STAR
HOUSING FINANCE
Star hai toh bharosa hai

WE DO NOT TENDER LOANS,

We tender *Happiness*

16TH ANNUAL REPORT
2020-21

STAYING COMMITTED REINFORCING TRUST

- Star HFL Housing is on a mission to make dreams come true for millions of Indians – dreams 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.
- Star HFL Housing's 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.

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

REGISTRAR AND TRANSFER AGENTS

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

STOCK EXCHANGE

BSE LIMITED
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001
Tel: +91-22-22721233/4 E : corp.comn@bseindia.com

LEADERSHIP TEAM

Mr. B. S. Kachhawaha
Chief Risk Officer

Mr. Kalpesh R Dave
Head Corporate Planning & Strategy

Mr. Ashish Kothari
Credit Manager

CORPORATE INFORMATION

REGISTERED OFFICE

Akme Business Center (ABC)
4-5 Subcity Center, 2nd Floor, Savina Circle Udaipur 313002, Tel: 6377770825
E : compliance@starhfl.com
W : www.starhfl.com

CORPORATE OFFICE

603, western Edge 1, above Metro Mall, Borivali East, Mumbai- 400066
Tel : +91 8828036610

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

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

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

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KEY HIGHLIGHTS

FIGURE IN LAKHS

DISBURSEMENT Rs. 2943.44	TOTAL INTEREST Rs. 1552.96
BORROWING Rs. 6428.30	PBT Rs. 218.43
PORTFOLIO Rs. 9454.19	PAT Rs. 155.66
NET WORTH Rs. 5363.95	NET INTEREST INCOME Rs. 1098.31
GROSS REVENUE Rs. 1560.29	TOTAL ASSETS Rs. 12476.56

CRAR	ROE	COST OF BORROWING
86.35%	2.93%	9.04%

OUR LENDERS

राष्ट्रीय आवास बैंक
NATIONAL HOUSING BANK

बैंक ऑफ़ बड़ौदा
Bank of Baroda

State Bank of India

AU SMALL FINANCE BANK

यूनियन बैंक
Union Bank

आरएमजीबी
RMGB

HINDUJA HOUSING FINANCE

MAS FINANCIAL SERVICES LTD.
The Power of Distribution

AVANSE

Mahindra FINANCE

OUR JOURNEY SO FAR
GEARING UP FOR NEXT OF GROWTH

March 2005

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

Dec 2009

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

March 2015

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

July 2017

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

June 2019

Gets into strategic partnership with Arkfin Investments Private Ltd. (AIPL) with an aim to initiate overall transformation

Oct 2019

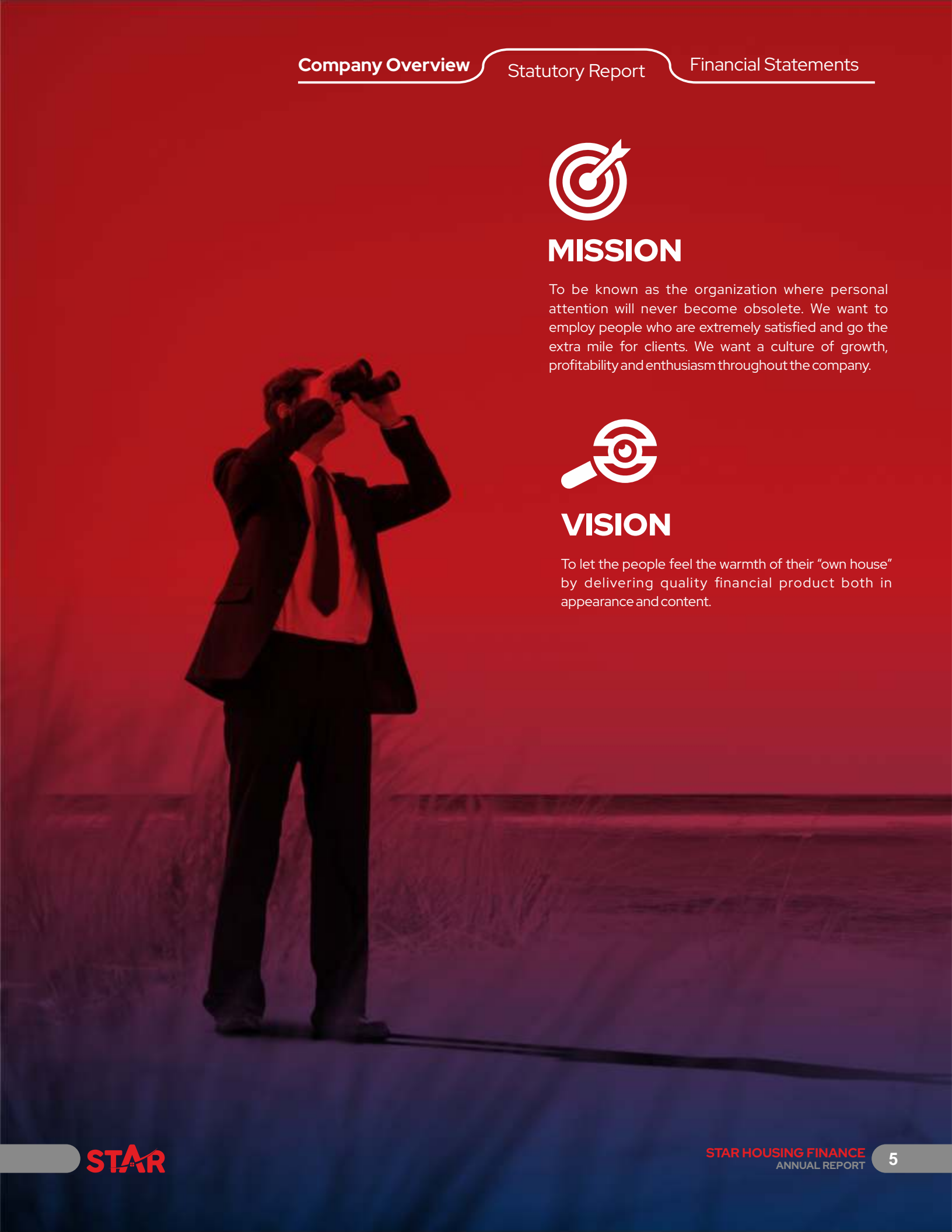
AIPL invests incremental capital in Akme Star HFC thereby acquiring 21.5% stake in the Company.

- Deployment of core lending suite (jaguar) & mobility apps (Credility)
- Expansion of physical presence to Rajasthan, Maharashtra, Madhya Pradesh, Tamil Nadu & Gujarat. (Head Office in Mumbai)
- On Boarding of experienced management team to augment overall business.
- Shri. A.P Saxena (ex NHB official) inducted on the board

March 2020

- Present across 5 states (Maharashtra, MP, Gujarat, Rajasthan and TN) through 7 branches, with 75+ employees Loan book as of Mar 31, 2021 of Rs. 94.54 Cr with 1108 live accounts.
- To change the name of the Company "Akme Star Housing Finance Limited" to " Star Housing Finance Limited"
- The company has received Rs. 7 Cr (Rupees Seven crore only) through term Loan augmentation (TLTRO) from State Bank of India .
- The Company has received Rs. 12 Cr (Rupees Twelve Crore Only) through term Loan Union Bank of India .
- Star HFL was able to initiate engagement with the NHB and received credit lines through LIFT, SRF, and regular refinance in FY 2021 amounting to Rs.24.60 crs.

Till Date



MISSION

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

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 Star HFL, regardless of upheavals in the economic environment. The sincerest efforts of every member of the STAR family to uphold these values shows in the treatment of customers and employees, while dealing with investors and clients and above all, in the supportive and inspiring environment we work in.

Teamwork & Collaboration

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

Accountability & Ownership

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

Nurturing Lives

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

Geographic Footprint

The Company commenced its journey from Udaipur, Rajasthan, in 2005 and is now present in 5 states of India, covering Rajasthan, Maharashtra, Gujarat, Madhya Pradesh & Tamil Nadu. During the journey of Star HFL added 7 branches till March 31, 2021

Integrity

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

Human Capital

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

PRINCIPLES FOLLOWED BY STAR HFL FOR SUCCESSFUL BUSINESS

PRINCIPLE

1. Star HFL conducts and govern themselves with ethics, transparency and accountability.
2. Star HFL provides goods and services that are safe and contribute to sustainability through out their lifecycle.
3. Star HFL promotes the well being of all employees.
4. Star HFL respects the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
5. Star HFL respects & promote human rights.
6. Star HFL respects, protect and make efforts to restore the Environment.
7. Star HFL engaged in influencing public and regulatory policy, should do so in a responsible manner.
8. Star HFL supports inclusive growth and equitable development.

OUR OFFERINGS

HOME LOAN

A. Purchase of Flats/Houses

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

B. Renovation of Existing Units

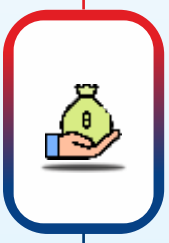
We have a scheme known as Renovating existing units for renovation / repair of your existing units. The facility for this loan is also easy and fast depending upon the condition of house.

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 etc

D. Purchase of Plot for Construction of houses.

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



MORTGAGE LOAN

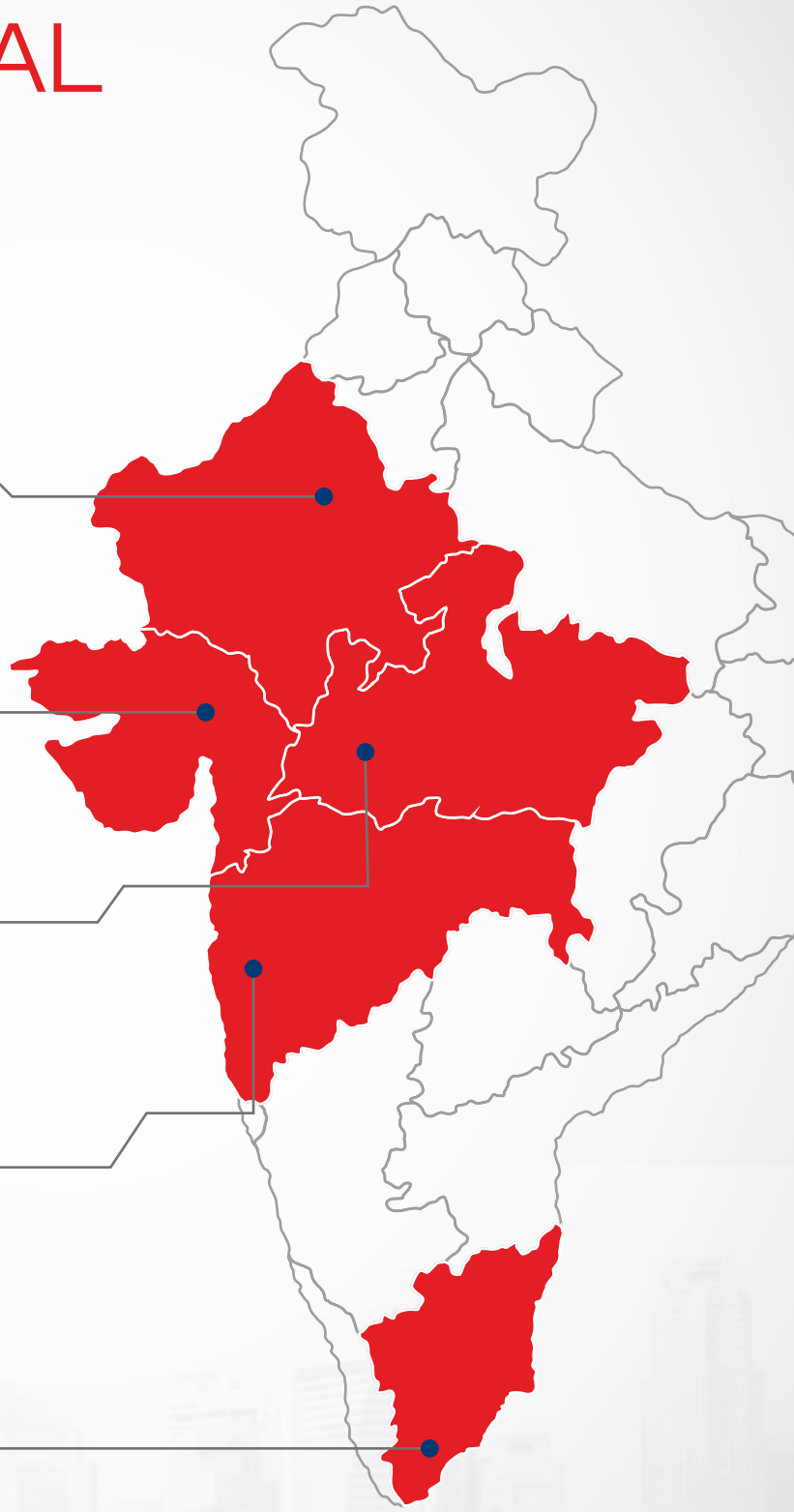
We help our customers unlock the value of their property by availing loan against their unutilized property. The customers can utilize the loan amount for productive deployment in their business like Business Loan, Education Loan, SME Loan.

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
COVER 17 DISTRCTS

GUJARAT

AHMEDABAD | SURAT

MADHYA PRADESH

INDORE | RATLAM | MANDSOUR

MAHARASHTRA

MUMBAI | PUNE | NAVI MUMBAI | AKOLA | NASIK

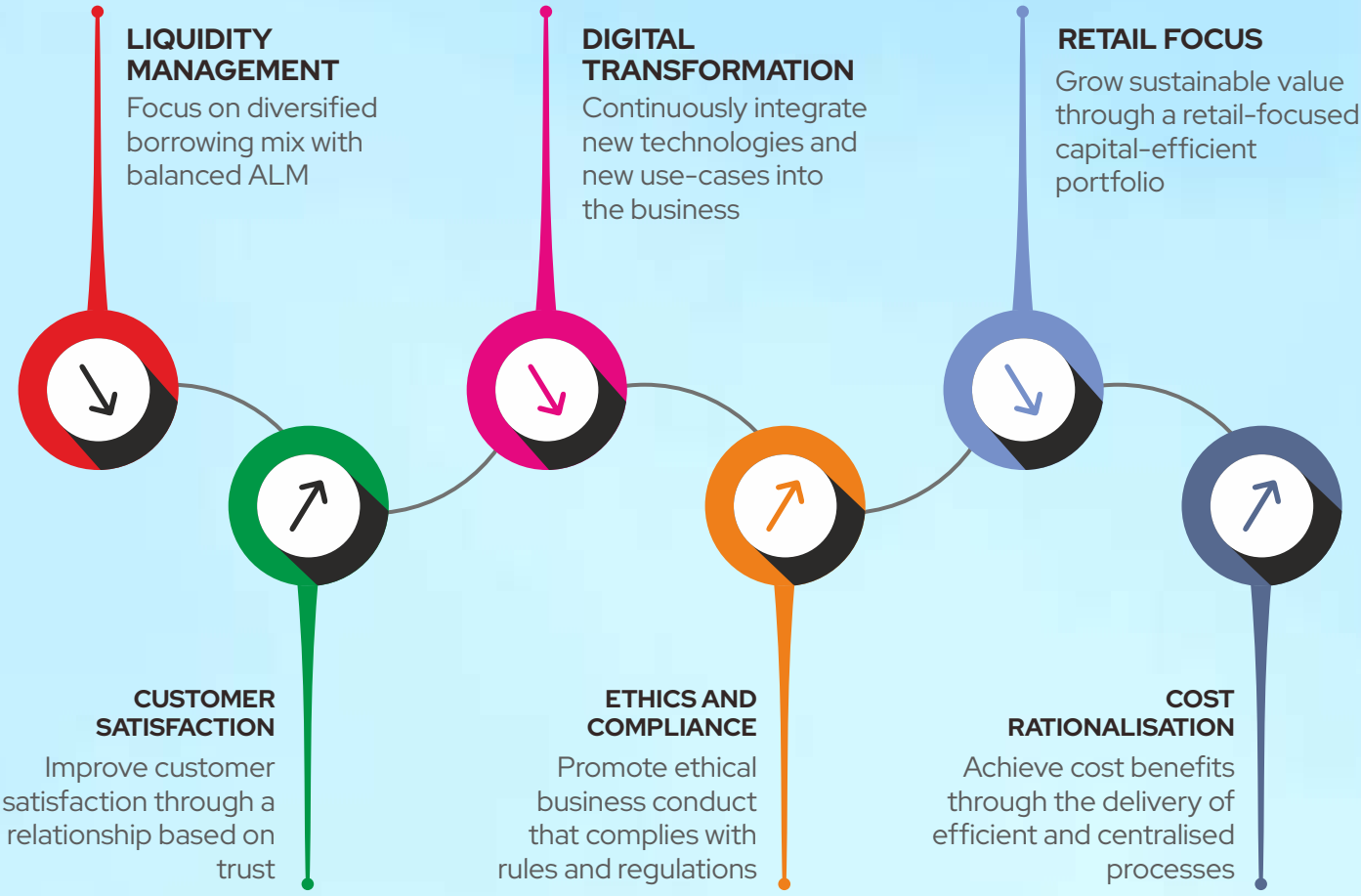
TAMIL NADU

CHENNAI

OPERATING MODEL

A SCALABLE AND EFFICIENT PLATFORM

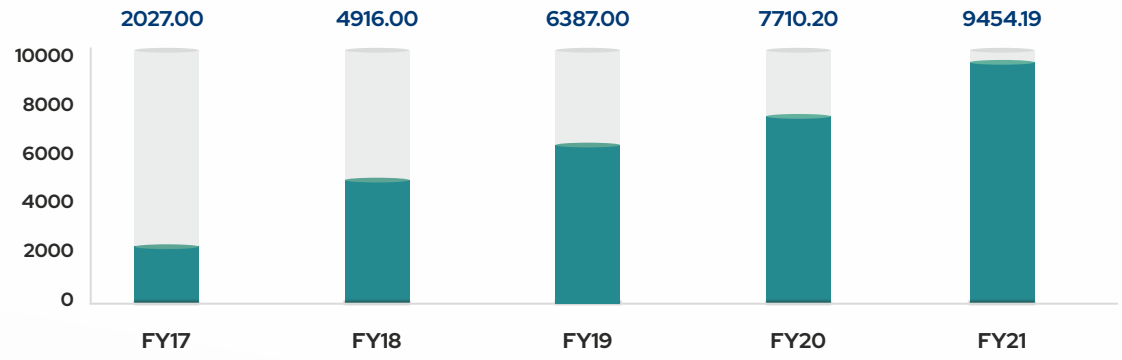
Star HFL Housing's operating model is designed to maximize value across end-to-end customer journeys while reducing costs and sustaining increased levels of speed, agility and efficiency. It combines digital technologies and operational capabilities in an integrated, well-sequenced way to achieve tangible improvements across the board.



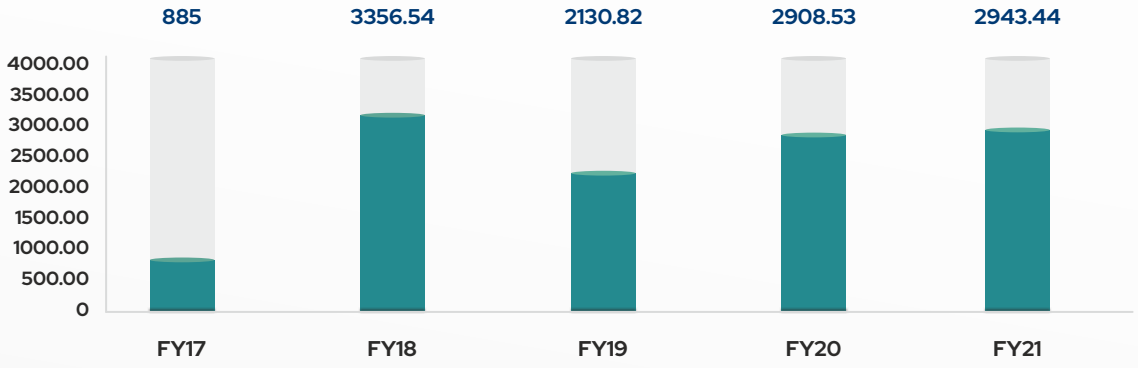
PERFORMANCE HIGHLIGHTS

1. BUSINESS METRICS

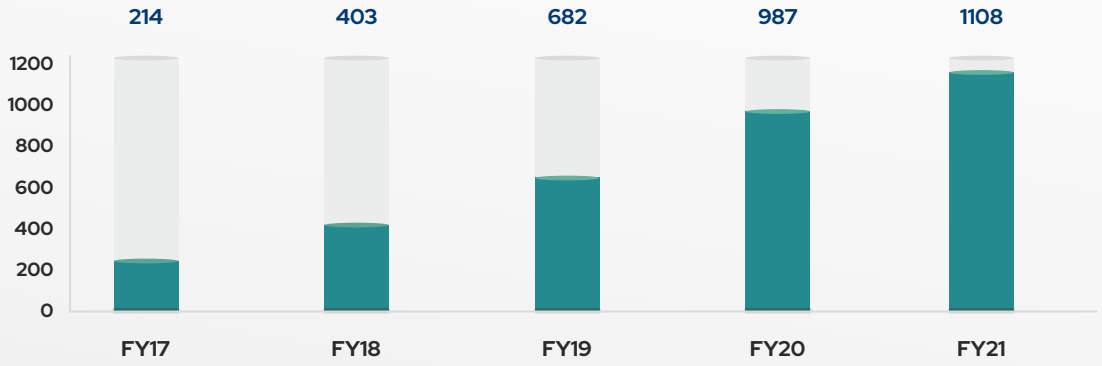
ASSETS UNDER MANAGEMENT (AUM) (₹ in Lakh)



DISBURSEMENT (₹ in Lakh)

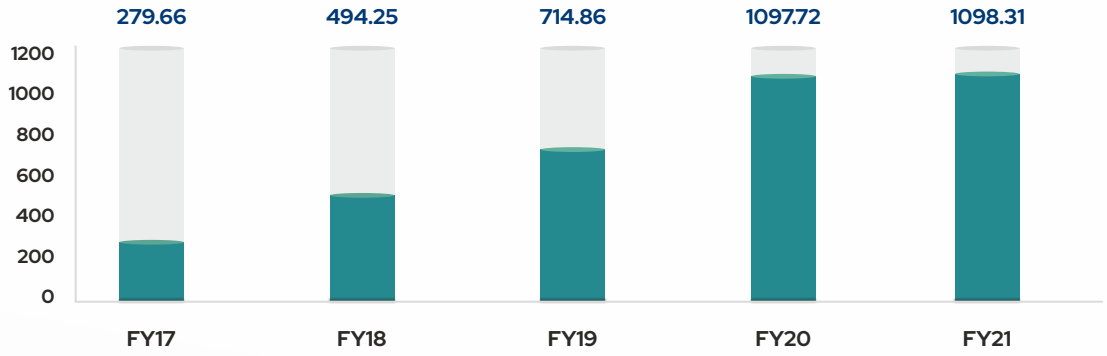


NUMBER OF LOAN ACCOUNT

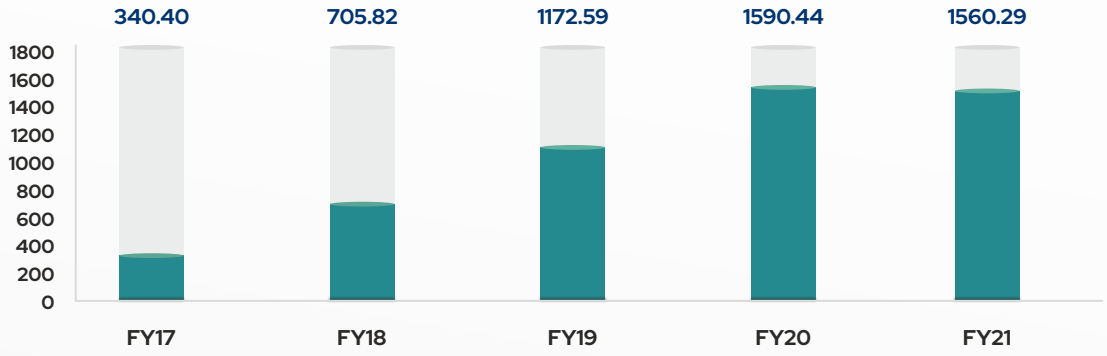


2. OPERATIONAL METRICS

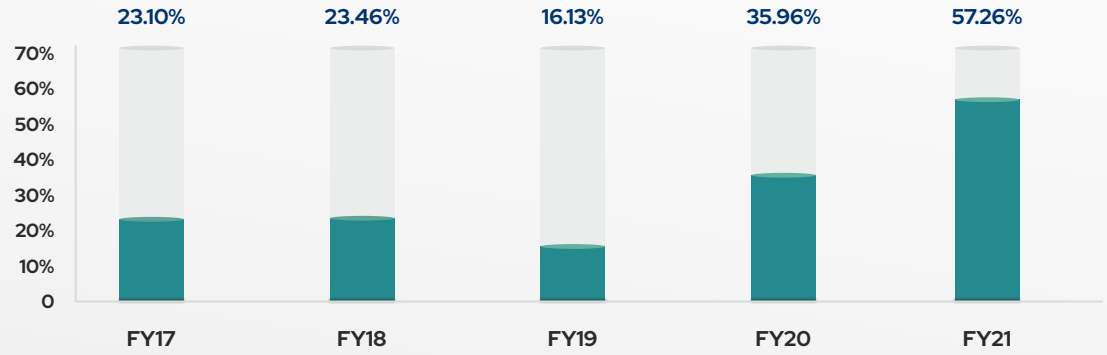
NET INTEREST INCOME (₹ in Lakh)



GROSS TOTAL INCOME (₹ in Lakh)

