

SPREADING OUR WINGS SCALING NEW HEIGHTS



STAR

HOUSING FINANCE

Star hai toh bharosa hai



REGISTERED & CORPORATE OFFICE

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

+91 88280 36610 | www.starhfl.com

CORPORATE INFORMATION



» BOARD OF DIRECTORS

Mr. Ashish Jain
Chairman & Managing Director

Mr. Kavish Jain
Executive Director

Mr. Amlendra Prasad Saxena
Non-Executive Independent Director

Mr. Ajith Kumar Lakshmanan
Non-Executive Independent Director

Mr. Pradip Kumar Das
Non-Executive Independent Director

Mrs. Neelam Tater
Non-Executive Independent Director

» KEY MANAGERIAL PERSONNEL

Mr. Kalpesh Dave
Chief Executive Officer

Mr. Natesh Narayanan
Chief Financial Officer

Mr. Anoop Saxena
Chief Operating Officer

Mr. Shreyas Mehta
Company Secretary & Compliance Officer

» SECRETARIAL AUDITOR

M/s Ronak Jhuthawat & Co.
328, Samriddhi Complex, 3rd Floor,
Above Udaipur Urban Co. operative Bank,
Opp Krishi Upaz Mandi, Sector 11, Main Road,
Udaipur - 313001.
T: +91 98874 22212
E: csronakjhuthawat@gmail.com

» STATUTORY AUDITORS

M/s Nyati Mundra & Co.
52, Ashok Nagar. Udaipur (Raj) - 313001
M: +91 98295 67400
E: nyatimundraco@gmail.com

» REGISTRAR AND TRANSFER AGENTS

Bigshare Services Pvt. Ltd
E-2-3, Ansa Industrial Estate, Saki Vihar
Road, Sakinaka, Mumbai Mh 400072
T: 011 42425004, 011 47565852
E: bssdelhi@bigshareonline.com

» STOCK EXCHANGE

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

» REGISTERED OFFICE

Star Housing Finance Ltd.
603, Western Edge 1, Above Metro Mall
Borivali East. Mumbai - 400066.
W: www.starhfl.com
E: compliance@starhfl.com

» DEPOSITORIES

**National Securities Depository Ltd.
(NSDL)**
Trade World, 4th Floor, Kamala Mills,
Mumbai- 400013.

**Central Depository Services Ltd.
(CDSL)**
17th Floor, P J Towers,
Dalal Street, Mumbai - 400001.



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KEY HIGHLIGHTS



Rs. 246 CR.

GROSS LOAN BOOK

⬆ 136% Y-O-Y GROWTH

RS. 187 CR.

DISBURSEMENTS

⬆ 411% Y-O-Y GROWTH

Rs. 106 CR.

NETWORTH

⬆ 66% Y-O-Y GROWTH

Rs. 162 CR.

BORROWINGS

⬆ 107% Y-O-Y GROWTH

RS. 8 CR. | RS. 7 CR.

PBT | PAT

⬆ 508% | 1022% Y-O-Y GROWTH

1.68% | 1.25%

GNPA | NNPA

⬆ (0.47%) | (0.15%)

8.19%

RETURN OF EQUITY

⬆ 7.13% Y-O-Y GROWTH

3.18%

RETURN OF ASSETS

⬆ 2.67% Y-O-Y GROWTH

150

NO. OF EMPLOYEES

⬆ 81% Y-O-Y GROWTH

14

NO. OF BRANCHES

⬆ 100% Y-O-Y GROWTH

Bank Loan Ratings Upgraded by India Ratings to IND BBB / Stable

OUR LENDERS



» ABOUT US

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

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

» VISION

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

» MISSION

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



CORE VALUES



» SEEKING EXCELLENCE

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

» ACCOUNTABILITY & OWNERSHIP

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

» TEAMWORK & COLLABORATION

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

» NURTURING LIVES

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

» GEOGRAPHIC FOOTPRINT

The Company commenced its journey from Udaipur, Rajasthan, in 2005 and is now present in 5 states of India, covering Rajasthan, Maharashtra, Gujarat, Madhya Pradesh & Tamil Nadu. During the journey Star HFL added 14 branches till March 31, 2023.

» INTEGRITY

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

» HUMAN CAPITAL

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



OUR JOURNEY



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.

DECEMBER » 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.

OCTOBER » 2019

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

MARCH » 2020

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

MARCH » 2021

- » Present across 5 states (Maharashtra, MP, Gujarat, Rajasthan & TN) through 7 branches, 15 digital POPs with 75+ employees.
- » Loan book as of Mar 31, 2021 of Rs.94.54 Cr with 1108 live accounts.
- » The name of the Company has changed from "Akme Star Housing Finance Limited" to "Star Housing Finance Limited".
- » The company has received Rs. 7 Cr. (Rupees Seven crore only) through term loan augmentation (TLTRO) from State Bank Of India.
- » The Company has received Rs. 12 Cr. (Rupees Twelve Crore Only) through term Loan Union Bank of India.
- » Star HFL was able to initiate engagement with the NHB and received credit lines through LIFT, SRF, and regular refinance in FY 2021 amounting to Rs.24.60 Cr.

TILL » DATE

- » Loan book as of March 31, 2023 of Rs. 246 crs with 2550 live accounts.
- » Company has changed its Registered office from state of "Rajasthan" to "Maharashtra".
- » Rural focused Housing Loan products launched.
- » Co. lending partnership rolled out with Family Home Finance Private Limited.
- » Rs. 5.00 Crores (Rupees Five Crores only) from Sundaram Home Finance Limited.
- » Rs. 10.00 Crores (Rupees Ten Crores only) from Hinduja Housing Finance Limited.
- » Rs. 18.00 Crores (Rupees Eighteen Crores only) from Maanaveeya Development & Finance Private Limited.
- » Rs. 10.00 Crores (Rupees Ten Crore only) from ICICI Bank Limited.
- » Rs. 7.50 Crores (Rupees Seven Crores Fifty Lakhs Only) from MAS Financial Services Limited.
- » Rs. 10.00 Crores (Rupees Ten Crore Only) under additional refinance Assistance from National Housing Bank.
- » Rs. 7.50 Crores (Rupees Seven Crores Fifty Lakhs Only) from MAS Rural Housing & Mortgage Finance Limited.
- » Rs. 6.20 Crores (Rupees Six Crore Twenty lakhs only) from Chola mandalam Investment and Finance Company Limited.
- » Rs. 5.00 Crores (Rupees Five Crore only) from LIC Housing Finance Limited.
- » Rs 34.75 Crores (Rupees Thirty Four Crore Seventy Five Lakhs Only) from State Bank of India;
- » Rs 5.00 Crore (Rupees Five Crore Only) from Capital India Finance Limited.
- » Recorded highest disbursements and registered a Y.O.Y 411% growth.
- » PAT at Rs. 698 Lakhs.
- » Net-worth at Rs. 106 Cr.
- » Ajith Kumar Lakshmanan, Neelam Tater & PK Das inducted as Independent directors.
- » Receives Ratings Upgrade from India Ratings, now rated as "IND BBB / Stable".
- » Appointed Kalpesh Dave as CEO and Anoop Saxena as COO.

OUR PRINCIPLES. OUR GUIDING LIGHT.



