

AKME STAR HOUSING FINANCE LIMITED

N.H.B. Registration No. 12.0080.09
CIN: L45201RJ2005PLC020463



Akme Business Center (ABC)
4-5, Subcity Centre, Savina Circle
Udaipur - 313 002 (Rajasthan)
Phone : (0294) 2489501 - 02
E-mail : akmestarhousing@yahoo.com

Ref. No.
Date: 05.08.2017

Date :

To,
General Manager,
Listing Operation,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai 400 001

ISIN: INE526R01010
SCRIP CODE: 539017
SCRIP ID: ASHFL
PAN NO. AAGCA1988C

Dear Sir,

Ref: Regulation 34 of Securities Exchange Board of India (Listing Obligation And Disclosure Requirements) Regulations, 2015

With reference to Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we herewith submit the Annual Report of the Company for the Financial Year ending 31st March, 2017.

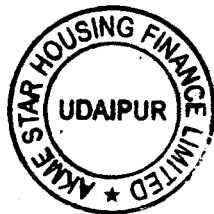
We may inform that the same has been approved and adopted in the 12th Annual General Meeting of the Company held on 29th July, 2017 at Udaipur, Rajasthan at 11.30 A.M.

Request you to kindly take the same on records.

Yours Faithfully

FOR, AKME STAR HOUSING FINANCE LIMITED

PARITOSH KOTHARI
(COMPANY SECRETARY)



Encl: as above

FORM A

1.	Name of the company	Akme Star Housing Finance Limited
2.	Annual financial Statements for the Year ended	31 st March, 2017
3.	Type of Audit Observation	Un-Qualified/Un-modified Audit Report
4.	Frequency of Observation	Not Applicable



Dr. Mohan Lal Nagda
Managing Director
DIN: 00211925



Mr. Ashish Jain
Chief Financial Officer

For, H.R. JAIN & Co.
Chartered Accountants
Firm Reg. No. 000262C



CA Manoj Jain
Partner
Membership No. 400459



Mrs. Rajni Gehlot
Audit Committee Chairperson



12th
ANNUAL
2017
REPORT

AKME STAR HOUSING FINANCE LIMITED



Corporate Information :

Board of Directors

Dr. Mohan Lal Nagda - Managing Director
 Mr. Nirmal Kumar Jain - Director
 Mr. Kalu Lal Jain - Director
 Mr. Amrit Singh Ji 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 Ji Rajpurohit - Member

• Nomination and Remuneration Committee

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

Registered Office:

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

Corporate Office:

94/D, Kurla Kamgar Nagar Co-operative Housing Society,
 S.G. Barve Marg, Kurla (East), Mumbai-400024.

Secretarial Auditor

Ronak Jhuthawat & Co.
 B-803 Lake Garden Opp Goverdhan Sagar
 Goverdhan Vilas Udaipur.
 Tel: +91-9887422212
 Email: csronakjhuthawat@gmail.com

Statutory Auditors

HR Jain & Co.
 310-313 Arihant plaza, Near State bank of India
 Udaipole, Udaipur 313001
 M NO 9785390875
 E Mail : hrjainca@gmail.com

Bankers

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

Registrar And Transfer Agents

Big Share Services Private Limited
 4-E/8, First Floor, Jhandewalan Ext,
 New Delhi-110055
 Tele-011-23522373, 011-42425004
 Email: bssdelhi@bigshareonline.com

Stock Exchanges

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-400,013

Central Depository Services Limited (CDSL)

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

**CHRONICLE :**

COMPANY OVERVIEW	STATUTORY REPORTS	FINANCIAL STATEMENTS
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ABOUT US :

M/s Akme Star Housing Finance limited originally "Akme Buildhome Private Ltd was incorporated on March 17th 2005 with an objective to:-

- a) Manage, Administer and to carry on the business of providing housing loans, funds for the construction of houses, loan against home properties and to carry out housing finance activities and other related services in the country.
- b) Further to extend home loan finance to weaker section and to finance group housing societies and NGOs engaged in the welfare of the weaker section.

We at ASHFL are committed to deliver the services as per following values to our customers:

- Disseminating affordable priced financial services to customers and locations most in need of them, in a timely manner.
- Customizing product offerings and solutions to meet customers' requirements.
- Our governance structure is driven by a highly focused management team, guided by a distinguished Board profile.
- To assure that Customers are utmost satisfied under the home buying process.
- Making Housing Finance affordable and convenient.

AFFORDABLE HOUSING :

'Housing for All by 2022' is vision of the Government of India. Akme Star Housing Finance Limited views itself as an important contributor to this and thus we are focused on home buyers in the affordable housing segment by making the best-in-class home loan solutions available to them.





OUR MISSION :

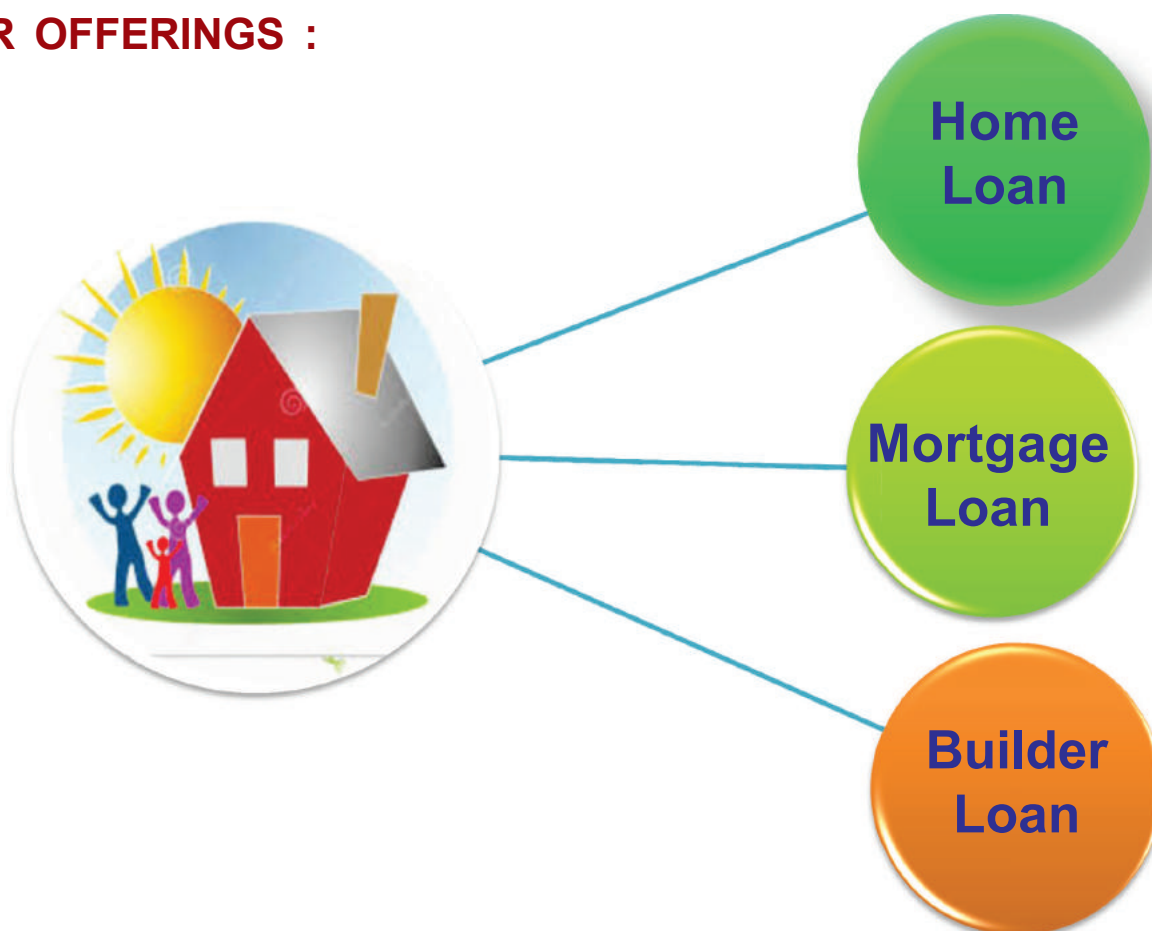
To be known as the Organization where personal attention will never become obsolete. We want to employ people who are extremely satisfied and who go the extra mile for clients. We want a culture of growth, profitability and enthusiasm throughout the Company

VISION :

"To deliver quality financial products both in appearance and content"



OUR OFFERINGS :



1. HOME LOANS

a) Purchase of Flats/Houses

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

b) Renovation of Existing Units

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

c) Extension of Existing Units

To extend your house for any reason, we do provide extension loan plan for individuals, corporates in this scheme. You are always welcome for availing this scheme even for a small bedroom, a balcony or roof top etc.

d) Purchase of Plot for Construction of houses.

Akme Star Housing Finance Limited provides loan for purchase of residential plot.

2. MORTGAGE LOANS

We help our customers unlock the value of their property by availing loan against their unutilized property. The customers can utilise the loan amount for productive deployment in their business.

3. BUILDER LOAN

For Construction of Residential Flats / Project Loan.



RATING :

The company has been assigned BB+ by SMERA Ratings Limited for the facility obtained from the Bank as on 31.03.2016.

KEY FACTORS STRENGTHENING AND DRIVING OUR BUSINESS :

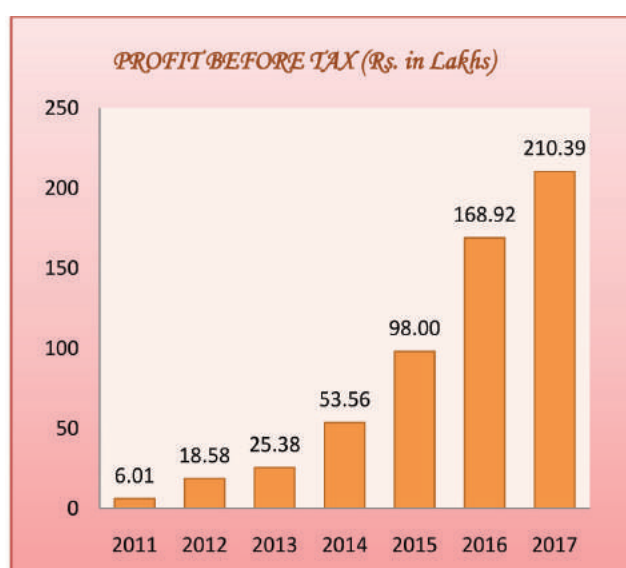
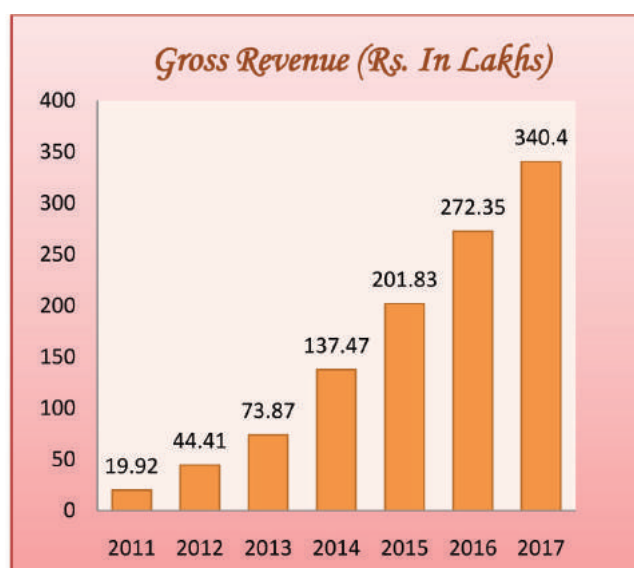
1. Customer Satisfaction
2. Dedicated Workforce
3. Strong Relationship with our customers
4. Our wide Presence in Rural Areas

KEY FINANCIAL HIGHLIGHTS :

Rs in Lacs

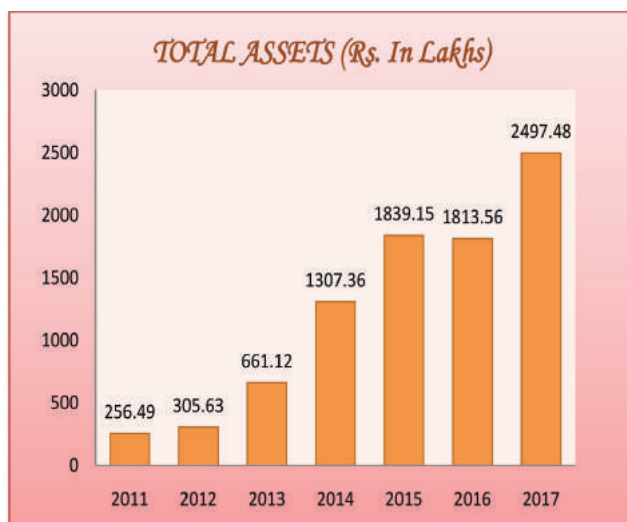
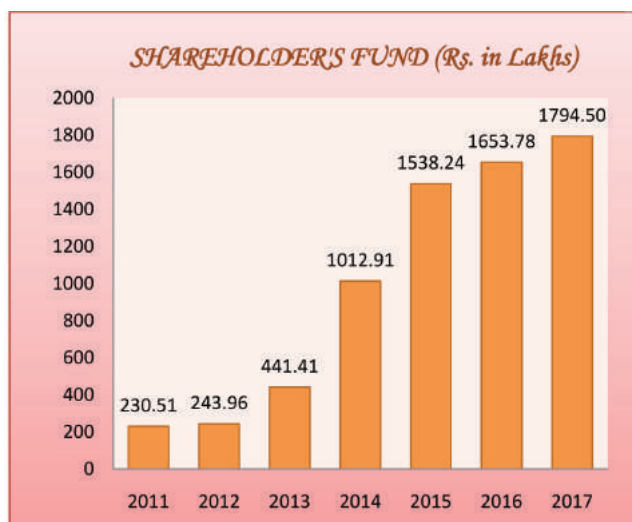
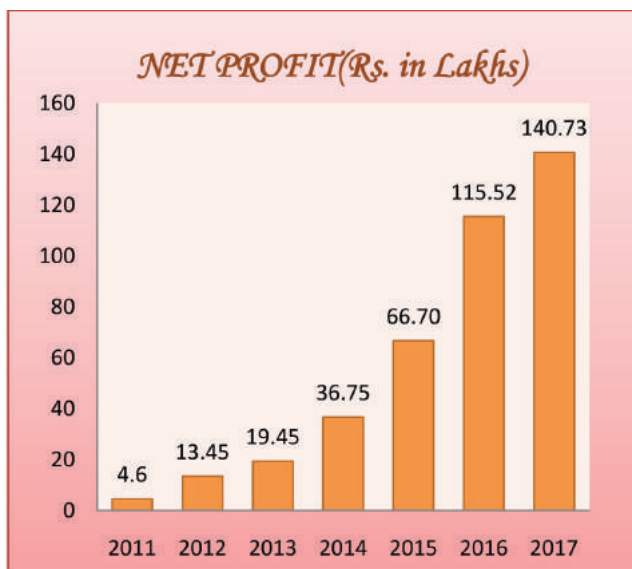
	2012-13	2013-14	2014-15	2015-16	2016-17
Gross Revenue	73.87	137.47	201.83	272.35	340.40
Profit Before Tax	25.38	53.56	98.00	168.92	210.39
Profit After tax	19.45	36.75	66.70	115.52	140.73
Disbursement	341.05	586.92	706.25	807.60	885.00
Net Worth	441.41	1012.91	1538.24	1653.78	1794.50
Share Capital	127.60	216.73	593.45	593.45	1186.90
Borrowings	202.62	280.22	272.66	126.59	667.62
Earnings Per Share	1.66	0.94	1.52	0.97	1.19
CRAR (%)	101.46%	106.06%	133.26%	114.35%	109.00%

FINANCIAL INDICATORS :



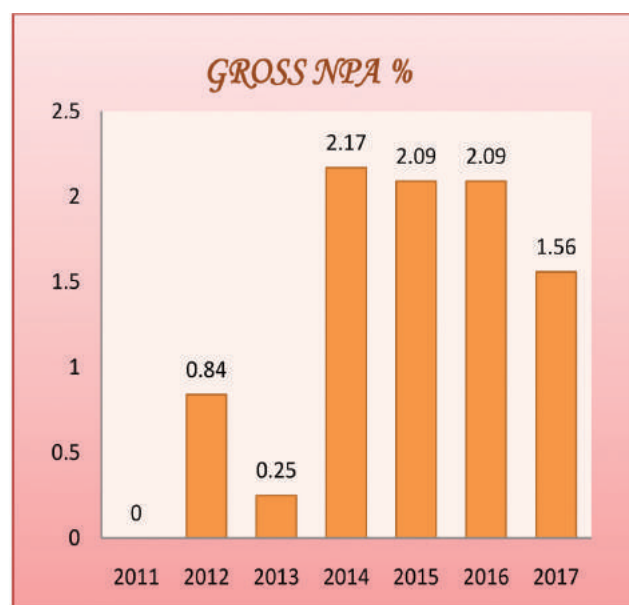
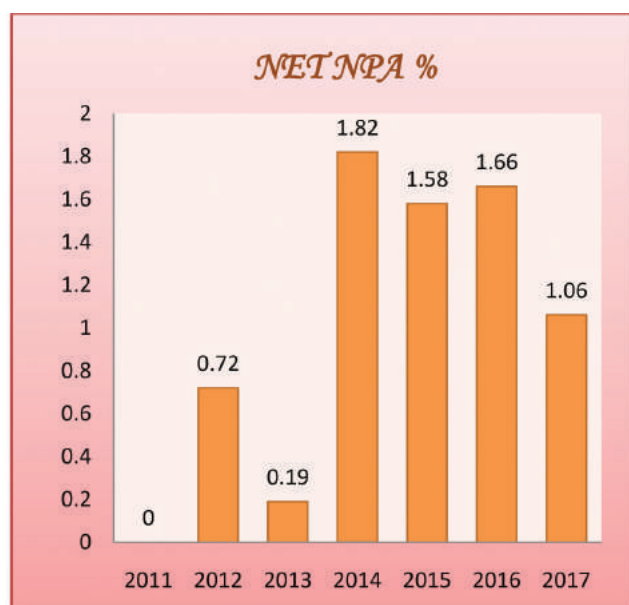
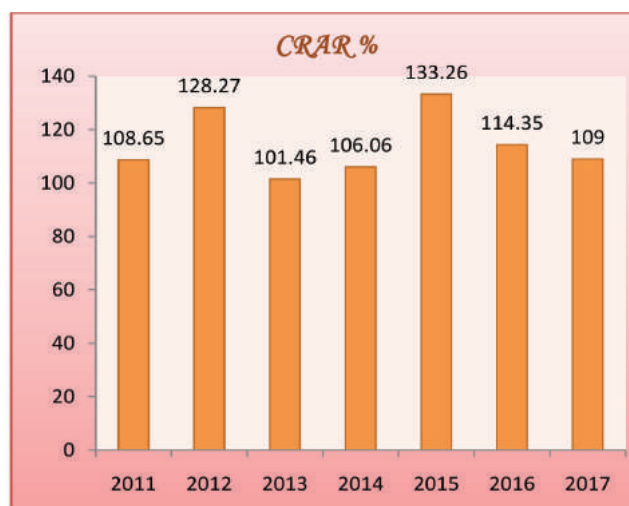
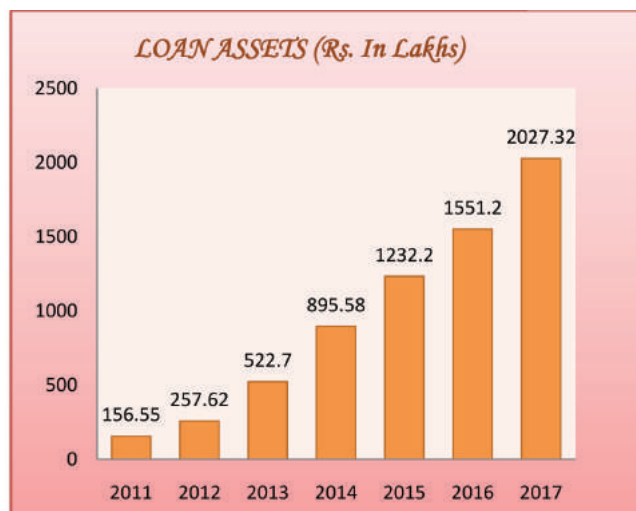


FINANCIAL INDICATORS :





FINANCIAL INDICATORS :





PROFILE OF DIRECTORS :



**DR. MOHAN LAL
NAGDA**
DIN 00211925

MANAGING DIRECTOR & CHAIRMAN

Dr. Mohan Lal Nagda, aged 60 years, is the Promoter and Managing Director of the Company. He is a qualified Chartered Accountant with additional qualifications of CS, ICWA, MBA and Phd degree on the topic "Disinvestment by Government. After a service of more than 23 years on higher managerial post in Hindustan Zinc Limited, he took VRS and started this Housing Finance Company. Under his guidance and vision Company got the License from National Housing Bank.