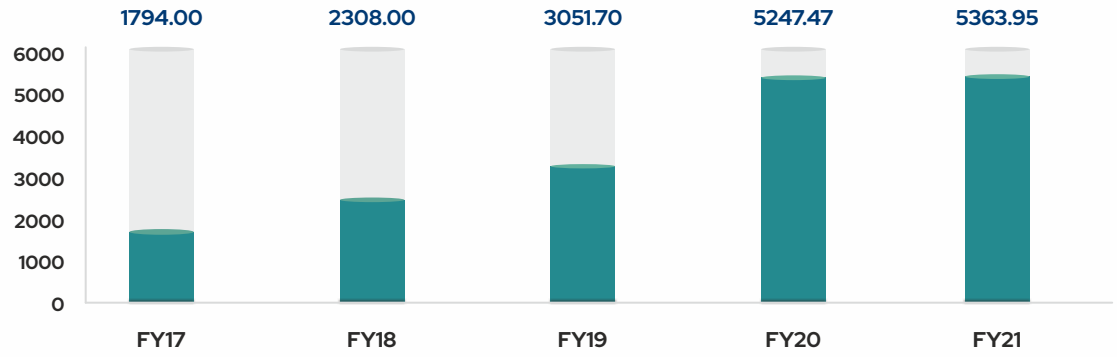


COST TO INCOME (%)

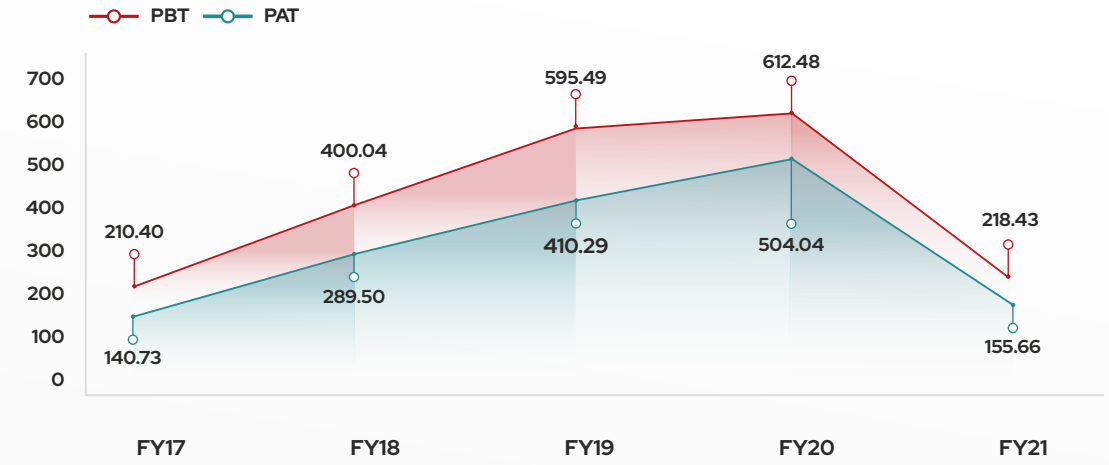


3. FINANCIAL METRICS

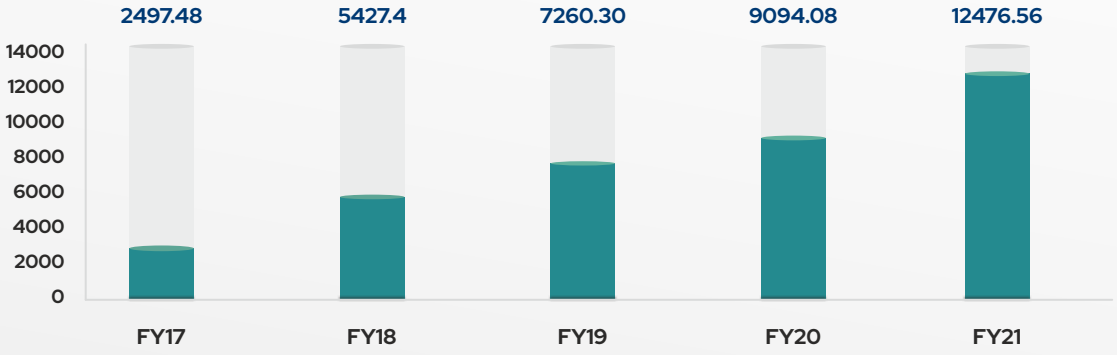
NET WORTH (₹ in Lakh)



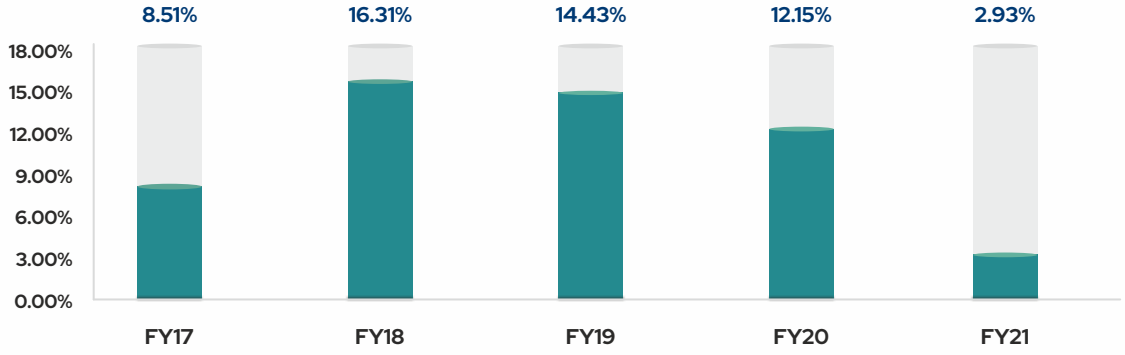
PAT-PBT (₹ in Lakh)



TOTAL ASSEST (₹ in Lakh)



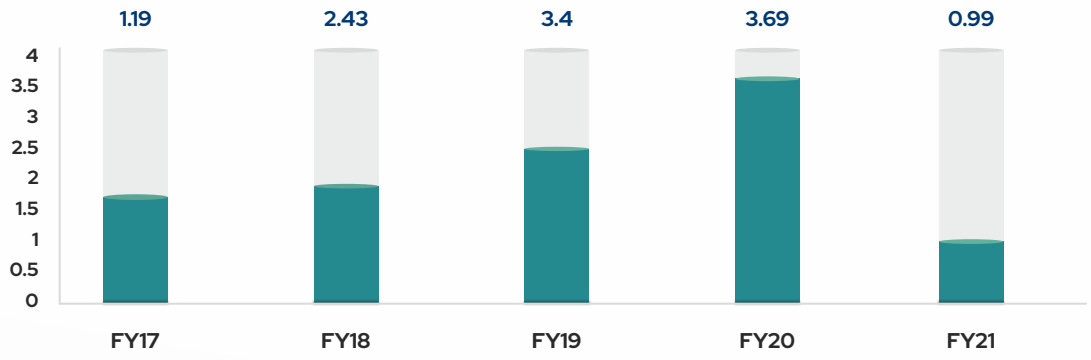
RETURN ON EQUITY (%)



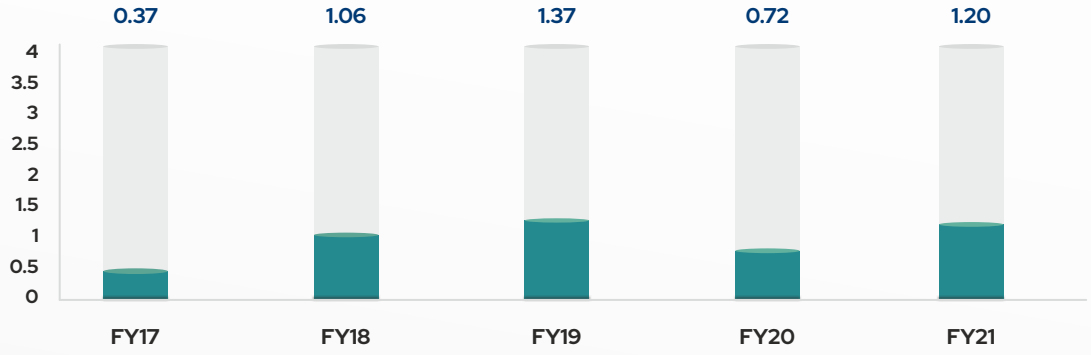
NPA (%)

4. KEY FINANCIAL RATIO

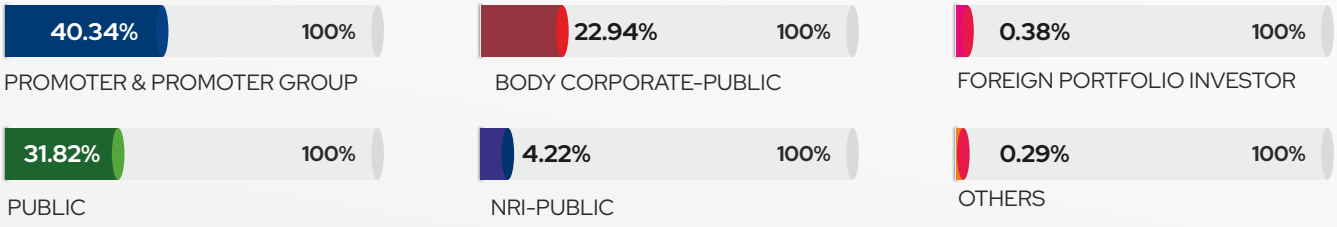
EARNING PER SHARE



LEVERAGE



SHAREHOLDING AS ON MARCH, 2021



BOARDS OF DIRECTORS

STRONG GOVERNANCE

Mr. Ashish Jain, aged 35 years, is the Managing Director & Chairman of the Company. He is a qualified Engineer from University of Pune. He did his Masters in Logistic and Supply Chain Management from University of Nottingham, UK. After finishing his Masters' in 2011, he joined Star Housing Finance Limited as Credit and Field Officer. During his tenure as Credit Officer, he under took several reforms in credit appraisal and field investigation. After that in year 2014, he was appointed as Chief Financial Officer of the Company. Later on he became the Board Member and appointed Director in the Company in year 2017. Looking into his work and dedication, he was appointed Managing Director cum Chairman in the Company in year 2018. His understanding and vision is among the key for consistent performance of the Company. His hard work, immaculate working and determination to excel; accompanied by dedicated support from the management, has provided excellent results for the Company.

MR. ASHISH JAIN
Chairman & Managing Director
(DIN: 02041164)

MR. NIRMAL KUMAR JAIN

Executive Director
(DIN: 00240441)

Mr. Nirmal Kumar Jain joined Star HFL 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 a 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 Star HFL have been pioneering for the industry.

MR. KAVISH JAIN

Executive Director
(DIN: 02041197)

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

BOARD OF DIRECTORS
INDEPENDENT BOARD

MR. AMLENDRA PRASAD SAXENA
Non-Exceutive 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)

Mrs. Rekha Jain, ages 40 years, is the Non executive & Independent Director of our Company. She is a social activist and has more than 16 years of experience. She has been associated with the Company for the last 4 years.

MR. AMRIT SINGH RAJPUROHIT
Non-Executive Independent Director
(DIN:02173432)

Mr. Amrit Singh Rajpurohit, ages 65 years, is the Non executive & Independent Director of our Company. He has vast experience in mineral industries and development of land. He is an active social worker and is associated with various NGOs. He has been associated with the Company for the last 8 years.

KEY MANAGERIAL PERSONNEL

MR. NATESH NARAYANAN
Chief Financial Officer

Mr. Natesh Narayanan, appointed as Chief Financial Officer of the company in March, 2020. He is having more than 16 years of experience in the liability / funding side of the business. A known name in the industry, he has nurtured relationships with bankers, fund managers, business associates, and rating agencies. He carries a mandate to strengthen the liability side of business in line with long term business plans.

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 has expertise in the field of Compliance and Secretarial related work. His deep insights and research mindset has helped companies to find newer innovative ways to expand and flourish. He has drawn 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. B. S. KACHHAWAHA

Chief Risk Officer

Mr B. S. Kachhawaha is the Chief Risk Officer of our Company. With an illustrious career spanning more than 36 years behind him, Mr. Kachhawaha a career banker with a difference – his rich experience across the Banking & Financial Service industry has also witnessed his ability to oscillate between micro and macro-level thinking. He is a 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 presently heads our finance and treasury compliance, budget and analytics departments. . 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. KALPESH R DAVE

Head Corporate Planning & Strategy

Mr. Kalpesh Dave has more than 13 years of experience in the 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 Star HFL.

MR. ASHISH KOTHARI

Credit Manager

Mr. Ashish Kothari is MBA (Finance), CA/CS (Inter) and Diploma in Investment Banking from NSE. Mr. Kothari, with a vast experience of 11 years in the field of credit appraisal and analysis of Home Loan proposals, has been overseeing the Credit Department of the company. Mr. Kothari has been associated with the company for the last two year and is responsible for the portfolio quality.

GLIMPSES OF STAR HFL

AKOLA BRANCH

INDORE BRANCH

PUNE BRANCH

GLIMPSES OF STAR HFL

SURAT BRANCH

CHENNAI BRANCH

MUMBAI BRANCH

GLIMPSES OF STAR HFL

HEAD OFFICE STAFF

COMPANIES ANNUAL GENERAL MEETINGS

LEADERSHIP TEAM

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

"In Steps With The Changing Times"
Message From Managing Director

Dear Shareholders,

Greetings. It gives me great pleasure presenting to you the 16th Annual Report of Star Housing Finance Limited (Formerly Akme Star Housing Finance Limited). I wish and pray for your safety and well being and your near and dear ones as we are collectively fighting out against the Covid-19 pandemic. Please stay safe and protected. FY'2020-2021 was marked with business disruption due to Covid-19 pandemic across the globe. India too had to face the consequences of the lockdown imposed across the geographies for most part of the first half of the financial year. There could not have been an alternative as the fight was against an unknown virus that spread with alarming speed and that too vaccine for the same back then was not available. Almost every sector faced the heat as business was virtually at a standstill. Housing Finance and specifically Affordable Housing Finance Space in which your Company operates faced the challenge.

While your Company's transformation journey in the current version 2.0 is underway, this disruption tested the fabric of our framework that we established. Collectively we decided that we will walk the

talk with our customers across our geographies of operations. We maintained close connect with them through the lockdown through modes of communication other than face to face meeting. We educated them about the importance of being regular in repayment of EMIs for their home loans. We also provided any support that they may need and encouraged them to use online payment methods that are available including ACH/auto debit facility. We transparently communicated the moratorium guidelines issued by the RBI across our website / social media platforms and through our interaction with the customers. Around 33% of our live accounts opted for the moratorium. Further, we restructured assets of 136 customers to help them in these difficult times. The operations team facilitated the overall process. Our focus during the first half was solely on maintaining our asset quality and addressing any slippages that may come to the fore. We decided that we will adopt conservative provisioning policy as a part of which we created and provided Rs.53 lakhs towards Covid impairment reserve. We monitored the performance of our accounts as the collection efficiency increased from 35% in Apr 2020 to more than 95% in Mar 2021. Seriously affected accounts were decided to be written off and accordingly we wrote off Rs.1.26 crs through the financial year. However, we continue to interact with these 32 accounts and are confident of getting most of them regularized as we move ahead. Overall your Company has been able to withstand the disruption through dedicated efforts of staff on ground and have recorded even better performance in lockdown 2.0 in FY'2021-2022. I am confident that getting tested during such time which would probably be a once in a century event, your Company stands strong and would continue to ensure the asset quality remains intact.

Your Company slowly resumed our business in the second half of FY'2020-2021 and opened our centers in line with guidelines issued by the Central and State Government and competent authorities. Our staff observed all Covid-19 safety protocols and took safeguard measures while at work. We revisited our credit policy, operations guidelines and overall risk framework factoring in the information /experience during the lockdown and made necessary changes. We started disbursement activity and have disbursed Rs.29.43 crs during the financial year. Our AUM stands at Rs.94.54 crs with 1108 live accounts. We retained our focus on providing housing finance assistance to EWS (Economically Weaker Section) home buyers looking to purchase/construct their own home in the form of low cost housing units. Our presence through our network that includes physical branches and digital PoPs across Maharashtra, Madhya Pradesh, Gujarat, Rajasthan and Tamil Nadu; we focus on Tier II, Tier III locations and semi urban areas.

Your Company's liability franchise has been strengthened with credit lines received from the State Bank of India, the Union Bank of India and the National Housing Bank (The NHB). Your Company has been able to raise Rs. 43.60 crs during FY'2020-2021 and the same has been deployed for incremental disbursements. We have expanded our ambit and are now engaging with various public sector banks, private sector banks and financial institutions

Your Company is now formally known as Star Housing Finance Limited. This new name reflects the standalone identity and the collective endeavor of our 85+ strong staff across our locations and business functions to become a meaningful player in the retail low cost housing finance space. We have got all necessary approvals and have received the fresh CoR from the RBI with this new name. We shifted our corporate / central office to bigger premises in North Mumbai in line with our growth requirements and long term business plan. Your

Company continues to strengthen our business verticals by on boarding HFC professionals with strong domain who can be a part of our long term journey of creating a housing finance institution of repute. Post necessary approvals, we have announced our first Employee Stock Option Scheme and have made necessary communication to our employees. This is a step to enable value creation for them as your Company grows sustainably over a period of time. Your Company's corporate governance framework was strengthened with Shri. A P Saxena, an ex NHB official having strong domain in risk and compliance joining the board as an independent director. Going ahead, your Company looks to engage with senior professionals of repute at board/advisory levels as we resolve to be a board governed institution

Your Company decided to have constant communication with stakeholders. In this regard, we organize earning calls in each of the quarters and apprise them about the developments across business areas. Our Mumbai office acts as a central point for engagement with banking partners, rating agencies, business associates, media partners and finding the right talent for scale up.

Concluding this communication, I express my gratitude to all stakeholders, the Reserve Bank of India (RBI), the National Housing Bank (NHB), our Lenders, our rating agencies, our bankers, and our Customers for their unwavering faith in Star Housing Finance Limited. This journey would not have been possible without the guidance and support of the Board. Last, but not the least, I must acknowledge the unwavering efforts of our employees. They have been a source of inspiration during these uncertain times and deserve huge appreciation.

I also want to express my deepest gratitude to scientists, doctors, nurses, police, volunteers and many others who continue to wage the battle against COVID-19. We all owe a great deal to them. I am confident that we are going to ultimately win the fight against COVID-19 because each one of us is engaged in this fight and the human spirit to fight and survive is greater than any disease or pandemic. With the collective effort of all Indians, India will eventually triumph over the crisis and emerge stronger, bigger and better than ever. India inspires us and we too at Star Housing Finance look forward to march ahead with our heads held high aiming to create value for all stakeholders

Yours Truly,
Ashish Jain
Chairman & Managing Director

Message from Chief Financial Officer

For the year ended 31st March, 2021

Dear Shareholders

FY 19-20 was a very unique and challenging year for business and personal alike, FY 20-21 was equally exciting and challenging. The year provided ample opportunities for everyone and those who were well prepared did reap the benefits by tapping into the opportunities that came by. We started the year with a loan book of Rs. 77.1 crores and happy to submit to you all that we ended the year with a loan book of Rs. 94.54 crores. The 1st quarter of the year saw a complete nationwide lockdown across the nation. Fresh Disbursements had come to a complete standstill due movement restrictions as well the inability to predict how the Pandemic and lockdown will play out during the year. July – January were the period during which we could operate with some semblance of normal operations. Our branches started functioning in phased manner depending on the local restrictions in July and by September all our branches were functioning with full adherence to local level guidelines. We reached our highest disbursement of Rs. 7.90 crores in March 2020 before the advent of the dangerous 2nd wave in late January 2021.We disbursed a total of Rs. 29.43 crores in FY 21. Business again was affected in the last quarter which sees the highest disbursement traditionally. Despite the challenges we managed to grow the loan book by 23% in FY 21. We also have managed to reduce our Project Loan Book to Rs. 15 crores which is 16% of our overall Loan book.

We started FY 21 with 2 sanctions from NHB Rs. 13.25 crores in June 2020 that was followed by a new sanction of Rs. 7 crores from SBI. We ended the year on a high note by increasing our liability franchise by successfully adding Union Bank of India as a lender who sanctioned a Term Loan to Star HFL for the 1st time. We were successful in lowering our cost of borrowing to 9.04% p. a. and our overall outstanding borrowing stands at Rs. 64.28 crores as of March 2021. Our gearing has improved to 1.2X as of March 2021.

This year being dominated by pandemic and challenges it had offered to us and our borrowers, required us to be cautious and conservative when it comes to provisioning or write offs. Since our loan book also has seasoned with passage of time, the team was constantly looking out for early warning signals of stress, recognizing the challenge and working with the borrowers to address it jointly with our borrowers. Our on ground effort of staying connected with our customers yielded us rich dividends and was well appreciated by our borrowers too. Consequently we have written off Rs. 1.26 crores of retail loans and also provided Rs. 0.70 crores towards Impairment of Loan Assets as part of IND AS requirements besides an additional transfer of Rs. 0.53 crores to the COVID 19 Impairment Reserves as on March 2021.

Investment in building capacities in our branches, write off of 1.26 crores and the additional provisioning resulted in our PAT Rs. 1.56 crores in March 2021 as against Rs. 5.04 crores in March 2020. Total Revenue for the year was marginally down to Rs. 15.60 crores in March 2021 as against Rs. 15.90 crores in March 2020. Our liquidity position is extremely comfortable at Rs. 20.1 crores. The Yield on our Loan portfolio stood at 16.61% and NIM at 11.31% as on March 2021 vis a vis 21.05% and 14.23% respectively. The moderation in the Portfolio Yield and NIM is primarily driven by our focus on increasing Retail Individual Home Loan and reduction in the Project Loan during the entire FY. We have also paid a 2 Interim Dividends of 0.10% and 0.15% in the month of October 20 and January 21 respectively.

Regards
Natesh Narayanan
Chief Financial Officer

MANAGEMENT DISCUSSION AND ANALYSIS 2020-21

Global Economic Review

In a little over a year into the COVID-19 pandemic, global economic activity is making a hesitant and uneven recovery on the back of extraordinary policy responses by governments and central banks on monetary, fiscal and regulatory fronts. While the accumulating human toll continues to raise concerns, as growing vaccine coverage lifts sentiment, focus is shifting to developing policies and strategies to nurse adversely affected sectors back to health and normalcy. The contraction of activity in 2020 was unprecedented, but it could have been a lot worse. Economic recoveries are diverging across countries and sectors, reflecting variation in pandemic-induced disruptions and the extent of policy support. As per IMF, after an estimated contraction of -3.3% in 2020, the global economy is projected to grow at 6 % in 2021.

On the back of policy support, economic activity in various sectors is gaining momentum while adapting to pandemic-induced restrictions. USA has already announced opening up of economy as a large portion of its population has been vaccinated. Europe too is slowly opening up borders to revive summer holiday tourism. With vaccination gaining momentum, UK is also opening up its economy.

Vaccine rollout in major world economies has raised hopes of higher economic growth. However, the bounce back will also be largely dependent on controlling the pandemic in low-income and emerging market economies. Strong international cooperation is vital for achieving these objectives, especially towards ensuring adequate worldwide vaccine production and universal distribution at affordable prices so that all countries can quickly and decisively beat back the pandemic.

The future of global economic growth will depend on three major factors: the evolution path of the health crisis, including whether the new COVID-19 strains prove susceptible to vaccines or they prolong the pandemic; the effectiveness of policy actions to limit persistent economic damage; and the evolution of financial conditions across countries and the adjustment capacity of their economics.

According to IMF's World Economic Outlook (Apr'21), the world economy is projected to grow by 6.0% in FY22 from a decline of 3.3% in FY21 and normalize to 4.4% growth in FY23. The projections for FY22 and FY23 are promising and are aided by additional fiscal support in the few large economies and anticipated vaccine powered recovery.

Indian Economic Review

The Indian Government announced the strictest lockdown in public movement and economic activity from March 24, 2020, to control the spread of COVID-19 pandemic. As economic activity came to a grinding halt, the lockdown had a devastating impact on an already-slowing economy as 1.36 billion Indians were required to stay indoors - one of the most stringent lockdown enforced in the world.

As a result, the first quarter FY 2020-21 registered a 24.4% contraction in the Indian GDP, which was followed by a contraction of 7.3% in the second quarter. With the economy opening up in the second half, Q3 and Q4 of FY 2020-21 saw GDP growth of 0.3% and 1.6% respectively. Overall, India saw GDP contraction of 7.3% in FY 2020-21, its first ever since FY 1980-81. While steady growth in the agricultural sector throughout the year was the silver lining for FY 2020-21, the second half was buoyed by growth in construction, manufacturing and financial services sector. The scars of the pandemic were evident in the retail, airlines, hotels and the wider hospitality industries. MSMEs faced a bigger crisis due to shortage of liquidity and supply chain disruptions.

Economic recovery process following the first wave. The second wave created enormous stress on the health infrastructure of the country with death rates rising far beyond that seen in the first wave. Exponential rise in infections and renewed restrictions have caused a large dent in consumer confidence. Lockdown in various states, slowing production and distribution of vaccine doses throughout the country, rise in occurrences of fungal infections and burdened finances of various states due to decreasing revenues and higher expenditure on health have added to an already uncertain near term economic growth, and has dealt a blow to hopes of double-digit growth rate in FY 2021-22. As infections recede, the economy is slowly opening up again. Vaccination in the country has picked up commendable pace, and it is hoped that further waves of infection do not occur.

The Reserve Bank of India (RBI) also announced several measures to ease the financial system stress, including enhancing system liquidity, reducing interest rates, moratorium on loan repayments for borrowers, asset classification standstill benefit to overdue accounts where a moratorium had been granted amongst others to alleviate the economic stress induced by the pandemic which had an impact across sectors that were already showing signs of a slowdown before the outbreak.

Under the Rs. 45,000 crore partial credit guarantee scheme, announced as a part of the Atmanirbhar Bharat package, three additional months were given to banks to purchase the portfolio of non-banking financial companies.