TRANSPARENCY

Conducting and governing ethically with complete transparency and accountability



RESPONSIBILITY

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



WELFARE

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



INCLUSIVITY

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



SAFETY

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



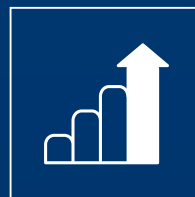
HUMAN RIGHTS

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



SUSTAINABILITY

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



GROWTH

Supporting and driving inclusive economic growth and equitable development for all

OUR OFFERINGS



HOME LOANS

» PURCHASE OF FLATS / HOUSES

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

» RENOVATION OF EXISTING UNITS

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

» EXTENSION OF EXISTING UNITS

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

» BALANCE TRANSFER

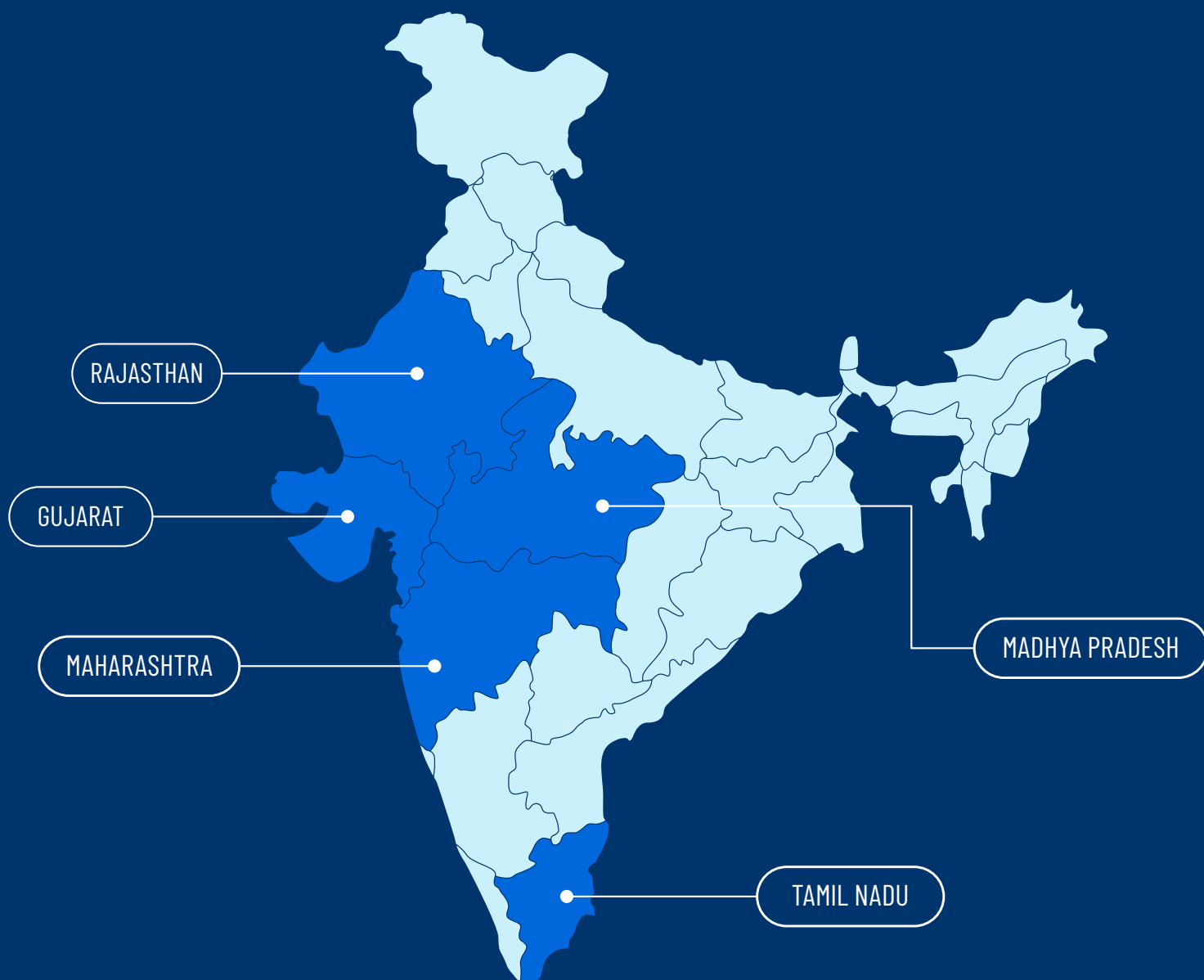
To extend the house for any reason, we do provide extension loan plan for individuals, corporate in this scheme. This scheme is available even for a small bedroom, a balcony or roof top etc.

