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Date: 30.09.2020

To,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai -400001

Sub: Notice of 15th Annual General Meeting (AGM) and Annual Report 2019-20 of Akme Star Housing Finance Limited.

Dear Sir,

This is to inform you that the Board of Directors of the Company has considered the following:

The 15th Annual General Meeting of the Company to be held on Saturday 24th October, 2020 at 12.30 pm through video Conferencing (VC)/other Audio visual Means (OAVM), at Registered office of the company i.e. Akme Business Centre (ABC), 4-5 Subcity Savina Circle, Opp. Krishi Upaz Mandi Udaipur – 313002.

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirement Regulations - 2015). We are submitting herewith the Annual Report along with the Notice of the Annual General Meeting for the financial year 2019-20.

Thanking you

For Akme Star Housing Finance Limited


Ashish Jain
Managing Director
DIN: 02041164



Registered Office :

Akme Business Centre (ABC), 2nd Floor, 4-5, Subcity Centre,
Savina Circle, Udaipur 313002 | Tel. : (0294) 2489501/02

Corporate Office :

Unit No. 708, Accord Classic, Station Road, Jayprakash Nagar,
Goregaon East, Mumbai 400063 | Tel.: +91 8828 036610



AKME STAR HOUSING FINANCE LIMITED



**WE
DO NOT
TENDER
LOANS,**

We tender
Happiness

15th ANNUAL REPORT

www.akmestarihfc.in



in the loving memory of
Dr. Mohan Lal Nagda
Founder Chairman and Managing Director

Corporate Information

BOARD OF DIRECTORS

Mr. Ashish Jain

Chairman & Managing Director

Mr. Nirmal Kumar Jain

Executive Director

Mr. Kavish Jain

Executive Director

Mr. Amlendra Prasad Saxena

Non- Executive Independent Director

Mr. Amrit Singh Rajpurohit

Non- Executive Independent Director

Dr. Rekha Jain

Non- Executive Independent Director

KEY MANAGERIAL PERSONNEL

Mr. Natesh Narayanan

Chief Financial Officer

Mr. Paritosh Kothari

Company Secretary & Compliance Officer

STOCK EXCHANGE

BSE LIMITED

Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai- 400001

Tel: +91-22-22721233/4

E : corp.comn@bseindia.com

STATUTORY AUDITORS

M/s HR Jain & Co.

310-313 Arihant plaza, Near State bank of India
Udaipole, Udaipur 313001

Tel: +91-9785390875 | E : hrjainca@gmail.com

SECRETARIAL AUDITOR

M/s Ronak Jhuthawat & Co

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

Tel: +91-9887422212 E : csronakjhuthawat@gmail.com

REGISTERED OFFICE

Akme Business Center (ABC)

2nd Floor, 4-5 Subcity Center, Savina Circle Udaipur
313002 | Tel: (0294) 2489501/02

E : compliance@akmestarihfc.in

W : www.akmestarihfc.in

CORPORATE OFFICE

Unit No. 708, Accord Classic Station Road,
Jayprakash Nagar, Goregoan East, Mumbai -
400063 | Tel: +91-8828036610

REGISTRAR AND SHARE TRANSFER AGENT

Big Share Services Private Limited

302, Kushal Bazar, 32-33, Nehru Place,
New Delhi-110019 Tel: 011-42425004, 011-47565852

E : bssdelhi@bigshareonline.com

DEPOSITORIES

National Securities Depository Limited (NSDL)

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

Central Depository Services Limited (CDSL)

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

CHRONICLE:

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OUR LENDERS



A COMMITTED ORGANIZATION THAT CHERISHES STAKEHOLDER TRUST

Akme Star HFC abides by the two strong principles of trust and commitment that have helped the Company emerge stronger and successful in its 15 year journey. By virtue of building trust and staying committed, Akme Star HFC has strengthened relationships with customers, shareholders, stakeholders employees and well-wishers, thus helping the Company earn significant respect and recognition in the industry.

The seeds of trust and commitment were sowed by Akme Star HFC'S Founder Chairman, Shri Mohan Lal Nagda (CA) & Shri Nirmal Kumar Jain (CA) through their noble vision for the Company: to serve the common man and build a strong organization through goodwill and patronage

For over 15 years, Akme Star HFC has been reaching out to thousands of Indians helping them fulfil their dream of owning a home. Our investors and partners have supported us in our vision of enabling financial access, with a keen understanding of our socially inclusive, sustainable and profitable business model. As a result, our pursuit has strengthened a unique relationship of trust and commitment with our customers and stakeholders. Akme Star HFC will continue to live up to this trust and commitment in its journey towards enabling stakeholders achieve their long term goals.



STAYING COMMITTED REINFORCING TRUST



Akme Star HFC is on a mission to make dreams come true for thousands of Indians – the dream of living in a home they can call their own. Built on the strong foundation of a robust value system and a deep rooted culture of empathy, we provide reliable housing credit services, and in the process, create enduring value for all our stakeholders.

Staying true to our core purpose, we are responding to a challenging external environment and adapting to the needs of the changing times. Leaders aren't born out of

adversities, but emerge through the manifestation of their inherent strengths.

Akme Star HFC strengths run much deeper. What is visible, prominent and tangible is the outcome of the immeasurable. The vision that underlines our existence, the conviction that powers our relentless pursuit of achieving it, and the ability to balance prudence and foresight work in unison to chart our exciting journey. Our story, at its crux, is about what lies beneath.

↑ 8.73%
Spread

↑ 12.32%
Average Cost of Borrowing

↑ 21.05%
Average Yield

↑ 598.50 Lacs.
Operating Profit

↑ 504.04 Lacs.
Profit After Tax

↑ 2908.53 Lacs.
Disbursements

↑ 7710.15 Lacs.
AUM

↑ 1097.72 Lacs.
Net Interest Income

CREDIT RATING

* Brickwork Ratings India Pvt. Ltd.

FUND BASED

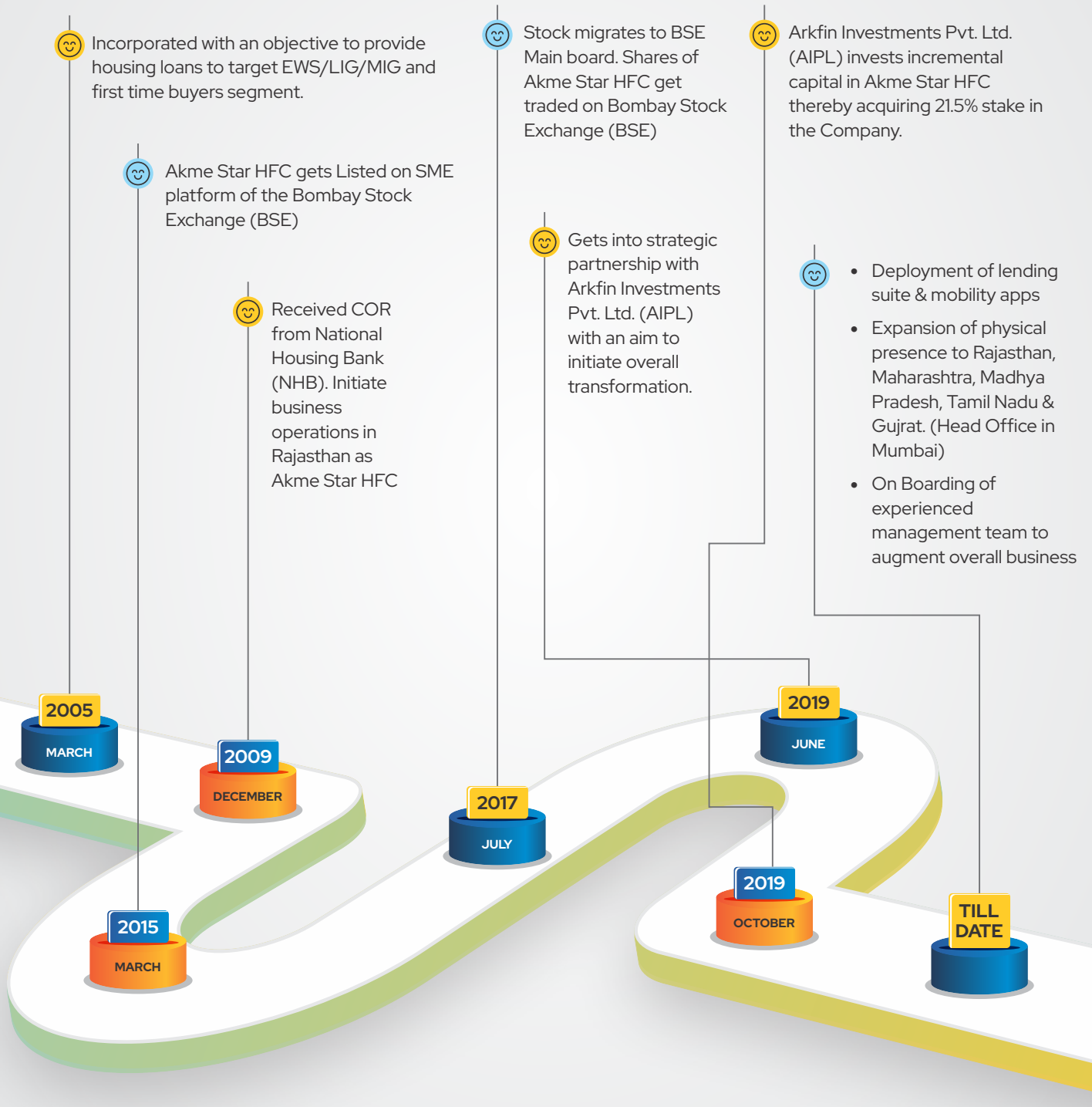
■ BWR BBB-

NON CONVERTABLE DEBENTURES

■ BWR BBB-

Our journey so far

Looking backward to move forward





MISSION

A catalyst in the nation's progress, Akme Star HFC is creating roofs for thousands of citizens in India. We are helping realize the dreams of home aspirants far and wide, for over three decades now. Our modest yet determined vision is to be considered as one of the most admired housing finance companies in the country.



VISION

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

CORE VALUE



Seeking Excellence

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



Teamwork & Collaboration

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



Accountability & Ownership

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



Nurturing Lives

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



Geographic Footprint

The Company commenced its journey from Udaipur, Rajasthan, in 2005 and is now present in 5 states of India, covering Rajasthan, Maharashtra, Gujarat, Madhya Pradesh & Tamil Nadu. During the journey of Akme Star HFC has 6 branches till March 31, 2020.



Integrity

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



Human Capital

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



TAKING DEFINITIVE STEPS TOWARDS TRANSFORMATION

Journey Till Mar 2019	Actionable	Resulting on Mar 2020
• A decade in business operations • Equity base of Rs.27 Crores • Shares listed on BSE • Consistently making profits	• Issuance of 21.5% additional shares to Arkfin group	• Incremental addition of Rs.15.5 Crores capital
• Loan Book of Rs.63.27 Crores with 682 live accounts.	• Planning of business ramp up targeting loan book of Rs.100 Crores	• Loan Book of Rs.77.10 Crores with 987 live accounts. Expansion of geography from Rajasthan to Madhya Pradesh, Gujarat, Maharashtra and Tamil Nadu
• Business operations through customized lending suite	• Deployment of Jaguar (core lending platform) • Deployment of credility (mobility solution)	• End to end processes covered through technology • Mobility enables efficient processing and handling increased volumes
• Focus on Self Employed customer profile in the state of Rajasthan	• Focused lending under PMAY • Customer mix of 60:40 (SE: Sal) • Average Loan size: Rs.10 Lacs	• Loans qualifying under Priority Sector Lending (PSL) • Customers benefiting from Govt. policies • Expansion of business in their state
• Currently having liability program with five public and private financial institutions	• NHB Refinance availment • Adding more PSU Banks • Adding more Pvt. Banks / FIs	• Lowering cost of Funds • ALM matching • Diversified liability program • NHB Refinance Assistance

PRINCIPLES FOLLOWED BY AKME STAR HFC FOR SUCCESSFUL BUSINESS

PRINCIPLE

1

Akme Star HFC conducts and govern themselves with ethics, transparency and accountability.

2

Akme Star HFC provides goods and services that are safe and contribute to sustainability through out their life cycle.

3

Akme Star HFC promotes the well being of all employees

4

Akme Star HFC respects the interests of and is responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

5

Akme Star HFC respects & promote human rights.

6

Akme Star HFC respects, protect and make efforts to restore the Environment.

7

Akme Star HFC engaged in influencing public and regulatory policy, should do so in a responsible manner.

8

Akme Star HFC supports inclusive growth and equitable development.

OUR OFFERINGS



HOME LOAN

A. Purchase of Flats/Houses

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

D. Purchase of Plot for Construction of houses.

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



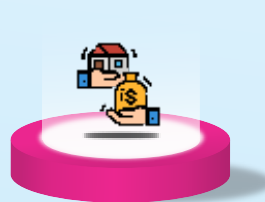
MORTGAGE LOAN

We help our customers unlock the value of their property by availing loan against their unutilized property. The customers can utilize the loan amount for productive deployment in their business like Business Loan, Education Loan, SME Loan.



AFFORDABLE HOUSING LOAN

Four billion people around the world do not have access to decent housing, including 150 million in developed countries, and over 800 million live in slums. To address this need, Akme Star HFC is focusing on innovation to offer a range of affordable housing solutions to populations and governments, including microfinance, earth-cement building solutions, slum renovation and collective social housing.



PROJECT LOAN

For Construction of Residential Flats, Project Loan to builders is also considered by the Company.

GEOGRAPHICAL SPREAD (OUR BUSINESS PRESENCE)

Rajasthan

- Udaipur
- Banswara
- Sirohi
- Dungarpur
- Chittorgarh
- Pratapgarh
- Rajsamand
- Jaipur

Gujarat

- Surat
- Ahmedabad

Madhyapradesh

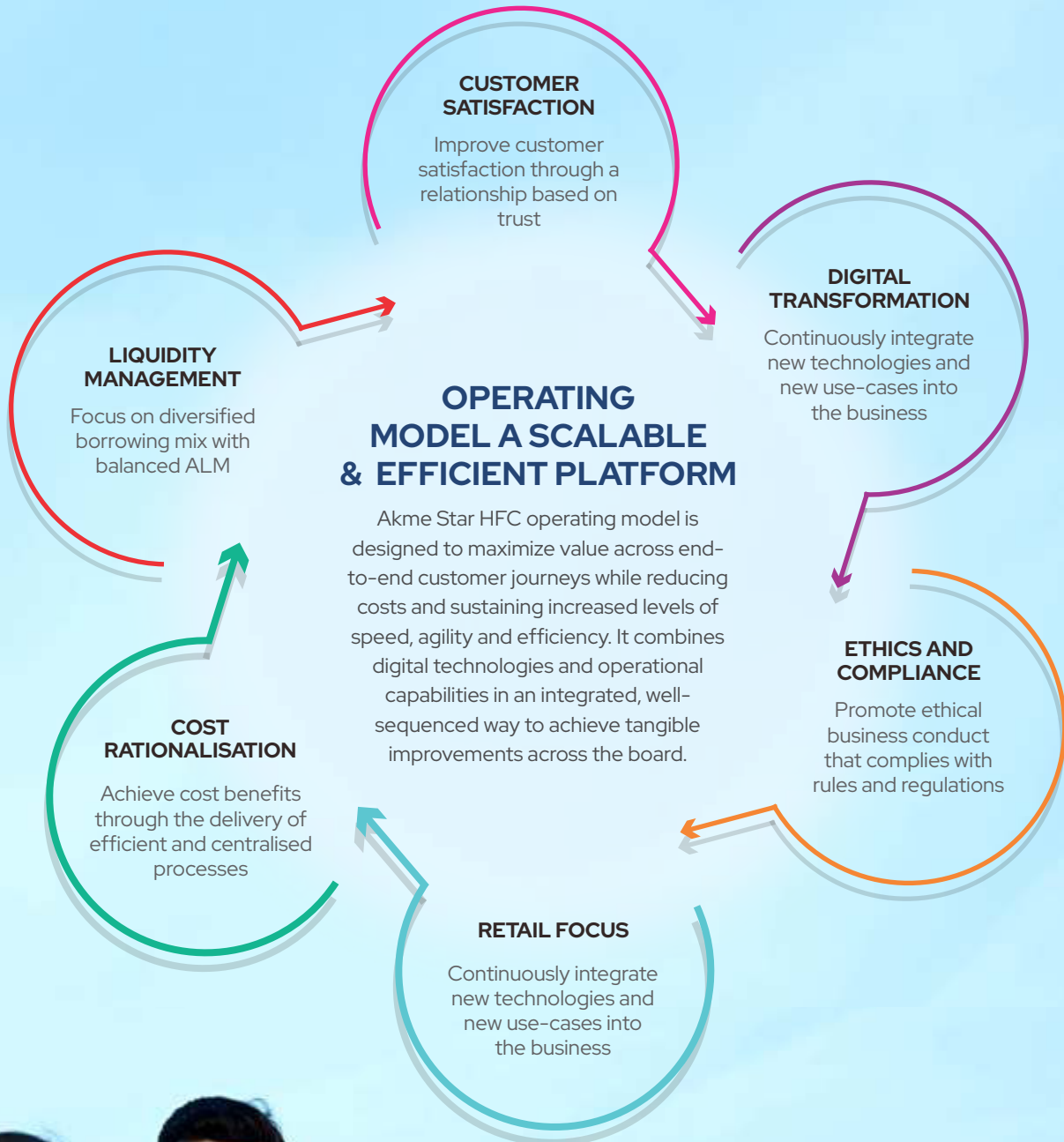
- Indore
- Ratlam
- Mandsour
- Ujjain

Maharashtra

- Akola
- Mumbai
- Nasik
- Pune
- Navi Mumbai

Tamil Nadu

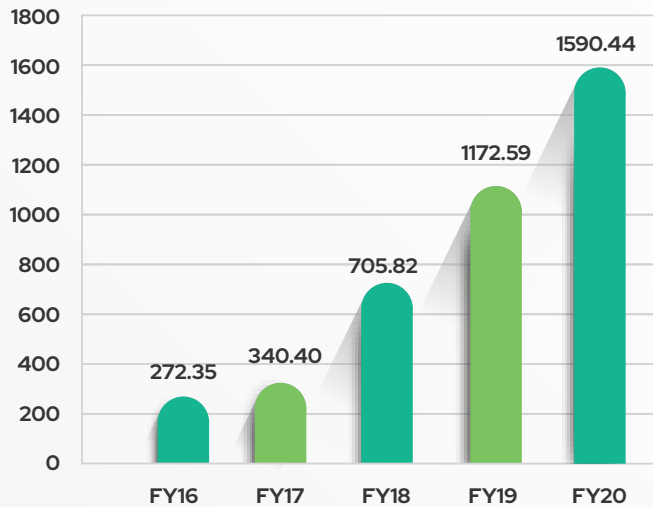
- Chennai



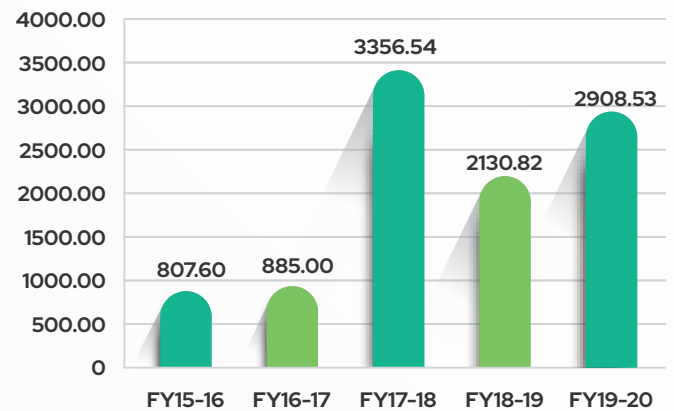
FINANCIAL INDICATORS



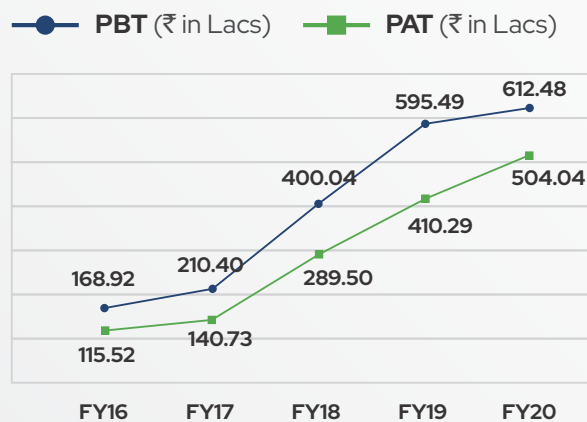
Gross Revenue (₹ in Lacs)



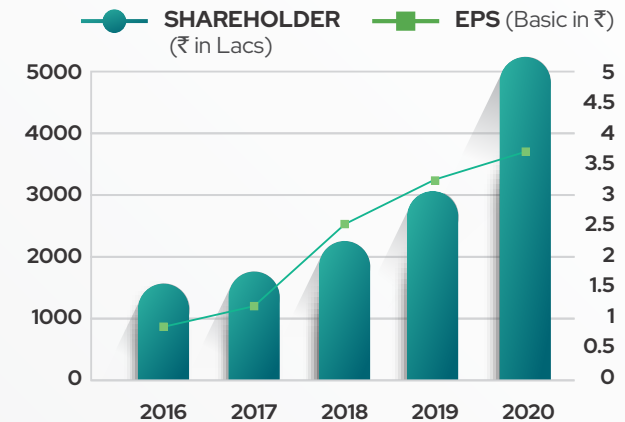
Disbursement (₹ in Lacs)



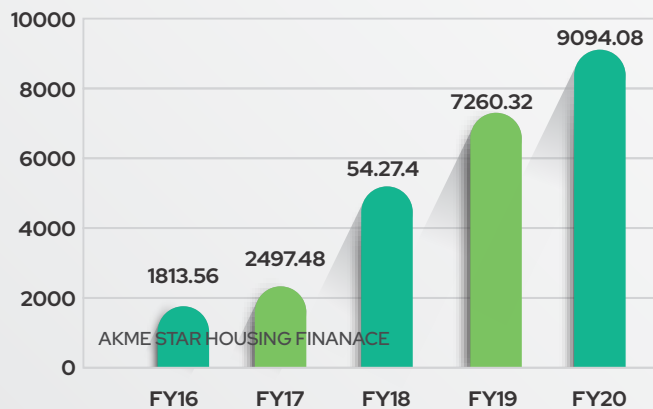
PAT-PBT (₹ in Lacs)



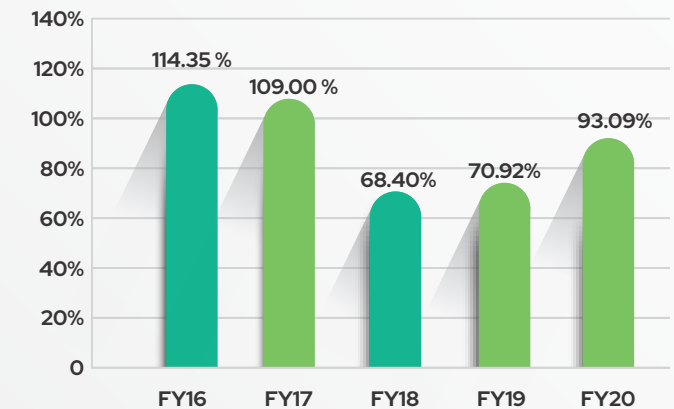
Shareholder's Fund & Earning per share



Total Assets

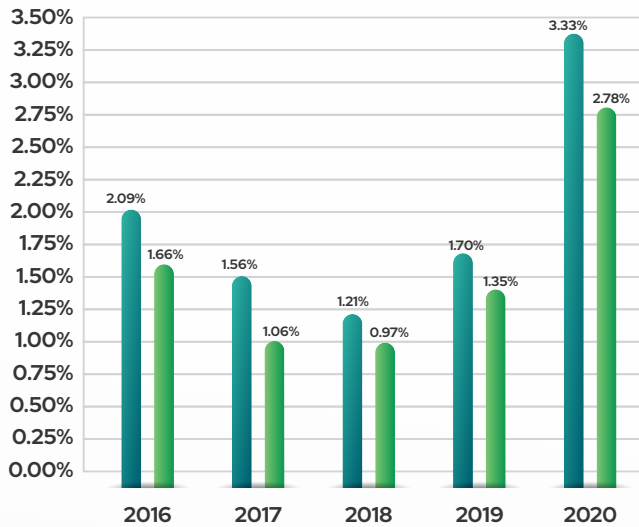


CRAR (%)

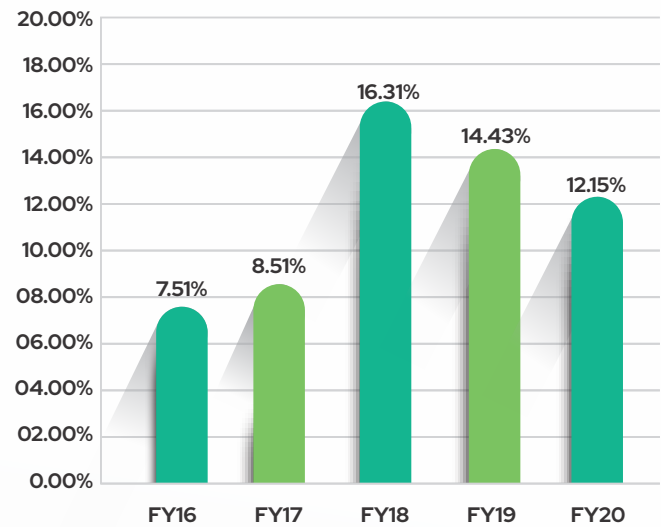


NPA (%)

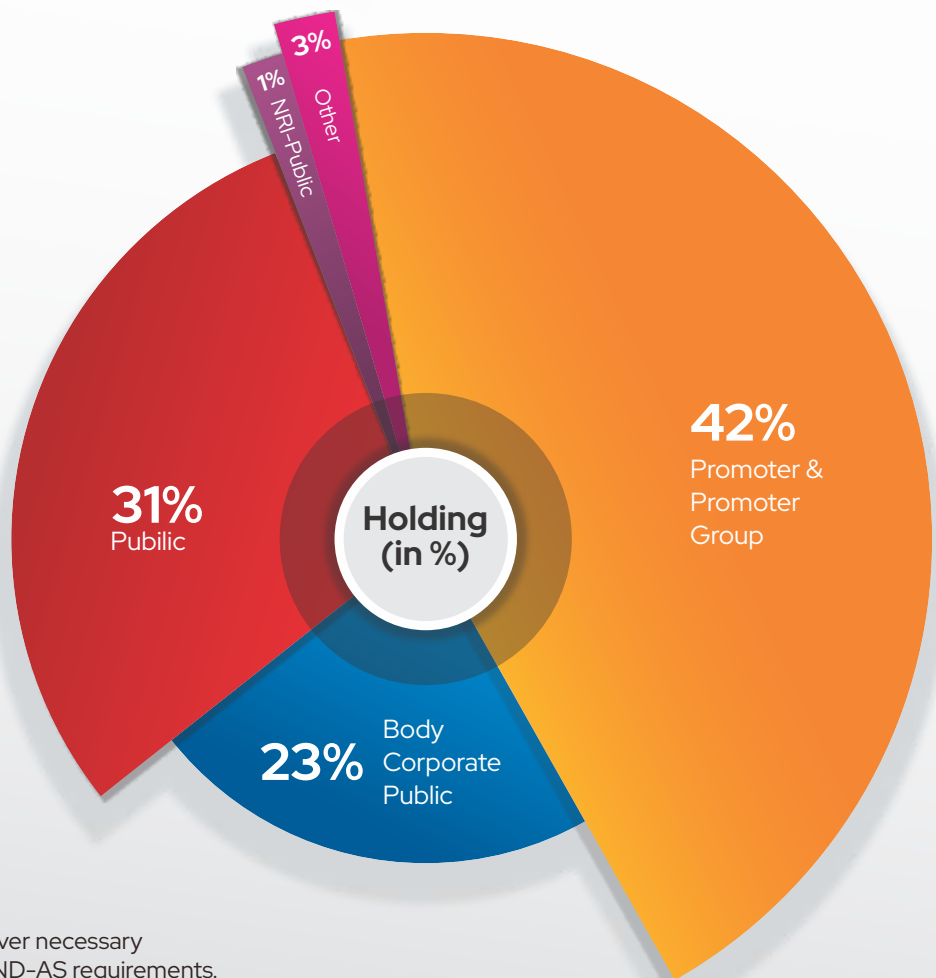
■ Gross NPA ■ Net NPA



RETURN ON EQUITY (%)



Shareholding as on March, 2020



* Figures have been regrouped whenever necessary while preparing the statement as per IND-AS requirements.

GLIMPSE OF AKME STAR HFC



AKOLA BRANCH OPENING



INDORE BRANCH OPENING



PUNE BRANCH OPENING

GLIMPSE OF AKME STAR HFC



SURAT BRANCH OPENING



CHENNAI BRANCH OPENING



COMPANIES ANNUAL GENERAL MEETINGS



CHAIRMAN & MANAGING DIRECTOR

Mr. Ashish Jain
(DIN: 02041164)

"Reflecting the strength
to ride out the storm"

Mr. Ashish Jain, aged 34 years, is the Managing Director & Chairman of the Company. He is a qualified Engineer from University of Pune. He did his Masters in Logistic and Supply Chain Management from University of Nottingham, UK. After finishing his Masters' in year 2011 he joined **Akme Star Housing Finance Limited** as Credit and Field Officer. During his tenure as Credit officer he under took several reforms in credit appraisal and field investigation.

After that in year 2014 he was appointed as Chief Financial Officer of the Company. Later on he became Board Member and appointed Director in the Company in year 2017. Looking into his work and dedication he was appointed Managing Director cum Chairman in the Company in year 2018.

His understanding and vision is among the key for consistent performance of the Company. His hard work, immaculate working and determination to excel; accompanied by dedicated support from the management, has provided excellent results for the Company.

BOARD OF DIRECTOR

STRONG GOVERNANCE



Mr. Nirmal Kumar Jain
Executive Director
(DIN: 00240441)

Mr. Nirmal Kumar Jain joined Akme Star HFC in March 2005 as a Promoter Executive Director. He is one of the Promoter of the Company associated with the Company since incorporation. He is Qualified Chartered Accountant. Company under his leadership, commenced its transformational journey, reaching out to customers across the length and breadth of the Country. With his focus on business excellence and industry development, Mr. Nirmal Kumar Jain played a significant role in shaping policy guidelines on matters relating to the mortgage finance industry. His dynamic initiatives at Akme Star HFC have been pioneering for the industry.



Mr. Kavish Jain
Executive Director
(DIN: 02041197)

Mr. Kavish Jain, is MBA and Law graduate from udaipur. He was head of operations at Akme Star HFC and now appointed as Executive Director of the Company. Mr. Kavish Jain is committed to create the most fulfilling and helpful consumer journey for millions of Indians who need home finance loans. Mr. Jain brings his in-depth expertise & knowledge, spanning over 5 years, to retail asset operations, operating systems & processes, disbursement handling and many more topics. He has been overseeing and directing the entire marketing team as well as co-coordinating with Channel partners/ Business associates of the company.

BOARD OF DIRECTOR

INDEPENDENT BOARD



Mr. Amlendra Prasad Saxena
Non-Executive
Independent Director
(DIN : 06964564)

Mr. A. P. Saxena is the retired General Manager from National Housing Bank. He had superannuated in the month of June, 2018 after having completed about 29 years of service with NHB. During his stint with NHB, he had been actively engaged in the areas of Regulation and Supervision of HFCs, Refinance, Risk Management, Accounts and Policy Formulation in the field of Housing Finance. He had in his career numerous exposure to International trainings/seminars viz., International Housing Finance at Wharton University, World Urban Forum IV at Nanjing (China), kfw Germany. He was on the Board of CERSAI as a Nominee Director of NHB.

Prior to joining NHB, He had worked with the Central Govt., as an Officer of Indian Statistical Service. He is presently engaged in the Advisory Capacity with few HFCs.

Mr. Saxena is having Post Graduate Qualification in Statistics from University of Lucknow and MBA (Finance) from Faculty of Management Studies, University of Delhi.



Dr. Rekha Jain
Non- Executive Independent Director
(DIN:07703994)

Dr. Rekha Jain, ages 39 years, is the Non executive & Independent Director of our Company. She is social activist and having more than 15 years of experience. She is associated with the Company from last 3 years.