The Union Cabinet approved the Production-Linked Incentive (PLI) scheme for 10 sectors: pharmaceuticals, automobiles and auto components, telecom and networking products, advanced chemistry cell batteries, textile, food products, solar modules, white goods, and specialty steel. These incentives could attract investments in modern technology, catalyzing India's journey towards becoming a global player.

Impact of COVID-19 on Housing Finance and Non-Banking Finance Companies

Housing Finance Companies [HFCs] and Non-Banking Finance Companies [NBFCs] have been impacted by COVID-19 by way of operational disruptions, subdued collections, and requirement of creating additional provisions to meet the post-COVID uncertainties. The financial year saw equity fund raise by all major players in the financial sector, including private sector banks, to keep up the capital adequacy cushion in the post COVID scenario. However, since opening up of the economy from August 2020 onwards, all major players have seen their collection efficiencies gradually returning to pre-COVID levels. Adapting to the restrictions of the imposed lockdown, Banks, NBFCs and HFCs are ramping up their digital initiatives in order to keep up the loan book growth and to attend to the customer requirements.

New Regulatory Framework

In August 2019, the RBI took over the powers to regulate HFCs from the NHB. However, the NHB continues to carry out the function of supervision of HFCs. In October 2020, the RBI issued changes in the regulatory framework for HFCs in supersession of the corresponding regulations by the NHB. The new framework introduced certain regulatory changes for HFCs such as the principal business criteria for housing finance, definition of housing finance, requirement of minimum percentage of total assets required towards housing finance and housing finance for individuals, minimum net owned fund requirements, guidelines on liquidity risk management framework and liquidity coverage ratio, amongst others. In November 2020, the RBI issued guidelines around co-lending by Banks and NBFCs (including HFCs) to priority sector in order to improve the flow of credit to the unserved and underserved sector of the economy and make available funds to the ultimate beneficiary at an affordable cost, considering the lower cost of funds from banks and greater reach of the NBFCs/ HFCs. On February 17, 2021, the RBI issued Master Direction - Non- Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 (RBI HFC Directions). These directions came into force with immediate effect. In January 2021, the RBI issued a discussion paper to introduce a revised scale-based regulatory framework for NBFCs. The final guidelines for the same have not been released yet.

Government initiatives for the Housing Finance Companies

The spread of COVID-19 pandemic and the consequent lockdowns across the country led to large scale economic disruption across sectors and industries. In order to alleviate financial burden on borrowers and to help businesses get back on their foot, the government and the RBI announced a slew of regulatory forbearances and schemes during the year - some of the key being:

- **Moratorium:** The RBI on March 27, 2020 announced a COVID-19 regulatory package wherein it allowed eligible borrowers - whose accounts were standard as at February 29, 2020, to avail moratorium for term loan instalments falling due between March 1, 2020 and May 31, 2020. In May 2020, the moratorium was further extended for 3 months i.e. up to August 31, 2020. During the moratorium, a standstill was imposed on asset classification norms to mitigate the impact on credit quality. The asset classification standstill order was later vacated on March 23, 2021 by the Honourable Supreme Court of India.
- **Resolution Framework:** In August 2020, the RBI announced a Resolution Framework, whereby it allowed a one-time restructuring of loans experiencing COVID-19 related stress, without classifying them as NPA. Borrowers classified as standard but not in default for more than 30 days as at March 1, 2020 were eligible to avail the benefits under the resolution framework.
- **ECLGS Scheme:** The Finance Ministry of India launched the Emergency Credit Line Guarantee Scheme (ECLGS) in May 2020 with an aim to provide Rs. 3 Lakh Crores of unsecured loans to MSMEs and business enterprises to mitigate the distress caused by the COVID induced lockdowns. In November 2020, the scheme was extended to 26 other sectors as identified by the Kamath Committee and the health sector. The scheme provides 100% guarantee on loans up to 20% of the eligible borrower's total outstanding credit as of February 29, 2020 subject to the loans being less than or equal to 30 days past due as on February 29, 2020.

- **Waiver of interest on interest:** In October 2020, the government announced ex-gratia payment of the difference between compound interest and simple interest on loans up to Rs. 2 Crores, during the six-month moratorium period from 1st March to 30th August 2020, for certain eligible categories of loans such as MSME loans, education loans, housing loans etc. All eligible borrowers, which were standard as at February 29, 2020, whether or not they had availed the moratorium, were eligible to receive the difference between compound interest and simple interest on their loans.
- **Atmanirbhar Bharat 3.0:** Income tax relief measures for real estate developers and homebuyers for primary purchase/sale of residential units of value (up to Rs. 2 crore from November 12, 2020 to June 30, 2021).
- **Pradhan Mantri Awas Yojana (Urban):** Around 1.12 crore houses were sanctioned in urban areas.
- **Affordable Housing Fund:** Created in NHB with an initial corpus of Rs. 10,000 crore using priority sector lending short fall of banks/financial institutions for micro financing of housing finance companies.
- **Tax moderation:** GST Council cut tax to 5% from 12% on premium houses and to 1% from 8% for affordable houses.

GOVERNMENT POLICIES FOR THE HOUSING FINANCE COMPANIES:

In June 2020, the RBI released draft framework for the regulation of HFCs. The Draft Framework proposed to bring HFCs under the regulatory umbrella of the RBI, putting it on a level playing field with other NBFCs. The RBI issued a master circular titled 'Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021' on February 17, 2021, which supersedes the previously issued directions by NHB and the RBI. The circular provides a consolidated regulatory framework applicable to HFCs.

1. To qualify as HFC, 60% of the total assets (net of intangible assets) should comprise of housing finance, of which at least 50% should be towards individual housing loans.
2. HFCs to achieve CRAR of 15% by March 2022.
3. RBI permitted lending to individual home buyers or construction of the same project.
4. Capital market exposure has been capped at 40% of the net worth for HFCs.
5. HFCs to achieve minimum Net owned fund of H20 crore by March 31, 2023.

The Government of India approved a scheme to improve NBFC/HFC liquidity through a SPV to minimize systemic risks. The eligible non-bank lenders were to be provided short-term liquidity through a special purpose vehicle (SPV) that would purchase the short-term papers from eligible NBFCs/HFCs and utilize proceeds for extinguishing existing liabilities.

Star HFL Review: Setting the Foundation for Next Phase of Growth

The year under review was a challenging one for the Indian economy and it had a domino effect on the housing finance sector, and inevitably, on us as well. During the year, we embarked on a journey of strategic priorities that we set for ourselves in order to create value for all the stakeholders. The three major areas viz strengthening the Core, Drive Efficiency and Accelerate Growth are the fulcrum of the new agenda that we had set for ourselves during the year. The triumvirate consists of seven focus areas that will help grow business, strengthen risk management, increase profits, and create value for the stakeholders.

Outlook:

The outlook of India's housing finance sector is likely to be robust across the long-term for a fundamental reason: more Indians want to buy houses for enhanced security and asset creation even though renting could be cheaper in the short-term.

As the Indian economy matures, the mortgage-to-GDP ratio of less than 10% (which is significantly lower than other countries) could move towards the mid-teens and make the housing finance a USD 750 billion market over five years, creating a sweet spot for specialized affordable HFCs.

The housing finance sector is expected to grow sustainablity on account of sustained population growth, rapid growth coming out of non-metro India, increased per capita incomes, home ownership preference, affordable home prices along with a need for external financing, consistent government support and extensive under penetration.

DIRECTOR'S REPORT

To,

The Members

Star Housing Finance Limited

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

Your directors are pleased to present the Sixteen Annual Report of your Company along with the audited accounts for the year ended March 31, 2021.

IMPACT OF COVID-19

The financial year ended March 31,2021 marked a full year since the World Health Organization declared the outbreak of COVID-19 as a pandemic. Countries across the globe continued to face drastic economic and social disruptions along with tragic loss of lives and livelihoods. Eruptions of new waves and variants of the virus necessitated restrictions and lockdowns.

FY 2020-21 was an unprecedented year in many respects. The COVID-19 pandemic caused wide-spread economic disruption and brought the world to a stand-still, restriction on movement of people and goods led to widespread loss of incomes and livelihoods. Successive waves of the pandemic strained health infrastructure over the world and has to date resulted in 4 Mn deaths.

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.

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, 2021, is summarized below: -

(Rs. In Lakhs)

PARTICULAR	2020-21	2019-20
Gross Income	1560.29	1590.44
Less : Finance Cost	498.83	491.82
Employee Benefit Exp.	397.26	202.58
Overhead	235.86	196.53
Depreciation	14.66	4.23
Impairment of Financial Instruments	195.25	82.81
Profit Before Tax	**218.43**	**612.48**
Less : Provision for taxation	62.78	108.48
Profit After tax	**155.66**	**504.04**
Balance Brought Forward from last year	1113.01	808.39

(Rs. In Lakhs)

PARTICULAR	2020-21	2019-20
Appropriations	**155.66**	**504.31**
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	49.66	122.50
Transferred to General Reserve	Nil	Nil
Transferred to Impairment Reserve (Covid-19)	52.83	76.92
Balance Carried over to the Balance Sheet	**1126.99**	**1113.01**

BUSINESS PERFORMANCE:

(Rs. In Lakhs)

KEY FACTORS	2020-21	2019-20	GROWTH (%)
Portfolio (Outstanding Housing Loan/ Other Loan)	9454.19	7710.46	22.62%
EPS (Basis) in Rs.	0.99	3.397	(73.06%)
CRAR (%)	86.35%	93.09%	(7.14%)

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 effects 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 achiev a higher than the targeted growth.

DIVIDEND

The Company has paid an interim dividend of Rs. 0.15/-(Rupees Fifteen paisa only) per Equity share of Rs. 10 each (1.5%), amounting to Rs. 23,51,025 (Rupees Twenty three lakh Fifty one thousand twenty five only).The board has declared an interim dividend in their meeting held on 09th January, 2021. The Final Dividend is subject to approval of members at the up coming Annual General Meeting (AGM).

TRANSFER TO RESERVES

During the year under review, your Company appropriated Rs. 49.66 Lakhs to the Statutory Reserve under Section 36(1) (viii) of the income Tax Act, 1961 read with Section 29C of National Housing Bank (NHB) Act, 1987 out of the amount available for appropriation and an amount of Rs. 155.66 Lakhs is proposed to be retained in the Profit and Loss Account.

SHARE CAPITAL

- **Authorized Share Capital**

  The authorized share capital of the company stood at Rs. 17,00,00,000 (divided into 1,70,00,000 Equity Share of Rs. 10/-each). The company has increased the authorized share capital to Rs. 30,00,00,000/- (divided into 3,00,00,000 Equity Share of Rs. 10/- each) vide passing ordinary resolution in Extra Ordinary General Meeting of the members of the company held on 30th April, 2021.

- **Issued and Paid-up Capital**

  During the year under review the paid-up Equity Share Capital of the company is Rs. 156735000 (divided into 15673500 Equity Shares of Rs. 10/-each) to as at March, 31st 2021 and change has been took place in capital structure during the period.

CREDIT RATING

Your Company's financial discipline and prudence is reflected in the strong credit rating assigned by Brickwork Ratings India Private Limited. During the year as under.

The details of the same are mentioned below:-

S.NO	FACILITIES	LIMITES (IN CR)	TENURE	RATING
1	Fund Based (Bank Facilities)	166	Long Term	BWR BBB - Outlook- Stable

TERM LOAN FROM BANKS AND FINANCIAL INSTITUTIONS

During the financial year 2020-21 your company raised Financial Assistance from following institution:

- 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.
- Rs. 5 Crore (Rupees Five Crore only) under Refinance scheme from National Housing Bank, 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.
- Rs. 1.35 Crore (Rupees One Crore Thirty Five Lakhs only)under Additional Special Refinance Facility (ASRF) from National Housing Bank.
- Rs. 10 Crore (Rupees Ten Crore only)under Refinance under Regular Refinance facility from National Housing Bank.
- Rs.12 Crore (Rupees Twelve Crore only)through term loan through Union Bank of India.
- Rs. 5 Crore (Rupees Five Crore only)Refinance under special refinance facility (SRF -2021) from National Housing Bank.

REVIEW OF OPERATIONS

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

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

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

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

- **Income & Profits**

  Total Income decreased by 1.90% to Rs. 1,560.29 Lakhs for the Financial Year ended March 31, 2021 as compared to Rs. 1,590.44 Lakhs for the previous Financial Year. Profit before Tax (PBT) was 64.34% lower at Rs.218.43 Lakhs as compared to Rs. 612.48 Lakhs for the previous Financial Year. The Total Comprehensive Income for the Financial Year 2020-21 decreased by 69.12% from Rs.155.66 Lakhs in the previous Financial Year to Rs. 504.04 Lakhs in the current Financial Year.

  The Outstanding Bank Borrowing as on 31.03.2021 stood at Rs. 6428.30Lakhs

- **Sanctions**

  During the Financial Year under review, your Company sanctioned housing loans for Rs. 28.83 crore as compared to Rs. 34.87 crore in the previous Financial Year registering a de-growth of 7.32% due to subdued disbursements in the first half of the Financial Year. The cumulative loan sanctions since inception of your Company stood at Rs. 153.13 crore as at March 31, 2021.

- **Disbursements**

  During the Financial Year under review, your Company disbursed loans for Rs. 2943.44 Lakh as compared to Rs 2909.53 Lakh in

the previous Financial Year and recorded growth of 1.20% in disbursements.

- **Capital Adequacy**

  NHB vide its Notification No.NHB.HFC.DIR.22/MD & CEO/2019 dated June 17, 2019 has amended capital adequacy ratio for HFC from 12% to 15% by March 2022.The capital adequacy ratio of HFC is to be increased to14% by March 31, 2021 and 15% by March 31, 2022.

  Your Company's Capital Adequacy Ratio as at March 31, 2021, was 86.35.% which is far above the minimum required level of 14%

- **Assets Under Management (AUM)**

  The AUM of your company stood at Rs. 9454.19 Lakh as at March, 31st 2021 as against Rs. 7710.15 Lakh in the previous financial year, with a growth of 22.62%.

Prudential Norms for the HFC issued by RBI

In August 2019, the RBI took over the powers to regulate HFC from the NHB. However, the NHB continues to carry out the function of supervision of HFC.

In October 2020, the RBI issued changes in the regulatory framework for HFC in supersession of the corresponding regulations by the NHB. The new framework introduced certain regulatory changes for HFC such as the principal business criteria for housing finance, definition of housing finance, requirement of minimum percentage of total assets required towards housing finance and housing finance for individuals, minimum net owned fund requirements, guidelines on liquidity risk management framework and liquidity coverage ratio, amongst others.

In November 2020, the RBI issued guidelines around co-lending by Banks and NBFCs (including HFC) to priority sector in order to improve the flow of credit to the unnerved and underserved sector of the economy and make available funds to the ultimate beneficiary at an affordable cost, considering the lower cost offends from banks and greater reach of the NBFCs/ HFC. On February 17, 2021, the RBI issued Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 (RBI HFC Directions). These directions came into force with immediate effect.

In January 2021, the RBI issued a discussion paper to introduce revised scale-based regulatory framework for NBFCs. The final guidelines for the same have not been released yet.

The Company is in compliance with the applicable provisions and requirements of the RBI/HFC Directions and other directions/guidelines issued by RBI/NHB as applicable.

PROSPECTS AND DEVELOPMENTS:

There is a very huge market to be served, which needs an efficient last mile delivery of credit, thus creating enormous opportunities for all the financial institutions and HFC 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 the creditworthy customer class, ascertaining the title of the property remains a challenging job. The Company is actively involved with all the stakeholders to smoothen the process and is assertive in getting the right set of documents. We continue to 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 7 branches as on March 31, 2021. Your Company now operates in the Udaipur, Mumbai, Pune, Akola, Indore, Chennai and Surat.

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 77 employees as on 31st March, 2021.

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

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

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 pLakhement of Secured NCDs to Multilateral/Development Financial Institutions, NHB Refinance, NHB SRF (Special Refinance Facility Assistance) ,NHB's LIFT (Liquidity infusion scheme).

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, 2021.

ADOPTION AND ALTERATION OF MEMORANDUM AND ARTICLES OF ASSOCIATION:

Company has made Alteration in the provisions of the Memorandum of Association and Articles of Association of the company by way of change in the name of the company & increasing in authorized share capital in accordance with the provisions of Companies Act, 2013 vide passing Special & ordinary Resolution (respectively) passed at Extra Ordinary General Meeting (EGM) held on 30th April, 2021

NON-PERFORMING ASSETS AND PROVISIONS FOR CONTINGENCY:

The Gross NPA of your Company as on March 31, 2021 was Rs. 288.18 Lakhs; 3.05% (previous year Rs.256.96 Lakhs 3.33%). The Net NPA as on March 31, 2021 was Rs.244.95 Lakhs; 2.60%(previous year 213.31 Lakhs; 2.78%)The regulatory and compliance reporting, has been done in accordance with the prudential guidelines for Non-Performing Assets (NPAs) issued by the Reserve Bank of India under Master Direction - Non Banking Financial Company - Housing Finance Company(Reserve Bank) Directions, 2021.

Your Company has made adequate provision for the assets on which installments are overdue for more than 90 days and on other assets, as required. For details on the impairment provisioning, please refer to annexure no.9 of note no. 39 to the financial statements. By way of prudence and abundant caution, Company has provided additional provision over and above the NHB guidelines as on March 31, 2021. .

The Company has maintained cumulative NPA provision of Rs. 0.43 crore against the required provision of Rs. 0.43 crore (Previous year Rs. 0.43 crore). Further for standard assets Company carries provision of Rs. 0.31 crore (Previous year Rs. 0.29 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:

In August 2019, the RBI took over the powers to regulate HFC from the NHB. However, the NHB continues to carry out the Function of supervision of HFC. In October 2020, the RBI issued changes in the regulatory framework for HFC in supersession of the corresponding regulations by the NHB.

The new framework introduced certain regulatory changes for HFC such as the principal business criteria for housing finance, definition of housing finance, requirement of minimum percentage of total assets required towards housing finance and housing finance for individuals, minimum net owned fund requirements, guidelines on liquidity risk management framework and liquidity coverage ratio, amongst others.

In November 2020, the RBI issued guidelines around co-lending by Banks and NBFCs (including HFC) to priority sector in order to improve the flow of credit to the unserved and underserved sector of the economy and make available funds to the ultimate beneficiary at an affordable cost, considering the lower cost off funds from banks and greater reach of the NBFCs/ HFC. On February 17, 2021, the RBI issued Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 (RBI HFC Directions). These directions came into force with immediate effect. In January 2021, the RBI issued a discussion paper to introduce a revised scale-based regulatory framework for NBFCs. The final guidelines for the same have not been released yet.

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 receive total of 3 investor complaint during and all of which were disposed off and same was submitted to BSE pursuant to SEBI (LODR) Regulation, 2015.

EVENTS SUBSEQUENT TO THE END OF FINANCIAL YEAR:

1. The Company has changed its name from "Akme Star Housing Finance Limited" to "Star Housing Finance Limited " vide passing Special Regulation in EOGN held on 30th April, 2021. New Certificate of incorporation has been issued by ROC/ MCA on 10th May 2021.
2. The members has approved the Akme Employee Stock Option Plan 2021' (AKME ESOP SCHEME 2021) in its Extraordinary General held on 30th April, 2021 which is exercisable into not more than 15,67,350 (Fifteen Lakhs Sixty Seven Thousand And Three Hundred And Fifty) equity shares of face value of Rs.10/- (Rupees Ten) each fully paid-up at a Premium of INR 46/- per share, where one employee stock option would convert into one fully paid-up equity share of face value of Rs. 10/- each when exercised.
3. The members have approved shifting of the Registered office of the company from State of Rajasthan to State of Maharashtra in its EOGM held on 30th April, 2021

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 ('HFC') 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 HFC and their customers.

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:

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

The Company has a Risk Management Committee (RMC) in placed that comprises its directors and members of its senior management team, who have rich industry experience across domains. The RMC met multiple times during the year and kept an active watch on the emergent risks the Company was exposed to. The Company's Chief Risk Officer (CRO) oversees the process of identification, measurement and mitigation of risks. The CRO reports directly to the Board and meets them multiple times, and at least once in a quarter, to discuss the risks faced by the Company and policies to mitigate them.

In compliance with the clause 51 of Chapter IX- Corporate Governance of Non-Banking Financial Company -Housing Finance Company (Reserve Bank) Directions, 2021, Mr. B.S. Kachhawah is designated as Chief Risk Officer (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.

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 www.starhfl.com

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 placed 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 www.starhfl.com

(b) Fair Practice Code

Your Company has in placed 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 www.starhfl.com

(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.he following policy is placed on the website of the Company and can be accessed at www.starhfl.com

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

Your Company has in placed 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 the Chief Financial Officer and Managing Director, with regard to the Compliance with the said code, forms part of this Annual Report. he following policy is placed on the website of the Company and can be accessed at www.starhfl.com

(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. he following policy is placed on the website of the Company and can be accessed at www.starhfl.com

(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. he following policy is placed on the website of the Company and can be accessed at www.starhfl.com

(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 a 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. The following policy is placed on the website of the Company and can be accessed at www.starhfl.com

(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 programmers that can be undertaken by the Company, in terms of the Company's CSR Policy. The composition of the CSR Committee and its terms of reference are given in the Corporate Governance Report forming part of this Annual Report in "Annexure V". he following policy is placed on the website of the Company and can be accessed at www.starhfl.com

(i) Remuneration Policy

The Nomination & Remuneration Committee recommends to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employes as per sub-section (3) of Section 178 and based on the functions of the Board of Directors as indicated under Schedule IV (as per section 149) annexed to the Companies Act, 2013 and the Rules made thereunder.

Accordingly, the Remuneration Policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees is placed on the website of the Company and can be accessed at www.starhfl.com

The Company follow a Policy on remuneration for the Directors, key managerial Personnel and other 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 placed khe Related Party Transaction Policy, intended to ensure requisite approval, reporting and disclosure of transactions between the Company and its related parties. The said policy also defines the materiality of related party transactions and lays down the procedures of dealing with related party transactions. During the year under review, the Related Party Transaction Policy was amended to align the same with the requirements of Companies (Amendment) Act, 2015 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The following policy is placed on the website of the Company and can be accessed at www.starhfl.com

(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. The following policy is placed on the website of the Company and can be accessed at www.starhfl.com

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, 2021 who bring in a wide range of skills and experience to the Board.

- **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. Kavish Jain, Executive Director of the Company is liable to retire by rotation, at the ensuring 16th Annual General Meeting of the company. He is eligible and offered himself for re-appointment. A resolution for his reappointment is being proposed at the 16thAnnual General Meeting and his Profile is included in the Notice .

The Board of Directors of the Company are:-

- Composition of the Board as on 31 March, 2021

DIN	Name of Director	Category of Directors
002041164	Mr. Ashish Jain	Chairman & Managing Director
00240441	Mr. Nirmal Kumar Jain	Promoter & Executive Director
02041197	Mr. Kavish Jain	Executive Director
02173432	Mr. Amrit Singh Rajpurohit	Non Executive & Independent Director
06964564	Mr. Amlendra Prasad Saxena	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	Mr. KaluLal Jain	Executive Director	Resignation	17.05.2020
2	Mr. Kavish Jain	Executive Director	Appointment	18.05.2020
3	Mr. Suresh Chandra Gupta	Non Executive Independent Director	Resignation	30.07.2020
4	Mr. Amlendra Prasad Saxena	Non Executive Independent Director	Appointment	14.09.2020

- **Reappointment of Independent director**

  The Board proposed the Re-appointment of Mr. Amlendra Prasad Saxena as an 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 2020-21, Ten (10) Board Meetings were held are as follows.

S. no.	Date of Meeting
1	18.05.2020
2	09.06.2020
3	30.07.2020
4	28.08.2020
5	14.09.2020
6	29.09.2020
7	24.10.2020
8	11.11.2020
9	09.01.2021
10	16.03.2021

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 30th, 2021 to review the performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairman of the Company and access the quality, quantity and timeliness of flow of information between the company management and the Board.

- **Shareholder's Meeting**

During the financial year 2020-21, Extra Ordinary General Meeting was held as follows.

Day/Date/Time	Location	Details of Ordinary/Special Resolution passed
June, 08.2020 at 11.30 am	Through Video conferencing Registered office of the Company at AKME Business Centre (ABC), 4-5 Subcity Centre Savina Circle, Opp. Krishi Upaz Mandi Udaipur Rj 313002	Special Resolution • To approve secured rated, non- convertible redeemable debentures up to Rs. 100 Crores (Rupees One Hundred Crore only)

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

This enables the Board to deal with specific areas/activities that need a closer review and to have an appropriate structure to assist in the discharge of their responsibilities.

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

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

RELATED PARTY TRANSACTIONS

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 has not entered into material contract, arrangement or transaction with related party, as defined under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Related Party Transaction Policy of the Company.

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 which can be accessed at www.starhfl.com

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

The Company's Statutory Auditors M/S H.R. Jain & Co., Chartered Accountants, (FRN 000262C), who was appointed as a Statutory Auditor for a term of 5 consecutive financial year in the Annual General Meeting held on 24th September, 2016 for the purpose of statutory audit of the Company. Further M/S H.R. Jain & Co., Chartered Accountants has shown their unwillingness to reappoint as a Statutory Auditor of the company.

The Board of Directors has decided to appoint M/S Nyati Mundra & Co. Chartered Accountants, (FRN 008153C), as a Statutory Auditors of the Company to conduct Statutory Audit in the Annual General Meeting to be held on 29th September, 2021.

As required under the provision of Section 139(1) of the Companies Act. 2013 Company has received a written consent from M/s Nyati Mundra & Co. Chartered Accountants for their appointment and a Certificate, to the effect that their appointment, would be in accordance with the Companies Act, 2013 and the Rules framed there under and that they satisfy the criteria provided in Section 141 of the Companies Act, 2013.