» PURCHASE OF PLOT FOR CONSTRUCTION OF HOUSES

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

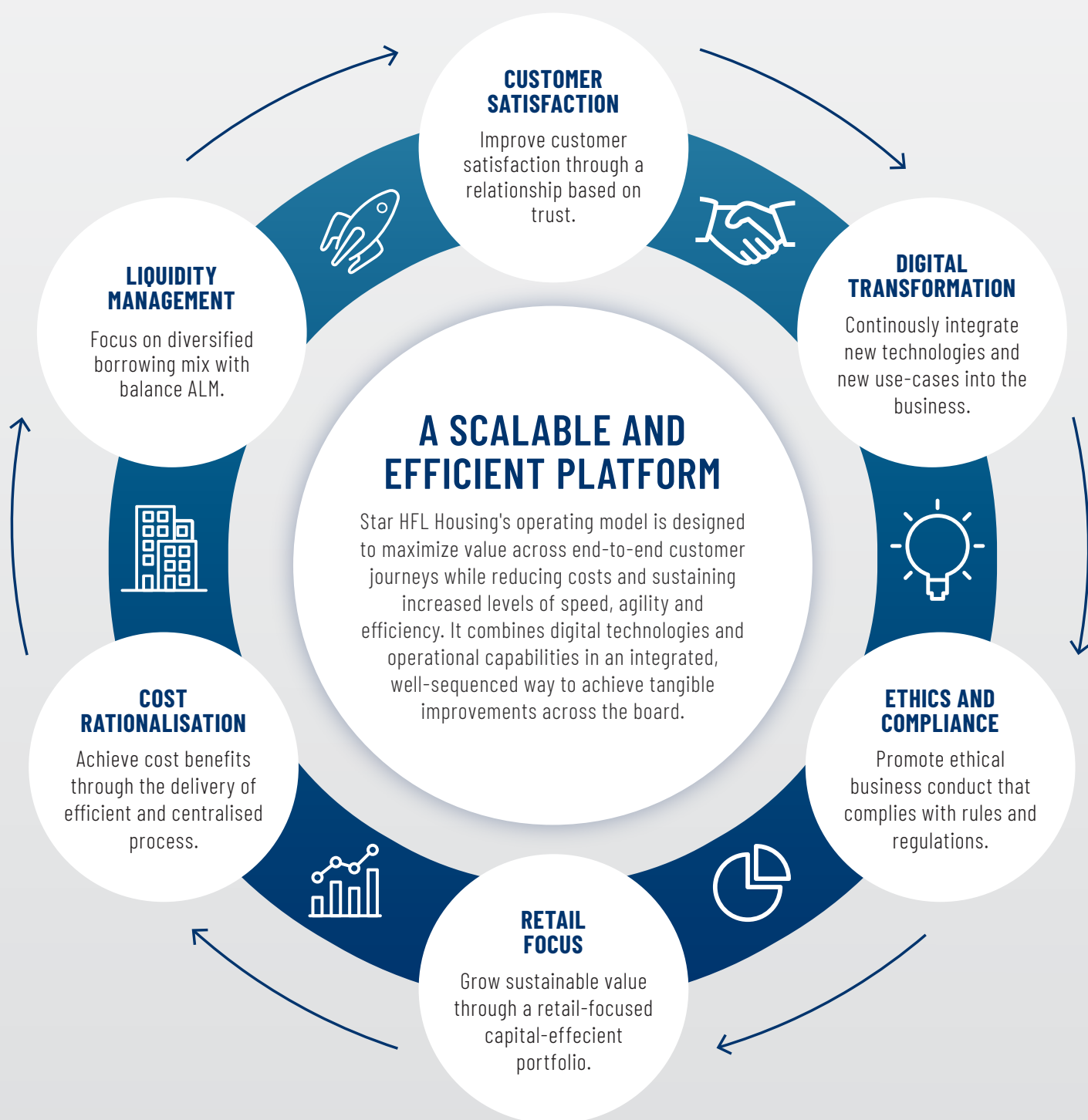


OUR PRESENCE



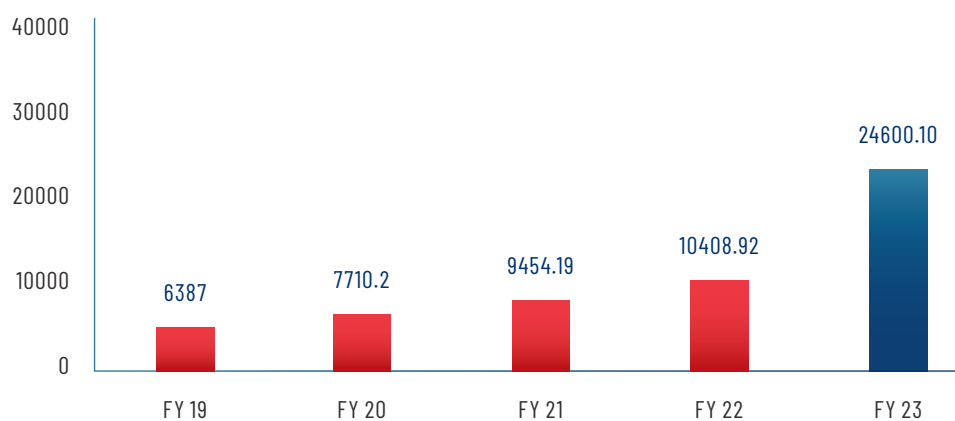
- ▶ **RAJASTHAN:** Udaipur, Banswara, Sirohi, Dungapur, Chittorgarh, Pratapgarh, Rajsamand, Duda & Cover 17 Districts.
- ▶ **GUJARAT:** Surat, Vapi and Bardoli.
- ▶ **MAHARASHTRA:** Mumbai, Thane, Ahmednagar, Pune, Mahad, Baramati, Navi Mumbai, Akola, Nashik, Jalgaon & Hingoli.
- ▶ **MADHYA PRADESH:** Indore, Ratlam, Mandsour, Dewas, Ujjain & Khargone.

OPERATING MODEL

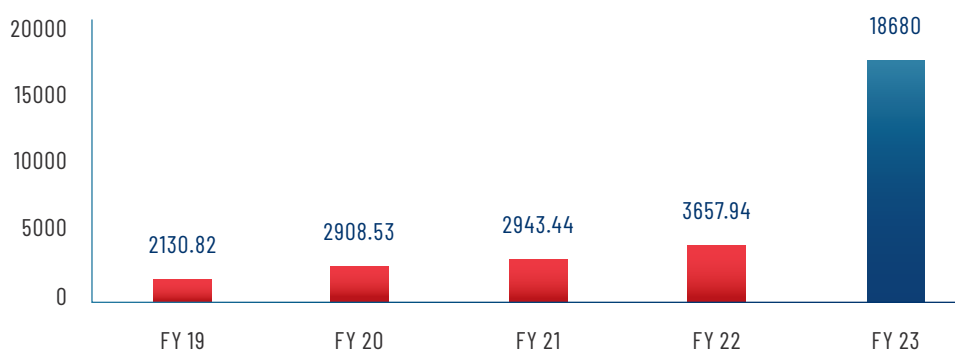


BUSINESS METRICS

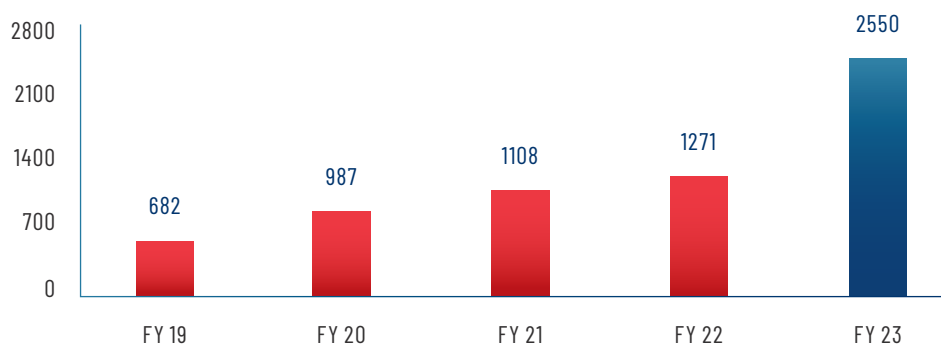
» AUM GROWTH (IN LAKHS)



» DISBURSEMENTS (IN LAKHS)

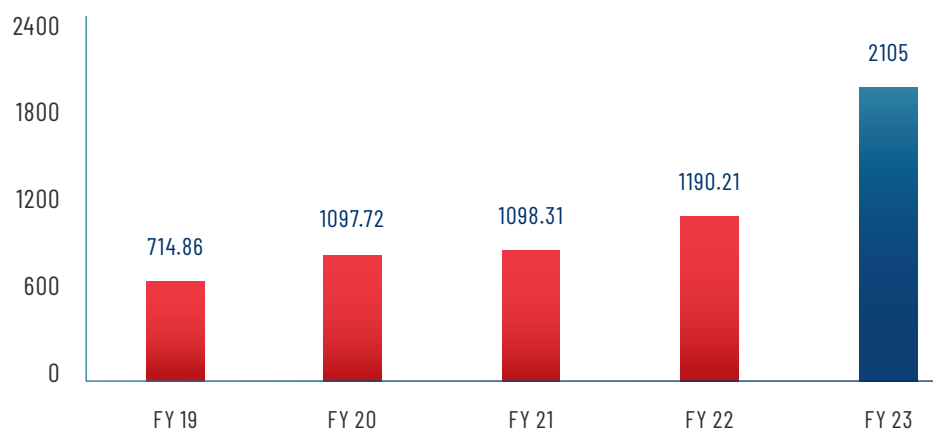


» NO. OF LOAN ACCOUNTS

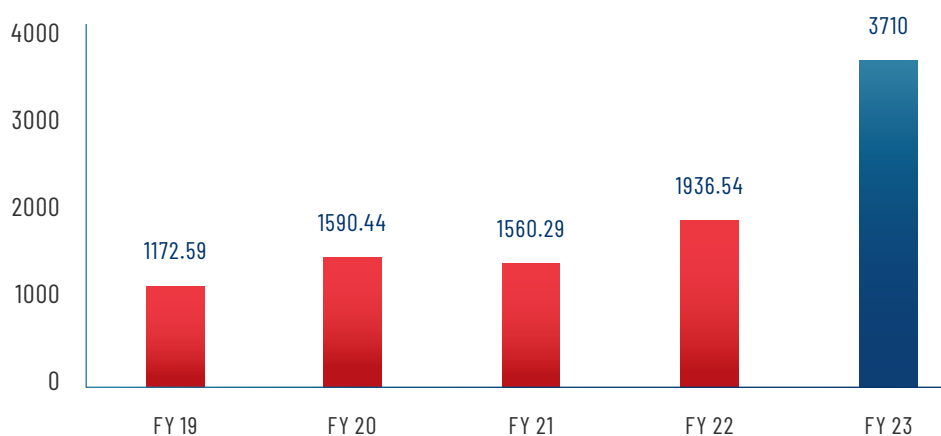


OPERATIONAL METRICS

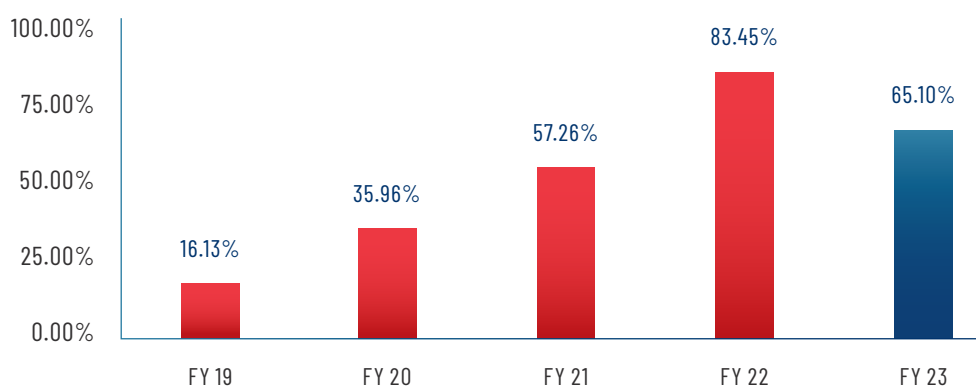
» NET INTEREST INCOME (IN LAKHS)