Dr Nagda is having vast experience in the fields of insurance, housing, human resource development, information technology and marketing.



**NIRMAL KUMAR
JAIN**
DIN 00240441

EXECUTIVE DIRECTOR

Mr. Nirmal Kumar Jain, aged 50 years, is the Promoter and Executive Director of the 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 Akme Group have commenced 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 gave honour as "YUVA GAURAV" in 2012. Under his leadership & Vision, the Company commenced its transformational journey, reaching out to customers across the length and breadth making the group grows at a faster pace. Akme Group has been operating its business in three states of India i.e. Rajasthan, Maharashtra & Gujarat. The Akme Group has also diversified itself in variety of Business alongwith finance activity.



KALU LAL JAIN
DIN 00451442

DIRECTOR

Mr. Kalu Lal Jain, aged 47 years, is the Promoter and Director of the Company. He is a highly acclaimed dignitary of the city having vast experience of real estate and construction industry since 1986. He actively looks after the finance division of the Company and has adequate experience of activities allied thereto.



PROFILE OF DIRECTORS :



**AMRIT SINGH
RAJPUROHIT**
DIN 02173432

NON - EXECUTIVE INDEPENDENT DIRECTOR

Mr. Amrit Singh Rajpurohit, aged 63 years, is the Non-Executive & Independent Director of the 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.



RAJNI GEHLOT
DIN 06627287

NON - EXECUTIVE INDEPENDENT DIRECTOR

Mrs. Rajni Gehlot, aged 34 years, is the Non-Executive & Independent Director of the Company. She is a young dynamic Chartered Accountant member of ICAI having a bright knowledge of Finance and manages the functioning of Company in well manner, having experience of more than 5 years. She is also the chairperson of the audit committee of the Company.



**AVINASH
BHATNAGAR**
DIN 06968417

NON - EXECUTIVE INDEPENDENT DIRECTOR

Mr Avinash Bhatnagar, aged 67 years, is the Non-Executive & Independent Director of the 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 Housing Finance activities.



CHAIRMAN'S MESSAGE

Dear Shareholders,

On behalf of the Board of Directors and on my own behalf, I feel proud to present the 12th Annual Report for the FY 2016-17.

This year has been a landmark in the history of your Company as the company announced Bonus as well as received the in principle approval for migration from the BSE SME platform to BSE main Board.

Last Nine years, ASHFL has consistently built a forward-looking organization. Your Company set inclusive growth as part of its business goal at a time when there was no focus on social equilibrium in rural area. Having built a foundation on the forward-thinking Vision of our Founder Promoter Mr Nirmal Kumar Jain, today your Company is one of the leading housing finance company in Southern Rajasthan, and a leading financial group having varied businesses under group banner like Auto Dealership, Hospitality Services, NBFC's, Real Estate and Construction.

At ASHFL, we listen to our customers' aspirations, assess their capabilities; and devise solutions to meet their needs. This enhances their trust in our brand; and we continue to strengthen the trust our customers repose in us.

This philosophy will continue to be in focus while embracing new businesses, widening offerings and adding value for customers. We have helped several persons belonging to Lower and Middle income segment to mobilize funds to buy or build their own homes. In the process, we have built strong relationships with our customers and have amassed deep customer insights. We have built the systems for delivering best-in-class customer experience and expertise for assessing credit worthiness, financial protection needs and alternate savings options.



Your Company's core offering comprises housing loans, mortgage loans. Company's major loan portfolio comprises housing loans given for purchase of homes, extension & improvements and self-construction.

It gives me immense pleasure to report that your Company registered a strong performance in FY 2016-17. Your Company's continuous vision of empowering the lower and middle income segment and focusing on being a trusted partner to customers has helped it stand in good stead.

Our Company's main aim is to maximize its shareholder's wealth which is clearly reflected in the financial statements as EPS of your company increased from 0.97 to 1.19 during the year under review. During the year Company has issued Bonus in the ratio of 1:1 to appreciate the value of shareholder of the company.

During the year ended March 31st, 2017 the Company's total revenue increased from 272.35 Lacs to Rs. 340.40 Lacs, Profit before tax increased from Rs. 168.92 Lacs to Rs. 210.39 Lacs and Profit After Tax increased from Rs. 115.52 Lacs to Rs. 140.73 Lacs. The Net Owned Fund (NOF) of the Company as on March 31st 2017 stood at Rs. 1794.50 Lacs.

During the year your Company received term Loan Facility from Bank of Baroda for Rs 7.36 Crore. Also, AU Small Finance Bank Limited sanctioned the Cash Credit facility of Rs 3.00 Crore in the Month of June 2017 which will further help in the strengthening the performance and growth of the company.

BONUS SHARE

At ASHFL, We value the relationship with our shareholders and consistent efforts are made to preserve and maintain a long and steady connect. One such step taken in this direction that during the Financial Year the Board announced Bonus issue in the ratio of 1:1 to its existing shareholders as on record date and accordingly the company had allotted the Bonus shares on 10th March 2017.

MIGRATION FROM BSE SME PLATFORM TO BSE MAIN BOARD

Your Company through its Initial Public offer of Rs. 480 lacs got listed on SME Platform of BSE Limited in the year 2014-15 with an issue of 16,00,000 equity shares at the rate of Rs. 30/- per share which included premium of Rs. 20/- per share. After a successful IPO, company maintained its worth which is clearly reflected through its Financial Statements.

The Company received in principle approval from BSE vide their letter dated 15th June 2017 with respect to migration to Main Board of BSE Limited.

CORPORATE GOVERNANCE

Your Company complies with the Corporate Governance guidelines for listed companies enunciated in the Listing Agreement executed with Stock Exchange.

OUTLOOK AND VISION

The future outlook of your company is to expand its area of network and business activities and one such step taken in this direction is the opening of its Corporate Office at Mumbai with the Management's aim of development of business. Your Company has been consistently working at such a pace in order to maintain its position, target new customers and always lead with the object of access to funds to the people in order to fulfill the dream of having their own Home.

The Board of Directors place on record its deepest appreciation of the valuable services and dedicated efforts rendered by the employees of Akme Star Housing Finance Limited and other stakeholders, in achieving the performance objectives during the year 2016-17.

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

With best wishes,

Mohan Lal Nagda

Chairman & Managing Director

DIN 00211925



MANAGEMENT DISCUSSION & ANALYSIS REPORT



MANAGEMENT DISCUSSION & ANALYSIS...

A stable macroeconomic environment and the falling commodity prices are some of the factors that have helped the country achieve strong economic growth estimates. On the external front, while a decline in commodity prices helped India control inflation and rein in its twin deficits (Fiscal and current account), the on-going global slowdown has hurt its exports. Some of the big-ticket structural reforms as Goods and Services Tax were delayed and diluted, subduing sentiment further.

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organization (CSO) and International Monetary Fund (IMF). As per the Economic Survey 2016-17, the Indian economy should grow between 6.75 and 7.5 per cent in FY 2017-18. The improvement in India's economic fundamentals has accelerated in the year 2015 with the combined impact of strong government reforms, Reserve Bank of India's (RBI) inflation focus supported by benign global commodity prices.

India's consumer confidence index stood at 136 in the fourth quarter of 2016, topping the global list of countries on the same parameter, as a result of strong consumer sentiment, according to market research agency, Nielsen. Moody's has affirmed the Government of India's Baa3 rating with a positive outlook stating that the reforms by the government will enable the country perform better compared to its peers over the medium term.

INDUSTRY & ECONOMY OVERVIEW

With a slew of reforms and push from the government, affordable housing so far the poor second-cousin of real estate is emerging as the preferred segment for housing finance institutions and developers alike, say industry stakeholders and experts.

"Affordable housing is now attracting the interest of more developers who had previously shunned it because of its down-market image. Today, it has become a respectable segment and with the government's determined push it now plays a very important role in Housing Finance Sector."

The economy of India is the sixth-largest in the world measured by nominal GDP and the third-largest by purchasing power parity (PPP). The country is classified as a newly industrialized country, and one of the G-20 major economies, with an average growth rate of approximately 7% over the last two decades

India's economic growth is estimated to slow to 7.1 percent in the current fiscal year ending March 31 compared to 7.6 percent last year, the first indicator of the impact of the demonetization drive. The estimates have been reduced in all the sectors, except for agriculture, which has improved due to the positive monsoon season.

The long-term growth prospective of the Indian economy is positive due to its young population, corresponding low dependency ratio, healthy savings and investment rates, and increasing integration into the global economy. The Indian economy has the potential to become the world's 3rd-largest economy by the next decade, and one of the two largest economies by mid-century. And the outlook for short-term growth is also good as according to the IMF, the Indian economy is the "bright spot" in the global landscape.

However, challenges still remain. Improvement in growth, powered by private consumption and public investment, has been uneven. For sustainable growth, revival in private sector investment and exports is essential. Banking sector is under duress from corporate non-performing assets and is expected to face asset quality headwinds throughout the fiscal year 2017-18.

The government's commitment to fiscal targets, and focus on infrastructure and programmes like the "startup" initiative should improve investment climate further. Household demand is expected to improve driven by the implementation of the Seventh Pay Commission award, continued low commodity prices, and interest rate cuts.

According to the report of Technical group on Urban Housing shortage in India (2012- 17), India will need 18.8 million housing units out of which more than 95% are in Economically Weaker Section/Lower Income Group. The above projection by NHB makes it clear that in the times to come there is a huge scope for HFCs to grow and the trend shall be bullish. We can expect that the number of firms registering with NHB shall be on a high and it can revive the housing finance sector further which has been neglected a lot in the past.

High interest rates and poor affordability kept many people away from buying new homes for some time now. But, things are about to change. Your dream of buying a home may soon come true. The recent Union Budget has accorded infrastructure status to affordable housing. This means government incentives, tax reliefs, and institutional funding for home developers. Additionally, Finance Minister Arun Jaitley also announced that the National Housing Bank would refinance loans worth Rs. 20,000 crore.



All these measures are also expected to lower interest rates as well. This is in addition to the interest subsidy of up to 4% on home loans that Prime Minister Modi announced at the beginning of this year. If funds are an issue, fret no more! Affordable housing finance schemes offered in the country will make funds readily available for you to purchase your dream house.

Home-ownership costs in India may fall if the regulator for the country's housing finance companies is successful in convincing the state governments to cut stamp duties and registration fees, arguing that more revenue streams would help compensate losses from the reduced rates.

"We have engaged with some state governments on how they could reduce stamp duty for affordable housing," as statement given by MD of the National Housing Bank (NHB),. "If they accept it, stamp duties and registration charges should come down significantly.

Such a reduction will bring down their margin money and provide relief to many Indians, for whom owning a 'home' is still an aspiration."

If the NHB succeeds, stamp duties and registration fees may decline to 5-6% of the basic cost of an apartment or a property, compared with the existing rate that is as high as 12.5% in some states. The reduction should help achieve the "Housing for All by 2022" federal objective, which hinges on providing affordable homes to millions of Indians struggling to get on to the property ladder.

For the average Indian home-buyer, the total ownership cost would fall significantly if the NHB's suggestions are accepted by the states.

The NHB has disbursed housing subsidies worth Rs 421 Crore until March 31, 2017, and expects it to double the next year. The bank will also accelerate the middle income group (MIG) housing programme. About 40 million rural families do not own houses, according to the Socio Economic and Caste Census, 2011.

To meet this requirement, the government has set a target of building 10 million houses under the Pradhan Mantri Awas Yojana-Grameen (PMAY-G), at a cost of Rs 81,975 crore, in the first phase between 2016-17 and 2018-19.

MARKET SCENARIO

Housing sector contributes major chunk to the country's GDP and has witnessed steady growth driven by demographic factors and a continuing housing shortfall. The outlook for the sector is very encouraging and is supported by focused government initiatives like "Housing for all" and "The Smart City Project"

Heeding to the long-time demand from the housing industry, Finance Minister Arun Jaitley has granted infrastructure status to affordable housing, while presenting the Budget 2017-18.

The new measure is bound to reduce costs for developers and attract investors, besides revving up housing supply and reducing backlog.

According to Prime Minister Narendra Modi, the housing sector is set to gain tremendously from the Budget.

1. Affordable housing remains a big focus



The government has proposed to construct 1 crore houses for the homeless by 2019.

2. Big push for the housing sector, post demonetization.



The PM Awas Yojana allocation has been raised to Rs.23,000 crore, from Rs.15,000 crore.

3. The rural push in Budget 2017 has been lauded



The finance minister also said, "Mission Antyodaya will bring 1 crore households out of poverty and will make 50,000 Gram Panchayats poverty-free."

**Real Estate (Regulation and development Act) 2016**

The new Real Estate Regulation Law seeks to set right many shortcomings that currently plague the housing segment in India. Prominent amongst these are :

- 1) inordinate delays in delivering homes to owners, often caused by diversion of funds to other projects / purchasing land banks,
- 2) illegally constructing and selling flats, the plans for which are not approved by concerned competent authority.

The new law seeks to pin responsibility on developer to deliver the homes on time. This is expected to push non-serious players / speculators out of the arena and bring in transparency as well as confidence in the housing market.

Our interaction with sector participants suggests the new law should

- a) provide a fillip to residential sales,
- b) attract more FDI into Indian realty,
- c) cut down speculator participation.

On the flip side, it could slow down number of new project launches initially.

INDIAN HOUSING FINANCE INDUSTRY

Housing indirectly contributes to the social, physical and psychological wellbeing of the communities. Besides providing shelter and security, it also enables easy access to the credit by working as collateral comfort/ security. Overall, good quality housing has a long term impact on the productivity of individuals and hence growth of the economy. In addition, the housing sector has strong linkages with other ancillary industries which include construction workers, builders, developers, suppliers, civil engineers, property consultants, furnishers, interior decorators etc. Housing sector ranks fourth in terms of the multiplier effect on the economy and third amongst 14 major industries in terms of total linkage effect. After agriculture, the housing and real estate industry is the second largest employment generator in India.

India's housing finance industry mainly comprises banks and Housing Finance Companies (HFCs), and to a certain limited extent, smaller institutions such as community-based organizations, self-help groups, etc. The National Housing Bank (NHB) operates as the principal agency for promoting, regulating and providing financial and other support to HFCs at local and regional levels, while banks and NBFCs are managed and regulated by the RBI. Based on the available information at present, 71 companies have been granted certificates of registration by NHB to act as HFCs.

Historically, the housing finance industry was dominated by HFCs. However, towards the end of the 1990s, the scheduled commercial banks became very active in lending to the housing sector in the backdrop of lower interest rates, rising disposable incomes, stable property prices and fiscal incentives by the government.

While banks depend on their own equity and reserves and large deposit base for funding their housing loan portfolios, HFCs primarily depend on funding sources such as loans from banks and financial institutions, financing from NHB, borrowing through bonds and debentures, commercial paper, subordinate debt and fixed deposits from public, besides their own equity and reserves.

HOUSING FINANCE COMPANIES

Housing Finance Companies (HFCs) have been at the forefront in catering to the financial needs of the section of the society that struggles to get loan from banks and other loan providers. This is true for both rural and semi urban areas. Over the years, Housing Finance Companies, being specialised lending institutions for housing, have gained a significant market share at the expense of banks and have emerged as one of the major players in the mortgage market in India. Despite banks showing healthy growth in their lending portfolios, HFCs are able to gain market share due to their strong origination skills, focused approach, niche marketing, customer service orientation and diverse channels of sourcing business. HFCs are expected to maintain a robust position in the Indian housing finance market in the near future.

Prudential Norms for Housing Finance Companies

National Housing Bank (NHB) regulates the HFCs and issues guidelines on income recognition, asset classifications, provisioning, provisioning for bad and doubtful debts, capital adequacy, accounting and disclosure policies, and fair practice code and asset liability management. The Company is in compliance with all applicable regulatory norms and guidelines.

KEY GROWTH DRIVERS

India's housing sector has a strong growth potential in the coming decade. The growth is expected on the back of India's significant development cycle and socioeconomic transformation. Some of these growth drivers are discussed below:



1. Rising Income
2. Population Growth
3. Tax Benefits
4. Increasing urbanization
5. Housing Shortage
6. Government Initiatives

KEY CHALLENGES

Some of the key challenges faced by HFCs are availability of long-term bulk finance at competitive rates, low absorption of debt market and interest rate risk associated with long term lending. Investment in technology and maintaining cost effective delivery model in customer acquisition particularly in LMI segment are other important challenges. From a demand for home loan point of view, promoting supply of affordable homes construction through appropriate Public Private Partnership is the need of the hour. The legal process for enforcement of mortgaged securities, land records and registration of documents continue to pose hurdles in rapid growth of mortgage finance industry.