Mr. Amrit Singh Rajpurohit
Non-Executive Independent Director
(DIN:02173432)

Mr. Amrit Singh Rajpurohit, ages 64 years, is the Non executive & Independent Director of our Company. He has a vast experience in mineral industries and development of land. He is an active social worker and is associated with various NGOs. He is associated with the Company from last 7 years.

LEADERSHIP TEAM

RICH EXPERIENCE



Mr. B. S. Kachhawaha
Chief Risk Officer

Mr B. S. Kachhawaha is the Chief Risk Officer (CRO) of our Company. With an illustrious career spanning more than 36 years behind him, Mr. B.S. Kachhawaha a career banker with a difference – his rich experience across the Banking & Financial Services industries has also witnessed his ability to oscillate between micro and macro-level thinking. He is commerce graduate from Rajasthan university and is a Certified Associate of Indian Institute of Bankers With his unparalleled first-hand exposure to a spectrum of banking activities such as retail banking & sales, credit & collection, branch operations, leading CASA & sales teams, RBI compliances and many more, He is associated with the Company since 2017. He has been instrumental in bringing about the policies of the company with regard to advances, recovery, etc. He is also looking after and strengthening the individuals and organization through structuring the sound systems and procedures and implementing the same in letter and spirit. His in-depth knowledge about the financial system and various derivatives is unparalleled.



Mr. Natesh Narayanan
Chief Financial Officer

Mr. Natesh Narayanan has a 2 decade experience in the Corporate World. He started his career with a 3 year stint in ICICI Group raising funds in the form of Bonds and Deposits for ICICI Ltd and ICICI Bank. He also had a 14 year stint with Reliance Capital Asset Management Co Ltd engaging and advising treasuries of Banks, Financial Institutions, Large Corporate and Family Offices. He is proficient in managing relationships with Banks, Insurance companies, Corporate, Financial Institutions, Rating Agencies and investor fraternity to meet business objectives and goals. He carries the mandate to strengthen and enlarge the funding program of the company in line with a long term business plan. He is a Commerce and Law graduate from Mumbai University. He finished his Masters in Management specialising in Finance in 2001. He received his Charter from the CFA Institute in 2018



Mr. Paritosh Kothari
Company Secretary & Compliance Officer

Mr. Paritosh Kothari is a qualified Company Secretary (CS) and has also earned a B.Com & Law Graduate degree from MLSU University. Mr Kothari has been appointed as Company Secretary and Compliance Officer. He is having expertise in the field of Compliance and Secretarial related work. His deep insights and research mindset has helped company to find newer innovative ways to expand and flourish. He drawing on his long experience of over 6 years across the secretarial field. He also acts as an advisory to the Board of Directors and Senior Management on good governance practices and the compliance of regulations and guidelines under applicable statutes



Mr. Kalpesh R Dave
Head Corporate Planning & Strategy

Mr. Kalpesh Dave has more than 12 years of experience in financial services space with a proven track record in planning and strategy. Strong skill set to enable scale up of overall business operations and seamless execution of strategic initiatives. Expected to play a meaningful role in the transformation and build up phase of Akme star HFC



Mr. Ashish Kothari
Head Operational

Mr. Kothari is MBA (Finance), CA/CS (Inter) and Diploma in Investment Banking from NSE. Shri Kothari, with a vast experience of 10 years in the field of credit appraisal and analysis of Home Loan proposals, has been overseeing the Credit Department, of the company. Shri Kothari has been associated with the company for last 2.5 years and is responsible for the portfolio quality.

IN STEPS WITH THE CHANGING TIMES

Mr. Ashish Jain
**CHAIRMAN & MANAGING
DIRECTOR**
(DIN: 02041164)



Message From Managing Director

Dear Shareholders,

It gives me immense pleasure to present the 15th Annual Report of Akme Star Housing Finance Limited (Akme Star HFC) to you. Akme Star HFC, founded by Late Dr. Mohan Lal Nagda and Shri. Nirmal Kumar Jain has been operating since more than a decade with a philosophy to enable credit access for first time home buyers in EWS/LIG segment (Economically Weaker Section/Low Income Group) towards purchase of their own home. The foundation laid by them brick by brick has led to Akme Star HFC as we see today. We remain indebted to them for their vision and humbly resolve to continue carrying their legacy forward.



FY'2019-20 in many ways has been a watershed year for your Company given our transformation story and the Covid-19 pandemic that has caused far reaching impact across the sectors. Talking about the former, we collectively took a leap towards transformation across the business areas. Your company has entered into strategic partnership Arkfin Investments Private Limited (AIPL) resulting in: Incremental capital infusion of Rs. 15.5 crores resulting in AIPL taking 21.5% stake in your Company.

- Establishment of physical branches in Udaipur, Mumbai, Pune, Akola, Indore, Chennai and latest being Surat in the current year expanding our presence from one to five states with our Corporate Office at Mumbai and registered office at Udaipur
- End to end processing of home loan applications through core lending suite aided by mobility applications enabling relatively quick processing, scalability and no compromise on quality
- Emphasis on in-house sourcing that gives us better control on turn-around time
- Focus on retail business across the branches of operations with equal attention to salaried as well as self-employed customer profiles
- Expansion of liability program reaching out to Pvt. / Public sector banks, Financial Institutions and the NHB.

Your Company now has 44 employees across above mentioned geographies leveraging their rich domain in day to day business strengthening our operations keeping the philosophy of our founders intact. Operationally, your Company has disbursed Rs. 29.09 crores during FY'19-20 serving 987 customers. 17.16% of the incremental business has been from new geographies of Maharashtra, Madhya Pradesh and Tamil Nadu. Our gross loan portfolio stands at Rs. 77.10 crores as on Mar 31, 2020, a y-o-y increase of 20.72%. Our equity base has strengthened to Rs. 52.47 crores, a y-o-y increase of 71.95%. Interest income has increased by

35.92% during the year. Your company has invested in manpower, infrastructure and technology in FY'19-20 to create a robust platform for growth. We have adopted conservative provisioning policy given the uncertainty in the current times of COVID-19 pandemic. With above backdrop, our net profit has increased by 22.85% to Rs. 5.04 crores in FY'2019-20.

Covid-19 pandemic as a once in a lifetime event has and is bringing changes to the already dynamic housing finance landscape. Your Company has geared up to the challenges put forth by the pandemic and our team on ground is responding in the best interest of Akme Star HFC. The lockdown effective from Mar 24, 2020, subsequent four extensions impacted the "normal" business across the sectors. Housing Finance Companies, especially the ones in affordable housing finance space that essentially require strong engagement and walk-the-talk with the customer, have been impacted due to this disruption. Approx. 33% of our total receivable in terms of amount has been under moratorium as announced by RBI up to Aug 30, 2020 as we began FY'2020-21.

In these times, our team has worked collectively as one unit ensuring that we handhold our borrowers, most of them being in the EWS/LIG segment and hence severely impacted. Our approach is visible as I write to you today as our collection efficiency has continuously increased month on month since lockdown to till date as borrowers come out of the moratorium clearing their outstanding accrued during moratorium. As the Govt. of India along with the respective state governments announce relaxations as a part of unlocking, normalcy continues to come step by step for us and most importantly, our borrowers as they resume/start afresh in their professional/business lives. Akme Star HFC offices across the states of operations are now open for business strictly operating under the issued guidelines by the competent authorities.

We would continue to adhere to the instructions and operate accordingly. Our staff has followed Work from

Home mode during the lockdown and post relaxation has resumed working from office on a rotational basis wherever possible following all instructions and social distancing norms. Our focus continues to be on going back to our pre COVID-19 levels of collection efficiency and the strong platform that we have created and invested places us in the best position to grow from here on.

The pandemic has reinforced the back to basics mindset amongst all of us. The yearning for own home, that brings about much needed place to go back to, home that brings a sense of safety & security, home that would be an asset for the family has been reinforced in the population across the length and breadth of India. Further, the reverse migration of populace from urban metros back to the tier II, III, IV, semi-urban and rural locations, with more than a fourth of them deciding to stay back as per the trends brings about the opportunity for Akme Star HFC in the current financial year and ahead. Thanks to the regulatory and liquidity support (through the NHB and the Banks) as well as timely interventions by the RBI and the inherent demand for housing driven by home owning

aspirations of first time home buyers in EWS/LIG families, I am confident of the resurgence of residential mortgages space. It may take several quarters, but I believe we as a sector will get there sooner or later.

Your Company has faced this pandemic at the time of transformation and navigating through this period continues to make the inherent fabric of Akme Star HFC stronger than before. Your Company's overall risk framework, domain of the manpower, strategic partnership with AIPL and the investments made in technology and streamlining of processes continues to lead us on the path to greater things to be achieved in times to come. I thank all our stakeholders including our regulator the RBI, the NHB, our shareholders, our employees, our associates and last but not the least our customers who have reposed their faith in Akme Star HFC. With this belief in your Company, we as a team remain committed towards excellence and play a meaningful role in enabling home ownership for the first time home buyers in low cost housing space

**Yours Truly,
Ashish Jain**



Message from Chief Financial Officer

For the year ended
31st March, 2020

Dear Shareholders,

FY 2019-20 has been a very unique year with lots of challenges and opportunities for all of us. While in the beginning of FY 20 the financial markets and especially NBFC space that was badly affected by the post IL&FS credit event were recovering slowly but steadily. Throughout FY 20 risk averseness was high among all lenders. In the 3rd quarter of the FY 20 there were clear signs of lenders warming to proposals from the market in general and NBFCs and HFCs in specific, however the announcement of the Nationwide Lockdown by the Government followed by announcement of moratorium

had made banks taking a cautious approach. FY 20 also saw RBI taking over the reins of regulating the NBFC/HFC from NHB. Your company expanded its Equity Capital base by raising 15.5 crores which placed it in a comfortable position to ride out the tough market conditions.

For the first time in the history of the Indian Housing Finance Industry, what constitutes a Housing Finance Company was clearly defined by the regulator which goes a long way in vastly improving the ecosystem for the Housing Finance Industry.

The implementation of strict lockdown since March 2020 has brought about unique, never seen before experiences for both lenders and borrowers alike. As part of the Covid 19 package, RBI had offered moratorium to all borrowers on their payments till August 2020. Efforts were focused by all lenders on assessing their borrower's financial position and also focus on improving their collection efforts while providing assistance to truly deserving borrowers. NHB stepped up its efforts by providing accelerated sanctions with special emphasis on HFC with AUM of less than 500 crores through the Special Refinance Window, LIFT scheme and the Regular Refinance Scheme. RBI also provided liquidity in 2 tranches under Targeted Long Term Repo Operations amounting 1.5 Lac crores which provided a great support to all the borrowers in these tough times.

Your company also successfully brought on board ArkFin Investments Pvt Ltd who infused fresh equity thus expanding the Capital base. Arkfin Investments Pvt Ltd, is an Institutional Investor led by 3 decade market veteran Shri Anil Sachidanand who has a stellar track record of establishing and managing large HFCs. Your company also opened 5 new branches in the States of Maharashtra, Madhya Pradesh and Tamil Nadu.

Your company has invested and implemented a new Core lending platform supported by mobility solutions which vastly improve the ability to grow and manage the business in a very efficient and effective manner in terms of reach, time and costs. You will be happy to note that

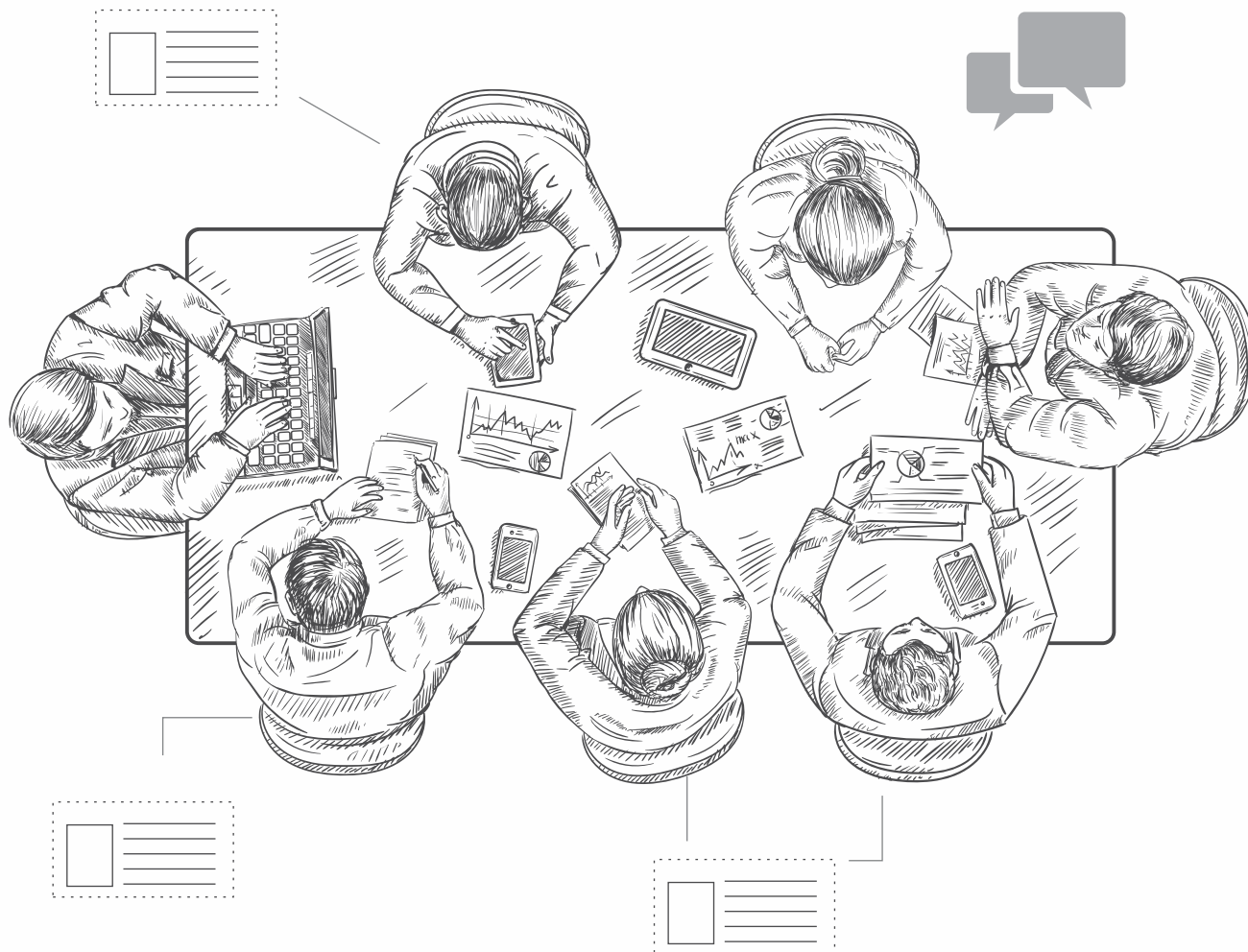
your company has invested in augmenting Human Capital by on boarding industry professionals who come with a rich and varied experience with them.

In FY 20, your company has recorded an increase of 35.63% in its Total Income and 22.85% in PAT. Your Company delivered an ROE of 12.15%. The moderation in ROE is mainly on account of increase in the Net worth due to fresh issue of equity which will be big growth booster for the company as it has vastly improved your company's ability to leverage its Capital Structure that is reflected in the robust CRAR of 93.09% as on March 2020.

As we embark on this journey of transforming the company to be the company of choice for home buyers in the Affordable Housing Finance space we are faced with a very unique and one of a kind situation of global pandemic which has affected every one of us thus bringing about a change in the way we will operate both in our professional and personal lives. Since the announcement of the Lockdown, your company has

made all efforts possible to ascertain its impact on the customers and made constant efforts to help and support them in all possible ways. In the last 4 months your company has renewed its focus on collection and ensured that we customer are engaged with our customers on a real time basis to assess the evolving business environment and respond to them in a timely fashion. Your company has received a sanction under various scheme of Refinance from NHB to the tune of 13.25 crores . Your company also is keen to strengthen its Capital Structure by looking for opportunities to raise Debt and Equity Capital and constantly look for opportunities to grow the AUM by entering new micro markets that offer profitable business opportunities.

Yours Truly,
Natesh Narayanan
Chief Financial Officer



MANAGEMENT DISCUSSION AND ANALYSIS 2019-20

MANAGEMENT DISCUSSION AND ANALYSIS 2019-20

Indian Economy, Corona-19 Pandemic and Lockdown

The Indian economy slowed to 4.2% in FY2019-20, compared to 6.1% in FY2018-19. The combined expenditure of central and state Governments exceeded revenues, translating into a greater level of public debt-to-GDP ratio. India's public debt was at around 69% of FY20's GDP, relatively large in comparison to other major emerging Market economies.

The Monetary Policy Committee (MPC) reduced the repo rate by 185 bps to 4.40% during the year ended March, 2020 to mitigate the economic risks arising amidst the deteriorating economic condition.

The nominal exchange rate (the Indian rupee or INR vis-à-vis the US dollar) exhibited sizable two-way movements during October-December 2019. The INR came under intensified and sustained depreciation beginning mid-January, reflecting a generalised weakening of emerging market currencies amidst flights to safety.

Retail inflation climbed to a six-year high of 7.59% in January, breaching the RBI's upper band of 6% while settling at 5.91% in March 2020. The Wholesale Price Index (WPI) inflation stood at 1% at the year end and the core inflation hardened in a sustained manner from a historic low of 3.4% in October 2019 to 4.3% in January 2020.

India emerged as the fifth-largest world economy in 2019, overtaking the UK and France with a gross domestic product (GDP) of \$2.94 trillion. India jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking, riding reforms in seven areas and a substantial bump-up from the insolvency law rolled out in 2016. The country climbed 79 positions in the past five years and was among the top 10 performers for the third year running. By 2024-25, the Government aspires to break into the top 25.

The novel Corona virus outbreak originated in Wuhan province of China. The World Health Organization (WHO) declared novel Corona virus as pandemic on 11th March, 2020. In anticipation of lower global demand following the outbreak of the COVID-19 pandemic ('pandemic'), and its rapid geographical spread, the Brent crude oil prices crashed to USD 32 per barrel on March 9, 2020, plunged to US\$ 25 per barrel on March 18, 2020 and fell further to US\$ 23 on March 30, 2020. Financial markets across the world in experienced extreme volatility since January 2020

on account of outbreak of the pandemic. The global equity markets and commodity prices also fell sharply since January, 2020.

The pandemic has taken its toll on not just human life, but business and financial markets too, the extent of which is currently indeterminable. In many countries, including India, there has been severe disruption to regular business operations due to lockdowns, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. On March 24, 2020, the Indian government announced 21 day lockdown which was further extended by 19 days and 14 days across the country to contain the spread of virus. The nationwide lock down had lasted for 68 days till 31st May, 2020. The top 6 industrialised states that account for about 60 per cent of industrial output were largely in red or orange zones. The pandemic led to collapse of demand across both urban and rural areas from March 2020. The biggest blow from the pandemic has been to private consumption,

To mitigate some of the negative effects, the Indian Finance Minister announced a H1.7 trillion relief package for the poor and migrant workers across the country. The Government announced a slew of measures like direct cash transfer to farmers, hiking wages under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) scheme, and utilisation of welfare funds for construction workers to offset the adverse impact on rural demand. The third tranche of the stimulus package aimed at India's rural economy (worth around H1 lakh crore) is likely to uplift the rural economy, a substantial part of which will go into building a modern agricultural infrastructure. It also ushered new laws to promote contract farming. The changes in the Essential Commodities Act (ECA) and creating a 'One Nation One Market' will allow.

Aatma Nirbhar Bharat (Self-Reliant India)

The Indian Government, the Reserve Bank of India and other regulators have announced various measures and relaxations acknowledging the pandemic led situation to ensure that there is enough liquidity in the hands of market participants and provided moratoriums to the borrowers in terms of their repayments to the financial institutions.

The Hon'ble Finance Minister highlighted the government's vision and thought to build 'Atma Nirbhar Bharat (Self-Reliant

India) to spur growth in this tough time. FM announced 14 different measures including 6 for MSMEs and 2 for NBFCs. Following measures were announced for the benefit of nonbanking financial companies (NBFCs), housing finance companies (HFCs) and mutual funds (MFs)

- (1) The government proposed to launch Rs 30,000 crore special liquidity schemes where the government will buy investment-grade debt papers of NBFCs, HFCs, and MFIs. These securities will be fully guaranteed by the Government. These NBFCs, which do not have high quality debt papers, can now support the MSMEs dependent on them. (ii) The government proposed Rs 45,000 crore liquidity infusions through a partial guarantee scheme which will cover commercial papers and borrowings. The first 20 percent loss will be borne by Government. Double AA-rated paper and unrated papers will all be eligible.
- (2) The Tax measures announced by the Hon'ble Finance Minister include reduction in TDS and TCS rated by 25% of the existing rates aimed at releasing liquidity of Rs. 50,000 crore.
- (3) Due to pandemic the government had laid focus on relief measures including capacity built up of medical facilities to face pandemic, control its spread and saving human life, free distribution of food grains and cereals for two months for pandemic affected people, free railway travel of migrated workers.
- (4) The Budget 2000 provided a planned investment up to Rs. 2.83 lakh crore for rural economy and Rs. 1.7 lakh crore for infrastructure development. The pace of highway construction had increased from 12 km/day to 27 km/day. The Budget also abolished dividend distribution tax. In September 2019, the government announced reduction of corporate taxes.

RBI Fires on all cylinders to cushion pandemic impact

In order to enhance the pace of recovery and minimise the impact of COVID-19 on the economy, the RBI announced a slew of measures to infuse liquidity in the system and keep interest rates lower for longer. The central bank encouraged non-banking finance companies (NBFCs), housing finance companies (HFCs) and micro-finance institutions (MFIs) to ease credit flows to micro, small & medium enterprises (MSMEs) and consumer segments (auto and housing).

The RBI slashed the cash reserve ratio (CRR) by 100 basis points to 3% of bank deposits, bringing Rs. 1.37 lakh crores into the

system. It also allowed banks to borrow an additional 1% from their investments in statutory liquidity ratio (SLR) securities, making available another Rs.1.37 lakh crores. Further, banks were given an option to borrow three-year funds up-to Rs.1 lakh crore through targeted long-term repo operations (TLTROs).

Other initiatives implemented, as of May 22, 2020, to ease financial stress are as follows.

Repo Rate Cut

- 1) Repo rate was reduced by 75 basis points to 4.4%, from the earlier rate of 5.15%. RBI further reduced the Repo Rate to 4% on May 22, 2020;
- 2) The reverse repo rate has been reduced by 90 basis points to 4%. RBI further reduced the reverse repo rate to 3.75% on April 17, 2020 and to 3.35% on May 22, 2020

Moratorium on term loan instalments

A loan moratorium was initially declared for three months, from March 1 to May 31, 2020, which was extended by another three months upto August 31, 2020. Accordingly, the repayment schedule and all subsequent due dates, as well as tenors of such loans, are allowed to be shifted across the board by another three months

Moratorium/deferment not to impact asset classification /borrower credit history

The moratorium/deferment is being provided to enable borrowers to tide over COVID-19 disruptions, and will not be treated as changes in terms and conditions of loan agreements due to financial difficulty of the borrowers and thus will not result in asset classification downgrade.

The rescheduling of payments, on account of the moratorium/deferment, will not qualify as a default for the purposes of supervisory reporting to Credit Information Companies (CICs) by lending institutions. CICs will ensure that the actions taken by lending institutions do not adversely impact the credit history of the borrowers.

In addition, the 90-day non-performing asset (NPA) classification norm will exclude the deferment/moratorium period (March 1, 2020 to August 31, 2020) for accounts being allowed to avail moratorium/deferment, and which were standard as on March 1, 2020. Thereafter, the normal ageing norms will apply

Targeted investment in NBFCs/HFCs.

The RBI announced TLTRO 2.0 of Rs. 50,000 crores targeted specifically towards the small/mid-sized corporates, including

NBFCs and MFIs. The RBI conducted an auction of Rs. 25,000 crores on April 23, 2020; however, the bids received were only for half the amount, that is, Rs. 12,850 crores highlighting the significant risk aversion of banks towards NBFCs.

In addition, the RBI provided special refinance facilities of Rs. 50,000 crores at repo rate to National Bank for Agriculture and Rural Development (NABARD), Small Industries Development Bank of India (SIDBI) and the National Housing Bank (NHB) to support credit demand in their respective sectors.

Special Refinance Facility Assistance, Liquidity Infusion Facility (LIFT) Scheme and Refinance from National Housing Bank (NHB)

The Company received Rs. 5 Crore (Rupees Five Crore only) under NHB's Liquidity Infusion scheme (LIFT) from National Housing Bank, Rs. 3.25 Crore (Rupees Three Crore Twenty Five Lakhs only) under Special Refinance Facilities Assistance (SRF) from National Housing Bank, and sanctioned Rs. 5 Crore (Rupees Five Crore only) under regular Refinance scheme from National Housing Bank and Company raised Rs. 7 Crore (Rupees Seven Crore only) through term loan augmentation (TLTRO) from State Bank of India for meeting the working capital requirements. Presently Company is in line up with more proposals with banks and Financial Institutions for meeting the working capital requirement of the company in FY 2020-21.

Extended Partial Credit Guarantee (PCG) Scheme

This is an extension of the existing PCG scheme, which was offered earlier to public sector banks (PSB) for buying high-rated pool of assets from financially sound non-banking financial companies and housing finance companies. The scheme has been extended to the PSBs for:

1. Purchase of pooled assets having a rating of BBB+
2. Purchase of bonds and commercial papers (CPs) with a rating of AA and below, through primary issuance of non-convertible debentures (NCDs) or CPs for a tenure of upto 18 months (CPs upto 1 year).

Emergency Credit Line Guarantee Scheme (ECLGS)

The Union Finance ministry announced Rs. 3 lakh crores of ECLGS for helping the MSMEs. These loans to be provided by bank and NBFCs/HFCs upto 20% of the entire outstanding credit as on February 29, 2020 will be 100% credit guaranteed by the National Credit Guarantee Trust Co. Ltd. (NCGTC) in the form of a Guaranteed Emergency Credit Line (GECL) facility. The applicable risk weights for such funding is also nil, which is a very positive move to pump liquidity for the mass and broader

economy.

Deferment of interest on working capital facilities

With respect to working capital facilities in the form of cash, credit/overdraft, lending institutions are allowed to defer payment of interest for another three months, from June 1, 2020 to August 31, 2020, in addition to the three months allowed on March 27, 2020.

Ease of payment of accumulated interest for the deferment period

In order to ease the difficulties a borrower could face in repaying the accumulated interest for the deferment period on working capital facilities, lending institutions are permitted to convert the accumulated interest (upto August 31, 2020) into a funded interest term loan, which is repayable no later than the end of March 31, 2021.

Easing of working capital financing

For working capital facilities, lending institutions are allowed to recalculate the 'drawing power' by reducing the margins till August 31, 2020 and restore to the original levels by March 31, 2021.

Further, lending institutions are permitted to reassess the working capital cycle upto an extended period till March 31, 2021, which will enable lenders to make an informed assessment on the impact of the pandemic on the borrowing entity.

However, such changes will not be treated as concessions granted due to financial difficulty of the borrower and consequently, will not result in asset classification downgrade.

INDUSTRY REVIEW: FOCUS ON LIQUIDITY AND ASSET QUALITY OF HFCs

HFCs were undergoing a challenging period on the back of muted demand and emerging asset quality concerns. This was aggravated by the near halt in economic activities following the COVID-19 outbreak. Funding and liquidity positions of HFCs are likely to remain under pressure in the coming months, as collections stay subdued. Going forward, the industry focus will be more on asset quality and liquidity of HFCs, rather than growth. While all HFCs are facing significant headwinds because of the currently evolving situation, their ability to keep adequate liquidity and control the asset quality would be the key differentiator.

Financial performance Highlights of AKME STAR HFC 2019-2020

- Asset under Management grew by 20.72%

- Total Income increase by 35.63%
- Net interest income rose by 53.56%
- Gross NPA and Net NPA was at 3.33% and 2.78%, respectively, among the lowest across all HFCs.
- Profit before tax (PBT) increased sharply by 2.85%.
- PAT grew by 22.85%.
- As on 31 March 2020, capital adequacy was 93.09% – well above the NHB norms of 13%.

Housing Finance Industry

The Housing Finance industry has been under stress since September 2018 and continued to suffer on account of lack of credit availability, muted investor confidence, sluggish real estate demand and rising NPAs.

During H1FY20, NBFCs/HFCs were not able to raise funds from the banks and mutual funds on account of defaults by some marquee names, with some others continuing to be vulnerable in the absence of resumption of all sources of funding to them. The credit off take improved in H2 and banks actively participated in entering into Securitization transactions with high rated HFCs/NBFCs having good track record and better portfolio quality.

However, the ride continues to be bumpy. The onset of the pandemic has created a big roadblock in the recovery path. The resultant lockdown has impacted both credit growth and liquidity availability in the real estate sector. The extent of deterioration in asset quality would, however, would depend on the period of pace of opening of up of economic activity, and regulatory as well as government support during FY21.

Challenges faced by HFCs

Some of the key challenges faced by the housing finance companies are as under:

- Sluggish Demand – HFCs witnessed sluggish demand during the H1FY20 due to overall economic slowdown. Things had started to improve in H2FY20 but due to the impact of COVID-19 pandemic and resultant lockdown, the market has been deeply impacted and will witness lower demand and overall disbursements in HFCs will be lower in FY21 as compared to FY20.
- Rise in NPA – Due to the pandemic, it is expected that the overall financial sector including HFCs will witness a rise in non-performing asset and deterioration in asset quality as repayment capacity of the borrowers will be impacted.
- Lesser availability of funds – As the overall asset quality will be impacted, banks and FIs will be reluctant to lend to HFCs and NBFCs. Further, securitization, which has been one of the major source of funding for NBFCs / HFCs in recent times, could take a pause as collections remain uncertain during and post pandemic.
- Rising Repossessed Assets – Stock of Repossessed Assets have increased due to lower saleability of the assets leading to elongated recovery time.

SWOT analysis

Strengths

1. Presence in underserved areas with high potential and low penetration
2. Capability of assessing informal segments with better assets quality (lower NPAs compared to sectoral average while serving to informal segment)
3. Fully in-house sourcing and execution model which leads to superior business outcome
4. Positive asset-liability mismatch and no reliance on Commercial Paper
5. Low leveraged Balance Sheet with a high net worth
6. Capability of leveraging latest technologies
7. Improving Credit Rating
8. Experienced Board of Directors and professional management team
9. Diversified shareholding base and listing on the stock exchanges.

Weakness

1. Geographical concentration: The Company has a presence in 5 States with Rajasthan, Gujarat, Madhya Pradesh, Maharashtra, Tamil Nadu accounting for 57.70%, 5.81%, 18.78%, 16.41%, 1.30% of the AUM, as on March 31, 2020. The concentration on Rajasthan has declined marginally over the last few years (51.03% as on March 31, 2016) and is likely to decline further as the Company plans to expand its operations in other areas. As of March 31, 2020, the Company was present in 5 States with 6 branches covering 40 districts.
2. Relatively vulnerable borrower profile: Akme Star HFC operations are focused on low and middle income self-employed borrower (65% of the portfolio as on March 31, 2020), who are relatively more vulnerable to economic

cycles and have limited income buffers to absorb income shocks. However, considering the secured nature of the portfolio with moderate loan to value ratios (51% as of March, 2020) and the assets being largely self-occupied residential properties along with the low ticket size (8.5 lacs as on March 31, 2020) its losses on default are expected to be limited. The Company has adequate risk management tools and portfolio monitoring systems.

3. Opportunities Increasing aspiration of people to own homes Low credit penetration in semi-urban and rural India Provision of credit linked subsidies that could amplify construction activities Government's focus on affordable housing to strengthen demand Rising income levels and improving borrower affordability through tax incentives.

4. Threat

1. Liquidity crunch could impact credit availability Rise in cost of fund could impact NIMs Managing risks at Akme Star HFC

5. Economy Risk

The Company's performance could be adversely affected in the event of economic slowdown.

Mitigation

India's economy slowed to an 11-year low of 4.2% in 2019-20 (Source: National Statistical Office), but the Company reported a 35.63% gross revenue increase and 22.85% PAT increase, signifying robustness.

6. Customer risk

An inability to provide adequate services may result in customer attrition.

Mitigation

The Company has adopted technology driven CRM module and have dedicated separate service department to manage customers queries, which also resulting customer referrals and accretion

7. Financing Risk

The inability to mobilize funding at competitive costs can affect prospects.

Mitigation

The Company had a net worth of Rs 52.47 Crore and a total debt of Rs. 36.32 Crore as on March 31, 2020. It reported a positive ALM. Stronger fundamentals helped moderate the average cost of funds from 12.56% in FY

2018-19 to an average 12.32% in FY 2019-20. Long-term rating upgrade will help in raising long-term funding.