» GROSS TOTAL INCOME (IN LAKHS)

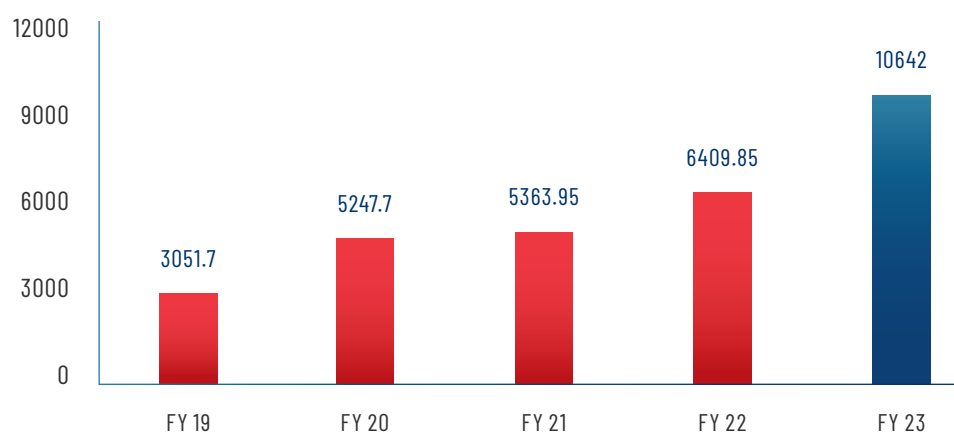


» COST TO INCOME (%)

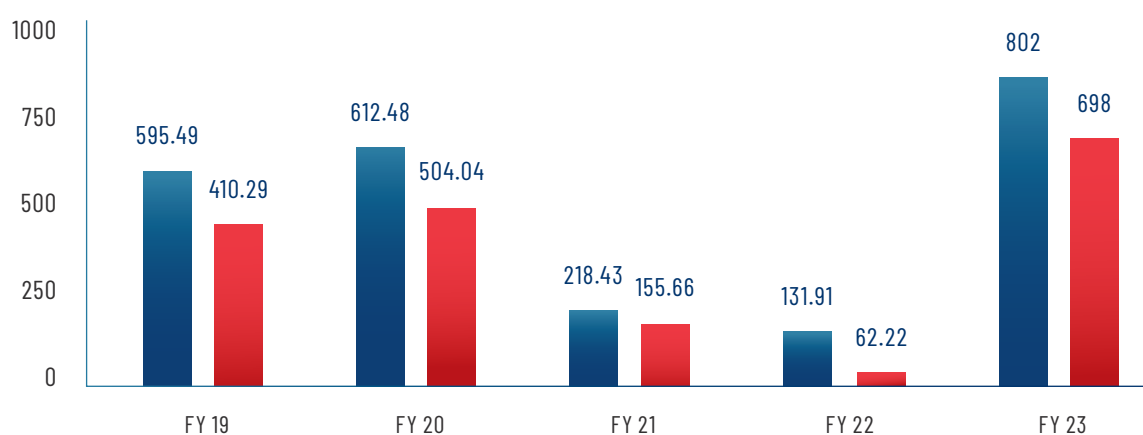


FINANCIAL METRICS

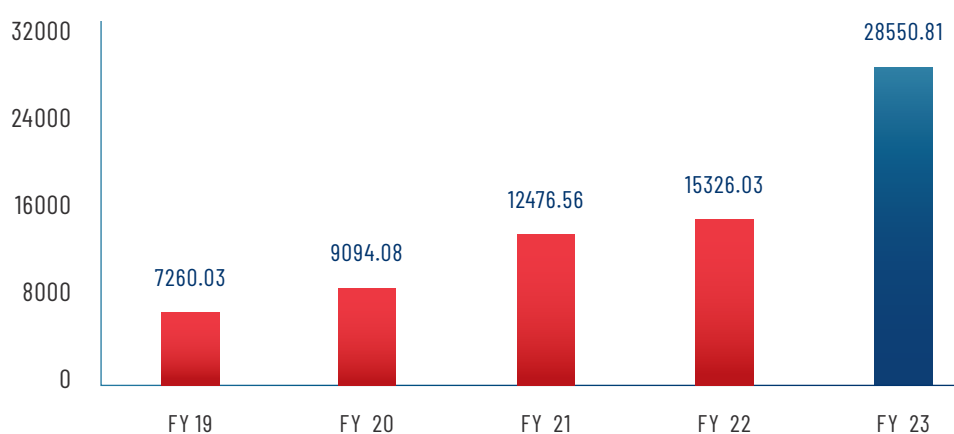
» NET WORTH (IN LAKHS)



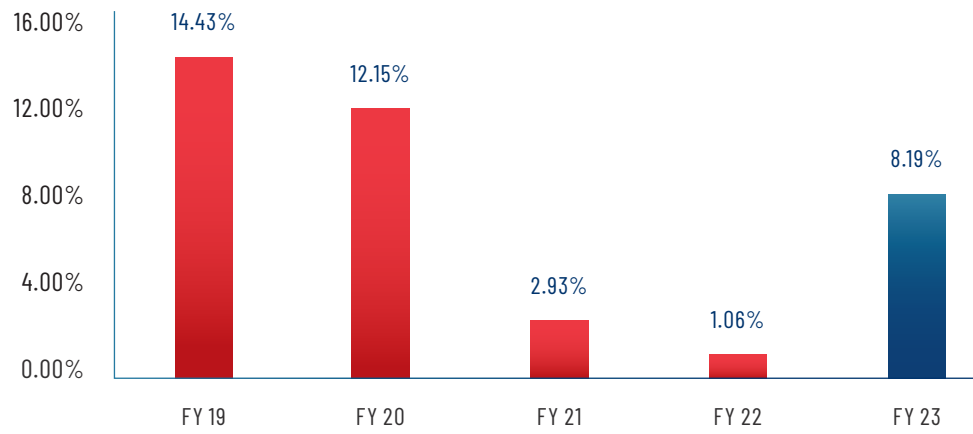
» PBT-PAT (IN LAKHS)



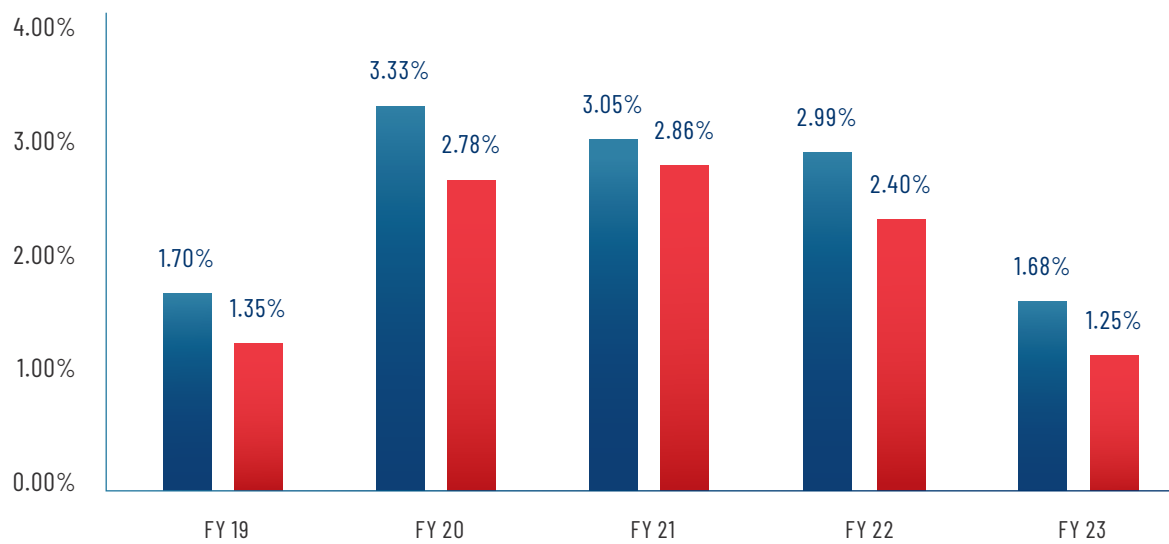
» TOTAL ASSETS (IN LAKHS)