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 2020-21. The Secretarial Audit Report for the financial year ended March 31st, 2021, 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.

- **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, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that such accounting policies as mentioned in 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, 2021 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 wherein 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 AND SHAREHOLDERS INFORMATION:

Your Company has taken adequate steps to adhere to all the stipulations laid down in the SEBI (Listing Obligations and Disclosure Requirements)Regulations, 2015, Corporate Governance (National Housing Bank) Directions, 2016, RBI Directions and the Companies Act, 2013 and Rules thereto, as amended from time to time.

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

The certificate by the Secretarial Auditor confirming compliance with the conditions of Corporate Governance as stipulated in the SEBI (LODR) Regulations, 2015 forms part of this report.

The said certificate for financial year 2020-21does not contains any qualification, reservation or adverse remarks.

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

MANGEMENT DISCUSSION AND ANALYSIS REPORT

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

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, 2021, 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.starhfl.com.

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

The Outlook of the company for the coming year is to:

- Focus on growth of Individual loans segment.
- Making online loan application more effective and enhance its contribution towards the incremental business.
- Strengthening marketing offices opened during the last 3 years and making them high growth centers.
- To grow business qualitatively by consolidating position and strengthening the competitiveness on service delivery.

- Understanding the inherent risks to the business and managing it effectively.
- Widespread market studies assisting modelling of loan products to suit customer needs.
- Making use of information provided by marketing offices about ground market conditions.

ACKNOWLEDGEMENTS:

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

Best Wishes

Sd/-
Ashish Jain
Chairman & Managing Director
DIN: 02041164

Sd/-
Kavish Jain
Director
DIN: 02041197

Date: 31.08.2021
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 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 are 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. 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 appropriat

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 thereunder 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 Chairman of the said meeting or the Chairman 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 the 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: Star Housing Finance Limited ("the Company") has not entered into any contract/arrangement/transaction with its related parties, which is not in ordinary course of business or at arm's length during FY 2020-21. The Company has laid down policies and processes/ procedures so as to ensure compliance to the subject section in the Companies Act ("the Act") and corresponding Rules. In addition, the process goes through internal and external checking, followed by half yearly reporting to the Audit Committee.**

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

2. **Details of material contracts or arrangement or transactions on arm's length basis as on 31.03.2021**

Name of Related Party & Nature of relationship	Nature of Contracts/arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the Contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions.	Date of Approval By Board/ Member	Amount paid as advances, if any
Mrs. Abhilasha Jain-Relative of MD	Professional Services	12 month	NA	Normal Course of Business	-	No such amount was paid as advances.
Mr. Anil k. Sachidanand - Key Managament Personnel in associate entity.	Professional Services	12 month	NA	Normal Course of Business	-	No such amount was paid as advances
Akme Fintrade (India) Limited-Promoter Company	Inter Corporate Loan	12 Month	NA	Normal Course of Business	-	No such amount was paid as advances

Name of Related Party & Nature of relationship	Nature of Contracts/arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the Contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions.	Date of Approval By Board/ Member	Amount paid as advances, if any
The Coronation Castles Private Limited- Significant Influence by Key Managament Personnel	Inter Corporate Loan	12 Month	NA	Normal Course of Business	-	No such amount was paid as advances
	Hospitality Services	12 Month	NA	Normal Course of Business	-	No such amount was paid as advances
Arkfin Investments Private Limited- Shareholder having substantial interest	Professional Services	12 Month	NA	Normal Course of Business	-	No such amount was paid as advances
	Inter Corporate Loan	12 Month	NA	Normal Course of Business	-	No such amount was paid as advances

For, and on behalf of the Board

Sd/-
Ashish Jain
chairman & Managing Director
DIN: 02041164

Sd/-
Kavish Jain
Director
DIN: 02041197

Date: 31.08.2021
Place: Udaipur

ANNEXURE-III

SECRETARIAL AUDIT REPORT

(For The Financial Year Ended March 31ST, 2021)
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members

Star Housing Finance Limited

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

Akme Business Centre (ABC), 4-5 Subcity Centre, 2nd Floor, Savina Circle, Opp. Krishi Upaz Mandi, Udaipur -313002

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period **01.04.2020 to 31.03.2021**, 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 **Star Housing Finance Limited ("The Company")** for the period ended on 31.03.2021 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 during the year under review;**
    e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not applicable 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 during the year under review;**
    g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – **Not applicable during the year under review;**
    h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – **Not applicable during the year under review; and**
    i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

(i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS- 2) issued by The Institute of Company Secretaries of India.

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 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 were sent in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting;

C. All decision at Board Meetings and Committee Meetings are carried unanimously as recorded in the minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be;

9. I further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), I am of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

10. I further report that during the review period there were no other specific events/action in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. having a major bearing on the Company affairs. However after Closer of Financial year Following major events occurred :

A. Pursuant to the provisions of section 13, 14, 15 read with Rule 29 of Companies (Incorporation) Rules, 2014 and any other applicable provisions of the Companies Act, 2013, Company has changed its name to Star Housing Finance Limited vide passing Special Resolution in the Meeting of members held on 30.04.2021.

B. Pursuant to the provisions of Section 13, 14, 15 of the Companies Act, 2013, read with Rule 30 of Companies (Incorporation) Rules, 2014, shifting of registered office of the Company from Rajasthan to Maharashtra, has been approved vide passing Special Resolution in the Meeting of members held on 30.04.2021.

For Ronak Jhuthawat & Co.
(Company Secretaries)

Sd/-
Ronak Jhuthawat
Proprietor
FCS: 9738, CP: 12094
Peer Review : S2013RJ222900
UDIN- F009738C000477766

Place: Udaipur
Date: 17.06.2021
Note: This report is to be read with our letter of even date which is annexed as "ANNEXURE A" and forms an integral part if this report.

"ANNEXURE A"

To,

The Members

Star Housing Finance Limited

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

Akme Business Centre (ABC), 4-5 Subcity Centre, 2nd Floor, 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
Peer Review : S2013RJ222900
UDIN- F009738C000477766

Place: Udaipur
Date: 17.06.2021

"ANNEXURE IV"

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March 2021

[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	Star Housing Finance Limited(Formerly known as " 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, 2nd Floor, Savina Circle Udaipur- 313002
	Contact Details:	294-2489501
(vi)	Whether Listed Company Yes/ No	Yes
(vii)	Name, Address and Contact Details of Registrar and Transfer Agent, if any-	
	Name:	Big Share services private Limited
	Address:	302, Kushal Bazar,32-33, Nehru Place, New Delhi-110019
	Contact Details:	011-42425004
	Email	bss@bigshareonline.com
	Website	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 main products/ services	NIC Code of the Main Product/ Service	% 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, 2021

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

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

(I) `Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1st April 2020)				No. of Shares held at the end of the year (as on 31st March 2021)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	5499100	-	5499100	35.09	5602066	-	5602066	35.74	0.65
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	1088000	-	1088000	6.94	721200	-	721200	4.60	-2.34
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other....	-	-	-	-	-	-	-	-	
Sub-Total (A) (1):-	6587100	-	6587100	42.03	6323266	-	6323266	40.34	-1.69
(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)	**6587100**	**-**	**6587100**	**42.03**	**6323266**	**-**	**6323266**	**40.34**	**-1.69**
B. Public Share holding	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign portfolio investors	-	-	-	-	60000	-	60000	0.38	0.38
i) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
j) Market maker	-	-	-	-	-	-	-	-	-
k)HUF	426110	-	426110	2.72	456631	-	456631	2.91	0.19
Sub-Total (B)(1):-	**426110**	**-**	**426110**	**2.72**	**516631**	**-**	**516631**	**3.30**	**0.58**

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1st April 2020)				No. of Shares held at the end of the year (as on 31st March 2021)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	3595258	-	3595258	22.94	3595288	-	3595288	22.94	0
ii) Overseas	-	-	-	-					-
b) Individuals	-	-	-	-					-
i) Individual Shareholders holding nominal share capital uptoRs. 1 lakh	1212592	-	1212592	7.74	1282471	-	1282471	8.18	0.44
ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh	3708093	-	3708093	23.65	3705407	-	3705407	23.64	-0.01
c) Others (specify)	-	-	-	-	-	-	-	-	-
i) Clearing members	71144		71144	0.45	205362	-	205362	1.31	0.86
ii) Directors & Relatives (other than Promoters)	-	-	-	-	-	-	-	-	-
iii) Non-Resident Indians	73203	-	73203	0.47	45075	-	45075	0.29	-0.18
iv) Trust	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2):-	**8660290**	**-**	**8660290**	**55.25**	**8833603**	**-**	**8833603**	**56.36**	**1.11**
Total Public shareholding (B)= (B)(1)+(B)(2)	9086400		9086400	57.97	9350234	-	9350234	59.66	1.69
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**15673500**	**-**	**15673500**	**100**	**15673500**	**-**	**15673500**	**100**	**0**

(I) (a) STATEMENT SHOWING DILUTED SHARE CAPITAL AS ON 31.03.2021

SR. 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	30	6323266	40.34	0	6323266	40.34
(B)	Public	1024	9350234	59.66	0	9350234	59.66
	Total						

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1st April 2020)			Shareholding at the end of the year (as on 31st March 2021)			
		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	% change in shareholding during the year
1	Nirmal Kumar Jain	929000	5.93	-	929000	5.93	-	0
2	KaluLal Jain	633400	4.04	-	356866	2.28	-	-1.76
3	Abhilasha Jain	352680	2.25	-	352680	2.25	-	0
4	Anil Kumar Jain	442080	2.82	-	442080	2.82	-	0
	Total	**2357160**	**15.04**	**-**	**2080626**	**13.28**	-	-1.76

(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 (01.04.2020)	2357160	15.04%
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc.)	276534 Equity shares of the company sold by Mr. Kalulal Jain on 31.03.2021	
At the end of the year (or on the date of separation, if separated during the year (31.03.2021)	2080626	13.28%

(iv) TOP TEN NON PROMOTERS MOVEMENT

SR. NO.	NAME	No. of Shares at the beginning/End of the year	% total Shares of the Compnay	Date	Increase/Decrease in share-holding	Reason	Number of Shares	Percentage of total shares of the company
1	Arkfin Investments Private Limited	3369500	21.50	31-Mar-20	0	-	3369500	21.50
		3369500	21.50	31-Mar-21	0		3369500	21.50
2	Anita Arora	302026	1.93	31-Mar-20	0		302026	1.93
			1.92	31-Jul-20	-650	Sell	301376	1.92
			1.90	07-Aug-20	-4000	Sell	297376	1.90
			2.46	21-Aug-20	88360	Buy	385736	2.46
			2.46	30-Sep-20	-100	Sell	385636	2.46
		385636	2.46	31-Mar-21	0		385636	2.46
3	Kotak Securities Limited	0	0	31-Mar-20		Sell	0	0
			0	03-Apr-20	265	Buy	265	0
			0	10-Apr-20	-265	Sell	0	0
			0.01	17-Apr-20	1760	Buy	1760	0.01
			0	24-Apr-20	-1760	Sell	0	0
			0	08-May-20	23	Buy	23	0
			0	15-May-20	-23	Sell	0	0
			0	17-Jul-20	377	Buy	377	0
			0	24-Jul-20	-377	Sell	0	0

SR. NO.	NAME	No. of Shares at the beginning/End of the year	% total Shares of the Compnay	Date	Increase/Decrease in share-holding	Reason	Number of Shares	Percentage of total shares of the company
			0.01	31-Jul-20	1506	Buy	1506	0.01
			0.01	07-Aug-20	153	Buy	1659	0.01
			0	14-Aug-20	-1659	Sell	0	0
			0	21-Aug-20	150	Buy	150	0
			0	28-Aug-20	-150	Sell	0	0
			0	02-Sep-20	31	Buy	31	0
			0	03-Sep-20	-15	Sell	16	0
			0	04-Sep-20	4	Buy	20	0
			0	07-Sep-20	-20	Sell	0	0
			0.01	25-Sep-20	1500	Buy	1500	0.01
			0	30-Sep-20	-1190	Sell	310	0
			0.01	02-Oct-20	1815	Buy	2125	0.01
			0	09-Oct-20	-2120	Sell	5	0
			0	16-Oct-20	305	Buy	310	0
			0	23-Oct-20	-210	Sell	100	0
			0	30-Oct-20	-100	Sell	0	0
			0	06-Nov-20	2	Buy	2	0
			0	13-Nov-20	-1	Sell	1	0
			0	20-Nov-20	8	Buy	9	0
			0	27-Nov-20	49	Buy	58	0
			0	04-Dec-20	149	Buy	207	0
			0	11-Dec-20	-174	Sell	33	0
			0	18-Dec-20	-26	Sell	7	0
			0	25-Dec-20	500	Buy	507	0
			0	31-Dec-20	-500	Sell	7	0
			0	08-Jan-21	299	Buy	306	0
			0	15-Jan-21	-299	Sell	7	0
			0	22-Jan-21	350	Buy	357	0
			0	29-Jan-21	-350	Sell	7	0
			0.01	05-Feb-21	1480	Buy	1487	0.01
			0	12-Feb-21	-1360	Sell	127	0
			0	19-Feb-21	-120	Sell	7	0
			0	26-Feb-21	150	Buy	157	0
			0	05-Mar-21	-99	Sell	58	0
			0.03	12-Mar-21	4448	Buy	4506	0.03
			1.69	19-Mar-21	260317	Buy	264823	1.69

SR. NO.	NAME	No. of Shares at the beginning/End of the year	% total Shares of the Compnay	Date	Increase/Decrease in share-holding	Reason	Number of Shares	Percentage of total shares of the company
			0	26-Mar-21	-264816	Sell	7	0
			1.18	31-Mar-21	184525	Buy	184532	1.18
		184532	1.18	31-Mar-21	0		184532	1.18
4	Anchor Metal Private Limited	177480	1.13	31-Mar-20	0		177480	1.13
			1.13	28-Aug-20	-3	Sell	177477	1.13
			1.13	03-Sep-20	-50	Sell	177427	1.13
			1.13	07-Sep-20	-50	Sell	177377	1.13
		177377	1.13	31-Mar-21	0		177377	1.13
5	Ramesh Kumar Jain	166000	1.06	31-Mar-20	0		166000	1.06
		166000	1.06	31-Mar-21	0		166000	1.06
6	PannaLal Jain	163170	1.04	31-Mar-20	0		163170	1.04
			1.04	22-May-20	-107	Sell	163063	1.04
			1.04	14-Aug-20	-7	Sell	163056	1.04
			0.96	05-Feb-21	-12356	Sell	150700	0.96
		150700	0.96	31-Mar-21	0		150700	0.96
7	Praveen Kumar Jain	135401	0.86	31-Mar-20	0		135401	0.86
		135401	0.86	31-Mar-21	0		135401	0.86
8	Pankaj Raybhan Pandekar	120019	0.77	31-Mar-20	0		120019	0.77
		120019	0.77	31-Mar-21	0		120019	0.77
9	Narendra Kumar Pamecha	226348	1.44	31-Mar-20	0		226348	1.44
			0.70	27-Nov-20	-116700	Sell	109648	0.70
			0.00	25-Dec-20	-109500	Sell	148	0.00
			0.00	31-Dec-20	6	Buy	154	0.00
		154	0.00	31-Mar-21	0		154	0.00
10	Bansilal Champalalji Jain	104000	0.66	31-Mar-20	0		104000	0.66
		104000	0.66	31-Mar-21	0		104000	0.66
11	Pavan Kumar Jain	103600	0.66	31-Mar-20	0		103600	0.66
		103600	0.66	31-Mar-21	0		103600	0.66

(v) Shareholding of Director and Key Managerial Personnel:

S. No	For each of the Directors and KMP	Shareholding at the beginning of the year (as on 1st April 2020)		Date of Change	Increase / Decrease	Reason	Cumulative shareholding during the year (as on 31st March 2021)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
	DIRECTORS							
1	Ashish Jain	32370	0.21	-	No Change	-	32370	0.21

(v) Shareholding of Director and Key Managerial Personnel:

S. No	For each of the Directors and KMP	Shareholding at the beginning of the year (as on 1st April 2020)		Date of Change	Increase / Decrease	Reason	Cumulative shareholding during the year (as on 31st March 2021)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
2	Nirmal Kumar Jain	929000	5.93	-	No Change	-	929000	5.93
3	*KaluLal Jain	633400	4.04	31.03.2021	Decrease	Sale of 276534 Equity shares	356866	2.28
4	**Kavish Jain	Nil	Nil	-	No Change	-	29690	0.19
5	Amrit Singh Rajpurohit	24000	0.15	-	No Change	-	24000	0.15
6	Rekha Jain	3	0.00	-	No Change	-	3	0.00
7	***Amlendra Prasad Saxena	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	KMP's							
8	Paritosh Kothari	Nil	Nil	Nil	Nil	Nil	Nil	Nil
9	Natesh Narayanan	34	0.00	-	No Change	-	34	0.00

- Resignation of Mr. KaluLal Jain from the post of Executive Director of the Company w.e.f 17.05.2020
- Appointment of Mr. Kavish Jain from the post of Executive Director of the Company w.e.f. 18.05.2020
- Appointment of Mr. Amlendra Prasad Saxena from the post of Non Executive Independent Director of the company w.e.f. 14.09.2020

(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	37,69,57,650	Nil	Nil	37,69,57,650
(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**	**Nil**	**Nil**	**37,69,57,650**
Change in indebtedness during the financial year		Nil	Nil	
Addition	266659130	Nil	Nil	266659130
Reduction	Nil	Nil	Nil	Nil
Net Change	266659130	Nil	Nil	266659130
Indebtedness at the end of the financial year				
(i) Principal Amount	642830466	Nil	Nil	642830466
(ii) Interest due but not paid	Nil	Nil	Nil	Nil
(iii) Interest accrued but not due	786314	Nil	Nil	786314
Total (i+ii+iii)	**643616780**	**Nil**	**Nil**	**643616780**

VII REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Director and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager/Director			Total Amount
		Nirmal Kumar Jain	Ashish Jain	*Kavish Jain	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3600000	3600000	2125000	9325000
	(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(leave encashment)	-	116129	77418	193547
5	Others, please specify(SITTING FEES)	-	-		-
	Total (A)	**3600000**	**3716129**	**2202418**	**9518547**
	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.			

* Mr. Kavish Jain appointed as Executive Director of the company w.e.f. 18.05.2020

B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	**Amlendra Prasad Saxena**	**Amrit Singh Rajpurohit**	**Rekha Jain**	-
	Fee for attending Board / Committee Meetings	60000	80000	60000	200000
	Commission	-	-	-	-
	Others,	-	-	-	-
	Total (1)	60000	80000	60000	200000
2	Executive Directors	-	-	-	-
	Fee for attending Board/ Committee Meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	60000	80000	60000	200000
	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:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	480000	1800000	2280000
	(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	-	-	48387	48387
5	Others, please specify(sitting fees)	-			
	Total	-	480000	1848387	2328387

VIII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compunding 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					

NIL

For, and on behalf of the board

Sd/-
Ashish Jain
Chairman & Managing Director
DIN: 02041164

Sd/-
Kavish Jain
Director
DIN: 02041197

Date: 31.08.2021
Place: Udaipur

ANNEXURE – V

REPORT ON CORPORATE SOCIAL RESPONSIBILITY

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

1. A brief outline on CSR policy of the Company

   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 programmers proposed.

   The Company may also undertake such CSR projects or programs proposed to be undertaken and The Company's CSR Policy is available at www.starhfl.com

2. **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	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the Year
1	02041164	Mr. Ashish Jain	Managing Director/Chaiman	1	1
2	00240441	Mr. Nirmal Kumar Jain	Director /Member	1	1
3	02173432	Mr. Amrit Singh Rajpurohit	Independent Director/ Member	1	1

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company**

   The composition of CSR Committee is available at www.starhfl.com The CSR Policy of the Company can be accessed at www.starhfl.com

4. **Provide the details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).**

   Not applicable

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.**

S. No.	Financial Year	Amount available for set-off from preceding Financial Years	Amount required to be set-off for the financial year, if any
NIL			

Note: The Company did not have any amount available for set off in the Financial Year 2020-21.

6. Average net profit of the Company for last three financial years: Rs. 53600287/-
7. (a) Two percent of average net profit of the company as per Section 135(5): Rs. 1072006/-
   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
   c) Amount required to be set off for the financial year, if any: Nil
   (d) Total CSR obligation for the financial year (7a+7b-7c):Rs. 1072006/-

8. (a) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in lakh)	Amount Unspent (in lakh)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs. 1072006	Nil	-	-	Nil	-

(b) Details of CSR amount spent against ongoing projects for the financial year:-Nil

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

(1)	(2)	(3)	(4)	(5)		(6)			
S. no	Name of project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent on the projects (in Rs.).	Mode of Implement ation -Direct (Yes/No)	Mode of Implementation through implementing Agency	
				State	District			Name	CSR Registr-ation number
1	Sun Institute of Management Studies (SIMS Sansthan)	Skill Development, Building the vocational and technical training framework, skill-up gradation, building of new skills and innovative thinking for creating jobs.	Yes	Rajasthan	Udaipur	5,00,000/-	Direct	-	-
2	All India Social Education	Promoting of Educational activities (Education of child for their bright future)	No	Gujarat	Ahemdabad	5,00,000/-	Direct	-	-
3	Shri Jagtbharti Education & Charitable Trust	Promoting education	No	Gujarat	Surendra Nagar	1,00,000/-	Direct	-	-

(d) Amount spent in Administrative Overheads: Nil

(e) Amount Spent on Impact Assessment: Not Applicable.

(f) Total amount spent for the Financial Year: of Rs. 1100000

(g) Excess amount for set off, if any:

S.no.	Particulars	Amount (in RS.)
1	Two percent of average net profit of the Company as per Section 135(5)	1072006
2	Total amount spent for the Financial Year	1100000
3	Excess amount spent for the financial year [(ii)-(i)]	27994
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
5	Amount available for set off in succeeding financial years [(iii)-(iv)]	27994

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

S. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	-
Not Applicable							

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
S. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total amount allocated for the project (in Rs)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project -Completed / Ongoing
NIL								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)

(a) Date of creation or acquisition of the capital asset(s): Not Applicable

(b) Amount of CSR spent for creation or acquisition of capital asset: Not Applicable

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: Not Applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5): Not Applicable

For, and on behalf of the Committee

Sd/-
Ashish Jain
Chairman, CSR Committee

Date: 31.08.2021
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:
Ratio of remuneration of each Director of median remuneration of employee of the company for the FY-2020-21

S.No	Requirements	Remuneration
1	Ratio of remuneration of each Director of median remuneration of employee of the company for the FY-2020-2021	**Executive Director** 1. Ashish Jain 22.66X 2. Nirmal Kumar Jain 21.95X 3. Kavish Jain 15.11X
2	Percentage Increase/ (Decrease) in Remuneration of each Director, CFO, CEO, CS, if any, in the Financial Year	**Director** 1. Mr. Ashish Jain 3.23% 2. Mr. Nirmal Kumar Jain - 3. Mr. Kavish Jain 3.23% **KMP** 1. Mr. Natesh Narayanan (CFO) 6.32% 2. Mr. Paritosh Kothari (CS) -
3	The Percentage Increase in the median Remuneration of Employees in Financial Year	8.20%
4	No. of Permanent Employee on the roll of Company	77
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-2020-21) stood at 36.38 % where as the average Percentage increase in the remuneration of KMP'S was at 3.89% 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

Note:

1. Calculation of remuneration have been made on comparable and annualized basis
2. The remuneration of KMP's was taken from Audited Financial statement for F.Y. 2020-21
3. Remuneration comprises of salary (Fixed and variable), allowances, perquisites/taxable Value of perquisites.

For, and on behalf of the Board

Sd/-
Ashish Jain
Chairman & Managing Director
DIN 02041164

Sd/-
Kavish Jain
Director
DIN 02041197

Date: 31.08.2021
Place: Udaipur

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 2020-21 is presented below:

Company's philosophy on Code of Governance

Star Housing Finance Limited ("the Company") is committed towards achieving the highest standards of Corporate Governance by staying true to its core values of Customer First, Transparency, Integrity and Professionalism. The Company continuously works towards implementing robust, resilient and best-in-class corporate practices in every facet of its operations, and in all spheres of its activities, thereby generating higher returns and maximizing shareholder value.

The COVID-19 pandemic has caused an unprecedented health and economic crisis across the globe. The severity of its impact on economy and day-to-day life is still evolving. Companies have to be nimble-footed and continuously evolve their strategies to deal with the emergent challenges. The Board has played a critical role helping the Company navigate the issues brought on by the COVID-19 pandemic. The Board is responsive and their depth of experience helps the management team evolve measured responses to issues that come up. The board guided the management in implementing cost rationalization measures at every level and across every function of the Company. The Company is in compliance with the Housing Finance Companies - Corporate Governance (National Housing Bank) Directions, 2016, Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve bank) Directions, 2021 and the applicable SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR).

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.

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, safeguarding the interest of shareholders and reporting to shareholders.

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

a) Overall direction of the Company's business, including projections on capital requirements, budgets, revenue streams, expenses and profitability;

b) Review of quarterly/annually results and its business segments.

c) Compliance with various laws and regulations;

d) Addressing conflicts of interest;

e) Ensuring fair treatment of borrowers and employees;

f) Ensuring information sharing with and disclosures to various Stakeholders, including investors, employees and regulators;

g) Developing a corporate culture that recognizes and rewards adherence to ethical standards;

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 a variety of perspectives and skills that work together in the best interest of the Company.

The Board of Directors as on 31.03.2021 comprises 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 Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees, across all the companies in which he is a Director.

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, 2021, 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 Star HFL) 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 in compliant with the applicable provisions of Companies Act, 2013 and SEBI Listing Regulations with respect to their number of Directorship in other Companies and chairmanship/membership on various Committees.

