of Directors
Non Executive & Independent Directors	3
Executive Director	2
Managing Director & Chairman	1
Total	6

Directors' Profile

The Board of Directors comprises highly renowned professionals drawn from diverse fields. They bring with them a wide range of skills and experience to the Board, which enhances the quality of the Board's decision making process

The details of the Directors, as at March 31, 2015, including the details of their board directorship reckoned in line with Clause 52 of the listing agreement, committee membership (including ASHFL) and their shareholding in the Company, are given below:


Other Details Relevant to Directors

Name of the Director & DIN	Date of Appointment	Category	*Number of Directors hips	**Committees Position Including ASHFL	
				Member	Chairman
Nirmal Kumar Jain DIN 00240441	21.03.2005	Executive Director	7	1	0
Mohan Lal Nagda DIN 00211925	01.09.2007	Managing Director	4	0	0
Kalu Lal Jain DIN 00451442	14.05.2011	Executive Director	3	1	0
Rajni Gehlot DIN06627287	15.07.2013	Non executive & Independent Director	1	2	1
Amrit Singh Rajpurohit DIN02173432	15.07.2013	Non executive & Independent Director	1	1	0
Avinash Bhatnagar DIN 06968417	15.09.2014	Non executive & Independent Director	1	2	1

* Inclusive of directorships held in Private Limited Companies.

** Only Audit Committee and Stakeholders' Relationship Committee has been considered.

BOARD MEETINGS

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. The Agenda along with comprehensive notes and background material are circulated well in advance before each meeting to all the Directors. 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 information as given to the Board either as a part of the agenda of the meeting or by way of presentation during the meeting; inter alia includes:

- Annual operating plans, budgets and business strategies and performance.
- Risk evaluation and control mechanism.
- Significant regulatory matters.
- Details of potential acquisition and disinvestments, merger, joint ventures.
- Details of investments and deployment of capital issue proceeds.
- Compliance with relevant legislation and regulations

During the financial year **2014-15**, **13 Board Meetings** were held on 05.04.2014, 08.05.2014, 31.05.2014, 25.07.2014, 20.08.2014, 10.09.2014, 15.09.2014, 17.10.2014, 20.11.2014, 10.12.2014, 16.01.2015, 18.02.2015 & 13.03.2015 respectively. The details of the attendance of the Directors at the Board Meeting, Sitting fees paid and attendance at the Annual General Meeting held during the year 2014-15 are as follows:



ATTENDANCE OF DIRECTORS

S. No.	Name of the Director	Board of Meetings		Setting fees Paid	Whether attended last AGM held on. 10.09.2014 (Y/N)
		No of Meeting Held	No. of Meeting attended		
1	Nirmal Kumar Jain	13	13	32500	Yes
2	Mohan Lal Nagda	13	11	27500	Yes
3	Kalu lal Jain	13	13	32500	Yes
4	Rajni Gehlot	13	11	27500	Yes
5	Amrit Singh Rajpurohit	13	11	27500	Yes
6	Avinash Bhatnagar	6*	6*	15000	Yes

***Mr. Avinash Bhatnagar has appointed on 15.09.2014 as an additional Director on the Board**

COMMITTEES OF THE BOARD

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are sent to all Directors individually and tabled at the Board Meetings.

A. Audit Committee

The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. Its purpose 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 and internal audit activities. The Committee is governed in line with the regulatory requirements mandated by the Companies Act, 2013 and Clause 52 of SME Listing Agreement. Some of the important functions performed by the Committee are:

- 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 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 nonpayment of declared dividends) and creditors.
 - To review the functioning of the Whistle Blower mechanism, in case the same is exist.
 - 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.

Powers of the Audit Committee:

- 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 composition of the Audit Committee as at March 31, 2015 and details of the Members participation at the Meetings of the Committee are as under:



NAME OF MEMBERS CATEGORY	CATEGORY	Attendance at the Board Meetings held on			
		05.05.2014	25.08.2014	09.12.2014	10.03.2015
Rajni Gehlot	Independent	Yes	Yes	Yes	Yes
Avinash Bhatnagar	Independent	-	-	Yes	Yes
Nirmal Kumar Jain	Executive	Yes	Yes	Yes	Yes
Kalu Lal Jain	Independent	Yes	Yes	-	-

- Kalu Lal Jain has resigned from the Audit Committee and consented to be a Executive Director from 15.09.2014.
- Avinash Bhatnagar has been appointed as Member of Audit Committee w.e.f. 15.09.2014
- Rajni Gehlot is the Chairperson of the Audit Committee.

All the Members on the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls. The representatives of the Statutory Auditors are permanent invitees to the Audit Committee Meetings. The Company Secretary is the Secretary to the Committee.

Self Assessment by the Audit Committee

The Audit Committee has set in place a process to measure and benchmark its performance each year. The assessment broadly covers composition, structure and committee meetings; overview of the financial reporting process; internal control systems and overview of internal and external audits. The results of the self assessment are presented to the Audit Committee along with the action plan in the areas requiring improvement.

B. Stakeholders' Relationship Committee

In compliance with the provisions of Section 178 of the Companies Act, 2013 and as per the SME Listing Agreement, the Board has Constituted Stakeholders' Relationship Committee. The terms of reference of the Committee are:

- 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;
- issue and allot right shares / bonus shares pursuant to a Rights Issue / Bonus Issue made by the Company, subject to such approvals as may be required;
- to grant Employee Stock Options pursuant to approved Employees' Stock Option Scheme(s), if any, and to allot shares pursuant to options exercised;
- to issue and allot debentures, bonds and other securities, subject to such approvals as may be required;
- 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;
- monitoring expeditious redressed of investors / stakeholders grievances;
- All other matters incidental or related to shares, debentures and other securities of the Company.

The composition of the Stakeholders' Relationship Committee as at March 31, 2015 and details of the Members participation at the Meetings of the Committee are as under:



NAME OF MEMBERS	CATEGORY	Attendance at the Stakeholders' Relationship Committee Meetings held on	
		15.12.2014	20.03.2015
Rajni Gehlot	Independent and Non executive	Yes	Yes
Avinash Bhatnager	Independent and Non executive	Yes	Yes
Amrit Singh Rajpurohit	Independent and Non executive	Yes	Yes

- The Committee has been Constituted on 15.09.2014
- Mr. Avinash Bhatnager is the Chairman of the Committee
- No sitting fees paid to member of the Stakeholders' Relationship Committee.

C. Nomination and Remuneration Committee

In compliance with Section 178 of the Companies Act, 2013, and SME Listing Agreement the Board has Constituted the "Nomination and Remuneration Committee".

The terms of reference of the Committee inter alia, include the following:

- Succession planning of the Board of Directors and Senior Management Employees;
- Identifying and selection of candidates for appointment as Directors / Independent Directors based on certain laid down criteria;
- Identifying potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions;
- Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration;

Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board. 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. In compliance with the provisions of Section 178 of the Companies Act, 2013 and Clause 52 of the Listing Agreement .

The composition of the Nomination and Remuneration Committee as at March 31, 2015 and the details of Members participation at the Meetings of the Committee are as under:

NAME OF MEMBERS	CATEGORY	Attendance at the Nomination and Remuneration Committee Meetings held on	
		20.12.2014	30.03.2015
Rajni Gehlot	Independent & Non Executive	Yes	Yes
Avinash Bhatnager	Independent & Non Executive	Yes	Yes
Amrit Singh Rajpurohit	Independent & Non Executive	Yes	Yes



Remuneration, commission and other payments to the Directors

Executive Director

The key terms and conditions of Mr. Mohan Lal Nagda upon reappointment as the Chairman and Managing Director of the Company for a term of five years, as set out in the agreement dated August, 27 2013 entered with the Company are listed below:

Salary: Salary payable to Mr. Mohan Lal Nagda, Chairman & Managing Director is 45,000 per month. (Inclusive of Dearness Allowance and other Allowances)

Other Benefits and Allowances: Other benefits and allowances include use of car with driver, telephones for the Company's business, as per the scheme of the Company and approved by the Board and Nomination and Remuneration Committee from time to time.

Provided however, that the remuneration payable to Mr. Mohan Lal Nagda shall not exceed the limits specified in the agreement dated August 27, 2013 entered with the Company and the limits prescribed under Schedule XIII of the Companies Act, including any amendment, modification, variation or re-enactment thereof. Also, in the event of any loss, absence or inadequacy of profits in any financial year, during the term of office of Mr. Mohan Lal Nagda, the remuneration payable to him by way of salary, allowances, commission, perquisites and other benefits shall not without the approval of the Central Government (if required) exceed the limits prescribed under Schedule XIII of the Companies Act, including any amendment, modification, variation or re-enactment thereof. The present remuneration structure of the Executive Director consists of fixed salary, and other perquisites.

Non-Executive & Independent Directors

The Non-Executive Directors of the Company do not have any pecuniary relationship except as mentioned herein. The Non-Executive Directors are paid sitting fees and other expenses incurred for attending the Board / Committee meetings. The Company pays sitting fees of 2500 per meeting to the Non-Executive Directors for attending meetings of the Board.