GOODS AND SERVICE TAX

The Goods and Service Tax (GST), the biggest reform in India's indirect tax structure since the economy began to be opened up 25 years ago, at last looks set to become reality. GST is an organization-wide transformational change that will impact the entire value chain of operations, including procurement, manufacturing, distribution, warehousing, sales and pricing.

The Goods and Service Tax or better known as GST is a Value added Tax and is a comprehensive indirect tax which is levied on the manufacture, consumption, and sale of goods and services. The Goods and Service Tax in India would replace all the indirect taxes which are levied today on goods and services by the Central and the State governments. GST is intended to be comprehensive for most of the goods and services. Goods and Service Tax is a single indirect tax for the entire nation, which would make India a unified market. It is proposed to be a single tax on supply of goods and services, from a manufacturer to the end consumer. The credit of all the input taxes which are paid at each and every stage would be allowed in the following stages of value addition that makes GST basically a tax on value addition only at every stage. The end consumer would have to bear only the Goods and Service Tax which is charged by the final dealer within the supply chain, together with all the set-off benefits availed at previous stages.

GST has been envisaged as a more efficient tax system, neutral in its application and attractive in distribution. The advantages of GST are:

- Wider tax base, necessary for lowering the tax rates and eliminating classification disputes
- Elimination of multiplicity of taxes and their cascading effects
- Rationalization of tax structure and simplification of compliance procedures
- Harmonization of center and State tax administrations, which would reduce duplication and compliance costs
- Automation of compliance procedures to reduce errors and increase efficiency

Key imperatives for companies:

With the proposed implementation of GST from 1 July 2017 gaining intensity, it is critical for industry:

- to understand the broad contours and framework of the proposed GST law,
- likely impact of the new levy on the business,
- take appropriate steps to undertake necessary changes in business processes,
- assess financial impact,
- frame pricing strategy,
- align internal organization and IT systems and
- Be GST ready.

The Company has registered itself under GST (effective from July, 2017) as per the prescribed norms and guidelines.

THREATS

Primary threat to housing finance companies arises from the economic downturn and a slowdown in employment opportunities. Infrastructural bottle necks slowing down progression of urbanisation in newer centers will be another.



The demand for home loan being rate sensitive, can negatively impact demand if the rates are increased. It may also impact repayment commitment of existing loans. HFCs could be faced with inability to pass on the increase in rate fully, leading to squeezing of margins and threat to sustainability of growth and profitability.

Adverse developments in the real estate sector causing delay and default in completion of projects may cause a set-back to the new and existing loans. Likewise, growing cost of houses 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 intense fight for market share between HFCs and Commercial Banks within the same space can heighten the risk element with aggressive underwriting standards. Over reliance on takeover of loans as an easier option to build size, price war, and squeezing margins to undesirable levels are other areas of possible threats.

Housing Finance companies in India have witnessed an increase in the number of fraud cases over the last couple of years. Many HFCs are increasingly realising the extent of profit erosion due to these frauds. This is expected to pose certain challenges for HFCs and many may be forced to re-visit their business model and to invest in upgrading their systems and processes. It also calls for being adept with advanced tools to prevent as well as detect frauds by effectively using technology in process and monitoring mechanism.

BUSINESS & OPERATIONAL OVERVIEW OF THE COMPANY

Business Overview

Your Company has established a strong foundation and has been active in the housing finance sector in India since 2009. Your Company is a Non deposit-taking housing finance company registered with the National Housing Bank and is focused on providing financing products to the lower and middle income (LMI) segments in India, primarily in Tier II and Tier III cities and towns. The high level of customer service, our ethics and values in dealing with customers and the corporate governance principles have significantly contributed towards making ASHFL a leading financial service provider.

Your Company has aligned its business strategies to better identify the needs of customers in the LMI segment and accurately estimate their income and repayment capabilities.. Moreover, your Company has created separate business verticals for housing loans and non-housing loans. This allows each vertical to focus on its core business and use its expertise to offer flexible products that suit its customers' needs.

Your Company has built strong customer awareness and brand loyalty over the years. The branding and marketing activity have contributed to new and repeat business, and has led to the establishment of a uniform brand identity across a broad spectrum of consumer touch points.

Performance Review, 2016-17

During financial year March 31, 2017, your Company witnessed a steady increase in profits every sequential quarter. The year gone witnessed growth in the overall performance of the company characterized by quality loan portfolio and prudent resource management. The Loan Assets under Management grew steadily, while your Company continued its focus on the asset quality.

Effective Business Model

The business model of your Company allows it to ensure quick turnaround time and improve customer satisfaction while maintaining asset quality. A well coordinated set up across Sales & Marketing, Credit, Operations, Risk Management, Internal Audit, Collections and Recovery; form an overall chain of command in ensuring that the business is sourced and nurtured in a profitable and productive manner.

Marketing and Branding

Your Company has been working relentlessly towards achieving its Vision of 'ensuring home ownership to every Indian' through its strategic marketing and product innovation initiatives undertaken by its in-house marketing and product team.

Credit and Operational Strengths

Your Company's credit evaluation and credit portfolio management methodologies are designed to ensure consistent underwriting and early identification of problematic loans using techniques such as early default analysis, product analysis, and probability of default.

Your Company has developed internal legal and technical evaluation teams with independent functions to make credit decisions more robust and in line to manage collateral risk. Under the Company's end-to-end business model, your Company's employees are involved throughout the loan process and are able to consult with customers from loan origination until disbursement. Your Company's in-house operations team conducts a credit check and verification procedure on each customer, ensuring consistent quality standards in an effort to minimise future losses. Your Company's



independent internal audit team conducts a regular review of credit files on a sample basis to ensure adherence to policies and processes, and its dedicated collection and recovery team manages lifecycle of transactions and monitors the credit quality.

Effective Recovery Procedures

Your Company has established a robust collection machinery with a strong commitment for timely action. A structured early warning system and analytical tools based on past trends and experiences has helped your Company to develop a strong intervention to minimize default and respond with quick recovery action. Robust internal process controls are set up whereby information on cheque bounces and returns are received real-time.

RISK MANAGEMENT

Your Company has a well-defined risk governance structure which includes periodic reviews and close monitoring to enable building a sustainable business that takes care of the interests of all stakeholders. ASHFL has a clearly defined risk management policy that lays down guidelines for all operational areas. Comprehensive annual risk review exercises go towards continually updating the risk management policy. The policy defines role of the Company's Risk Management Committee which oversees all aspects of the business, especially credit underwriting.

Asset Liability Management:

The company follows 'The Asset Liability Management System for Housing Finance Companies – Guidelines' issued by NHB. The company has in place Board approved Risk Management policy. The policy specifies the prudential gap limits and the tolerance limits and the reporting mechanism. The Asset Liability Management (ALM) reports are periodically reviewed by Asset Liability Committee (ALCO) and ALCO in turn apprises the Board on ALM issues periodically. The Company has one of the best recovery machineries in its category, to address NPAs, supported by legislations such as SARFAESI Act.

Regulatory Risk

Regulatory risk is the risk that a change in laws and regulations will materially impact the company. Changes in law or regulations made by the government or a regulatory body can increase the costs of operating the business, and/or change the competitive landscape. The regulatory risk can arise due to change in prudential rules/norms by the regulators viz; NHB, SEBI, RBI etc. The Company is able to mitigate the same by anticipating the likely regulatory changes that may come in the short and medium term and is able to quickly change its systems and practices to realign itself with the changed regulatory framework from time to time as required.

Competition Risk

Competition Risk is the risk to the market share and profitability arising due to competition. It is present across all the businesses and across all the economic cycle with the intensity of competition risk varying due to several factors, like, barriers to entry, industry growth potential, degree of competition, etc.

Housing Finance business is on an upward trajectory, perhaps due to growing economy, increased urbanization, government incentives, acceptability of credit in society and rise in nuclear families. With the result, the Housing Finance industry has seen a higher growth rate than overall economy and several other industries since past several years. This has attracted lot of Companies in the market thereby increasing competition among the existing Companies to maintain/grow market share and profitability. The Company is able to mitigate this risk by addressing to the customer needs with state of art infrastructure including IT Interface, aligning its practices with the market in order to attract customers and at the same time retaining the existing ones. The Company has also been able to sense pulse of peer group in terms of their product offerings, pricing and other schemes and is better poised to meet the challenges through improved product offerings, prices and customer service.

Operations Risk

Operational risk is "the risk of a change in value caused by the fact that actual losses, incurred for in adequate or failed internal processes, people and systems, or from external events (including legal risk), differ from the expected losses". It can be subdivided into the following categories:

- » Compliance risk is defined as the risk of legal sanctions, material financial loss, or loss to reputation the Company may suffer as a result of its failure to comply with laws, its own regulations, code of conduct, and standards of best/ good practice. In case of ASHFL, the Company is regulated by NHB, its equity shares are listed on the Bombay Stock Exchange Limited (BSE), making it imperative that the Company follows all the applicable laws. In order to deal with the same, the Company has a designated Compliance Officer whose role entails complying with the statutory requirements of the Company.



- » Legal risk is the cost of litigation due to cases arising out of lack of legal due diligence. Litigation can also arise out of failure or frauds in project delivery. For ASHFL, the main business is of lending money for/against mortgage loans and is therefore exposed to legal risk. For handling the same, there are robust legal systems for title verification and legal appraisal of related documents. The Company also has standards of customer delivery and the operational mechanism to adhere to such standards aimed at minimum instances of customers' grievances.
- » Accounting risk is the risk that an error in accounting practice will necessitate a re-statement of earnings, which adversely affects the investors or customers' perception of the firm. The accounting transactions are consolidated through IT system to prevent errors and omission. The Company presents a fair and transparent view through its financial statements and should disclose the opinion of statutory auditors in the Annual Report as per the format prescribed by SEBI.

The Company is aware that Operational risk events may affect client satisfaction, reputation of the company and shareholder value and therefore considers imperative to manage the same through appropriate mechanism.

CAPITAL ADEQUACY RATIO

ASHFL is required to maintain capital adequacy of 12% on its risk weighted assets as per NHB regulations. ASHFL has maintained consistently high levels of capital adequacy over the last few years. The capital adequacy ratio for the current financial year was 109.00%, as compared to 114.35% of that of the previous year. Tier I and Tier II capital adequacy at the end of financial year 2016-17 was at 108.32% and 0.68% respectively, as compared to 113.82% and 0.53% of the previous year.

INTERNAL AUDIT AND CONTROL

The Company has adequate system of internal controls for business processes, with regard to operations, financial reporting, fraud control, compliance with applicable laws and regulations, etc. Regular internal audits and checks ensure that responsibilities are executed effectively. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening the existing control system in view of changing business needs from time to time.

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.

CENTRAL REGISTRY

The Government of India has set up the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) under section 21 of the SARFAESI Act, 2002 to have a central database of all mortgages created by lending institutions. The object of this registry is to compile and maintain data relating to all transactions secured by mortgages. All Banks & HFCs which fall under the purview of SARFAESI Act are required to register with CERSAI and submit the data in respect of all properties mortgaged in its favor. The lending institutions are required to pay fees for uploading of the data of mortgage. ASHFL is registered with CERSAI.

HUMAN RESOURCES

Your Company today is a valued employer brand and has a compelling employee value proposition. With the robust talent acquisition and talent retention mechanism, your Company is geared towards attracting the best talent, retaining them and ensuring sustainable growth. The initiatives of your Company are aligned with its overall mission and strategy. Embracing new technology and progressive employee centric policies and practices have enabled your Company to strike a balance between business needs and individual aspirations. In recognition of the same,

Your Company significantly invests in professional development and providing career development opportunities for its employees. A robust training and development framework, which has a blend of classroom, on-line and on the job training, is aligned to the business needs and career path of individuals and provides talent with opportunities to help



them excel in their work and be well equipped for future roles. Majority of the senior leaders have grown within the organization. The leadership competency framework enables your Company to identify potential leaders, and ensures that your Company has ready talent pool to take up next level leadership roles.

EXPERIENCED SENIOR MANAGEMENT TEAM

The senior management team of the Company has largely remained unchanged since the start of its different business lines. The Company recruits both directly from colleges and also hires laterally from industry to bring on board capable resources to contribute to the growing business. The Company has also focused on developing a second line to the senior management team. The middle and the senior management teams of the Company have rich experience within the financial services industry, have been with the Company for several years and form the stable and reliable backbone of the Company.

OUTLOOK OF THE COMPANY

The Government's initiative under "Housing For All by 2022" has heralded a new era in the housing sector. It is expected to deliver the much-needed boost to the real estate and housing finance industry by creating an enabling and supportive environment for expanding credit flow and increasing home ownership. Bringing Real Estate Act is yet another significant measure which will also streamline the business practices in the sector paving way for greater customer friendly approach and resultant positive impact on demand.

Related developments which your company sees as positive to spur growth particularly for lower and middle income people – the common man as is normally referred to, will come from programmes like Make in India and Skills India which are expected to provide additional employment opportunities. A favorable monsoon predicted for the 2017 Season will be a major factor to uplift the rural economy and will see overall market sentiment turning positive with strong measures to keep inflation under check having paved positive results, the benefit of transmitting the gains in respect of interest rate is expected to gather momentum going forward. Interest rates are thus expected to maintain a south ward bias in its movement, benefiting the retail borrower category, which is the most attractive and growing market for lenders.

CAUTIONARY STATEMENT

Statements made in the Management Discussion & Analysis describing the Company's objectives, projections, estimates, expectations may be "Forward-looking statements" within the meaning of applicable securities laws & regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand supply and price conditions in the domestic market in which the Company operates, changes in the government regulations, tax laws & other statutes and other incidental factors.



DIRECTOR'S REPORT



Director's Report

To
The Members
Akme Star Housing Finance Limited
Udaipur

The Directors take pleasure in presenting the 12th Annual Report together with the audited financial statements for the year ended March 31, 2017. The Management Discussion and Analysis has also been incorporated into this report.

KEY FINANCIALS

The Board's Report shall be prepared based on the stand alone financial statements of the company. The Company's financial performance for the financial year ended March 31, 2017, is summarized below :-

Rs. In Lacs

Particular	2016-17	2015-16
Gross Income	340.40	272.35
Less : Finance Cost	47.42	30.01
Overhead	77.92	68.77
Depreciation	4.66	4.64
Profit Before Tax	210.39	168.92
Less : Provision for taxation	69.67	53.40
Profit After tax	140.73	115.52
Balance Brought Forward from last year	199.09	117.35
Appropriations	140.72	115.52
Transferred to Statutory Reserve under Section 36(1)(viii) of the Income Tax Act, 1961 read with Section 29C of National Housing Bank Act, 1987	42.08	33.78
Transferred to general reserve	Nil	Nil
Balance Carried over to the Balance Sheet	297.75	199.09

Transfer to Reserves

During the year under review, your Company transferred NIL to the General Reserve during the year under review and Rs. 42.08 Lacs to the Statutory Reserve under Section 36(1) (viii) of the Income Tax Act, 1961 read with Section 29C of National Housing Bank (NHB) Act, 1987 out of the amount available for appropriation and an amount of 140.72 Lacs is proposed to be retained in the Profit and Loss Account.

HIGHLIGHTS OF PERFORMANCE

Following are the key factors indicating the performance of the Company:

Rs. In Lacs

KEY FACTORS	2016-17	2015-16	GROWTH (%)
Gross Income	340.40	272.35	24.85
Net Profit	140.73	115.52	21.81
Outstanding Housing Loan/Other Loan	2027.32	1551.25	30.69%
EPS	1.19	0.97	22.68%
CRAR (%)	109.00%	114.35%	—

**DIVIDEND**

To look after the further expansion of business activity and inadequacy of profits, directors do not recommend any payment of dividend for the year ended 31st March, 2017.

ALTERATION IN CAPITAL

- **AUTHORIZED SHARE CAPITAL**

During the year under review the authorized share capital of the Company was increased from Rs. 6.00,00,000 (divided into 60, 00,000 Equity Shares of ` 10/- each) to Rs. 12,00,00,000 (divided into 1,20,00,000 Equity shares of Rs. 10/- each) vide Extraordinary General Meeting of the members of the Company held on 21st February, 2017.

- **BONUS SHARE ISSUED**

During the year, 59,34,500 fully paid up equity shares of 10/- each were issued as bonus shares in the ratio 1:1. The existing permissible reserves of the Company was capitalized for issue of bonus shares in the proportion of one equity share for every one equity share held by the equity shareholders of the Company.

MIGRATION TO MAIN BOARD

Company has got listed its Equity shares (Company Scrip Code: 539017) on BSE SME Platform on March 20, 2015, and admitted to dealings on the Exchange in the list of 'MT' Group Securities. Further two years have been elapsed since the listing of Equity Shares and thus Company is now eligible to migrate on Main Board of BSE and accordingly the Board proposed the migration vide Board Meeting dated 31st March, 2017 for which the shareholders approval was duly taken via offering Postal Ballot facility and E Voting facility that was passed with requisite majority.

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

The Company got in principle approval for migration to the Bombay Stock Exchange Main Board vide letter dated 15.06.2017.

DETAILS RELATING TO DEPOSITS

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

INVESTOR COMPLAINTS AND COMPLIANCE

During the year under review the Company did not receive any investor complaints and that as on the date no complaints are pending.

And also the Company has timely submitted all the reports relating to Investor Complaints pursuant to SEBI (LODR) Regulations, 2015 to BSE.

NON-PERFORMING ASSETS AND PROVISIONS FOR CONTINGENCY:

Your Company adhered to the prudential guidelines for Non performing Assets (NPAs), issued by the National Housing Bank (NHB) under its Directions of 2010, as amended from time to time. As per the prudential norms, the income on such NPAs is not to be recognized if unrealized. As per the prudential norms prescribed by the NHB, the Company has made provision for contingencies on standard as well as non-performing housing loans and property loans. The details of NPA have been given in financial Statements.

RESOURCE MOBILISATION

Your Company's borrowing policy is under the control of the Board. The Company has vide special resolution passed by means of special Resolution on September, 10th, 2014, under Section 180(1)(c) of the Companies Act, 2013, authorized the Board of Directors to borrow money upon such terms and conditions as the Board may think fit in excess of aggregate of paid up share capital and free reserves of the Company up to an amount of Rs. 50 crore and the total amount so borrowed shall be within the limits as prescribed under the Housing Finance Companies (NHB) Directions, 2010.