8. Revenue risk

The inability to accurately assess customers could impact revenues.

Mitigation

The Company does not finance any under-construction properties. It funds only properties that are 85%-90% complete or ready-to move in properties. For Tier 2 and 3 cities, we check builder history, projects completed, customer reputation, loan from financial institutions on the current property for construction and seek feedback from existing financiers. These realities helped moderate risks and achieve a GNPA that is the lowest in the industry.

9. Opex risk

High operational expenditure could impact the bottom line.

Mitigation

Akme Star HFC invested in branch network, technology, recruitment and business sourcing resulting in an operating expenditure of 100 to 150 basis higher over the larger mortgage finance companies, which was compensated by asset quality, customer longevity (average tenure around eight years) and a superior fee income ratio.

10. Technology obsolescence risk

The obsolescence of technology could impact company's competency in technology led business environment.

Mitigation

Akme Star HFC invested in technology as a business enabler by investing proactively in upgrading existing technology and bringing in new technology.

DIRECTOR'S REPORT



DIRECTOR'S REPORT



To
The Members
Akme Star Housing Finance Limited
Udaipur

Your directors are pleased to present the Fifteenth Annual Report of your Company along with the audited accounts for financial year the year ended March 31, 2020.

Global & Economy Pandemic – Covid-19 Outbreak.

Towards the end of Calendar Year 2019, there were new flows of novel corona virus (COVID-19) that gradually hit the entire world and termed as pandemic by World Health Organization (WHO) on March 11, 2020. The rapid spread of the virus has almost halted economic activities across the world. Besides huge loss of human lives, the pandemic has taken its economic toll due to shut down in most parts of the world from quarter 4 onward. The estimates of the economic loss are still evolving. In April 2020, the International Monetary Fund (IMF) predicted that the global GDP will contract by 3% in 2020 given that the pandemic decelerates towards the end of 2020. The pandemic has similarly impacted India, forcing the Government to announce a complete lockdown of the Country from March 24, 2020 to contain the spread of virus.

The following measures were taken by the Company to mitigate

the risk of COVID-19 to its business operations:

1. The Company invoked its 'Business Continuity Plan' and 'Risk Management Framework' quite early to minimize the impact on its employees and ensured that the Company remains operational and that recovery time objectives are met.
2. The Company proactively framed and implemented 'work from home policy' to ensure that employees stay safe and business remains operational.
3. The Company ensured that its offices and branches are properly sanitized and clean.
4. All the guidelines issued by the Central and State Government authorities from time to time are being strictly adhered to.
5. Pursuant to Notification no. RBI/2019-20/186 DOR. No.BPBC.47/21.04.048/2019-20 dated March 27, 2020 issued by the Reserve Bank of India (RBI) in respect of COVID-19 – Regulatory Package, the Company has framed and implemented a 'Policy on Deferment of PEMI/EMI (COVID-19)' which gave Company's borrowers an option to defer their EMI's for three months.

Financial Summary or Highlights/performance Of The Company

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 31st, 2020, is summarized below: -

(₹ In Lacs)

PARTICULAR	2019-20	2018-19
Gross Income	1590.436	1172.590
Less: Finance Cost	491.817	451.352
Overhead		
Depreciation	4.228	3.209
Profit Before Tax	612.476	595.494
Less: Provision for taxation	108.437	185.204
Profit After tax	504.039	410.290
Balance Brought Forward from last year	808.382	512.540
Appropriations	504.039	410.290
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	122.495	119.099
Transferred to General Reserve	Nil	Nil
Transferred to Impairment Reserve (Covid-19)	76.920	Nil
Balance Carried over to the Balance Sheet	1113.006	808.382

Business Performance:

(₹ In Lacs)

KEY FACTORS	2019-20	2018-19	Growth (%)
Portfolio (Outstanding Housing Loan/ Other Loan)	7710.146	6386.813	20.72%
EPS (Basis) in Rs.	3.687	3.397	8.53%
CRAR (%)	93.09%	70.92%	-

Note: Figures have been regrouped whenever necessary while preparing the statement as per IND-AS requirements

The above mentioned performance was amidst very strong headwinds created due to certain events which had contagion effect on the entire sector. It is worth mentioning that due to focusing on fundamentals, which has been the main plank over these one decade, enable the company not only to navigate through this situation but achieved a higher than the targeted growth.

Prospects and Developments:

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

Housing Finance:

The Company aims at serving the middle income and the lower income sector of the economy, especially in the semi urban and rural areas, which are reckoned to be the key drivers of the sector in the coming decades. Full-fledged efforts are on to

execute efficiently, as per the detail planning. Being aware of the challenges involved in serving this class of the society, a very cautious approach is adopted in building up volumes. Nevertheless, Company is quite confident of building substantial volumes in the near future. The Company's rural initiative will also start yielding results shortly. It is worth mentioning that despite of credit worthy customer class, ascertaining the title of the property remains a challenging job. The Company is actively involved with all the stake holders to smoothen the process and is assertive in getting the right set of documents. We continue to endeavour relentlessly and are confident of creating a quality portfolio and add value to the ecosystem we work in.

Distribution Network:

Your company has been successful in continuous expansion of its branch network with a view to support its disbursement growth, deeper penetration in the states in which the Company operates and enhancing customer reach. During the Financial Year under review, the Company has expanded its branch network to 5 states with 6 branches as on March 31, 2020. Your Company now operates in the Udaipur, Mumbai, Pune, Akola, Indore, and Chennai.

Human Resource Management

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

Company's success depends largely upon the quality and competence of its Management team and key personnel. Attracting and retaining talented professionals is therefore a key element of the Company's strategy and a significant source of competitive advantage. The Company has a diverse workforce of 44 employees as on 31st March, 2020.

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

Trust with all the above qualities accompanied by the determination to excel, this team forms a formidable second line of management at Akme Star HFC.

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

Capital and Liability Management:

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

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

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

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

Resource Mobilisation

Your Company's borrowing policy is under the control of the Board. The Company has vide special resolution passed by means of special Resolution on 21st September, 2019, 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, free reserves, security premium of the Company up to an amount of Rs. 500 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.

Your Company continued to diversify its funding sources by exploring the Debt Capital Market through private placement of Secured NCDs to Multilateral/Development Financial Institutions, NHB Refinance, NHB SRF (Special Refinance Facility Assistance), NHB's LIFT (Liquidity infusion scheme).

Term Loan from Banks and Financial Institutions

Subsequent event occurred after the financial year 2019-20 your Company received Rs. 5 Crore (Rupees Five Crore only) under NHB's Liquidity Infusion scheme (LIFT) from National

Housing Bank, Rs. 3.25 Crore (Rupees Three Crore Twenty Five Lakhs only) under Special Refinance Facilities Assistance (SRF) from National Housing Bank, and sanctioned Rs. 5 Crore (Rupees Five Crore only) under regular Refinance scheme from National Housing Bank and Company raised Rs. 7 Crore (Rupees Seven Crore only) through term loan augmentation (TLTRO) from State Bank of India for meeting the working capital requirements. Presently Company is in line up with more proposals with banks and Financial Institutions for meeting the working capital requirement of the company in FY 2020-21.

The Outstanding Bank Borrowing as on 31.03.2020 stood at Rs. 36.32 Crores

Credit Rating Upgrades

The Company has been assigned upgraded credit Rating from Brickwork Ratings India Private Limited as on 23.07.2020.

The details of the same are mentioned below:-

S.No.	Facility	Limits (INCR.)	Tenure	Rating	
				Previous	Present
1.	Fund Based (Bank Facilities)	36.48	Long Term	ACUITE BBB- (Triple B Negative) Outlook- Stable	BWR BBB -(BWR Triple B) Negative) Outlook- Stable
2.	Non-Convertible Debentures	30.00	Long Term	-	BWR BBB -(BWR Triple B Negative) Outlook- Stable

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 31st, 2020.

Capital Adequacy

NHB vide its Notification No. NHB.HFC.DIR.22/MD&CEO/2019 dated June 17, 2019 has amended capital adequacy ratio for HFCs from 12% to 15% by March 2022. The capital adequacy ratio of HFCs is to be increased to 13% by March 31, 2020, 14% by March 31, 2021 and 15% by March 31, 2022.

As required under NHB Directions, your Company was required to maintain a minimum capital adequacy of 13% on a standalone basis on March 31, 2020.

Your Company's Capital Adequacy Ratio as at March 31, 2020, was 93.09% which provides an adequate cushion to withstand business risks and is above the minimum requirement of 13% as well as the proposed level of 15%.

Assets under Management (AUM)

The AUM of your company stood at Rs. 77.10 Crores as at March, 31st 2020 as against Rs. 63.89 Crores in the previous financial year, with a growth of 20.72%.

Implementation of Indian Accounting Standards ("IND AS")

The Ministry of Corporate Affairs (MCA), based on its

notification in the Official Gazette vide Notification G.S.R. 111(E) and G.S.R. 365(E) dated February 16, 2015 and March 30, 2016 respectively, notified the Indian Accounting Standards (Ind AS) applicable to certain class of companies. Ind AS has replaced the Indian GAAP prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. These notifications are applicable to all Housing Finance Companies (HFCs) effective from April 1, 2019.

Accordingly, your Company has adopted Ind AS as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the effective date of such transition is April 01, 2018. Such transition has been carried out from the erstwhile accounting standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by National Housing Bank ("NHB") (collectively referred to as 'the Previous GAAP'). Accordingly, the impact of transition has been recorded in the opening reserves as at April 01, 2018 and the corresponding financial figures presented in this Report have been restated/reclassified.

Transfer to Reserves

During the year under review, your Company having Rs. 122.50 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 Rs. 504.04 Lacs is proposed to be retained in the Profit and Loss Account.

Dividend

The Board of directors has recommended a dividend of Rs. 0.10 (Ten paise only) per equity share of Rs. 10/- (Ten Rupee) each fully paid up of the company, Dividend is subject to approval of members at the ensuing Annual General Meeting (AGM) and shall be subject to deduction of Income Tax at sources.

Share Capital

- Authorized Share Capital - During the year under review the authorized share capital of the company increased from Rs. 14,00,00,000 (divided into 1,40,00,000 Equity Share of Rs. 10/-each) to Rs. 17,00,00,000/- divided into 1,70,00,000 Equity Share of Rs. 10/-each) vide passing ordinary resolution in Extra Ordinary General Meeting of the members of the company held on 02.08.2019.
- Issued and Paid-up Capital - During the year under review the paid-up Equity Share Capital of the company has been increased is Rs. 12,07,90,000 (divided into 12079000 Equity Shares of Rs. 10/-each) to Rs. 156735000 as at March, 31st 2020. During the year under review, The company has allot 33,69,500 equity Share on preferential basis to Arkfin Investments Private Limited.
- Share warrants - During the year under review the Company has allotted and converted 225000 outstanding warrant into Equity share to promoter and promoter group in its Board meeting held on 22.05.2019.

Adoption and alteration in Memorandum and Article of Association:

During the year under review the Members of the Company vide Special Resolution passed at 14th Annual General Meeting (AGM) held on September 21st, 2019 has adopt the new Articles of Association and Memorandum of Association as per the provisions of the Companies act, 2013 and made alteration in the provisions of the Memorandum of Association of the Company by way of altering authorized share capital clause in accordance with the provisions of Companies Act, 2013 vide Special Resolution passed at 02nd August, 2019, Extra Ordinary General Meeting (EGM).

Non-performing Assets and Provisions for Contingency:

Your Company adhered to the provisions of Indian Accounting Standards (Ind AS) 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.

The Gross NPA of your company as on March 31st, 2020 was Rs. 2.57 crore. (Previous Year Rs. 1.09 crore) the net NPA as on March 31st, 2020 was Rs. 2.13 crore. (Previous Year Rs. 0.86 crore)

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.

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.

BSE Compliances

The Company has submitted various returns and reports as required quarterly/half yearly/ yearly in accordance with the prescribed guidelines.

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.

Events Subsequent to the end of Financial year

1. Appointment of Director
 - (a) Mr. Kavish Jain (DIN 02041197) has been appointed as an Executive Director on the Board w.e.f 18.05.2020.
 - (B) Mr. Amlendra Prasad Saxena (DIN: 06964564) has been appointed as an Non-Executive Independent Director on the Board w.e.f 14.09.2020 subject to the approval of Members in the ensuing Annual General Meeting.
2. Resignation of Director

- (a) Resignation of Mr. Kalu Lal Jain (DIN: 00451442) from the post of Executive Director of the Company w.e.f 17.05.2020.
- (b) Resignation of Mr. Suresh Chandra Gupta (DIN: 08527990) from the post of Non Executive Independent Director of the Company w.e.f 22.07.2020
3. The Board has proposed to issue of secured, Rated , Non Convertible , Redeemable Debentures upto an amount not exceeding Rs. 100 Crore (Rupees one hundred crore only) vide its Board meeting held on 18th May, 2020 and the same has been passed by the shareholders in EGM held on 08th June, 2020.

Subsidiary, Joint Ventures and Associate Companies

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

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.

Particulars of Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo

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

A. Conservation of energy:

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

B. Technology absorption:

Your company has implemented a next generation, core housing virtual solution, with the purpose of aligning itself with the fast growing technology evolution and leveraging operational capabilities, while reducing the time taken for whole loan process.

With inter-connection of different branches with the head office in a safe, secure and reliable 360 cloud platform.

- For the aforesaid purpose, your company has signed-up with Jaguar Software India & IXL(Mobility Solutions) in

2019-2020 and customized it with the practical needs to area of operation of company, which results in following benefits

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

Jaguar Software India as a service provider / software vendor will provide applicable upgrades and latest security protocols.

The NHB had notified Information technology framework (guidelines) for Housing Finance companies ('HFCs') vide its Notification No. NHB/ND/DRS and policy circular no. 90/2017-2018 dated June 15, 2018. To enhance safety, security, efficiency in process leading to benefit for HFCs and their customer .

Your company is in compliance with the aforesaid guidelines.

Your company and its software vendor conducts it's IT audit through external agencies at regular intervals. The scope of IT audit is to identify the areas of risk, check vulnerabilities & cyber security etc. at periodic intervals. The external agencies suggestions and recommendations are reported to the Audit Committee & implemented wherever feasible.

C. Foreign Exchange Earnings and Outgo:

Your company does not have any foreign exchange

earnings 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.

Risk Management Framework

The Company has set up a policy framework for ensuring better management of its asset & liability profile. Your Company gives due importance to prudent lending practices and has put in place suitable measures for risk mitigation, which include, verification of credit history from credit information bureaus, personal verification of customer's business place and residence, in house technical and legal verification, conservative loan to value parameters, and compulsory term cover for insurance. The Risk management framework of your Company seeks to minimize adverse impact of risks on the key business objectives and enables your Company to leverage market opportunities effectively. The NHB vide its circular "NHB/ND/DRS/Policy Circular No. 95/2018-19 dated May 29, 2019 had issued the guidelines for appointment of Chief Risk Officer (CRO) by HFCs to ensure highest standards of risk management.

The Company has duly complied with the aforesaid guidelines by appointing Mr. B. S. Kachhawah as CRO of the Company who has direct reporting to MD of the Company. During the Financial Year under review, the Risk Management Committee reviewed the risks associated with the business of your Company, undertook its root cause analysis and monitored the efficacy of the measures taken to mitigate the same.

Your Company continues to give prime importance to the function of receivables management, as it considers this the ultimate reflection of the correctness of marketing strategy as well as appraisal techniques. Pursuant to Regulation 21(5) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the regulations of Risk management committee is applicable to top 500 listed entities determined on the basis of market capitalization, as at the end of the immediate previous financial year.

As per the size of the provisions of risk management committee not applicable to the Company, however the Board of Directors

has adopted a risk management policy for the Company which provides identification, assessment and control of risks which in the opinion of the Board may threaten the existence of the Company. The Management identifies and controls risks through a properly defined framework in terms of the aforesaid policy.

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/Whistle Blower Policy

Pursuant to the provisions of Section 177 (9) & (10) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has in place a Whistle Blower Policy, which provides for a framework to promote a responsible and secure whistle blowing. It protects Directors/ employees wishing to raise a concern about serious irregularities within the Company. It provides for a vigil mechanism to channelize reporting of such instances/ complaints/ grievances to ensure proper governance. The Audit Committee oversees the vigil mechanism. No employee has been denied access to the Chairperson of Audit Committee. The whistle blower policy is placed on the website of the Company and can be accessed at <https://akmestarihfc.in/pdf/Whistle%20Blower%20Policy-converted.pdf>

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:

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

Your Company has approved Know Your Customer & Anti Money Laundering Measure Policy (KYC & AML Policy) in place and adheres to the said Policy. The said Policy is in line with the 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. The following policy is placed on the website of the Company and can be accessed at <https://akmeststarhfc.in/pdf/KYC%20Policy-converted.pdf>

(b) Fair Practice Code

Your Company has in place a Fair Practice Code (FPC), which includes guidelines on appropriate staff conduct when dealing with the customers and on the organization's policies vis-à-vis client protection. The FPC captures the spirit of the 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. The following policy is placed on the website of the Company and can be accessed at <https://akmeststarhfc.in/pdf/Fair%20Practices%20Code-converted.pdf>

(c) Policy on Disclosure of material events and information

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

(d) 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 Financial Officer and Managing Director, with regard to the Compliance with the said code, forms part of this Annual Report.

(e) 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 Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018, as amended. The code lays down guidelines, which includes procedures to be followed and disclosures to be made while dealing in the shares of the Company. The code is applicable to the promoters, directors, senior designated employees and their dependents and the said persons are restricted from dealing in the securities of the Company during the 'restricted trading periods' notified by the Company, from time to time.

(f) 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 behaviour within the legal framework of the organization.

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.

(g) 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.

(h) Corporate Social Responsibility (CSR) Policy

Your Company has voluntarily 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 in "Annexure V".

(i) Remuneration Policy

The Board of Directors had on the recommendation of the Nomination & Remuneration Committee Appointed Dr. Rekha Jain, Independent Director as chairperson, Mr. Amrit Singh Rajpurohit and Mr. Suresh Chandra Gupta, 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

(j) 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.

(k) Familiarization Programme for Independent Directors:

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

<https://www.akmestarthfc.in/pdf/Familiarization%20Program%20for%20>

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 2020-21 on time.

Directors and Key Managerial Personal

The Board of Directors of the Company comprises of Six [6] directors of which Two [2] are Executive Directors; One [1] is Chairman & Managing Director & Three [3] are Independent & Non- Executive Director including one woman director as on March 31, 2020 who bring in a wide range of skills and experience to the Board.

The Board of Directors of the Company are:-

Composition of the Board as on 31 March, 2020

DIN	Name of Director	Category of Directors
02041164	Mr. Ashish Jain	Chairman & Managing Director
00240441	Mr. Nirmal Kumar Jain	Promoter & Executive Director
00451442	Mr. Kalu Lal Jain	Executive Director
02173432	Mr. Amrit Singh Rajpurohit	Non Executive & Independent Director
08527990	Mr. Suresh Chandra Gupta	Non Executive & Independent Director
07703994	Dr. Rekha Jain	Non Executive & Independent Director

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

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

S.No.	Name of Directors/ KMP	Designation	Appointment/ Resignation	Date of change
1.	Ms. Rajni Gehlot	Non-Executive Independent Director	Resignation	22.05.2019
2.	Mr. Suresh Chandra Gupta	Non-Executive Independent Director	Appointment	12.08.2019
3.	Mr. B.S. Kachhawaha	Chief Financial Officer	Resignation	14.02.2020
4.	Mr. Natesh Narayanan	Chief Financial Officer	Appointment	06.03.2020
5.	Mr. Kalu Lal Jain	Executive Director	Resignation	17.05.2020
6.	Mr. Kavish Jain	Executive Director	Appointment	18.05.2020
7.	Mr. Suresh Chandra Gupta	Non -Executive Independent Director	Resignation	30.07.2020
8.	Mr. Amlendra Prasad Saxena	Non -Executive Independent Director	Appointment	14.09.2020

*Note: Events accrued after closer of financial year has been consider.

• Retirement of Director by rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the company, Mr. Nirmal Kumar Jain, Executive Director of the Company is liable to retire by rotation, at the ensuring 15th Annual General Meeting of the company. He is eligible and offered himself for re-appointment. A resolution for their reappointment is being proposed at the 15th Annual General Meeting and their Profile is included in the Notice of the 15th Annual General Meeting.

• Regularization of Additional Director

(a) The Board proposed regarding the Regularization of Additional Director Mr. Kavish Jain as Executive Director of the Company in accordance with the provisions of Companies act, 2013 subject to approval of Members and details of which is more particularly forming part of the notice calling AGM.

(b) The Board proposed regarding the Regularization of Additional Director Mr. Amlendra Prasad Saxena as Non -Executive Independent Director of the Company in accordance with the provisions of Companies act, 2013 subject to approval of Members and details of which is more particularly forming part of the notice calling AGM.

• Declaration from Independent Directors on Annual Basis

The Company has received necessary declaration from each Independent Director of the Company Under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence as laid down in Section 149(6) and the provisions of Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

• Stock Option

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

Formal Evaluation of the performance of the Board Committee of the Board and individual Director:

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 2019-20, Nine (9) Board Meetings were held as follows.

S.No.	Date of Meeting
1	22.05.2019
2	08.07.2019
3	12.08.2019
4	14.09.2019
5	16.10.2019
6	26.10.2019
7	13.12.2019
8	14.02.2020
9	06.03.2020

Shareholder's Meeting

During the financial year 2019-20, Extra Ordinary General Meeting was held as follows

Day/Date/Time	Location	Details of Ordinary/Special Resolution passed
Friday, 02.08.2019 at 03.00 pm	Registered office of the Company at AKME Business Centre (ABC), 4-5 Subcity Centre Savina Circle, Opp. Krishi Upaz Mandi Udaipur Raj. 313002	Ordinary Resolution 1. To increase in Authorized Share Capital of the company Special Resolution 1. Issue of 38,85,000 Equity on Preferential Basis to M/s Arkfin Investments Private Limited

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,
- 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.

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 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 24th, 2020 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.

Related Party Transactions

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

During the financial year under review, your company had entered into material related party transactions with M/s Arkfin Investments private limited ("AIPL") for availing services including but not limited to Business management services, Asset management Services, advisory and consulting services for an estimated amount up to Rs. 15 Crore (Rupees Fifteen Crores) for five years on such terms and conditions as may be mutually agreed between company and AIPL as defined under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Related Party Transaction Policy of the Company.

Form AOC-2 as per the Related Party Transactions is attached as "Annexure-II" to this Report and forms a part of it. The Related Party Transaction Policy as approved by the Board of Directors is available on the website of the Company

<https://akmestarchfc.in/pdf/Related%20Party%20Transaction%20Policy-converted.pdf>

Significant and Material Orders Passed by the Regulator or Court or Tribunals

During the year no significant or material order was passed by the Regulators or Courts or Tribunals and the Company has complied with the order and Compliances of Companies act 2013.

Auditors

1. 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 11th Annual General Meeting until the conclusion of the 16th Annual General Meeting of the Company to be held in the year 2021 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 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 by the statutory auditor in his report.

Secretarial Auditor & Secretarial Audit Report

2. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 and Pursuant to Reg. 24A of Securities Exchange Board of India (Listing Obligation & Disclosure Requirement) (Amendments) Regulations, 2018, the Board of Directors of the Company 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 2019-20. The Secretarial Audit Report for the financial year ended March 31st, 2020, 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 by the company secretary in practice in his secretarial audit report.

Internal Audit & Internal Control Systems And Their Adequacy

3. Internal auditor

Your Company has appointed T.R. 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.

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) read with Section 134(5) of the Companies Act, 2013:

- that in the preparation of the annual financial statements for the year ended March 31st, 2020, 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, 2020 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-VII"** to this report. The said certificate for financial year 2019-20 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(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as at March 31st, 2020, in the prescribed form MGT 9, forms part of this report and is annexed as **"Annexure-IV"** and same has been placed on the website of the company at www.akmestarthfc.in.

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 all key business enablers are currently showing favorable signs, your Company is positive and expects another year of healthy growth in 2019-20.

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 limited.

Best Wishes

Sd/-

Ashish Jain
Managing Director
DIN: 02041164

Sd/-

Nirmal Kumar Jain
Director
DIN: 00240441

Date: 29.09.2020

Place: Udaipur

ANNEXURE-I

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

Companies Act 2013 under the provisions of Section 178 has mandated that "every listed public 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":

- 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.

- 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.
- 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.
- 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 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: N.A
 - (b) Nature of contracts/arrangements/transactions: N.A

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

Name of Related Party	Nature of Relationship	Nature of Contracts	Term/ Duration of Contracts	Salient terms of the Contracts or arrangements or transactions including the value, if	Date Of Approval By Board/ Member	Transaction Amount (₹ in lacs)
Arkfin Investments Private Limited	Shareholder	Professional Services	Sept 2019 ongoing	Availing services at Arm's length price	21.09.2019	60.00

Note: All transactions with Arkfin Investments Private Limited have been disclosed irrespective of whether they are covered under Section 188 of the Companies Act, 2013 or not. No Advance was paid for any transaction noted above.

For, and on behalf of the Board

Sd/-
Ashish Jain
Managing Director
DIN: 02041164

Sd/-
Nirmal Kumar Jain
Director
DIN: 00240441

Date: 29.09.2020
Place: Udaipur

ANNEXURE-III

SECRETARIAL AUDIT REPORT

(For The Financial Year Ended March 31ST, 2020)

[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 RJ313002IN

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 Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period 01.04.2019 to 31.03.2020, 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 31.03.2020 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. The following Regulations and Guidelines prescribed

under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 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;
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not applicable as the Company has not bought back or propose to buy-back any of its securities during the

year under review; and

- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015- Complied with
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) The Listing Agreements entered into by the Company with BSE Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
6. As confirmed, following other laws are specifically applicable to the Company for which the Management has confirmed that the Company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively:
 - a. The Housing Finance Companies (NHB) Directions, 2010;
 - b. Guidelines on 'Know Your Customer' and Anti-Money Laundering Measures;
 - c. Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016;
7. During the period under review, the Company has complied with provisions of the Act, Rules, applicable Regulations, Guidelines, Standards, etc. mentioned above.
8. I further report that:
 - A. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors, Non-Executive Directors and Independent Directors that took place during the period under review were carried out in compliance with the provisions of the Act;
 - B. Adequate notice was 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;
- D. Issued and Allotted 33,69,500 Equity Shares at a face value of Rs. 10 (face value per share) at a premium of Rs. 36 (premium per share) amounting to Rs. 15,49,97,000 (Fifteen Crore Forty Nine Lakhs Ninety Seven Thousand) to Arkfin Investments private Limited on a Preferential basis;
- E. Duly passed the resolution pursuant to Section 13 sub section (1), read with section 61 and 64 of Companies act, 2013, Rule 15 of the Companies (share capital and Disclosure) Rules, 2014 to increased Authorised share capital of the company from Rs. 14,00,00,000/- (Rupees Fourteen Crore only) to Rs. 17,00,00,000 (Rupees Seventeen Crore only);
- F. Duly passed the resolution under Section 180(1)(c) and Section 180(1)(a) of the Act, read with its applicable rules, as amended to authorize the Board of Directors to borrow money in excess of the aggregate of the paid-up share capital, free reserves and securities premium of the Company, but not exceeding a sum of Rs. 500 Crore (Rupees Five Hundred Crore only) and to the creation of mortgage and/or charge on assets of the Company to secure the aforesaid borrowing;
- G. Pursuant to the provisions of Section 186 and all other applicable provisions if any, of the Companies Act, 2013 the consent of the Members be and is hereby accorded to the Board of Directors of the Company to give any loan(s) and/or any guarantee(s) and/or provide any security(ies) in connection with any loan(s) to any other body corporate or person and/ or to make any further investments/acquisition by way of subscription, purchase or otherwise, the securities of other body corporate, up to an amount of 500 Crore (Rupees Five Hundred Crore Only);
- H. Pursuant to Section 13, 15 and other applicable provisions, if any, of the Companies Act, 2013; the

consent of the board of director of the company be and is hereby accorded to adopt the new Memorandum of Association in place of the existing Memorandum of Association with no change in existing Clause III A for which shareholders' approval have been accorded in AGM held on 21st September 2019;

- I. Pursuant to the provisions of Section 14, 15 and any other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Incorporation) Rules, 2014, the consent of the board of directors of the company be and is hereby accorded to adopt the new set of Articles of Association as per the provisions of the Companies Act, 2013; for which shareholders' approval have been accorded in AGM held on 21st September 2019;
- J. As per provisions of Sections 42, 62 and all other applicable provisions, if any, of the Companies Act, 2013 and Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, Board authorized by members to convert 2,25,000 warrant into 2,25,000 Equity Shares to the warrant holders at an Issue price of Rs. 84 per share includes premium of Rs. 74 per share;
- K. Further Pursuant to Section 2(19) & Section 203 read with rule made there under and other applicable provisions of the Companies act, 2013 Mr. Natesh Narayanan appointed as a Chief Financial officer of the Company w.e.f 06.03.2020 by the Board of Directors;
- L. Pursuant to Section 149(10) of the Companies Act, 2013 Mr. Suresh Chandra Gupta appointed as a Non-Executive Independent Director for a term of 5 consecutive years on the Board of a Company with effect from 21st September 2019;
- . Pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 (Act) read with Schedule IV to the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Amrit Singh Rajpurohit (DIN: 02173432) further appointed as a Non-executive Independent Director for a second term of five consecutive years on the Board of a Company with effect from 21st

September 2019;

- N. Pursuant to Section 197 and other applicable provisions, if any, of the Companies Act, 2013 read with Part II of Schedule V of the Companies Act, 2013, remuneration of Mr. Ashish Jain, Managing Director has been revised in the Annual General Meeting held on 21st September 2019.
- O. Pursuant to the provisions of Sec 188 and any other applicable provisions, if any, of the Companies Act, 2013 (Act) read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014; SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 company has entered into Material Related Party Transactions by availing shareholders' approval in Annual General Meeting held on 21st September 2019.
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 the Company has taken following major action having a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. have taken place.

**For Ronak Jhuthawat & Co.
(Company Secretaries)**

Sd/-

Ronak Jhuthawat

Proprietor

FCS: 9738, CP: 12094

Place: Udaipur

Date: 26.08.2020

UDIN- FO09738B000618247

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

FCS: 9738, CP: 12094

Place: Udaipur

Date: 26.08.2020

UDIN- F009738B000618247

**ANNEXURE-IV**

Form No. MGT-9

Extract of Annual Return

as on the financial year ended on 31st March 2020

[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**

(i)	CIN:	L45201RJ2005PLC020463
(ii)	Registration Date	Monday, March 21, 2005
(iii)	Name of the Company	AKME STAR HOUSING FINANCE LIMITED
(iv)	Category/Sub-Category of the Company	Company Limited By Shares
(v)	Address of the Registered Office and Contact Details- Address:	Akme Business Center, 4-5 Subcity Center, Savina Circle, Udaipur, Rajasthan - 313002, Tel.: 0294-2489501
(vi)	Whether Listed Company Yes / No	Yes
(vii)	Name, Address and Contact Details of Registrar and Transfer Agent, if any- Name: Address:	Big Share services private Limited 302, Kushal Bazar, 32-33, Nehru Place, New Delhi-110019 Tel.: 011-42425004 E. : bss@bigshareonline.com W. : www.bigshareonline.com

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:-

S. No.	Name and Description of Product/ Service	NIC Code of the main products/ services	% to total turnover of the Company
1	Carrying out activities of housing finance companies (Housing Loan & Non-Housing Loans)	65922	100

III. Particulars Of Holding, Subsidiary and Associate Companies-

The Company does not have any Holding, Subsidiary and Associate Companies as on 31st March, 2020.