The compensation paid / payable by the Company to the Non-Executive Directors as at March 31, 2015 is as given below:

Name of Non Executive & Independent Director	Sitting fees
Rajni Gehlot	27500
Avinash Bhatnagar	15000
Amrit Singh Rajpurohit	27500

- Mr Avinsh Bhatnagar has been appointed on 15.09.2014

D. Corporate Social Responsibility (CSR) Committee

The terms of reference of the Corporate Social Responsibility Committee (CSR) broadly comprises:
To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013. To provide guidance on various CSR activities are undertaken by the Company and to monitor its progress. The composition of the



Corporate Social Responsibility Committee as at March 31, 2015 and the details of Members' participation at the Meetings of the Committee are as under:

NAME OF MEMBERS	CATEGORY	Attendance at the CSR Meetings held on
		25.03.2015
Avinash Bhatnagar	Independent Director	Yes
Nirmal Kumar Jain	Executive Director	Yes
Mohan Lal Nagda	Executive Director	Yes

- The Committee has been constituted on 13.03.2015 as per the requirement of Companies Act 2013 and SME Listing Agreement.
- Mr Avinash Bhatnagar is the Chairman of the Committee

E. Risk Management Committee

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities. The objectives and scope of the Risk Management Committee broadly comprises:

- Oversight of risk management performed by the executive management;
- Reviewing the BRM policy and framework in line with local legal requirements and SEBI guidelines;
- Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
- Defining framework for identification, assessment, monitoring, mitigation, and reporting of risks.

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

The composition of the Risk Management Committee as at March 31, 2015 and the details of Members' participation at the Meetings of the Committee are as under:

NAME OF MEMBERS	CATEGORY	Attendance at the Risk Management Committee Meet held on 26.03.2015
Avinash Bhatnagar	Independent	Yes
Nirmal Kumar Jain	Executive	Yes
Rajni Gehlot	Independent	Yes



GENERAL BODY MEETINGS

Location, date and time of the annual general meetings held during the previous three years are given below:

FINANCIAL YEAR	LOCATION	MEETING DATE & TIME	SPECIAL RESOLUTION PASSED AT THE AGM
2013-14	Akme Business Center Savina Subcity Centre Udaipur	10.09.2014 AT 1.30 PM	Increase in Authorized Share Capital Alteration Of Articles Of Association Approval For Borrowing Powers Approval For Inter Corporate Loans Approval For Initial Public Offer (IPO) Issue Of Bonus Shares
2012-13	Akme Business Center Savina Subcity Centre Udaipur	15.07.2013 AT 11.30 AM	Re appointment of managing Director and Increase in the remuneration Further issue of Share Capital
2011-12	Akme Business Center Savina Subcity Centre Udaipur	30.06.2012 AT 11.30 AM	No Special Business transacted

No Extra ordinary General meeting held during the Year.

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 materially significant related party transactions i.e. transactions of material nature, with its promoters, directors or senior management or their relatives etc. that may have potential conflict with the interest of Company at large. Transactions with related parties as per the requirements of Accounting Standard 18 are disclosed in the Notes forming part of the Accounts in the Annual Report annexed herewith.

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.

The Company has complied with all the requirements of the listing agreement entered into with the Stock Exchanges and with the regulations and guidelines as prescribed by SEBI. However Company has listed on BSE on 20th March 2015, hence from 20th March 2015 to 31st March 2015 Company has complied all the requirements.

C. Details of compliance with mandatory requirements

During the year 2014 -15, the Company has complied with all mandatory requirements of Clause 52 of the Listing agreement with the Stock Exchanges has been detailed hereunder:

▪ Chairman of the Board

The Chairman of the Board is the only Executive Director of the Company. The Board of the Company is an appropriate mix of Executive / Non-Executive and Independent Directors that have collective experience in diverse fields like finance, banking, insurance, economics, corporate laws and administration. As at March 31, 2015, the Board consists of Six (6) Directors, out of which Three [3] directors are independent, meeting the criteria for independence under the listing agreement with the stock exchanges and provisions of Companies Act, 2013.

▪ Nomination and Remuneration Committee

The Company has a Nomination and Remuneration Committee, the details of which are provided in this Report under the section "Nomination and Remuneration Committee." The Committee recommends to the Board the



remuneration payable to Executive Director and also recommends the appointment / reappointment of Executive / Non-Executive Directors and their induction on various committees of the Board.

▪ **Shareholder's Right**

The annual results are displayed on the website of the Company. The Company also communicates the annual financial results by e-mail to shareholders who have registered their e-mail address with the Depository Participants / Registrar and Transfer Agent.

▪ **Audit Qualification**

There are no audit qualifications in the Company's financial statements for the year under review.

▪ **Training of Board Members**

During the year under review, the Company has provided with the necessary updation, documents, information, reports and policies, as applicable to the Company, to the newly appointed as well as the existing Directors of the Company. The Company regularly provides updates to its Board members on relevant amendments in the statutory Acts / legislation, as applicable on the Company.

▪ **Mechanism of evaluation of non-executive Board Members**

At present there is no formal mechanism for performance evaluation of Non-Executive Directors of the Company.

D. Other Disclosure

1. Reconciliation of Share Capital Audit as Companies

As stipulated by SEBI, a qualified Company Secretary-in-Practice will carry out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited ("Depositories") and the total issued and listed capital with the stock exchanges. The audit confirms that the total issued / paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with Depositories). The audit report is being submitted on quarterly basis to the Stock Exchanges.

2. Risk Management

The Company has formulated a Risk Management framework, which lays down the procedures for risk assessment and mitigation. The procedures and policies for risk assessment and minimization are regularly reviewed by the Board. A detailed note on the risk identification and mitigation is included in the Management Discussion & Analysis, annexed to the Directors Report.

3. Code for Prevention of Insider Trading Practices

In compliance with the SEBI (Prohibition of Insider Trading) Regulations 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading Practices for its Directors and designated employees. 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 i.e. www.akmestarthousing.com. 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 designated employees and directors from time to time. As per policy, trading window closes for a period of 7 (seven) days prior to the date of Board Meeting and reopens after 24 hours from the conclusion of Board Meeting, in which the respective half yearly / yearly financial results are approved.

4. Code of conduct for the Board of Directors & Senior Management Personnel

The Company has adopted a code of conduct for its Board of Directors & Senior Management personnel, which is applicable to the Board of Directors & Senior Management Team (one level below the Board of Directors) of the Company. The Board of Directors and members of the senior management personnel have provided their affirmation to the compliance with this code. The code requires the Directors and employees to act honestly,



ethically and with integrity and in a professional and respectful manner. The said code has been posted on the website of the Company i.e. www.akmestarthousing.com

5. CEO / CFO Certification

The Chairman and Managing Director and CFO of the Company have furnished certificate to the Board as contemplated in Clause 52 of the Listing Agreement and same is reviewed by the Audit Committee and was placed before the Board of Directors of the Company.

6. Secretarial Audit

M/s. Ronak Jhuthawat & Co, a Practicing Company Secretary, Udaipur, was appointed, to conduct Secretarial Audit of the Company for the financial year ended March 31, 2015. The Secretarial Audit Report addressed to the Members of the Company is attached to this Annual Report. The Secretarial Audit Report confirms that the Company has complied with all the applicable provisions of the Companies Act, 2013 and the Rules made under that Act to the extent applicable, Depositories Act, 1996, and the Regulations and Bye-laws framed under that Act, Equity Listing Agreement with Stock Exchanges, Securities Contract (Regulation) Act, 1956 and all the Regulations of SEBI, as applicable to the Company including The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009, The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, and Guidelines issued by National Housing Bank.

7. Auditors Certificate on Corporate Governance

The Company has complied with all mandatory requirements of corporate governance norms as enumerated in Clause 52 of the listing agreements with the stock exchanges. M/s. Nyati Mundra & Co. Chartered Accountants, Udaipur, Statutory Auditors of the Company have certified that the Company has complied with the conditions of corporate governance as stipulated under Clause 52 of the listing agreement which is part of this Annual Report.

8. Means Of Communication

The primary source of information to the shareholders, customers, analysts and other stakeholders of your Company and to public at large is through the website of your Company i.e. www.akmestarthousing.com. The Annual Report, annually / half yearly results, shareholding pattern and material events, are regularly submitted to stock exchanges in accordance with the Listing Agreement and uploaded on the Company's website.

All price sensitive information and matters which are material and relevant to shareholders are intimated to all the Stock Exchanges where the securities of the Company are listed.