The Composition of the Board as on 31ST March, 2021 is given below:

NAME OF DIRECTOR	CATEGORY OF DIRECTORS	DIN	NO. OF SHARES	Qualification/ Experience
Mr. Ashish Jain	Chairman & Managing Director	02041164	32370	B.E. MSC (UK) M.A.
Mr. Nirmal Kumar Jain	Promoter & Executive Director	00240441	929000	CA, ICWA
Mr. Kavish Jain	Executive Director	02041197	29690	MBA, LLB
Mr. Amrit Singh Rajpurohit	Non-Executive Independent Director	02173432	24000	Graduate
Dr. Rekha Jain	Non-Executive Independent Director	07703994	3	PhD Holder
Mr. Amlendra Prasad Saxena	Non-Executive Independent Director	06964564	0	Post. Graduate Qualification in Statistic from University of Lucknow and MBA (Finance)

*Appointment of Mr. Kavish Jain (DIN: 02041197) for 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

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, and role of the Chairman, Non-Executive Directors and other senior management, assessment of the timeless 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.

NAME OF THE DIRECTOR	DIN	***NUMBER OF DIRECTORSHIPS	****MEMBER/CHAIRPERSON OF THE COMMITTEE	
			MEMBER	CHAIRMAN/CHAIRPERSON
Mr. Nirmal Kumar Jain	00240441	3	2	0
Mr. Ashish Jain	02041164	1	1	0
Mr. Kavish Jain	02041197	3	0	0
Mr. Amlendra Prasad Saxena	06964564	2	0	0
Mr. Amrit Singh Rajpurohit	02173432	2	2	0
Dr. Rekha Jain	07703994	2	2	2

*** Inclusive of directorships held in Private Limited Companies.
**** Only Audit Committee and Stakeholders 'Relationship Committee has been considered.

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 2020-21, 10 (ten) Board Meetings were held on 18.05.2020, 09.06.2020, 30.07.2020, 28.08.2020, 14.09.2020, 29.09.2020, 24.10.2020, 11.11.2020, 09.01.2021 and 16.03.2021 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 2020-21 are as follows:

S. NO.	NAME OF THE DIRECTOR	NO. OF MEETING BOARD OF MEETINGS		SITTING FEES PAID	WHETHER ATTENDED LAST AGM HELD ON 24.10.2020 (Y/N)
		HELD	ATTENDED		
1	Mr. Nirmal Kumar Jain	10	9	0	Yes
2	Mr. Ashish Jain	10	10	0	Yes
3	Mr. Kavish Jain	10	9	0	Yes
4	Mr. Amrit Singh Rajpurohit	10	4	80000	Yes
5	Mr. Amlendra Prasad Saxena	5	2	60000	Yes
6	Dr. Rekha Jain	10	7	60000	Yes

*Appointment of Mr. Kavish Jain (DIN: 02041197) for 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.

F. Independent Directors

Independent directors play a vital role 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 30th, 2021 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**

During the Financial year 2020-21, except sitting fee no remuneration is paid to Non-Executive Directors.

There was no pecuniary relationship or transactions of the Non-Executive Director's vis-à-vis the company during the Financial Year ended March 31, 2021 except sitting fees for attending Board meetings to the Non-Executive Director.

Details of sitting fees paid to Non-Executive Directors for attending Board meeting is as given below:

During the Year under review no remuneration has been paid to Non-Executive and Independent Directors.

NAME OF NON EXECUTIVE INDEPENDENT DIRECTOR	SITTING FEES PAID (Amount in Rs.)
Mr. Amlendra Prasad Saxena	60,000/-
Mr. Amrit Singh Rajpurohit	80,000/-
Dr. Rekha Jain	60,000/-

- **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 non-payment 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 meetings is not more than One Hundred Twenty days. The composition of the Audit Committee as at March 31, 2021 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			
			30.07.2020	14.09.2020	11.11.2020	09.01.2021
Dr. Rekha Jain	Non-Executive Independent Director	Chairperson/ Member	Yes	Yes	Yes	Yes
Mr. Nirmal Kumar Jain	Executive Director	Member	Yes	Yes	Absent	Yes
Mr. Amrit Singh Rajpurohit	Non-Executive Independent Director	Member	Yes	Yes	Yes	Yes

- The Committee has been re-constituted on 14.09.2020 due to the resignation of Mr. Suresh Chandra Gupta, Non-Executive Independent Director and appointment of Mr. Amlendra Prasad Saxena as Non-Executive Independent Director of the Company.
- Dr. Rekha Jain is the Chairperson of the Audit Committee.

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

- **Self Assessment by the Audit Committee**

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

B. Stakeholders' Relationship Committee

In compliance with the provisions of Section 178 of the Companies Act, 2013 and 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, 2021 and details of the Members participation at the Meetings of the Committee are as under

NAME OF MEMBERS	CATEGORY	Attendance at the Stakeholders' Relationship Committee Meetings					
		02.05.2020	15.07.2020	09.10.2020	24.11.2020	24.12.2020	10.02.2021
Dr. Rekha Jain	Non-Executive Independent Director/Chairperson	YES	YES	YES	YES	YES	YES
Mr. Suresh Chandra Gupta	Non-Executive Independent Director	YES	YES	NA	NA	NA	NA
Mr. Ashish Jain	Executive Director	YES	YES	YES	YES	YES	YES
Mr. Amrit Singh Rajpurohit	Non-Executive Independent Director	NA	NA	YES	YES	YES	YES

- The Committee has been re-constituted on 14.09.2020 due to the 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 and appointment of Mr. Amlendra Prasad Saxena as Non-Executive Independent Director of the Company.
- Dr. Rekha Jain is the Chairperson of the Committee.

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 received 3 complaints from investors all of which were disposed off.

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 t 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.

NAME OF MEMBERS	CATEGORY	Attendance at the Nomination and Remuneration Committee Meetings			
		18.05.2020	30.07.2020	14.09.2020	11.11.2020
Mr. Amrit Singh Rajpurohit	Non-Executive Independent Director/Chairman	YES	YES	YES	YES
Mr. Suresh Chandra Gupta	Non-Executive Independent Director	YES	NA	NA	NA
Dr. Rekha Jain	Non-Executive Independent Director	YES	YES	YES	YES
Mr. Amlendra Prasad Saxena	Non-Executive Independent Director	NA	NA	NA	YES

The composition of the Nomination and Remuneration Committee as at March 31, 2021 and the details of Members participation at the Meetings of the Committee are as under:

- The Committee has been re-constituted on 14.09.2020 due to the 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 and appointment of Mr. Amlendra Prasad Saxena as Non-Executive Independent Director of the Company.
- Mr. Amrit Singh Rajpurohit is the Chairman of the Committee.

D. Corporate Social Responsibility (CSR) Committee

The Company has voluntarily 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, 2021 and the details of Members' participation at the Meetings of the Committee are as under:

NAME OF MEMBERS	CATEGORY	Attendance at the CSR Meeting
		16.12.2020
Mr. Ashish Jain	Executive Director/Chairman	Yes
Mr. Nirmal Kumar Jain	Executive Director	Yes
Mr. Amrit Singh Rajpurohit	Non-Executive Independent Director	Yes

- Mr. Ashish Jain is the Chairman 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, 2021 and the details of Members' participation at the Meetings of the Committee are as under:

NAME OF MEMBERS	CATEGORY	Attendance at the Risk Management Committee Meeting			
		04.05.2020	06.07.2020	16.10.2020	09.02.2021
Mr. Amrit Singh Rajpurohit	Non Executive Independent Director/ Chairman	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. Nirmal Kumar Jain	Executive Director	Yes	Absent	Absent	Yes

- Mr. Amrit Singh Rajpurohit is the Chairman 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
2019-20	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")	24.10.2020 AT 12.30 P.M.	• Regularization of Mr. Kavish Jain (DIN: 02041197) as an Executive Director of the company • Appointment of Mr. Amlendra Prasad Saxena (DIN: 06964564) as a Independent Director of the company for a term of one • Alteration in the Articles of Association of the company.
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 a Independent Director of the company for a term of 5 year • Reappointment 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

B. Extra Ordinary General Meeting

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

FINANCIAL YEAR	LOCATION	MEETING ATE & TIME	SPECIAL RESOLUTION PASSED AT THE AGM
2019-20	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")	08.06.2020 At 11.30 A.M.	• To Approve Secured Rated, Non- Convertible Redeemable Debentures

SHAREHOLDERS RELATION:

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

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

The Ministry of Corporate Affairs (MCA) and the Companies Act, 2013, has taken a "Green Initiative" in corporate governance by allowing paperless compliances by the Companies through electronic mode. The listing agreement with the stock exchanges and the Companies Act, 2013 permits companies to send soft copies of the annual report to all those shareholders who have registered their e-mail addresses with the Company/ Depository participant. In every Annual Report, the Company has been requesting the shareholders holding shares both in physical/demat form to register/update their e-mail addresses to the Company/depository participants. Accordingly, the annual report for 2020-21, notice for AGM etc., are being sent in electronic mode to shareholders who have registered their e-mail addresses with the Company/depository participants.

DISCLOSURES

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

There were no transaction with related party that may have potential conflict with the interest of the Company. Details of related party transaction entered into by the Company in the ordinary course of its business are included kin notes forming part of financial statement and also uploaded on the website of the Company along with the submission to stock exchanges on a half yearly basis. The Transactions are in accordance with regulation 23of SEBI (LODR) Regulation 2015 were entered with the related parties pursuant to approval of the shareholder's, Audit Committee and Board of Directors of the Company.

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 2020-21, the Company has complied with all mandatory requirements as stipulated under SEBI (LODR) Regulation 2015. The Company has submitted the quarterly compliance status report to the stock exchange with in the prescribe time limit.

- **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. starhfl.com the said code is in line with the provisions of the Companies Act, 2013. In accordance with the said Code, the Company closes its trading window for designated employees and directors from time to time. As per policy, trading window closes for a period of 7 (seven) days prior to the date of Board Meeting and reopens after 48 hours from the conclusion of Board Meeting, in which the respective half yearly/yearly financial results are approved.

- **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. starhfl.com

- **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 statement

- **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 2021

- **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 have 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, Managing Director and Mr. Natesh Narayanan, 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. starhfl.com . The financial results of the Company are generally published in the English and Hindi newspapers such as Financial Express and Business Remedies.

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

General Shareholders Information: 16th Annual General Meeting:

1	**Day & Date**	29th September, 2021
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**	23rd September, 2021 to 29th September, 2021
6	**Listing on Stock Exchanges**	BSE Limited (BSE) Phiroze Jeejebhoy 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, 2021:-
Equity Shares:

CATEGORY	NO OF SHARES	% OF SHAREHOLDING
A. Shareholding of Promoter and Promoter Group		
1. Promoter's Holding		
(I) Indian Promoters		
(ii) Individuals	2080626	13.27
2. Persons acting in concert (Promoter Group)	-	
(I) Individuals	3521440	22.47
(ii) Body Corporate	721200	4.6
Total A	**6323266**	**40.34**
B. Non Promoter Shareholding		
(I) Individual	4987878	31.82
(ii) Foreign portfolio Inventors	60000	0.38
(iii) Body Corporate	3595288	22.94
(iv) NRI	45075	0.29
(v) Others	661993	4.22
Total B	**9350234**	**59.66**
Total A+B	**15673500**	**100.00%**

Distribution of Shareholding as at March 31, 2021:-

SHAREHOLDING OF NOMINAL		NO. OF SHAREHOLDERS	% OF TOTAL SHAREHOLDERS	SHARE AMOUNT (IN RS)	% OF TOTAL CAPITAL
Rs	**RS**				
0	20,000	724	68.69	2026600	1.272
20001	50000	80	7.59	2760060	1.766
50001	100000	122	11.57	9482920	6.047
100001	500000	85	8.06	23433750	14.951
500001	1000000	18	1.71	12417760	7.922
1000001	5000000	22	2.09	52063310	33.216
5000001	10000000	3	0.28	54550600	34.804
Total		**1054**	**100**	**15673500**	**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

Star HFL Secretarial Department

Paritosh Kothari
Compliance Officer & Company Secretary
4-5 Subcity Centre, 2nd Floor,
Savina Circle, Udaipur 313002
Tel: 0294-2489501
Email: compliance@starhfl.com

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

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

- **Designated Exclusive Email-Id**

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

- **Share Transfer system**

  Il 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, 2021 100% of the share capital of the Company representing 15673500 equity shares were held in dematerialized form.

Market Information

MONTH	HIGH	LOW	SENSEX CLOSING	SHARE CLOSING	AVERAGE
Apr-20	70.95	46.55	33717.62	5355	58.75
May-20	57.5	41	32424.10	49.95	49.25
Jun-20	59.7	41.1	34915.8	55.55	50.4
Jul-20	79	51.05	37606.89	61	65.25
Aug-20	99	52	38628.29	92.2	75.5
Sep-20	109	85.05	38067.93	102.95	97.02
Oct-20	108.95	82	39614.07	91.95	95.48
Nov-20	100.3	76.75	444149.72	88.05	88.53
Dec-20	102.85	75.5	47751.33	86.9	89.18
Jan-21	90.5	74	46285.77	77	82.25
Feb-21	85	73.7	49099.99	77.25	79.35
Mar-21	85	66	49509.15	73.35	75.5

- **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:**

  Star HFL'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 2021-22 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 @starhfl.com , 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 dat

- SEBI toll-free helpline service for investors: 1800227575 or 18002667575 (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 2020-21.

Sd/-
Ashish Jain
Chairman & Managing Director
DIN- 02041164

Sd/-
Paritosh Kothari
Company Secretary & Compliance Officer
M.No.A36550

Place: Udaipur
Date: 31.08.2021

CORPORATE GOVERNANCE CERTIFICATE 2020-21

Annexure – I

AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To

The Members,

Star Housing Finance Limited

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

Akme Business Centre (ABC),

4-5 Subcity Centre, 2nd Floor, Savina Circle, Opp. Krishi Upaz Mandi

Udaipur RJ 313002 IN

We have examined the compliance of conditions of Corporate Governance by Star Housing Finance Limited, ("the Company") for the year ended on March 31, 2021, 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
(Firm Registration No. 000262C)

Sd/-
CA Subhash Jain
Partner
Membership No. 400459
UDIN:21400449AAAACH5881

Date: 02.09.2021
Place: Udaipur

Annexure – III

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To

The Members,
Star Housing Finance Limited
(Formerly known as "Akme Star Housing Finance Limited")
Akme Business Centre (ABC), 4-5 Subcity Centre, 2nd Floor, 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 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, 2021 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

S. No	Name of Director	DIN	Date of Appointment
1	Mr. Nirmal Kumar Jain	00240441	21.03.2005
2	Mr. Ashish Jain	002041164	29.07.2017
3	Mr. Kavish Jain	002041197	18.05.2020
4	Mr. Amrit Singh Rajpurohit	02173432	15.07.2013
5	Mr. Amledra Prasad Saxena	06964564	14.09.2020
6	Dr. Rekha Jain	07703994	29.07.2017

Note:

1. Mr. Kavish Jain has been appointed as Executive Director of the company w.e.f 18.05.2020
2. Mr. Amlendra Prasad Saxena has been reappointed as 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
UDIN: F009738c000842064

Date: 27.08.2021

Chief Executive Officer (CEO)/ Chief Financial Officer (CFO) Certificate 2020-21

To,

The Board of Directors

Star Housing Finance Limited

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

Akme Business Centre (ABC), 4-5 Subcity Centre, 2nd Floor,

Savina Circle, Opp. Krishi Upaz Mandi

Udaipur RJ 313002 IN

1. We have reviewed financial statements and the cash flow statement of Star Housing Finance Limited for the year ended 31st March, 2021 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
Chairman & Managing Director
DIN: 02041164

Date: 31.08.2021
Place: Udaipur

H.R.JAIN & Co.
CHARTERED ACCOUNTANTS
310-313, Arihant Plaza, Near State Bank of India, Udiyapole, Udaipur 313001
EMAIL: hrjainca@gmail.com

INDEPENDENT AUDITOR'S REPORT

To,

The Members of

STAR HOUSING FINANCE LIMITED,

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Star Housing Finance Limited ("the Company") (formerly known as Akme Star Housing Finance Limited) , which comprise the Balance Sheet as at March 31, 2021, 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, 2021, 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 No. 34 to 38 to the financial statements which describe the extent to which the COVID-19 pandemic will impact the company's operations and its financial metrics including the expected credit loss on financial assets which are dependent on uncertain future developments. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements. The result of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Impairment of loans to customers	How our audit addressed the key audit matter
Ind AS 109 requires the Company to provide for impairment of its financial assets using the expected credit loss ('ECL') approach involving an estimation of probability of loss on the financial assets over their life, considering reasonable and	• Assessed the assumptions used by the Company for grouping and staging of loan portfolio into various categories and default buckets and their appropriateness for determining the probability-weighted default and loss-given default rates.

Impairment of loans to customers	How our audit addressed the key audit matter
supportable information about past events, current conditions and forecasts of future economic conditions which could impact the credit quality of the Company's financial assets. In the process, a significant degree of judgement has been applied by the management in respect of following matters a) Grouping of the loan portfolio under risk-based categories determined using Company's risk- management framework. Loans grouped under a particular category are assumed to represent a homogenous pool thereby expected to demonstrate similar credit characteristics; b) Staging of loans (i.e. classification in 'significant increase in credit risk' ("SICR") and 'default' categories); c) Estimation of expected loss from historical observations. d) Estimation of losses in respect of those groups of loans which had no/ minimal defaults in the past. e) Management overlay for macro-economic factors and estimation of their impact on the credit quality. The impact of COVID-19 on the ECL is highly uncertain, however the Company has factored the higher risk in its computation of the ECL provision and has applied management overlays which are approved by the Board of Directors. Considering the significance of such provision to the overall financial statements and the degree of management's judgment, any error or misstatement in such estimate may give rise to a material misstatement of the financial statements or omission of any disclosure required by the standards. Therefore, it is considered as a key audit matter.	• Tested controls for staging of loans based on their past-due status. Also tested samples of stage 1 and Stage 2 loans to assess whether any loss indicators were present requiring them to be classified under higher stage. • Tested samples of the input data used for determining the probability of default and Loss given default rates and agreed the data with the underlying books of accounts and records. • Assessed the management overlays applied by the Company to factor the impact of COVID-19 on the ECL as approved by their Board of Directors. • Tested the arithmetical accuracy of computation of ECL provision performed by the Company. • Assessed that the assumptions, used by the management for estimation of allowance for expected credit losses as at March 31, 2021, are presented and disclosed in the financial statements. • Assessed the Company's policy with respect to moratorium pursuant to the RBI circular and tested the implementation of such policy on a sample basis. • Assessed the additional considerations applied by the management for staging of loans as SICR/ default in view of Company's policy on moratorium. • Read and assessed the specific disclosures made in the financial statements with regards to managements evaluation of the uncertainties arising from COVID-19, its impact on ECL and other disclosures as prescribed by RBI relating to • moratorium granted. •

Key Audit Matter

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, uture 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 Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;.

(e) On the basis of written representations received from the directors as on March 31, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 read with schedule V to 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.

ii. The Company did not have any long term contracts including any derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

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

Sd/-
CA Subhash Jain
Partner
M.No.400449

Place: Udaipur
Date: 22.05.2021

UDIN: 21400449AAAABL3271

Annexure'I' to the Independent Auditors' Report

(Referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date)

1) In respect of its fixed assets:
   (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
   (b) As informed, fixed assets have been physically verified by the management in a phased periodical manner which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
   (c) Based upon the audit procedure performed and according to the records of the Company, the title deeds of all the immovable properties are held in the name of the Company.
2) The provisions of paragraph (ii) of the order are not applicable to the Company, as the Company is engaged in the financial services sector.
3) As per the information and records made available, the Company has granted short term loans to companies covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). In our opinion, the rate of interest and other terms and conditions on which the short term advance had been granted to the said parties were not, prima facie, prejudicial to the interest of the Company. Further the borrowers have been regular in the payment of the principal and interest as stipulated and there were no overdue amount in respect of such loans advance granted.
4) As informed, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of loans, investments, guarantees and security.
5) The company has not accepted any deposits from the public and hence the provisions of section 73 to 76 and any other relevant provisions of the Act or any other directives of RBI are not applicable to the company.
6) As informed to us, the maintenance of cost records has not been prescribed by the Central Government under section 148(1) of the Act, in respect of the activities carried on by the Company.
7) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, goods and service tax,cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.
   (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.
8) Based on the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of loans and borrowings to the financial institutions, banks or debenture holders.
9) Based on the the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer during the year. The company has raised term loans and cash credit limit from the banks, financial institutions and the said funds were applied for the purpose for which those funds were raised.
10) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

13) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14) According to the information and explanations given to us and on overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

15) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with the directors as referred to in section 192 of the Act.

16) The Company is a housing Finance company governed by NHB Act. And the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For H.R. JAIN & COMPANY

Chartered Accountants

Firm Registration No. 000262C

Sd/-

CA Subhash Jain

Partner

M.No.400449

Place: Udaipur

Date: 22.05.2021

UDIN: 21400449AAAABL3271

Annexure'II' to the Independent Auditors' Report

(Referred to in Paragraph 2(f) under the heading "Report on other legal and regulatory requirements" of our report of even date)

Report on the Internal Financial Controls under clause (i) of sub section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Star Housing Finance Limited (formerly known as Akme Star Housing Finance Limited) ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-
CA Subhash Jain
Partner
M.No.400449

Place: Udaipur
Date: 22.05.2021
UDIN: 21400449AAAABL3271

H.R.JAIN & Co.
CHARTERED ACCOUNTANTS
310-313, Arihant Plaza, Near State Bank of India, Udiyapole, Udaipur 313001
EMAIL: hrjainca@gmail.com

INDEPENDENT AUDITOR'S REPORT

TO

THE BOARD OF DIRECTORS

STAR HOUSING FINANCE LIMITED

(Formerly known as Akme Star Housing finance Limited)

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

1 This report has been issued in accordance with the requirements of the Master Direction - Non- Banking finance Company - Housing Finance Company (Reserve Bank) Directions, 2021.

2. We have audited the accompanying audited Ind AS financial statements of Star Housing Finance Company ("the Company") which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and loss including Other Comprehensive Income , the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the Ind AS financial statements including a summary of significant accounting policies and other explanatory information and have issued an unqualified opinion vide our Audit report dated 22, May' 2021.

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

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

3 The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other Comprehensive Income), changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for the safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

4 The Management of the Company is also responsible for Compliance with the National Housing Bank Act, 1987 ('the NHB Act'), Master Direction - Non- Banking finance Company - Housing Finance Company (Reserve Bank) Directions, 2021, and other circulars and directions issued by the NHB there under and for providing all the required information to the NHB. Further, the Company is responsible for compliance of RBI circular or guidelines, wherever applicable

Auditors Responsibility

5. Pursuant to the requirements of the Auditor's Report Directions, it is our responsibility to provide reasonable assurance on the matters specified in para 70 of the Directions, to the extent applicable to the Company, on the basis of our audit of the financials

statements of the Company for the year ended 31 March 2021 and examination of books of account and other records maintained by the Company for the year then ended.

6. We conducted our examination in respect of this certificate in accordance with the Guidance Note on Reports or Certificates for Special Purposes ("the Guidance Note") issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

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

8 Opinion:

Based on our audit of the financial statements for the year ended 31 March 2021 and examination as above, evidences obtained and the information and explanations, along with the representations provided by the Management, we report that:

A: Aplicable to all Housing Finance companies:

1 The company has obtained a Certificate of Registration No. 12.0080.09 from National Housing Bank (CoR - not valid for acceptance of public deposit). According to the information and explanations given to us , the housing company is complying with the principal Business Criteria as defined in para 4.1.17 of the master- direction- Non Banking Finance company- Housing Finance company (Reserve Bank) Directions 2021.

2 According to the information and explanations given to us , the company is meeting the required Net Owned Fund (NOF) requirement as prescribed under section 29A of the National Housing Bank Act, 1987 during the period under audit and as on 31 March 2021. During the year, the housing finance company has not issued paid-up preference shares which are compulsorily convertible into equity.

3 According to the information and explanations given to us , the company has complied with section 29C of the National Housing bank Act, 1987 by creating a reserve fund in which 20 percent of its net profit has been transferred during the financial year ended 31 March 2021.

4 According to the information and explanations given to us , the company has complied with the prudential norms on income recognition, accounting standards, asset classification, loan-to-value ratio, provisioning requirements, disclosure in balance sheet, investment in real estate, exposure to capital market and engagement of brokers, and concentration of credit/investments as specified in the Master Direction - Non- Banking finance Company - Housing Finance Company (Reserve Bank) Directions, 2021. However,

A. The company has granted moratorium to the eligible borrowers as per the RBI circular on Covid-19 Regulatory package dated 17.04.2020 and 23.05.2020 whereby Term Loan EMIs payable from 01.03.2020 to 31.08.2020 have been deferred and the Loan tenure has been extended by the respective period.

B. Application of interest on monthly intervals has resulted into outstanding balance being more than the sanctioned amount for more than 90 days, in 42 accounts having outstanding balance of Rs. 4.57 Crore as on 31.03.2021.

The Company have considered these loan accounts as standard assets as on 31.03.2021, giving explanation that, as per the sanction letter of these borrowers during the moratorium period (pre EMI period), it is optional for the borrower's either to pay the interest or it would be payable after expiry of moratorium period at applicable of rate of interest. In the reported cases the interest was capitalised and the loan tenure has been extended.

5 According to the information and explanations given to us, the capital adequacy ratio as disclosed in the half yearly statutory return and revised return filed thereafter, submitted to National Housing Bank has been correctly determined by the company and such ratio is in compliance with the minimum capital to risk weighted asset ratio (CRAR).