» ROE (%)



» GNPA-NNPA (%)



BOARD OF DIRECTORS



ASHISH JAIN
MANAGING DIRECTOR

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



AMLENDRA PRASAD SAXENA
INDEPENDENT DIRECTOR

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



PRADIP KUMAR DAS
INDEPENDENT DIRECTOR

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



AJITH KUMAR LAKSHMANAN
INDEPENDENT DIRECTOR

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



KAVISH JAIN
EXECUTIVE DIRECTOR

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



NEELAM TATER
INDEPENDENT DIRECTOR

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

KEY MANAGEMENT



KALPESH DAVE
CHIEF EXECUTIVE OFFICER

Mr. Kalpesh Dave has more than 15 years of experience in housing finance space. His expertise includes competitive environment scanning, setting and scaling up of business processes, setting up of branch infrastructure, developing practical and result oriented strategies for implementation on ground. He has strong domain of business intelligence and reporting. His role requires him to coordinate closely with internal and external stakeholders across Star HFL.



NATESH NARAYANAN, CFA
CFO, CHIEF FINANCIAL OFFICER

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



ANOOP SAXENA
CHIEF OPERATING OFFICER

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



SHREYAS MEHTA
COMPANY SECRETARY & COMPLIANCE OFFICER

A qualified company secretary having a post qualification experience of 7+ years in the field of Corporate Secretarial & Compliance. A young professional with deep understanding of corporate laws, securities laws & capital market and corporate governance. In his career he has always been a Chief advisor to the board of directors on best practices in corporate governance and responsible for all regulatory compliances of company.





SHIKHA DHARMAWAT
HEAD ACCOUNTS AND FINANCE CONTROLLER



NIKHIL SAHU
HEAD, BUSINESS INTELLIGENCE UNIT



KRISHNA THORAT
REGIONAL DIRECTOR, MUMBAI



SANDEEP KADAM
REGIONAL DIRECTOR, REST OF MAHARASHTRA



NILESH PANDE
REGIONAL DIRECTOR, VIDARBHA



INDRA AWASTHI
REGIONAL DIRECTOR, MADHYA PRADESH



RAJESH GOPINATH
REGIONAL DIRECTOR, TAMIL NADU



VARUN SHAH
REGIONAL DIRECTOR, PUNE



MOHAN TAYADE
REGIONAL DIRECTOR, SURAT



VIJAY KUMAWAT
REGIONAL DIRECTOR, RAJASTHAN

MESSAGE FROM MANAGING DIRECTOR



ASHISH JAIN MANAGING DIRECTOR

Dear Shareholders,

Greetings and best wishes to all of you as we step into FY2023-24 with the dream of home ownership being an overarching aspiration for every Indian today, we are serving and facilitating customers realise their inherent dreams. We have defined our goals with the strong pace of our strategic delivery and improved performance.

FY'2022-23 shall be the beginning of the growth journey for Star HFL and we are happy to have walked the talk registering 100%+ y-o-y growth across key business areas, notably record disbursements during the year and resultant AUM growth. This growth is backed by robust processes and guidelines across operational areas and is governed by strong review mechanism at the level of senior management and the Board. Through liability program and capital raise, we have been able to mobilize funds to fuel the growth. Strong connect and follow up with customers has rationale PAR to lower single digits and this has provided us further confidence to grow our book.

One feels that rural India story in housing courtesy rise in income levels, nuclearization, and physical/digital infrastructure development is set to unfold in coming years. Local level drivers in these geographies for growth in residential mortgages shall aid growth of rural focused housing companies like Star HFL. We as a team look forward to the exciting next few years for quality growth and create value for all stakeholders"

Your company initiated engagement with India Ratings and Care rating for its long-term credit facilities as rated CARE BBB-, Positive as of March 31, 2023. Star HFL is now rated as IND BBB/ Stable by India Rating allows us to raise debt at competitive rates in the future, if needed.

Talking about business performance for FY2022-23, as of Mar 31, 2023 the AUM stands at Rs. 24599.06 Lakhs with 2550 live accounts. Your company incrementally disbursed Rs. 18679.81 Lakhs during the year. The net-worth is at Rs. 10641.88 Lakhs and borrowing outstanding is Rs. 16249.99 Lakhs. The leverage levels remain modest at 1.53. The CRAR is 77.88%. Your company reported GNPA at 1.68 % and NNPA at 1.25%.

On the funding front in FY2022-23, your company has raised Rs. 118.95 crs of fresh credit lines from the National Housing Bank (Rs. 10 crs), Hinduja Housing Finance (Rs. 10 crs), Sundaram Home Finance Limited (Rs. 5 crs), Maanaveeya Development & Finance Private Limited (Rs. 18 crs), ICICI Bank Limited (Rs. 10 crs), MAS Financial Services Limited (Rs 7.5 Crs), MAS Rural Housing & Mortgage Finance Limited (Rs 7.5 Crs), Cholamandalam Investment and Finance Company Limited (Rs 6.2 Crs), LIC Housing Finance Limited (Rs 5 Crs) Capital India Finance Limited (Rs 5 Crs), State Bank of India (Rs 34.75 Crs).

Your company also has been able to strengthen the net-worth by infusion of capital (Rs. 32.78 crs) through preferential allotment. The liquidity levels remain robust and we have several proposals with banks (public and private) and financial institutions in pipeline.

Your company has Sub-division/split of 1 (one) existing equity share of face value of Rs 10/- (Rupees Ten only) into Two (2) equity shares of face value of Rs 5 (Rupees Five Only) fully paid up capital and also issued 1 (one) Bonus equity share for every (1) fully paid up equity share.



“Delivering Growth and Value in Housing Finance”

FY'2022-23 saw exercise of first tranche of ESOP I scheme ensuring participation of eligible employees as owners of the Company stock options to employees to foster a spirit of ownership and an entrepreneurial mindset, because of their nature, stock options help to build a holistic, long-term view of the business and a sustainability focus in the management team. Stock options are granted to tenured employees in managerial and leadership positions upon achieving defined thresholds of performance and leadership behaviour.

Star HFL is governed by strong and an independent board comprising of reputed professionals from BFSI space viz. Mr. Amlendra Prasad Saxena, (Ex GM, NHB); Mr. Ajith Lakshmanan (Ex ED of LIC of India), Mr. Pradip Kumar Das (ex-ED IDBI Bank) and Ms. Neelam Tater (Professional CA & CS)

With an objective to augment AUM growth, your company has entered into co-lending arrangements with Family Home Finance Private Limited.

The AUM is build across the states of Maharashtra (Extended Mumbai Region: 25%, Extended Pune Region: 26%, Vidarbha Region: 11%), Madhya Pradesh (10%), Gujarat (5%), Rajasthan (18%) and Tamil Nadu (5%) During the year Star HFL has doubled its physical presence to now 14 branches. Coupled with digital PoPs, the Company is now present at 30+ locations across operational geographies with a staff count of 150+ employees, more than 40% of which are in underwriting and collection functions at branches your company to register growth across

business and operational areas. Star HFL sees itself as a housing finance company that would enable credit for deserving homebuyers in WES / LIG segment on fair terms. Our staff has requisite domain and know-how to scale up the book in line with extant policies, processes and guidelines. We look forward to be a meaningful player in retail low cost housing finance space and realize home-owning aspirations for our borrowers.

I hereby thank Star HFL Board for mentoring and guiding the leadership team to achieve business objectives backed by strong principle of corporate governance.

I am grateful to all members of the Star HFL family for their team spirit and to all stakeholders for their trust, integrity and accountability. I also wish to thank the regulator, the Reserve Bank of India and the National Housing Bank for guidance and support; and I am happy to share that your Company continues to be in absolute compliance with the guidelines issued by them.