General Shareholders Information

10th Annual General Meeting:

1.	Day & Date	08 TH AUGUST 2015
2.	Time	2.30 PM
3.	Venue	Hotel Gorbandh 138-138A, Inside Udaipole, Udaipur 313001
4.	Financial Reporting Calendar :	Financial Year April to March
5.	Dates of Book Closure	01.08.2015 to 08.08.2015
6.	Listing on Stock Exchanges	BSE Limited (BSE) Phiroze Jeejebhoy Towers Dalal Street, Fort, Mumbai 400 001 Stock Code – 511072
7.	ISIN Number for NSDL & CDSL	INE526R01010
8.	Corporate Identification Number (CIN)	U45201RJ2005PLC020463


9. Shareholding Pattern of the Company as at March 31, 2015:-

Category	No of Shares	% of Shareholding
A. Shareholding of Promoter and Promoter Group		
1. Indian		
(i) Individuals/ Hindu Undivided Family	2521560	42.49
(ii) Bodies Corporate	512500	8.64
Total A	3034060	51.12
2. Foreign	NIL	NIL
B. Public Shareholding		
1. Market Maker	80000	1.34
2. Individual	2635700	44.41
3. Body Corporate	184740	3.11
Total B	2900440	48.88
Total A+B	5934500	100.00

10. Distribution of Shareholding as at March 31, 2015:-

Shareholding value of Nominal Value RS	No of Shareholders	% of Shareholders	No of Shares Held	% of Shareholding
0 – 100000	307	80.79	1406200	23.70
100001-500000	51	13.43	1060020	17.86
500001-1000000	8	2.11	617020	10.40
1000001-1500000	4	1.05	451880	7.61
1500001-2000000	5	1.31	874340	14.73
2000001-2500000	2	0.53	430040	7.25
2500000 & Above	3	0.78	1095000	18.45
Total	380	100.00	5934500	100.00

11. Address for Correspondence:-

Registrar and Transfer Agents
Big Share Services Private Limited
E2 Ansa Industrial Estate
Sakivihar Road, Sakinaka, Andheri East
Mumbai 400072
Tel 022-40430200
Email: ipo@bigshareonline.com

ASHFL Secretarial Department
Paritosh Kothari
Compliance Officer & Company Secretary
Akme Business Centre, 4-5 Subcity Centre
Savina Circle, Udaipur 313002
Tel: 0294-2489501
Email: akmeststarhousing@yahoo.com

12. Separate section for investor information on Company's website

Shareholders are requested to visit www.akmeststarhousing.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.



Designated Exclusive email-id

The Company has designated an exclusive email id akmestarthousing@yahoo.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.

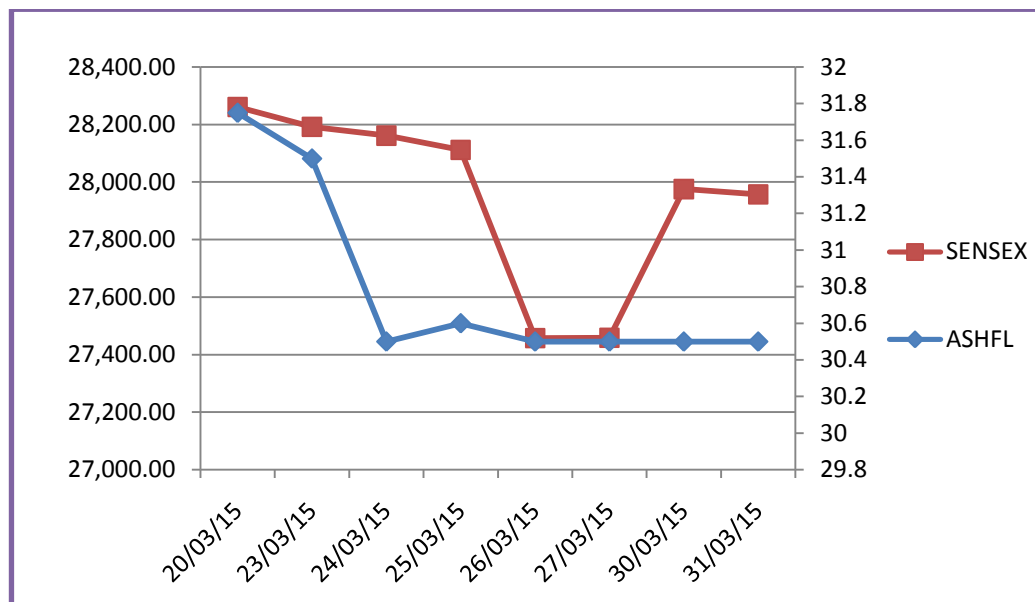
13. Share Transfer System

All the applications regarding physical transfer, transmission, splitting of share certificates, dematerialization and rematerialisation are processed periodically by the Registrar and Share Transfer Agents, and the same are approved by Stakeholder Relationship Committee periodically depending on the volume of transfers. In case of shares held in electronic form, the transfers are processed by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through their respective Depository Participants. Share Certificates are dispatched back / credited to the respective Depository Accounts of the allottees within the time prescribed under the Listing Agreement / SEBI Guidelines. The Committee meets as and when required to approve share transfer received in physical form. The Company obtains from a Company Secretary in practice, certificate of compliance with the share transfer formalities as required under Clause 50 of the Listing Agreement and files a copy of the same on half yearly basis with the Stock Exchanges.

14. Dematerialization of Shares and Liquidity

The Company's equity shares are in the list of compulsory dematerialization settlement by all investors. As at March 31, 2015, 89.85% Of the share capital of the Company representing 5332740 equity shares were held in dematerialized form and the balance 10.15% representing 601760 equity shares were held in physical form by the shareholders.

15. Market Information





DAY	OPEN	HIGH	LOW	CLOSE
20/03/15	32	32	31.5	31.75
23/03/15	31.5	31.5	31.5	31.5
24/03/15	31	31	30.5	30.5
25/03/15	30.6	30.9	30.5	30.6
26/03/15	30.5	30.5	30.5	30.5
27/03/15	30.5	30.5	30.5	30.5
31/03/15	30.5	30.5	30.5	30.5

16. Other Useful Information for Shareholders

1. Electronic filing of compliances on BSE

In terms of Clause 54 of the listing agreement, all periodical compliance filings such as Company's financial results, shareholding pattern, corporate announcement and corporate governance report etc are electronically filed with the respective stock exchanges through BSE Listing Centre developed by BSE Limited

2. SEBI Complaints Redress System (SCORES)

The Company is registered with SEBI Complaints Redress System (SCORES). Under SCORES the investor complaints are processed in a centralized web based complaints redressal system. 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.

3. 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.

4. 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. Big Share Services Private Limited.

5. 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, Big Share Services Private Limited or may send an email from their respective email id to ipo@bigshareonline.com, with a subject "Registration of email id".



ASHFL'S CORPORATE GOVERNANCE CERTIFICATE



**CERTIFICATE OF COMPLIANCE FROM AUDITORS AS STIPULATED UNDER CLAUSE 52
OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES IN INDIA**

To
The Members,
AKME Star Housing Finance Limited

We have examined the compliance of conditions of Corporate Governance by AKME Star Housing Finance Limited, for the year ended on March 31, 2015, as stipulated in Clause 52 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. 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 Clause 52 of the above-mentioned Listing Agreement.

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.

Place : Udaipur
Dated : 11.07.2015

For Nyati Mundra & Co
Chartered Accountants
(Firm Registration No. 8153C)

Sd/-
Akash Jain
Partner
Membership No. 073832



CEO /CFO CERTIFICATE UNDER CLAUSE 52

To,
The Board of Directors
AKME Star Housing Finance Limited

1. We have reviewed financial statements and the cash flow statement of AKME Star Housing Finance Limited for the year ended 31st March, 2015 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. There are, 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 accept responsibility for establishing and maintaining internal controls for financial reporting and 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.

4. 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

Sd/-
Ashish Jain
Chief Financial Officer

Sd/-
Mohan Lal Nagda
Chairman & Managing Director
DIN 00211925

Date : 11.07.2015
Place : Udaipur



DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

I hereby confirm that, as per the provisions of Clause 52 of the Listing Agreement executed with the Stock Exchanges, all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the "Code of Conduct for the Board of Directors and the Senior Management Personnel", for the financial year 2014-15.

Sd/-
Mohan Lal Nagda
Chairman & Managing Director
(DIN-00211925)

Place : Udaipur
Date : 11.07.2015



ASHFL'S
AUDIT REPORT
BALANCE SHEET AS ON 31.03.2015



TO

THE MEMBERS,

M/S AKME STAR HOUSING FINANCE LIMITED

We have audited the accompanying standalone financial statements of **AKME STAR HOUSING FINANCE LIMITED**, which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b. In the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and



- c. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a 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, 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 purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
 - e. On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - i. The Company does not have any pending litigations which would impact its financial position
 - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise
 - iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise

For NYATI MUNDRA & CO.
Chartered Accountant
ICAI FRN: 08153C

Place: **Udaipur**
Dated: **13.05.2015**

Sd/-
AKASH JAIN
Partner
M. No. 079052



ANNEXURE TO THE AUDITORS REPORT

(Referred to in paragraph 7 of our Report of even date)

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- 1). The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets. All these fixed assets have been physically verified by the management at reasonable intervals and there is a regular program for such verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification. During the year, the Company has not disposed off any of the Fixed Assets.
- 2). The company does not have inventory due to the nature of its business of housing finance.
- 3). As per the information and records made available, the company has granted Unsecured Loans to four companies listed in the register maintained under section 189 of the Companies Act, 2013. The maximum amount involved during the year was Rs. 138.90 Lac and the year-end balance of loan to such parties was NIL (Previous Year – Rs.139.34 Lac).