6 According to the information and explanations given to us , the Company during the financial year ended 31 March 2021 has furnished to the NHB within the stipulated return the half yearly Statutory Return, as specified in the directions issued by NHB.

7 According to the information and explanations given to us, the Schedule-III Return on statutory liquid assets is not applicable to

the company as its AUM is less than Rs 100 Crores and is non-deposit taking company

8 According to the information and explanations given to us, the company has opened one new branch at Surat on 11.08.2020 for which intimation to NHB was sent vide letter dated 19.08.2020.

9 According to the information and explanations given to us, the company has not given any loan against security of shares (Para 3.1.3 of the Directions), not given any loan against security of single product- gold jewellery, not given any loan against HFCs own shares (Para 18 of the Directions).

10 According to the information and explanations given to us, the Board of Directors of the company have passed a resolution for non-acceptance of any public deposit dated 18th May 2020.

11 According to the information and explanations given to us, the company has not accepted any public deposits during the financial year ended 31 March 2021.

B: Aplicable to Housing Finance companies accepting/holding public deposits:

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

For H.R. JAIN & COMPANY

Chartered Accountants
Firm Registration No. 000262C

Sd/-
CA Subhash Jain
Partner
M.No.400449

Place: Udaipur
Date: 22.05.2021
UDIN: 21400449AAAABL3271

STAR HOUSING FINANCE LIMITED

(Formerly known as Akme Star Housing Finance Limited)

Statement of Assets and Liabilities as on 31.03.2021

(INR in Lakh)

Sr. No.	Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
	ASSETS			
1	**Financial Assets**			
	- Cash and cash equivalents	5	2010.13	110.19
	- Bank balance other than cash and cash equivalents	5A	350.43	-
	- Loans	6	9283.34	8269.24
	- Investments	7	356.14	356.14
	- Other Financial assets	8	196.33	105.14
	Total Financial Assets		**12196.37**	**8840.71**
2	**Non- financial Assets**			
	- Deferred tax assets (net)		47.77	36.14
	- Current Tax Assets (Net)	9	43.33	0
	- Property, plant and Equipment	10A	101.56	100.47
	- Other Intangible Assets	10B	43.10	20.23
	- Right to use Assets	10C	12.41	-
	- Other non-financial assets	11	32.01	96.52
	Total Non-Financial Assets		**280.19**	**253.37**
	Total Assets		**12476.56**	**9094.08**
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	**Financial Liabilities**			
	- Borrowings	12	6428.30	3769.58
	- Other Financial liabilities	13	636.63	35.73
	Total Financial Liability		**7064.93**	**3805.3**
2	**Non-Financial Liabilities**			
	- Provisions	14	37.20	9.85
	- other non-financial liabilities	15	10.48	31.45
	Total Non-Financial Liability		**47.68**	**41.30**
3	**Equity**			
	- Equity Share capital	16	1567.35	1567.35
	- Other Equity	17	3796.60	3680.12
	Total Equity		5363.95	5247.47
	Total Liabilities and Equity		**12476.56**	**9094.08**

Overview and significant accounting polices. 1 to 4
The accompany note are an integral part of the financial statement.

In terms of our report of even date
For H.R. JAIN & COMPANY
Chartered Accountants
ICAI FR No : 000262C

For and on behalf of the Board of Directors

Sd/-
CA Subhash Jain
Partner
Membership No. 400449

Sd/-
Ashish Jain
Chairman & Managing Director
DIN: 02041164

Sd/-
Nirmal Kumar Jain
Director
DIN: 00240441

Sd/-
Natesh Narayanan
Chief Financial Officer

Sd/-
Paritosh Kothari
Company Secretary

Place: Udaipur
Date: 22-05-2021

STAR HOUSING FINANCE LIMITED

(Formerly known as Akme Star Housing Finance Limited)

Statement of Profit & Loss for the year ended 31.03.2021

INR in Lakh

Sr. No.	Particulars	Note No.	For the Year ended 31-03-2021	For the Year ended 31-03-2020
	Revenue From Operations	18		
(i)	Interest Income		1552.96	1578.30
(ii)	Fees and commission income		15.88	12.13
(iii)	Gain/loss on de-recognition of financial Assets		(8.55)	-
I	**Total Income**		**1,560.29**	**1,590.44**
	Expenses			
(i)	Finance Cost	19	498.83	491.82
(ii)	Impairment of Financial Instruments	20	195.25	82.81
(iii)	Employee Benefits expenses	21	397.26	202.58
(iv)	Depreciation and amortisation expenses	22	14.66	4.23
(v)	Other Expenses	23	235.86	196.53
II	**TOTAL EXPENSES**		**1,341.86**	**977.96**
III	**Profit Before Tax (I-II)**		218.43	612.48
IV	- Tax Expenses	24		
	- Current Tax		74.41	148.92
	- Deferred Tax		(11.63)	(40.48)
V	**Profit For the period (III-IV)**		**155.66**	**504.04**
	- Other comprehensive Income		-	-
VI	**Total Other Comprehensive Income**		-	-
VII	**Total Comprehensive Income (V+VI)**		**155.66**	**504.04**
	Earnings Per Share (of Rs. 10/- each)	25		
	Basic		0.99	3.69
	Diluted		0.99	3.69

Overview and significant accounting polices. 1 to 4

The accompany note are an integral part of the financial statement.

In terms of our report of even date

For H.R. JAIN & COMPANY
Chartered Accountants
ICAI FR No : 000262C

For and on behalf of the Board of Directors

Sd/-
CA Subhash Jain
Partner
Membership No. 400449

Sd/-
Ashish Jain
Managing Director
DIN: 02041164

Sd/-
Nirmal Kumar Jain
Director
DIN: 00240441

Sd/-
Natesh Narayanan
Chief Financial Officer

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

Place: Udaipur
Date: 22-05-2021

STAR HOUSING FINANCE LIMITED

(Formerly known as Akme Star Housing Finance Limited)

Statement of Changes in Equity for the period ended 31.03.2021

INR in Lakh

A) Equity Share capital

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised Share Capital		
170,00,000 Equity Shares @ 10 Each	1700.00	1700.00
Issued, Subscribed, Called Up & Paid Up Share Capital		
15673500 Equity Shares @ 10 Each	1567.35	1567.35
Total	**1567.35**	**1567.35**

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	INR. in Lakh	No. of shares	INR in Lakh
At the beginning of the year	1,56,73,500	1567.35	1,20,79,000	1207.90
Add: Share issued during the year	-	-	35,94,500	359.45
Outstanding at the end of the year	1,56,73,500	1,567.35	1,56,73,500	1,567.35

INR in Lakh

B) Other Equity

Particular	Other equity							
	Reserves and surplus			Other comprehensive income		Covid 19-Impairement Reserve	Money received against share warrants'	Total other equity attributable to equity holders of the parent
	Share premium reserve	Special reserve	Retained earnings	Equity Instruments through other comprehensive income	Revaluation Surplus			
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	(122.5)	-	-	-	-	**-**
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**

INR in Lakh

B) Other Equity

Particular	Other equity							
	Reserves and surplus			Other comprehensive income		Covid 19-Impairement Reserve	Money received against share warrants'	Total other equity attributable to equity holders of the parent
	Share premium reserve	Special reserve	Retained earnings	Equity Instruments through other comprehensive income	Revaluation Surplus			
Transfer to special reserve#	-	49.66	(49.66)	-	-	-	-	-
Profit for the year	-	-	155.66	-	-	-	-	**155.66**
Dividend Expenses	-	-	(39.18)	-	-	-	-	**(39.18)**
Transfer to Impairment reserve	-	-	(52.83)	-	-	52.83	-	-
Balances as at March 31, 2021	**1,728.41**	**487.63**	**1,126.99**	**268.14**	**55.68**	**129.75**	**-**	**3,796.60**

In terms of our report of even date

For H.R. JAIN & COMPANY
Chartered Accountants
ICAI FR No : 000262C

Sd/-
CA Subhash Jain
Partner
Membership No. 400449

Place: Udaipur
Date: 22-05-2021

For and on behalf of the Board of Directors

Sd/-
Ashish Jain
Chairman & Managing Director
DIN: 02041164

Sd/-
Natesh Narayanan
Chief Financial Officer

Sd/-
Nirmal Kumar Jain
Director
DIN: 00240441

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

STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31.03.2021

Particulars	For the Period ended 31.03.2021	For the Period ended 31.03.2020
Cash flow from operating activities		
Net profit Before Tax and exceptional items	218.43	612.48
Adjustment For :		
Depreciation and Amortization Expenses	14.66	4.23
Provision for ECL	69.51	47.97
Bad debts Written-off	125.73	34.84
Operating cash flow before working capital changes	428.34	699.52
Decrease/(Increase) in other financial assets	(91.19)	(29.36)
Decrease/(Increase) in Current Tax assets	(43.33)	-
Decrease/(Increase) in other Non- financial assets	64.51	(3.80)
Increase/(Decrease) in Other financial liabilities	600.90	30.30
Increase/(Decrease) in Other non-financial liabilities	(20.97)	5.29
Increase/(Decrease) in Provision	27.35	7.56
Increase/(Decrease) in cash credit	(582.67)	391.46
Cash From/(Used) for Operations	382.94	1100.96
(Increase)/Decrease in loans	(1209.35)	(2018.60)
Less: Taxes Paid	(74.41)	(148.92)
Net Cash Generated From Operating Activities (A)	(900.82)	(1066.56)
Cash flow from investing activities		
Investment in Fixed Deposits	(350.00)	-
Purchase of Fixed Assets	(51.03)	(25.03)
(Increase)/decrease in investment	-	-
Net Cash flow from investing activities (B)	(401.03)	(25.03)
Cash flow from financing activities		
Cash flow from issue of Shares	-	359.45
Share premium received	-	1379.52
Dividend Paid	(39.61)	-
Release Share Warrant	-	(47.25)
Borrowing Taken/ (Repayment)	3241.40	(796.61)
Net cash flow from financing activities (C)	3201.79	895.11
Net Increase in cash and cash equivalents (A+B+C)	1899.94	(196.48)
Cash and Cash equivalents as at beginning of the year	110.19	306.67
Cash and Cash Equivalents	2010.13	110.19

Note:

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

b) Figures in the brackets indicate outflow.

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

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

In terms of our report of even date

For H.R. JAIN & COMPANY
Chartered Accountants
ICAI FR No : 000262C

Sd/-
CA Subhash Jain
Partner
Membership No. 400449

Place: Udaipur
Date: 22-05-2021

For and on behalf of the Board of Directors

Sd/-
Ashish Jain
Chairman & Managing Director
DIN: 02041164

Sd/-
Natesh Narayanan
Chief Financial Officer

Sd/-
Nirmal Kumar Jain
Director
DIN: 00240441

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

1. Reporting entity

Star Housing Finance Limited (Formerly known as "Akme Star Housing Finance Limited") ("The Company"), was incorporated on March 21st, 2005 and Registered office 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 31stAugust, 2009. We have received a new incorporation certificate from ROC dated 10th May,2021 in the name of Star Housing Finance Limited and we have applied for a new certificate of registration to our regulator NHB/RBI. 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").

The financial statements are prepared and presented on going concern basis and the relevant provisions of the ACT and the guidelines and directives issued by the Reserve Bank of India (RBI) and National Housing Bank ("NHB") to the extent applicable.

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.

The standalone financial statements are presented in Indian Rupee (') and all values are rounded off to the nearest rupees in Lakh, 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 recognized 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 certain financial instruments that are measured at fair values at the end of each reporting date as required under relevant Ind AS.

2.5 Use of estimates and judgments

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

(iii) Effective interest rate ("EIR") method

EIR methodology recognizes interest income/expense using a rate of return that represents the best estimate of a constant rate of return over the expected 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 require judgment, in particular, the estimation of the amount and the timing of the future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

(v) Provisions and other contingent liabilities

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

3.. Significant accounting policies

3.1 Revenue Recognition

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

A. Interest Income

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

EIR method

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

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

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

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

When a financial asset becomes credit impaired and is, therefore, regarded as 'Stage-3', the company 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 recognizes the fee and commission income in accordance with the terms of the relevant contracts / agreements and when it is probable that the Company will collect the consideration.

C. Other Income

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

3.2 Financial instrument-initial recognition

A. Date of recognition

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

B. Initial measurement of financial instruments

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

C. Measurement categories of financial assets and liabilities

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

3.3 Financial assets and liabilities

A. Financial assets

Business model assessment

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

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

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

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 assets (for example, if there are repayments of principal or amortization of the premium/discount).

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

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

Accordingly, financial assets are measured as follows:

i) Financial assets carried at amortized cost (AC)

A financial asset is measured at amortized 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 that give rise on specified dates to cash flows that are sole payments of principal 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 recognized in statement of profit or loss.

ii) Financial assets carried at amortized cost (AC)

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

B. Financial Liability

i) Initial recognition and measurement

All financial liabilities are initially recognized at fair value. Transaction cost 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 amortized cost using the effective interest method.

3.4 Reclassification of financial assets and liabilities

The company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The company did not reclassify any of its financial assets or liabilities in the year ended 31st March, 2021

3.5 De-recognition of financial assets and liabilities

A. De-recognition of financial assets due to substantial modification of terms and conditions.

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

B. De-recognition of financial Instruments other than due to substantial modification

i) Financial assets

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

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

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

ii) Financial liability

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognized in the statement of profit and loss.

3.6 impairment of financial assets

A. Overview of ECL principles

In accordance with Ind AS 109, the company uses ECL model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL) Expected credit losses are measured at fair value through a loss allowance at an amount equal to:

i) the 12 months expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date or,

ii) Full lifetime expected credit losses that result from all possible default events over the life of the financial instrument.

The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset'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 recognized, the company recognizes 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 derecognized and is still in the portfolio.

EAD:

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

LGD:

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

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

The mechanics of the ECL method are summarized 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 recognizes the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%.

B. Loans and advances measured at 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 equal to the allowance that would arise if the assets were measured at amortized cost is recognized in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognized in OCI is recycled to the profit and loss upon de-recognition of the assets.

C. Forward looking information

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 amortized cost are deducted from the gross carrying amount of the assets.

3.8 Write-offs

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

3.9 Determination of fair value

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

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

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

3.10 Property, plant and equivalent

i. Recognition and measurement

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

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

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

ii. Subsequent expenditure

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

iii. Depreciation

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

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

Asset category	Estimated useful life
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. 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
Computers Software	5 years

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

3.12 Impairment of non-financial assets

The Company determines periodically whether there is any indication of impairment in the carrying amount of its non-financial assets. The recoverable amount (higher of net selling price and value in use) is determined for an individual asset, unless the asset does not generate cash inflow that are largely independent of those from other assets or group of assets. The recoverable amount of such assets are estimated, if any indication exists and impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the company

estimates the recoverable amount of the cash-generating unit to which the asset belongs.

3.13 Employee benefits

i. Post employee benefits

Defined contribution plan

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

Gratuity

The company's net obligation in respect of Gratuity is calculated separately 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 amount 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, cheuqes 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

Company has applied Ind AS 116 "Leases" for all lease contracts covered by the Ind AS. Under Ind AS 116 a contract is, or contains a lease, if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company undertook an assessment of all applicable contracts to determine if a lease exists as defined in Ind AS 116. This assessment will also be completed for each new contract or change.

Measurement of Lease Liability

At the time of initial recognition, the Company measures lease liability as present value of all lease payment discounted using the Company's incremental cost of borrowing rate. Subsequently, the lease liability is

i) Increase by interest on lease liability

ii) Reduce by lease payments made

Measurement of Right-of-Use asset

At the time of initial recognition, the Group measures 'Right-of-Use assets' as present value of all lease payment discounted using the Group's incremental cost of borrowing rate w.r.t said lease contract. Subsequently, 'Right-of-Use assets' is measured using cost model i.e. at cost less any accumulated depreciation and any accumulated impairment losses adjusted for any re-measurement of the lease liability specified in Ind AS 116 'Leases'. Depreciation on 'Right-of-Use assets' is provided on straight line basis over the lease period.

In contract going forward. The Company has further elected not to recognize ROU assets and lease liabilities for leases of low value assets and for short-term leases (less than 12 months).

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, 2021.

Note 5: Cash and cash equivalents — **INR in Lakh**

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks in current / cash credit accounts	1247.51	43.12
Cash in hand	72.63	67.07
Deposit with original maturity of less than three months	690.00	-
	2010.13	110.19
Note 5A:Bank balance other than cash and cash equivalents		
(i) Earmarked balances with bank	0.43	-
(ii) Balances with bank to the extent held as margin money or security against the borrowings, guarantees, other commitments	350.00	-
(iii) Repatriation restrictions in respect of cash and bank balances	-	-
	350.43	-

Note 6: Loans (at amortised cost) **INR in Lakh**

Particulars	As at March 31, 2021	As at March 31, 2020
Term Loans		
Retail	**7882.45**	**5666.41**
-Housing Loan	7487.78	5356.40
-Non Housing Loan	394.67	310.01
Corporate Loan	1571.74	2043.74
Total Gross	9454.19	**7710.15**
Less: Impairment loss allowance	(170.85)	(101.33)
Total Net	**9283.34**	**7608.81**
Others (ICD)	-	660.42
Total Loans	**9283.34**	**8269.24**
Secured by tangible assets	9200.99	7508.53
Unsecured	253.19	201.61
Total Gross	**9454.19**	**7710.15**
Less: Impairment loss allowance	(170.85)	(101.33)
Total Net	**9283.34**	**7608.81**
Others (ICD)	-	660.42
Total Loans	**9283.34**	**8269.24**
Public Sector	-	-
Others	9454.19	7,710.15
Total Gross	**9454.19**	**7710.15**
Less: Impairment loss allowance	(170.85)	(101.33)
Total Net	**9283.34**	**7608.81**
Others (ICD)	-	660.42
Total Loans	**9283.34**	**8269.24**

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. Loans sanctioned but undisbursed amount is Rs.5.62 cr. as on March 31, 2021 (P.Y. 8.73 cr)

iv. COVID-19 pandemic had led to a significant impact on global & local economic activities, which may persist. The company has used the principle of prudence to provide for the impact of pandemic on the financial statements specifically while assessing the expected credit loss on financial assets by applying management overlays, approved by its Board of Directors. This has resulted in an additional provision of Rs. 51.89 Lakh (P.Y Rs 31.59 Lakh) against financial assets during the year, taking the overall additional provision of INR 83.48 Lakh as of March 31, 2021. The extent to which COVID-19 pandemic, including the current "second wave" that has significantly increased the number of cases in India will continue to impact the Company's operations and financial metrics will depend on future developments, which are highly uncertain.

In accordance with the COVID-19 regulatory packages announced by RBI on March 27, 2020, April 17, 2020 and May 23, 2020, the company has offered moratorium on payment of all the installments and/or interest, as applicable, falling due between March 01, 2020 and August 31, 2020 to all eligible borrowers. For all such accounts that were granted moratorium, the prudential assets classification remain standstill during the moratorium period (i.e., the number of days past due shall exclude the moratorium period for the purposes of asset classification under Income Recognition, Asset classification and provisioning norms), As per RBI circular relating to COVID-19 regulatory package. Company has created an additional reserve amounting to Rs. 52.82 Lakh (P.Y. 76.92 Lakh) on the accounts where moratorium benefit is extended, taking the overall additional reserve of INR 129.74 Lakh as of March 31, 2021.

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

Particulars	31-03-2021				31-03-2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross Caring amount opening balance	6577.26	875.93	256.96	7710.15	5,115.85	1162.42	108.54	6386.81
Less: Assets repaid (excluding write offs)*	204.71	116.69	12.93	334.33	1552.10	216.46	21.03	1789.60
Transfers from Stage 1**	(1,575.57)	1,424.48	151.09	-	(612.52)	532.46	80.06	-
Transfers from Stage 2**	642.46	(673.84)	31.38	-	592.93	(698.92)	105.99	-
Transfers from Stage 3**	15.39	-	(15.39)	-	1.21	-	(1.21)	-
Less: Amounts written off	2.81	-	122.92	125.73	3.02	-	31.82	34.84
New assets originated	2196.84	7.27	-	2204.11	3034.92	96.43	16.43	3147.77
Gross carrying amount closing balance	7648.85	1517.16	288.18	9454.19	6577.26	875.93	256.96	7710.15

The gross carrying value includes Housing Loan, Builder Loan and other Loan & Advances.
* Excludes the unmortised component of souring 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	31-03-2021				31-03-2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	49.31	45.35	6.68	101.33	22.46	25.46	5.44	53.36
Addition during the year	21.47	36.59	11.45	69.51	26.84	19.89	1.24	47.97
Reversal during the year	-	-	-	-	-	-	-	-
ECL allowance - closing balance	70.77	81.94	18.13	170.85	49.31	45.35	6.68	101.33

The contractual amount outstanding on loans that have been written off during the year, but were still subject to enforcement Activity is 1.26 Crs As at March 31, 2021 (31.03.2020 0.34 Crs.)

STAR HOUSING FINANCE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

INR in Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Note 7: Investments		
Investments in India		
Equity instruments (Unquoted)	356.14	356.14
Total gross	**356.14**	**356.14**
Investments outside India	-	-
Total gross	**356.14**	**356.14**
Less: Allowance for impairment loss	-	-
Total net	**356.14**	**356.14**
Equity Instrument Fair Valued through Other Comprehensive Income	356.14	356.14
Less: Allowance for impairment loss	-	-
Total net	**356.14**	**356.14**
Note 8: Other financial assets		
Interest Receivable on Loans	63.55	46.05
Other Deposits	25.20	27.40
Other Receivables/Advances	0.79	0.96
Security deposit	106.78	30.72
Total	**196.33**	**105.14**
Note 9: Current Tax Assets (Net)		
Current Tax Assets	43.33	-
Total	**43.33**	**-**

Note 10A: Property plant and equipment

INR in Lakh

Particulars	Gross carrying value				Depreciation				Net carrying value	
	As at March 31, 2020	Addition during the year	Adjustments/ Deductions during the year	As at March 31, 2021	As at April 01, 2020	For the year	Adjustments/ Deductions during the year	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Land	92.56	-	-	92.56	-	-	-	-	92.56	92.56
Furniture & Fixtures	2.39	0.95	-	3.35	0.98	1.00	-	1.98	1.37	1.41
Vehicle	14.92	-	-	14.92	12.38	0.79	-	13.17	1.75	2.54
Computers & printer	7.35	5.26	-	12.60	3.93	3.43	-	7.36	5.24	3.42

Note 10A: Property plant and equipment

INR in Lakh

Particulars	Gross carrying value				Depreciation				Net carrying value	
	As at March 31, 2020	Addition during the year	Adjustments/ Deductions during the year	As at March 31, 2021	As at April 01, 2020	For the year	Adjustments/ Deductions during the year	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Other Equipment's	0.71	-	-	0.71	0.17	0.17	-	0.34	0.37	0.54
Electrical Equipment's	-	0.30	-	0.30	-	0.02	-	0.02	0.28	-
Total	**117.93**	**6.51**	**-**	**124.44**	**17.46**	**5.41**	**-**	**22.88**	**101.56**	**100.47**

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 10B: Other intangible assets

Particulars	Gross carrying value				Amortisation				Net carrying value	
	As at March 31, 2020	Addition during the year	Adjustments/ Deductions during the year	As at March 31, 2021	As at April 01, 2020	For the year	Adjustments/ Deductions during the year	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Software	18.17	2.02	-	20.19	3.83	3.01	-	6.85	13.35	14.33
Jaguar Software	-	33.99	-	33.99	-	4.24	-	4.24	29.75	-
Jaguar Software- WIP	5.90	-	5.90	-	-	-	-	-	-	5.90
Total	**24.07**	**36.01**	**5.90**	**54.18**	**3.83**	**7.24**	**-**	**11.08**	**43.1**	**20.23**

Note 10C: Right to use Assets

Particulars	Gross carrying value				Amortisation				Net carrying value	
	As at March 31, 2020	Addition during the year	Adjustments/ Deductions during the year	As at March 31, 2021	As at April 01, 2020	For the year	Adjustments/ Deductions during the year	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Lease Assets-Right to use	-	14.41	-	14.41	-	2.00	-	2.00	12.41	-
Total	**-**	**14.41**	**-**	**14.41**	**-**	**2.00**	**-**	**2.00**	**12.41**	**-**

INR in Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Note: 11 Other Non-Financial Assets		
Prepaid (Exp. & Rent)	24.09	4.71
Other Advances	2.18	91.84
Duties and taxes	5.74	(0.03)
Total	**32.01**	**96.52**

INR in Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Note 12: Borrowings (other than debt securities)		
Secured (At Amortised Cost) (Refer Note 12A & 12B)		
Term loans		
From Bank & FI	4054.07	3034.98
From NHB	2360.00	-
Cash Credit, DLOF and working capital demand loans		
From Bank	14.24	596.91
Other Borrowings	-	137.69
Total	**6428.30**	**3769.58**
Borrowings in India	6428.30	3769.58
Borrowings outside India	-	-
Total	**6428.30**	**3769.58**

Note 12A: Details of term of redemption / repayment and security provided in respect of term loan:

Particulars	Amount	Terms of redemption/ repayment	Security	ROI
Term loans from banks/FIs				
Bank Of Baroda	192.54	Repayable in 20 quarterly instalments'(principle) of Rs. 36.80 Lakh 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 Mr. Nirmal Kumar Jain ,Mr. Ashish Jain, Mr. Kalu Lal Jain, Mrs. Pushpa Nagda and corporate guarantee of Akme Build Mart Pvt. Ltd.	11.40%
State Bank Of India	727.68	Repayable in 60 monthly instalments'(principle) of Rs. 25.00 Lakh 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	9.30%
State Bank Of India-TLTRO	700.49	Repayable in 8 quarterly instalments'(principle) of Rs. 87.50 Lakh each	Hypothecation of specific book debts with security coverage of 1.33 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	9.50%
AU Small Finance Bank	171.43	Repayable in 60 monthly instalments'(principle) of Rs. 8.33 Lakh each	Hypothecation of specific book debts with security coverage of1.10 times and personal guarantee of director Mr. Nirmal Kumar Jain and Mr. Ashish Jain Further it is secured by extension of charge over residential property	12.15%
Union Bank of India	1184.87	Repayable in 15 quarterly instalments'(principle) of Rs. 80.00 Lakh each	Hypothecation of specific book debts with security coverage of1.33 times. It is also provide upfront FDR of Rs.1.80 Cr and personal guarantee of director Mr. Nirmal Kumar Jain, Mr. Ashish Jain and Mr. Kavish Jain.	9.65%
National Housing Bank - Lift	419.00	Repayable in 18 quarterly instalments'(principle) of Rs. 27.00 Lakh each and last instalments of Rs.14 Lakh	Hypothecation of specific book debts with security coverage of1.25 times and personal guarantee of director Mr. Nirmal Kumar Jain, Mr. Ashish Jain and Mrs. Pushpa Nagda and corporate guarantee of Akme Build Estate Ltd.	7.05%
National Housing Bank-Srf	325.00	Repayable in one Annual Instalment of Rs.325.00 Lakh	Hypothecation of specific book debts with security coverage of1.00 times	5.40%

Particulars	Amount	Terms of redemption/ repayment	Security	ROI
National Housing Bank-Additional Srf	135.00	Repayable in one Annual Instalment of Rs.135.00 Lakh	Hypothecation of specific book debts with security coverage of1.00 times	5.40%
National Housing Bank - Refinance	481.00	Repayable in 26 quarterly instalments(principle) of Rs. 19.00 Lakh each and last instalments of Rs.6 Lakh	Hypothecation of specific book debts with security coverage of 1.25 times. It is also secured by Bank guarantee to 15% of the sanctioned amount and personal guarantee of director Mr. Nirmal Kumar Jain, Mr. Ashish Jain and Mrs. Pushpa Nagda and corporate guarantee of Akme Build Estate Ltd.	5.65%
National Housing Bank - Regular Refinance	1000.00	Repayable in 27 quarterly instalments(principle) of Rs. 37.04 Lakh each	Hypothecation of specific book debts with security coverage of 1.25 times. It is also secured by Bank guarantee to 15% of the sanctioned amount and personal guarantee of director Mr. Nirmal Kumar Jain, Mr. Ashish Jain and Mrs. Pushpa Nagda and corporate guarantee of Akme Build Estate Ltd.	6.25%
MAS Financial Services Limited-TL 1A	217.99	Repayable in 48 monthly instalments(principle) of Rs. 10.41 Lakh 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	218.38	Repayable in 48 monthly instalments(principle) of Rs. 10.41 Lakh 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	55.22	Repayable in 36 monthly instalments of Rs. 8.36 Lakh 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 Lakh .and personal guarantee of Mr. Ashish Jain.	12.50%
Avanse Financial Services Ltd.	152.44	Repayable in 48 monthly instalments of Rs. 7.93 Lakh each	Hypothecation of specific book debts with security coverage of 1.10 times and 5% cash collateral of Rs.15.00 Lakh in 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	433.03	Repayable in 54 monthly instalments(principle) of Rs.11.12 Lakh each	Hypothecation of specific book debts with security coverage of 1.10 times .and personal guarantee of Mr. Nirmal Kumar Jain	11.20%
Total	**6414.06**			

Note 12B: Details of term of redemption / repayment and security provided in respect of term drop line overdraft facility:

Particulars	Amount	Terms of redemption/ repayment	Security	ROI
DLOF from banks				
AU Small Finance Bank (Sanction Limit Rs.300 Lakh)	14.23	Repayable on demand or otherwise and amortised over a period of 24 months by rs.12.50 Lakh each	Hypothecation of specific book debts with security coverage of 1.10 times .and personal guarantee of Mr. Nirmal Kumar Jain and Mr. Ashish Jain. Further it is secured by extention of charge over residential property.	10.95%
Total	**14.23**			

Maturity pattern of repayment:

Particulars	Due within 1 yr		Due 1-3 yrs		Due 3-5 yrs		Due 5-10 yrs		> 10 yr		Total	
Maturities	**No. Of instalments**	**Amount**	**No. Of instalments**	**Amount**	**No. Of instalments**	**Amount**	**No. Of instalments**	**Amount**	**No. Of instalments**	**Amount**	**No. Of instalments**	**Amount**
Rate of Interest												
From Bank & FI												
9.01% - 10.00%	16	647.14	31	1590.00	5	400.00	-	-	-	-	52	2637.14

Particulars	Due within 1 yr		Due 1-3 yrs		Due 3-5 yrs		Due 5-10 yrs		Due 10 yrs		Total	
Maturities	No. Of instalments	Amount	No. Of instalment	Amount	No. Of instalments	Amount	No. Of instalments	Amount	No. Of instalments	Amount	No. Of instalments	Amount
10-00%- 11.00%	-	14.24	-	-	-	-	-	-	-	-	-	14.24
11.00% - 12.00%	16	280.53	26	308.81	3	33.32	-	-	-	-	45	622.66
12.00%-13.00%	31	236.15	19	143.35	-	-	-	-	-	-	50	379.5
13.00%-14.00%	24	250.18	18	187.55	-	-	-	-	-	-	42	437.72
												4091.26
From NHB												
5.00%-6.00%	6	536.00	8	152.00	8	152.00	6	101.00	-	-	28	941.00
6.00%-7.00%	4	148.15	8	296.3	8	296.30	7	259.26	-	-	27	1000.00
7.00%-8.00%	4	108.00	8	216.00	3	95.00	-	-	-	-	15	419.00
												2360
Total												6451.26
EIR Impact												(22.96)
Total		**2220.39**		**2894.00**		**976.62**		**360.26**				**6428.30**

INR in Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Note 13: Other financial liabilities		
Interest accrued but not due on borrowings	7.86	5.71
Employee Related Liability	29.10	21.13
Security Deposit(Liability)	2.00	2.00
Book Overdraft	562.63	-
Other liabilities	35.04	6.89
Total	**636.63**	**35.73**
Note 14: Provisions		
Retirement benefits-Gratuity	26.07	3.96
Provision for Expenses	11.14	5.89
Total	**37.20**	**9.85**
Note 15: Other non-financial liabilities		
Current Tax Liabilities	-	24.28
Statutory Dues Payable	10.48	7.16
Total	**10.48**	**31.45**
Note 16: Equity Share capital		
Authorized Share Capital		
170,00,000 Equity Shares @ 10 Each	1700.00	1700.00
Issued, Subscribed, Called Up & Paid Up Share Capital		
15673500 Equity Shares @ 10 Each	1567.35	1567.35
Total	**1567.35**	**1567.35**

Note 16.1: 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, 2021		As at March 31, 2020	
	No. of shares	Rs. in Lakh	No. of shares	Rs. in Lakh
At the beginning of the year	1,56,73,500	1567.35	1,20,79,000	1207.9
Add: Share issued during the year	-	-	35,94,500	359.45
Outstanding at the end of the year	1,56,73,500	1,567.35	1,56,73,500	1,567.35

Note 16.2: Details of shareholders holding more than 5% of equity shares in the Company:

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% of Holding	No. of shares	% of Holding
Nirmal Kumar Jain	9,29,000	5.93%	9,29,000	5.93%
Pushpa Nagda	11,56,560	7.38%	11,56,560	7.38%
Arkfin Investments Pvt Ltd	33,69,500	21.50%	33,69,500	21.50%

Note 17: Other Equity

INR in Lakh

Particular	Other equity							
	Reserves and surplus			Other comprehensive income		Covid 19-Impairement Reserve	Money received against share warrants	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			
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	-	122.5	(122.5)	-	-	-	-	-
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
Transfer to special reserve	-	49.66	(49.66)	-	-	-	-	-
Profit for the year	-	-	155.66	-	-	-	-	155.66
Dividend Expenses	-	-	(39.18)	-	-	-	-	(39.18)
Transfer to Impairment reserve	-	-	(52.83)	-	-	52.83	-	-
Balances as at March 31, 2021	1,728.41	487.63	1,126.99	268.14	55.68	129.75	-	3,796.60

INR in Lakh

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Note 18: Revenue From Operations		
Interest income on financial assets measured at amortised cost		
- Interest Income on loans to customers	1425.10	1484.40
- Other interest income	127.86	93.90
Total (A)	1552.96	1578.30
Fees and commission income		
-Service charges	-	0.31
-Other charges	11.63	11.60
- Bad Debt Recovered	4.24	-
-Dividend Income	-	0.22
Total (B)	15.88	12.13
-Gain/loss on De recognition of financial Assets	(8.55)	-
Total (C)	(8.55)	-
Total (A+B+C)	1560.29	1590.44
Note 19: Finance Cost		
Finance costs on financial liabilities measured at amortised cost		
Interest on borrowings		
- Interest on term loans	407.57	447.88
- Interest on cash credit and working capital demand loan	47.08	32.70
- Interest on ICD	9.91	-
Other borrowing cost (incl. Bank Charges)	34.27	11.23
Total	**498.83**	**491.82**
Note 20: Impairment on financial instruments		
On financial assets measured at amortised cost		
-Loan Assets	69.51	47.97
-Write offs	125.73	34.84
Total	**195.25**	**82.81**
Note 21: Employee benefits expenses		
Salaries, allowances and benefits	353.47	195.17
Contribution to provident and other funds	7.48	2.16
Gratuity Expenses	22.10	3.96
Staff welfare expenses	14.21	(1.28)
Total	**397.26**	**202.58**

INR in Lakh

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Note 22 Depreciation and Amortization		
Depreciation of property, plant and equipment	5.41	2.61
Amortisation of intangible assets	7.24	1.62
Amortisation of Right to use assets	2.00	-
Total	**14.66**	**4.23**
Note 23: Other Expenses		
Advertising Exp.	1.76	3.25
Annual Listing expenses	3.27	3.27
Other Annual fees	0.91	-
Audit Fees	1.35	1.16
Business Promotion Exp.	0.51	1.82
Commission	6.14	2.82
Computer & Software Exp.	8.25	1.52
Conveyance	4.58	1.51
Credit Rating Exp.	0.55	1.36
Donation	-	0.2
Director Sitting fees	2.18	-
CSR expenses	11.00	-
Electricity Exp	1.96	1.53
Insurance Expenses	11.41	1.88
Office Exp.	6.73	5.2
Office Rent Exp.	12.2	6.04
Interest and Penal charges	2.33	0.04
Postage and courier	0.67	0.34
Printing & Stationery	1.34	1.11
Professional & Technical fee	134.59	150.28
Repair & Maintenance Expenses	1.26	0.23
ROC & Compliance Fees	0.31	3.01
Telephone Expenses	0.81	0.12
Travelling Expenses	9.36	4.95
Legal and Recovery Exp.	8.13	2.11
Security Deposit Rent	4.27	2.77
Total	**235.86**	**196.53**

INR in Lakh

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Note 24: Tax Expenses		
The components of income tax expense are:		
Current tax	74.41	148.92
Deferred tax	(11.63)	(40.48)
Total	**62.78**	**108.44**

Note 24.1: Reconciliation of tax expense and the accounting profit multiplied by statutory income tax rate for the year ended March 31, 2021 and March 31, 2020 is as follows:

Accounting profit before tax	349.41	656.84
Statutory Income tax rate (%)	25.17%	25.17%
Tax at statutory Income Tax rate	87.95	165.33
Tax Impact of:		
Income not subject to tax	0.11	(5.33)
Non-deductible expenses	3.60	6.58
Deduction under section 36 (1) (viii)	(12.5)	(16.85)
Other Deduction	(4.74)	0.81
Deferred Tax (Assets)/ Liability	(11.63)	(40.48)
Income tax expense	62.78	108.44
Income tax expenses booked in P&L	62.78	108.44
Effective tax rate	17.97%	16.51%

Note 24.2: Deferred Tax

The components of Deferred Tax assets and Liabilities as on 31.03.2021 and 31.03.2020 are as follows		
Opening Balance (Deferred Tax Assets)	36.14	(4.34)
Deferred Tax Assets:		
Unamortized Processing Fee	12.05	8.00
Impairment of Financial Assets	43.00	25.51
Difference between tax depreciation and depreciation/amortization charged for the financial reporting	-	-
Others	0.13	8.53
Gross deferred Tax Asset (A)	91.33	37.69
Deferred Tax Liabilities:		
Unamortized Processing Fee	-	-
Difference Between WDV of fixed Assets and as per Co. Act, 2013 and Income tax Act, 1961	1.63	2.26
Unamortized Borrowing Cost	5.78	3.63
Gross Deferred Tax Liabilities (B)	7.41	5.89
Net Deferred Tax Asset/ (Liability)	**47.77**	**36.14**
Amount (debited)/ Credited in Profit and Loss account	**11.63**	**40.48**

Note 25: Earning per share

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

Particulars	Unit	Year ended March 31, 2021	Year ended March 31, 2020
a) Amount used as the numerator for basic EPS profit after tax	(in Rs.)	15565848	50403903
b) Weighted average number of equity shares for basic EPS	Number	15673500	13670458
c) Weighted average number of equity shares for diluted EPS	Number	15673500	13670458
d) Nominal value per share	(in Rs.)	10	10
e) Earnings per share:			
-Basic (a/b)	(in Rs.)	0.99	3.69
-Diluted (a/c)	(in Rs.)	0.99	3.69

Note 26: Related Party Transactions (As required by INDAS 24 - Related Party Disclosures) List of Related parties and relationship:

Name of the Related Party	Nature of Relationship
Mr. Nirmal Kumar Jain (Director)	Promoter
Mr. Ashish Jain (Managing director and Chairman)	Key Management Personnel
Mr. Kavish Jain	Executive Director
Mr. Amlendra Prasad Saxena	Non-Executive Independent Director
Mr. Amrit Singh Rajpurohit	Non-Executive Independent Director
Mrs. Rekha Jain	Non-Executive Independent Director
Mr. Paritosh Kothari (Company Secretary and Compliance officer)	Key Management Personnel
Mr. Natesh Narayanan (CFO)	Key Management Personnel
Mrs. Abhilasha Jain	Relative of Managing Director
Mr. Anil K. Sachidanad	Key Management personnel in Associate Entity
Akme Fintrade (India) Limited	Promoter Group Company
The Coronation Castles Private Limited	Significant Influence by key management personnel
Arkfin Investments Private Limited	Shareholder having Substantial Interest

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	March 31, 2021			March 31, 2020		
		Amount Received	Amount Paid	Outstanding	Amount Received	Amount Paid	Outstanding
Mr. Nirmal Kumar Jain	Remuneration	-	36.00	-	-	36.00	-
Mr. Ashish Jain	Remuneration	-	37.16	-	-	36.00	-
Mr. Kavish Jain	Remuneration	-	22.02	-	-	-	-
Mr. Amlendra Prasad Saxena	Sitting Fees	-	0.60	-	-	-	-
Mr. Amrit Singh Rajpurohit	Sitting Fees	-	0.80	-	-	-	-
Mrs. Rekha Jain	Sitting Fees	-	0.60	-	-	-	-
Mr. Paritosh Kothari	Salary	-	4.80	-	-	4.80	-

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	March 31, 2021			March 31, 2020		
		Amount Received	Amount Paid	Outstanding	Amount Received	Amount Paid	Outstanding
Mr. Natesh Narayanan	Salary	-	18.48	-	-	1.50	-
Mr. Kavish Jain	Salary	-	2.75	-	-	24.00	-
Mrs. Abhilasha Jain	Professional Services	-	8.84	-	-	-	-
Mr. Anil K. Sachidanad	Professional Services	-	36.00	-	-	24.00	-
Akme Fintrade (India) Limited	Inter Corporate Loan	704.78	839.97	-	1495.68	1359.24	(36.44)
	Interest	32.79	7.24	-	17.15	-	(1.25)
The Coronation Castles Private Limited	Hospitality Services	-	0.47	-	-	1.03	-
	Inter Corporate Loan	70.00	70.00	-	-	-	-
	Interest		1.80	-	-	-	-
Arkfin Investments Private Limited	Professional Services	-	30.17	-	-	60.00	-
	Investment in Equity Share	-	-	-	1,549.47	-	-
	Inter Corporate Loan	85.00	85.00	-	-	-	-
	Interest	-	1.35	-	-	-	-

Note: The remuneration to the key managerial 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.

27. 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.

28. Contingent liabilities and commitments

a) Contingent liabilities – there is no contingent liability As at March 31, 2021(31-03- 2020: Nil)

b) Commitments – there is no significant capital commitment As at March 31, 2021(31-03-2020:Nil)

29. 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 6.19 Lakh (PY 2.78 Lakh).

(b) Defined benefit plan:

Gratuity

Company has made provision of Gratuity liability amounting to Rs. 22.10 Lakh during the financial year.

© Other long term employee benefits

There was no other liability.

30. 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.

31. 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.

INR in Lakh

Particulars	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 month	Total	Within 12 months	After 12 month	Total
ASSETS						
Financial assets:						
Cash and cash equivalents	2010.13	-	2010.13	110.19	-	110.19
Bank balance other than cash and cash equivalents	30.43	320	350.43	-	-	-
Loans	1406.83	7876.51	9283.34	1561.82	6707.42	8269.24
Investments	-	356.14	356.14	-	356.14	356.14
Other financial assets	84.2	112.13	196.33	53.13	52.01	105.14
Non-Financial assets:						
Deferred tax assets	-	47.77	47.77	-	36.14	36.14
Current Tax Assets (Net)	43.33	-	43.33	-	-	-
Property, plant and equipment	-	113.97	113.97	-	100.47	100.47
Intangible assets	-	45.10	43.10	-	20.23	20.23
Other non-financial assets	7.00	25.01	32.01	6.79	89.74	96.53
TOTAL ASSETS	**3581.93**	**8894.64**	**12476.57**	**1731.93**	**7362.15**	**9094.08**
LIABILITIES						
Financial liabilities:						
Borrowings	2220.39	4207.92	6428.30	1569.65	2199.93	3769.58
Other financial liabilities	636.63	-	636.63	35.73	-	35.73
Non-financial liabilities:						
Provisions	11.14	26.07	37.21	5.89	3.96	9.85

INR in Lakh

Particulars	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 month	Total	Within 12 months	After 12 month	Total
Other non-financial liabilities	10.48	-	10.48	31.45	-	31.45
TOTAL LIABILITIES	**2,878.63**	**4,233.99**	**7,112.62**	**1,642.72**	**2,203.89**	**3,846.61**
NET	**703.29**	**4,660.65**	**5,363.95**	**89.21**	**5,158.26**	**5,247.47**

32. FINANCIAL INSTRUMENT FAIR VALUE MEASUREMENT

A). Financial instruments by category

INR in Lakh

The carrying value and fair value of financial instruments by categories As at March 31, 2021 were as follows:

Particulars	Carrying Amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value*					
Cash and cash equivalents	2010.13	-	-	-	-
Bank balance other than cash and cash equivalents	350.43	-	-	-	-
Loans	9283.34	-	-	9283.34	9283.34
Investments	356.14	-	356.14	-	356.14
Other financial assets	196.33	-	106.78	-	106.79
Total	**12196.37**	**-**	**462.92**	**9283.34**	**9746.27**
Financial liabilities not measured at fair value*					
Borrowings	6428.3	-	-	6428.3	6428.3
Other financial liabilities	636.63	-	-	-	-
Total	**7064.93**	**-**	**-**	**6428.3**	**6428.3**

The carrying value and fair value of financial instruments by categories As at March 31, 2020 were as follows:

Particulars	Carrying Amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value*					
Cash and cash equivalents	110.19	-	-	-	-
Loans	8269.24	-	-	8269.24	8269.24
Investments	356.14	-	356.14	-	356.14
Other financial assets	105.14	-	30.44	-	30.44
Total	**8840.71**	**-**	**386.58**	**8269.24**	**8655.82**
Financial liabilities not measured at fair value*					
Trade payables	-	-	-	-	-
Borrowings	3769.58	-	-	3769.58	3769.58
Other financial liabilities	35.73	-	-	-	-
Total	**3805.3**	**-**	**-**	**3769.58**	**3769.58**

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

B) Measurement of Fair Value

Valuation methodologies of financial instruments not measured at fair value:

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

Short Term financial assets and liabilities

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

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

Loans and advances to customers

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

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

Investments

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 inherit in the business and is meeting the capital adequacy of the local regulatory body, National Housing Bank (NHB). The adequacy of the Company's capital is monitored using, among other measures the regulation issued by NHB.

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

Capital Management

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

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

The Company's policy is to keep the gearing ratio at reasonable level of 5-6 times in imminent year while Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021 currently

permits HFCs to borrow up to 13 times of their net owned funds ("NOF"). The Company includes with in debt, its all interest bearing loans and borrowings.

Debt to Net Worth Ratio **(INR in Lakh)**

Particulars	As at March 31, 2021	As at March 31, 2020
Debts	6428.3	3769.58
Net Worth	5363.95	5247.47
Debt to Net Worth (in times)	1.2	0.72

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

33. FINANCIAL RISK MANGEMENT OBJECTIVES AND POLICIES

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

(i) Credit Risk

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

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

A. Loans and Advances

The Company'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:

Carrying Amount **INR. In Lakh**

Particulars	As at 31 Mar 2021	As at 31 Mar 2020
Retail Loan	7,882.45	5666.41
Corporate Loan	1,571.74	2043.74
Investments	356.14	356.14
Total	9810.33	8066.29

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

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

Staging

As per the provisions of Ind AS 109 general approach all financial instruments are allocated to stage 1 on initial recognition.

However, if a significant increase to credit risk is identified at the reporting date as compared with the initial recognition, then an instrument is transferred to stage 2. If there is objective evidence of impairment, then the asset is credit impaired and transferred to stage 3.

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

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

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

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

Grouping

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

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

Impairment-Expected Credit Loss ("ECL"):

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

a. Probability of default. (PD)

b. Loss given default (LGD).

c. Exposure at default (EAD).

Probability of default (PD):

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

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

Loss Given default (LGD):

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

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

The following steps are performed to calculate the LGD.

1.) Haircut was applied on the value of the collateral (asset cost) as of reporting date.

2.) The outstanding amount was adjusted with the haircut adjusted collateral value.

3.) LGD has been computed using the outstanding amount in step 2.

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

Exposure at default ("EAD")

As per Ind AS 109, EAD is estimation of the extent to which the financial entity may be exposed to counterparty in the event of default and at the time of counterparty's default. Company has 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:

Proportion of expected credit loss provided for across the stage is summarized below:

INR In Lakh

Particulars	As at March 2021	As at March 2020
Stage1	70.77	49.30
Stage 2	81.94	45.35
Stage 3	18.13	6.68
Amount of expected	170.85	101.33
Credit loss provided for		

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

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

Movement of ECL

INR in Lakh

Particulars	As at March 2021	As at March 2020
Opening provision of ECL	101.33	53.36
Addition of during the year	69.51	47.97
Utilization/ reversal during the year	-	-
Closing provision of ECL	170.85	101.33

Collateral and other credit enhancements

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

agreement. The Company advances loan to maximum extent of 80% of the value of the mortgaged properties.

(ii) Analysis of risk concentration

The Company's concentrations of risk are managed based on Loan to value (LTV) segregation as well as geographical spread. The following tables stratify credit exposures from housing and other loans to customers by range of loan to-value (LTV) ratio .LTV is calculated as the ratio of gross amount of the loan - or the amount committed for loan commitments - to the value of the collateral.

LTV to Customers:

LTV wise bifurcation:

As on March 31, 2021 **(INR in Lakh)**

LTV Bucket	Stage-1	Stage-2	Stage-3	Total
0%-40%	2563.07	583.54	123.33	3269.94
41%-60%	2177.64	687.05	150.80	3015.50
61%-80%	2314.99	220.38	14.04	2549.41
More than 80%	593.16	26.19	-	619.34
Total	**7648.85**	**1517.16**	**288.18**	**9454.19**

As on March 31, 2020 **(INR in Lakh)**

LTV Bucket	Stage-1	Stage-2	Stage-3	Total
0%-40%	2815.07	557.33	145.00	3517.40
41%-60%	2522.06	191.32	99.81	2813.19
61%-80%	1159.31	127.28	12.15	1298.74
More than 80%	80.82	-	-	80.82
Total	**6577.26**	**875.93**	**256.96**	**7710.15**

Customers Profile

As on March 31, 2021 **(INR in Lakh)**

Customer Profile	Stage-1	Stage-2	Stage-3	Total
Housing				
Salaried	746.31	102.55	58.93	907.79
Self Employed	6529.59	1404.15	218	8151.73
Non Housing				
Salaried	17.95	10.46	-	28.41
Self Employed	355.01	-	11.25	366.25
Total	**7648.85**	**1517.16**	**288.18**	**9454.19**

As on March 31, 2020 (INR in Lakh)

Customer Profile	Stage-1	Stage-2	Stage-3	Total
Housing				
Salaried	1,183.16	94.23	50.37	1,327.76
Self Employed	5,308.17	571.56	192.65	6,072.38
Non Housing				
Salaried	14.99	8.52	-	23.52
Self Employed	70.94	201.61	13.94	286.49
Total	**6,577.26**	**875.93**	**256.96**	**7,710.15**

(iii) Liquidity Risk

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

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

INR in Crore

Particulars	As at As at March 31, 2021		As at As at March 31, 2020	
	Borrowing	Trade payable	Borrowing	Trade Payable
1 day to 30/31 days (one month)	0.92	-	0.27	-
Over 1 month to 2 months	4.04	-	-	-
Over 2 months to 3 months	1.99	-	-	-
Over 3 months to 6 months	4.95	-	2.60	-
Over 6 months to 1 year	10.30	-	11.45	-
Over 1 year to 3 years	28.94	-	19.08	-
Over 3 years to 5 years	9.74	-	2.92	-
Over 5 years	3.40	-	-	-
Total	**64.28**	-	**36.32**	-

(iv) Market Risk

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

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	As at As at March 31, 2021		As at As at March 31, 2020	
	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)	(45.7)	45.7	(36.14)	36.14

v) Foreign Currency Risk

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

34. Impact of COVID-19

COVID-19 pandemic had led to a significant impact on global & local economic activities, which may persist. The company has used the principle of prudence to provide for the impact of pandemic on the financial statements specifically while assessing the expected credit loss on financial assets by applying management overlays, approved by its Board of Directors. This has resulted in an additional provision of Rs. 51.89 Lakh (P.Y Rs 31.59 Lakh) against financial assets during the year, taking the overall additional provision of INR 83.48 Lakh as of March 31, 2021. The extent to which COVID-19 pandemic, including the current "second wave" that has significantly increased the number of cases in India will continue to impact the Company's operations and financial metrics will depend on future developments, which are highly uncertain.