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of Shares held	Applicable Section
1.	NIL	NIL	NIL	NIL	NIL

IV. 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 2019)				No. of Shares held at the end of the year (as on 31st March 2020)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	5274100	-	5274100	43.66	5499100	-	5499100	35.09	-8.57
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	1088000	-	1088000	9.01	1088000	-	1088000	6.94	-2.07
e) Banks/FI-	-	-	-	-	-	-	-	-	-
f) Any other...	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1):-	6362100	-	6362100	52.67	6587100	-	6587100	42.03	-10.64

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1st April 2019)				No. of Shares held at the end of the year (as on 31st March 2020)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(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	0
Total Share holding of Promoter (A)= (A)(1)+(A)(2)	6362100	-	6362100	52.67	6587100	-	6587100	42.03	-10.64
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	38567	-	38567	0.32	-	-	-	-	-0.32
j) HUF	-	-	-	-	426110	-	426110	2.72	2.72
Sub-Total (B)(1):-	38567	-	38567	0.32	426110	-	426110	2.72	2.40
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	210642	-	210642	1.74	3595258	-	3595258	22.94	21.2
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	1163470	-	1163470	0.62	1212592	-	1212592	7.74	7.12
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	4101512	-	4101512	42.98	3708093	-	3708093	23.65	-19.33
c) Others (specify)				-					-
i) Clearing members	22272	-	22272	0.18	71144	-	71144	0.45	0.27
ii) Directors & Relatives (other than Promoters)	-	-	-	-	-	-	-	-	-
iii) Non-Resident Indians	180437	-	180437	1.49	73203	-	73203	0.47	-1.02
iv) Trust	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2):-	5678333	-	5678333	47.01	8660290	-	8660290	55.25	8.25
Total Public shareholding (B)= (B)(1)+(B)(2)	5716900	-	5716900	47.33	9086400	-	9086400	57.97	10.64
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	12079000	-	12079000	100	15673500	-	15673500	100	0.00

(i)(a) Statement Showing Diluted Share Capital as on 31.03.2020

S.No.	Category of shareholder	Nos. Of shareholders	No. of fully paid up equity shares held	Shareholding as a % of total no. of shares	No. of Shares Underlying Outstanding Warrants	Total Diluted Shares (assuming full conversion of Warrants into Equity Shares)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)
(A)	Promoter & Promoter Group	32	6587100	42.03	0	6587100	42.03
(B)	Public	804	9086400	57.97	0	9086400	57.97
	Total	836	15673500	100	0	15673500	100



(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1st April 2019)			Shareholding at the end of the year (as on 31st March 2020)			% change in shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Nirmal Kumar Jain	854000	7.07	-	929000	5.93	-	-1.14
2	Kalu Lal Jain	633400	5.24	-	633400	4.04	-	-1.20
3	Abhilasha Jain	352680	2.92	-	352680	2.25	-	-0.67
4	Anil Kumar Jain	442080	3.66	-	442080	2.82	-	-0.84
	Total	2282160	18.89	-	2357160	15.04	-	-3.85

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

Particulars	No. of Shares	% of total shares of the Company
At the beginning of the year (01.04.2019)	2282160	18.89%
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc.)	75000 warrants convert into Equity share capital of the company as on 22.05.2019	
At the end of the year (or on the date of separation, if separated during the year (31.03.2020)	2357160	15.4%

(iv) Top Ten Non Promoters Movement

S.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	Arkfin Investments Pvt. Ltd.	0	0.00	30-Mar-2019	-	-	0	0.00
			21.50	15-Nov-2019	3369500	Allotment	3369500	21.50
		3369500	21.50	31-Mar-2020	0		3369500	21.50
2	Anita Arora	303530	1.94	30-Mar-2019	0	-	303530	1.94
			1.93	26-Jul-2019	-1000	Sell	302530	1.93
			1.93	17-Jan-2020	-4	Sell	302526	1.93
			1.93	31-Mar-2020	-500	Sell	302026	1.93
		302026	1.93	31-Mar-2020	0		302026	1.93
3.	Panna Lal Jain	211080	1.35	30-Mar-2019	0		211080	1.35
			1.35	26-Jul-2019	500	Buy	211580	1.35
			1.35	02-Aug-2019	200	Buy	211780	1.35
			1.24	24-Jan-2020	-18000	Sell	193780	1.24
			1.18	31-Jan-2020	-8264	Sell	185516	1.18
			1.14	07-Feb-2020	-6601	Sel	178915	1.14
			1.12	14-Feb-2020	-3750	Sel	175165	1.12
			1.11	28-Feb-2020	-810	Sel	174355	1.11
			1.04	06-Mar-2020	-11185	Sell	163170	1.04
		163170	1.04	31-Mar-2020	0		163170	1.04
4.	Anchor Metal Pvt. Ltd.	177480	1.13	30-Mar-2019	0	No Change	177480	1.13
		177480	1.13	31-Mar-2020	0		177480	1.13
5.	Ramesh Kumar Jain	166000	1.06	30-Mar-2019	0	No Change	166000	1.06

S.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
6.	Praveen Kumar Jain	135401	0.86	30-Mar-2019	0	No Change	135401	0.86
		135401	0.86	31-Mar-2020	0		135401	0.86
7.	Pankaj Pandekar	120018	0.77	30-Mar-2019	0		120018	0.77
			0.77	30-Sep-2019	1	Buy	120019	0.77
		120019	0.77	31-Mar-2020	0		120019	0.77
8.	Narendra Kumar Pamecha	170158	1.09	30-Mar-2019	0		170158	1.09
			1.44	31-Jan-2020	56190	Transmission	226348	1.44
		226348	1.44	31-Mar-2020	0		226348	1.44
9.	Bansilal Champalalji Jain	104000	0.66	30-Mar-2019	0	No Change	104000	0.66
		104000	0.66	31-Mar-2020	0		104000	0.66
10.	Pavan Kumar Jain	103600	0.66	30-Mar-2019	0	No Change	103600	0.66
		103600	0.66	31-Mar-2020	0		103600	0.66
11.	Bansilal Champalal Jain	100000	0.64	30-Mar-2019	0	No Change	100000	0.64
		100000	0.64	31-Mar-2020	0		100000	0.64

(v) Shareholding of Directors and Key Managerial Personnel:

S.No	For each of the Directors and KMP	Shareholding at the beginning of the year (as on 1st April 2019)		Date of Change	Increase / Decrease	Reason	Cumulative shareholding during the year (as on 31st March 2020)	
		No. of Shares	% of total shares of the Company				No. of Shares the	% of total shares of Company
	Directors							
1	Nirmal Kumar Jain	854000	7.07	22.05.2019	Increase	Conversion of Warrants into equity	929000	5.93
2	Kalu Lal Jain	633400	5.24	-	No Change	-	633400	4.04
3	Amrit Singh Rajpurohit	24000	0.20	-	No Change	-	24000	0.15
4	Rekha Jain	3	0.00	-	No Change	-	3	0.00
5	*Rajni Gehlot	2	0.00	-	No Change	-	2	0.00
6	Suresh Chandra Gupta	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	KMP's							
7	Ashish Jain	32370	0.27	-	No Change	-	32370	0.21
8	Paritosh Kothari	Nil	Nil	Nil	Nil	Nil	Nil	Nil
9	Bhanwar Singh Kachhawaha	Nil	Nil	Nil	Nil	Nil	Nil	Nil
10	*Natesh Narayanan	-	-	-	No Change	-	34	0.00

* Resignation of Ms. Rajni Gehlot from the post of Non-Executive and Independent Director of the Company w.e.f. 15.05.2019

* Appointment of Mr. Natesh Narayanan from the post of Chief Financial Officer of the Company w.e.f. 06.03.2020



(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	41,74,72,728.00	Nil	Nil	41,74,72,728.00
(ii) Interest due but not paid	Nil	Nil	Nil	Nil
(iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	41,74,72,728.00	Nil	Nil	41,74,72,728.00
Change in indebtedness during the financial year				
• Addition	0	Nil	Nil	0
• Reduction	4,05,15,078.00	Nil	Nil	4,05,15,078.00
Net Change	4,05,15,078.00	Nil	Nil	4,05,15,078.00
Indebtedness at the end of the financial year				
(i) Principal Amount	37,69,57,650.00	Nil	Nil	37,69,57,650.00
(ii) Interest due but not paid	Nil	Nil	Nil	Nil
(iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	37,69,57,650.00	Nil	Nil	37,69,57,650.00

VII Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Director and/or Manager/Director							
S.No.	Particulars of Remuneration	Name of MD/ WTD/ Manager/Director					Total Amount
		Ashish Jain	Nirmal Kumar Jain				
1	Gross Salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3600000	3600000				7200000
	(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 (A)	3600000	3600000				7200000
	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:							
S. No.	Particulars of Remuneration	Name of Directors					Total Amount
1	Independent Directors						
	• Fee for attending Board/ Committee Meetings						
	• Commission						
	• Others,						
	• Total (1)						
2	Executive Directors						
	• Fee for attending Board/ Committee Meetings	-					
	• Commission						
	• Others, please specify						
	Total (2)	-					-
	Total (B)=(1+2)						-
	Total Managerial Remuneration						
	Overall Ceiling as per the Act	The remuneration not paid to the Directors of the Company under the Companies Act, 2013.					

C. Remuneration to Key Managerial Personnel Other than MD/Manager/ WTD:					
S. 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	-	480000	150000*	630000
	(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	-	480000	150000	630000

* Mr. Natesh Narayanan appointed as Chief Financial Officer of the company w.e.f 06.03.2020

VIII Penalties / Punishment / Compounding of Offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other Officers in Default					
Penalty					
Punishment					
Compounding					

ANNEXURE-V

REPORT ON CORPORATE SOCIAL RESPONSIBILITY

[Pursuant to clause (o) of Sub-Section 3 of Section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

- A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs <https://akmestarihfc.in/pdf/CSR%20Policy-converted.pdf>.
Corporate Social Responsibility is a Company's sense of responsibility towards the community and environment in which it operates. It is the continuing commitment by business to behave ethically and contribute to economic development of the society at large. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed.
- The Composition of CSR Committee: The Company's CSR Committee consists of one Executive Directors, one independent Director and one Non Executive Directors of the Company. The composition of the Committee is set out below:

S. No.	DIN	Name of Director	Designation
1	02041164	Mr. Ashish Jain	Managing Director/Chairman
2	00240441	Mr. Nirmal Kumar Jain	Director /Member
3	02173432	Mr. Amrit Singh Rajpurohit	Independent Director/ Member

- Average net profit of the Company for last three financial years: Rs. 40197695.51/-
- Prescribed CSR Expenditure (two percent of amount stated in item 3 above):Rs. 803954/-
- Details of CSR spent during Financial year 2019-20:
 - Total amount to be spent for Financial Year: NIL/-
 - Amount unspent, if any: Rs. 803954/-

S. No	CSR project or activity identified	Sector in which the project is covered (As per Schedule VII of Companies Act, 2013)	Projects or programs Specify the State /Union Territory where the Project/ Program was undertaken	Projects or programs Specify the district where the project was undertaken	Amount outlay (budget) – project or program wise (Amount in Rs.)	Amount spent on the projects (in Rs.)	Expenditure on Administrative overheads (in Rs.)	Mode of spent
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

- In case the company has failed to spend the two per cent of the average net profit of the last three immediately preceding financial year or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:
- The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company. The CSR Committee confirms that implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

For, and on behalf of the Board

Sd/-

Ashish Jain

Managing Director

DIN: 02041164

Date: 29.09.2020

Place: Udaipur

ANNEXURE-VI**DETAILS OF MANAGERIAL REMUNERATION**

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

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

1. Ratio of remuneration of each Director of median remuneration of employee of the company For the FY-19-20

S. No.	Requirements	Remuneration			
1	Ratio of remuneration of each Director of median remuneration of employee of the company For the FY-19-20	Executive Directors 1. Mr. Ashish Jain 23.75X 2. Mr. Nirmal Kumar Jain 23.75X			
2	Percentage Increase/ (Decrease) in Remuneration of each director, CFO, CEO, CS, if any, in the Financial Year	Director		KMP	
		Mr. Nirmal Kumar Jain	260%	Mr. B.S. Kachhawaha (Ex-CFO)	300%
		Mr. Ashish Jain	167%	Mr. Natesh Narayanan (CFO)	-
				Mr. Paritosh Kothari (CS)	39%
3	The Percentage Increase in the median Remuneration of Employees in Financial Year	4.24%			
4	No. of Permanent Employee on the roll of Company	44			
5	Average percentile already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in managerial remuneration.	The average percentage increase in remuneration of all employees (other than Key managerial personnel's (KMP's) For the FY-2019-20) stood at 19.68% where as the average Percentage increase in the remuneration of KMP'S was at 59.14% Further there was no exceptional circumstance which warranted an increase in managerial remuneration which was not justified by the overall performance of the Company			
6	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, it is affirmed that the remuneration is as per the remuneration policy of the company			

- Calculation of remuneration have been made on comparable and annualized basis
- The remuneration of KMP's was taken from Audited Financial statement for F.Y. 2019-20
- Remuneration comprises of salary (Fixed and variable), allowances, perquisites/taxable value of perquisites.
- Mr. Natesh Narayan, CFO was appointed in the Company w.e.f. March 06, 2020 therefore remuneration paid to him during the year is not consider comparable.

Registered office

AKME Business Center (ABC)
4-5 Subcity Center Savina Circle
Opp. Krishi Upaz Mandi Udaipur. 313002
Date: 29.09.2020
Place: Udaipur

For, and on behalf of the Board

Sd/-
Ashish Jain
Managing Director
DIN 02041164

Sd/-
Nirmal Kumar Jain
Director
DIN 00240441

REPORT ON CORPORATE GOVERNANCE

2019-20

<u>01</u>  Board of Directors and Board Committees			<u>02</u>  Board of Directors and Board Committees
	<u>03</u>  Compliance with the Corporate Governance Code		<u>04</u>  Audit Commission
<u>05</u>  Risk Management		<u>06</u>  Internal Control and Internal Audit	
	<u>07</u>  Shareholder Relations	<u>08</u>  Preparation of Financial Statements	

Report on Corporate Governance

The report on Corporate Governance pursuant to the Companies Act, 2013 ("the Act") and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") and forming part of the Directors' Report for Financial year 2019-20 is presented below:

Company's philosophy on Corporate Governance

A good Corporate Governance framework incorporates a system of robust checks and balances between key players; namely, the Board, its committees, the management, auditors and various other Stakeholders. The role and responsibilities of each entity must be clearly defined, and transparency must be enforced at each level and at all times.

Company's believes in adopting and adhering to the best standards of Corporate Governance. It consistently benchmarks itself against such standards. The Company duly acknowledges its fiduciary role and responsibility towards all of its Stakeholders including Shareholders; and strives hard to meet their expectations. The Company's philosophy on Corporate Governance enshrines the goal of achieving the highest levels of transparency, accountability and equity in all spheres of its operations and in all its engagements with the Stakeholders. It understands that best Board practices, transparent disclosures, ethical conduct of business and Shareholder's empowerment are necessary for creating sustainable Shareholder value.

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.

Your Company recognizes and embraces the importance of a diverse Board in its success which is enriched with appropriate balance of skills, experience, diversity of perspectives, thereby ensuring effective Board governance. The Board of Directors of your Company is at the core of the Corporate Governance practices and oversees how the management serves and protects the long-term interest of the Stakeholders. Your Company's Corporate Governance framework ensures that it makes timely and appropriate disclosures and shares factual and accurate information. Given below is the report of the Directors on Corporate Governance in accordance with the provisions of the SEBI LODR Regulations..

Corporate Governance At Akme Star Hfc

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

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

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.

A. 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 as on 31.03.2020 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, 2018 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.

The Composition of the Board:

Name Of Director	Category of Directors	DIN	No. of Shares	Qualification/ Experience
Mr. Ashish Jain	Chairman & Managing Director	02041164	32,370	
Mr. Nirmal Kumar Jain	Promoter & Executive Director	00240441	9,29,000	
*Mr. Kalu Lal Jain	Executive Director	00451442	6,33,400	
Mr. Amrit Singh Rajpurohit	Non Executive & Independent Director	02173432	24000	
**Mr. Suresh Chandra Gupta	Non Executive & Independent Director	08527990	0	
Dr. Rekha Jain	Non Executive & Independent Director	07703994	3	
Mr. Kavish Jin	Executive Director	02041197	29690	
Mr. Amlendra Prasad Saxena	Non Executive & Independent Director	06964564	0	

* Resignation of Mr. Kalu Lal Jain from the post of Executive Director of the Company w.e.f 17.05.2020

** Resignation of Mr. Suresh Chandra Gupta (DIN: 08527990) from the post of Non executive Independent Director of the Company w.e.f 30.07.2020

Appointment of Mr. Kavish Jain (DIN: 02041197) from the post of Executive Director of company w.e.f. 18.05.2020

Appointment of Mr. Amlendra Prasad Saxena (DIN: 06964564) for the post of Non Executive & Independent Director of company w.e.f. 14.09.2020

B. 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, 2020, 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 Akme Star HFC) and their shareholding in the Company, are given below:

C. 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.

Name of The Director	DIN	*Number of Directorships	Member/chairperson of The Committee	
			Member	Chairman
Mr. Nirmal Kumar Jain	00240441	4	1	0
*Mr. Kalu Lal Jain	00451442	3	0	0
Mr. Ashish Jain	02041164	2	1	0
**Mr. Suresh Chandra Gupta	08527990	1	2	1
Mr. Amrit Singh Rajpurohit	02173432	2	1	0
Dr. Rekha Jain	07703994	1	2	1

* Inclusive of directorships held in Private Limited Companies.

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

*Resignation of Mr. Kalu Lal Jain from the post of Executive Director of the Company w.e.f. 17.05.2020

**Resignation of Mr. Suresh Chandra Gupta from the post of Non-Executive Independent Director of the Company w.e.f. 30.07.2020

D. 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.

E. 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

- 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 2019-20, 09 (nine) Board Meetings were held on 22.05.2019, 08.07.2019, 12.08.2019, 14.09.2019, 16.10.2019, 26.10.2019, 13.12.2019, 14.02.2020, and 06.03.2020 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 2019-20 are as follows:

S.No.	Name of The Director	No of Meeting Board of Meetings		Sitting Fees Paid	Whether Attended Last AGM Held on 21.09.2019 (Y/N)
		Held	Attended		
1	Mr. Nirmal Kumar Jain	9	8	0	Yes
2	*Mr. Kalu Lal Jain	9	5	0	No
3	Mr. Ashish Jain	9	8	0	Yes
4	**Mr. Suresh Chandra Gupta	9	7	0	Yes
5	Mr. Amrit Singh Rajpurohit	9	9	0	No
6	Dr. Rekha Jain	9	7	0	Yes

* Resignation of Mr. Kalu Lal Jain from the post of Executive Director of the Company w.e.f 17.05.2020

* Resignation of Mr. Suresh Chandra Gupta (DIN: 08527990) from the post of Non executive Independent Director of the Company w.e.f 30.07.2020

F. 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.

- 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 24th, 2020 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.

G. Remuneration to Directors

- Non-Executive Directors

The Non-Executive Directors of the Company do not have any pecuniary relationship except as mentioned herein. The Non-Executive Directors are not paid sitting fees and other expenses incurred for attending the Board / Committee meetings. The Company has not paid sitting fees of per meeting to the Non-Executive Directors for attending meetings of the Board during Financial Year 2019-20.

The Compensation not Paid / Payable by the Company to the Non-executive Directors as at March 31, 2020 is as given Below:

Name Of Non Executive Independent Director	Sitting Fees Paid (Amount In Rs.)
Mr. Suresh Chandra Gupta	0
Mr. Amrit Singh Rajpurohit	0
Dr. Rekha Jain	0

** Resignation of Mr. Suresh Chandra Gupta (DIN: 08527990) from the post of Non executive Independent Director of the Company w.e.f 30.07.2020.*

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

• **Executive Director**

The executive directors of the Company have been appointed, in terms of the resolutions passed by the shareholders at the annual general meetings. Elements of the remuneration package comprise of salary, perquisites and other benefits are as approved by the members at the annual general meeting. Details of the remuneration paid to the executive directors during the year under review are provided in Form MGT 9 given elsewhere in the Annual Report.

• **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 has been constituted by the Company in terms of provisions of Section 177 of the Act and Regulation 18 read with Part D of Schedule II of SEBI LODR Regulations and is

chaired by Non-Executive Independent Director.

At present the Audit Committee comprises of Three (3) Directors as its members, out of them two are Independent Directors and all of them being Non-Executive Directors. The composition of the Committee is in adherence to provisions of the Act, SEBI LODR Regulations and the Housing Finance Companies-Corporate Governance (National Housing Bank) Directions, 2016. All the Members of the Committee are financially literate and majority members including the Chairperson possess financial management expertise. The Company Secretary of the Company acts as Secretary to the Committee.

The Audit Committee acts as a link between the statutory 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 functions of Audit Committee are:

The Board of Directors has formed and approved a charter for the Audit Committee setting out the roles, responsibilities and functioning of the Committee. In adherence to the provisions of the Act, and SEBI LODR Regulations and all other applicable regulatory requirements, the terms of reference of the Audit Committee are covered by its charter. Its functioning inter alia broadly includes the following: Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial

statements before submission to the board for approval, with particular reference to:

- a. Matters required being included in the Directors Responsibility Statement to be included in the Board's report in terms of section 134 of the Companies Act.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
- Reviewing, with the management, the 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, 2020 and details of the Members participation at the Meetings of the Committee are as under:

Name of Members	Category	Status	Attendance at the Audit Committee Meetings				
			22.05.2019	12.08.2019	14.09.2019	13.12.2019	14.02.2020
*Mr. Suresh Chandra Gupta	Non-Executive Independent Director	Chairperson/Member	Na	Yes	Yes	Yes	Yes
Dr. Rekha Jain	Non-Executive Independent Director	Member	Yes	Yes	Yes	Yes	Yes
Mr. Nirmal Kumar Jain	Executive Director	Member	Yes	Yes	Yes	Yes	Yes
Mr. Amrit Singh Rajpurohit	Non-Executive Independent Director	Member	Na	Yes	Yes	Yes	Yes

- The Committee has been re-constituted on 12.08.2019 due to the resignation of Ms. Rajni Gehlot and appointment of Mr. Suresh Chandra Gupta, Non-Executive & Independent Director of the Company.
- Mr. Suresh Chandra Gupta is the Chairperson of the Audit Committee.
- * Resignation of Mr. Suresh Chandra Gupta (DIN: 08527990) from the post of Non-Executive & Independent Director of the Company w.e.f 30.07.2020.

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.

• 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 Regulation 20 read with Part D of the Schedule II of SEBI LODR Regulations the Board has Constituted Stakeholders' Relationship Committee.

The Company has constituted the Stakeholders Relationship Committee for resolving the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of annual report.

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, 2020 and details of the Members participation at

Name of Member	Category	Attendance at the Stakeholders' Relationship Committee Members			
		20.05.2019	08.07.2019	16.10.2019	08.01.2020
Mr. Suresh Chandra Gupta	Non -Executive Independent Director	Na	Na	Yes	Yes
Dr. Rekha Jain	Non -Executive Independent Director	Yes	Yes	Yes	Yes
Mr. Ashish Jain	Executive Director	Yes	Yes	Yes	Yes

- The Committee has been re-constituted on 12.08.2019 due to the resignation of Ms. Rajni Gehlot and appointment of Mr. Suresh Chandra Gupta, Non-Executive & Independent Director of the Company.
- Dr. Rekha Jain is the Chairperson of the Committee.
- * Resignation of Mr. Suresh Chandra Gupta (DIN: 08527990) from the post of Non-Executive & Independent Director of the Company w.e.f 30.07.2020

All shares of the Company are in dematerialized form. Big share services private limited has been appointed and it has been acting as the Registrar and Share Transfer Agent of the Company for carrying out transfer and other ancillary work related thereto. Big share services private limited has appropriate systems to ensure that requisite service is provided to investors of the Company in accordance with the applicable corporate and securities laws and within the adopted service standards.

During the period under review, The Company has not received complaint from any investor's 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 Regulation 19 read with Part D of Schedule II of SEBI LODR Regulations.

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, 2020 and the details of Members participation at the Meetings of the Committee are as under:

Name of Member	Category	Attendance at the Nomination and Remuneration Committee				
		15.05.2019	12.08.2019	09.12.2019	14.02.2020	06.03.2020
*Mr. Suresh Chandra Gupta	Non-Executive Independent Director	Na	Yes	Yes	Yes	Yes
Dr. Rekha Jain	Non-Executive Independent Director	Yes	Yes	Yes	Yes	Yes
Mr. Amrit Singh Rajpurohit	Non-Executive Independent Director	Yes	Yes	Yes	Yes	Yes
Ms. Rajni Gehlot	Non-Executive Independent Director	Yes	NA	NA	NA	NA

- The Committee has been re-constituted on 12.08.2019 due to the resignation of Ms. Rajni Gehlot and appointment of Mr. Suresh Chandra Gupta Non-Executive & Independent Director of the Company.
- Dr. Rekha Jain is the Chairperson of the Committee
- * Resignation of Mr. Suresh Chandra Gupta (DIN: 08527990) from the post of Non-Executive & Independent Director of the Company w.e.f 30.07.2020

D. Corporate Social Responsibility (CSR) Committee

The Company has constituted the CSR Committee and to review the existing CSR Policy 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 undertaken by the Company and to monitor its progress.

The following Terms of reference:

- To formulate and recommend to the Board,

Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII.

- To monitor the Corporate Social Responsibility Policy of the Company from time to time.
- To recommend the amount of expenditure to be incurred on the CSR activities to be undertaken.
- The composition of the Corporate Social Responsibility Committee as at March 31, 2020 and the details of Members' participation at the Meetings of the Committee are as under:

Name of Member	Category	Attendance at the CSR Meeting
		06.03.2020
Mr. Ashish Jain	Executive Director	Yes
Mr. Nirmal Kumar Jain	Executive Director	Yes
Mr. Amrit Singh Rajpurohit	Independent Non Executive Director	Yes

Mr. Ashish Jain is the Chairperson of the Committee.

E. Risk Management Committee

The Company has formed voluntarily Risk Management Committee of the Board for assisting the Board to establish a risk culture and risk governance framework in the organization. The Committee was formed to supervise, guide, review and identify current and emerging risks; developing risk assessment and measurement systems, establishing policies, practices and other control mechanisms to manage risks, developing risk tolerance limits for Senior Management and Board approval, monitoring positions against approved risk tolerance limits, reporting results of risk monitoring to Senior Management and the Board.

Terms of Reference of the Risk Management Committee inter alia include the following:

- 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.
- Reviewing and identifying risk in the area of cyber security and Management.
- reviewing and monitoring the effectiveness and application of credit risk management policies, related standards and procedures and to control the environment with respect to credit decisions;

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, 2020 and the details of Members' participation at the Meetings of the Committee are as under:

Name of Member	Category	Attendance at the Risk Management Committee Meetings			
		15.06.2019	06.09.2019	28.12.2019	16.03.2020
Mr. Nirmal Kumar Jain	Executive Director	Yes	Yes	Yes	Yes
Dr. Rekha Jain	Non-Executive Independent Director	Yes	Yes	Yes	Yes
Mr. Ashish Jain	Executive Director	Yes	Yes	Yes	Yes
Mr. Amrit Singh Rajpurohit	Non-Executive Independent Director	Yes	Yes	Yes	Yes

- *Mr. Amrit Singh Rajpurohit is the Chairperson of the Committee.*

• General Body Meetings

A. Annual General Meeting

Details of Past Three Annual General Meetings held by the Company are given below:

Financial Year	Location	Meeting Date & Time	Special Resolution Passed at The AGM
2018-19	Kaya Valley Resort, National, Highway 8 behind Kaya Jain Temple, Udaipur (Raj.)	21.09.2019 at 11.30 a.m.	• Appointment of Mr. Suresh Chandra Gupta (DIN:08527990) as an Independent Director of the company for a term of 5 years • Reappointment of Mr. Amrit Singh Rajpurohit (DIN: 02173432) as an Independent Director of the Company for a Second term of 5 years

.			- Revision in Remuneration of Mr. Ashish Jain (DIN:02041164) Managing Director & Chairman of the Company - Adoption of Memorandum of Association as per the provisions of the Companies Act, 2013 - Adoption of Articles of Association as per the provisions of the Companies Act, 2013 - Revision in Remuneration of Mr. Nirmal Kumar Jain (DIN: 00240441) Executive Director of the Company - To approve the material related party transactions with arkfin investments private limited - To approve creation of charge within the borrowing limit of the company - To enhance the borrowing limits.Approval of limits for the Loans, Guarantees and investments by the Company as per section 186
2017-18	Kaya Valley Resort, National Highway 8, behind Kaya) Jain temple, Udaipur (Raj	28.07.2018 at 11.30 a.m.	- Appointment of Mr. Ashish Jain as Managing Director & Chairman of the company - To approve borrowing limits of the company - To approval for creation charges, mortgages, hypothecation on the immovable and movable properties of the company under section 180(1)(a) of the companies act
2016-17	Kaya Valley Resort, National Highway 8, behind Kaya Jain temple, Udaipur (Raj)	29.07.2017 at 11.30 a.m.	- Appointment of Dr. Rekha Jain as Independent Director - Appointment of Mr. Ashish Jain as Executive Director

• B. Extra Ordinary General Meeting

The Extra Ordinary General Meeting of the Company was held on during the year

Financial Year	Location	Meeting Date & Time	Special Resolution Passed At The AGM
2018-19	Akme Business Centre (ABC), 4-5 Subcity Centre Savina Circle, Opp. Krishi Upaz Mandi	02.08.2019 at 03.00 p.m.	1. To increase in Authorized Share Capital of the Company 2. Issue of Equity Shares on Preferential Basis to Arkfin investments pvt. ltd. Udaipur -313002

**Issue of Warrants**

The Company vide its Extraordinary General Meeting approved Issue of Warrants to the proposed Investors dated 16th October, 2017.

The Board covered 2,25,000 Warrants to prospective Promoter & Promoter Group vide meeting dated 22nd May, 2019.

Material Event Subsequent to the end of Financial Year**A. Change in Directorship**

- We regret to inform regarding resignation of Executive Director of the Company Mr. Kalu Lal Jain (DIN: 00451442) and accordingly his resignation due to pre occupation in other company as per prescribed provisions of

Companies Act, 2013 with effect from 17th May, 2020.

- To appointment of Mr. Kavish Jain (DIN: 02041197) as an Additional Executive Director of the Company w.e.f 18.05.2020
- Board of directors vide meeting dated 18th May, 2020 has approved the resignation of Mr. Kalu Lal Jain as Executive Director of the Company.
- Resignation of Mr. Suresh Chandra Gupta (DIN: 08527990) from the post of Non Executive Independent Director of the Company w.e.f 30.07.2020

• Composition of the Board after considering material changes as on 14th September, 2020

Name of Director	Category Of Directors	DIN
Mr. Ashish Jain	Chairman & Managing Director	02041164
Mr. Nirmal Kumar Jain	Promoter & Executive Director	00240441
Mr. Kavish Jain	Promoter & Executive Director	02041197
Mr. Amrit Singh Rajpurohit	Independent & Non Executive Director	02173432
Dr. Rekha Jain	Independent & Non Executive Director	07703994
Mr. Amlendra Prasad Saxena	Independent & Non Executive Director	06964564

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 2019-20, 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.**

During the financial year under review, your company had entered into material related party transactions with M/s Arkfin Investments private limited ("AIPL") for availing services including but not limited to Business management services, Asset management Services, advisory and consulting services for an estimated amount up to Rs. 15 Crore (Rupees Fifteen Crores) for five years on such terms and conditions as may be mutually agreed between company and AIPL. as defined under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Related Party Transaction Policy of the Company. 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.

There were no cases of non-compliance of any matter related to capital markets during the last three years.

C. Details of compliance with mandatory requirements

During the year 2019 -20, 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 Managing 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.

- **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 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

- **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.

- **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.

- **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.akmestarihfc.in in 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.

- **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.akmestarihfc.in

- **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, 2020. 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 (SCRA) 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, 2018, 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, 2015 and Guidelines issued by National Housing Bank.

- **Certificate from Practicing Company Secretary (PCS)**

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

- **Accounting Standards**

The Company has followed Indian Accounting Standards (Ind AS) issued by the Ministry of Corporate Affairs in the preparation of its financial statements.

- **Prevention of Sexual Harassment of Women at Workplace:**

Prevention of Sexual Harassment of Women at Workplace: Your Company is sensitive to women employees at workplace. As required under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has a formal policy to ensure safety of women and prevention of sexual harassment and has set up Internal Complaints Committee (ICC) at its work place(s) to redress the complaints of women employees. During the year, no complaint was filed with ICC and no complaint pending as on the end of the Financial Year 31 March 2020.

- **Vigil Mechanism/Whistle Blower Policy:**

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

establishment of such mechanism has been also disclosed on the website of the Company. It is affirmed that no personnel has been denied access to the Audit Committee.

- **Auditors Certificate on Corporate Governance**

As required under the SEBI LODR Regulations, The Company has complied with all mandatory requirements of corporate governance norms as enumerated in Chapter IV of SEBI (LODR) Regulations, 2015. M/s. 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.

- **Certification of Financial Reporting and Internal Controls / (CEO/CFO Certificate)**

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

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

During the period under review, Company has complied with all the Mandatory requirements of SEBI LODR Regulations. The Company has also adopted certain

voluntary compliance requirements as stipulated in the Act, SEBI LODR Regulations, 2015 and other acts, rules, regulations & guidelines applicable to the Company.