As per the information and records made available, the rate of interest and other terms and conditions on which loans granted by the company, secured or unsecured, are not, *prima facie*, prejudicial to the interest of the company except to the extent that there are no covenants with regard to the repayment/payment of loan and interest thereon and security.

As per the information and records made available, the company has taken Unsecured Loans from a company listed in the register maintained under section 189 of the Companies Act, 2013. The maximum amount involved during the year was Rs. 26.50 Lac and the year-end balance of loan of such parties was NIL (Previous Year – Rs. 212).

In our opinion, the rate of interest and other terms and conditions on which loans taken by the company, secured or unsecured, are not, *prima facie*, prejudicial to the interest of the company. The Company is regular in repaying the principal amounts as stipulated and has been regular in payment of interest. There is no overdue amount of loans taken by the Company.

- 4). In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets and sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- 5). The company has not accepted deposits from the public and hence the provisions of section 73 to 76 and any other relevant provisions of the companies act or any other directives of RBI are not applicable to the Company.
- 6). Maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for any of the product or services of the Company.
- 7). The company is regular in depositing with the appropriate authorities, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, and any other statutory dues, to the extent applicable to the Company.

According to the information and explanations given to us, no undisputed dues of income tax, service tax were in arrears as at 31st March, 2015 for a period of more that six months from the date they become payable.

The Company is not required to transfer amount to Investor Education and Protection Fund (IEPF) in accordance with relevant provision of the 1956 Act and the Rules made there under.



- 8). The Company has positive net worth which is more than its Equity Capital and has neither any accumulated losses nor it has incurred any cash losses in the current financial half year.
- 9). In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders.
- 10). In our opinion and according to the information and explanations given to us, Company has not given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company.
- 11). The company has not raised any term loans during the year.
- 12). According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.
- 13). The company is engaged in the housing finance business and is governed by National Housing Bank (NHB) directions for raising and deployment of funds in its business and the company has followed the NHB guidelines for fund raising and deployment of funds and is adhering to the Asset Liabilities Management guidelines prescribed by NHB and accordingly based on the above information, we report that the company has generally not used its short term funds in long term investments.
- 14). In our opinion and according to the information and explanations given to us, the company has complied with the provisions of the directions issued by the NHB from time to time.
- 15). In our opinion and according to the information and explanations given to us company has complied with the prudential norms guidelines as per the directions of NHB.
- 16). The Company has not issued any debentures during the period under audit.

For NYATI MUNDRA & CO.
Chartered Accountant
ICAI FRN: 08153C

Sd/-
AKASH JAIN
Partner
M. No. 079052

Place: **Udaipur**
Dated: **13.05.2015**

BALANCE SHEET AS AT 31st MARCH, 2015

PARTICULARS	Note No.	As at	As at
		31.03.2015	31.3.2014
A. EQUITIES AND LIABILITIES			
1 SHAREHOLDERS FUND:			
a Share Capital	2	59,345,000.00	21,672,500.00
b Reserves & Surplus	3	94,479,898.00	79,618,667.00
		153,824,898.00	101,291,167.00
2 Share Application Money Pending for Allotment		-	-
3 NON CURRENT LIABILITIES			
a Long Term Borrowings	4	-	19,604.00
b Deferred Tax Liability		52,738.00	-
c Long Term Provisions	5	1,192,940.00	663,913.00
Total Non Current Liabilities		1,245,678.00	683,517.00
4 CURRENT LIABILITIES			
a Short Term Borrowings	6	27,265,505.00	28,002,431.00
b Other Current liabilities	7	398,326.00	52,000.00
c Short Term provisions	8	1,180,814.00	707,340.00
Total Current Liabilities		28,844,645.00	28,761,771.00
Total		183,915,221.00	130,736,455.00
B. ASSETS			
1 NON CURRENT ASSETS			
a Fixed Assets	9	443,083.00	219,948.00
b Deferred Tax Assets (net)		-	31,933.00
c Long Term Portion of Loans	10	34,174,038.00	25,820,144.00
d Long Term Loans & Advances	11	3,000,000.00	3,000,000.00
Total of Non Current Assets		37,617,121.00	29,072,025.00
2 CURRENT ASSETS			
a Current Investments	12	8,800,100.00	8,800,100.00
b Short term portion of Loans	13	89,046,137.00	63,738,646.00
c Trade Receivables	14	720,482.00	347,521.00
d Cash & Cash Equivalents	15	40,244,687.00	8,252,732.00
e Short-Term Loans & Advances	16	7,392,360.00	20,233,827.00
f Other Current Assets	17	94,334.00	291,604.00
Total of Current Assets		146,298,100.00	101,664,430.00
Total		183,915,221.00	130,736,455.00
Notes forming part of the Financial Statements	1-40		

As per our separate report of even date annexed

For Nyati Mundra & Co.
Chartered Accountants
ICAI FRN-08153C

For AKME STAR HOUSING FINANCE LTD.

CA Akash Jain
Partner
Membership no. 079052

sd/-
M.L. Nagda
Mg. Director
DIN 00211925

sd/-
Nirmal k.Jain
Director
DIN 00240441

Place: Udaipur
Date: 13.05.2015

sd/-
Ashish Jain
Cheif Financial Officer

sd/-
Paritosh Jain
Company Secretary



STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2015

PARTICULARS	Notes	As at 31.03.2015	As at 31.03.2014
INCOME			
Revenue from operations	18	19,008,685.00	12,694,741.00
Other Income	19	1,174,518.00	1,052,091.00
Total of Revenue		20,183,203.00	13,746,832.00
EXPENDITURE			
Interest & Finance Charges	20	3,671,594.00	3,810,277.00
Employees Remuneration & Benefits	21	3,253,000.00	2,880,000.00
Administration & other Expenses	22	2,755,324.00	1,216,987.00
Depreciation and Amortization Expenses	9	174,565.00	76,838.00
Provision for Contingencies	23	529,027.00	406,399.00
Total Expenditure		10,383,510.00	8,390,501.00
Profit before Exceptional Items and Tax		9,799,693.00	5,356,331.00
Exceptional Items		-	-
Profit before Tax		9,799,693.00	5,356,331.00
Provision for taxation		3,045,394.00	1,687,340.00
Deferred tax Liability (Asset)		84,671.00	(5,970.00)
PROFIT FOR THE YEAR		6,669,628.00	3,674,961.00
Earning per Equity Shares			
Basic	28	1.52	0.94
Diluted	28	1.52	0.94
Significant Accounting Policies and Notes to Account	1-40		

As per our separate report of even date annexed

For **Nyati Mundra & Co.**
Chartered Accountants
ICAI FRN-08153C

CA Akash Jain
Partner
Membership no. 079052

Place: Udaipur
Date: 13.05.2015

For **AKME STAR HOUSING FINANCE LTD.**

sd/-
M.L. Nagda
Mg. Director
DIN 00211925

sd/-
Ashish Jain
Chief Financial Officer

sd/-
Nirmal Kumar Jain
Director
DIN 00240441

sd/-
Paritosh Jain
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDING MARCH 31ST 2015

Particulars	(Amount in Rs)	
	For the Year ended 31 March, 2015	For the year ended 31 March, 2014
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	9,799,693	5,356,331
<u>Adjustments for:</u>		
Depreciation and amortization	174,565	76,838
Provision for Contingencies	529,027	406,399
Interest Received	(1,054,518)	(2,411,621)
Dividend income	-	-
Operating Profit before Working capital changes	9,448,767	3,427,947
Adjusted for:		
Decrease/(Increase) in Trade receivables	(372,961)	93,502
Decrease/(Increase) in Long Term Loans & Advances (other than Housing & other loans)	-	-
Decrease/(Increase) Short-term loans and advances (other than Housing & other loans)	12,841,467	(36,063,292)
Decrease/(Increase) Short-term Housing loans to Borrowers	(25,307,491)	(573,862)
Decrease/(Increase) Long- term Housing loans to Borrowers	(8,353,894)	(19,278,176)
Decrease/(Increase) in Other current assets	197,270	(1,038,463)
Increase/(Decrease) in Other current liabilities	819,800	970,440
	(10,727,042)	(52,461,904)
Cash Generated from Operations		
Taxes paid	3,045,394	1,687,340
Net Cash Generated from Operations (A)	(13,772,436)	(54,149,244)
B. Cash flow from investing activities		
Purchase of Fixed assets	(397,700)	-
(Purchase)/Proceeds of Investments	-	(800,100)
Interest Received	1,054,518	2,411,621
Net cash Inflow from investing activities (B)	656,818	1,611,521
C. Cash flow from financing activities		
Shares Issued during the year	16,000,000	8,912,500
Security Premium on shares issued (Net of Share issue Expenses)	29,864,103	44,562,500
Share Application Money Received/(Paid)	-	(500,000)
Long Term Loans Received/(Repaid)	(19,604)	(132,555)
Short Term Loans Received/(Paid) from Bank/Institutions & Others	(736,926)	7,730,191
Finance cost		
Net cash from financing activities (C)	45,107,573	60,572,636
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	31,991,955	8,034,913
	8,252,732	217,819
	40,244,687	8,252,732



Notes forming part of the financial statement for the year ended 31st March 2015.