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

BANK BORROWINGS

During the financial year 2016-17 your Company raised Rs.7.36 through term loans from bank of baroda for meeting the



working capital requirements. Presently Company is in line up with more proposal with banks and Financial Institutions for meeting the working capital requirement of the company in FY 2017-18.

The Outstanding Bank Borrowing as on 31.03.2017 stood at Rs 5.86 Crore

RATING

The Company has been awarded by SMERA BB+ STABLE outlook for the Borrowings from the bank by the Company for the FY 2015-16.

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, 2017.

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 109.00 % as at March 31, 2017, which provides an adequate cushion to withstand business risks and is above the minimum requirement of 12% stipulated by the National Housing Bank.

SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any subsidiary Company or Joint Company or Associate Company.

HUMAN RESOURCES AND TRAINING

Your Company has experienced promoters and a team whom your Company relies upon to capitalize on emerging new business opportunities. Your Company believes that a combination of its reputation in the market, its working environment and competitive compensation programs allows it to attract and retain best talent. Your Company strives to attract the best talent in the industry and ensures its employees' development and their contribution to the Company's success.

Your Company's vision is to become an employer of choice by providing a compelling employee value proposition. Your Company has molded its policies relating to hiring, deployment, transfers, promotion, training, including its performance-linked bonuses and employee stock options, with the clear aim of building a 'cadre-based organization, whose cadre understands the company's customers, their problems, issues and aspirations. Your Company's human resources policies and practices are focused on recruiting and training employees who can empathies and deal with potential and existing borrowers..

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.

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 earning and outgo during the year under review.

INSURANCE

Your Company has insured its various properties and facilities against the risk of fire, theft and other perils, etc. and has also obtained Directors' and Officers' Liability Insurance Policy, which covers the Company's Directors and Officers (employees in managerial or supervisory position) against the risk of financial loss including the expenses pertaining to defense cost and legal representation expenses arising in the normal course of business.

**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.

RISK MANAGEMENT FRAMEWORK

ASHFL'S risk management is a discipline that forms the core of the Company and encompasses all the activities that affect the Company's risk profile. As a housing finance institution, your Company is exposed to various risks like credit risk, market risk (interest rate and currency risk), liquidity risk and operational risk (technology, employee, transaction and reputation risk).

The Risk Management Committee (RMC) of the Company comprises of members of its senior management team, who have many years of experience in the industry and have put in place preventive mechanisms to contain various risks. The RMC met multiple times during the year ending 31 March, 2017 and to identify, measure, monitor and control various risks the Company was exposed to. The RMC put in place or enhanced the control measures to contain these risks.

The Company has a robust mechanism to ensure an ongoing review of systems, policies, processes and procedures to contain and mitigate risk that arise from time to time. ASHFL'S goal is to build a business that is stable, scalable and sustainable. In seeking to do this, the Company recognizes the importance and has in place a well-defined risk management framework that permeates all aspects of its business and, to which, every employee is sensitized.

ASSET LIABILITY MANAGEMENT COMMITTEE (ALCO)

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

- **VIGIL MECHANISM**

Pursuant to the provisions of Section 177 (9) & (10) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has in place a Whistle Blower Policy, which provides for a vigil mechanism that encourages and supports its Directors and employees to report instances of illegal activities, unethical behavior, actual or suspected, fraud or violation of the Company's Code of Conduct or Ethics Policy. It also provides for adequate safeguards against victimization of persons who use this mechanism and direct access to the Chairman of the Audit Committee in exceptional cases.

CODES AND STANDARDS

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

The key policies and codes as approved by the Board of Directors and the respective compliance there under are detailed herein below:

- **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.

- **POLICY ON DISCLOSURE OF MATERIAL EVENTS AND INFORMATION**

During the year under review, your Company has adopted the Policy on Disclosure of Material Events and Information, in accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to determine the events and information which are material in nature and are required to be disclosed to the Stock Exchanges.

- **CODE OF CONDUCT FOR BOARD MEMBERS AND THE SENIOR MANAGEMENT**

Your Company has in place Code of Conduct for the Board of Directors and the Senior Management Personnel to set forth the guiding principles on which the Company and its Board and Senior Management Personnel shall operate and conduct themselves with multitudinous stakeholders, government and regulatory agencies, media and anyone else with whom it is connected. A declaration by Chief Executive Officer, with regard to the Compliance with the said code, forms part of this Annual 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.

- **SEXUAL HARASSMENT POLICY**

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

- **COMPREHENSIVE RISK MANAGEMENT POLICY**

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

- **CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

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

- **REMUNERATION POLICY**

The Board of Directors had on the recommendation of the Nomination & Remuneration Committee Appointed



Mr. Avinash Bhatnagar Independent Director as chairperson, Mr. Amrit Singh Rajpurohit and Mrs. Rajni Gehlot Independent Director as Member.

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 and is marked as Annexure-I

- **RELATED PARTY TRANSACTIONS POLICY**

Your Company has in place Related Party Transaction Policy, intended to ensure requisite approval, reporting and disclosure of transactions between the Company and its related parties. The said policy also defines the materiality of related party transactions and lays down the procedures of dealing with related party transactions.

During the year under review, the Related Party Transaction Policy was amended to align the same with the requirements of Companies (Amendment) Act, 2015 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- **FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:**

The objective of a familiarization programme is to ensure that the non-executive directors are updated on the business environment and overall operations of the Company. This enables the non executive directors to make better informed decisions in the interest of the company and its stakeholders.

LISTING OF SHARES OF THE COMPANY

Your Company's equity shares continue to remain listed on BSE Limited. Your Company has paid the listing fees as payable to the BSE Limited for the financial year 2016-17 on time.

However Company has applied to Bombay Stock Exchange to migrate from SME platform to main Board Exchange and received in principle from the Bombay Stock Exchange vide their later dated 15.06.2017.

DIRECTORS AND KEY MANAGERIAL PERSONAL

- **Appointment of Director**

On recommendation of Nomination and Remuneration Committee **Mr. Ashish Jain** (DIN: 00241164) C.F.O. of the company is proposed to be appointed as Executive Director Finance on Board of Directors of the Company. Necessary resolution is being proposed in the notice of the ensuing Annual General Meeting for appointment of Mr. Ashish Jain as Executive Director on Board of the Company in accordance with Companies Act, 2013 and Article of Association of the Company whose period of office will be liable to determination by retirement of directors by rotation.

Based on the confirmations received, none of the Directors are disqualified for being appointed/re-appointed as directors in terms of Section 164 the Companies Act, 2013.

- **Appointment of Independent Directors**

On recommendation of Nomination and Remuneration Committee **Dr. Rekha Jain** (DIN: 07703994) is proposed to be appointed as Independent Non Executive Director on Board of Directors of the Company. The Company has received a notice from a member under Section 160 of the Companies Act, 2013, along with a requisite deposit, proposing her candidature for the office of Independent Director, to be appointed as such, at the ensuing annual general meeting. Necessary resolution is being proposed in the notice of the ensuing Annual General Meeting for appointment of Dr. Rekha Jain as Independent Director on Board of the Company in accordance with Companies Act, 2013 and Article of Association of the Company who shall hold office for a term of five consecutive years with effect from this Annual General Meeting and whose period of office will not be liable to determination by retirement of directors by rotation.

All existing 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 the provisions of Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Based on the confirmations received, none of the Directors are disqualified for being appointed/re-appointed as directors in terms of Section 164 the Companies Act, 2013.

- **Retirement of Director by rotation**

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association, Mr. Kalu Lal Jain, Director of your Company being the longest in office among Directors who is liable to retire by rotation, retires by rotation and being eligible; offers himself for reappointment at the ensuing Annual General Meeting.



- **Stock Option**

During the year under review, no stock options were issued to the Directors of the Company.

PERFORMANCE EVALUATION

The provisions of the Companies Act, 2013 mandates formal annual evaluation of the Board of Directors, its committees and individual Directors. Schedule IV of the Companies Act, 2013 also requires the performance evaluation of Chairman & Managing Director and Non Executive Directors and Board as a whole to be carried out at a separate meeting by the Company's Independent Directors. It also states that performance evaluation of Independent Directors shall be done by the entire Board excluding the Director being evaluated. The provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, also require that the Board shall monitor and review the Board Evaluation Framework. The annual performance evaluation of the Board as a whole, all Directors as well as the evaluation of the Board Committees including Audit Committee, Nomination & Remuneration Committee, Risk Management Committee, Stakeholders' Relationship Committee, and Corporate Social Responsibility Committee of the Board of Directors of the Company, was carried out.

MEETINGS

- **BOARD**

Your Company holds at least four Board meetings in a year, one in each quarter, inter-alia, to review the financial results and also holds additional Board Meetings to address its specific requirements, as and when required. All the decisions and urgent matters approved by way of circular resolutions are placed and numbered and noted at the subsequent Board meeting. Annual calendar of meetings of the Board are finalized well before the beginning of the financial year after seeking concurrence of all the Directors.

During the financial year 2016-17, eight (08) Board Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015. The details of the Board composition, its meetings held during the year along with the attendance of the respective Directors thereat are set out in the Corporate Governance Report forming part of this Annual Report.

The Extra Ordinary General Meeting of the Company was held on 21st February, 2017 during the year, the details of the Meeting has been disclosed in Corporate Governance report.

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel. The Independent Directors of the Company met once during the year on March 25th, 2017 to review the performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company and access the quality, quantity and timeliness of flow of information between the company management and the Board.

- **AUDIT COMMITTEE & OTHER BOARD COMMITTEES**

Your Company has a duly constituted Audit Committee as per the provisions of Section 177 of Companies Act, 2013 and provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors has constituted four other committees namely – Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee, and Corporate Social Responsibility Committee which enables the Board to deal with specific areas / activities that need a closer review and to have an appropriate structure to assist in the discharge of their responsibilities.

The Audit Committee and other Board Committees meet at regular intervals and ensure to perform the duties and functions as entrusted upon them by the Board.

The details of the Audit Committee and other Board Committees are also set out in the Corporate Governance Report forming part of this Annual Report.

RELATED PARTY TRANSACTIONS

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 entered with related parties, as defined under the Companies Act, 2013 and provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year 2016-17 were mainly in the ordinary course of business and on an arm's length basis.



Prior approval of the Audit Committee is obtained by the Company before entering into any related party transaction as per the applicable provisions of Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. As per the provisions of Section 188 of the Companies Act, 2013, approval of the Board of Directors is also obtained for entering into related party transactions by the Company. A quarterly update is also given to the Audit committee and the Board of Directors on the Related Party Transactions undertaken by the Company for their review and consideration.

During the year, your Company has not entered into any material contract, arrangement or transaction with related parties, as defined under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Related Party Transaction Policy of the Company. The details with respect to the related party transactions are mentioned in the notes to the audited financial statements.

Details of RPT in Form AOC-2 attached to Board report may also be referred to and marked as Annexure-II

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

During the year the Company has filed petition with the Regional Director, Ahmedabad for condonation of delay in creation of charge, and the Regional Director has passed order for the same vide order dated 22.06.2016. Company has complied with the order and Compliances of Companies act 2013.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

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 2016-17. The Secretarial Audit Report for the financial year ended March 31, 2017, is annexed as "Annexure - III" 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.

- **Qualifications in Secretarial Audit Reports:**

There are no qualifications, reservations or adverse remarks or disclaimer made—

(a) By the company secretary in practice in his secretarial audit report;

AUDITORS

- **Statutory Auditors**

At the Eleventh (11th) Annual General Meeting held on September 24th, 2016, the Members had appointed M/S. H.R. Jain & Co., Chartered Accountants, (FRN 000262C), as the Statutory Auditors of the Company, by way of ordinary resolution under section 139 of the Companies Act, 2013, to hold office from the conclusion of this Annual General Meeting until the conclusion of the Annual General Meeting of the Company to be held in the year 2021 of the Company, subject to ratification of the appointment by the Members at every subsequent Annual General Meeting as per the provisions of the Companies Act, 2013.

Based on the recommendation of the Audit Committee, the Board of Directors, recommended the ratification of appointment M/S. H.R. Jain & Co., Chartered Accountants, (FRN 000262C), as the Statutory Auditors of the Company, and that, the necessary resolution in this respect is being included in the notice of the Twelfth (12th)



Annual General Meeting for the approval of the Members of the Company. The Company has received consent from the Statutory Auditors and confirmation to the effect that they are not disqualified to be appointed as the Joint Statutory Auditors of the Company in terms of the provisions of Companies Act, 2013 and Rules framed there under.

- **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.

- **Qualifications in Audit Reports:**

There are no qualifications, reservations or adverse remarks or disclaimer made—

(a) By the statutory auditor in his report; and

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, 2017, 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, 2017 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.

REPORT ON CORPORATE GOVERNANCE

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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. The certificate by the Statutory Auditors confirming Compliance with the conditions of Corporate Governance as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed as 'Annexure V' to this report. The said certificate for financial year 2016-17 does not contain any qualification, reservation or adverse remark.

In terms of Section 136 of the Act, the Reports and Accounts are being sent to the members and others entitled thereto.

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section titled 'Report on Corporate Governance' 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, 2017, in the prescribed form MGT 9, forms part of this report and is annexed as "Annexure IV".

ENHANCING SHAREHOLDERS VALUE

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



actions positively impact the socio-economic and environmental dimensions and contribute to sustainable growth and development.

OUTLOOK

During the year, Indian economy continued to consolidate the gains achieved through macroeconomic stability. The country remained on a stable growth path on the back of sharp reduction in crude oil prices and resilient domestic consumption. Besides, inflation remained under control and fiscal and current account deficits continued to be moderate.

As per Government estimates, the Indian economic growth is expected at 8.00% as against 7.1% based on the new formula the statistics department has started using to measure the economy. The GDP is expected to grow at 7.5%-8% in the backdrop of improving macro-economic conditions. CPI was lower on account of base effect on account of fall in prices in food, housing and clothing inflation. Based on the current global and domestic outlook this target is expected to be achieved and would pave way for the RBI to further cut the policy rates bringing down the interest rates in the economy

The lowering of the interest rates and revival of the economy is expected to give a lift to the housing finance market in 2017-18.

As all key business enablers are currently showing favorable signs, your Company is positive and expects another year of healthy growth in 2017-18.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their gratitude to the National Housing Bank, Securities and Exchange Board of India, , Ministry of Corporate Affairs, Registrar of Companies, Financial Intelligence Unit (India), the Company's Customers, Bankers and other Lenders, Members, and others for their continued support and faith reposed in the Company. The Board also places on record its deep appreciation for the dedication and commitment of the employees at all levels as their hard work, co-operation and support had enabled the Company to maintain its consistent growth. The Directors would also like to thank the BSE Limited, , National Securities Depository Limited, Central Depository Services (India) Limited and the Credit Rating Agencies for their continued co-operation.

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 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 (ABC)
4-5 Subcity Center Savina Circle
Opp. Krishi Upaz Mandi Udaipur.313002
Date : 19.06.2017

For, and on behalf of the Board

Sd/-
Dr. Mohan Lal Nagda
(Managing Director)
DIN 00211925

Sd/-
Nirmal Kumar Jain
(Director)
DIN 00240441



ANNEXURE-I

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION



POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

- Companies Act 2013 under the provisions of Section 178 has mandated that “every listed Company or such class or classes of companies, as may be prescribed, shall constitute the Nomination and Remuneration Committee, to guide the Board on various issues on appointment, evaluate performance, remuneration of Directors, and Senior Management.

OBJECTIVE:

The Objective of the Policy is to ensure that:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Criteria for selection and Appointment of Executive and Non Executive Directors
- Remuneration to Directors and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

APPOINTMENT OF MANAGERIAL PERSONNEL, DIRECTOR, KMP AND SENIOR MANAGEMENT:

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Managerial Personnel, Director or KMP or Senior Management and recommend to the Board his /her appointment or re-appointment.
- A person should possess adequate qualification, expertise and experience for the position he /she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient /satisfactory for the concerned position.
- Appointment of Independent Directors is also subject to compliance of provisions of section 149 of the Companies Act, 2013, read with Schedule IV and rules there under.

CRITERIA OF “SELECTION OF NON-EXECUTIVE DIRECTOR“:

1. The Non Executive Director shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of marketing, finance, taxation, law, governance and general Management.
2. In case of appointment the committee shall satisfy itself regarding to the independent nature of directors and shall ensure that candidate is not disqualified for appointment under Section 164 of companies Act, 2013.
3. The committee shall ensure that proper familiarization programmes is carried out for such director in case of his appointment.

REMUNERATION OF MANAGERIAL PERSONNEL, KMP AND SENIOR MANAGEMENT:

- The Remuneration / Compensation / Profit linked Incentive etc. to Managerial Personnel, will be determined by the Committee and recommended to the Board for approval. The Remuneration /Compensation/ Profit Linked Incentive etc. to be paid for Managerial Personnel shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- The remuneration and commission to be paid to Managerial Personnel shall be as per the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.
- If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Personnel in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.
- If any Managerial Personnel draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company.
- Increments if declared to the existing remuneration / compensation structure shall be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managerial Personnel.
- The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.



The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time. The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

- Where any insurance is taken by the Company on behalf of its Managerial Personnel, KMP and Senior Management for indemnifying them against any official liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

REMUNERATION TO NON-EXECUTIVE / INDEPENDENT DIRECTORS:

➤ Remuneration / Profit Linked Commission:

The remuneration / profit linked commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.

➤ Sitting Fees:

The Non- Executive Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

➤ Limit of Remuneration /Profit Linked Commission:

Remuneration /profit linked Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1%/3% of the net profits of the Company respectively.

STOCK OPTIONS:

- Pursuant to the provisions of the Companies Act 2013, Managerial Personnel, KMP, Senior Management and an employee, except Independent Directors, shall be entitled to any Employee Stock Options (ESOPs) of the Company.

POLICY ON BOARD DIVERSITY:

- The Board of Directors shall have the optimum combination of Directors from the different areas / fields like production, Management, Quality Assurance, Finance, Sales and Marketing, Supply chain etc or as may be considered appropriate.
- The Board shall have at least one Board member who has accounting or related financial management expertise and at least three members who are financially literate.

MONITORING, EVALUATION AND REMOVAL:

➤ Evaluation:

The Committee shall carry out evaluation of performance of every Managerial Personnel, Director, KMP and Senior Management on yearly basis.

➤ Removal:

The Committee may recommend, to the Board with reasons recorded in writing, removal of a Managerial Personnel, Director, KMP or Senior Management subject to the provisions of Companies Act, 2013, and all other applicable Acts, Rules and Regulations, if any.