Therefore, I am optimistic of your Company's growth, and of its ability to deliver superior performance and greater shareholder value.

Yours Truly,

Ashish Jain
Chairman & Managing Director

MESSAGE FROM CHIEF FINANCIAL OFFICER



NATESH NARAYANAN CHIEF FINANCIAL OFFICER

Dear Shareholders,

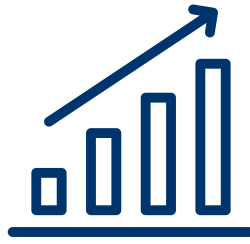
Financial Year 2023, was the year we started to reap the benefits of our transformation strategy and began to move the needle in every single benchmark we set for ourselves. This has been a record year for us and the same is reflected in the financial performance. We started the year with a loan book of 104.09 crores and happy to submit to you all that we ended the year with a gross loan book inching towards Rs.250 crores marking a growth of 140% year-on-year. The total revenue for FY'23 is at INR37.24 crores as against INR 19.37 in FY'22, again a near 100% year-on-year growth. The interest income and the net interest income in FY'23 stood

at INR 32.35 crores and INR 21.06 crores as against INR 17.97 crores and INR 11.8 crores respectively last year.

Incremental lending happened at 15.5% while the incremental borrowing cost stood at 10.5% per annum. GNPA as of March 23 is at 1.68% as against 2.99% in March '22. And the NNPA as of March '23 is at 1.25% as against 2.40% in March 2022. Investment in quality, manpower to augment our growth plan and related expansion in operational geographies has resulted in employee expenses increasing by 28% year-on-year. Total operating expense has increased by 51%, primarily attributable to capacity creation for future AUM buildup and the scale up that is expected to, and the scale up that has happened in the FY'23. For the last 12 months period ending March '23, the PBT increased by five times year-on-year. Adjusting for the exceptional non-cash expense related to ESOP, PBT has increased by 220% year-on-year.

Star HFL has successfully raised capital in two rounds in FY'2022-23 which saw participation from reputed professionals from capital markets and BFSI space. The shareholding profile is augmented with participation from individual investors, institutional entities, a family office and an FPI. Star HFL now has an eco-system of more than 6500 shareholders. Courtesy these rounds, the net worth has crossed Rs.100 crs and stands at Rs.106.42 crs as of Mar 31, 2023.

Taking a note of the company's growth, quality of loan book, established processes and risk framework, and the management team, the overall corporate governance, Care ratings have upgraded our outlook of the company to positive from stable in the fourth quarter of FY23. The company is very well capitalized and shall subject to all approvals in place, should look to strengthen the capital levels further to enable a INR500 crores scale up in the next four to six quarters, thereby becoming a systemically important housing finance company.



“Expansion,
Profitability,
and Strong
Financial
Outlook.”

Star HFL has relationship with public sector banks, private sector banks, financial institutions and the National Housing Bank. During the year the Company has raised fresh term loans from 10 banks and FIs with current outstanding of Rs.107.30 crs. Total borrowings outstanding as of March 31, 2023 is Rs.162.5 crs. Through the year, Star HFL has developed robust pipeline and shall continue to expand the engagement with other institutions in banking space.

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 0.56 crores of retail loans and also provided 0.06 crores towards Impairment of Loan Assets as part of IND AS requirements.

Investment in building capacities in our branches, write off of 0.56 crores and the additional provisioning resulted in our PAT 6.98 crores in March 2023 as against 0.62 crores in March 2022. Total Revenue for the year was at a historic high 37.24 crores in March 2023 as against 19.37 crores in March 2022. Our liquidity position is extremely comfortable at 28.10 crores. The Yield on our Loan portfolio stood at 18.66 % and NIIM at 11.90 % as on March 2023 vis a vis 16.47 % and 10.36 % respectively in March 2021. The moderation in the Portfolio Yield and NIIM is primarily driven by our focus on increasing Retain Individual Home Loan and reduction in the Project Loan during the entire FY.

Thank You,

Regards,

Natesh Narayanan.
Chief Financial Officer

CUSTOMER STORIES



Customer: Sasikumar
Location: Chennai, Tamil Nadu
Occupation: Autorickshaw Driver
Loan Amt: INR 7.34 Lakhs

Sasikumar, an autorickshaw driver in Chennai, lived with his family in a small and deteriorating ancestral home that was no longer suitable for their growing needs. Through a common friend, Sasikumar connected with a representative from Star HFL at a local food mess. The local team from Star HFL provided valuable assistance in helping Sasikumar apply for a construction loan, which was successfully approved and disbursed. With the financial support, Sasikumar was able to complete the construction of a 620 sqft home, providing a comfortable and suitable living space for his family. They have now happily shifted into their new home, thanks to the support of Star HFL.

Loan Amount	Rs. 7,34,636
EMI per lakh of loan amount	Rs. 1552.66
EMI of the loan	Rs. 11,406
Disposable Income	Rs. 23,850
EMI / Disposable Income	47.83%
LTV (%) as per Market Value	17.63%
Surplus Income post EMI	Rs. 12,444



Customer: Pushpendra
Location: Indore, MP
Occupation: Vegetable Vendor
Loan Amt: INR 5.50 Lakhs

Pushpendra Chourasiya, a vegetable vendor, and his wife, who does small stitching work from home, were living in a rented accommodation as they faced fund constraints to construct a home on their small plot of land in Indore. However, Star HFL stepped in to assist Pushpendra. Their local team guided him through the loan application process and provided options for construction. The credit team assessed his cashflows and determined the suitable loan amount and affordable EMI, leading to a timely sanction and disbursement. Additionally, Star HFL's Customer Awareness Program ensured financial discipline. As a result, Pushpendra and his family now happily reside in their own home.

Loan Amount	Rs. 5,50,000
EMI per lakh of loan amount	Rs. 1693
EMI of the loan	Rs. 8,465
Disposable Income	Rs. 30,616
EMI / Disposable Income	27.65%
LTV (%) as per Market Value	43.65%
Surplus Income post EMI	Rs. 22,151



Customer: Sangeeta
Location: Jalgaon, Maharashtra
Occupation: Cook
Loan Amt: INR 4.75 Lakhs

Sangeeta, a 48-year-old widow residing in Jalgaon, Maharashtra, lives with her son and daughter-in-law. Despite facing challenges, she managed to raise her son by working as a cook and taking on various household tasks. With her diligent savings, she embarked on the construction of her own house on a plot she had inherited. However, the construction work came to a halt due to a lack of funds. Fortunately, Sangeeta learned about the local Star HFL team through the owner of a small food joint. The dedicated team from Star HFL supported her throughout the entire process, enabling the completion of her home. Now, Sangeeta can proudly call her new house her own, thanks to the assistance provided by Star HFL.

Loan Amount	Rs. 4,72,623
EMI per lakh of loan amount	Rs. 1737.98
EMI of the loan	Rs. 8,214
Disposable Income	Rs. 15,000
EMI / Disposable Income	54.76%
LTV (%) as per Market Value	28.13%
Surplus Income post EMI	Rs. 6,786





Customer: Laxman Pawar
Location: Pune, Maharashtra
Occupation: Livestock Farming
Loan Amt: INR 7.48 Lakhs

Laxman Pawar, a livestock farmer born and raised in Pune, faced a challenge when his family's land was divided among other relatives, leaving them with a small plot of land and a kaccha house. Determined to improve their living conditions, Laxman reached out to a Star HFL representative through a customer from his dairy business. The local team from Star HFL provided valuable assistance, guiding Laxman through the application process for a construction loan and ensuring successful disbursement. They also offered technical support, helping him choose the right building materials and providing construction mapping services. Currently, the construction work for Laxman's new home is in progress, thanks to the dedicated support of Star HFL.