1. SIGNIFICANT ACCOUNTING POLICIES: -

1.1 Basis of preparation of Financial Statements:

- a. The financial statements have been prepared under the historical cost convention, in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 2013 and Housing Finance Companies, (NHB) Directions, 2010. Accounting Standards (AS) referred to in the notes are as issued by the Institute of Chartered Accountants of India.
- b. Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles followed by the Company.
- c. The preparation of financial statements requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

1.2 Interest on Housing Loan :

Repayment of housing loans is by way of Equated Monthly Instalments (EMI) comprising principal and interest. Interest is calculated each year on the outstanding balance at the beginning of the Company's financial year or on monthly reducing balance in terms of financing scheme opted by the borrower. EMI commences once the entire loan is disbursed. Pending commencement of EMI, pre-EMI monthly interest is payable.

1.3 Interest & other related Financial Charges:

Interest and other related financial charges are recognized as an expense for the period for which they are incurred as specified in Accounting Standard (AS 16) on "Borrowing Costs".

1.4. Revenue Recognition:

- a. Interest on performing assets is recognized on accrual basis and on non-performing assets on realisation basis as per the guidelines prescribed by the National Housing Bank.
- b. Income from other services is recognised on accrual basis.

1.5. Provision for Contingencies:

Provision for Contingencies has been made on non-performing housing loans and other assets as per the Prudential Norms prescribed by the National Housing Bank. Company has also made provision on standard assets as prescribed by the directions of National Housing Bank.

1.6. Fixed Assets:

Fixed Assets are stated at cost inclusive of expenses incidental thereto. All cost, including financing cost till the asset is put to use are capitalised. Depreciation on fixed assets is provided on written down value method at the rates calculated as prescribed under Schedule II to the Companies Act, 2013.

1.7. Special Reserve:

The Company creates Special Reserve every year out of its profits in terms of Section 29C of the National Housing Bank Act, 1987 which includes the transfer of Reserve amount as per Section 36(1) (viii) of the Income Tax Act, 1961.

1.8 Prepaid Expenses:

Financial Expenses incurred during the year which provides benefit in several accounting years has been treated as revenue expense only for the period relating to the current year and balance is treated as prepaid expense to be adjusted on pro-rata time basis in the future accounting years.

1.9. Income Tax:

Income Tax provision based on the present tax laws in respect of taxable income for the year and the deferred tax is treated in the accounts based on the Accounting Standard (AS 22) on "Accounting for



Taxes on Income". The Deferred Tax assets and liabilities for the year, arising out of timing difference, are reflected in the Profit and Loss account. The cumulative effect thereof is shown in the Balance Sheet. Deferred Tax assets, if any, are recognised only if there is a reasonable certainty that the assets will be realized in future.

1.10 Housing and Other Loans:

Housing Loans include outstanding amount of Housing Loan disbursed directly or indirectly to individual and other borrowers in accordance with directions of National Housing Bank (NHB). EMI and instalments due from borrowers and which are not overdue against the housing loans are shown under current assets head.

1.11 Earnings Per Share:

Basic and diluted earnings per share are determined by dividing the net profit / (loss) after income tax by the weighted number of ordinary shares outstanding during the financial year.



AKME STAR HOUSING FINANCE LTD. UDAIPUR

Particulars	As at March 31, 2015	As at March 31, 2014
<u>Notes to the Accounts</u>		
-		
Note 2: Share Capital		
Authorized Share Capital	60,000,000.00	30,000,000.00
60,00,000 Equity Shares @ 10 Each		
(prev. Year 30,00,000 Equity Shares)		
Issued, Subscribed, Called Up & Paid Up Share Capital		
5934500 Equity Shares @ 10 Each	59,345,000.00	21,672,500.00
(1. Out of which 2167250 Equity Shares have been Allotted as		
Bonus shares by capitalization Share premium Reserve		
2. 1600000 Equity Shares have been Allotted through IPO		
at a Premium of Rs 20/share)		
(Prev. Year 2167250 Equity Shares)		
Total	59,345,000.00	21,672,500.00

Note 3: Reserves & Surplus	31.03.2015	31.03.2014
Share premium		
Op Balance	70,502,500.00	25,940,000.00
Add: Addition during the Year	32,000,000.00	44,562,500.00
Less: Utilized for Allotment of Bonus Shares	21,672,500.00	-
Less: Utilized against Share Issue expenses	2,135,897.00	-
Share Premium Closing Balance	78,694,103.00	70,502,500.00
Special Statutory Reserve U/s 29C of NHB Act, 1987		
including reserve under Income Tax Act U/s 36(1)(viii)		
Balance as per last Balance Sheet	2,090,211.00	1,018,945.00
Add: Transferred from Statement		
Profit & Loss Account	1,959,939.00	1,071,266.00
Special Reserve Closing Balance	4,050,150.00	2,090,211.00
Surplus in Statement of Profit and Loss		
Balance as per last Balance Sheet	7,025,956.00	4,422,261.00
Add: Profit Available for Appropriation	6,669,628.00	3,674,961.00
Less: Transferred to Special Reserve	1,959,939.00	1,071,266.00
Closing Surplus Balance of profit & Loss	11,735,645.00	7,025,956.00
Total of Reserve & Surplus	94,479,898.00	79,618,667.00



Note 4 : Long Term Borrowings	31.03.2015	31.03.2014
Secured		
Bank of India Car Loan	-	19,604.00
Total Secured Long Term Borrowing	-	19,604.00
Total Long Term Liabilities	-	19,604.00

Note 5: Long Term Provisions	31.03.2015	31.03.2014
Provision for Contingencies		
Provision ag. Advances as per NHB guidelines		
- on Standard Assets	563,082.00	351,865.00
- on Non Performing Assets	629,858.00	312,048.00
Total Long Term Provisions	1,192,940.00	663,913.00

Note 6 : Short Term Borrowings	31.03.2015	31.03.2014
Secured		
Bank of Baroda CC limit	27,236,623.00	27,840,303.00
Bank of India Car Loan	28,882.00	161,916.00
Total Secured Short Term Borrowing	27,265,505.00	28,002,219.00
Unsecured		
Inter Corporate Deposit	-	212.00
Total Unsecured Short Term Borrowing	-	212.00
Total Short Term Borrowings	27,265,505.00	28,002,431.00

Note 7: Other Current Liabilities	31.03.2015	31.03.2014
Other Creditors	160,365.00	-
Service Tax payable	21,639.00	-
TDS Payable	216,322.00	52,000.00
Total Other Current Liabilities	398,326.00	52,000.00

Note 8: Short Term Provisions	31.03.2015	31.03.2014
For Taxation (Net of Advance Tax and TDS of Current Year)	1,131,038.00	687,340.00
For Expenses	49,776.00	20,000.00
Total Short Term Provisions	1,180,814.00	707,340.00

Note 9: Fixed Assets

				GROSS BLOCK				DEPRECIATION			NET BLOCK	
Particulars	Date of Purchase	Useful life as per Co Act 2013	Rate of Depreciation	1.4.2014	Addition Adjustment	Deduction Adjustment	31.03.2015	1.4.2014	For the Period	31.03.2015	31.03.2015	31.3.2014
Tangible Assets												
Car	27.02.2010	8 Years	31.23%	734,654	NIL	Nil	734,654	514,706	68,690	583,396	151,258	219,948
HP Laptop	22.05.2014	3 Years	63.16%	-	36,800	Nil	36,800	-	19,932	19,932	16,868	-
Computers & printer	28.08.2014	3 Years	63.16%	-	80,000	Nil	80,000	-	29,763	29,763	50,237	-
Subtotal				734,654	116,800	Nil	851,454	514,706	118,385	633,091	218,363	219,948
Intangible Assets												
Software	07.03.2015	5 Years		-	280,900	Nil	280,900	-	56,180	56,180	224,720	-
Subtotal				-	280,900	Nil	280,900	-	56,180	56,180	224,720	-
TOTAL				734,654	397,700	Nil	1,132,354	514,706	174,565	689,271	443,083	219,948

Note 10: Long term Portion of Loans	31.03.2015	31.03.2014
Standard	31,599,165.00	23,879,769.00
Sub-Standard	1,600,363.00	1,856,410.00
Doubtful Assets	974,510.00	83,965.00
Loss Assets	-	-
Total	34,174,038.00	25,820,144.00