MINUTES OF COMMITTEE MEETING:

- Proceedings of all meetings must be minutes and signed by the Chairperson of the said meeting or the Chairperson of the next succeeding meeting. Minutes of the Committee meeting will be circulated at the subsequent Board meeting for noting.

AMENDMENT TO THE POLICY:

- The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.
- In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), Clarification, circular(s) etc.

DISCLOSURE:

The details of this Policy and the evaluation criteria as applicable shall be disclosed in the Annual Report as part of Board's Report therein or alternatively the same may be put up on the Company's website and reference drawn thereto in the Annual Report.



ANNEXURE-II

FORM NO.AOC.2

**FORM NO. AOC.2**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto (Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL

- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/arrangements/transactions
- (c) Duration of the contracts/arrangements/transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any
- (e) Justification for entering into such contracts or arrangements or transactions
- (f) date(s) of approval by the Board
- (g) Amount paid as advances, if any:
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

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

NAME OF RELATED PARTY	NATURE OF RELATIONSHIP	NATURE OF CONTRACTS	TERM/ DURATION OF CONTRACTS	OUTSTANDING VALUE (31.03.2017)	DATE OF APPROVAL BY BOARD/ MEMBER	AMOUNT AS ADVANCES/ SECURITY DEPOSIT
MOHAN LAL NAGDA	MANGING DIRECTOR	REMUNERATION	5 YEARS	NIL	21.02.2017	-
NIRMAL KUMAR JAIN	DIRECTOR	REMUNERATION	-	NIL	-	-
ASHISH JAIN	CFO/ RELATIVE OF KMP	REMUNERATION	5 YEARS	NIL	15.09.2014	-
MANJU JAIN	WIFE OF KMP	REMUNERATION	-	NIL	-	-



ANNEXURE-III

SECRETARIAL AUDIT REPORT



FORM MR-3 SECRETARIAL AUDIT REPORT

(For the period ended 31.03.2017)

[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 (ABC)
4-5 Subcity Centre Savina Circle,
Opp. Krishi Upaz Mandi,
Udaipur RJ 313002 IN

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 my 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, I hereby report that in my opinion, the Company has, during the audit period 01.04.2016 to 31.03.2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Akme Star Housing Finance Limited ("The Company") for the period ended on 31.03.2017 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October 2014) - Not applicable as the Company has not issued any shares/ options to directors/employees under the said guidelines / regulations during the year under review;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the Company has not issued any debt securities which were listed during the year under review;
 - f. 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;- Not applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the year under review;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – Not applicable as the Company has not delisted / propose to delist its equity shares from any Stock Exchange during the year under review; and



- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 – No applicable as the Company has not bought back or propose to buy-back any of its securities during the year under review.
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
5. I have also examined compliance with the applicable clauses of the following:
 - (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
 - (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
6. During the period under review, the Company has complied with provisions of the Act, Rules, applicable Regulations, Guidelines, Standards, etc. mentioned above.
7. The Company is into business of providing housing and non –housing loans as per prescribed guidelines of NHB. Accordingly in view of management following act applicable to the company :
 - A. The Housing Finance Companies (NHB) Directions, 2010.
8. I further report that:
 - A. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
 - B. Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.
 - C. All decision at Board Meetings and Committee Meetings are carried unanimously as recorded in the minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.
9. I further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), I am of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.
10. I further report that during the review period no major action having a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. above have taken place.

Place: Udaipur
Date: 31.05.2017

For Ronak Jhuthawat & Co.

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

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

**“ANNEXURE A”**

To,
The Members
Akme Star Housing Finance Limited
Akme Business Centre (ABC)
4-5 Subcity Centre Savina Circle,
Opp. Krishi Upaz Mandi,
Udaipur RJ 313002 IN

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

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

For Ronak Jhuthawat & Co
(Company Secretaries)

Sd/-
Ronak Jhuthawat
Proprietor
ACS: 32924
CP: 12094

Place: Udaipur
Date: 31.05.2017



ANNEXURE-IV

**FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN**



FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

As on the Financial year ended on 31st March 2017

[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	L45201RJ2005PLC020463
b.	Registration Date	17/03/2005
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	4 E/8 First Floor, Jhandewala Extension, New Delhi
	Contact Details	011-23522373, 011-42425004

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				


VI. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAK-UP AS PERCENTAGE OF TOTAL EQUITY)
(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1st April 2016)				No. of Shares held at the end of the year (as on 31st March 2017)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	2521560		2521560	42.49	5099120	-	5099120	42.96	0.47
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	512500	-	512500	8.64	1057000	-	1057000	8.91	0.27
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other....	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1):-	3034060	-	3034060	51.13	6156120	-	6156120	51.87	0.74
(2) Foreign									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2):-	0	-	0	0	0	-	0	0	-
Total Share holding of Promoter (A)= (A)(1)+(A)(2)	3034060		3034060	51.13	6156120		6156120	51.87	0.74
B. Public Share holding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Market maker	56000	0	56000	0.94	0	0	0	0.00	-0.94
Sub-Total (B)(1):-	56000	0	56000	0.94	0	0	0	0.00	-0.94
2. Non-Institutions									
a) Bodies Corp.	208740	0	208740	3.52	385480	0	385480	3.25	-0.27
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-



(i) Category-wise Share Holding (Contd....)

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1st April 2016)				No. of Shares held at the end of the year (as on 31st March 2017)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual Shareholders holding nominal share capital upto Rs.1 lakh	1102500	84400	1186900	20.00	1254800	10680	1265480	10.66	-3.31
ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh	971440	469360	1440800	24.28	2833080	1100840	3933920	33.14	8.87
c) Others (specify)	-	-	-	-	-	-	-	-	-
i) Clearing members	-	-	-	-	32000	-	32000	0.27	-
ii) Directors & Relatives (other than Promoters)	-	-	-	-	-	-	-	-	-
iii) Non-Resident Indians	8000	0	8000	0.13	96000	0	96000	0.81	0.67
iv) Trust	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2):-	2290680	553760	2844440	47.93	4601360	1111520	5712880	48.13	0.20
Total Public shareholding (B)= (B)(1)+(B)(2)	2346680	553760	2900440	48.87	4601360	1111520	5712880	48.13	-0.74
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	5380740	553760	5934500	100.00	10757480	1111520	11869000	100.00	0.00

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1st April 2016)			Shareholding at the end of the year (as on 31st March 2017)			% change in shareholding during the Yr.
		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	427000	7.19	-	854000	7.19	-	0.00
2	Mohan Lal Nagda	351300	5.92	-	702600	5.92	-	0
3	Kalu Lal Jain	316700	5.34	-	633400	5.34	-	0
4	Abhilasha Jain	163000	2.75	-	326000	2.75	-	0
5	Anil Kumar Jain	221040	3.72	-	442080	3.72	-	0
	Total	1479040	24.92		2958080	24.92		



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

Sl. No.		Shareholding at the beginning of the year (as on 1st April 2016)		Cumulative Shareholding during the year (2017)	
		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	1479040	24.92%	2958080	24.92%
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity, etc.)	Change in Promoter Shareholding due to Bonus Issue in the ratio of 1:1 allotted on 10/03/2017		Change in Promoter Shareholding due to Bonus Issue in the ratio of 1:1 allotted on 10/03/2017	
	At the end of the year (or on the date of separation, if separated during the year)	2958080	24.92%	2958080	24.92%

(iv) TOP TEN NON PROMOTERS MOVEMENT

Sr. No.	NAME	No. of Shares at the beginning /End of the year	Date	Increase/ Decrease in share-holding	Reason	Number of Shares	Percentage of total shares of the company
1	ANCHOR METAL	176,740	31-Mar-16	0	Transfer	176,740	1.49
	PRIVATE LIMITED		9-Mar-17	176740	Transfer	353,480	2.98
			10-Mar-17	-176740	Transfer	176,740	1.49
			24-Mar-17	176740	Transfer	353,480	2.98
		353,480	31-Mar-17	0	Transfer	353,480	2.98
2	AMIT ARORA	0	31-Mar-16		Transfer	0	0.00
			5-Aug-16	16000	Transfer	16,000	0.13
			12-Aug-16	24000	Transfer	40,000	0.34
			19-Aug-16	4000	Transfer	44,000	0.37
			18-Nov-16	4000	Transfer	48,000	0.40
			25-Nov-16	4000	Transfer	52,000	0.44
			9-Dec-16	24000	Transfer	76,000	0.64
			23-Dec-16	48000	Transfer	124,000	1.04
			27-Jan-17	4000	Transfer	128,000	1.08
			10-Feb-17	8000	Transfer	136,000	1.15
			17-Feb-17	8000	Transfer	144,000	1.21
			9-Mar-17	144000	Transfer	288,000	2.43
			10-Mar-17	-144000	Transfer	144,000	1.21
			24-Mar-17	144000	Transfer	288,000	2.43
		288,000	31-Mar-17	0	Transfer	288,000	2.43



Sr. No.	NAME	No. of Shares at the begining /End of the year	Date	Increase/ Decrease in share-holding	Reason	Number of Shares	Percentage of total shares of the company
3	PANNA LAL JAIN	105,540	31-Mar-16	0	Transfer	105,540	0.89
			9-Mar-17	105540	Transfer	211,080	1.78
			10-Mar-17	-105540	Transfer	105,540	0.89
		211,080	24-Mar-17	105540	Transfer	211,080	1.78
			31-Mar-17	0	Transfer	211,080	1.78
4	ASHOK KUMAR JAIN	83,400	31-Mar-16	0	Transfer	83,400	0.70
			9-Mar-17	83400	Transfer	166,800	1.41
			10-Mar-17	-83400	Transfer	83,400	0.70
			24-Mar-17	83400	Transfer	166,800	1.41
		166,800	31-Mar-17	0	Transfer	166,800	1.41
5	RAMESH KUMAR JAIN	83,000	31-Mar-16	0	Transfer	83,000	0.70
			9-Mar-17	83000	Transfer	166,000	1.40
			10-Mar-17	-83000	Transfer	83,000	0.70
			24-Mar-17	83000	Transfer	166,000	1.40
		166,000	31-Mar-17	0	Transfer	166,000	1.40
6	PANKAJ PANDEKAR	60,000	31-Mar-16	0	Transfer	60,000	0.51
			9-Mar-17	60000	Transfer	120,000	1.01
			10-Mar-17	-60000	Transfer	60,000	0.51
			24-Mar-17	60000	Transfer	120,000	1.01
		120,000	31-Mar-17	0	Transfer	120,000	1.01
7	NARENDRA KUMAR PAMECHA	58,380	31-Mar-16	0	Transfer	58,380	0.49
			9-Mar-17	58380	Transfer	116,760	0.98
			10-Mar-17	-58380	Transfer	58,380	0.49
			24-Mar-17	58380	Transfer	116,760	0.98
		116,760	31-Mar-17	0	Transfer	116,760	0.98
8	BANSILAL CHAMPALALJI JAIN	52,000	31-Mar-16	0	Transfer	52,000	0.44
			9-Mar-17	52000	Transfer	104,000	0.88
			10-Mar-17	-52000	Transfer	52,000	0.44
			24-Mar-17	52000	Transfer	104,000	0.88
		104,000	31-Mar-17	0	Transfer	104,000	0.88
9	PAVAN KUMAR JAIN	51,800	31-Mar-16	0	Transfer	51,800	0.44
			9-Mar-17	51800	Transfer	103,600	0.87
			10-Mar-17	-51800	Transfer	51,800	0.44
			24-Mar-17	51800	Transfer	103,600	0.87
		103,600	31-Mar-17	0	Transfer	103,600	0.87
10	MONIKA JAIN	45,400	31-Mar-16	0	Transfer	45,400	0.38
			9-Mar-17	45400	Transfer	90,800	0.77
			10-Mar-17	-45400	Transfer	45,400	0.38
			24-Mar-17	45400	Transfer	90,800	0.77
		90,800	31-Mar-17	0	Transfer	90,800	0.77



(v) 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 2016)		Date of Change	Increase/ Decrease	Reason	Cumulative shareholding during the year (as on 31st March 2017)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
	Directors							
1	Nirmal Kumar Jain	427000	7.19	10/3/2017	Increase	Bonus Allotment	854000	7.19
2	Mohan Lal Nagda	351300	5.92	10/3/2017	Increase	Bonus Allotment	702600	5.92
3	Kalu Lal Jain	316700	5.34	10/3/2017	Increase	Bonus Allotment	633400	5.34
4	Amrit Singh Rajpurohit	24000	0.40	10/3/2017	Increase	Bonus Allotment	48000	0.40
5	Avinash Bhatnagar	13340	0.22	10/3/2017	Increase	Bonus Allotment	26680	0.22
6	Rajni Gehlot	6700	0.11	10/3/2017	Increase	Bonus Allotment	13400	0.11
	KMP's							
7	Paritosh Kothari	Nil	Nil	Nil Holding During the year			Nil	Nil
8	Ashish Jain	Nil	Nil	Purchase of Shares			16000	0.13

(vi) INDEBTEDNESS :

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

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	126.59	Nil	Nil	126.59
(ii) Interest due but not paid	Nil	Nil	Nil	Nil
(iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	126.59	Nil	Nil	126.59
Change in indebtedness during the financial year		Nil	Nil	
● Addition	541.03	Nil	Nil	541.03
● Reduction		Nil	Nil	
Net Change	541.03	Nil	Nil	541.03
Indebtedness at the end of the financial year				
(i) Principal Amount	667.62	Nil	Nil	667.62
(ii) Interest due but not paid	Nil	Nil	Nil	Nil
(iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	667.62	Nil	Nil	667.62

**XI 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/Director						Total Amount
		Mohan Lal Nagda	Nirmal Kumar Jain					
1	Gross Salary							
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	600000	720000					1320000
	(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 (SITTING FEES)	20000	17500					37500
	Total (A)	620000	737500					1357500
	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
		Rajni Gehlot	Avinash Bhatnagar	Amrit Singh Rajpurohit				
3	Independent Directors							
	● Fee for attending Board Committee Meetings	17500	12500	15000				45000
	● Commission							
	● Others, please specify							
	Total (1)	17500	12500	15000				45000
4	Executive Directors	Kalu Lal Jain						
	● Fee for attending Board Committee Meetings	15000						15000
	● Commission							
	● Others, please specify							
	Total (2)	15000						15000
	Total (B)=(1+2)							60000
	Total Managerial Remuneration							
	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	-	300000	300000	600000
	(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(sitting fees)	-			
	Total	-	300000	300000	600000

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES AS ON 31.03.2017:

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	Section 87 of Companies Act, 2013	Condonation for delay in creation of Charge under Section 87 of Companies Act, 2013 read with Rule 12 of Companies (Registration of Charges) Rules, 2014	Rs. 6000/- as penalty amount for compounding of Offence	REGIONAL DIRECTOR, NORTHERN REGION, AHMEDA-BAD, GUJRAT	NO
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					



ANNEXURE-V

CORPORATE GOVERNANCE REPORT



CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2017.

The Company's philosophy on Corporate Governance encompasses simple tenets of integrity, transparency, accountability and fairness in whatever the Company does and what it basically aims at achieving is a complete adherence to the applicable laws while at the same time ensuring complete commitment to values and the highest ethical standards in every facet of its operations and in each of its functional areas. This together with meaningful social activities has enabled your Company to earn the trust and goodwill of its investors, business partners, employees and the communities, in which it operates. In line with the nature and size of operations, the Corporate Governance framework of the Company, is based on the following main principles:

- Constitution of a Board of Directors of appropriate composition, size, varied experience and commitment to discharge their responsibilities and duties.
- Transparency and independence in the functions of the Board.
- Ensuring timely flow of information to the Board and its Committees to enable them to discharge their functions effectively.
- Independent verification and assured integrity of financial reporting.
- Timely and balanced disclosure of all material information concerning the Company to all stakeholders and protection of their rights and interests.
- A sound system of risk management, internal control, anti-bribery and anti-corruption business practices.
- Compliance with applicable laws, rules and regulations in letter and spirit.

The Company is conscious of the fact that the success of a corporation is a reflection of the professionalism, conduct and ethical values of its management and employees. In addition to compliance with regulatory requirements, the Company endeavors to ensure that highest standards of ethical and responsible conduct are met throughout the organization.

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 in accordance with the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

The Company has a broad based Board of Directors, constituted in compliance with the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with highest standards of Corporate Governance in its management, which ensures an appropriate mix of Executive/Non Executive and Independent Directors with demonstrated skill sets and relevant experience.

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

The board has upon recommendation of the Nomination and Remuneration Committee, approved the appointment of Mr. Ashish Jain as Executive Director, Finance subject to the approval of the shareholders.



INDEPENDENT DIRECTORS

Independent directors play a vital role in deliberations at the board meetings and bring to the Company their wide experience and knowledge in the fields of finance, housing, accountancy, law and public policy. This wide knowledge of both, their field of expertise and boardroom practices helps foster varied, unbiased, independent and experienced perspectives. The Company benefits immensely from their inputs in achieving its strategic direction.

The Audit Committee, the Nomination & Remuneration Committee, the Stakeholders Relationship Committee and the CSR Committee have a majority of independent directors. These committees function within the defined terms of reference in accordance with the Companies Act, 2013, the SEBI (LODR) Regulations, 2015 and as approved by the board, from time to time. Board members ensure that their work in other capacities do not impinge on their fiduciary responsibilities as directors of the Company.

All Independent directors of the Company, at the time of their first appointment to the Board and thereafter at the first Board meeting of the Board in every Financial Year, give a declaration that they meet the criteria of independence as provided under the provisions of Section 149 of the companies Act, 2013. In the opinion of the Board, each independent director possesses the appropriate balance of skills, experience and knowledge as required.

The Board has, upon the recommendation of the Nomination and Remuneration Committee, approved the appointment of Mrs. Rekha Jain as an Independent Director subject to the approval of the shareholders.