The Company has appointed separate persons to the post of Chairperson and Managing Director & Chief Executive Officer, the Company is in the regime of unqualified financial statements by the auditors and the Internal Auditor directly reports to the Audit Committee of the Company.

- **Means of Communication**

Pursuant to the applicable regulations of SEBI LODR Regulations, your Company publishes financial results on annually, quarterly and half yearly results basis which are duly reviewed by the Audit Committee before submission to the Board. The Annual Report, Financial 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 www.akmestarihfc.in. The financial results of the Company are generally published in the English and Hindi newspapers such as Financial Express and Jai Rajasthan.

Presentations made to institutional investors or to the analysts are uploaded on the stock exchanges and the company's website www.akmestarihfc.in

- **General Shareholders Information: 15th Annual General Meeting:**

1.	Day & Date	24th October, 2020
2.	Time	12.30 p.m.
3.	Venue	Akme Business Center (ABC) 4-5 Subcity Center, Savina Circle, Udaipur
4.	Financial Reporting Calendar	Financial Year April to March
5.	Dates of Book Closure	18th October, 2020 to 24th October, 2020
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



• **Shareholding Pattern of the Company as at March 31, 2020:-**

• **Equity Shares**

Category	No. of Shares	% of Shareholding
A. Shareholding of Promoter and Promoter Group		
1. Indian		
(i) Individuals/ Hindu Undivided Family	54,99,100	35.09
(ii) Bodies Corporate	10,88,000	6.94
2. Foreign -	-	-
Total A	6587100	42.03
B. Public Shareholding		
1. HUF	426110	2.72
2. Individual		
a.) Indian National	4920685	31.40
b.) Foreign National	73203	0.47
	4993888	34.59
3. Clearing Members	71144	0.45
4. Body Corporate	3595258	22.94
Total B	9086400	57.97
Total A+B	15673500	100.00%

• **Distribution of Shareholding as at March 31, 2020:-**

Shareholding of Nominal		No. of Shareholders	% of Total Shareholders	Share Amount (in Rs)	% of Total Capital
Rs	Rs				
0	20000	531	63.52	16,76,800	1.07
20001	50000	56	6.70	19,15,600	1.22
50001	100000	125	14.95	96,44,800	6.15
100001	500000	83	9.9	32,33,72,24	14.91
500001	1000000	17	2.03	1,23,44,920	7.88
1000001	5000000	20	2.39	4,68,96,040	29.92
5000001	10000000	4	0.48	6,08,84,600	38.85
Total		836	100	15,67,35,000	100

Address for Correspondence:-

Registrar and Transfer Agents

Big Share Services Private Limited
302, Kushal Bazar, 32-33, Nehru Place,
New Delhi-110019
Tele-011-42425004 , 011-47565852
Email: bss@bigshareonline.com

Akme Star HFC Secretarial Department

Paritosh Kothari
Compliance Officer & Company Secretary
Akme Business Centre, 4-5 Subcity Centre
Savina Circle, Udaipur 313002
Tel: 0294-2489501
Email: compliance@akmestarihfc.in

• **Separate Section for Investor Information on Company's website**

Shareholders are requested to visit www.akmestarihfc.in 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 compliance@akmestarthfc.in in 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.

- **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

- **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, 2020 100% of the share capital of the Company representing 15673500 equity shares were held in dematerialized form.

Market Information

Month	High ASHFL	Low ASHFL	Sensex Closing	Share Closing	ASHFL Average
Apr-19	70	54.2	39031.55	56.3	62.1
May-19	59.9	42.1	39714.2	52.75	51
Jun-19	59.55	42.35	39394.64	52	50.95
Jul-19	62.45	35	37481.12	41.55	48.725
Aug-19	46.95	35.1	37332.79	41	41.025
Sep-19	62	37	38667.33	58.9	49.5
Oct-19	72.9	45.15	40129.05	68.9	59.025
Nov-19	78	56.55	40793.81	67	67.275
Dec-19	82.9	61	41253.74	75.3	71.95
Jan-20	92.75	72	40723.49	81.45	82.375
Feb-20	86.5	74.8	38297.297	78.4	80.65
Mar-20	84	49.95	29468.49	59.85	66.975

- **Accounting Standards**

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

- **Listing of Equity Shares:**

Akme Star HFC's shares are listed on the BSE Ltd.

The Stock Code: 539017

The Company has arranged for the payment of the listing fees for the year 2020-21 as per the listing agreement with the respective stock exchanges.

- **Going Concern:**

The directors are satisfied that the Company has adequate resources to continue its business for the foreseeable future and

consequently consider it appropriate to adopt the going concern basis in preparing the financial statements.

• **Other useful information for Shareholders**

• 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.

• 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.

• Shares held in Electronic Form

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

• Shares held in Physical Form

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

• Service of documents through electronic mode

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

• Financial year:

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

• Outstanding GDRs / ADRs / warrants:

No warrant is pending for allotment or conversion on as on date.

• SEBI toll-free helpline service for investors: 1800 22 7575 or 1800 266 7575 (available on all days from 10:00 a.m. to 6:00 p.m. excluding declared holidays).

• 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

We, 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 2019-20.

Sd/-

Ashish Jain

Chairman & Managing Director

DIN- 02041164

Sd/-

Paritosh Kothari

Company Secretary

M.No.A36550

Place: Udaipur

Date: 29.09.2020

CORPORATE GOVERNANCE CERTIFICATE 2019-20

ANNEXURE-I

AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members,
AKME Star Housing Finance Limited
Akme Business Center(ABC) 4-5 Subcity Center, Savina Circle, Udaipur - 313001

We have examined the compliance of conditions of Corporate Governance by AKME Star Housing Finance Limited, ("the Company") for the year ended on March 31, 2020, as stipulated in Regulations 17 - 27, clause (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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. 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.

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

Sd/-
CA Manoj Jain
Partner
Membership No. 400459
UDIN: 20400459AAAADW1375

Place: Udaipur
Date: 24.09.2020



ANNEXURE-II

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

To
The Members
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 examined the relevant registers, records, forms, returns and disclosures received from the Directors of Akme Star Housing Finance Limited having CIN: L45201RJ2005PLC020463 and having registered office at Akme Business Centre (ABC), 4-5 Subcity Centre Savina Circle, Opp. Krishi Upaz Mandi, Udaipur-313002

(hereinafter referred to as "The Company"), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr.No.	Name of Director	DIN	Date of Appointment
1	Mr. Nirmal Kumar Jain	00240441	21.03.2005
2	Mr. Kalu Lal Jain	00451442	14.05.2011
3	Mr. Ashish Jain	02041164	29.07.2017
4	Mr. Amrit Singh Rajpurohit	02173432	15.07.2013
5	Dr. Rekha Jain	07703994	29.07.2017
6	Mr. Suresh Chandra Gupta	08527990	12.08.2019
7	Mr. Kavish Jain	02041197	18.05.2020
8	Mr. Amlendra Prasad Saxena	06964564	14.09.2020

Note:

- Mr. Kalulal Jain has been resigned from the post of Director of the company w.e.f. 17.05.2020.
 - Mr. Suresh Chandra Gupta has been resigned from the post of Directors of the company w.e.f. 30.07.2020.
 - Mr. Kavish Jain has been appointed as Additional Executive Director of the company w.e.f. 18.05.2020.
 - Mr. Amlendra Prasad Saxena has been appointed as Additional Non-Executive & Independent Director of the company w.e.f. 14.09.2020.
- Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.
 - This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Ronak Jhuthawat & Co.
(Company Secretaries)

Sd/-
Ronak Jhuthawat
Proprietor
FCS: 9738 CP: 12094

Place: Udaipur
Date: 23. 09. 2020
UDIN: FO09738B000756825

CEO/CFO CERTIFICATE

2019-2020

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

1. We have reviewed financial statements and the cash flow statement of AKME Star Housing Finance Limited for the year ended 31st March, 2020 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/-
Natesh Narayanan
Chief Financial Officer
PAN: AFDPR1097N

Sd/-
Ashish Jain
Managing Director
DIN: 02041164

Date: 29.09.2020
Place: Udaipur

INDEPENDENT AUDITOR'S REPORT



H.R. JAIN & Co.

CHARTERED ACCOUNTANTS

310-313, Arihant Plaza, Near State Bank of India, Udiyapole, Udaipur 313001

INDEPENDENT AUDITOR'S REPORT

To,

The Members of

AKME STAR HOUSING FINANCE LIMITED,

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

We have audited the financial statements of Akme Star Housing Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, changes in equity and its cash flow for the year ended on that date

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the

Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

EMPHASIS OF MATTER

We draw your attention to Note 6 (iii) to the financial statements which explain the uncertainties and the management's assessment of the financial impact due to the lock-downs and other restrictions and conditions related to the Covid-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Further, pursuant to the Reserve Bank of India ('RBI') Covid-19 Regulatory Package, the Company has offered a moratorium on the payment of instalments to all eligible borrowers classified as standard as on February 29, 2020. As a result, ageing of the accounts which have opted for moratorium, has been determined with reference to days past due status as of February 29, 2020. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

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

Key Audit Matter	
Impairment of loans to customers	Our response to the Key audit Matter
- The Company reported total gross loans of 7710.15 Lakhs and 101.33 Lakhs of expected credit loss provisions as on March 31, 2020 (Refer Note 6). - Key judgements and estimates (Refer Note 32) in respect of the timing and measurement of expected credit losses (ECL) include:	Our audit procedures included testing the design and operating effectiveness of key controls across the processes relevant to the ascertainment and measurement of ECL. These controls/ processes included the allocation of assets into stages, model governance, data accuracy and completeness, credit monitoring, multiple economic

Impairment of loans to customers	Our response to the Key audit Matter
- Allocation of assets to stage 1, 2, or 3 using criteria in accordance with the Indian Accounting Standard 109; - Accounting interpretations and modeling assumptions used to build the models that calculate the ECL; - Completeness and accuracy of data used to calculate the ECL; - Inputs and assumptions used to estimate the impact of multiple economic scenarios; – Completeness and valuation of post model adjustments; - Measurements of individually assessed provisions including the assessment of multiple scenarios; and - Accuracy and adequacy of the financial statement disclosures	- The criteria used to allocate an asset to stage 1, 2 or 3 in accordance with Ind AS 109 were evaluated. Assets in stage 1, 2 and 3 were reviewed to verify that they were allocated to the appropriate stage. - With the support of the team of modelling specialists employed by the Company to make the models, we tested the assumptions, inputs and formulas used in a sample of ECL models. This included assessing the appropriateness of model design and formulas used, the 'Probability of Default', 'Loss Given Default', 'Exposure at Default', historical loss rates used and the valuation of collateral. - To verify data quality, calculation of the data used in the ECL was tested by reconciling to source systems. To test credit monitoring, risk ratings were checked for a sample of performing loans. - Appropriateness of forecasted macroeconomic variables, such as GDP, Money supply and House Price Index, were evaluated. - The completeness and appropriateness of post model adjustments was assessed. - The adequacy and appropriateness of disclosures for compliance with the Ind AS including disclosure of Ind AS 107 was ascertained

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, for example, Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

The other information is expected to be made available to us after the date of this auditors' report. When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate

accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also

responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in

- (i) planning the scope of our audit work and in evaluating the results of our work; and
- (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (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 'I' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, based on our audit we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of written representations received from the directors as on March 31, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 'II'.

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company does not have any pending litigations which would impact its financial position.
 - i. The Company did not have any long term contracts including any derivative contracts for which there were 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

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

Sd/-
Manoj Jain
Partner
M.No.400459

Place: Udaipur
Date: 30.07.2020
UDIN: 20400459AAAACE3297

BALANCE SHEET

As at 31st March, 2020

INR in Lacs

PARTICULARS	Note No.	As at 31.3.2020	As at 31.03.2019	As at 01.04.2018
A. ASSETS				
1 FINANCIAL ASSETS				
a Cash and cash equivalents	5	110.19	306.67	112.29
b Loan	6	8,269.24	6,333.45	4,949.59
c Investments	7	356.14	356.14	356.14
d Other Financial Assets	8	105.14	75.78	51.92
Total Financial Assets		8,840.71	7,072.05	5,469.93
2. NON-FINANCIAL ASSETS				
a. Deferred tax assets (net)		36.14	(4.34)	24.25
b. Property, plant and Equipment	9A	100.47	98.48	101.06
c. Intangible Assets	9B	20.23	1.42	0.90
d. Other Non Financial Assets	10	96.52	92.72	94.80
Total Non-Financial Assets		253.37	188.27	221.01
Total Assets		9,094.08	7,260.32	5,690.94
B. LIABILITIES AND EQUITY LIABILITIES				
1 FINANCIAL LIABILITIES				
a Borrowings	11	3,769.58	4,174.73	2,932.08
b Other Financial Liabilities	12	35.73	5.42	101.86
Total Financial Liabilities		3,805.30	4,180.15	3,033.94
2. NON-FINANCIAL LIABILITIES				
a Provisions	13	9.85	2.30	0.71
b Other Non-Financial Liabilities	14	31.45	26.16	19.52
Total Non-Financial Liabilities		41.30	28.45	20.23
3. EQUITY				
a Equity Share Capital	15	1,567.35	1,207.90	1,207.90
b Other Equity	16	3,680.12	1,843.81	1,428.87
Total Equity		5,247.47	3,051.71	2,636.77
Total Liabilities and Equity		9,094.08	7,260.32	5,690.94

Overview and significant accounting policies

1 to 4

The accompanying notes are an integral part of the financial statements
In terms of our report of even date

For HR JAIN & CO.

Chartered Accountants
ICAI FRN-000262C

Sd/-

CA MANOJ JAIN

Partner
Membership No.400459

Place: Udaipur

Date: 30.07.2020

FOR AND ON BEHALF OF THE BOARD OF DIRECTOR

Sd/-

Nirmal Kumar Jain

Director
DIN: 00240441

Sd/-

Natesh Narayanan

Chief Financial
Officer

Sd/-

Ashish Jain

Managing Director
DIN: 02041164

Sd/-

Paritosh Kothari

Company Secretary
M.No: A36550



STATEMENT OF PROFIT AND LOSS

For the Period Ended 31st March 2020

PARTICULARS	Note No.	INR in Lacs	
		For the Period ended 31.03.2020	For the Period ended 31.03.2019
1. REVENUE FROM OPERATIONS	17		
a Interest Income		1578.30	1161.23
b Fees and Commission Income		12.13	11.36
Total Income		1590.44	1172.59
2. EXPENDITURE			
a Finance Cost	18	491.82	451.35
b Impairment of Financial Instruments (Expected Credit Losses)	19	82.81	5.40
c Employee Benefits Expenses	20	202.58	74.65
d Depreciation and Amortization Expenses	21	4.23	3.21
e Other Expenses	22	196.53	42.48
Total Expenditure		977.96	577.10
3. PROFIT BEFORE TAX(1-2)		612.48	595.49
4. TAX EXPENSES	23		
a Current Tax		148.92	156.61
b Deferred Tax		(40.48)	28.59
5. PROFIT FOR THE PERIOD (3-4)		504.04	410.29
Other Comprehensive Income		-	-
6. TOTAL OTHER COMPREHENSIVE INCOME		-	-
7. TOTAL COMPREHENSIVE INCOME(5+6)		504.04	410.29
Earning Per Share (of Rs. 10/- each)	24		
Basic		3.69	3.40
Diluted		3.69	3.33

Overview and significant accounting policies

1 to 4

The accompanying notes are an integral part of the financial statements
In terms of our report of even date

For HR JAIN & CO.Chartered Accountants
ICAI FRN-000262C

Sd/-

CA MANOJ JAIN

Partner

Membership No.400459

Place: Udaipur

Date: 30.07.2020

FOR AND ON BEHALF OF THE BOARD OF DIRECTOR

Sd/-

Nirmal Kumar Jain

Director

DIN: 00240441

Sd/-

Natesh Narayanan

Chief Financial

Officer

Sd/-

Ashish Jain

Managing Director

DIN: 02041164

Sd/-

Paritosh Kothari

Company Secretary

M.No: A36550

STATEMENT OF CHANGES IN EQUITY

For the Period Ended 31st March 2020

INR in Lacs

A EQUITY SHARE CAPITAL			
Particulars	As at 31.3.2020	As at 31.03.2019	As at 01.04.2018
Authorised Share Capital			
170,00,000 Equity Shares @ 10 Each	1700.00	1400.00	1400.00
(Previous Year 1,40,00,000 Equity Shares)			
Issued, Subscribed, Called Up & Paid Up Share Capital			
15673500 Equity Shares @ 10 Each	1567.35	-	-
12079000 Equity Shares @ 10 Each	-	1207.90	1207.90
Total	1567.35	1207.90	1207.90

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

INR in Lacs

Particulars	As at 31.3.2020		As at 31.03.2019		As at 01.04.2018	
	No. of Share	₹ In Lacs	No. of Share	₹ In Lacs	No. of Share	₹ In Lacs
At the beginning of the year	12,079,000	1207.90	12,079,000	1,207.90	11,86,9000	1186.90
Add: Share issued during the year	3,594,500	359.45	-	-	210000	21.00
Outstanding at the end of the year	15,673,500	1567.35	12,079,000	1,207.90	12,079,000	1207.90

INR in Lacs

B. OTHER EQUITY								
Particulars	Reserves and surplus			Other Equity				
	Share premium reserve	Special Reserve	Retained Earnings	Equity Instruments through other comprehensive income	Revaluation Surplus	Covid 19 Impairment Reserve	Money received against share warrants	Total other equity attributable to equity holders
Balance as at April 01, 2018	348.89	196.37	512.54	268.14	55.68	-	47.25	1428.87
Transfer to special reserve	-	119.10	(119.10)	-	-	-	-	-
Profit for the year	-	-	410.29	-	-	-	-	410.29
Other	-	-	4.65	-	-	-	-	4.65
Balances as at March 31, 2019	348.89	315.47	808.38	268.14	55.68	-	47.25	1,843.81
Equity shares issued during the Year	1,379.52	-	-	-	-	-	-	1,379.52
Transfer to special reserve	-	122.50	(122.50)	-	-	-	-	-
Profit for the year	-	-	504.04	-	-	-	-	504.04
Transfer to Impairment reserve	-	-	(76.92)	-	-	76.92	-	-
Others	-	-	-	-	-	-	(47.25)	(47.25)
Balances as at March 31, 2020	1,728.41	437.97	1,113.01	268.14	55.68	76.92	-	3,680.12

For HR JAIN & CO.
Chartered Accountants
ICAI FRN-000262C

FOR AND ON BEHALF OF THE BOARD OF DIRECTOR

Sd/-
CA MANOJ JAIN
Partner
Membership No.400459

Sd/-
Nirmal Kumar Jain
Director
DIN: 00240441

Sd/-
Ashish Jain
Managing Director
DIN: 02041164

Place: Udaipur
Date: 30.07.2020

Sd/-
Natesh Narayanan
Chief Financial
Officer

Sd/-
Paritosh Kothari
Company Secretary
M.No: A36550



Statement Of Cash Flow For The Year Ended 31st.03.2020

INR in Lacs

Particulars	For the Period ended 31.03.2020	For the Period ended 31.03.2019
Cash flow from operating activities		
Net profit Before Tax and exceptional items	612.48	595.49
Adjustment For :		
Depreciation and Amortisation Expenses	4.23	3.21
Provision for ECL	47.97	5.40
Bad debts Written-off	34.84	-
Operating cash flow before working capital changes	699.52	604.10
Decrease/(Increase) in other financial assets	(29.36)	(23.87)
Decrease/(Increase) in other Non- financial assets	(3.80)	2.08
Increase/(Decrease) in Other financial liabilities	30.30	(96.43)
Increase/(Decrease) in Other non financial liabilities	5.29	6.64
Increase/(Decrease) in Provision	7.56	1.59
Increase/(Decrease) in cash credit	391.46	(343.37)
Cash From/(Used) for Operations	1100.96	150.73
(Increase)/Decrease in loans	(2018.60)	(1389.26)
Less: Taxes Paid	(148.92)	(151.96)
Net Cash Generated From Operating Activities (A)	(1066.56)	(1390.49)
Cash flow from investing activities		
Purchase of Fixed Assets	(25.03)	(115)
Net Cash flow from investing activities (B)	(25.03)	(115)
Cash flow from financing activities		
Cash flow from issue of Shares	359.45	-
Share premium received	1379.52	-
Release Share Warrant	(47.25)	-
Borrowing Taken	-	1586.02
Repayment of Borrowings	(796.61)	-
Net cash flow from financing activities (C.)	895.11	1586.02
Net Increase in cash and cash equivalents (A+B+C)	(196.48)	194.38
cash and cash equivalents as at beginning of the year	306.67	112.29
cash and cash equivalents	110.19	306.67

Note:

a) The cash flow statements have been prepared under the indirect method as set out in Indian Accounting Standard ("IND AS 7") statements of Cash Flow.

b) Figures in the brackets indicate outflow.

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

The accompanying notes are an integral part of the these financial statements. In terms of our report of even date

For HR JAIN & CO.

Chartered Accountants

ICAI FRN-000262C

Sd/-

CA MANOJ JAIN

Partner

Membership No.400459

Place: Udaipur

Date: 30.07.2020

FOR AND ON BEHALF OF THE BOARD OF DIRECTOR

Sd/-

Nirmal Kumar Jain

Director

DIN: 00240441

Sd/-

Natesh Narayanan

Chief Financial

Officer

Sd/-

Ashish Jain

Managing Director

DIN: 02041164

Sd/-

Paritosh Kothari

Company Secretary

M.No: A36550

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2020

1. Reporting entity

Akme Star Housing Finance Limited (The company), was incorporated on March 21st, 2005 and headquartered at Udaipur, India. The company is registered with National Housing Bank (NHB) under section 29A of the National Housing Bank Act, 1987 with effect from 24th December 2009. The company is primarily engaged in the business of providing loans to individuals, corporate and developers for the purchase, construction, development and repair of houses, apartments and commercial properties in India. The Company is a public listed company and its shares are listed on Bombay Stock Exchange (BSE), India.

2. Basis of preparation

2.1 Statement of compliance and basis of Preparation and Presentation

The standalone financial statements ("financial statements") have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 as per Section 133 of the Companies Act, 2013 and relevant amendment rules issued thereafter ("Ind AS") on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained below, the relevant provisions of the Companies Act, 2013 (the "Act") and the guidelines issued by the National Housing Bank ("NHB") to the extent applicable.

The standalone financial statements comply with all material aspects of the Indian Accounting Standards (IndAS) notified under the Companies (Indian Accounting Standards) Rule, 2015 and the relevant provisions of the National Housing Bank Act, 1987 and the Housing Finance Company Directions, 2010 as amended from time to time.

The standalone financial statements are prepared in accordance with the provisions contained in section 129 of the Companies Act, 2013, read with Division III of schedule III.

Effective from April 1, 2019, the Company has

adopted Ind AS and the adoption was carried out in accordance with Ind AS 101 and First time Adoption of Indian Accounting Standards, with effect from April 1, 2018 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended ("IGAAP"), which were the previous generally accepted accounting principle.

The standalone financial statements are presented in Indian Rupee (₹) and all values are rounded off to the nearest rupees in Lacs, except where otherwise indicated.

2.2 Presentation of financial statements

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

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

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

2.3 Functional and presentation currency

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

2.4 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the for certain financial instruments that are measured at fair values.

2.5 Use of estimates and judgments

Preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expense. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgments

(i) Business model assessment

Classification and measurement of financial assets depend on the results of the assessment of sole payment of principle and interest (SPPI) and the business model test. The company determines the business model at a level that reflects how group of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and measured, the risks that affects the performance of the assets and how these are being managed. The company monitors the financial assets on a continuous basis to assess whether the business model for which the financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of the assets.

(ii) Fair value of financial instruments

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

(iii) Effective interest rate (“EIR”) method

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

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

(iv) Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgment, in particular, the estimation of the amount and the timing of the future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

(v) Provisions and other contingent liabilities

The company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. Cases where company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows probable, it recognises a provision against the same. Where the probability of outflow is considered remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed for the same.

3. Significant accounting policies

3.1 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

A. Interest Income

Interest income on financial instruments is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate applicable.

EIR method

Under Ind AS 109, interest income is recorded using the effective interest rate method for all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument, or when appropriate, a shorter period to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and cost that are an integral part of the EIR. The company recognise interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of financial instrument.

If expectations regarding the cash flow on the financial assets are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through interest income in the statement of profit and loss.

The company calculates the interest income by applying EIR to the gross carrying amount of financial assets other than credit impaired assets.

When a financial asset becomes credit impaired and is, therefore, regarded as 'stage-3', the company calculates interest income on the net basis. If the financial asset cures and is no longer credit impaired, the company reverts to calculating interest income on gross basis.

B. Fee and Commission Income

Fee and commission income include fees other than those that are an integral part of EIR. The company recognises the fee and commission income in accordance with the terms of the relevant contracts / agreement and when it is probable that the Company will collect the consideration.

C. Other Income

Other Income represent income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

3.2 Financial instrument-initial recognition

A. Date of recognition

Financial assets and liabilities, with the exception of loans, debt securities, deposits and borrowing are initially recognised on the trade date, i.e., the date that the company becomes a party to the contractual provisions of the instrument. Loans are recognised when fund transfer is initiated or disbursement cheque is issued to the customer. The Company recognises debt securities, deposits and borrowing when funds are received by the Company.

B. Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

C. Measurement categories of financial assets and liabilities

The company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at amortised cost.

3.3 Financial assets and liabilities

A. **Financial assets**

Business model assessment

The company determines its business model at the level that best reflects how it manage group of financial assets to achieve its business objective.

The company's business model is not assessed on an instrument-by-instrument basis; but at a higher level of aggregated portfolio and is based on observable factors such as:-

- a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the company's key management personnel.
- b) The risk that affects the performance of the

business model (and the financial assets held within that business model) and in particular, the way those risks are managed.

- c) The expected frequency, value and timing of sales are also important aspects of the company's assessment.

SPPI test

As a second step of its classification process, the company assesses the contractual terms of financial asset to identify whether they meet SPPI test.

Principal for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the company applies judgment and considers relevant factors such as the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement that do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, financial assets are measured as follows

- i) Financial assets carried at amortised cost (AC)
A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are sole payments of principals and interest on the principal amount outstanding.
- ii) Financial assets at fair value through other comprehensive income (FVTOCI)
A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling

financial assets and the contractual terms of financial assets give rise on specified dates to cash flows that are sole payments of principal and interest on the principal amount outstanding.

- iii) All other Financial assets at fair value through profit or loss (FVTPL)

Financial assets: subsequent measurement and gains and losses

- i) Financial assets at fair value through profit and loss (FVTPL)

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit or loss.

- ii) Financial assets carried at amortised cost (AC)

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gains and losses on derecognition is recognised in statement of profit and loss.

B. Financial liability

- i) Initial recognition and measurement

All financial liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liability, which are not at fair value through profit or loss, are adjusted to fair value on initial recognition

- ii) Subsequent measurement

Financial liabilities are carried at amortised cost using the effective interest method.

3.4 Reclassification of financial assets and liabilities

The company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The company did not reclassify any of its financial assets or liabilities in the year ended 31st March, 2020

3.5 Derecognition of financial assets and liabilities

A. Derecognition of financial assets due to substantial modification of terms and conditions.

The company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially it becomes a new loan, with the difference recognized as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes.

B. Derecognition of financial Instruments other than due to substantial modification**i) Financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial assets expire or it transfers the right to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership are transferred and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss.

Accordingly, gain on sale or derecognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109. Also, the company recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset.

ii) Financial liability

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference

between the carrying value of the original financial liability and the consideration paid is recognised in the statement of profit and loss.

3.6 Impairment of financial assets**A. Overview of ECL Principles**

In accordance with Ind AS 109, the company uses ECL model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL)

Expected credit losses are measured at fair value through a loss allowance at an amount equal to:

- i) the 12 months expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date or,
- ii) full lifetime expected credit losses that result from all possible default events over the life of the financial instrument.

The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

Based on the above, the company categorizes its loans into stage 1, stage 2 and stage 3, as described below:

Stage 1:

When loans are first recognised, the company recognises an allowance based on 12 months ECL. Stage 1 loans include those loans where there is no significant credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2 or stage 3.

Stage 2:

When a loan has shown a significant increase in credit risk since origination, the company recreates an allowance for the lifetime ECL. Stage 2 loans also include facilities where the credit risk has improved and the loan has been reclassified from stage 3.

Stage 3:

Loans considered credit impaired are the loans which are past due for more than 90 days. The company records an allowance for life time ECL.

Loan commitments:

When estimating LTECLs for undrawn loan commitments, the company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

The mechanics of ECL calculations are outlined below and the key elements are as follows:

PD:

Probability of default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD:

Exposure at default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayment of principal and interest.

LGD:

Loss given default ("LGD") is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The company has calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans and discounted at an approximation to the EIR. At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward looking estimations are analysed.

The mechanics of the ECL method are summarised below:

Stage 1:

The 12 months ECL is calculated on the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date. The company calculates the 12 months following the reporting date. These expected 12 months default probabilities are applied to forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2:

When a loan has shown a significant increase in credit risk since origination (if financial asset is more than 30 days past due), the company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3:

For loans considered credit impaired (if financial asset is more than 90 days past due), the company recognises the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%.

B. Loans and advances measured at FVOCI

The ECLs for loans and advances measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equals to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

C. Forward looking information

In its ECL models, the company relies on a broad range of forward looking macro parameters and estimated the impact on the default at a given point of time.

- i) Gross domestic products
- ii) Domestic demand
- iii) Current economic Conditions prevailing in the market (like COVID-19 Pandemic)

3.7 Presentation of allowance for expected credit losses in the balance sheet

Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

3.8 Write-offs

Financial assets are written off when the company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in the statement of profit and loss.

3.9 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the company has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value measurements under Ind AS are categorised into fair value hierarchy based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access on measurement date.
- Level 2 inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 where unobservable inputs are used for the valuation of assets or liabilities.

3.10 Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized

borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit and loss.

ii. Transition to Ind AS

On transition to Ind AS, the company has elected to revalue its immovable assets and revalued value has been considered as deemed cost of revalued assets. Company choose to continue with the carrying value of all other of its property, plant and equipment recognized as at April 1, 2018, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

iii. Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

iv. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the Written down value method, and is recognized in the statement of profit and loss.

The company follows estimated useful lives which are given under Part C of the schedule II of the Companies Act, 2013. The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset category	estimated useful life
Furniture and fittings	8 years
Office equipment	5 years
Computers	3 years

3.11 Intangible assets

i. Recognition and measurement

Intangible assets include those acquired by the company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortization and any accumulated impairment losses.

ii. Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

iii. Transition to Ind AS

On transition to Ind AS, the company has elected to continue with the carrying value of all of its intangible assets recognized as at 01 April, 2018 measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

iv. Amortization

Amortization is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight line method, and is included in depreciation and amortization in statement of profit and loss.

Asset category	estimated useful life
Computer Software	5 Year

Amortization method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

3.12 Impairment of non-financial assets

The Company determines periodically whether there is any indication of impairment in the carrying amount of its non-financial assets. The recoverable amount (higher of net selling price and value in use) is determined for an individual asset, unless the asset does not generate cash

inflow that are largely independent of those from other assets or group of assets. The recoverable amounts of such assets are estimated, if any indication exists and impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

3.13 Employee benefits

i. **Post employee benefits**

Defined contribution plan

The Company's contribution to provident fund is considered as defined contribution plan and is charged as an expense as they fall due based on the amount of contribution required to be made and when the services are rendered by the employees.

Defined benefit plans

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. Accordingly, company is making provision for the liability as on date of gratuity in the books of accounts.

Short term employee benefit

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive which are expected to occur within 12 months after the end of the year in which the employee renders the related service.

3.14 Provisions, contingent liabilities and contingent assets

Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of

past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation, when the effect of the time value of money is material, the company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or; present obligation that arises from past events where it is not probable that an amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

Contingent asset

A contingent asset is a probable asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of company. Contingent assets are neither recognized nor disclosed in the financial statements.

3.15 INCOME TAX

Income tax comprises current and deferred tax. It is recognized in Statement of profit or loss except to the extent that it relates to a business combination or to an item recognized directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set

off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purpose and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for.

- a) Temporary "differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction;
- b) Temporary differences related to investments in subsidiaries, associates and joint arrangements, to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- c) Taxable temporary differences arising on the initial recognition of goodwill."