Note 11: Other Long Term Loans & Advances	31.03.2015	31.03.2014
Advance for Office (Security Deposit)	3,000,000.00	3,000,000.00
Total long Term Loans & Advances	3,000,000.00	3,000,000.00

Note 12: Current Investments	31.03.2015	31.03.2014
Investments-Shares of Akme Fintrade (I) ltd	4,000,100.00	4,000,100.00
Investments-Shares of Akme Fincon Ltd	4,800,000.00	4,800,000.00
Total long Term Loans & Advances	8,800,100.00	8,800,100.00

Note 13: Short term portion of Loans	31.03.2015	31.03.2014
Standard	89,046,137.00	63,738,646.00
Sub-Standard	-	-
Doubtful Assets	-	-
Loss Assets	-	-
Total	89,046,137.00	63,738,646.00



Note 14: Trade Receivables	31.03.2015	31.03.2014
Interest Receivables on Housing Loans	720,482.00	347,521.00
Interest Receivable on Other Loans	-	-
Total long Term Loans & Advances	720,482.00	347,521.00

Note 15: CASH & BANK BALANCES	31.03.2015	31.03.2014
Cash in Hand	244,687.00	337,195.00
Balance with Scheduled Bank (BOB)	40,000,000.00	7,910,484.00
Balance with Bank of India	-	5,053.00
Total	40,244,687.00	8,252,732.00

Note 16: Other Short Term Loans & Advances	31.03.2015	31.03.2014
Security Deposit with BSE	480,000.00	-
Prepaid Expenses	112,360.00	-
Intercompany deposits	-	13,933,827.00
Advance against Property	6,800,000.00	6,300,000.00
Total	7,392,360.00	20,233,827.00

Note 17: OTHER CURRENT ASSETS	31.03.2015	31.03.2014
TDS Receivable old	-	226,800.00
I. Tax Refund old	94,334.00	64,804.00
Total	94,334.00	291,604.00

Note 18: Revenue from Operations	31/03/2015	31/03/2014
Interest on Housing and property Loans	14,130,631.00	11,265,211.00
Interest on Other Loans	4,878,054.00	1,429,530.00
Total	19,008,685.00	12,694,741.00

Note 19: Other Income	31/03/2015	31/03/2014
Other Interest Income	1,054,518.00	982,091.00
Bad Debts Recovered	120,000.00	70,000.00
Other Income	-	-
Total	1,174,518.00	1,052,091.00

Note 20: Interest & Financial Charges	31/03/2015	31/03/2014
Bank Interest	3,360,445.00	3,653,435.00
Interest Others	105,569.00	77,338.00
Bank charges	205,580.00	79,504.00
Total	3,671,594.00	3,810,277.00



<u>Note 21: Employee Remuneration & Benefits</u>	31/03/2015	31/03/2014
Salary to Staff	1,947,000.00	1,599,000.00
Bonus	346,000.00	321,000.00
Director's Salary	960,000.00	960,000.00
Total	3,253,000.00	2,880,000.00

<u>Note 22: Administrative & Other Expenses</u>	31/03/2015	31/03/2014
Audit Fees	39,326.00	22,972.00
Travelling Expenses	93,353.00	37,008.00
Conveyance	50,280.00	45,369.00
Electricity Exp	72,628.00	69,691.00
Professional fee	205,259.00	106,316.00
Office Exp.	88,291.00	68,973.00
Printing & Stationery	60,536.00	53,932.00
Office Rent Exp.	6,000.00	6,000.00
Loan Collection Charges	196,810.00	44,621.00
Postage and courier	1,880.00	1,175.00
Valuation charges	-	59,410.00
ROC Filling Fees	246,800.00	7,680.00
Stamp & Franking Charges	153,548.00	88,320.00
Director's Sitting Fee	182,585.00	95,000.00
Insurance Expenses	11,445.00	15,938.00
Telephone Expenses	83,154.00	43,865.00
Repair & Maintenance Expenses	87,690.00	41,310.00
Misc expenses	151,324.00	13,840.00
Listing expenses	544,900.00	-
Bad Debts Written off	479,515.00	395,567.00
Total	2,755,324.00	1,216,987.00

<u>Note 23: Provisions for Contingencies</u>	31/03/2015	31/03/2014
Provision on Standard Assets	211,217.00	127,173.00
Provision on Sub-Standard Assets	317,810.00	279,226.00
Total	529,027.00	406,399.00



24. SHARE CAPITAL

- 24.1 The company has, at present, one class of issued, subscribed and paid up share referred to as equity share having a par value of Rs 10/- each. Each holder of equity share is entitled to one vote per share.
- 24.2 Company has increased its Authorised Share Capital from Rs. 300.00lacs to Rs. 600.00lacs.
- 24.3 2167250 Equity shares of Rs 10/- have been allotted as fully paid Bonus Shares during the period by utilising its Share Premium Reserve.
- 24.4 Further the company has made an IPO of 1600000 shares of Rs 10/- each. The Equity Shares have been priced and allotted at Rs 30/-per equity share (Including share premium of Rs 20/- per Equity share).
- 24.5 The Company has raised Rs 480.00 lacs out of the IPO. The Equity share offers to the public have been allotted on 20th march 2015 and have been listed on Bombay Stock Exchange (BSE).
- 24.6 Accordingly, on account of above, Issued, Subscribed and Paid up Capital of the Company has been increased to Rs. 593.45lacs from Rs. 216.725lacs and an amount of Rs. 298.66lacs (Net of Share issue expense of Rs 21.34 lacs) has been credited to share premium account. The proceeds of the issue (net of issue expenses) are being utilized for the purpose mentioned in the prospectus/retained in Bank Deposit pending utilization.
- 24.7 24.7 Reconciliation of the number of shares outstanding and the amount of share capital as at the beginning and at the end of the reporting period:

Particulars	31.03.2015		31.03.2014	
	No. of shares	Amount	No. of shares	Amount
Equity Shares outstanding at beginning of the year	21,67,250	216,72,500	12,76,000	127,60,000
Add: Shares issued during the year	1600000	16000000	8,91,250	89,12,500
Add: Bonus Shares allotted during the year	21,67,250	216,72,500	-	-
Equity shares outstanding at year end	59,34,500	593,45,000	21,67,250	216,72,500

- 24.8 Details of share holders holding more than 5% equity shares in the company are as under:-

Particulars	31.03.2015		31.03.2014	
	No. of shares	% Holding	No. of shares	Amount
Nirmal Kumar Jain	427000	7.19%	213500	9.85%
KaluLal Jain	316700	5.33%	158350	7.30%
Dr. Mohan LalNagda	351300	5.92%	175650	8.10%
Anil Kumar Jain	-	-	110520	5.09%

25. Reserves & Surplus

- 25.1 The Company has transferred a sum of Rs. 19.60lacs (Rs. 10.71lacs) 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 the transfer of a sum of Rs. 4.44 lacs (Rs. 3.21lacs) in the reserve created under Section 36(1) (viii) of the Income Tax Act, 1961. Breakup of transfer of funds in both the reserves are as under:-



Particulars	Amount(Rs.) 31.03.2015	Amount(Rs.) 31.03.2014
Balance at the beginning of the Year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	953780	203894
b) Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under section 29C of the NHB Act, 1987	1136431	815051
c) Total	2090211	1018945
Addition / Appropriation/ Withdrawal during the year		
Add: a) Amount Transferred u/s 29C of the NHB act, 1987	1515817	749886
b) Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under section 29C of the NHB Act, 1987	444122	321380
Less: a) Amount appropriated from statutory Reserve u/s 29C of the NHB Act, 1987	Nil	Nil
b) Amount Withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision under section 29C of the NHB Act, 1987	Nil	Nil
Balance at the end of the year		
a) Statutory Reserve u/s 29 of the National Housing Bank Act, 1987	2469597	953780
b) Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under section 29C of the NHB Act, 1987	1580553	1136431
c) Total	4050150	2090211

25.2 Company has utilised total amount of Rs. 23808397/- from Share premium account for the allotment of 21, 67,250 shares of Rs 10/- each as bonus shares and Rs 2135897/- for share issue expense.

26. **Short Term provisions-** Provision for Taxation includes Rs. 30.45lacs (Rs. 16.87lacs) as Tax provision for current year.

27. Housing Finance

27.1 As certified by the management, loans given by the company are secured by Equitable Mortgage/Registered Mortgage of the property and assets financed and/or assignment of Life Insurance Policies and /or personal Guarantees and are considered appropriate and good.

27.2 The Non-Performing Assets (NPA) as on March 31st 2015, consisting of principal loans outstanding where payments of EMI were in arrears for 90 days or more amounted to Rs. 25,74,873/- (Rs. 19,40,375/-). As per prudential norms prescribed by the NHB, the company is required to carry a contingency provision of Rs. 11, 92,940/- (Rs. 6, 63,913/-) in respect of Standard and Non Performing Housing loans assets. The company has made during the year, Provision of Rs. 5,29,027/- (Rs. 4,06,399/-) thereby total provisioning of Rs. 11,92,940/- (Rs.6,63,913/-) for contingencies against the requirement of Rs. 11,92,940/- of total provision. Company has sufficient provision as per the requirements of the guidelines on prudential norms issued by the National Housing Bank (NHB).