Separate Meeting of the Independent Directors

During the year, as per the requirement of Schedule IV of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, a separate meeting of the independent directors of the Company was held on March 25th, 2017 without the attendance of non-independent directors and members of the management. All 3 independent directors were present at the meeting, wherein they had inter alia; reviewed the performance of non-independent directors and the Board as a whole; reviewed the performance of the Chairman of the Company and assessed the quality, quantity and timeliness of flow of information between the company management and 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 of your company is headed by the Executive Director (designated as Chairman and Managing Director)

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] directors of which Two [2] are Executive Directors; One [1] is Managing Director & Three [3] are Independent & Non-Executive Director including one woman director. The Company is in compliance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions of the Companies Act, 2013, , 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, 2017

NAME OF DIRECTORS	CATEGORY OF DIRECTORS	DIN	NO. OF EQUITY SHARES HELD IN THE COMPANY
Dr. Mohan Lal Nagda	Promoter/ Managing Director (Chairman of the Board)	00211925	702600
Mr. Nirmal Kumar Jain	Promoter & Executive Director	00240441	854000
Mr. Kalu Lal Jain	Promoter & Executive Director	00451442	633400
Mr. Amrit Singh Rajpurohit	Non Executive & Independent Directors	02173432	48000
Mrs. Rajni Gehlot	Non Executive & Independent Directors	06627287	13400
Mr. Avinash Bhatnagar	Non Executive & Independent Directors	06968417	26680

**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, 2017, including the details of their board directorship reckoned in line with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, committee membership (including ASHFL) and their shareholding in the Company, are given below:

Directorships and Membership of the Directors in other Companies/Committees

All the Directors of the Company are compliant with the applicable provisions of Companies Act, 2013 and SEBI Listing Regulations with respect to their number of Directorship in other Companies and chairmanship/membership on various Committees.

The details of the directorship of each Director on the Board of various Companies along with their Chairmanship and Membership on the Board Committees (including ASHFL) are tabled below:

Name of the Director & DIN	*Number of Directorships	*Member/Chairperson of the Committee	
		Member	Chairman
Nirmal Kumar Jain DIN 00240441	5	3	2
Mohan Lal Nagda DIN 00211925	3	1	0
Kalu Lal Jain DIN 00451442	4	0	0
Rajni Gehlot DIN06627287	1	3	1
Amrit Singh Rajpurohit DIN02173432	2	1	0
Avinash Bhatnagar DIN 06968417	1	1	1

* Inclusive of directorships held in Private Limited Companies.

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

EVALUATION OF DIRECTORS AND BOARD

With the objective of enhancing the effectiveness of the board, the Nomination & Remuneration Committee formulated the methodology and criteria to evaluate the performance of the board and each director. The evaluation of the performance of the board is based on the approved criteria such as the board composition, strategic planning, role of the Chairman, non-executive directors and other senior management, assessment of the timelessness and quality of the flow of information by the company to the board and adherence to compliance and other regulatory issues.

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. In case of urgency or business exigencies, matters are also approved by way of circular resolution as per the provisions of Companies Act, 2013 and subsequently noted at the next Board meeting.

The Functional/business heads of the Company periodically give presentations covering their respective operations, performance, plans and strategies and discuss upon the areas of improvements and prospective opportunities. 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:

- Minutes of various committees of the Board
- Annual operating plans, budgets and business strategies and performance.
- Information on the exits and recruitments including the remuneration of senior officials just below the Board level
- Significant transactions, related party transactions and arrangements



- Compliance reports pertaining to all the laws applicable to the Company
- Regulatory notices/judgement/order being material in nature
- Update on non-fulfillment or defaults by the Company of any financial liability /obligations of material nature
- Update on shareholders' grievance redressal process
- Significant regulatory matters.
- Risk evaluation and control mechanism.
- Details of investments and deployment of capital issue proceeds.

During the financial year 2016-17, 08 Board Meetings were held on 16.05.2016, 04.07.2016, 30.08.2016, 12.11.2016, 30.11.2016, 20.01.2017, 10.03.2017 & 31.03.2017 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 2016-17 are as follows:

ATTENDANCE OF DIRECTORS

S. No.	Name of the Director	Board of Meetings		Sitting fees Paid	Whether attended last AGM held on. 24.09.2016 (Y/N)
		No of Meeting Held	No of Meeting attended		
1	Nirmal Kumar Jain	8	7	17500	Yes
2	Mohan Lal Nagda	8	8	20000	Yes
3	Kalu Lal Jain	8	6	15000	Yes
4	Rajni Gehlot	8	7	17500	Yes
5	Amrit Singh Rajpurohit	8	6	15000	No
6	Avinash Bhatnagar	8	5	12500	No

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.

The Committees of the Board meet at regular intervals and have the requisite subject expertise to handle and resolve matters expediently. The Board overlooks the functioning of the Committees. The Chairman of the respective Committees briefs the Board on significant discussions and decision taken at their respective meetings. Minutes of the Committee Meetings are placed in the subsequent Board Meeting for their noting.

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 provisions of Section 177 of Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015. Some of the important functions performed by the Committee are:

The Chairman of the Audit Committee was present at the last (11th) Annual General Meeting of the Company

The term of reference of the Audit Committee is as follows:

- 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 Company holds minimum four pre-scheduled Audit Committee meetings annually, one in each quarter and the maximum time gap between two audit Committee meeting is not more than One Hundred Twenty days. The composition of the Audit Committee as at March 31, 2017 and details of the Members participation at the Meetings of the Committee are as under:

NAME OF MEMBERS	CATEGORY	Attendance at the Audit Committee Meetings held on			
		16.05.2016	22.08.2016	12.11.2016	01.03.2017
Rajni Gehlot	Independent	YES	YES	YES	YES
Avinash Bhatnagar	Independent	YES	YES	NO	YES
Nirmal Kumar Jain	Executive	NO	YES	YES	YES

- 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 Regulation 20 of SEBI (LODR), guidelines, 2015 the Board has Constituted Stakeholders' Relationship Committee.

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

- transfer/transmission of shares/debentures and such other securities as may be issued by the Company from time to time;
- issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates / certificates relating to other securities;
- 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;
- To redress the complaints of the members and investors, related to transfer and transmission of securities, non receipt of annual reports and other securities related matters
- To review the request/Complaints received by the Registrar and Share Transfer Agent from the members relating to transfer, transmission, consolidation, replacement of share certificates, issue of duplicate share certificates and dematerialization of securities certificates
- To recommend the measures for overall improvement in the quality of investor services
- monitoring expeditious redressed of investors / stakeholders grievances;



- All other matters incidental or related to shares, debentures and other securities of the Company.
- Any other function as may be stipulated by the Companies Act, 2013, SEBI, Stock Exchange or any other regulatory authorities from time to time.

The composition of the Stakeholders' Relationship Committee as at March 31, 2017 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			
		10.05.2016	11.08.2016	28.11.2016	06.03.2017
Rajni Gehlot	Independent & Non Executive	YES	YES	NO	YES
Avinash Bhatnager	Independent & Non Executive	YES	YES	YES	YES
Amrit Singh Rajpurohit	Independent & Non Executive	NO	YES	YES	NO

- The Committee has been Constituted on 15.09.2014
- Mr. Avinash Bhatnagar is the Chairman of the Committee

The Company has not received any investor's complaint during the period under review and also no complaint is pending.

C. Nomination and Remuneration Committee

The Company's Remuneration Policy for Directors, Key Managerial Personnel and other employees is annexed as Annexure I to the Directors' Report. Further, the Company has devised a policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors.

The Company's remuneration policy is directed towards rewarding performance based on review of achievements periodically. The remuneration policy is in consonance with the existing industry practice.

Your Company has in place a Nomination (including Boards' Diversity), Remuneration & Evaluation Policy, which, inter-alia, lays down the criteria for identifying the persons who are qualified to be appointed as Directors and/or senior management personnel of the Company, along with the criteria for determination of remuneration of Directors, KMPs and other employees and their evaluation and includes other matters, as prescribed under the provisions of Section 178 of Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In compliance with Section 178 of the Companies Act, 2013, and applicable SEBI (LODR), Regulations, 2015 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.



The composition of the Nomination and Remuneration Committee as at March 31, 2017 and the details of member's at the Meetings of the Committee are as under:

NAME OF MEMBERS	CATEGORY	Attendance at the Nomination and Remuneration Committee Meetings held on			
		06.05.2016	10.08.2016	29.11.2016	16.01.2017
Rajni Gehlot	Independent & Non Executive	YES	YES	NO	YES
Avinash Bhatnagar	Independent & Non Executive	NO	YES	YES	YES
Amrit Singh Rajpurohit	Independent & Non Executive	YES	YES	YES	YES

* Mr. Avinash Bhatnagar is the Chairman of Nomination and remuneration committee

Remuneration, commission and other payments to the Directors :

Executive Managing Director

The key terms and conditions of Dr. 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 entered with the Company are listed below:

Salary: Salary payable to Dr. Mohan Lal Nagda, Chairman & Managing Director is Rs. 1,00,000 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 Dr. Mohan Lal Nagda shall not exceed the limits specified in the agreement dated February 21, 2017 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 Dr. 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.

The details of remuneration paid to the other Executive director during the year is provided in MGT-9

During the Year under review no remuneration has been paid to Non executive and Independent directors.

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 Rs. 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, 2017 is as given below:

Name of Non Executive & Independent Director	Sitting fees
Rajni Gehlot	17500
Avinash Bhatnagar	12500
Amrit Singh Rajpurohit	15000

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, 2017 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	
		26.09.2016	30.03.2017
Avinash Bhatnagar	Independent Director	Yes	Yes
Nirmal Kumar Jain	Executive Director	Yes	Yes
Mohan Lal Nagda	Executive Director	Yes	Yes

- 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, 2017 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 Meetings held on			
		11.05.2016	20.08.2016	10.12.2016	18.03.2017
Avinash Bhatnagar	Independent & Non Executive	YES	YES	YES	YES
Rajni Gehlot	Independent & Non Executive	NO	YES	YES	NO
Nirmal Kumar Jain	Executive	YES	YES	YES	YES

- Mr. Avinash Bhatnagar is the Chairman of the Committee

GENERAL BODY MEETINGS

1. ANNUAL GENERAL 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
2015-16	Kaya Valley Resort, National Highway 8, behind Kaya Jain temple, Udaipur (Raj)	24.09.2016 AT 12:30 P.M.	NIL
2014-15	Hotel Gorbhandh 138-138A, Inside Udaipole, Udaipur-313001 (Raj)	08.08.2015 AT 02.30 P.M.	Revision in Remuneration of Mr. Mohan Lal Nagda (DIN 00211925) Managing Director & Chairman of the Company. Appointment of Mr. Avinash Bhatnagar as from Additional Independent Director to Independent Director for a term of 5 years



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

2. EXTRA ORDINARY GENERAL MEETING

The Extra Ordinary General Meeting of the Company was held on 21st February, 2017 during the year under review to take approval from members of the Company. The Details of which are as under:

1. To Increase Authorized Share Capital of the Company from Rs. 6.00 Crore to Rs. 12.00 Crore
2. To Consider Bonus Issue of shares in the ratio of 1:1
3. Revision in Remuneration of Dr. Mohan Lal Nagda, Chairman and Managing Director of Company from Rs. 6.00 Lacs p.a. to Rs. 12.00 Lacs p.a.

Date & Time : Tuesday, 21st February, 2017 at 01:00 P.M.

Venue : At the Registered Office of the Company at
Akme Business Center (ABC), 4-5 Subcity Center Savina Circle,
Opp. Krishi Upaz Mandi, Udaipur RJ-313002

Other Details :

1. Book Closure Date: February 17 2017 to February 20, 2017 (Both days inclusive)
2. Record Date for Allotment of Bonus Shares: 08th March, 2017

MATERIAL EVENT SUBSEQUENT TO THE END OF FINANCIAL YEAR

POSTAL BALLOT:

During the year, the members of the Company have approved migration of Company from BSE SME Platform to BSE Main Board by passing a Special Resolution through postal ballot effective May 25, 2017. The Board had appointed Mr. Roank Jhuthawat & Co., Practicing Company Secretaries, Udaipur as a Scrutinizer to conduct the postal ballot voting process in a fair and transparent manner. The details of the voting pattern in respect of Special Resolution passed for Migration of Company from BSE SME Platform to BSE Main Board was as under:

Sr. No.	Description	Through Postal ballot	Through E Voting	Total
1	Postal Ballot forms / E voting received	31	7	38
2	Total Number of vote cast by shareholders	946280	280760	1227040
3	Less : Invalid Votes cast	0	0	0
3.1	Less : ineligible Promoter votes	0	40000	40000
4	Valid no. of Vote Cast	946280	240760	1187040
4.1	No. of Valid Votes with assent for the Resolution By public Shareholder	946280	240760	1187040
4.2	No. of Valid Votes with dissent for the resolution By public Shareholder	0	0	0
5	No of Votes abstained for the Resolution	0	0	0

100.00 % of total valid votes cast In favor of the resolution by public shareholders other than promoters in favor of the proposal.

0 % of total valid votes cast against the resolution:

There is no immediate proposal for passing any resolution through Postal Ballot. None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

**SHAREHOLDERS RELATION:**

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

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

The Ministry of Corporate Affairs (MCA) and the Companies Act, 2013, has taken a "Green Initiative" in corporate governance by allowing paperless compliances by the Companies through electronic mode. The listing agreement with the stock exchanges and the Companies Act, 2013 permits companies to send soft copies of the annual report to all those shareholders who have registered their e-mail addresses with the Company/ Depository participant. In every Annual Report, the Company has been requesting the shareholders holding shares both in physical / demat form to register / update their e-mail addresses to the Company/depository participants. Accordingly, the annual report for 2016-17, notice for AGM etc., are being sent in electronic mode to shareholders who have registered their e-mail addresses with the Company/ depository participants.

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 with the regulations as prescribed by SEBI during the Financial Year 01.04.2016-31.03.2017

C. Details of compliance with mandatory requirements

During the year 2016 -17, the Company has complied with all mandatory requirements in conformity with SEBI (LODR) guidelines, 2015 has been detailed hereunder:

➤ Chairman of the Board

The Chairman of the Board is the 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, 2017, the Board consists of Six (6) Directors, out of which Three [3] directors are independent, meeting the criteria for independence under the SEBI (LODR), Guidelines, 2015 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 Rights

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 48 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. 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, 2017. 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.



6. Auditors Certificate on Corporate Governance

The Company has complied with all mandatory requirements of corporate governance norms as enumerated in Chapter IV of SEBI (LODR) Regulations, 2015. M/s. H.R. Jain & Co. Chartered Accountants, Udaipur, Statutory Auditors of the Company have certified that the Company has complied with the conditions of corporate governance which is part of this Annual Report.

7. Certification of Financial Reporting and Internal Controls / (CEO/CFO certificate)

In accordance with Regulation 18(3) of SEBI (LODR) Regulations, 2015, Dr. Mohan Lal Nagda, the Managing Director and Mr. Ashish Jain, the CFO of the Company, have inter alia, certified and confirmed to the Board about the correctness of the financial statements, adequacy of internal control measures and matters to be reported to the Audit Committee.

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 :

12th Annual General Meeting:

1.	Day & Date	29TH JULY, 2017
2.	Time	11.30 AM
3.	Venue	Kaya Valley Resort, National Highway 8, Behind Kaya Jain Temple, Udaipur-Raj.
4.	Financial Reporting Calendar :	Financial Year April to March
5.	Dates of Book Closure	22.07.2017 to 29.07.2017
6.	Listing on Stock Exchanges	BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 001 Stock Code – 539017
7.	ISIN Number for NSDL & CDSL	INE526R01010
8.	Corporate Identification Number (CIN)	L45201RJ2005PLC020463

9. Shareholding Pattern of the Company as at March 31, 2017 :-

	Category	No of Shares	% of Shareholding
A.	Shareholding of Promoter and Promoter Group		
	1. Indian		
	(i) Individuals/Hindu Undivided Family	5099120	42.96
	(ii) Bodies Corporate	1057000	8.91
	2. Foreign	NIL	NIL
	Total A	6156120	51.87
B.	Public Shareholding		
	1. Market Maker	000	0.00
	2. Individual	5295400	44.61
	3. Body Corporate	417480	3.51
	Total B	5712880	48.14
	Total A+B	11869000	100.00%

**10. Distribution of Shareholding as at March 31, 2017 :-**

SHAREHOLDING NOMINAL RS.	NUMBER OF SHAREHOLDERS	PERCENTAGE OF TOTAL	SHARE AMOUNT RS.	PERCENTAGE OF TOTAL
30001 40000	2	0.6536	80000	0.0674
50001 100000	168	54.9020	13354800	11.2518
100001 500000	101	33.0065	25624800	21.5897
500001 1000000	11	3.5948	7224800	6.0871
1000001 5000000	21	6.8627	50505600	42.5525
5000001 10000000	3	0.9804	21900000	18.4514
Total	306	100	11,86,90,000	100.00

11. Address for Correspondence :**Registrar and Transfer Agents**

Big Share Services Private Limited
4-E/8 First Floor,
Jhandewalan Extension,
New Delhi
Tele-011-23522373, 011-42425004
Email: bss@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 akmeststarhousing@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 SEBI (LODR) Guidelines, 2015

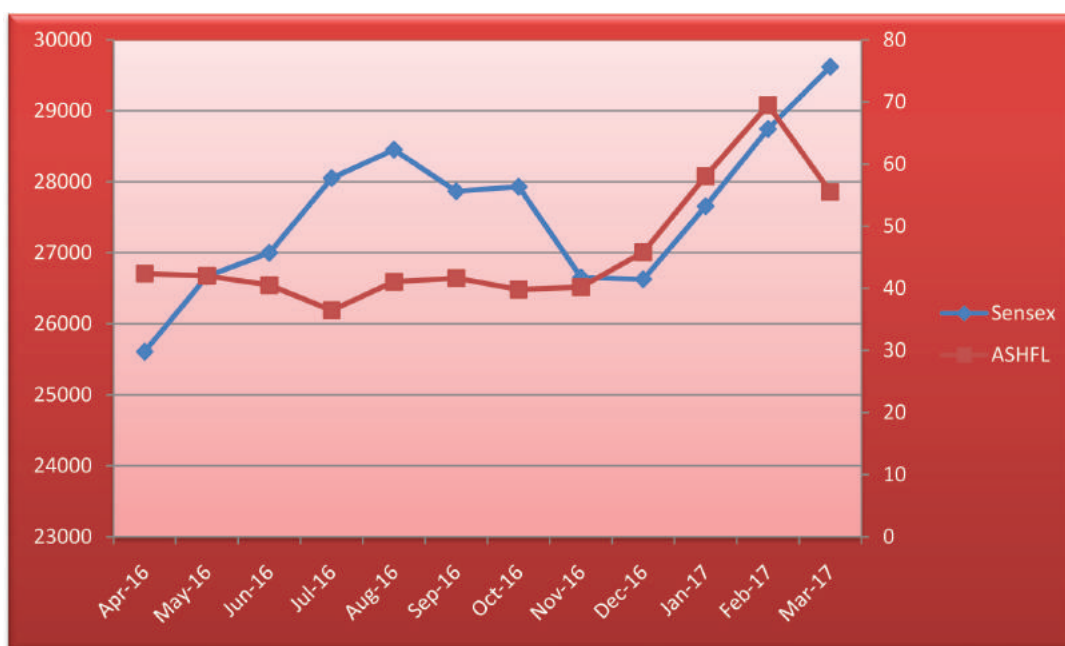
14. Dematerialization of Shares and Liquidity

The Company's equity shares are in the list of compulsory dematerialization settlement by all investors. As at March 31, 2017, 90.64% of the share capital of the Company representing 10757480 equity shares were held in dematerialized form and the balance 9.36% representing 1111520 equity shares were held in physical form by the shareholders.