Loan Amount	Rs. 7,48,705
EMI per lakh of loan amount	Rs. 1488.00
EMI of the loan	Rs. 10,416
Disposable Income	Rs. 25,700
EMI / Disposable Income	40.53%
LTV (%) as per Market Value	39.91%
Surplus Income post EMI	Rs. 15,284



Customer: Kuppammal
Location: Chennai, Tamil Nadu
Occupation: Fishmonger
Loan Amt: INR 14.44 Lakhs

Mrs. Kuppammal, a single mother and fishmonger in Chennai, faced the challenge of living in a rented home with her two sons. Through a regular customer, she connected with a representative from Star HFL. The local team guided Kuppammal in applying for a home loan to purchase a resale apartment, which was successfully disbursed. With the loan amount of Rs. 14 lakhs and her savings, she purchased a home worth Rs. 25 lakhs. Thanks to Star HFL's assistance, Mrs. Kuppammal and her family are now proud homeowners.

Loan Amount	Rs. 7,48,705
EMI per lakh of loan amount	Rs. 1488.00
EMI of the loan	Rs. 10,416
Disposable Income	Rs. 25,700
EMI / Disposable Income	40.53%
LTV (%) as per Market Value	39.91%
Surplus Income post EMI	Rs. 15,284

EMPLOYEES SPOTLIGHT





VIRAL NAGAR

MANAGER – RECEIVABLE MANAGEMENT, UDAIPUR

Viral has been an invaluable member of our company from the very beginning, bringing over 10 years of experience in affordable housing finance. His extensive knowledge and expertise greatly benefit our team, particularly in navigating collections complexities and providing exceptional customer assistance.

As the Manager - Receivable Management, Viral oversees the entire collections process, ensuring efficient management of outstanding balances. His keen attention to detail and strategic thinking allow him to develop customized collection strategies tailored to each customer's unique circumstances. Moreover, Viral's exceptional interpersonal skills enable him to build strong relationships with customers, offering compassionate support during challenging times. His dedication to community service aligns with our values, further showcasing his commitment to excellence and making him an integral part of our receivable management team's success.



PRIYA SINGH

MANAGER - OPERATIONS

Since joining Star HFL 3 years ago, Priya has consistently displayed an exceptional aptitude for managing complex operations and delivering results. Her understanding of the affordable housing finance landscape, combined with her strategic thinking, enables her to optimize processes that enhances efficiency and customer satisfaction.

As Manager - Operations at head office, Priya plays a pivotal role in managing the operational aspects of the company. By closely collaborating with cross-functional teams, she has successfully executed strategies that have positively impacted the operations. In addition to her operational expertise, Priya exhibits exceptional problem-solving skills. She approaches challenges with a creative mindset and a focus on finding sustainable solutions that can be scaled up at company level. Her ability to navigate complex situations with poise and resilience has been pivotal in ensuring smooth operations and maintaining high levels of customer satisfaction across locations.



SAGAR SHINDE

UNIT HEAD, INDORE

Since joining Star HFL, Sagar has been a driving force behind our sales achievements in MP region. With 5+ years of experience in the affordable housing finance sector, he possesses an in-depth understanding of the industry landscape, market dynamics, and customer needs in his operational geography. This expertise has allowed Sagar to develop and implement effective sales strategies that has provided a positive momentum to Star HFL in MP region.

As a Unit Head of Indore branch, Sagar has consistently delivered exceptional sales performance in Indore. One of Sagar's key strengths is his ability to build strong relationships with customers and other stakeholders. He possesses excellent communication and interpersonal skills, enabling him to understand customers' unique requirements and provide tailored solutions. By establishing trust and rapport, Sagar has nurtured long-lasting partnerships, expanded our customer base and driving customer satisfaction. In addition to his sales acumen, Sagar demonstrates a keen business sense and a strategic approach to market expansion. His forward-thinking mindset and ability to adapt to evolving market dynamics have been crucial in driving Star HFL's growth and maintaining a competitive edge in MP region.



GANESH GAWARE

MANAGER – CREDIT, PUNE

Ganesh is an exceptional credit management professional in the affordable housing finance industry, with over 10 years of experience. His deep understanding of credit assessment, risk analysis, and underwriting practices enables him to make informed decisions that mitigate risk while ensuring accessible housing finance for those in need. As Regional Credit Manager, Ganesh oversees the entire credit process, ensuring thorough evaluation and due diligence for all applications. His meticulous approach has resulted in a robust portfolio build-up, characterized by prudent lending practices and minimized credit risks. By setting stringent credit standards, he safeguards our organization's financial stability and promotes responsible lending practices.

Ganesh's noteworthy ability to build strong relationships with stakeholders, especially the sales team, enhances collaboration and leads to efficient credit decisions and enhanced customer satisfaction. He also excels in assessing complex financial situations and finding creative solutions, consistently seeking opportunities to improve credit processes through technology and data analytics. Ganesh's expertise, meticulousness, and commitment to excellence have significantly impacted our credit management practices and overall organizational success.

MANAGEMENT DISCUSSION AND ANALYSIS 2022-23



» GLOBAL ECONOMIC REVIEW

Global economic activity is experiencing a broad-based and sharper than expected slowdown, with inflation higher than seen in several decades. The cost-of-living crisis, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the outlook. Global growth is forecast to slow from 6.0 percent in 2021 to 3.2 percent in 2022 and 2.7 percent in 2023. This is the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic.

The economic outlook depends on a successful calibration of monetary and fiscal policies, the course of the war in Ukraine, and growth prospects in China. Risks remain unusually large: monetary policy could miscalculate the right stance to reduce inflation; diverging policy paths in the largest economies could exacerbate the US dollar's appreciation; tightening global financing could trigger

emerging market debt distress; and a worsening of China's property sector crisis could undermine growth. Multilateral cooperation remains necessary to fast-track the green energy transition and prevent fragmentation.

The Global inflation is forecast to rise from 4.7 percent in 2021 to 8.8 percent in 2022 but to decline to 6.5 percent in 2023 and to 4.1 percent by 2024. Monetary policy should stay the course to restore price stability, and fiscal policy should aim to alleviate the cost-of-living pressures while maintaining a sufficiently tight stance aligned with monetary policy. Structural reforms can further support the fight against inflation by improving productivity and easing supply constraints, while multilateral cooperation is necessary for fast-tracking the green energy transition and preventing fragmentation.

The Strong economic growth in the first quarter of FY 2022-23 helped India overcome the UK to become the fifth-largest economy after it recovered from repeated waves of COVID-19 pandemic shock. Real GDP in the first quarter of 2022-23 is currently about 4% higher than its corresponding period of 2019-20, indicating a strong start for India's recovery from the pandemic. Given the release of pent-up demand and the widespread vaccination coverage, the contact-intensive services sector will probably be the main driver of development in 2022-2023. Substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

India's economic condition during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which reached Rs 4.1 lakh crores (US\$ 49.53 billion) during April-October 2022 which is 61.5% higher than the corresponding period of last year. The resilient growth of

the Indian economy in the first half of FY 2022-23 has been the fastest among major economies, thereby strengthening macroeconomic stability. India registered a broad-based expansion of 9.7% in the first half of FY 2022-23, supported by robust domestic demand and upbeat investment activity. As a result of the comeback in economic activity across all sectors, India's overall employment situation has improved

As we head into 2023, global economic developments are expected to complicate the outlook further, and therefore continued vigilance is a critical aspect in maintaining India's external resilience. Going forward, India needs to focus on medium-term challenges such as securing technology and resources for energy transition and skilling its youth for the 21st century economy, while staying the course on fiscal consolidation. With continuous efforts during the last several years, a strong platform has been erected on which the superstructure of a middle-income economy can be constructed.