28. The amount of outstanding Loans provision made by the company as per the guidelines by the NHB-

28.1 Details of the Company Outstanding Loans and provisions thereon as on **31.03.2015** are as under:
As per Paragraph 28 of NHB directions 2010-

Provision for Standard/ Sub Standard/ Doubtful and Loss Assets as per NHB Directions (paragraph 28) as on 31-03-2015					
S.NO	PARTICULARS	AMOUNT IN RS.		AMOUNT IN RS.	AMOUNT IN RS.
I	Standard Assets	Amount O/S as on 30.03.2015	% of provision required as per norms	Amount of Provision required as on date 31.03.2015 as per norms	Amount of Actual Provision as on 31.03.2015
Ia	Standard Assets in respect of Housing Loans at TEASER/ Special rate i.e. Housing loans at comparative lower rate of interest in the first few year after which rates are reset at higher rates	Nil	2%	Nil	Nil
Ib	Standard Assets In respect of house loans to Individuals	43421400	0.40%	173686	173686
Ic	Standard Assets in respect of Mortgage Loans to individuals	14373022	0.40%	57492	57492
Id	Standard Assets In respect of CRE-RH i.e. to builders for residential houses	23000000	0.75%	172500	172500
Ie	Standard Assets in respect of all other commercial real estate (CRE)	0	Nil	0	0
If	Standard Assets in respect of all other non housing loan then above	39850879	0.40%	159404	159404
A	Subtotal Standard assets i.e. Ia to If Advances	120645302		563082	563082
II	Sub Standard Assets				
IIa	Sub-Standard Assets in respect of Housing Loans at TEASER/ Special rate i.e. Housing loans at comparative lower rate of interest in the first few year after which rates are reset at higher rates	Nil	Nil	Nil	Nil
II b	Sub-Standard Assets In respect of house loans to Individuals	1600363	15%	240054	240054
IIc	Sub-Standard Assets in respect of Mortgage Loans to individuals	Nil	Nil	Nil	Nil
II d	Sub-Standard Assets In respect of CRE-RH i.e. to builders for residential houses	Nil	Nil	Nil	Nil
II e	Sub-Standard Assets in respect of all other commercial real estate (CRE)	Nil	Nil	Nil	Nil
II f	Sub- standard Assets in respect of all other non housing loan then above	Nil	Nil	Nil	Nil
B	Sub total - Sub standard assets II a to II f	1600363		240054	240054
III	Doubtful Assets				



IIIa	Doubtful Assets in respect of Housing Loans at TEASER/ Special rate i.e. Housing loans at comparative lower rate of interest in the first few year after which rates are reset at higher rates	Nil	Nil	Nil	Nil
IIIb	Doubtful Assets In respect of house loans to Individuals				
	up to one year duration	Nil	25%	Nil	Nil
	More then one year up to three year	492559	40%	197024	197024
	More then three year	Nil	100%	Nil	Nil
IIIc	Doubtful Assets in respect of Mortgage Loans to individuals More then one year - less then three year	481951	40%	192780	192780
IIId	Doubtful Assets In respect of CRE-RH i.e. to builders for residential houses	Nil	Nil	Nil	Nil
IIIe	Doubtful Assets in respect of all other commercial real estate (CRE)	Nil	Nil	Nil	Nil
IIIf	Doubtful Assets in respect of all other non housing loan then above	Nil	Nil	Nil	Nil
C	Sub total - Doubtful assets III a to III f	974510		389804	389804
IV D	Loss Assets	Nil	100%	Nil	Nil
D	Grand Total of Gross Advances (A+B+C+D)	123220175		1192940	1192940

A) As per paragraph 29 of NHB Directions 2010-

Provision of Loans & Advances (Housing & Non Housing) as on 31-03-2015 as per Paragraph 29 of NHB Directions 2010

	CATEGORY OF LOAN	OUT STANDING AS ON 31-032015	% OF PROVISION REQUIRED AS PER NORMS	AMOUNT OF PROVISION REQUIRED AS PER NORMS	ACTUAL PROVISION MADE AS PER BOOKS
1	Housing Loan				Amount In Rs.
	1. Standard Assets				
	(i) Individual	43421400.53	0.40%	173686	173686
	(ii) To Builder CRE-RH	23000000	0.75%	172500	172500
	2. Sub Standard Assets	1600363	15.00%	240054	240054
	3. Doubtful Assets	492559	40.00%	197024	197024
	4. Loss Assets	0	100%	0	0
	Total House Loans	68514322.53		783264	783264
	Non Housing Loans				
2	Mortgage Loans				
	1. Standard Assets	14373022.68	0.40%	57492	57492
	2. Sub Standard Assets	0	15.00%	0	0
	3. Doubtful Assets	481951	40.00%	192780	192780
	4. Loss Assets	0	100%	0	0
	Total Mortgage Loans	14854973.68		250272	250272



3	Other Short Term Loans & Advance				
	1. Standard Assets	39850879	0.40%	159404	159404
	2. Sub Standard Assets	0	15.00%	.	0
	3. Doubtful Assets	0	40.00%	0	0
	4. Loss Assets	0	100%	0	0
	Total Short Terms Loans	39850879		159404	159404
	Grand Total Gross Advance	123220175.2		1192940	1192940

28.2 Details of the Company Outstanding Loans and provisions thereon as on **31.03.2014** are as under:

A) As per Paragraph 28 of NHB Directions 2010-

Provision for Standard/ Sub Standard/ Doubtful and Loss Assets as per NHB Directions (paragraph 28)					
S.NO	PARTICULARS	AMOUNT IN RS.		AMOUNT IN RS.	AMOUNT IN RS.
I	Standard Assets	Amount O/s as on 31.03.2014	% of Provision Required as per norms	Amount of Provision required as on date 31.03.2014 as per norms	Amount of Actual Provision done as on 31.03.2014
Ia	Standard Assets in respect of Housing Loans at TEASER/ Special rate i.e. Housing loans at comparative lower rate of interest in the first few year after which rates are reset at higher rates	Nil	2%	Nil	Nil
Ib	Standard Assets In respect of house loans to Individuals	52193402	0.40%	208774	208774
Ic	Standard Assets in respect of Mortgage Loans to individuals	13143862	0.40%	52575	52575
Id	Standard Assets In respect of CRE-RH i.e to builders for residential houses	Nil	0.75%	Nil	Nil
Ie	Standard Assets in respect of all other commercial real estate (CRE)	Nil	1.00%	Nil	Nil
If	Standard Assets in respect of all other non housing loan then a and b above	22628672	0.40%	90515	90516
A	Sub total Standard assets i.e. Ia to If Advances	87965936		351864	351865
II	Sub Standard Assets				
Ila	Sub-Standard Assets in respect of Housing Loans at TEASER/ Special rate i.e. Housing loans at comparative lower rate of interest in the first few year after which rates are reset at higher rates	Nil	Nil	Nil	Nil
II b	Sub-Standard Assets In respect of house loans to Individuals	967109	15%	145067	145067



IIc	Sub-Standard Assets in respect of Mortgage Loans to individuals	889301	15%	133395	133395
II d	Sub-Standard Assets In respect of CRE-RH i.e. to builders for residential houses	Nil	Nil	Nil	Nil
II e	Sub-Standard Assets in respect of all other commercial real estate (CRE)	Nil	Nil	Nil	Nil
II f	Sub- standard Assets in respect of all other non housing loan then a and b above	Nil	Nil	Nil	Nil
B	Subtotal - Sub standard assets II a to II f	1856410		278462	278462
III	Doubtful Assets				
IIIa	Doubtful Assets in respect of Housing Loans at TEASER/ Special rate i.e. Housing loans at comparative lower rate of interest in the first few year after which rates are reset at higher rates	Nil	Nil	Nil	Nil
IIIb	Doubtful Assets In respect of house loans to Individuals				
	up to one year duration	Nil	25%	Nil	Nil
	More than one year up to three year	83965	40%	33586	33586
	More than three year	Nil	100%	Nil	Nil
IIIc	Doubtful Assets in respect of Mortgage Loans to individuals	Nil	Nil	Nil	Nil
IIId	Doubtful Assets In respect of CRE-RH i.e. to builders for residential houses	Nil	Nil	Nil	Nil
IIIe	Doubtful Assets in respect of all other commercial real estate (CRE)	Nil	Nil	Nil	Nil
III f	Doubtful Assets in respect of all other non housing loan then a and b above	Nil	Nil	Nil	Nil
C	Subtotal - Doubtful assets III a to III f	83965		33586	33586
IV D	Loss Assets	Nil	100%	Nil	Nil
D	Grand Total of Gross Advances (A+B+C+D)	89906311		663912	663913