15. Market Information

MONTH	HIGH	LOW	SENSEX AVERAGE	MONTHLY CLOSING	ASHFL AVERAGE
Apr-16	26100.54	24523.2	25311.87	25606.62	42.375
May-16	26837.2	25057.93	25947.565	26667.96	42
Jun-16	27105.41	25911.33	26508.37	26999.72	40.5
Jul-16	28240.2	27034.14	27637.17	28051.86	36.45
Aug-16	28532.25	27627.97	28080.11	28452.17	41.05
Sep-16	29077.28	27716.78	28397.03	27865.96	41.65
Oct-16	28477.65	27488.3	27982.975	27930.21	39.8
Nov-16	28029.8	25717.93	26873.865	26652.81	40.2
Dec-16	26803.76	25753.74	26278.75	26626.46	45.8
Jan-17	27980.39	26447.06	27213.725	27655.96	58.05
Feb-17	29065.31	27590.1	28327.705	28743.32	69.5
Mar-17	29824.62	28716.21	29270.415	29620.5	55.5



16. Other Useful Information for Shareholders

1. Electronic filing of compliances on BSE

In terms of SEBI(LODR), Guidelines 2015, 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".

6. Financial year:

The Company follows financial year starting from April 1 to March 31 each year.

7. Outstanding GDRs / ADRs / warrants:

The Company does not have any GDRs / ADRs / Warrants or any convertible instruments.

8. SEBI toll-free helpline service for investors: 1800 22 7575 or 1800 266 7575 (available on all days from 9:00 a.m. to 6:00 p.m. excluding declared holidays).**9. SEBI investors' contact for feedback and assistance: tel. 022-26449188, e-mail: sebi@sebi.gov.in**

**DECLARATION ON COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT
FOR THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL**

I, hereby, confirm and declare that in terms of Regulation 26(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 2016-17.

Sd/-

Mohan Lal Nagda

Chairman & Managing Director
(DIN-00211925)

Place : Udaipur

Date : 19.06.2017



CORPORATE GOVERNANCE CERTIFICATE



AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

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, 2017, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to review the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance 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 Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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: 19.06.2017

For, H.R. Jain & Co
Chartered Accountants
(Firm Registration No. 000262C)

Sd/-
CA Manoj Jain
Partner
Membership No. 400459



CERTIFICATE OF MD & CFO OF THE BOARD

**CEO /CFO CERTIFICATE**

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, 2017 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/-
Dr. Mohan Lal Nagda
Chairman & Managing Director
DIN 00211925

Date : 19.06.2017
Place : Udaipur



INDEPENDENT AUDIT REPORT



INDEPENDENT AUDITOR'S REPORT

To,
The Members of ,
AKME STAR HOUSING FINANCE LIMITED,

We have audited the accompanying financial statements of Akme Star Housing Finance Limited ('the Company'), which comprises the Balance Sheet as at 31st March 2017, the statement of Profit and Loss Account, the Cash Flow Statement and the statement of changes in Equity for the year ended and a summary of significant accounting policies and other explanatory information incorporated in the Schedules and Notes to Accounts.

Management's Responsibility for the Financial Statements

The Company's board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these financial statements that give a true & fair view of the financial position, financial performance and cash flows and changes in Equity of the company in accordance with the accounting principles generally accepted in India including the Accounting Standards prescribed under section 133 of the Act, read with relevant rules issued there under.

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 misstatements, whether due to fraud or error.

Auditor's Responsibility

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

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

We conducted our audit in accordance with Auditing Standards 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 mis-statements.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the financial position of the Company as at March 31, 2017 and its financial performance including other comprehensive income, its Cash flows and the changes in Equity for the year ended on that date.

Report on other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 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 accounts as required by the law have been kept by the company so far as it appears from our examination of those books.



- c. The Balance Sheet, the Profit and Loss Statement, the Cash flow Statement and the statement of changes in Equity dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the accounting standards specified under Section 133 of the Companies Act 2013, read with relevant rules issued there under;
- e. On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B; and
- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company does not have any pending litigations which would impact its financial position.
 - ii. The company does not have any such long term contracts including derivative contracts which can arise any material foreseeable losses.
 - iii. There has not been any occasion in case of the company during the year under report to transfer any sum to the Investor Education and Protection Fund
 - iv. The Company has provided requisite disclosures in its financial statements as to holding as well as dealings in specified Bank Notes during the period from 8 November 2016 to 30 December 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Notes to the financial statements.

For H.R. JAIN & COMPANY
Chartered Accountants
Firm Registration No. 000262C

Sd/-
Manoj Jain
Partner
M.No.400459

Udaipur
11th May, 2017

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2017, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The Company is Housing and other Finance company and the company's business does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) As per the information and records made available, the Company has granted unsecured loans to three companies covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). In our opinion, the rate of interest and other terms and conditions on which the short term advance had been granted to the said parties were not, prima facie, prejudicial to the interest of the Company. Further the borrowers have been regular in the payment of the principal and interest as stipulated and there were no overdue amount in respect of such loans advance granted. The maximum amount involved during the year was Rs. 843 Lakhs and the year end balance of loan to such parties was NIL (Previous year Nil)



- (iv) In our opinion and according to the information and explanations given to us, the company has not provided/made any loans, investments, guarantees and securities under the provisions of section 185 and 186 of the Act.
- (v) The company has not accepted any deposits from the public and hence the provisions of section 73 to 76 and any other relevant provisions of the Act or any other directives of RBI are not applicable to the company.
- (vi) The Central government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the business activity or services by the company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not defaulted in repayment of loans and borrowings to any financial institution, Bank, government, or dues to debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer during the year. The company has raised term loans and cash credit limit from the banks, financial institutions and the said funds were applied for the purpose for which those funds were raised.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is a housing Finance company governed by NHB Act. And the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For H.R. JAIN & COMPANY
Chartered Accountants
Firm Registration No. 000262C

Sd/-
Manoj Jain
Partner
M.No.400459

Udaipur
11th May, 2017

**Annexure - B to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of Akme Star Housing Finance Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For H.R. JAIN & COMPANY**Chartered Accountants****Firm Registration No. 000262C****Sd/-****Manoj Jain****Partner****M.No.400459****Udaipur****11th May, 2017**



AKME STAR HOUSING FINANCE LIMITED
Akme Business Centre, 4-5 Subcity Centre, Savina, UDAIPUR-313001
CIN L45201RJ2005PLC020463

BALANCE SHEET AS AT 31st MARCH , 2017

Particulars	Note No.	As at 31-03-2017	As at 31-03-2016
A. EQUITIES AND LIABILITIES :			
1 SHAREHOLDERS FUND:			
a Share Capital	2	118,690,000	59,345,000
b Reserves & Surplus	3	60,760,508	106,032,547
		179,450,508	165,377,547
2 Share Application Money Pending for Allotment		-	-
3 NON CURRENT LIABILITIES			
a Long Term Borrowings	4	32,849,210	1,002,752
b Deferred Tax Liability		409,170	166,830
c Long Term Provisions	5	2,143,994	1,431,510
Total Non Current Liabilities		35,402,374	2,601,092
4 CURRENT LIABILITIES			
a Short Term Borrowings	6	25,760,606	11,513,627
b Other Current liabilities	7	8,163,016	227,040
c Short Term provisions	8	971,974	1,636,106
Total Current Liabilities		34,895,596	13,376,773
Total		249,748,478	181,355,412
B. ASSETS :			
1 NON CURRENT ASSETS			
a Fixed Assets	9	4,729,487	4,614,451
b Deferred Tax Assets (net)		-	-
c Long Term Portion of Loans	10	62,602,450	54,347,188
d Long Term Loans & Advances	11	3,300,000	3,000,000
Total of Non Current Assets		70,631,937	61,961,639
2 CURRENT ASSETS			
a Current Investments	12	8,800,100	8,800,100
b Short term portion of Loans	13	140,130,242	100,777,526
c Trade Receivables	14	2,778,739	1,261,303
d Cash & Cash Equivalents	15	20,463,126	780,510
e Short-Term Loans & Advances	16	6,850,000	7,680,000
f Other Current Assets	17	94,334	94,334
Total of Current Assets		179,116,541	119,393,773
Total		249,748,478	181,355,412
Notes forming part of the Financial Statements	1-23		

As per our separate report of even date annexed

For H R JAIN & CO.
Chartered Accountants
ICAI FRN-000262C
Sd/-
CA MANOJ JAIN
PARTNER
Membership No. 400459

Place : Udaipur
Date : 11.05.2017

For AKME STAR HOUSING FINANCE LTD.

Sd/-
Dr. M.L.Nagda
Mg. DIRECTOR
DIN: 00211925

Sd/-
Nimal Kumar Jain
Director
DIN: 00240441

Sd/-
Ashish Jain
Cheif Financial Officer

Sd/-
Paritosh Kothari
Company Secretary



AKME STAR HOUSING FINANCE LIMITED
Akme Business Centre, 4-5 Subcity Centre, Savina, UDAIPUR-313001
CIN L45201RJ2005PLC020463

Statement of Profit and loss for the Period Ended 31st March, 2017

Particulars	Note No.	As at 31-03-2017	As at 31-03-2016
INCOME :			
Revenue from operations	18	31,358,533	25,686,382
Other Income	19	2,681,644	1,549,264
Total of Revenue		34,040,177	27,235,646
EXPENDITURE :			
Interest & Finance Charges	20	4,742,371	3,001,545
Employees Remuneration & Benefits	21	4,207,384	3,740,471
Adminstration & other Expenses	22	2,871,579	2,898,014
Depreciation and Amortization Expenses	9	466,544	464,845
Provision for Contingencies	23	712,484	238,570
Total Expenditure		13,000,362	10,343,445
Profit before Exceptional Items and Tax		21,039,815	16,892,201
Exceptional Items		-	-
Profit before Tax		21,039,815	16,892,201
Provision for taxation		6,724,514	5,225,460
Deferred tax Liability (Asset)		242,340	114,092
PROFIT FOR THE YEAR		14,072,961	11,552,649
Earning per Equity Shares			
- Basic	29	1.19	0.97
- Diluted	29	1.19	0.97
Significant Accounting Policies and Notes to Account	1-23		

As per our separate report of even date annexed

For H R JAIN & CO.
Chartered Accountants
ICAI FRN-000262C
Sd/-
CA MANOJ JAIN
PARTNER
Membership No. 400459

Place : Udaipur
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AKME STAR HOUSING FINANCE LIMITED

Akme Business Centre, 4-5 Subcity Centre, Savina, UDAIPUR-313001

CIN L45201RJ2005PLC020463

CASH FLOW FOR THE YEAR ENDED MARCH 31ST 2017

(Amount in Rs)

Cash Flow Statement for the year 2016-17	As At 31 March, 2017	As At 31 March, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax as per Profit and Loss Statement	21,039,815	16,892,201
Adjusted for:		
Depreciation/ Amortization	466,544	464,845
Provision for Contingencies	712,484	238,570
Interest Received	(2,272,044)	(1,395,633)
Operating Profit before Working Capital changes	19,946,799	16,199,983
Adjusted for:		
Decrease/(Increase) in Trade Receivables	(1,517,436)	(540,821)
Decrease/(Increase) in Long Term Loans and Advances (other than Housing & other loans)	(300,000)	-
Decrease/(Increase) in Short Term Loans and Advances (other than Housing & other loans)	830,000	(287,640)
Decrease/(Increase) in Short Term Housing Loans to borrowers	(39,352,716)	(11,731,389)
Decrease/(Increase) in Long Term Housing Loans to borrowers	(8,255,262)	(20,173,150)
Decrease/(Increase) in Other Current Assets	-	-
Increase/ (Decrease) in Short Term Provisions	(664,132)	-
Increase/ (Decrease) in Other Current Liabilities	7,935,976	141,666
Cash Generated from Operations	(21,376,771)	(16,391,351)
Less: Taxes Paid	6,724,514	5,225,460
Net Cash Generated from Operations (A)	(28,101,285)	(21,616,811)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(581,580)	(4,636,213)
Sale/Redemption of Investments	-	-
Interest Received	2,272,044	1,395,633
NET CASH USED IN INVESTING ACTIVITIES (B)	1,690,464	(3,240,580)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Issue of share Capital	-	-
Long Term Borrowing Received/ (Paid)	31,846,458	1,002,752
Short Term Borrowing Received/ (Paid)	14,246,979	(15,609,538)
NET CASH FROM FINANCING ACTIVITIES ©	46,093,437	(14,606,786)
NET INCREASE/ (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	19,682,616	(39,464,177)
Cash & Cash Equivalents at the beginning of the year	780,510	40,244,687
Cash & Cash Equivalents at the end of the year	20,463,126	780,510



Notes forming part of the financial statement for the year ended 31st March 2017.

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 areas 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 recognized in the period in which the results are known / materialized.

1.2 Interest on Housing Loan :

Repayment of housing loans is by way of Equated Monthly Installments (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 realization basis as per the guidelines prescribed by the National Housing Bank.
- b. Income from other services is recognized 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 capitalized. 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 recognized 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 installments 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.



Notes to the Accounts :

Particulars	As at March, 31 2017	As at March, 31 2016
Note 2: Share Capital :		
Authorised Share Capital	120,000,000	60,000,000
120,00,000 Equity Shares @ 10 Each (prev. Year 60,00,000 Equity Shares)		
Issued, Subscribed, Called Up & Paid Up Share Capital		
11869000 Equity Shares @ 10 Each (Prev. Year 5934500 Equity Shares @ 10 Each)	118,690,000	59,345,000
Total	118,690,000	59,345,000
Note 3: Reserves & Surplus :		
Share premium		
Op Balance	78,694,103	78,694,103
Add: Addition during the Year	-	-
Less: Utilised for Allotment of Bonus Shares 1:1	59,345,000	-
Share Premium Closing Balance	19,349,103	78,694,103
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	7,428,590	4,050,150
Add: Transferred from Statement Profit & Loss Account	4,207,963	3,378,440
Special Reserve Closing Balance	11,636,553	7,428,590
Surplus in Statement of Profit and Loss		
Balance as per last Balance Sheet	19,909,854	11,735,645
Add: Profit Available for Appropriation	14,072,961	11,552,649
Less: Transferred to Special Reserve	4,207,963	3,378,440
Closing Surplus Balance of profit & Loss	29,774,852	19,909,854
Total of Reserve & Surplus	60,760,508	106,032,547
Note 4 : Long Term Borrowings :		
Secured		
Bank of Baroda Car Loan	849,210	1,002,752
Bank of Baroda (Term loan)	32,000,000	-
Total Secured Long Term Borrowing	32,849,210	1,002,752
Total Long Term Liabilities	32,849,210	1,002,752
Note 5: Long Term Provisions :		
Provision for Contingencies		
Provision ag. Advances as per NHB guidelines		
- on Standard Assets	1,125,334	770,976
- on Non Performing Assets	1,018,660	660,534
Total Long Term Provisions	2,143,994	1,431,510

**Notes to the Accounts :**

Particulars	As at March, 31 2017	As at March, 31 2016
Note 6 : Short Term Borrowings :		
Secured :		
Bank of Baroda CC limit	25,760,606	11,513,627
Total Secured Short Term Borrowing	25,760,606	11,513,627
Unsecured	-	-
Total Unsecured Short Term Borrowing	-	-
Total Short Term Borrowings	25,760,606	11,513,627

Note 7: Other Current Liabilities :**Current Maturities of Long term borrowings**

Bank of Baroda (Car Loan)	153,000	142,340
Bank of Baroda (Term Loan)	8,000,000	-
Other Creditors	6,016	83,340
TDS Payable	4,000	1,360
Total Other Current Liabilities	8,163,016	227,040

Note 8: Short Term Provisions :

For Taxation (Net of Advance Tax and TDS of Current Year)	920,900	1,575,410
For Expenses	51,074	60,696
Total Short Term Provisions	971,974	1,636,106

Note 9: Fixed Assets :

Particulars	Usefull life as per Co. Act	Rate of Depre- ciation	GROSS BLOCK				DEPRECIATION			NET BLOCK	
			1.4. 2016	Addition Adjust- ment	Deduction Adjust- ment	31.03. 2017	1.4. 2016	For the Period	31.03. 2017	31.03. 2017	31.3. 2016
Tangible Assest											
New Car	8 Years	31.23%	1,492,012.00	-	-	1,492,012.00	354,892.02	355,123.00	710,015.02	781,996.98	1,137,119.98
HP Laptop	3 Years	63.16%	36,800.00	-	-	36,800.00	30,585.83	3,925.00	34,510.83	2,289.17	6,214.17
Computers & printer	3 Years	63.16%	80,000.00	177,580.00	-	257,580.00	61,492.69	51,316.00	112,808.69	144,771.31	18,507.31
Land	full	Nil	3,284,070.00	404,000.00	-	3,688,070.00	-	-	-	3,688,070.00	3,284,070.00
Subtotal			4,892,882.00	581,580.00	-	5,474,462.00	446,970.54	410,364.00	857,334.54	4,617,127.46	4,445,911.46
Intangible Assets											
Software	5 Years	20%	280,900.00	-	-	280,900.00	112,360.00	56,180.00	168,540.00	112,360.00	168,540.00
Subtotal			280,900.00	-	-	280,900.00	112,360.00	56,180.00	168,540.00	112,360.00	168,540.00
TOTAL			5,173,782.00	581,580.00	-	5,755,362.00	559,330.54	466,544.00	1,025,874.54	4,729,487.46	4,614,451.46



Notes to the Accounts :