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The Existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax assets can be realized. Deferred tax assets-unrecognized or recognized, are reviewed at each reporting date and are recognized/reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company accepts, at the reporting date, to recover or settle the

carrying amount of its assets & liabilities.

Deferred tax assets & liabilities are offset if there is a legally enforceable right to offset current tax liabilities & assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on a net basis or their tax assets and liabilities will be realized simultaneously."

3.16 Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowings of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use and are capitalized as part of the cost of the asset. All other borrowings costs are recognized as an expense in the profit & loss in the year in which they are incurred.

3.17 Cash & cash equivalents

Cash & Cash equivalents comprise cash on hand, cheques on hand and balance with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investment that are readily convertible into known amounts of cash & which are subject to insignificant risk of changes in value.

3.18 Segment reporting-identification of segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker (CODM) to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments & geographic segments.

3.19 Earnings per share

The Company reports basic & diluted earnings per equity share in accordance with Ind AS 33, Earnings Per Share. Basic Earnings per equity share is computed by dividing net profit/ loss after tax attributable to the equity share holders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed & disclosed by dividing the net profit/ loss after tax attributable to the

equity share holders for the year after giving impact of dilutive potential equity shares for the year by the weighted average number of equity shares & dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.

3.20 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from regular revenue generating, financing & investing activities of the Company is segregated.

3.21 Accounting of Leases

Under Ind AS 116 a contract is, or contains a lease, if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. On transition the Company undertook an assessment of all applicable contracts to determine if a lease exists as defined in Ind AS 116. However as per company assessment no contract falls under the definition of lease. This assessment will also be completed for each new contract or change in contract going forward. The Company has further elected not to recognise ROU assets and lease liabilities for leases of low value assets and for short-term leases (less than 12 months).

Note 4: New Technical Pronouncement

Ministry of Corporate Affairs (MCA) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2020.

Note 5: Cash and cash equivalents

INR in Lacs

Particulars	As at 31-03-2020	As at 31-03-2019	As at 01-04-2018
Balances with banks in current / cash credit accounts	43.12	300.41	107.10
Cash in hand	67.07	6.26	5.19
	110.19	306.67	112.29
(i) Earmarked balances with bank	-	-	-
(ii) Balances with bank to the extent held as margin money or security against the borrowings, guarantees, other commitments	-	-	-
(iii) Repatriation restrictions in respect of cash and bank balances	-	-	-

Note 6: Loans (at amortised cost)

INR in Lacs

Particulars	As at 31-03-2020	As at 31-03-2019	As at 01-04-2018
Term Loans			
Retail	5666.41	3876.36	2435.94
-Housing Loan	5356.40	3549.24	2108.81
-Non Housing Loan	310.01	327.12	327.14
Corporate Loan	2043.74	2510.45	2561.61
Total Gross	7710.15	6386.81	4997.55
Less: Impairment loss allowance	(101.33)	(53.36)	(47.96)
Total Net	7608.81	6333.45	4949.59
Others (ICD)	660.42	-	-
Total Loans	8269.24	6333.45	4949.59
Secured by tangible assets	7508.53	6097.49	4723.23
Unsecured	201.61	289.32	274.32
Total Gross	7710.15	6386.81	4997.55
Less: Impairment loss allowance	(101.33)	(53.36)	(47.96)
Total Net	7608.81	6333.45	4949.59
Others (ICD)	660.42	-	-
Total Loans	8269.24	6333.45	4949.59
Public Sector	-	-	-
Others	7710.15	6386.81	4997.55
Total Gross	7710.15	6386.81	4997.55
Less: Impairment loss allowance	(101.33)	(53.36)	(47.96)
Total Net	7608.81	6333.45	4949.59
Others (ICD)	660.42	-	-
Total Loans	8269.24	6333.45	4949.59

- i. Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.
- ii. Loans granted by the Company are secured by equitable mortgage/registered mortgage of the property and/or undertaking to create a security and/or personal guarantees and/or hypothecation of assets and/or assignments of life insurance policies.
- iii. In accordance with the RBI guidelines relating to COVID 19 Regulatory Package dated March 27, 2020 and April 17, 2020, the Company granted moratorium of three months on payments of all installments and/or interest falling due after March 1, 2020 till

May 31, 2020 to all eligible borrowers. For all such accounts where the moratorium is granted, the prudential asset classification and stage movement has been kept on stand still during the moratorium period.

The Company has used the principle of prudence in applying judgments, estimates and possible forward looking scenarios to assess and provide for the impact of the COVID-19 pandemic on the Financial Statements specifically while assessing the expected credit loss on financial assets by applying the customer profiling within salaried and self-employed portfolio and management overlays, approved by its Board of Directors. This has resulted in an additional provision of Rs. 31.59 lakh against financial assets. As per RBI circular relating to COVID-19 regulatory package Company has created a additional reserve as Impairment Reserve amounting to Rs. 76.92 lacs on the accounts where Moratorium benefit is extended.

This impact is consistent with the outcomes from the base case scenario modelling that was performed by the Company. The base case scenario was modelled based on the facts and circumstances existing at March 31, 2020 and forecasts of future economic conditions and supportable information that was available in that date and includes significant management judgement.

6.1) An analysis of changes in the gross carrying amount* and the corresponding ECL allowances

Particulars	31-03-20				• 31-03-19			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross Carrying amount opening balance	5115.85	1162.42	108.54	6386.81	4657.10	280.90	59.54	4997.55
Assets repaid (excluding write offs)*	1552.10	216.46	21.03	1789.60	578.40	89.50	6.90	674.80
Transfers from Stage 1**	(612.52)	532.46	80.06	0.00	(799.68)	763.37	36.30	0.00
Transfers from Stage 2**	592.93	(698.92)	105.99	0.00	1.78	(6.58)	4.80	0.00
Transfers from Stage 3**	1.21	0.00	(1.21)	0.00	9.53	0.00	(9.53)	0.00
Amounts written off	3.02	0.00	31.82	34.84	0.00	0.00	0.00	0.00
New assets originated	3034.92	96.43	16.43	3147.77	1825.51	214.23	24.32	2064.07
Gross carrying amount closing balance	6577.26	875.93	256.96	7710.15	5115.85	1162.42	108.54	6386.81

The gross carrying value includes Housing Loan, Builder Loan and other Loan & Advances.

* Excludes the unamortised component of sourcing cost/ income which is adjusted as part of loan balances.

** Represents the balance outstanding as at beginning of the year, net of repayments made during the year, if any.

The repayments are forming part of " Assets repaid (excluding write offs)".

6.2) Reconciliation of ECL balance is given below:

Particulars	31-03-20				31-03-19			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	22.46	25.46	5.44	53.36	26.46	6.62	14.89	47.96
Addition during the year	26.84	19.89	1.24	47.97	0.00	18.84	0.00	18.84
Reversal during the year	0	0	0	0	3.99	0.00	9.45	13.44
ECL allowance - closing balance	49.31	45.35	6.68	101.33	22.46	25.46	5.44	53.36

The contractual amount outstanding on loans that have been written off during the year, but were still subject to enforcement Activity is 34.84 lacs as at 31.03.2020 (31.03.2019 Nil.)

Note 7: Investments

Particulars	INR in Lacs		
	As at 31-03-2020	As at 31-03-2019	As at 01-04-2018
Investments in India			
Equity instruments (Unquoted)	356.14	356.14	356.14
Total gross	356.14	356.14	356.14
Investments outside India	-	-	-
Total gross	356.14	356.14	356.14

Note 7: Investments

INR in Lacs

Particulars	As at 31-03-2020	As at 31-03-2019	As at 01-04-2018
Less: Allowance for impairment loss	-	-	-
Total net	356.14	356.14	356.14
Equity Instrument Fair Valued through Other Comprehensive Income	356.14	356.14	356.14
Less: Allowance for impairment loss	-	-	-
Total net	356.14	356.14	356.14

Note 8: Other financial assets

INR in Lacs

Particulars	As at 31-03-2020	As at 31-03-2019	As at 01-04-2018
Interest accrued but not due on Loans	46.05	22.75	29.31
Other Deposits	27.40	27.19	-
Other Receivables	0.96	0.55	-
Security deposit	30.72	25.29	22.60
Total	105.14	75.78	51.92

Note 9 A: Property plant and equipment

INR in Lacs

Particulars	Gross Carrying Value			Depreciation		Net Carrying Value				
	As at March 31, 2019	Addition during the	Adjustmen ts/Deducti ons during the year	As at March 31, 2020	As at April 1, 2019	For the Year	Adjustmen ts/Deducti ons during the year	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Land	92.56	-	-	92.56	-	-	-	-	92.56	92.56
Furniture & Fixtures	2.16	0.24	-	2.39	0.56	0.43	-	0.98	1.41	1.60
Vehicle	14.92	-	-	14.92	11.22	1.15	-	12.38	2.54	3.70
Computers & printer	3.11	3.87	-	6.98	2.65	0.91	-	3.56	3.42	0.46
HP Laptop	0.37	-	-	0.37	0.36	0.00	-	0.37	0.00	0.00
Other Equipment	0.23	0.49	-	0.71	0.06	0.11	-	0.17	0.54	0.17
Total	113.34	4.59	-	117.93	14.85	2.61	-	17.46	100.47	98.48

Particulars	Gross Carrying Value			Depreciation		Net Carrying Value				
	As at March 31, 2018	Addition during the	Adjustmen ts/Deducti ons during the year	As at March 31, 2019	As at April 1, 2018	For the Year	Adjustmen ts/Deducti ons during the year	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Land	92.56	-	-	92.56	-	-	-	-	92.56	92.56
Furniture & Fixtures	2.16	-	-	2.16	-	0.56	-	0.56	1.60	2.16
Vehicles	14.92	-	-	14.92	9.54	1.68	-	11.22	3.70	5.38
Computers & printer	2.87	0.24	-	3.11	2.04	0.61	-	2.65	0.46	0.83
HP Laptop	0.37	-	-	0.37	0.36	0.01	-	0.36	0.00	0.01
Other Equipment	0.13	0.10	-	0.23	0.00	0.06	-	0.06	0.17	0.13
Total	113.01	0.33	-	113.34	11.95	2.91	-	14.85	98.48	101.06

Particulars	Gross Carrying Value			Depreciation				Net Carrying Value		
	Opening	Addition during the year	Adjustments/Deductions during the year	As at March 31, 2018	As at April 1, 2017	For the Year	Adjustments/Deductions during the year	As at March 31, 2018	As at March 31, 2018	As at April 01, 2017
Land	92.56	-	-	92.56	-	-	-	-	92.56	92.56
Furniture & Fixtures	-	2.16	-	2.16	-	-	-	-	2.16	-
Vehicles	14.92	-	-	14.92	7.10	2.44	-	9.54	5.38	7.82
Computers & printer	2.58	0.30	-	2.87	1.13	0.91	-	2.04	0.83	1.45
HP Laptop	0.37	-	-	0.37	0.35	0.01	-	0.36	0.01	0.02
Other Equipment	-	0.13	-	0.13	0.00	0.00	-	0.00	0.13	-
Total	110.42	2.58	-	113.01	8.57	3.37	-	11.95	101.06	101.85

company has elected to revalue its immovable assets and revalued value have been considered as deemed cost of revalued assets. Company choose to continue with the carrying value of all other of its property, plant and equipment recognized as at April 1, 2018, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

Note 9 B: Other Intangible Assets

Particulars	Gross Carrying Value			Amortisation				Net Carrying Value		
	As at March 31, 2019	Addition during the year	Adjustments/Deductions during the year	As at March 31, 2020	As at April 1, 2019	For the Year	Adjustments/Deductions during the year	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Software	3.63	14.54	-	18.17	2.22	1.62	-	3.84	14.33	1.41
Jaguar Software WIP	-	5.90	-	5.90	-	-	-	-	5.90	-
Total	3.63	20.44	-	24.07	2.22	1.62	-	3.84	20.23	1.41

Particulars	Gross Carrying Value			Amortisation				Net Carrying Value		
	As at March 31, 2018	Addition during the year	Adjustments/Deductions during the year	As at March 31, 2019	As at April 1, 2018	For the Year	Adjustments/Deductions during the year	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Software	2.81	0.82	-	3.63	1.91	0.30	-	2.22	1.41	0.90
Total	2.81	0.82	-	3.63	1.91	0.30	-	2.22	1.41	0.90

Particulars	Gross Carrying Value			Amortisation				Net Carrying Value		
	Opening	Addition during the year	Adjustments/Deductions during the year	As at March 31, 2018	As at April 1, 2017	For the Year	Adjustments/Deductions during the year	As at March 31, 2018	As at March 31, 2018	As at April 01, 2017
Software	2.81	-	-	2.81	1.69	0.22	-	1.91	0.90	1.12
Total	2.81	-	-	2.81	1.69	0.22	-	1.91	0.90	1.12

Note 10: Other Non-Financial Assets

INR in Lacs

Particulars	As at 31-03-2020	As at 31-03-2019	As at 01-04-2018
Prepaid (Exp. & Rent)	4.71	6.62	13.72
Software Advances	-	5.90	-
Other Advances	91.84	80.07	78.62
Duties and taxes	(0.03)	0.13	2.45
Total	96.52	92.72	94.80

Note 11: Borrowings other than debt securities (at Amortised Cost)

INR in Lacs

Particulars	As at 31-03-2020	As at 31-03-2019	As at 01-04-2018
Secured			
Term loans from banks and FI's (Refer Note 11.1)	3034.98	3969.27	2383.25
Cash Credit and working capital demand loans from banks (Refer Note 11.2) BOB CC and AUCC	596.91	205.45	548.83
Other Borrowings	137.69	-	-
Total	3769.58	4174.73	2932.08
Borrowings in India	3769.58	4174.73	2932.08
Borrowings outside India	-	-	-
Total	3769.58	4174.73	2932.08

Note 11.1 Details of terms of redemption / repayment and security provided in respect of term loans:

Particulars	Amount	Terms of demption / repayment	Security	ROI
Term loans from banks/Fis				
Bank Of Baroda- Car Loan	4.72	Repayable in 84 monthly installments of Rs. 20780/- each	Hypothecation of Vehicle Make and model Toyota, Innova) and personal guarantee of Mr. Nirmal Kumar Jain	9.65%
Bank Of Baroda	335.36	Repayable in 20 quarterly installments (principle) of Rs. 36.80 Lacs each	Hypothecation of specific book debts with security coverage of 1.33 times. It is also collaterally secured by mortgage of commercial plot and personal guarantee of director Mr. Nirmal Kumar Jain, Mohan Lal Nagda (proposed to be replaced), Kalu Lal Jain and corporate guarantee of Akme Build Mart Pvt.	11.85%
State Bank Of India	968.65	Repayable in 60 monthly installments (principle) of Rs. 25.00 Lacs each	Hypothecation of specific book debts with security coverage of 1.30 times. It is also collaterally secured by mortgage of residential plot and personal guarantee of director Mr. Nirmal Kumar Jain, Dipesh Jain, Ashish Jain and Kavish Jain	10.25%
AU Small Finance Bank	249.90	Repayable in 60 monthly installments (principle) of Rs. 8.33 Lac each	Hypothecation of specific book debts with security coverage of 1.10 times and personal guarantee of director Mr. Nirmal Kumar Jain and Mohan Lal Nagda	12.15%
MAS Financial Services Limited-TL 1A	311.16	Repayable in 48 monthly installments (principle) of Rs. 10.41 Lac each	Hypothecation of specific book debts with security coverage of 1.00 times and personal guarantee of Mr. Nirmal Kumar Jain.	13.55%
MAS Financial Services Limited-TL 1B	310.95	Repayable in 48 monthly installments (principle) of Rs. 10.41 Lac each	Hypothecation of specific book debts with security coverage of 1.00 times and personal guarantee of Mr. Nirmal Kumar Jain.	13.55%
Mahindra & Mahindra Financial Services Limited	122.21	Repayable in 36 monthly installments of Rs. 8.36 Lacs each	Hypothecation of specific book debts with security coverage of 1.10 times. It is also secured by 5% cash collateral of Rs. 12.50 Lacs and personal guarantee of Mr. Ashish Jain.	12.52%



Particulars	Amount	Terms of demption/ repayment	Security	ROI
Avanse Financial Services Ltd.	200.0	Repayable in 48 monthly installments of Rs. 7.93 Lacs each	Hypothecation of specific book debts with security coverage of 1.10 times and 5% cash collateral of Rs.15.00 Lacs in the form of Fixed deposit with Fincare Small Finance Bank and personal guarantee of Mr. Nirmal Kumar Jain and Ashish Jain	13.00%
Hinduja Housing Finance Limited	532.03	Repayable in 54 monthly installments (principle) of Rs.11.12 Lacseach	Hypothecation of specific book debts with security coverage of 1.10 times and personal guarantee of Mr. Nirmal Kumar Jain	12.75%
Total	3034.98	-	-	-

Note 11.2 Details of terms of redemption / repayment and security provided in respect of cash credits:

Particulars	Amount	Terms of demption/ repayment	Security	ROI
Cash Credit from banks				
Bank Of Baroda (Sanction Limit Rs.300 Lacs)	297.14	Repayment in 12 months	Hypothecation of specific book debts with security cover of 1.33 times. It is also collaterally secured by mortgage of commercial plot and personal guarantee of director Mr. Nirmal Kumar Jain, Mohal Lal Nagda (proposed to be replaced), Kalu Lal Jain and corporate guarantee of Akme Build Mart Pvt. Ltd.	11.85%
AU Small Finance Bank (Sanction Limit Rs.300 Lacs)	299.77	Repayment in 12 months	Hypothecation of specific book debts with security cover of 1.10 times and personal guarantee of director Mr. Nirmal Kumar Jain and Ashish Jain. Further it is secured by extension of charge over residential property of Mr. Mohan Lal Nagda.	12.15%
Total	596.91	-	-	-

Maturity pattern of repayment:

Particulars	Due within 1 yr		Due 1-3 yrs		Due 3-5 yrs		Due 5-10 yrs		Due 10 yrs		Total	
Maturities	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount
Rate of Interest												
9.01% - 10.00%	10	1.77	15	2.94	-	-	-	-	-	-	25	4.72
10-00% - 11.00%	10	243.65	24	600.00	5	125.00	-	-	-	-	39	968.65
11.00% - 12.00%	3	411.69	6	220.80	-	-	-	-	-	-	9	632.49
12.00% - 13.00%	36	590.22	74	647.07	15	166.62	-	-	-	-	125	1403.91
13.00% - 14.00%	18	184.61	42	437.50	-	-	-	-	-	-	60	622.11

Note 15: Equity Share capital

INR in Lacs

Particulars	As at 31-03-2020	As at 31-03-2019	As at 01-04-2018
Authorised Share Capital			
170,00,000 Equity Shares @ 10 Each	1,700.00	1,400.00	1,400.00
(prev. Year 1,40,00,000 Equity Shares)			
Issued, Subscribed, Called Up & Paid Up Share Capital			
15673500 Equity Shares @ 10 Each	1,567.35	-	-
12079000 Equity Shares @ 10 Each	-	1,207.90	1,207.90
Total	1,567.35	1,207.90	1,207.90

Note 15.1: Reconciliation of number of shares outstanding and the amount of share capital at the beginning and end of the year:

Particulars	As at March 31, 2020		As at March 31, 2019		Ap As at April 01, 2018	
	No. of shares	₹ in lacs	No. of shares	₹ in lacs	No. of shares	₹ in lacs
At the beginning of the year	12,079,000	1,207.90	12,079,000	1,207.90	11869000	1186.90
Add: Share issued during the year	3,594,500	359.45	-	-	210000	21.00
Outstanding at the end of the year	15,673,500	1,567.35	12,079,000	1,207.90	12,079,000	1207.90

Note 15.2: Details of shareholders holding more than 5% of equity shares in the Company:

Particulars	As at March 31, 2020		As at March 31, 2019		Ap As at April 01, 2018	
	No. of shares	% of Holding	No. of shares	% of Holding	No. of shares	% of Holding
Nirmal Kumar Jain	929,000	5.93%	854,000	7.07%	854,000	7.07%
PushpaNagda	1,156,560	7.38%	1,081,560	8.95%	378,960	3.13%
Arkfin Investments Pvt Ltd	3,369,500	21.50%	-	-	-	-
Kalu Lal Jain	-	-	633,400	5.24%	633,400	5.24%

1. The Company has issued 33,69,500 Equity shares to Arkfin Investments Private Limited through preferential Basis at a face value of Rs. 10 and Premium of Rs. 36 as approved in its Board meeting held on 26.10.2019.

2. The Company has allotted and converted 2,25,000 outstanding warrants into Equity shares at a face value of Rs.10 and premium of Rs.74 as approved in its Board Meeting held on 22.05.2019.

Note 16: Other Equity

Particular	Other equity							
	Reserves and surplus			Other comprehensive income				Total other equity attributable to equity holders of the company
	Share premium reserve	Special reserve	Retained earnings	Equity Instruments through other comprehensive income	Revaluation Surplus	Covid 19- Impairment Reserve	Money received against share warrants	
Balance as at April 01, 2018	348.89	196.37	512.54	268.14	55.68	0.00	47.25	1428.87
Transfer to special reserve	-	119.10	(119.10)	-	-	-	-	-
Profit for the year	-	-	410.29	-	-	-	-	410.29
Other	-	-	4.65	-	-	-	-	4.65
Balances as at March 31, 2019	348.89	315.47	808.38	268.14	55.68	-	47.25	1,843.81

Particular	Other equity							
	Reserves and surplus			Other comprehensive income				Total other equity attributable to equity holders of the company
	Share premium reserve	Special reserve	Retained earnings	Equity Instruments through other comprehensive income	Revaluation Surplus	Covid 19- Impairment Reserve	Money received against share warrants	
Equity shares issued during the year	1,379.52	-	-	-	-	-	-	1,379.52
Transfer to special reserve	-	122.50	(122.50)	-	-	-	-	-
Profit for the year	-	-	504.04	-	-	-	-	504.04
Transfer to Impairment reserve	-	-	(76.92)	-	-	76.92	-	-
Others	-	-	-	-	-	-	(47.25)	(47.25)
Balances as at March 31, 2020	1,728.41	437.97	1,113.01	268.14	55.68	76.92	-	3,680.12

Note 17: Revenue From Operations
INR in Lac

Particulars	As at 31-03-2020	As at 31-03-2019
Interest income on financial assets measured at amortised cost		
- Interest Income on loans to customers	1484.40	1131.20
- Other interest income	93.90	30.03
Total (A)	1578.30	1161.23
Fees and commission income		
-Service charges	0.31	
-Bad Debts Recovered		4.08
-Other charges	11.60	7.06
-Dividend Income	0.22	0.22
Total (B)	12.13	11.36
Income from other services	-	-
Total (C)	-	-
Total (A+B+C)	1590.44	1172.59

Note :18 Finance Cost
INR in Lac

Finance costs on financial liabilities measured at amortised cost		
Interest on borrowings		
- Interest on term loans	447.88	404.70
- Interest on cash credit and working capital demand loan	32.70	41.67
Other borrowing cost (incl. Bank Charges)	11.23	4.99
Total	491.82	451.35

Note 19: Impairment on financial instruments
INR in Lac

On financial assets measured at amortised cost		
Provision & Write offs		
-Impairment loss allowance on loans	47.97	5.40
-Bad Debts written off	34.84	
Total	82.81	5.40

Note 20: Employee benefits expenses

INR in Lacs

Particulars	As at 31-03-2020	As at 31-03-2019
Salaries, allowances and benefits	195.17	73.33
Contribution to provident and other funds	2.16	1.32
Gratuity Expenses	3.96	-
Staff welfare expenses	1.28	-
Total	202.58	74.65

Note 21: Depreciation and Amortization

INR in Lacs

Depreciation of property, plant and equipment	2.61	2.91
Amortisation of intangible assets	1.62	0.30
Total	4.23	3.21

Note 22: Other Expenses

INR in Lacs

Advertising Exp.	3.25	0.67
Annual Listing Exp.	3.27	2.73
Audit Fees	1.16	1.68
Business Promotion Exp.	1.82	3.05
Commission	2.82	-
Computer & Software Exp.	1.52	0.97
Conveyance	1.51	1.51
Credit Rating Exp.	1.36	0.49
Donation	0.20	-
Electricity Exp	1.53	1.44
Insurance Expenses	1.88	2.41
Office Exp.	5.20	2.43
Office Rent Exp.	6.04	7.50
Penalty & Fine	0.04	-
Postage and courier	0.34	0.10
Printing & Stationery	1.11	1.35
Professional & Technical fee	150.28	7.99
Repair & Maintenance Expenses	0.23	2.35
ROC Filling Fees	3.01	0.10
Stamp & Franking Charges	-	0.04
Telephone Expenses	0.12	0.21
Travelling Expenses	4.95	2.38
Legal and Recovery Exp.	2.11	-
Security Deposit Rent	2.77	3.10
Total	196.53	42.48

Note 23: Tax Expenses

INR in Lacs

Particulars	As at 31-03-2020	As at 31-03-2019
The components of income tax expense are:		
Current tax	148.92	156.61
Deferred tax	(40.48)	28.59
Total	108.44	185.20

Note 23.1: Reconciliation of tax expense and the accounting profit multiplied by statutory income tax rate for the year ended March 31, 2020 and March 31, 2019 is as follows:

Particular	As on 31.3.2020	As on 31.3.2019
Accounting profit before tax	656,846	598,137
Statutory Income tax rate (%)	25.17%	27.82%
Tax at statutory Income Tax rate	165.33	166.40
Tax Impact of:		
Income not subject to tax	(5.33)	(2.91)
Non deductible expenses	6.58	4.85
Deduction under section 36 (1) (viii)	(16.85)	(13.92)
Other Deduction	(0.81)	2.19
Deferred Tax (Assets)/ Liability	(40.48)	28.59
Income tax expense	108.44	185.20
Income tax expenses booked in P&L	108.44	185.20
Effective tax rate	16.51%	30.96%

Note 23.2: Deferred Tax

The components of Deferred Tax assets and Liabilities as on 31.03.2020 and 31.03.2019 are as follows

Particulars	31.03.2020	31.03.2019
Opening Balance (Deferred Tax Assets)	(4.34)	24.25
Deferred Tax Assets:		
Unamortised Processing Fee	8.00	0.00
Impairment of Financial Assets	25.51	13.43
Difference between tax depreciation and depreciation/amortization charged for the financial reporting	-	1.07
Others	8.53	9.30
Gross deferred Tax Asset (A)	37.69	48.05
Deferred Tax Liabilities:		
Unamortised Processing Fee	-	22.56
Difference Between WDV of fixed Assets and as per Co. Act, 2013 and Income tax Act, 1961	2.26	-
Unamortised Borrowing Cost	3.63	5.58
Gross Deferred Tax Liabilities (B)	5.89	28.14
Net Deferred Tax Asset/ (Liability)	36.14	(4.34)
Amount (debited)/ Credited in Profit and Loss account	40.48	(28.59)

Note 24: Earning per share

i) The Earnings Per Share (EPS) is calculated as follows:

Particulars	Unit	Year ended March 31, 2020	Year ended March 31, 2019
a) Amount used as the numerator for basic EPS profit after tax	(in Rs.)	50403903	41,028,960
b) Weighted average number of equity shares for basic EPS	Number	13670458	12,079,000
c) Weighted average number of equity shares for diluted EPS	Number	13670458	12,304,000
d) Nominal value per share	(in Rs.)	10	10
e) Earnings per share:			
- Basic (a/b)	(in Rs.)	3.69	3.40
- Diluted (a/c)	(in Rs.)	3.69	3.33

Note 25: Related Party Transactions**(As required by INDAS 24 - Related Party Disclosures)**

Name of the Related Party	Nature of Relationship
Mr. Nirmal Kumar Jain (ED)	Key Management Personnel
Mr. Ashish Jain (Managing Director)	Key Management Personnel
Mrs. Rekha Jain	Non Executive Independent Director
Mr. Amrit Singh Rajpurohit	Non Executive Independent Director
Mr. B.S. Kachhawaha (ex-CFO)	Key Management Personnel
Mr. Paritosh Kothari (Company Secretary and Compliance officer)	Key Management Personnel
Mr. Natesh Narayanan (CFO)	Key Management Personnel
Mr. Kavish Jain (Director)	Relative of key Management personnel
Mr. Dipesh Jain	Relative of key Management personnel
Mrs. Manju Devi Jain	Relative of key Management personnel
Mr. Anil K. Sachidanad	Key Management personnel in Associate Entity
Akme Fintrade India Ltd	Significant Influence by key Management personnel
The Coronation Castles Pvt Ltd	Significant Influence by key Management personnel
Arkfin Investments Pvt Ltd	Enterprises which hold more than 20% of equity shares

Transactions with Related Parties

The nature & volume of transactions of the Company during the year, with the above related parties were as follows. These transactions were carried out in ordinary course of business and were at arm's length price:

Name of the Related Party	Nature of Transactions	INR in Lacs	
		31-03-20	31-03-19
Mr. Nirmal Kumar Jain (Executive Director)	Remuneration	36.00	10.00
Mr. Ashish Jain (Managing director)	Remuneration	36.00	13.50
Dr. M.L.Nagda	Remuneration	-	1.00
Mr. B.S. Kachhawaha (ex-CFO)	Salary	4.80	1.20
Mr. Paritosh Kothari (Company Secretary and Compliance officer)	Salary	4.80	3.45
Mr. Natesh Narayanan (CFO)	Salary	1.50	0.00
Mr. Kavish Jain (Brother of Managing Director - Ashish Jain)	Salary	24.00	4.00
Mr. Dipesh Jain	Salary	-	5.50
Mrs. Manju Devi Jain	Salary	-	6.00
Mr. Anil K. Sachidanad	Professional Services	24.00	-
Akme Fintrade (India) Ltd	Inter Corporate Borrowings	137.69	-
The Coronation Castles Private Limited	Hospitality Services	1.03	-
Arkfin Investments Pvt Ltd	Professional Services	60.00	-
Arkfin Investments Pvt Ltd	3369500 Equity Share Allotted @ 46/- (face value 10/- and 36/- premium)	1549.47	-

Note :The remuneration to the key management personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

26. Segment reporting

An operating segment is a component of the company that emerges in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the company's management to make decisions about resources to be allocated to the segments and assess their performance. The MD is considered to be the chief operating decision maker ('CODM') within the purview of Ind AS 108 operating segments.

The CODM considers the entire business of the company on a holistic basis to making operating decisions and thus there are no segregated operating segments. The company is engaged into the business of providing housing loans and property loans. The CODM of the company reviews the operating results of the company as a whole and therefore not more than one reportable segment is required to be disclosed by the company as envisaged by Ind AS 108 operating segments. Accordingly, amounts appearing in these financial statements relates to the business of providing housing loans and property loans.

The company does not have any separate geographic segment other than India. As such there are no separate reportable segments as per IND AS 108 operating segments.

27. Contingent liabilities and commitments

- Contingent liabilities - there is no contingent liability as at 31-03-2020(31-03-2019:Nil)
- Commitments - there is no significant capital commitment as at 31-03-2020(31-03-2019:Nil)

30. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled. With regards to the loans and advances to customers, the company uses the same basis of expected repayment behavior as used for estimating the EIR.

Particulars	As at 31.3.2020			As at 31.3.2019			As at 01.04.2018		
	Within 12 months	After 12 month	Total	Within 12 months	After 12 month	Total	Within 12 months	After 12 months	Total
ASSETS									
Financial assets									
Cash and cash equivalents	110.19	-	110.19	306.67	0	306.67	112.29	-	112.29
Loans	1561.82	6707.42	8269.24	1455.45	4878.00	6333.45	998.59	3951.00	4949.59
Investments	-	356.14	356.14	0	356.14	356.14	0	356.14	356.14
Other financial assets	53.13	52.01	105.14	26.18	49.60	75.78	29.32	22.60	51.92
Deferred tax assets	-	36.14	36.14	-	(4.34)	(4.34)	-	24.25	24.25
Property, plant and equipment	-	100.47	100.47	-	98.48	98.48	-	101.06	101.06

28. Retirement benefits

(a) Defined contribution plans:

The company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund, which is defined contribution plan. The company has no obligation other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognized as an expense towards contribution to provident fund for the year aggregated to INR 2.78 Lacs(PY 0.79 Lacs).

(b) Defined benefit plan:

Gratuity

Company has made provision of Gratuity liability amounting to Rs. 3.96 Lacs during the financial year.

(c) Other long term employee benefits

There was no other liability.

29. Dues to Micro, Small and Medium enterprises as per MSMED Act 2006

There is no amount that need to be disclosed in accordance with the Micro Small and Medium Enterprises Development Act, 2006 (the MSMED) pertaining to Micro or Small enterprises, as no supplier has intimated the company about its status as micro or small enterprises or its registration with the appropriate authority under MSMED.