In accordance with the COVID-19 regulatory packages announced by RBI on March 27, 2020, April 17, 2020 and May 23, 2020, the company has offered moratorium on payment of all the installments and/or interest, as applicable, falling due between March 01, 2020 and August 31, 2020 to all eligible borrowers. For all such accounts that were granted moratorium, the prudential assets classification remain standstill during the moratorium period (i.e., the number of days past due shall exclude the moratorium period for the purposes of asset classification under Income Recognition, Asset classification and provisioning norms), As per RBI circular relating to COVID-19 regulatory package. Company has created an additional reserve amounting to Rs. 52.82 Lakh (P.Y. 76.92 Lakh) on the accounts where moratorium benefit is extended, taking the overall additional reserve of INR 129.74 Lakh as of March 31, 2021.

35. Disclosures as required by RBI circular dated April 17, 2020 'COVID-19 regulatory package Asset Classification and Provisioning are given below :

Particulars	(INR in lakhs)	
	31.03.2021	31.03.2020
Amount in SMA/overdue categories as of February 29, 2020*	2786.9	2786.9
Advantages of outstanding in SMA/overdue categories, where the moratorium/ deferment was extended, in terms of paragraph 2 and 3 of circular (as of February 29, 2020)	2940.65	2942.29

Particulars	(INR in lakhs)	
	31.03.2021	31.03.2020
Respective amount where asset classification benefit is extended (as of March 31, 2021/March 31, 2020)	2082.9	676.61
Provision made in terms of paragraph 5 of the circular (As per para 4 applicable to HFC's covered under Ind As) (as of March 31, 2021 /March 31, 2020)**	143.22	76.92
Provisions adjusted against slippages in term of paragraph 6 of the circular	13.47	-
Residual provisions as of March 31,2021 /March 31, 2020 in terms of paragraph 6 of the circular	129.75	76.92

*SMA/Overdue category includes - Cases {1-90 days past due (DPD)}
**This includes overall additional prevision on account COVID-19.

36. Honorable Supreme Court vide order dated March 31, 2021, in the matter of Small Scale Industrial Manufacturers Associates v/s UOI & others has stated that interim relief granted vide an interim order dated September 03, 2020 stands vacated. Accordingly the company has classified non-performing assets as per extent RBI guidelines.

37. In accordance with the instructions of RBI circular no. OOR5TR SEC 4/21 04.tWB/2031-22 dated April 07, 2021, the MFC shall refund / adjust interest on interest' to all borrowers including those who- had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed, Pursuant to these instructions, the methodology tor calculation of the amount of such 'interest on interest' has been recently circulated by the Indian Banks Association (IBA), The Company is in the process of suitably implementing this methodology and has created a liability of Rs.26.04 lakh towards estimated interest relief and credited the same to the respective customer account.

38. The Company has implemented resolution plan under the "Resolution Framework for COVID-19 related Stress" as per RB0049 circular dated August 6. 2020 under restructuring framework to 136 customer with loan outstanding of Rs.816.46 Lakhs as on 31.03.2021(PY not applicable).

39. For periods ended up to the year ended March 31,2020 , the Company had prepared the disclosures as required in accordance with additional information required in terms of Housing Finance Companies - Corporate Governance (National Housing Bank) Directions, 2016 NHB(ND)/DRS/REG/MC-07/2018, 02 July, 2018 and Notification no. NHB.HFC.CG-DIR.1/ MD&CEO/2016 dated February 09, 2017 on the basis of previous GAAP pursuant to the NHB circular no. NHB (ND)/DRS/ Policy Circular No.89/2017-18 dated June 14, 2018 is given in Annexure I, which have been presented solely based on the information compiled by the Management.

40. Subsequent event

There is no significant subsequent event that has occurred after the reporting period till the date of these financial statements.

41. CSR expenses

Other expenses include Rs. 11.00 lakh for the Year ended March 31, 2021 towards Corporate Social Responsibility (CSR), in accordance with Companies Act, 2013. Gross Amount required to be spent by the Company during the year is Rs. 10.72 lakh.

The details of amount spent during the respective year towards CSR are as under:

(INR in Lakh)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Amount Spent	Yet to be Spent	Total	Amount Spent	Yet to be Spent	Total
Construction / Acquisition of any assets	Nil	Nil	Nil	Nil	Nil	Nil
On the purpose of other then above	11.00	Nil	11.00	Nil	Nil	Nil

42. Figures of the previous year have been regrouped, rearranged and reclassified wherever necessary in accordance with the INDAS as the previous year's balance sheet has been re-casted in accordance with accounting standard of INDAS.

Annexure I to Note No. 39 to the Standalone Financial statements for the year ended March 31, 2021

Disclosures required by the Reserve Bank of India /National Housing Bank as per Notification no. DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17. 2021- Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021

1. Minimum Disclosures

The following additional disclosures have been given in terms of Notification no. DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17. 2021- Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 issued by the RBI.

2. Summary of Significant Accounting Policies

he accounting policies regarding key areas of operations are disclosed as note 1 of accounting policy to the Standalone Financial Statement for the year ended March 31, 2021.

3. Disclosure:

(i) Capital to Risk Assets Ratio

Particulars	As at March 31, 2021	As at March 31, 2020
CRAR %	86.35%	93.09%
CRAR – Tier I capital %	84.66%	91.47%
CRAR – Tier II Capital %	1.68%	1.61%
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. 49.66 Lakh PY Rs.122.50 Lakh) during the year in the Special Reserve out of its profits in terms of Section 29C of the National Housing Bank Act, 1987. The total amount Rs.49.66 Lakh (PY 66.95) toward the reserve created under Section 36(1) (viii) of the Income Tax Act, 1961. Breakup of transfer of funds in both the reserves is as under: -

INR in Lakh

Particular	As at March 31, 2021	As at March 31, 2020
Balance at the beginning		
a) Statutory reserve as per section 29C 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 in to account for the purpose of statutory reserve u/s 29C of National Housing Bank Act, 1987	184.67	117.72
c) Total	**437.97**	**315.47**
Addition/appropriation/withdrawals during the year		

INR in Lakh

Particular	As at March 31, 2021	As at March 31, 2020
Add:		
a) Amount transferred as per section 29C of the National Housing Bank Act, 1987	-	55.55
b) Amount of special reserve u/s36(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	49.66	66.95
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, 1961taken 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		
a) Statutory reserve as per section 29 C of the National Housing Bank Act, 1987	253.30	253.30
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961taken into account for the purpose of statutory reserve u/s 29C of the National Housing Bank act, 1987	234.33	184.67
c) Total	**487.63**	**437.97**
(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 As at March 31, 2021 and As at March 31, 2020.

(v) Disclosures relating to securitization

There has been no securitization/assignment transactions carried out by the company during the year ended As at March 31, 2021 and As at March 31, 2020.

(vi) Asset liability management (ALM)

Maturity pattern of certain items assets and liabilities – as at As at March 31, 2021 **INR In Cr.**

Particulars	1day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month to 2 months	Over 2 month up to 3 months	Over 3 month up to 6 months	Over 6 month up to 1 year	Over 1 year up to 3 years	Over 3 years up to 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowing from banks	0.13	-	0.33	3.58	1.53	3.55	7.89	23.68	9.43	3.37	53.49
Borrowing from FI's	-	0.10	0.36	0.46	0.46	1.40	2.41	5.26	0.33	-	10.78
Market Borrowing	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	0.25	0.30	0.55	1.11	1.14	3.41	7.32	17.54	15.68	47.25	94.54
Investments	-	-	-	-	-	-	-	-	-	3.56	3.56
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
Other Liquid Assets	15.11	-	-	-	5.02	-	0.47	2.76	0.50	-	23.86

Maturity pattern of certain items assets and liabilities – as at As at March 31, 2020 **INR in Cr.**

Particulars	1day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month to 2 months	Over 2 month up to 3 months	Over 3 month up to 6 months	Over 6 month up to 1 year	Over 1 year up to 3 years	Over 3 years up to 5 years	Over 5 years up to 10 years	Total
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	-	-	-	-	-	-	-	-	-	-	-
Advances	0.13	0.15	0.25	0.5	0.27	2.68	6.04	22.1	11.82	33.16	77.1
Investments	-	-	-	-	-	-	-	-	-	3.56	3.56

Particulars	1day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month to 2 months	Over 2 month up to 3 months	Over 3 month up to 6 months	Over 6 month up to 1 year	Over 1 year up to 3 years	Over 3 years up to 5 years	Over 5 years up to 10 years	Total
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
Other Liquid Assets	1.12	-	-	-	-	0.02	0.02	0.07	-	-	1.23

*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.

(vii) Exposure

A. Exposure to real estate sector **INR in Lakh**

Category		As at March 31, 2021	As at March 31, 2020
Direct Exposure			
(i)	Residential Mortgages:		
	-Lending fully secured by Mortgages on Residential property that is or will be occupied by borrower or that is rented; (Individual Housing Loans up to Rs. 15.00 Lakh may be shown separately)	3689.12	3580.67
	-Individual Housing Loans up to Rs. 15.00 Lakh	5511.87	3927.86
(ii)	Commercial Real Estate		
	Lending secured by Mortgages on commercial real estates (Office buildings, Retail Space, Multi-purpose commercial Premises, Multi-family residential buildings, Multi-tenanted commercial premises, Industrial or warehouse space, hotels, land acquisition, development and construction etc.) Exposure would also include non-fund based (NFB) limits.	-	-
(iii)	Investment in Mortgage backed Securities (MBS) and other securitized exposures	-	-
	a. Residential	-	-
	b. Commercial Real Estate	-	-
Indirect Exposure			
Fund based and non-fund based exposures on National Housing Bank (NHB) and housing finance companies (HFC's)		-	-
Total (a) + (b)		**9200.99**	**7508.53**

B. Exposure to capital market

There is no exposure to capital market during the year ended As at March 31, 2021 and As at March 31, 2020.

C. Details of financing of parent company products

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

licenses, authority etc. as collateral security.

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

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

E. Unsecured loans

There is no exposure to capital market during the year ended As at March 31, 2021 and As at March 31, 2020.

4. Miscellaneous

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

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

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

Items	As at March 31, 2021	As at March 31, 2020
a) Penalty		
Penalty if any levied by National Housing Bank	Yes, Penalty of Rs.15000/- for contravention of provision of the para 29 (6) (a) of Housing Finance Direction, 2010	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) Related Party transection

Details of all material transactions with related parties are disclosed in Note 26.

iv) Ratings assigned by credit rating agency and of ratings during the year

Facility	Rating agency	As at March 31, 2021	Date of rating
Long term	Brickwork Rating India Pvt. Ltd.	BBB-	23-07-2020

(v) Remuneration of Directors

Details of Remuneration of Directors are disclosed in Form No. MGT - 9.

(vi) Management

Refer to the Management Discussion and Analysis report for the relevant disclosures.

(vii) Net Profit or Loss for the period, prior period items and changes in accounting policies

There are no prior period items that have impact on the current year's profit and loss.

(viii) Revenue Recognition

There have been no instances in which revenue recognition has been postponed pending the Resolution of significant uncertainties.

(ix) Ind As 110 - Consolidated Financial Statements (CFS)

There are no group company to be consolidated, So IndAS 110 not applicable.

5 Additional Disclosures

I) Provisions and contingencies **INR in Lakh**

Particulars	As at March 31, 2021	As at March 31, 2020
Provisions for depreciation on investment	-	-
Provisions made towards income tax	-	24.28
Provisions towards non-performing assets	43.23	43.65
Provisions for standard assets	31.35	29.29
Other provisions and contingencies*	140.88	82.81

**Includes additional provision taken due to COVID-19 as per COVID-19 Regulatory Packages announced by RBI on March 27, 2020, April 17, 2020 and May 23, 2020 amounting to 129.74 lakh (P.Y. 76.92 lakh).

ii) Break up of loans and advances and provisions thereon **INR in Lakh**

Particulars	Housing loan		Non-housing loan	
	As at March 31, 2021	As at 31, March 2020	As at March 31, 2021	As at March 31, 2020
Standard assets				
Total outstanding	8782.59	7157.12	383.42	296.06
Provisions	29.82	28.12	1.53	1.18
Sub-standard assets				
Total outstanding	276.93	205.89	11.25	-
Provisions	41.54	30.88	1.69	-
Doubtful assets-Category-I				
Total outstanding	-	37.13	-	13.95
Provisions	-	9.28	-	3.49
Doubtful assets-Category-II				
Total outstanding	-	-	-	-
Provisions	-	-	-	-
Doubtful assets-Category-III				
Total outstanding	-	-	-	-
Provisions	-	-	-	-
Loan assets				

ii) Break up of loans and advances and provisions thereon **INR in Lakh**

Particulars	Housing loan		Non-Housing loan	
	As at March 31, 2021	As at 31, March 2020	As at March 31, 2021	As at March 31, 2020
Total outstanding	-	-	-	-
Provisions	-	-	-	-
Total				
Total outstanding	9059.52	7400.14	394.67	310.01
Provisions	71.36	68.28	3.22	4.67

Note:

1. The total outstanding amount means principal + accrued interest + other charges pertaining to loans Without netting off.
2. The Category of Doubtful Assets will be as under:

Period for which the assets has been consider as doubtful	Category
Up to one year	Category-I
One to three years	Category-II
More than three years	Category-II

iii) Draw Down from Reserves

There has been no draw down from reserves during the year ended March 31, 2021 (P.Y. H Nil)

Concentration of public deposits, advances*, exposure# and NPAs **INR in Lakh**

S.no	Particulars	As at March 31, 2021	As at March 31, 2020
1	Concentration of public deposits (for public deposit taking/holding HFCs)	-	-
2	Concentration of loans and advances		
	Total advances to twenty largest borrowers	1952.50	2357.98
	Percentage of advances to twenty largest borrowers to total advances of the HFC	20.65%	30.58%
3	Concentration of all exposures (including off-balance sheet exposures)		
	Total exposure to twenty largest borrowers/customers	1953.50	2357.98
	Percentage of exposures to twenty largest borrowers/customers to total exposure of the HFC on borrowers/customers	19.50%	30.58%
4	Concentration of NPAs		
	Total exposure to top ten NPA accounts	93.30	89.61

*advances represents the outstanding balances as at the respective year end
#Exposure represents the total amount financed as at the respective year end

v) Sector wise NPA

Particulars	% of NPAs to total advances in that sector	% of NPAs to total advances in that sector
	As at March 31, 2021	As at March 31, 2020
A. Housing loans :		
Individuals	3.06%	3.28%
Builders/project loans	-	-
Corporate	-	-
Others (specify)	-	-
B. Non housing loans :		
Individuals	2.85%	4.50%
Builder/project loans	-	-
Corporate	-	-
Other (specify)	-	-

vi) Movement of NPAs **INR in Crore**

Particulars	Current Year	Previous Year
(I) Net NPAs to Net Advances (%)	2.60	2.78
(II) Movement of NPAs (Gross)		
a) Opening Balance	2.57	1.08
b) Additions during the year	1.87	1.91
c) Reductions during the year	1.56	0.42
d) Closing Balance	2.88	2.57
(III) Movement of Net NPAs		
a) Opening Balance	2.13	0.86
b) Additions during the year	1.56	1.61
c) Reductions during the year	1.24	0.34
d) Closing Balance	2.45	2.13
(IV) Movement of Provisions for NPAs (excluding provisions on standard assets)		
a) Opening Balance	0.4365	0.22
b) Provisions made during the year	(0.0042)	0.22
c) Closing Balance	0.4323	0.44

vii) Overseas assets

The company does not have any joint ventures and subsidiaries abroad during the year ended As at March 31, 2021 and As at March 2021 and As at March 31, 2020 and hence this disclosure is not applicable.

(iii) Off-balance sheet SPVs sponsored

There was no off-balance sheet SPVs sponsored by the company during the year ended As at March 31, 2021 and As at March 31, 2020.

ix) Disclosed pursuant to notification no. NHB.HFC.CG-DIR.1/2016 dated 9th February 2017 issued by NHB for customer complaints

Customer complaints*

Particulars	Year ended As at March 31, 2021	Year ended As at March 31, 2020
(a) No. of complaints 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

6. Liquidity Risk Management Framework

(I) Funding Concentration based on significant counterparty (both deposits and borrowings)

INR in Lakh

Particulars	As at March 31,2021
Number of significant counter parties	3
Amount	4973.04
Percentage of funding concentration to total deposits	-
Percentage of funding concentration to total liabilities*	69.32%

* Total liabilities excludes net worth

(ii) Top 20 Large deposits

Particulars	As at March 31,2021
Total amount of top 20 deposits	NA
Percentage of amount of top 20 deposits to total deposits	NA

(iii) Top 10 Borrowings

Particulars	As at March 31,2021
Total amount of top 10 borrowings	6428.30
Percentage of amount of top 10 borrowings to total borrowings	100.00%

(iv) Funding Concentration based on significant instrument/product

Particulars	As at March 31,2021	Percentage of total liabilities*
Borrowings from Banks & FI's	4068.3	57.20%
Borrowings from National Housing Bank (NHB)	2360.00	33.18%
Deb securities	-	-

Particulars	As at March 31,2021	Percentage of total liabilities*
Subordinated liabilities	-	-
Securitisation	-	-
Borrowings from Insurance Companies	-	-

* Total liabilities excludes net worth

v) **Stock Ratio-**Not Applicable

(vi) **Institutional set-up for liquidity risk Management**

The company has an Asset Liability Management Committee (ALCO) to monitor asset liability mismatches to ensure that there is no imbalances or excessive concentration on the either side of the balance sheet. The company maintains a judicious mix of borrowings in the form of Term Loans, Refinance, working capital and continues to diversify its source of borrowings with the emphasis on longer tenor borrowings. The company has diversified mix of investors/lenders which includes Banks, National Housing Bank, Development Financial Institution.

The Liquidity Risk Management (LRM) of the company is governed by the LRM Policy approved by the Board. The Asset Liability Committee (ALCO) is responsible for implementing and monitoring the liquidity risk management strategy of the company in line with its risk management objectives and ensures adherence to the risk tolerance/limits set by the Board.

Refer note no. 33 of standalone financials statement

7. **Loans against security of shares-** Not Applicable

8. **Loans against security of single product - gold jewellery-** Not Applicable

9. In compliance with the RBI circular no.RBI/2019-20/170, DOR (NBFC) C.C.PD No. 109/22.10.106/2019-20 dated 13.03.2021 the additional disclosure in the prescribed format is appended below:

INR in Lakh

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (Provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5) = (3) - (4)	6	(7) = (4) - (6)
Performing Assets						
Standard	Stage 1	7648.85	70.77	7578.08	24.54	46.23
	stage 2	1517.16	81.94	1435.21	6.81	75.13
Subtotal		9166.01	152.71	9013.3	31.35	121.36
Non-Performing Assets (NPA)						
Substandard	Stage 3	288.18	18.13	270.04	43.23	(25.09)
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1-3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-

INR in Lakh

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (Provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5) = (3) - (4)	6	(7) = (4) - (6)
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		288.18	18.13	270.04	43.23	(25.09)
Other items such as guarantees, loan commitments, etc. Which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1					
	Stage 2					
	Stage 3					
Subtotal		9454.19	170.85	9283.34	74.58	96.27
Total	**Stage 1**	7648.85	70.77	7578.08	24.54	46.23
	Stage 2	1517.16	81.94	1435.21	6.81	75.13
	Stage 3	288.18	18.13	270.04	43.23	(25.09)
	Total	9454.19	170.85	9283.34	74.58	96.27

10. Schedule to the Balance Sheet of an HFC

Particulars			INR in Lakh	
Liabilities side			**Amount outstanding**	**Amount overdue**
(1)	**Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:**			
	(a)	Debentures : Secured	-	-
		: Unsecured	-	-
		(other than falling within the meaning of public deposits*)		
	(b)	Deferred Credits	-	-
	(c)	Term Loans	6414.07	-
	(d)	Inter-corporate loans and borrowing	-	-
	(e)	Commercial Paper	-	-

10. Schedule to the Balance Sheet of an HFC

Particulars				INR in Lakh	
Liabilities side				**Amount outstanding**	**Amount overdue**
	(f)	Public Deposits*		-	-
	(g)	Other Loans –DLOF		14.24	-
	* Please see Note 1 below				
(2)	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**				
	(a)	In the form of Unsecured debentures		-	-
	(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security		-	-
	(c)	Other public deposits		-	-
	* Please see Note 1 below				
Assets side				**Amount outstanding**	
(3)	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:**				
	(a)	Secured		9200.99	
	(b)	Unsecured		253.19	
(4)	**Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities**				
	(i)	Lease assets including lease rentals under sundry debtors			
		(a)	Financial lease	-	
		(b)	Operating lease	-	
	(ii)	Stock on hire including hire charges under sundry debtors			
		(a)	Assets on hire	-	
		(b)	Repossessed Assets	-	
	(iii)	Other loans counting towards asset financing activities			
		(a)	Loans where assets have been repossessed	-	
		(b)	Loans other than (a) above	-	
(5)	**Break-up of Investments**				
	Current Investments				
	1	Quoted			
		(i)	Shares		
			(a) Equity	-	
			(b) Preference	-	

Particulars				INR in Lakh	
Liabilities side				**Amount outstanding**	**Amount overdue**
		(ii)	Debentures and Bonds	-	
		(iii)	Units of mutual funds	-	
		(iv)	Government Securities	-	
		(v)	Others (please specify)	-	
	2	Unquoted			
		(i)	Shares		
			(a) Equity	-	
			(b) Preference	-	
		(ii)	Debentures and Bonds	-	
		(iii)	Units of mutual funds	-	
		(iv)	Government Securities	-	
		(v)	Others (please specify)	-	
	Long Term investments				
	1	Quoted			
		(i)	Share		
			(a) Equity	-	
			(b) Preference	-	
		(ii)	Debentures and Bonds	-	
		(iii)	Units of mutual funds	-	
		(iv)	Government Securities	-	
		(v)	Others (please specify)	-	
	2	Unquoted			
		(i)	Shares		
			(a) Equity	356.14	
			(b) Preference	-	
		(ii)	Debentures and Bonds	-	
		(iii)	Units of mutual funds	-	
		(iv)	Government Securities	-	
		(v)	Others (please specify)	-	

Particulars						INR in Lakh
Liabilities side					**Amount outstanding**	**Amount overdue**
(6)	**Borrower group-wise classification of assets financed as in (3) and (4) above:**					
	(Please see Note 2 below)					
	Category			**Amount net of provisions**		
				Secured	**Unsecured**	**Total**
	1	**Related Parties ****				
		(a)	Subsidiaries	-	-	-
		(b)	Companies in the same group	-	-	-
		(c)	Other related parties	-	-	-
	2	Other than related parties		9037.50	245.84	9283.34
	Total			**9037.50**	**245.84**	**9283.34**
(7)	**Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :**					
	(Please see Note 3 below)					
	Category				**Market Value / Break up or fair value or NAV**	**Book Value (Net of Provisions)**
	1	Related Parties **				
		(a)	Subsidiaries		-	-
		(b)	Companies in the same group		356.14	88.00
		(c)	Other related parties		-	-
	2	Other than related parties			-	-
	Total				**356.14**	**88.00**
	** As per notified Accounting Standard (Please see Note 3)					
(8)	**Other information**					
	Particulars					**Amount**
	(i)	Gross Non-Performing Assets				
		(a)	Related parties			-
		(b)	Other than related parties			288.18
	(ii)	Net Non-Performing Assets				
		(a)	Related parties			-
		(b)	Other than related parties			244.95
	(iii)	Assets acquired in satisfaction of debt				-

Notes:

1. As defined in Paragraph 4.1.30 of these Directions.
2. Provisioning norms shall be applicable as prescribed in these Directions.
3. All notified Accounting Standards are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.

11. Principal Business Criteria for HFCs

Housing finance company" shall mean a company incorporated under the Companies Act, 2013 that fulfils the following conditions:

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

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

The Company meets the aforesaid principal business criteria for HFCs.

Particulars	As at March 31,2021
Total Assets	12476.56
Less: Intangible assets	43.1
Less: Cash & Bank Balance	2010.13
Net total Assets	10423.33
Housing Finance	9059.52
Individual Housing Finance	7487.78
Percentage of housing finance to total assets (netted off intangible assets)	86.92%
Percentage of individual housing finance to total assets (netted off intangible assets)	71.84%
Percentage of individual housing finance to housing finance	82.65%

The accompany note are an integral part of the financial statement.

In terms of our report of even date

For H.R. JAIN & COMPANY
Chartered Accountants
ICAI FR No : 000262C

For and on behalf of the Board of Directors

Sd/-
CA Subhash Jain
Partner
Membership No. 400449

Sd/-
Ashish Jain
Chairman & Managing Director
DIN: 02041164

Sd/-
Nirmal Kumar Jain
Director
DIN: 00240441

Sd/-
Natesh Narayanan
Chief Financial Officer

Sd/-
Paritosh Kothari
Company Secretar
M.No. A36550

Place: Udaipur
Date: 22-05-2021

STAR HOUSING FINANCE

Star hai toh bharosa hai

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