Particulars	Amount (Rs.) 31-03-2017	Amount (Rs.) 31-03-2016
Note 10: Long term Portion of Loans :		
Standard	59,433,975	51,108,559
Sub-Standard	994,924	2,539,669
Doubtful Assets	2,173,551	698,960
Loss Assets	-	-
Total	62,602,450	54,347,188
Note 11: Other Long Term Loans & Advances		
Security Deposit for Udaipur Office	3,000,000	3,000,000
Security Deposit for Mumbai Office	300,000	-
Total	3,300,000	3,000,000
Note 12: Current Investments :		
Investments-Shares of Akme Fintrade (I) Ltd	4,000,100	4,000,100
Investments-Shares of Akme Fincon Ltd	4,800,000	4,800,000
Total	8,800,100	8,800,100
Note 13: Short term portion of Loans :		
Standard	140,130,242	100,777,526
Sub-Standard	-	-
Doubtful Assets	-	-
Loss Assets	-	-
Total	140,130,242	100,777,526
Note 14: Trade Receivables :		
Interest Receivables on Housing Loans	2,533,494	1,261,303
Interest Receivable on Other Loans	245,245	-
Total	2,778,739	1,261,303
Note 15: CASH & BANK BALANCES :		
Cash in Hand	463,126	780,416
Balance with Scheduled Bank (BOB)	20,000,000	-
Balance with Bank of India	-	94
Total	20,463,126	780,510
Note 16: Other Short Term Loans & Advances :		
Security Deposit with BSE	-	480,000
Security Deposit for Kotak Mahindra	50,000	-
Advance against Property	6,800,000	7,200,000
Total	6,850,000	7,680,000
Note 17: OTHER CURRENT ASSETS :		
I. Tax Refund old	94,334	94,334
Total	94,334	94,334

**Notes to the Accounts :**

Particulars	Amount 31-3-2017	Amount 31-3-2016
Note 18: Revenue from Operations :		
Interest on Housing and property Loans	26,364,709.00	17,249,748.00
Interest on Other Loans	4,993,824.00	8,436,634.00
Total	31,358,533.00	25,686,382.00
Note 19: Other Income :		
Other Interest Income	2,272,044.00	1,395,633.00
Bad Debts Recovered	409,600.00	93,500.00
Other Income	-	60,131.00
Total	2,681,644.00	1,549,264.00
Note 20: Interest & Financial Charges :		
Bank Interest	3,392,058.00	2,704,126.00
Interest on Income Tax	277,554.00	216,334.00
Bank charges	1,072,759.00	81,085.00
Total	4,742,371.00	3,001,545.00
Note 21: Employee Remuneration & Benefits :		
Salary to Staff	2,776,116.00	2,253,600.00
Bonus	-	159,700.00
Director's Salary	1,320,000.00	1,320,000.00
PF & ESI Contribution	11,268.00	7,171.00
Total	4,207,384.00	3,740,471.00
Note 22: Administrative & Other Expenses :		
Audit Fees	39,500.00	33,877.00
Conveyance	90,543.00	63,295.00
Electricity Exp	92,505.00	88,942.00
Professional fee	583,862.00	387,892.00
Office Exp.	178,820.00	110,225.00
Printing & Stationery	121,645.00	72,317.00
Office Rent Exp.	6,000.00	6,000.00
T.A. and D.A.	18,340.00	191,249.00
Postage and courier	4,995.00	3,135.00
Advertising Exp.	-	11,490.00
ROC Filling Fees	604,300.00	24,854.00
Stamp & Franking Charges	352,022.00	114,437.00
Director's Sitting Fee	104,250.00	162,923.00
Insurance Expenses	43,500.00	155,367.00
Telephone Expenses	106,012.00	110,899.00

**Notes to the Accounts :**

Particulars	Amount 31-3-2017	Amount 31-3-2016
Repair & Maintenance Expenses	162,160.00	97,620.00
Misc expenses	50,377.00	56,440.00
Listing expenses	-	28,090.00
Penalty & Fine	6,000.00	1,300.00
Donation	16,000.00	20,000.00
Bad Debts Written off	32,809.00	1,043,225.00
Travelling Expenses	156,712.00	114,437.00
Other Misc Expenses relating to Advances	101,227.00	-
Total	2,871,579.00	2,898,014.00

Note 23: Provisions for Contingencies :

Provision on Standard Assets	354,358.00	201,170.00
Provision on Sub-Standard Assets	358,126.00	37,400.00
Total	712,484.00	238,570.00

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/decreased its Authorized Share Capital during the year.

24.3 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	31.03.2017		31.03.2016	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares outstanding at beginning of the year	59,34,500	593,45,000	59,34,500	593,45,000
Add: Shares issued during the year	-	-	-	-
Add: Bonus Shares allotted during the year	59,34,500	593,45,000	-	-
Equity shares outstanding at year end	118,69,000	1186,90,000	59,34,500	593,45,000

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

Particulars	31.03.2017		31.03.2016	
	No. of Shares	% Holding	No. of Shares	% Holding
Nirmal Kumar Jain	854000	7.19%	427000	7.19%
KaluLal Jain	633400	5.33%	316700	5.33%
Dr. Mohan LalNagda	702600	5.92%	351300	5.92%

25. Reserves & Surplus

25.1 The Company has transferred a sum of Rs. 42.08 lacs (Rs. 33.78 lacs) 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. 15.72 lacs(Rs. 6.93 lacs) in the reserve created under Section 36(1) (viii) of the Income Tax Act, 1961. Breakups of transfer of funds in both the reserves are as under:-



Particulars	Amount (Rs.) 31.03.2017	Amount (Rs.) 31.03.2016
Balance at the beginning of the Year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	5155277	2469597
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	2273313	1580553
c) Total	7428590	4050150
Addition / Appropriation/ Withdrawal during the year		
Add:		
a) Amount Transferred u/s 29C of the NHB act, 1987	2635685	2685680
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	1572278	692760
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 29C of the National Housing Bank Act, 1987	7790962	5155277
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	3845591	2273313
c) Total	11636553	7428590

26. Short Term provisions- Provision for Taxation includes Rs. 67.25 lacs (Rs. 52.25 lacs) 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 2017, consisting of principal loans outstanding where payments of EMI were in arrears for 90 days or more amounted to Rs. 31,68,475/- (Rs. 32,38,629/-). As per prudential norms prescribed by the NHB, the company is required to carry a contingency provision of Rs. 21,43,994/- (Rs. 14,31,510/-) in respect of Standard and Non Performing Housing loans assets. The company has made during the year, Provision of Rs. 7,12,484/- (Rs. 2,38,570/-) thereby total provisioning of Rs 21,43,994/- (Rs. 14,31,510/-) for contingencies against the requirement of Rs. 21,43,994/- 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 31.03.2017 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) as on 31-03-2017

No.	Particulars	Amount in Rs.		Amount in Rs.	Amount in Rs.
I.	Standard Assets	Amount O/s as on 31-03-2017	% of Provision Required as per norms	Amount of Provision required as on date 31-03-2017 as per norms	Amount of Actual Provision as on 31-03-2017
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	71193101.19	0.40%	284772	284772
Ic	Standard Assets in respect of Mortgage Loans to individuals	7605729.72	0.40%	30423	30423
Id	Standard Assets In respect of CRE-RH i.e to builders for residential houses	89486850.95	0.75%	671151	671151
Ie	Standard Assets in respect of all other commercial real estate (CRE)	2312306.22	1.00%	23123	23123
If	standard Assets in respect of all other non housing loan and mortgage loan	28966229	0.40%	115865	115865
A	Sub total Standard assets i.e.Ia to If Advances	199564217.08		1125335	1125335
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
Ilb	Sub-Standard Assets In respect of house loans to Individuals	994924	15%	149238.60	149238.60
Ilc	Sub-Standard Assets in respect of Mortgage Loans to individuals	Nil	15%	Nil	Nil
Ild	Sub-Standard Assets In respect of CRE-RH i.e to builders for residential houses	Nil	Nil	Nil	Nil
Ile	Sub-Standard Assets in respect of all other commercial real estate (CRE)	Nil	Nil	Nil	Nil
Ilf	Sub- standard Assets in respect of all other non housing loan then above	Nil	Nil	Nil	Nil
B	Sub total - Sub standard assets Ila to Ilf	994924		149238.60	149238.60
III	Doubtful Assets				
IIla	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
IIlb	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	1080578	40%	432231	432231
	More then three year	Nil	100%	Nil	Nil



No.	Particulars	Amount in Rs.		Amount in Rs.	Amount in Rs.
IIlc	Doubtful Assets in respect of Mortgage Loans to individuals More then one year - less then three year	1092973	40%	437189	437189
IIId	Doubtful Assets In respect of CRE-RH i.e to builders for residential houses	Nil	Nil	Nil	Nil
IIle	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	2173551	0.8	869420	869420
IVd	Loss Assets	Nil	100%	Nil	Nil
D	Grand Total of Gross Advances (A+B+C+D)	202732692.08		2143994	2143994

B) As per paragraph 29 of NHB Directions 2010-

Provision of Loans & Advances (Housing & Non Housing) as on 31-03-2017 as per Paragraph 29 of NHB Directions 2010

	Category of Loan	Out Standing as on 31-03-2017	% 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	71193101.19	0.40%	284772.40	284772
	(ii) To Builder CRE-RH	89486850.95	0.75%	671151.38	671151
	(iii) To Builder CRE	2312306.22	1.00%	23123.06	23123
	2. Sub Standard Assets	994924	15.00%	149238.60	149239
	3. Doubtful Assets	1080578	40.00%	432231.20	432231
	4. Loss Assets	0	100%	0.00	0
	Total House Loans	165067760.4		1560517	1560517
	Non Housing Loans				
2	Mortgage Loans				
	1. Standard Assets	7605729.72	0.40%	30422.92	30423
	2. Sub Standard Assets	0	15.00%	0.00	0
	3. Doubtful Assets	1092973	40.00%	437189.20	437189
	4. Loss Assets	0	100%	0	0
	Total Mortgage Loans	8698702.72		467612	467612
3	Other Short Term Loans & Advance				
	1. Standard Assets	28966229	0.40%	115864.92	115865
	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	28966229		115865	115865
	Grand Total Gross Advnace	202732692.08	0	2143994	2143994



28.2 Details of the Company Outstanding Loans and provisions thereon as on 31.03.2016 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) as on 31-03-2016

No.	Particulars	Amount in Rs.		Amount in Rs.	Amount in Rs.
I.	Standard Assets	Amount O/s as on 31-03-2016	% of Provision Required as per norms	Amount of Provision required as on date 31-03-2016 as per norms	Amount of Actual Provision as on 31-03-2016
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	48672951.89	0.40%	194692	194692
Ic	Standard Assets in respect of Mortgage Loans to individuals	10993740.61	0.40%	43975	43975
Id	Standard Assets In respect of CRE-RH i.e to builders for residential houses	42449440	0.75%	318371	318371
Ie	Standard Assets in respect of all other commercial real estate (CRE)	2476262	1.00%	24763	24763
If	standard Assets in respect of all other non housing loan then above	47293688	0.40%	189175	189175
A	Sub total Standard assets i.e.Ia to If Advances	151886085.50		770976	770976
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
Ilb	Sub-Standard Assets In respect of house loans to Individuals	1118728	15%	167809	167809
Ilc	Sub-Standard Assets in respect of Mortgage Loans to individuals	1420940	15%	213141	213141
Ild	Sub-Standard Assets In respect of CRE-RH i.e to builders for residential houses	Nil	Nil	Nil	Nil
Ile	Sub-Standard Assets in respect of all other commercial real estate (CRE)	Nil	Nil	Nil	Nil
Ilf	Sub- standard Assets in respect of all other non housing loan then above	Nil	Nil	Nil	Nil
B	Sub total - Sub standard assets Ila to Ilf	2539668		380950	380950
III	Doubtful Assets				
Illa	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



No.	Particulars	Amount in Rs.		Amount in Rs.	Amount in Rs.
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	698960	40%	279584	279584
	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	Nil	40%	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
IIIf	Doubtful Assets in respect of all other non housing loan then above	Nil	Nil	Nil	Nil
C	Sub total - Doubtful assets IIIa to IIIf	698960		279584	279584
IVD	Loss Assets	Nil	100%	Nil	Nil
D	Grand Total of Gross Advances (A+B+C+D)	155124713.50		1431510	1431510

B) As per Paragraph 29 of NHB Directions 2010- Provision of Loans & Advances (Housing & Non Housing) as on 31-03-2016 as per Paragraph 29 of NHB Directions 2010

	Category of Loan	Out Standing as on 31-03-2016	% 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	48672951.89	0.40%	194692	194692
	(ii) To Builder CRE-RH	42449440	0.75%	318371	318371
	(ii) To Builder CRE	2476265	1.00%	24763	24763
	2. Sub Standard Assets	1118728	15.00%	167809	167809
	3. Doubtful Assets	698960	40.00%	279584	279584
	4. Loss Assets	0	100%	0	0
	Total House Loans	95416344.89		985219	985219
	Non Housing Loans				
2	Mortgage Loans				
	1. Standard Assets	10993740.61	0.40%	43975	43975
	2. Sub Standard Assets	1420940	15.00%	213141	213141
	3. Doubtful Assets	0	40.00%	0	0
	4. Loss Assets	0	100%	0	0
	Total Mortgage Loans	12414680.61		257116	257116
3	Other Short Term Loans & Advance				
	1. Standard Assets	47293688	0.40%	189175	189175
	2. Sub Standard Assets	0	15.00%	0	0
	3. Doubtful Assets	0	40.00%	0	0
	4. Loss Assets	0	100%	0	0
	Total Short Terms Loans	47293688		189175	189175
	Grand Total Gross Advnace	155124713.50		1431510	1431510



28.3 The Company has written off 1 loans during the year ended 31.03.2017 amounting to Rs 32,809/-. The figure for the loans written off during the FY 2015-16 was Rs. 10,43,225/-.

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 dtd 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 for the Year as on 31.03.2017 is Rs. 1.19. EPS for the previous year as on 31.03.2016 was Rs.0.97. As per AS 20 EPS for the year 2015-16 has been restated on the basis of bonus shares issued during the year.

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 Managerial personals :

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

Relative of Key Managerial Personals :

- a. Manju Devi Jain (Wife of Director- Nirmal Kumar Jain)
- b. Ashish Jain (Son of Director- Mohan Lal Nagda)

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

Details of Transactions	Associate Companies	Key Managerial Personals
Expenses		
Directors Remuneration		13.20
Salary to relative of Director		7.44

30.3 Details of Major transaction during the year with the above related parties : (Rs. In Lacs)

Details of Transactions	Associate Companies	Key Managerial personnel's
Expenditure		
Remuneration		
- Nirmal Jain		7.20
- Dr.M.L.Nagda		6.00
Salary to Relative of Director		
- Manju Jain		4.44
- Ashish Jain		3.00

30.4 The Company has given new loans during the year to parties who categories under the Related Parties as Normal Business of financing Transactions. As these transactions were done as normal business transactions, these have not been reported as per the disclosure under Related Party 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 31.03.2017	Year ended 31.3.2016
CRAR %	109.00%	114.35%
CRAR - Tier I capital (%)	108.32%	113.82%
CRAR - Tier II Capital (%)	0.68%	0.53%

II. Exposure to Real Estate Sector

Category	Year ended 31.03.2017	Year ended 31.03.2016
a) Direct Exposure		
(i) Residential Mortgages – (Loan above Rs. 15.00 lacs)	86.98	62.82
Lending fully secured by Mortgages on Residential property that is or will be occupied by borrower or that is rented; (Individual Housing Loans upto Rs. 15.00 lacs may be shown separately)	-	-
(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.	-	-
(iii) Investment in Mortgage backed Securities (MBS) and other securitized exposures		
a. Residential	-	-
b. Commercial Real Estate	-	-
b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and housing finance companies (HFC's)	-	-
Total (a) + (b)	86.98	62.82

III. Asset Liability Management 31-03-2017.

Maturity pattern of certain items of assets and liabilities

(Rs in Lacs)

	1day to 30-31 days (One month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Total
Liabilities											
Borrowings from banks	13.04	13.27	33.22	57.17	223.31	162.40	162.40	2.82	-	-	667.63
Market Borrowings	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	29.86	30.39	30.29	85.06	423.51	744.81	500.79	87.03	95.59	0	2027.33
Investments	-	-	-	-	-	-	-	88.00	-	-	88.00



33. NHB, has not levied any penalty under HFC (NHB) Directions, 2010 on the company.

34. Provident Fund and ESIC.

In the current year, the company has taken registration under the relevant act, and company has paid all the statutory dues on due date.

35. Investments in shares of Other companies:

No. Particulars	Amount (Rs.) 31-03-2017	Amount (Rs.) 31-03-2016
1 Akme Fintrade (India) Ltd		
Opening Balance	4000100	4000100
Purchased during the year	NIL	NIL
Sold during the year	NIL	NIL
Closing Balance	4000100	4000100
2 Akme Fincon Ltd		
Opening Balance	4800000	4800000
Purchased during the year	Nil	Nil
Sold during the year	Nil	Nil
Closing Balance	4800000	4800000

36. **Deferred Tax :** The components of Deferred Tax assets and Liabilities as on 31.03.2017 and 31.03.2016 are as follows :-

Particulars	31.03.2017	31.03.2016
Opening Balance (Deferred Tax Asset)	1,66,830.00	52,738.00
Deferred Tax Assets:		
Provision for Non Performing Assets	(2,27,710.00)	(72,884.00)
Difference Between WDV of fixed Assets and as per Co. Act, 2013 and Income tax Act, 1961	-	-
Gross deferred Tax Asset (A)	(60,880.00)	(20,146.00)
Deferred Tax Liabilities:		
Difference Between WDV of fixed Assets and as per Co. Act, 2013 and Income tax Act, 1961	(32,450.00)	(27,087.00)
Deduction Claimed u/s 36(1)(viii)	5,02,500.00	2,14,063.000
Gross Deferred Tax Liabilities (B)	4,70,050.00	1,86,976.00
Net Deferred Tax (Asset)/ Liability	4,09,170.00	1,66,830.00
Amount debited/ (Credited) in Profit and Loss account	2,42,340.00	1,14,092.00

37. 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 31-03-2017. 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 of information available with the Company.

38. DISCLOSURE ON SPECIFIED BANK NOTES (SBNs):

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:



Particulars	SBNs*	Other denomination Notes	Total
Closing Cash in Hand as on 8 November 2016	1150000	145972	1295972
(+) Permitted receipts	-	891903	891903
(-) Permitted Payments	-	132390	132390
(-) Amount Deposited in Banks	1150000	-	1150000
Closing Cash Balance as on 30 December 2016	-	905485	905485

- For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

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 2015-16.

In terms our report of even date

For H R JAIN & CO.
Chartered Accountants
ICAI FRN-000262C
Sd/-
CA MANOJ JAIN
PARTNER
Membership No. 400459

Place : Udaipur
Date : 11.05.2017

For AKME STAR HOUSING FINANCE LTD.

Sd/-
Dr. M.L.Nagda
Mg. DIRECTOR
DIN: 00211925

Sd/-
Ashish Jain
Cheif Financial Officer

Sd/-
Nimal Kumar Jain
Director
DIN: 00240441

Sd/-
Paritosh Kothari
Company Secretary

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CIN L45201RJ2005PLC020463
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4-5 Subcity Centre, Savina,
UDAIPUR-313001.