Particulars	As at 31.3.2020			As at 31.3.2019			As at 01.04.2018		
Intangible assets	-	20.23	20.23	-	1.42	1.42	-	0.90	0.90
Other non financial assets	6.79	89.74	96.53	14.25	78.47	92.72	17.12	77.67	94.79
TOTAL ASSETS	1731.93	7362.15	9094.08	1802.55	5457.77	7260.32	1157.32	4533.62	5690.94
LIABILITIES									
Financial liabilities:									
Borrowings	1569.65	2199.93	3769.58	1192.00	2983.00	4175.00	1032.00	1900.08	2932.08
Other financial liabilities	35.73	-	35.73	5.42	-	5.42	101.86	-	101.86
Non-financial liabilities:									
Provisions	5.89	3.96	9.85	2.30	-	2.30	0.71	-	0.71
Other non-financial liabilities	31.45	-	31.45	26.16	-	26.16	19.52	-	19.52
TOTAL LIABILITIES	1642.72	2203.89	3846.61	1225.88	2983.00	4208.88	1154.09	1900.08	3054.17
NET	89.21	5158.26	5247.47	576.67	2474.77	3051.44	3.23	2633.54	2636.77

31. Financial Instrument Fair Value Measurement

a). Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31.03.2020 were as follows:

INR in Lacs

Particulars	Carrying Amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets not measured at fair value*					
Cash and cash equivalents	110.19				
Loans	8269.24			8269.24	8269.24
Investments			356.14		356.14
Other financial assets	105.14				
Total	8840.71				
Financial liabilities not measured at fair value*					
Trade payables	-				
Borrowings	4174.73			4174.73	4174.73
Other financial liabilities	5.42				
Total	4180.15				

The carrying value and fair value of financial instruments by categories as at 31.03.2021 were as follows:

Particulars	Carrying Amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets not measured at fair value*					
Cash and cash equivalents	306.67				
Loans	6333.45			6333.45	6333.45
Investments			356.14		356.14
Other financial assets	75.78				
Total	7072.04				
Financial liabilities not measured at fair value*					
Trade payables	-				
Borrowings	3769.58			3769.58	3769.58
Other financial liabilities	35.72				
Total	3805.30				

The carrying value and fair value of financial instruments by categories as at 01.04.2018 were as follows:

Particulars	Carrying Amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets not measured at fair value*					
Cash and cash equivalents	112.29				
Loans	4949.59			4949.59	4949.59
Investments	356.14		356.14		356.14
Other financial assets	51.92				
Total	5469.94				
Financial liabilities not measured at fair value*					
Trade payables	-				
Borrowings	2932.08			2932.08	2932.08
Other financial liabilities	101.86				
Total	3033.94				

*The company has not disclosed the fair value s for financial instruments which are short term in nature because their carrying amounts are a reasonable approximation of fair value.

b. Measurement of Fair Value

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the financial statements. These fair values were calculated for disclosure purpose only.

Short Term financial assets and liabilities

For financial assets and financial liabilities that have a short term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value.

Such instruments include: cash and cash equivalent, other financial assets (excluding security deposit), trade payables and other financial liability.

Loans and advances to customers

In case of retail loans and term loans with floating rates, the interest rate represents the market rate. Consequently the carrying amount represents the fair value.

Term Loan with fixed rate: - The fair values estimated by discounted cash flow model that incorporates assumptions for credit risk, probability of default and loss given default estimates. As per management assumptions, the fair value of the loans & advances has been at par with the carrying value of the portfolio considering the fact that the competitive interest rates in the operational area of the company and the portfolio in which the company has exposure are more or less as per prevailing market rates.

Investments

The fair values estimated by discounted cash flow model that incorporates assumptions for credit risk, probability of default and loss given default estimates.

Borrowings

In case of borrowings with floating rates, the interest rate represents the market rate. Consequently the carrying amount represents the fair value.

Transfer between Levels I and II

There has been no transfer in between level I and level II.

c. Capital

The company maintains an activity managed capital base to cover risks inherent in the business and is meeting the capital adequacy of the local regulatory body, National Housing Bank (NHB). The adequacy of the Company's capital is monitored using, among other measures the regulation issued by NHB.

The Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company's capital management.

Capital Management

The Primary objectives of the company's capital management policy are to ensure that the Company complies with externally imposed capital requirement and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder value.

The company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment of shareholders, return capital to shareholder or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the board.

32. Financial Risk Management Objectives and Policies

The Company's Principal financial liabilities comprise borrowings. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include loans, cash, and cash equivalents, investments and other financial assets and that derives directly from its operations.

The Company is exposed to credit risk; liquidity risk and market risk. The Company's board of directors has an overall responsibility for the establishment and the oversight of the company's risk management framework. The board of directors had established the risk management for developing and monitoring the Company's risk management committee, which is responsible for developing and monitoring Company's risk management. The committee reports regularly to the boards of directors on its activities.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risk and adherence to limit. Risk management policies and systems are

reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's risk management committee oversees how management monitors compliance with the Company's risk management policies and the procedures, and reviews the adequacy of the risk management framework in the relation to the risk faced by the Company.

(i) Credit Risk

Credit Risk is the risk of financial loss to the company if a customer or counter party to financial instruments fails to meet its contractual obligations and arises primarily from the company's loan and investments.

The carrying amounts of financial assets represent the maximum credit risk exposure.

A. Loans and Advances

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry.

The risk management committee has established a credit policy under which every new customer is analyzed individually for credit worthy before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information etc.

The Company's gross exposure to credit risk for loans and investments by type of counterpart is as follows:

Particulars	INR. in Lacs		
	As at 31 Mar 2020	As at 31 Mar 2019	As at 1 Apr 2018
Retail Loan	5666.41	3876.36	2435.94
Corporate Loan	2043.74	2510.45	2561.61
Investments	356.14	356.14	356.14
Total	8066.29	6742.95	5353.69

The above exposures are entirely concentrated in India. There is no overseas exposure.

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the loan receivables are categorized into groups based on days past due. Each group is then assessed for impairment using the Expected Credit Loss (ECL) model as per the provisions of Ind AS 109- Financial instruments.

Staging

As per the provisions of Ind AS 109 general approach all financial instruments are allocated to stage 1 on initial recognition. However, If a significant increase to credit risk is identified at the reporting date as compared with the initial recognition, then an instrument is transferred to stage 2. If there is objective evidence of impairment, then the asset is credit impaired and transferred to stage 3.

The Company considers a financial instruments defaulted and therefore stage 3 (credit- impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

For Financial assets in stage 1, the impairment calculated based on defaults that are possible in next twelve months, whereas for financial instruments in stage 2 and 3 the ECL calculation considers default event for the lifespan of the instrument.

As per Ind AS 109, Company assesses whether there is a significant increase in credit risk at the reporting date from the initial recognition. Company has staged the assets based on the day past dues criteria and other market factors which significantly impacts the portfolio.

DAYS PAST DUE STATUS	STAGE	PROVISIONS
Current	Stage 1	12 Months Provision
1-30 days	Stage 1	12 Months Provision
31-60 days	Stage 2	Lifetime Provision
61-90 days	Stage 2	Lifetime Provision
90+ days	Stage 3	Lifetime Provision

Grouping

As per Ind AS 109, Company is required to group the portfolio based on the shared risk characteristics. Company has assessed the risk and its impact on the various portfolios and has divided the portfolio into following groups:

- Retail Loans (Housing and Non housing Loans)
- Other Loan & Advances
- Builder and Developer loans

Impairment-Expected Credit Loss ("ECL"):

The accounting standard, Ind AS 109 does not specifically prescribe any methodology for computing ECL. However, entities are required to adopt sound and market acceptable methodologies which are in line with the size, complexity and risk profile of the financial entity for computing the ECL. The Company uses following three main components to measure ECL:-

- Probability of default (PD)
- Loss given default (LGD).
- Exposure at default (EAD).

Probability of default (PD):

PD is defined as the probability of whether borrowers will default their obligations in an ensuring period of 12 months. Historical PD is derived from the HFCs internal data calibrated with forward looking macro economic factors.

For computation of probability of default company has considered three years Historical data and the current Macroeconomic conditions along with probable Impacts of COVID-19. Based on these factors PD has been worked out.

Loss Given default (LGD):

LGD is an estimate of the loss from a transaction given that a default occurs. Under Ind AS 109, Lifetime LGD's are defined as collection of LGD's estimates applicable to different future periods.

Various approaches are available to compute the LGD. Company has considered workout LGD approach.

The following steps are performed to calculate the LGD.

- Haircut was applied on the value of the collateral (asset cost) as of reporting date.
- The outstanding amount was adjusted with the haircut adjusted collateral value.
- LGD has been computed using the outstanding amount in step 2.

Over and above the LGD has been floored using regulatory guidelines.

Exposure at default ("EAD")

As per Ind AS 109, EAD is estimation of the extent to which the financial entity may be exposed to counterparty in the event of default and at the time of counterparty's default. Company has modeled EAD based on the contractual and behavioral cash flows till the lifetime of the loan and considering the expected prepayments.

Company has considered expected cash flows for all loans at DPD bucket level for each of the segments which were used for computation for ECL. Moreover, the EAD comprised of principal component, accrued interest on the outstanding exposure for the ensuring 12 months. So discounting was done for computation of expected credit loss

ECL Computation

INR in Lacs

Proportion of expected credit loss provided for across the state in summarized below:

Particulars	As at March 2020	As at March 2019	As at 1 April 2018
Stage1	49.30	22.46	26.45
Stage 2	45.35	25.46	6.62
Stage 3	6.68	5.44	14.89
Amount of expected Credit loss provided for	101.33	53.36	47.96

The loss rates are based on actual credit loss experience over past years. These loss rates are then adjusted approximately to reflect differences between current and historical economic conditions and the Company's view of prevailing economic conditions over the expected lives of the loan receivable.

Movement in provision of expected credit loss has been provided in below note.

Movement of ECL

INR in Lacs

Particulars	As at March 2020	As at March 2019
Opening provision of ECL	53.36	47.96
Addition of during the year	47.97	18.84
Utilization/ reversal during the year	-	13.44
Closing provision of ECL	101.33	53.36

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral. The main types of collateral obtained are mortgaged properties based on the nature of loans. Management monitors the market value of collateral in accordance with underlying agreement. The Company advances loan to maximum extent of 80% of the value of the mortgaged properties.

(ii) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities

when due.

The company is monitoring its liquidity risk by estimating the future inflows and outflows during the start of the year and planned accordingly the funding requirement. The company manages the liquidity by unutilized cash credit facility, term loan and the direct assignment.

The composition of the Company's liability mix ensures healthy asset liability maturity pattern and well diverse resource mix.

The total cash credit and working capital limit available to the Company is INR 600 Lakh spread across 2 banks. The utilization level is maintained in such a way that ensures sufficient liquidity on hand.

Majority of the Company's portfolio is individual housing loans. The company does not have any off book asset under management.

The table below summarizes the maturity profile of the Company's non-derivative financial liabilities based on contractual discounted payments along with its carrying value as at the balance sheet date.

Particulars	INR in Crore					
	As at 31 March 2020		As at 31 March 2019		As at 01 April 2018	
	Borrowing	Trade payable	Borrowing	Trade Payable	Borrowing	Trade payable
1 day to 30/31 days (one month)	0.27	-	0.65	-	0.18	-
Over 1 month to 2 months	-	-	0.65	-	0.08	-
Over 2 months to 3 months	-	-	1.02	-	0.70	-
Over 3 months to 6 months	2.60	-	2.12	-	1.14	-
Over 6 months to 1 year	11.45	-	7.48	-	8.22	-
Over 1 year to 3 years	19.08	-	21.45	-	10.94	-
Over 3 years to 5 years	2.92	-	8.38	-	8.06	-
Over 5 years	-	-	-	-	-	-
Total	36.32	-	41.75	-	29.32	-

(iii) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest rate risk and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to the company's investment in bank deposits and variable interest rate on borrowings and lending. Whenever there is a change in borrowing interest rate for the company, necessary change is reflected in the lending interest rates over the timeline in order to mitigate the risk of change in interest rates of borrowings.

The sensitivity analysis has been carried out based on the exposure to interest rates lending and borrowing carried at variable rate.

Particulars	INR in Lacs			
	As at 31 March 2020		As at 31 March 2019	
	Decrease by 100 bps	Increase by 100 bps	Decrease by 100 bps	Increase by 100 bps
Impact on profit before tax for the year- Gain/(Loss)	-36.14	36.14	-21.55	21.55

(iv) Foreign currency risk

The company does not have any instrument denominated or traded in foreign currency. Hence such risk does not affect the company.

33. Explanation of transition to IND AS

As stated in note 2.1 these are the company's first financial statement prepared in accordance with IND AS. For the year ended 31st March, 2019 the company had prepared its financial statements in accordance with companies (Accounting standards) rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act (previous GAAP).

The accounting policies set out in note 3 have been applied in preparing these financial statement for the year ended 31st March 2020 including the comparative information for the year ended 31st March 2019 and the opening IND AS balance sheet on the date of transition i.e. 1st April 2018.

In preparing its Ind AS balance sheet as at 1st April 2018 and in presenting the comparative information for the year ended 31st March 2019, the company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows.

Optional exemption available and mandatory exceptions

In preparing these financial statements, the company has applied the below mentioned optional exemptions and mandatory exceptions.

33.1 Optional exemptions available

As per Ind AS 101 an entity may elect to:

- (i) Measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date
- (ii) Use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provide the revaluation was, at the date of the revaluation, broadly comparable to:
 - Fair value
 - Or cost or depreciated cost under Ind AS adjusted to reflected for example, changes in a general or specific price index
 - The elections under (i) and (ii) above are also available for intangible, assets that meets the recognition criteria in Ind AS 38, intangible Assets,
- (iii) Use carrying values of property, plant and equipment and intangible assets that meets the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustment relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

AS permitted by Ind AS 101, the company has elected to value the immovable property and fair value and continue with the carrying values under previous GAAP for all the other items of property, plant and equipment and intangible assets. The carrying value of property, plant and equipment as aforesaid are after making adjustment relating to impairment, if any.

33.2 Mandatory exceptions

(i) Accounting Estimates

As per Ind AS 101 an entity's estimates are in accordance with Ind AS at the date transition to Ind AS at the end comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimate made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimate should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect condition that existed at the date of transition (for presenting comparative information as per Ind AS.)

The company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statement that were not required under the previous GAAP are listed below:

- Impairment of financial assets based on the expected credit loss model
- Determination of discount value for financial instruments carried at amortized cost
- EIR on borrowing and Loans and advances

(ii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of fact and circumstances existing as on the date of transition. Further the standard permits measurement of financial assets accounting at amortized cost based on fact and circumstance existing at the date of transition if retrospective application is impracticable.

Accordingly, the company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortized cost has been done retrospectively except where the same is impracticable.

(ii) Impairment of financial assets

The company being HFC Company is required to assess the impairment of financial assets based upon the new model i.e. ECL instead of rule based guidance (NHB/RBI Prudential Norms) as prevailed under previous GAAP.

Accordingly, the company has applied the impairment requirement of Ind-AS 109 on all financial assets recognized as per Ind-AS 109 retrospectively except.

1. The company has sought to approximate the credit risk on initial recognition by considering all reasonable and supportable information that is available without undue cost or effort.
2. The company has determined whether the financial asset is having low credit risk, as specified in Ind-AS 109, and whether there is a significant increase in credit risk since initial recognition of financial assets by applying rebuttable presumption of 30 days past due.
3. If the company is unable to determine whether there is a significant increase in credit risk since initial recognition of a financial asset, without involving undue cost or effort, the company shall recognize a loss amount equal to life time expected losses at each reporting date till the financial asset is derecognized.

Accordingly, the company has developed ECL model for testing of impairment of loans and advances.

33.3 Reconciliation of equity

(INR in Lacs)

	As at transition 01-04-2018			As at transition 31-03-2019		
	Previous IGAAP*	INDAS IMPACT	INDAS	Previous IGAAP*	INDAS IMPACT	INDAS
ASSETS						
Financial Assets						
- Cash and cash equivalents	112.29	-	112.29	306.67	-	306.67
- Loans	4971.58	(21.99)	4949.59	6348.19	(14.74)	6333.45
- Investments	88.00	268.14	356.14	88.00	268.14	356.14
- Other Financial assets	68.40	(16.49)	51.92	85.59	(9.80)	75.78
Total Financial Assets	5240.27	229.66	5469.93	6828.45	243.60	7072.05
Non- financial Assets						
- Deferred tax assets (net)	(7.66)	31.91	24.25	(17.45)	13.11	(4.34)
- Property, plant and Equipment	45.38	55.68	101.06	42.80	55.68	98.48
- Intangible Assets	0.90	-	0.90	1.42	-	1.42
- Other non-financial assets	106.50	(11.70)	94.80	119.59	(26.88)	92.72
Total Non-Financial Assets	145.12	75.89	221.01	146.36	41.91	188.27
Total Assets	5385.39	305.55	5690.94	6974.81	285.51	7260.32
LIABILITIES AND EQUITY						
LIABILITIES						
Financial Liabilities						
- Borrowings	2955.65	(23.56)	2932.08	4196.89	(22.16)	4174.73
- Other Financial liabilities	101.86	-	101.86	5.42	-	5.42
Total Financial Liability	3057.50	(23.56)	3033.94	4202.31	(22.16)	4180.15
Non-Financial Liabilities						
- Provisions	0.71	-	0.71	2.30	-	2.30
- other non-financial liabilities	19.52	-	19.52	26.16	-	26.16
Total Non Financial Liability	20.23	-	20.23	28.45	-	28.45
Equity						
- Equity Share capital	1207.90	-	1207.90	1207.90	-	1207.90
- Other Equity	1099.76	329.12	1428.87	1536.14	307.67	1843.81
Total Equity	2307.66	329.12	2636.77	2744.04	307.67	3051.71
Total Liabilities and Equity	5385.39	305.55	5690.94	6974.81	285.51	7260.32

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Particulars	As at April 01, 2018	As at March 31, 2019
Total Equity (as reported under previous GAAP)	2307.66	2744.04
Adjustment for:		
Effective interest rate Adjustment on financial assets and liabilities recognized at amortized cost	12.40	9.77
ECL effect on Financial Assets on Amortized Cost	(10.83)	(2.34)
Other Impacts	(28.19)	(36.68)
Tax Impact on above adjustments (including reversal of Deferred Tax Liability U/s 36(1)(viii) of Income Tax Act, 1961)	31.91	13.11
Total adjustment before OCI	2312.95	2727.90
Other Comprehensive Income (net of tax)	323.82	323.82
Total Comprehensive Income (net of tax) as per IND AS	2636.77	3051.72

33.4 Reconciliation of total comprehensive income for the year ended 31.03.2019

(INR in Lacs)

	Year ended 31 March 2019		
	Previous IGAAP*	Adjustments on Transition to Ind AS	Ind AS
Revenue from operations and other income	1180.018	(7.428)	1172.590
Total Income	1180.018	(7.428)	1172.590
Expenses			
Finance Cost	441.871	9.481	451.352
Impairment of Financial Instruments (expected credit loss)	14.215	(8.814)	5.401
Employee Benefits expenses	74.651	-	74.651
Depreciation and amortisation expenses	3.209	-	3.209
Other Expenses	47.936	(5.452)	42.484
TOTAL EXPENSES	581.881	(4.785)	577.096
Profit Before Tax (I-II)	598.137	(2.643)	595.494
- Tax Expenses			
- Current Tax	156.610	-	156.610
- Deferred Tax	9.795	18.799	28.594
Profit For the period (III-IV)	431.732	(21.442)	410.290
Particulars	Year Ended 31.03.2019		
Net Profit after tax as per previous GAAP	431.73		
Adjustment resulting in Increase/(decrease) in profit after tax as reported under previous GAAP :			
Effective interest rate for financial assets and liabilities recognised at amortised cost/ net interest on credit impaired loans :			
Impact of EIR on Financial Assets (Loans and Advances) and Financial Liabilities (Term Loans)	(2.71)		
Impact of Application of Expected Credit Loss	8.81		
Other Expenses and Income Impact	(8.75)		
Deferred Tax Impact	(18.80)		
Net Profit after Tax Under IND AS	410.29		
Other Comprehensive Income (net of tax)	-		
Total Comprehensive Income (net of tax) as per INDAS	410.29		

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

33.5 Notes to Ind AS first-time adoption

(i) Fair valuation of security deposits given towards rent of property

Under the previous GAAP, security deposits given towards rental property were presented at its transaction value. However as per Ind AS 109, security deposits given are measured at its fair value at the time of its initial recognition. The difference between the initial fair value and transaction value of such deposits are considered as additional rent payment made, and is amortized over the term of such deposit, these deposits are fair valued at the end of each period based upon applicable interest rates and an interest income is recognized in statement of profit and loss.

(ii) Impact of applying expected credit loss model on financial assets

On transition to Ind AS 109, the company has recognized impairment loss on financial assets based on the expected credit loss model as required by Ind AS 109. Consequently, financial assets primarily constituted by loans and investments have been provided for on the transition date with corresponding adjustment recognized in retained earnings.

(iv) EIR

Under previous GAAP, loan sourcing cost and sourcing income were recognized on amortization basis on straight line method, while under Ind AS, such costs are

included in the initial recognition amount of financial asset and recognized as interest income using effective interest method.

(v) Term loan processing fee

Based on Ind AS 109, financial liabilities in the form of term loans have been accounted at amortized cost using effective interest rate method. Hence processing fee paid on loan have been amortized using effective interest rate method as against amortized for the tenor of loan under previous GAAP.

(vi) Deferred tax

"Previous GAAP require deferred tax accounting using the profit and loss approach, which focused on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focused on temporary differences arising on account of transitional differences adjustments which were not required under previous GAAP. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the company has to account for such differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or a separate component equity"

(vii) Other comprehensive income

Under previous GAAP, the company did not present other comprehensive income (OCI) separately. Hence, it has reconciled previous GAAP profit to profit as per Ind AS. Further, previous GAAP profit is reconciled to total comprehensive income as Per Ind AS.

34. Subsequent event

35. Disclosure required as per Annexure 4 of the notification No. NHB.HFC.CG.DIR.1/MDCEO/2016 dated February 9, 2017 issued by NHB

(i) Capital to Risk Assets Ratio

(INR In Lacs)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
CRAR %	93.09%	70.92%
CRAR - Tier I capital %	91.47%	68.98%
CRAR - Tier II Capital %	1.61%	1.94%
Amount of subordinated debt raised as Tier II capital	-	-
Amount raised by issue of perpetual debt instruments	-	-
Unutilized amount at the end of the year	-	-

(ii) Reserve fund u/s 29C of NHB Act, 1987

Statutory reserve

The Company has transferred a sum of Rs. 122.50 lacs (Rs. 119.10 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 a sum of Rs.66.95 lacs (Rs.50.04 lacs) toward the reserve created under Section 36(1) (viii) of the Income Tax Act, 1961. Breakup of transfer of funds in both the reserves is as under:-

Particular	31 March 2020	31 March 2019
Balance at the beginning		
a) Statutory reserve as per section 29C of the National Housing Bank Act, 1987	197.75	128.69
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken in to account for the purpose of statutory reserve u/s 29C of National Housing Bank Act, 1987	117.72	67.68
c) Total	315.47	196.37
Addition/appropriation/withdrawals during the year		
Add:		
a) Amount transferred as per section 29C of the National Housing Bank Act, 1987	55.55	69.06
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of statutory reserve u/s 29C of the National Housing Bank Act, 1987	66.95	50.04
Less:		
a) Amount appropriated as per section 29C of the National Housing Bank Act, 1987	Nil	Nil
b) Amount withdrawn from special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of statutory reserve u/s 29C of the National Housing Bank Act, 1987	Nil	Nil
Balance at the end of the year	31 March 2020	31 March 2019
a) Statutory reserve as per section 29 C of the National Housing Bank Act, 1987	253.30	197.75
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of statutory reserve u/s 29C of the National Housing Bank act, 1987	184.67	117.72
c) Total	437.97	315.47

(iii) Investments

1.	Value of investment		
(i)	Gross value of investment		
	(a) In India	356.14	356.14
	(b) Outside India	-	-
(ii)	Provision for depreciation		
	(a) In India	-	-
	(b) Outside India	-	-
(iii)	Net value of investment		
	(a) In India	356.14	356.14
	(b) Outside India	-	-
2.	Movement of provisions held towards depreciation on investments		
	(i) Opening balance	-	-
	(ii) Add: Provisions made during the year	-	-
	(iii) Less: Write off/write back of excess provisions during the year	-	-
	(iv) Closing balance	-	-

(iv) Derivatives

There has been no forward rate contract/interest rate swap or any other derivative transaction carried out by the company during the year ended 31 March 2020 and 31 March 2019.

(v) Disclosures relating to securitization

There has been no securitization transaction carried out by the company during the year ended 31 March 2020 and 31 March 2019.

(vi) Asset liability management (ALM)

Maturity pattern of certain items assets and liabilities - as at 31 March 2020

(INR In Cr.)

Particulars	1 day to 30- 31 days	Over 1 month to 2 months	Over 2 month upto 3 months	Over 3 month upto 6 months	Over 6 month upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years upto 10 years	Over 10 years	Total
Liabilities										
Deposits	-	-	-	-	-	-	-	-	-	-
Borrowing from banks	0.27	-	-	1.27	8.72*	9.96	1.25	-	-	21.47
Borrowing from FI's	-	-	-	1.33	2.73	9.12	1.67	-	-	14.85
Market Borrowing	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-
Assets										
Advances	0.53	0.50	0.27	2.68	6.04	22.10	11.82	20.09	13.07	77.10
Investments	-	-	-	-	-	-	-	-	3.56	3.56
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-
Other Liquid Assets	1.12			0.02	0.02	0.07				1.23

Maturity pattern of certain items assets and liabilities – as at 31 March 2019 (INR In Cr.)

Liabilities										
Deposits	-	-	-	-	-	-	-	-	-	-
Borrowing from banks	0.33	0.33	0.70	1.30	4.79*	10.94	4.00	-	-	22.39
Borrowing from FI's	0.32	0.32	0.32	0.82	2.69	10.51	4.38	-	-	19.36
Market Borrowing	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-
Assets										
Advances	1.05	0.59	1.04	5.26	7.15	23.74	10.34	14.52	0.18	63.87
Investments	-	-	-	-	-	-	-	-	3.56	3.56
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-
Other Liquid Assets	3.06	-	0.02	-	0.02	0.08	0.02	-	-	3.20

*Cash credit from banks are usually for a period of 1 yr. as per the prevalent practice, these facilities are renewed on a year to year basis and therefore, are revolving in nature. Accordingly, repayments of cash credit borrowings from banking aggregating INR 6 crs.(outstanding Rs. 2.05 crores) has been distributed over the same period as the maturity pattern of assets on finance.

36. Disclosure required as per annexure 4 of the notification No. NHB.HFC.CG.DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB

A. Exposure to real estate sector			INR in Lacs	
	Category	Year ended 31.03.2020	Year ended 31.03.2019	
a)	Direct Exposure			
	i) Residential Mortgages - (Loan above Rs. 15.00 lacs)	3580.67	3475.60	
	(i) 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)	3927.86	2603.29	
	(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.	-	18.60	
	(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)	7508.53	6097.49	

A. Exposure to capital market

There is no exposure to capital market during the year ended 31 March 2020 and 31 March 2019.

B. Details of financing of parent company products

During the year, Company has not entered into any (a) derivative transaction, (b) securitisation and assignment transaction, (c) financing of Parent Company product, and (e) finance of any unsecured advances against intangible securities such as rights, licenses, authority etc as collateral security.

C. Details of single borrower limit (SGL)/group borrower limit (GBL)

The Company has not exceeded limit prescribed by National Housing Bank for Single Borrower Limit (SGL) and Group Borrower Limit (GBL).

D. Unsecured loans

There is no exposure to capital market during the year ended 31 March 2020 and 31 March 2019.



37. Disclosure required as per Annexure 4 of the notification NHB.HFC.CG.DIR.1/MD&CEO/2016 dated February 9, 2017

(i) Registration/ license/ authorization obtained from other financial sector regulators

Registration/ license	Authority issuing the registration/ license	Registration/ license reference
Certificate of registration	National Housing Bank	12.0080.09

(ii) Disclosure of penalties imposed by NHB and other regulators

Items	As at 31.03.2020	As at 31.03.2019
a) Penalty		
Penalty if any levied by National Housing Bank	NIL	NIL
b) Adverse remarks		
Adverse remarks if any given by national housing bank	NIL	NIL
c) Percentage of outstanding loans granted against collateral gold jewelry to their outstanding assets	NIL	NIL

(iii) Ratings assigned by credit rating agency and migration of ratings during the year

Facility	Rating Agency	31 March 2020	Date of Rating
Long term	Acuite Ratings & Research Limited	BBB-	24-10-2019

38. Disclosure pursuant to notification No. NHB.HFC.CG-DIR.1/2016 dated February 9, 2017 issued by NHB.

i) Provisions and contingencies

Particulars	31 March 2020	31 March 2019
Provisions for depreciation on investment -		
Provisions made towards income tax	24.28	23.54
Provisions towards non-performing assets	43.65	22.45
Provisions for standard assets	29.29	28.77
Other provisions and contingencies	5.89	2.30

(ii) Break up of loans and advances and provisions thereon

Particulars	Housing loan		Non-housing loan	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
Standard assets				
Total outstanding	7157.12	5962.56	296.06	315.71
Provisions	28.12	27.51	1.18	1.26
Sub-standard assets				

Particulars	Housing loan		Non-housing loan	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
Total outstanding	205.89	55.13	-	7.06
Provisions	30.88	8.27	-	1.06
Doubtful assets				
Total outstanding	37.13	42.07	13.95	4.28
Provisions	9.28	11.53	3.49	1.58
Loan assets				
Total outstanding	-	-	-	-
Provisions	-	-	-	-
Total				
Total outstanding	7400.14	6059.76	310.01	327.05
Provisions	68.28	47.31	4.67	3.9

Note :The total outstanding amount means principal + accrued interest + other charges pertaining to loans without netting off.

iii) Concentration of public deposits, advances*, exposure# and NPAs

INR in Lacs

S. No	Particulars	31 March, 2020	31 March, 2019
1.	Concentration of public deposits (for public deposit taking/holding HFCs)	-	-
2.	Concentration of loans and advances		
	Total advances to twenty largest borrowers	2357.98	2554.05
	Percentage of advances to twenty largest borrowers to total advances of the HFC	30.58%	40.37%
3.	Concentration of all exposures (including off-balance sheet exposures)		
	Total exposure to twenty largest borrowers/customers	2357.98	2554.05
	Percentage of exposures to twenty largest borrowers/customers to total exposure of the HFC on borrowers/customers	30.58%	40.37%
4.	Concentration of NPAs		
	Total exposure to top ten NPA accounts	89.61	55.61

*advances represents the outstanding balances as at the respective year end

#Exposure represents the total amount financed as at the respective year end

iv) Sector wise NPA

Particulars	% of NPAs to total advances in that sector 31 March 2020	% of NPAs to total advances in that sector 31 March 2019
A. Housing loans :		
Individuals	3.28%	1.60%
Builders/project loans	-	-
Corporate	-	-
Others (specify)	-	-
B. Non housing loans :		
Individuals	4.50%	3.47%
Builder/project loans	-	-
Corporate	-	-
Other (specify)	-	-

v) Movement of NPAs		INR in Crore
Particulars	Current Year	Previous Year
(I) Net NPAs to Net Advances (%)	2.78	1.36
(II) Movement of NPAs (Gross)		
a) Opening Balance	1.08	0.60
b) Additions during the year	1.91	0.62
c) Reductions during the year	0.42	0.14
d) Closing Balance	2.57	1.08
(III) Movement of Net NPAs		
a) Opening Balance	0.86	0.48
b) Additions during the year	1.61	0.53
c) Reductions during the year	0.34	0.15
d) Closing Balance	2.13	0.86
(IV) Movement of Provisions for NPAs (excluding provisions on standard assets)		
a) Opening Balance	0.22	0.12
b) Provisions made during the year	0.22	0.10
c) Closing Balance	0.44	0.22

vi) Overseas assets

The company does not have any joint ventures and subsidiaries abroad during the year ended 31 March 2020 and 31 March 2019 and hence this disclosure is not applicable.

vii) Off-balance sheet SPVs sponsored

There was no off-balance sheet SPVs sponsored by the company during the year ended 31 March 2020 and 31 March 2019.

viii) Disclosed pursuant to notification No. NHB.HFC.CG-DIR.1/2016 dated 9th February 2017 issued by NHB for customer complaints

Customer Complaints*		
Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
a) No. of companies pending at the beginning of the year	-	-
b) No. of complaints received during the year	2	-
c) No. of complaints redressed during the year	2	-
d) No. of complaints pending at the end of the year	-	-
*as per the records of the company		

39. NPA details

- 39.1 As certified by the management, loans given by the company are secured by Equitable Mortgage/Registered Mortgage of the property and /or personal Guarantees and are considered good.
- 39.2 The Non-Performing Assets (NPA) as on March 31st 2020, consisting of principal loans outstanding where payments of EMI were in arrears for 90 days or more amounted to Rs. 25695666/- (Rs. 108,54,254/-). As per prudential norms prescribed by the NHB, the company is required to provide a contingency provision of Rs. 72,94,634/- (Rs. 51,21,553/-) in respect of Standard and Non Performing loans assets. During the year the company has made an additional provision of Rs. 47,97,284/- (Rs. 54,00,95/-) thereby increasing the total provision to Rs 101,33,389/- (Rs. 53,36,105/-) for contingencies as against the requirement of Rs.