B) As per Paragraph 29 of NHB Directions 2010-

Provision of Loans & Advances (Housing & Non Housing) as on 31-03-2014 as per Paragraph 29 of NHB Directions 2010					
	CATEGORY OF LOAN	OUT STANDING AS ON 31-03-2014	% OF PROVISION REQUIRED AS PER NORMS	AMOUNT OF PROVISION REQUIRED AS PER NORMS	ACTUAL PROVISION MADE AS PER BOOKS
1	Housing Loan				Amount In Rs.
	1. Standard Assets				
	(i) Individual	52193401.97	0.40%	208774.00	208774.00
	(ii) To Builder CRE-RH	0			
	2. Sub Standard Assets	967109.00	15.00%	145067.00	145067.00
	3. Doubtful Assets	83965.00	40.00%	33586.00	33586.00
	4. Loss Assets	0			
	Total House Loans	53244475.97		387427	387427
	Non Housing Loans				
2	Mortgage Loans				
	1. Standard Assets	13143862.00	0.40%	52575.00	52575.00
	2. Sub Standard Assets	889301.00	15.00%	133395.00	133395.00
	3. Doubtful Assets	0.00			
	4. Loss Assets	0.00			
	Total Mortgage Loans	14033163.00		185970.00	185970.00
3	Other Short Term Loans & Advance				
	1. Standard Assets	22628672.00	0.40%	90515	90515
	2. Sub Standard Assets	0		0	0
	3. Doubtful Assets	0		0	0
	4. Loss Assets	0		0	0
	Total Short Terms Loans	22628672.00		90515	90515
	Grand Total Gross Advance	89906310.97	0.00	663912.00	663912.00

28.3 The Company has written off 2 loans during the year ended 31.03.2015 amounting to Rs 479515/-. The figure for the loans written off during the FY 2013-14 was Rs. 3,95,567/-.

28.4 In terms of the requirement of the National Housing Bank (NHB) Directions 2010, further amended vide Circular no. NHB.HFC.Dir.3/CMD/2011 dated August 5th 2011, the company has met the said requirements as under by providing Provisions for contingencies @ 0.40% on all standard assets in respect of all loans.

29. As per Accounting standard (AS-20) "Earnings per Share" is calculated after adjusting Bonus Equity Shares Allotted on 10/09/2014 and shares allotted in IPO on 20.03.2015. EPS for the Year as on 31.03.2015 is Rs.1.52. EPS for the previous year as on 31.03.2014 was Rs.2.11. EPS is re-calculated after adjusting the effect of allotment of bonus equity shares, with retrospective effect, for the Previous Financial Year i.e.2013-14 which comes to Rs. 0.94



30. As per Accounting standard (AS-18) on "Related Party Disclosures" details of transactions with related parties as defined therein are as given below:

30.1 List of related parties with whom transactions have taken place during the year and their nature of relationship is as follows:

Key Management personals

- a. Nirmal Jain
- b. Dr. M.L. Nagda

Relative of Key Management Personals-

- a. Manju Devi Jain (Wife of Director- Nirmal Kumar Jain)

30.2 **Transactions by Company during the year with related parties** (Rs in lacs)

Details of Transactions	Associate Companies	Key Management Personals
Expenses		
Directors Remuneration		9.60
Bonus to Directors		2.00
Salary and bonus to relative of Director		3.20

30.3 **Details of Major transaction during the year with the above related parties:**

Details of Transactions	Associate Companies	Key Management personnel's
Expenditure		
Remuneration		
Nirmal Jain		4.80
Dr. M.L. Nagda		4.80
Bonus		
Nirmal Jain		1.00
Dr. M.L. Nagda		1.00
Salary and bonus to Relative of Director		3.20

30.4 The Company has given new loan during the year amounting to Rs 287.00lacsto parties who categories under the Related Parties as Norma Business of financing Transactions. The total outstanding balance as on at the end of the year was of Rs 229.04lacs. As these transactions were done as normal business transactions, these have not been reported as per the disclosure under Related Part Transactions.

31. The main business of the company is to provide loans for the purchase or construction of residential houses and all other activities of the company revolve around the main business and as such there are no separate reportable segments as specified in Accounting Standard (AS-17) on "Segment Reporting", and under paragraph 29(2) of the Housing Finance Companies (NHB) Directions, 2010, which needs to be reported.



32. As required by the guidelines of NHB, the following additional Disclosures are as follows:

I. Capital to Risk Assets Ratio (CRAR)

Particulars	Year ended 31.03.2015	Year ended 31.3.2014
CRAR %	133.26%	106.06%
CRAR - Tier I capital (%)	132.24%	105.37%
CRAR - Tier II Capital (%)	1.03%	0.69%

II. Exposure to Real Estate Sector

Category		Year ended 31.03.2015	Year ended 31.03.2014
a)	Direct Exposure		
	(i) Residential Mortgages – (Loan above Rs. 15.00 lacs)	105.67	153.24
	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 lacs may be shown separately)	349.47	379.20
	(ii) Commercial Real Estate		
	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.	230.00	0.00
	(iii) Investment in Mortgage backed Securities (MBS) and other securitized exposures		
	a. Residential	148.55	140.33
	b. Commercial Real Estate	0.00	0.00
b)	Indirect Exposure		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and housing finance companies (HFC's)	0.00	0.00
	Total (a) + (b)	833.69	672.77

III. Asset Liability Management 31-03-2015

Maturity pattern of certain items of assets and liabilities

	1day to 30-31 days (one month)	Over one month to 2 months	Over 2 months Up to 3 months	Over 3 months to 6 months	Over 6 month s to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Total
Liabilities											
Borrowings from banks	0.13	0.13	0.03		272.37		-	-	-	-	277.66
Market Borrowings	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	37.82	37.82	37.82	113.46	453.83	385.00	128.45	-	38.00	-	1232.20
Investments	-	-	-	-	-	-	-	88.00	-	-	88.00

33. NHB has not levied any penalty under HFC (NHB) Directions, 2010 on the company.
34. In the Current year the company has additionally paid Rs 5.00 lacs as advance for acquisition of office building. So the total Amount outstanding is of Rs 68.00 lacs and is being carried forward.
35. Provident Fund and ESIC Since the no. of employees are below the prescribed limit of 20 or more as specified in the relevant act, therefore it does not come under the ambit of following the provisions of PF and ESIC.
36. Investments in shares of Other companies:

S. No	Particulars	Amount (Rs.) 31.03.2015	Amount (Rs.) 2013-14
1	Akme Fintrade (India) Ltd		
	Opening Balance	4000100	5000000
	Purchased during the year	NIL	NIL
	Sold during the year	NIL	999900
	Closing Balance	4000100	4000100
2	Akme Fincon Ltd		
	Opening Balance	4800000	3000000
	Purchased during the year	Nil	1800000
	Sold during the year	Nil	Nil
	Closing Balance	4800000	4800000



37. **Deferred Tax:** The components of Deferred Tax assets and Liabilities as on 31.03.2015 and 31.03.2014 are as follows :-

PARTICULARS	31.03.2015	31.03.2014
Opening Balance (Deferred Tax Asset)	(31,933.00)	(25,963.00)
Deferred Tax Assets:		
Provision for Non Performing Assets	(368,618.00)	-
Difference Between WDV of fixed Assets and as per Co. Act, 2013 and Income tax Act, 1961	-	(5,970.00)
Gross deferred Tax Asset (A)	(368,618.00)	(5,970.00)
Deferred Tax Liabilities:		
Difference Between WDV of fixed Assets and as per Co. Act, 2013 and Income tax Act, 1961	8,034.00	-
Deduction Claimed u/s 36(1)(viii)	445255.00	-
Gross Deferred Tax Liabilities (B)	453289.00	-
Net Deferred Tax (Asset)/ Liability	52738.00	(31,933.00)
Amount debited/ (Credited) in Profit and Loss account	84671.00	(5,970.00)

In earlier years no future tax consequences on account of timing difference was considered on the Provision of Contingency and Amount Transferred in Special reserve created u/s 36(1)(viii) of the Income Tax Act. Therefore, it has been accounted for all the previous financial years along with the Current financial year.

38. There are no Micro, Small and Medium Enterprises (MSME) to whom the Company owes dues, which are outstanding for more than 45 days as at 31-03-2015. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis at information available with the Company.
39. Figures of the previous year have been regrouped, rearranged and reclassified wherever necessary.
40. Figures in brackets represent previous full year's figures i.e. figures for Financial Year 2013-14.

In terms of our report of even date

For Nyati Mundra & Co.
Chartered Accountants
ICAI FRN-08153C

CA Akash Jain
Partner
Membership no. 079052

Place: Udaipur
Date: 13.05.2015

For AKME STAR HOUSING FINANCE LTD.

sd/-
Mohan Lal Nagda
Mg. Director
DIN 00211925

sd/-
Ashish Jain
Chief Financial Officer

sd/-
Nirmal Kumar Jain
Director
DIN 00240441

sd/-
Paritosh Jain
Company Secretary