NPA Details are as under:

Particulars	31.03.2020		31.03.2019	
	Amount	%	Amount	%
Gross NPA	256.96	3.33	108.54	1.70
Provision	43.65	-	22.45	-
Net NPA	213.31	2.78	86.10	1.35

40.1 Details of the Outstanding Loans and provisions thereon as on 31.03.2020 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 31.03.2020

S.No	Particulars				INR in Rs.
		Amount O/s as on 31.03.2020	% of Provision Required as per norms	Amount of Provision required as on date 31-03-2020 as per norms	Amount of Actual Provision as on 31-03-2020
I	Standard Assets				
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	-	2.00%	-	-
Ib	Standard Assets In respect of house loans to Individuals	511,338,323	0.25%	1,278,346	3,829,162
Ic	Standard Assets in respect of Mortgage Loans to individuals	9,445,230	0.40%	37,781	40,196
Id	Standard Assets In respect of CRE-RH i.e. to builders for residential houses	204,374,115	0.75%	1,532,806	3,473,186
Ie	Standard Assets in respect of all other commercial real estate (CRE)	-	1.00%	-	-
If	standard Assets in respect of all other non housing & Mortgage Loans	20,161,314	0.40%	80,645	2,122,587
A	Sub total Standard assets Ia to If	745,318,981		2,929,578	9,465,131
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	-	2%	-	-
Ilb	Sub-Standard Assets In respect of house loans to Individuals	20,588,607	15%	3,088,291	543,768
Ilc	Sub-Standard Assets in respect of Mortgage Loans to individuals	-	15%	-	-
Ild	Sub-Standard Assets In respect of CRE-RH i.e. to builders for residential houses	-	-	-	-
Ile	Sub-Standard Assets in respect of all other commercial real estate (CRE)	-	-	-	-
Ilf	Sub- standard Assets in respect of all other non housing loan then above	-	-	-	-
B	Sub total - Sub standard assets II a to II f	20,588,607		3,088,291	543,768
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	-	-	-	-
IIlb	Doubtful Assets In respect of house loans to Individuals				-
	up to one year duration	3,712,689	25%	928,172	83,253
	More than one year up to three year	-	40%	-	-
	More than three year	-	100%	-	-
IIlc	Doubtful Assets in respect of Mortgage Loans to individuals less then one year	1,394,370	25%	348,593	41,236
	Doubtful Assets in respect of Mortgage Loans to individuals More then one year - less then three year	-	40%	-	-
IIld	Doubtful Assets In respect of CRE-RH i.e. to builders for residential houses	-	-	-	-
IIle	Doubtful Assets in respect of all other commercial real estate (CRE)	-	-	-	-
IIlf	Doubtful Assets in respect of all other non housing loan then above	-	-	-	-
C	Sub total - Doubtful assets III a to III f	5,107,059		1,276,765	124,489
IV D	Loss Assets	-	100%	-	-
D	Grand Total of Gross Advnaces (A+B+C+D)	771,014,647		7,294,634	10,133,389



B) As per Paragraph 29 of NHB directions 2010-

Provision of Loans & Advances (Housing & Non Housing) as on 31-03-2020 as per Paragraph 29 of NHB Directions 2010

Category of Loan	Out Standing as on 31-03-2020	% of Provision Required as per norms	Amount of Provision Required as per norms	Actual Provision Made as per books
1 Housing Loan				INR in Rs.
1. Standard Assets				
(i) Individual	511,338,323	0.25%	1,278,346	3,829,162
(ii) To Builder CRE-RH	204,374,115	0.75%	1,532,806	3,473,186
2. Sub Standard Assets	20,588,607	15.00%	3,088,291	543,768
3. Doubtful Assets (Upto 1 Yr)	3,712,689	25.00%	928,172	83,253
3. Doubtful Assets (1 Yr to 3 Yr)	-	40.00%	-	-
4. Loss Assets	-	100%	-	-
Total House Loans	740,013,733		6,827,615	7,929,370
Non Housing Loans				
2 Mortgage Loans				
1. Standard Assets	9,445,230	0.40%	37,781	40,196
2. Sub Standard Assets	-	15.00%	-	-
3. Doubtful Assets (Upto 1 Yr)	1,394,370	25.00%	348,593	41,236
3. Doubtful Assets (1 Yr to 3 Yr)	-	40.00%	-	-
4. Loss Assets	-	100%	-	-
Total Mortgage Loans	10,839,600		386,373	81,432
3 Other Short Term Loans & Advance				
1. Standard Assets	20,161,314	0.40%	80,645	2,122,587
2. Sub Standard Assets	-	15.00%	-	-
3. Doubtful Assets	-	40.00%	-	-
4. Loss Assets	-	100%	-	-
Total Short Terms Loans	20,161,314		80,645	2,122,587
Grand Total Gross Advnace	771,014,647		7,294,634	10,133,389

40.2 Details of the Outstanding Loans and provisions thereon as on 31.03.2019 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 31.03.2019

S.No	Particulars	INR in Rs.			
I	Standard Assets	Amount O/s as on 31.03.2019	% of Provision Required as per norms	Amount of Provision required as on date 31-03-2019 as per norms	Amount of Actual Provision as on 31-03-2019
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	-	2%	-	-
Ib	Standard Assets In respect of house loans to Individuals	345,186,025	0.25%	862,965	2,459,198
Ic	Standard Assets in respect of Mortgage Loans to individuals	2,643,755	0.40%	10,575	25,300
Id	Standard Assets In respect of CRE-RH i.e to builders for residential houses	249,204,657	0.75%	1,869,035	1,646,236
Ie	Standard Assets in respect of all other commercial real estate (CRE)	1,860,282	1.00%	18,603	10,354
If	standard Assets in respect of all other non housing & Mortgage Loans	28,932,336	0.40%	115,729	650,978
A	Sub total Standard assets i.e Ia to If Advances	627,827,055		2,876,907	4,792,066
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	-	2%	-	-
Ilb	Sub-Standard Assets In respect of house loans to Individuals	5,513,241	15%	826,986	276,987
Ilc	Sub-Standard Assets in respect of Mortgage Loans to individuals	706,077	15%	105,912	35,304
Ild	Sub-Standard Assets In respect of CRE-RH i.e to builders for residential houses	-	-	-	-
Ile	Sub-Standard Assets in respect of all other commercial real estate (CRE)	-	-	-	-
Ilf	Sub-standard Assets in respect of all other non housing loan then above	-	-	-	-
B	Sub total - Sub standard assets II a to II f	6,219,318		932,898	312,291
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	-	-	-	-
Illb	Doubtful Assets In respect of house loans to Individuals				-
	up to one year duration	3,530,458	25%	882,615	176,524
	More than one year up to three year	676,805	40%	270,722	33,841
	More than three year	-	100%	-	-
Illc	Doubtful Assets in respect of Mortgage Loans to individuals less than one year	84,385	25%	21,096	4,219
	Doubtful Assets in respect of Mortgage Loans to individuals more than one year - less than three year	343,288	40%	137,315	17,164
Illd	Doubtful Assets In respect of CRE-RH i.e to builders for residential houses	-	-	-	-
Ille	Doubtful Assets in respect of all other commercial real estate (CRE)	-	-	-	-
Illf	Doubtful Assets in respect of all other non housing loan then above	-	-	-	-
C	Sub total - Doubtful assets III a to III f	4,634,936		1,311,748	231,748
IV D	Loss Assets	-	100%	-	-
D	Grand Total of Gross Advances (A+B+C+D)	638,681,309		5,121,553	5,336,105



B) As per Paragraph 29 of NHB directions 2010-

Provision of Loans & Advances (Housing & Non Housing) as on 31-03-2019 as per Paragraph 29 of NHB Directions 2010

Category of Loan	Out Standing as on 31-03-2019	% of Provision Required as per norms	Amount of Provision Required as per norms	Actual Provision Made as per books
1 Housing Loan				INR in Rs.
1. Standard Assets				
(i) Individual	345,186,025	0.25%	862,965	2,459,198
(ii) To Builder CRE-RH	249,204,657	0.75%	1,869,035	1,646,236
(ii) To Builder CRE	1,860,282	1.00%	18,603	10,354
2. Sub Standard Assets	5,513,241	15.00%	826,986	276,987
3. Doubtful Assets (Upto 1 Yr)	3,530,458	25.00%	882,615	176,524
3. Doubtful Assets (1 Yr to 3 Yr)	676,805	40.00%	270,722	33,841
4. Loss Assets	-	100%	-	-
Total House Loans	605,971,468		4,730,925	4,603,140
Non Housing Loans				
2 Mortgage Loans				
1. Standard Assets	2,643,755	0.40%	10,575	25,300
2. Sub Standard Assets	706,077	15.00%	105,912	35,304
3. Doubtful Assets (Upto 1 Yr)	84,385	25.00%	21,096	4,219
3. Doubtful Assets (1 Yr to 3 Yr)	343,288	40.00%	137,315	17,164
4. Loss Assets	-	100%	-	-
Total Mortgage Loans	3,777,505		274,898	81,987
3 Other Short Term Loans & Advance				
1. Standard Assets	28,932,336	0.40%	115,729	650,978
2. Sub Standard Assets	-	15.00%	-	-
3. Doubtful Assets	-	40.00%	-	-
4. Loss Assets	-	100%	-	-
Total Short Terms Loans	28,932,336		115,729	650,978
Grand Total Gross Advnace	638,681,309		5,121,553	5,336,105

41. Figures of the previous year have been regrouped, rearranged and reclassified wherever necessary in accordance with the IND-AS as the previous year's balance sheet has been re-casted in accordance with accounting standard of IND-AS.

42. In compliance with the RBI circular no.RBI/2019-20/170, DOR (NBFC) C.C.PD No. 109/22.10.106/2019-20 dated 13.03.2020 the additional disclosure in the prescribed format is appended below:

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (Provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5) = (3) - (4)	6	(7) = (4) - (6)
Performing Assets						
Standard	Stage 1	6577.26	49.31	6527.95	25.88	23.42
	stage 2	875.93	45.35	830.58	3.41	41.93
Subtotal		7453.19	94.65	7358.54	29.29	65.36
Non-Performing Assets (NPA)						

						INR in Lacs
Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (Provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
Non-Performing Assets (NPA)						
Substandard	Stage 3	205.89	5.44	200.45	30.88	(25.45)
Doubtful - up to 1 year	Stage 3	51.07	1.24	49.83	12.77	(11.52)
1-3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		51.07	1.24	49.83	12.77	(11.52)
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		256.96	6.68	250.27	43.65	(36.97)
Other items such as guarantees, loan commitments, etc. Which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		7710.15	101.33	7608.81	72.95	28.39
Total	Stage 1	6577.26	49.31	6527.95	25.88	23.42
	Stage 2	875.93	45.35	830.58	3.41	41.93
	Stage 3	256.96	6.68	250.27	43.65	(36.97)
	Total	7710.15	101.33	7608.81	72.95	28.39

The accompanying notes are an integral part of the financial statements
In terms of our report of even date

For HR JAIN & CO.

Chartered Accountants
ICAI FRN-000262C

Sd/-

CA MANOJ JAIN

Partner

Membership No.400459

PLACE:UDAIPUR

Date: 30.07.2020

FOR AND ON BEHALF OF THE BOARD OF DIRECTOR

Sd/-

Nirmal Kumar Jain

Director

DIN: 00240441

Sd/-

Natesh Narayanan

Chief Financial

Officer

Sd/-

Ashish Jain

Managing Director

DIN: 02041164

Sd/-

Paritosh Kothari

Company Secretary

M.No: A36550

Notice of the 15th Annual General Meeting (AGM)

Notice is hereby given that the 15th Annual General Meeting of the members of M/s Akme Star Housing Finance Limited will be held on, Saturday 24th October, 2020 at Akme Business Centre (ABC), 4-5 Subcity Savina Circle, Opp. Krishi Upaz Mandi Udaipur - 313002, - (Raj) at 12:30 p.m. (Indian Standard Time) through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March 2020 together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on Equity Shares for the financial year ended 31st March, 2020 of the Company.
3. To appoint a Director in place of Mr. Nirmal Kumar Jain (DIN: 00240441) who retires by rotation and being eligible, offers himself for re-appointment.

Special Business:

4. **Regularisation of Mr. Kavish Jain (DIN: 02041197) as an Executive Director of the company.**

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

"RESOLVED THAT Mr. Kavish Jain (DIN:02041197) who was appointed as Additional Director of the Company, by the Board of Directors in their meeting held on 18th May, 2020, under Section 161 (1) of the Companies Act, 2013 ("the Act") and other applicable provisions of The Companies Act, 2013, (including any statutory modifications or re-enactment thereof) and applicable provisions of the Articles of Associations of the Company and who hold office upto the date of this Annual General Meeting be and is hereby appointed as Executive Director of the Company and liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorized to do all such acts, deed, things and execute all such documents as may be considered necessary in order to give effect to the foregoing resolution and to file all documents and returns with the Registrar of Companies, Jaipur."

5. **Appointment of Mr. Amlendra Prasad Saxena (DIN: 06964564) as a Independent Director of the company for a term of one year**

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

"RESOLVED THAT pursuant to provisions of Section 149, 152 read with Schedule IV and all other applicable provisions, if any of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rule, 2014(including any statutory modification(s) or re-enactment thereof, for the time being in force) and Regulation 16(b) & 19(4) read with Part D of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 and as recommended by Nomination and Remuneration committee Mr. Amlendra Prasad Saxena (DIN: 06964564), who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment for the office of Director, be and is hereby appointed as Independent Non Executive Director of the company to hold the office for a term of one year whose period of office shall not be liable to retire by rotations."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts deeds, things and execute all such documents as may be considered necessary in order to give effect to the foregoing resolution and to file all documents and returns with the Registrar of Companies, Jaipur."

6. **Alteration in the Articles of Association of the company**

To consider and, if thought it, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to provisions of Section 14 of the Companies Act, 2013, including any amendment, Statutory Modifications or re-enactments thereof, for the time being in force, subject to the approval and permission from the appropriate authority, if any to alter the clause of common seal in Articles of Association of the company;

"RESOLVED FURTHER THAT the New clause no. 157 is to be

adopted by replacing the old clause no. 157 of Articles of Association of the company as per provisions of the Companies Act, 2013 which is as under;

•

Existing clause in Article	New clause in Article
The seal shall not be affixed to any instrument except by the authority of a resolution of the Board or committee and unless the Board otherwise determines, every deed or other instrument to which the seal is required to be affixed shall, unless the same is executed by a duly constituted attorney for the company, be signed by one director and the Secretary in whose presence the seal shall have been affixed or such other person as may, from time to time, be authorized by the Board and provides nevertheless that any instrument bearing the seal of the company issued for valuable consideration shall be binding on the company notwithstanding any irregularity touching the authority to issue the same provided also the counter signature of the Chairman or the Vice-Chairman, which shall be sealed in the presence of any one director and signed by him on the behalf of the company.	The Common Seal of the Company, if required to be affixed, shall be affixed to any instrument(s), in the presence of any one of Director of the Company and/or Chief Financial Officer and/or Company Secretary or such person(s) as the authorized by the Board or Committee or aforesaid persons may appoint for the purpose and who shall sign every instrument to which the Seal of the Company is so affixed in their presence. Notwithstanding anything contained in the clause, the use of the Seal of the Company shall not be a mandatory requirement for authenticating any instrument or document by the Company.

"RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby severally authorized to make an application, along with the prescribed enclosures and application fees, to the Registrar of Companies, Jaipur, for alteration in Articles of Association of the Company for giving effect to this Resolution."

By order of the Board of Directors

Sd/-

Paritosh Kothari

Company Secretary

M.NO.A36550

Registered Office:

Akme Business Center (ABC), 4-5 Subcity Center,
Savina Circle , Opp. Krishi Upaz Mandi, Udaipur 313002

Date: 29.09.2020



NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic and restrictions on the movement apart from social distancing is a norm to be followed and pursuant to the Circular No.14/2020 dated April 08, 2020 and Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs ("MCA circulars") followed by Circular No. 20/2020 dated May 05, 2020, and Securities and Exchange Board of India vide its Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated 12 May 2020 ("SEBI Circular") and in compliance with the provisions of the Companies Act, 2013 ("Act") and the SEBI (Listing obligations and disclosures Requirements) Regulations, 2015 ("SEBI Listing Regulations"), have permitted convening the Annual General Meeting ("AGM"/"Meeting") through VC or OAVM, without the physical presence of the Members at the common venue. The deemed venue for the AGM shall be the Registered Office of the Company i.e. Akme Business Centre (ABC), 4-5 Subcity Savina Circle, Opp. Krishi Upaz Mandi Udaipur - 313002,
2. An Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 in respect of business to be transacted at the Annual General Meeting (AGM), as set out under Item No. 4 to 6 above and the relevant details of the Directors seeking re - appointment and appointment under Item No. 4 to 6 above as required under Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (Listing Regulations) and as required under Secretarial Standards - 2 on General Meetings issued by the Institute of Company Secretaries of India is annexed thereto. (ANNEXURE-I).]
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the 15th AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA and SEBI Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM. Hence, Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
4. Corporate Members intending to send their authorized representative(s) to attend the meeting through VC / OAVM are requested to send to the Company a certified copy of the relevant Board resolution together with the specimen signature(s) of the representative(s) authorizing under the said Board resolution to attend and vote on their behalf at the meeting.
5. The Members can join the AGM held through VC /OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on a first come first served basis. This will not include large Shareholders (i.e Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Act and the relevant documents referred to in the Notice will be available electronically for inspection by the Members during the AGM.
7. Attendance of the Members participating in the AGM through VC/OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act,
8. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
9. In compliance with the Ministry of Corporate Affairs

(MCA) Circular No. 17/2020 dated April 13, 2020, the Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose Email address registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.akmestarihfc.in. The Notice and Annual Report can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

10. The Register of Members and the Share Transfer Books of the Company will remain closed from 18th October, 2020 to 24th October, 2020 (both days inclusive).
11. The dividend of Rs 0.10 per Equity Share of Rs. 10 each (1%) as recommended by the Board of Directors, if declared at the AGM, will be paid within two weeks of the date of the AGM to the Members whose names appears the Company's Register of Member on paid up Equity Capital of the Company to 17th October, 2020 or to their mandates.
12. In respect of shares held in dematerialised form, the dividend will be paid on the basis of details of beneficial ownership to be received from the Depositories for this purpose.
13. Pursuant to the amendments introduced by the Finance Act, 2020 the Company will be required to withhold taxes as may be required, at the prescribed rates on the dividend paid to its shareholders w.e.f. 1st April 2020. The withholding tax rate would vary depending on the Residential status of the shareholder and documents registered with the Company.
14. Members, who have not registered their email id's so far, are requested to register their email id's for receiving all communications including any notices, circular etc from the Company electronically. Even after registering for e-communication, the members may also send requests to the Company at E-mail id: compliance@akmestarihfc.in
15. In furtherance of the Go Green Initiative of the Government, electronic copy of Notice of AGM is being sent to all the members whose email addresses are registered with the Company/Depository Participants. Physical copy of the notice cannot be sent on request by a member due to COVID.
16. Necessary documents including the Notice and the explanatory statement will be made available for inspection up to the date of AGM at the Company's Website www.akmestarihfc.in.
17. In case of joint holders attending the AGM, only such joint holders who are higher in order of names will be entitled to vote.
18. Members holding shares individually in physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website at www.akmestarihfc.in. Members who hold shares singly in Dematerialized form are advised to make a nomination through their Depository Participant.
19. Non - Resident Indian Members are requested to inform Registrar and Share Transfer Agents, immediately of:
 - a. Change in their residential status on return in India for permanent settlement.
 - b. Particulars of their bank account are maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
20. Soft copy of necessary documents including the Notice and the explanatory statement will be made available for inspection in electronic form during the meeting, any member who wishes to inspect the said documents shall request for the same.
21. **Voting through electronic means:**

In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through E-Voting Services) service provided by NSDL. E-Voting is optional. The Facility of E-voting shall also be made available at the AGM and Members attending the AGM who have not already cast their vote by remote e-voting shall be able to exercise their right to cast vote at the AGM.

22. The instructions for Members for Remote E-Voting are as under:

1. The Remote voting period begins on Wednesday, 21st October, 2020 at 10.00 A.M. IST and ends on Friday, 23rd October, 2020 at 05:00 P.M. IST. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Saturday, 17th October, 2020, may cast their vote electronically. The Remote e-voting module shall be disabled by NSDL for voting thereafter.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com/>.

- Visit the e-Voting website of NSDL. Open a web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.
- Once the home page of E- Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively if you are registered for NSDL eservices i.e. IDEAS, you can log in at <https://www.evoting.nsdl.com/> with your existing IDEAS login. Once you log in to NSDL eservices after using your login credentials, click on E- Voting and you can proceed to Step 2 i.e. cast your vote electronically.

Manner of holding shares i.e. Demat (NSDL or CDSL) OR Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example your DP ID is IN300*** and Client ID is 12***** then your User ID is IN300***12*****
b) For Members who hold shares in demat Account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your User ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company. For example if Folio Number is 001*** and EVEN is _____ then User ID is 101456001***

• Your password details are given below:

- (a) If you are already registered with E-Voting, then you can use your existing password to login and cast your vote.
- (b) If you are using the NSDL E-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- (c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the

email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or Folio Number for shares held in physical form. The.pdf file contains your 'User ID and your 'initial password'.

- (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
- If you are unable to retrieve or have not received the 'Initial password' or have forgotten your password:
 - (a) Click on "Forgot User Details/ Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - (b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - (c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/ folio number, your PAN, your name and your registered address.
 - (d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

After entering your password, tick on Agree to "Term and Conditions" by selecting on the check box.

Now, you will have to click on the "Login" button.

After you click on the "Login" button, the Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

- a. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then click on Active Voting Cycles.
- b. After clicking on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- c. Select "EVEN" of the Company which is _____

- d. Now you are ready for e- Voting as the Voting page opens.
- e. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/ modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- f. Upon confirmation, the message "Vote cast successfully" will be displayed.
- g. You can also take the printout of the votes cast by you clicking on the print option on the confirmation page.
- h. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer by e-mail to csronakjhuthawat@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), Aadhar (self attested scanned copy of Aadhar Card) by email to (compliance@akmestarthfc.in).
2. In case shares are held in demat mode, please provide



DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to (compliance@akmestarihfc.in).

23. Instructions For Members for Attending the AGM through VC/OAVM are as under:

1. The procedure for e-Voting on the day of the AGM is same as the instructions
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

Instructions for Members for Attending the AGM Through VC/OAVM are as under.

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at https://www.evoting.nsdl.com/under_shareholders/members_login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to

Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

6. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number / folio number, email id, mobile number at compliance@akmestarihfc.in.
7. Shareholders, who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at compliance@akmestarihfc.in. The same will be replied by the company suitably.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

OTHER INSTRUCTIONS:

24. The voting rights of Members shall be proportion to their shares of the paid up equity share capital of the Company as on the cut-off date and a person who is not a Member as on the cut-off date should treat the Notice for information purpose only.
25. The Company has appointed Shri Ronak Jhuthawat (Certificate of Practice No.-12094) of M/s Ronak Jhuthawat & Co., Company Secretary in practice as Scrutinizer, to scrutinize the voting (at AGM venue) and remote e-voting process in a fair and transparent manner.
26. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast at the meeting and through remote e-voting and make, not later than 48 hours of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same. The Chairman or a person authorized by him in writing shall declare the result of the voting forthwith.
27. The results as declared by the Chairman or a person authorized by him in writing along with the Scrutinizer's Report shall be immediately placed on the website of the Company i.e. www.akmestarihfc.in and NSDL after the declaration of results. The results shall also be simultaneously communicated to BSE Limited.
28. The resolutions listed in the Notice of the AGM shall be

deemed to be passed on the date of the AGM, subject to the receipt of the requisite number of votes in favour of the respective resolutions.

29. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.1800-222-990 or send a request at evoting@nsdl.co.in.

ANNEXURE TO THE NOTICE

Explanatory Statement Pursuant To Section 102 of the Companies Act, 2013

1. Item No. 04

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, Mr. Kavish Jain (DIN: 02041197) was appointed as an Additional Director of the Company with effect from May 18, 2020. In accordance with the provisions of Section 161(1) of the Companies Act, 2013, read with the Articles of Associations of the Company, Pursuant to Section 161 of the Companies Act, 2013 the above Director holds office only upto the date of ensuring Annual General meeting of the Company.

Mr. Kavish Jain is not disqualified from being appointed as Director in term terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a director.

A brief profile of Mr. Kavish Jain, the nature of his expertise, and the names of Companies in which he holds Directorship on various committees of the Board of other companies, shareholding in the Company and relationship amongst the Directors, inter-se, is annexed to this notice.

None of the Directors/key Managerial personnel of the Company and their relatives except Mr. Kavish Jain and his relatives to the extent of their shareholding. If any, in the Company are concerned or interested or otherwise, in the aforesaid resolution.

The Board of Directors recommend passing of the Resolution as set out item No. 4 of the Notice.

2. Item No. 05

On recommendation of Nomination and Remuneration Committee Mr. Amlendra Prasad Saxena (DIN:

06964564) is proposed to be appointed as Independent Non Executive Director on Board of Director of the Company in accordance with of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Regulation 16(b) & 19(4) read with Part D of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2018 and Article of Association of the Company.

Mr. Amlendra Prasad Saxena to be appointed as Independent Non Executive Director at the ensuing AGM whose period of office will not be liable to retire by rotation. Mr. Amlendra Prasad Saxena has consented to the proposed appointment and declared qualified. He also possesses requisite knowledge, experience and skills for the position of Independent Director as per required criteria under the Act and rules and regulations made there under.

Based on recommendation of Nomination and Remuneration Committee and in view of his knowledge, skills and invaluable expertise related to the industry of the company it is proposed to appoint Mr. Amlendra Prasad Saxena as Independent Director on Board of the Company and who shall hold office for a term of one year.

A brief profile of Mr. Amlendra Prasad Saxena, the nature of his expertise, and the names of companies in which he holds Directorships along with the details of Membership / Chairmanship on various committees of the Board of other companies, shareholding in the Company and relationship amongst the Director, inter-se, is annexed to this Notice.

None of the Director/ Key Managerial Personnel of the Company and their relative thereof are interested or concerned financial or otherwise in aforesaid appointment of Mr. Amlendra Prasad Saxena as Independent Director of the Company.

The Board of Directors recommend passing of the Resolution as set out in Item No. 05 of the Notice.

3. Item No. 06

The Board of Directors of the Company has decided to alter the common seal clause number 157 in Articles of



Association of the Company by replacing the old clause with the new clause in place of the existing Articles to commensurate them with the various laws applicable as per the Companies Act, 2013.

The draft of Articles available for inspection by the shareholders of the Company during normal business hours at the registered office of the Company and also at the place of the meeting on the meeting day.

In terms of Section 14 of the Companies Act, 2013 the consent of the Members by way of special resolution is

required to alteration in Articles of Association of the Company.

The Board of Directors recommends passing of the special resolution as contained in item No. 6 of the notice.

None of the directors and their relatives is concerned or interested in the resolution, except to the extent of their shareholdings in the company.

ANNEXURE I

To Item Nos. 3, 4 & 5 of the Notice

Details of Directors seeking appointment and/ or reappointment at the ensuing Annual General meeting

Information as required under regulation 36(3) SEBI (LODR) Regulations, 2015 in respect of Directors being reappointed/ appointment

Sr.No	Particulars	Name of Directors		
		Mr. Nirmal Kumar Jain	Mr. Kavish Jain	Mr. Almendra Prasad Saxena
1	Date of Birth	19.05.1967	04.05.1988	18.06.1958
2	Age	53	32	62
3	Date of Appointment	21.03.2002	18.05.2020	14.09.2020
4	Permanent Account Number (PAN)	ADJRPJ1116G	AHJRPJ5237E	AAOPS1685F
5	Director Identification Number (DIN)	00240441	02041197	06964564
6	Expertise in specific Functional areas	Having expertise in Finance and accounts as well dept knowledge of Finance, experience of more than 24 years	Having expertise in retail asset operations, operating systems & processes, disbursement handling experience of 5 years	He had been actively engaged in the areas of Regulation and Supervision of HFCs, Refinance, Risk Management, Accounts and Policy Formulation in the field of Housing Finance
7	No. of equity shares held in the Company (as on 31st March 2020)	929000	29690	Nil
8	Qualifications	CA, ICWA	MBA, LLB	Post Graduate Qualification in Statistics from University of Lucknow and MBA (Finance)
9	List of other directorships and KMP (excluding Foreign Company)	1. Akme Fintrade (India) Limited, 2. Akme Automobiles Private limited,	1. The Coronation Castles Private Limited 2. Akmesarvodaya Nidhi Limited 3. Akme Fincon Limited	
10	Membership/Chairmanship of Committees of other Public Companies (includes only Audit Committee and Stakeholders Relationship Committee).	Akme Fintrade (India) Limited	Akme Fincon Limited	NA
11	Relationships, if any, between Directors inter se	NA	NA	NA

Registered office

AKME Business Center (ABC)
4-5 Subcity Center Savina Circle
Opp. Krishi Upaz Mandi
Udaipur 313002
Date : 29.9.2020

By order of the Board

sd/-
Paritosh Kothari
Company Secretary
M.NO: A36550

**Form No. SH-13**
Nomination Form

[Pursuant to Section 72 of the Companies Act, 2013 and rule 19 (1) of the Companies (Share Capital and Debentures) Rules 2014]

For the attention of individual shareholders holding Equity Shares in physical form

To,

Akme Star Housing Finance Limited
Akme Business Center: 4-5 Subcity Center,
Savina Circle, Udaipur - 313002

I/We _____ the holder(s) of the
Equity Shares particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons
in whom shall vest, all the rights in respect of such Equity Shares in the event of my/our death:

(1) PARTICULARS OF THE EQUITY SHARES (in respect of which nomination is being made):

Folio No.	No. of Equity Shares	Certificate No.	Distinctive No.

(2) PARTICULARS OF NOMINEE/S:

(a) Name	:
(b) Date of Birth	:
(c) Father's/Mother's/Spouse's name	:
(d) Occupation	:
(e) Nationality	:
(f) Address	:
(g) E-mail id	:
(h) Relationship with the Equity Shareholder	:

(3) IN CASE NOMINEE IS A MINOR:

(a) Date of birth	:
(b) Date of attaining majority	:
(c) Name of guardian	:
(d) Address of guardian	:

PTO

(4) PARTICULARS OF NOMINEE IN CASE MINOR NOMINEE DIES BEFORE ATTAINING AGE OF MAJORITY:

(a) Name	:
(b) Date of Birth	:
(c) Father's/Mother's/Spouse's name	:
(d) Occupation	:
(e) Nationality	:
(f) Address	:
(g) E-mail id	:
(h) Relationship with the Equity Shareholder	:
(i) Relationship with the minor nominee	:

Date:

Name :

Address :

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Name of the Equity shareholder(s) : Signature

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**Witness with
Name, signature and address**

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Notes:-

1. The nominee shall not be a Trust, Society, Body Corporate, Partnership firm, Karta of HUF and power of attorney holder.
2. If the shares are held jointly, subsequent to the death of anyone of the holders, the shares would not be registered in favour of the nominee but would be transferred in the name of the surviving shareholder[s].
3. The shareholders[s] can delete or change an earlier nomination by executing Form No. SH-14 (Cancellation or Variation of Nomination form). The said Form, if required, will be provided on receipt of request for the same.
4. The Shareholder[s] holding shares in dematerialized form, should approach their Depository Participant for nomination, if required.



AKME STAR HOUSING FINANCE LIMITED

We do not tender Loans, We tender Happiness

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