» NEW REGULATORY FRAMEWORK

Scale Based Regulations (SBR) for NBFCs:

The contribution of NBFCs towards supporting real economic activity and their role as a supplemental channel of credit intermediation alongside banks is well recognised. Over the years, the sector has undergone considerable evolution in terms of size, complexity, and interconnectedness within the financial sector. Many entities have grown and become systemically significant and hence it has been felt to align the regulatory framework for NBFCs keeping in view their changing risk profile. The RBI therefore, came out with the revised regulatory framework Scale Based Regulations (SBR) for NBFCs vide its circular dated Oct 22, 2021. These directions are applicable w.e.f. Oct 1, 2022

The SBR framework encompasses different facets of regulation of NBFCs covering capital requirements, governance standards, prudential regulation, etc. Regulatory structure for NBFCs shall comprise of four layers based on their size, activity, and perceived riskiness. NBFCs in the lowest layer shall be known as NBFC - Base Layer (NBFC-BL). NBFCs in middle layer and upper layer shall be known as NBFC - Middle Layer (NBFC-ML) and NBFC - Upper Layer (NBFC-UL) respectively. The Top Layer is ideally expected to be empty and will be known as NBFC - Top Layer (NBFC-TL).

All the HFCs irrespective of their size fall into Middle Layer. The relevant additional provisions applicable on the Housing Finance Companies under the revised framework are:

Experience of the Board - Considering the need for professional experience in managing the affairs of NBFCs, at least one of the directors shall have relevant experience of having worked in a bank/ NBFC.

Internal Capital Adequacy Assessment Process (ICAAP) - NBFCs are required to make a thorough internal assessment of the need for capital, commensurate with the risks in their business.

Concentration of credit/ investment - The extant credit concentration limits prescribed for NBFCs separately for lending and investments shall be merged into a single exposure limit of 25% for single borrower/ party and 40% for single group of borrowers/ parties. Further, the concentration limits shall be determined with reference to the NBFC's Tier 1 capital instead of their Owned Fund

Regulatory restrictions on loans - NBFCs shall be subject to regulatory restrictions in respect of the Granting loans and advances to directors, their relatives and to entities where directors or their relatives have major shareholding, to Senior Officers of the NBFC.

(i) While appraising loan proposals involving real estate, NBFCs shall ensure that the borrowers have obtained prior permission from government / local governments / other statutory authorities for the project, wherever required.

Key Managerial Personnel - Except for directorship in a subsidiary, Key Managerial Personnel shall not hold any office (including directorships) in any other NBFC-ML or NBFC-UL.

Independent Director - Within the permissible limits in terms of Companies Act, 2013, an independent director shall not be on the Board of more than three NBFCs (NBFC-ML or NBFC-UL) at the same time. Further, the Board of the NBFC shall ensure that there is no conflict arising out of their independent directors being on the Board of another NBFC at the same time.

Disclosures - NBFCs shall, in addition to the existing regulatory disclosures, disclose the following in their Annual Financial Statements, with effect from March 31, 2023:

- Corporate Governance report containing composition and category of directors, shareholding of non-executive directors, etc.
- Disclosure on modified opinion, if any, expressed by auditors, its impact on various financial items and views of management on audit qualifications.
- Items of income and expenditure of exceptional nature.
- Breaches in terms of covenants in respect of loans availed by the NBFC or debt securities issued by the NBFC including incidence/s of default.
- Divergence in asset classification and provisioning above a certain threshold to be decided by the Reserve Bank.

Chief Compliance Officer - In order to ensure an effective compliance culture, it is necessary to have an independent compliance function and a strong compliance risk management framework in NBFCs. NBFCs are, therefore, required to appoint a Chief Compliance Officer (CCO), who should be sufficiently senior in the organization hierarchy. NBFCs shall put in place a Board approved policy laying down the role and responsibilities of the CCO with the objective of promoting better compliance culture in the organization.

Compensation Guidelines - In order to address issues arising out of excessive risk taking caused by misaligned compensation packages, it has been decided that NBFCs shall put in place a Board approved compensation policy. The guidelines shall at the minimum include, a) constitution of a Remuneration Committee, b) principles for fixed/ variable pay structures, and c) malus/ claw back provisions. The Nomination and Remuneration Committee shall ensure that there is no conflict of interest.

Other Governance Matters - NBFCs shall comply with the following:

- The Board shall delineate the role of various committees and lay down a calendar of reviews.
- NBFCs shall formulate a whistle blower mechanism for directors and employees to report genuine concerns.
- The Board shall ensure good corporate governance practices in the subsidiaries of the NBFC.

Core Banking Solution - NBFCs with 10 and more branches are mandated to adopt Core Banking Solution. A glide path of 3 years with effect from October 01, 2022 is being provided.

» INDIAN HOUSING DEMAND SCENARIO & HOUSING FINANCE OPPORTUNITY

The housing market continued to witness a trend of increased number of first-time homebuyers and those moving up the property ladder by opting for larger homes or acquiring homes in another location. The residential real estate market in India had astounding progress in 2022, setting new sales records of 68% YoY, further demonstrating the industry's prominence as one of India's fastest-growing industries. After two years affected by COVID, Tier 2 and Tier 3 cities have arisen as fresh major real estate trends in 2022, and the real estate market has set unprecedented benchmarks which continued its growth momentum from 2021 amid the global slowdown.

The growing awareness of home ownership and the government's favourable affordable housing schemes has led to significant growth in the affordable housing segment. With people realising the long-term potential of owning a house, v/s renting led to sustainable growth in the segment. An increase in earning potential, a need for a better standard of living and the

growing base of aspirational consumers and their lifestyle changes have led to substantial growth in the sector. With suited economic growth, the premium housing segment will also witness higher demand in the years to come. Reforms in stamp duty, the introduction of affordable rental housing complexes and government-aided schemes will boost this asset class while providing relief to the many who do not have access to it.

. The momentum of growth continued in 2022-23 on the back of strong demand, and housing sales may jump around 12 per cent year-on-year in the current financial year. The rating agency has maintained an improving outlook for the residential real estate market for the financial year 2022-23. "Between adapting to the pandemic's impact, industry issues and government policies, the Indian real estate sector anticipates a robust end-user demand in FY23. The steady performance and quick revival in FY22 have likely helped the sector regain buyer's trust."

» GOVERNMENT INITIATIVES FOR THE HOUSING FINANCE COMPANIES

The Union Budget 2023 - 2024, presented on February 1, 2023, remains committed to affordable housing. The budget underscores the government's focus on "Housing For All". Pointing out the need for efficient use of land resources, Finance Minister Nirmala Sitharaman announcements related to credit allocation in PM Awas Yojana and urban infrastructure development fund are set to trigger acceleration in credit demand for housing finance companies. The higher allocation may lead to higher loan demand in the lower income segment.

The union budget has increased the outlay for PM Awas Yojana by 66% to Rs 79,000 crore. "The PMAY allocation increase would boost demand for home loans from the economically weaker and middle income segment "Affordable housing needed a boost

since the sector had faced rising input costs. However, the broadening the definition of affordable homes would have given even a bigger boost to the housing industry."

Affordable Housing: The Union Budget 2023 - 2024 announced the allocation of Rs. 48,000 crores for the Pradhan Mantri Awas Yojana (PMAY), which is 75% higher than the Rs. 27,500 crore budget allocation made in the previous financial year. Around 80 lakh homes are expected to be completed by 2023. The programme has been extended to December 31, 2024 to complete the houses sanctioned till March 31, 2022. This announcement is expected to boost affordable housing and act as an incentive to the developers who are building affordable homes.

» KEY GROWTH DRIVERS

The Non-Banking Financial Company gearing up for Growth as Assets under management (AUM) of NBFCs set to grow 12-13% on-year this fiscal and 13-14% next fiscal.

- The Strong balance sheets with higher provisioning and lower leverage to support growth and asset quality concerns also receding with continued improvement in key metrics.
- Cost of borrowings for NBFCs stated to rise amidst the rising interest rate scenario by 100-120 bps in fiscal 2023. Hence, NBFCs are realigning their strategy, with growth to be led by non-traditional segments.
- Unsecured loans, used vehicles and MSME segments expected to propel growth.
- While traditional segments will also post growth, it will be at a slower pace compared with pre-pandemic levels
- Business model gravitating towards partnerships

The Home loan borrowers have benefitted on multiple counts in terms of affordability based on following factors

- 1) Borrowing rates being among the lowest in the past two decades, even lower than the current 10-year G-Sec rates;
- 2) Concessions offered in stamp duty rates by certain states;
- 3) Government push through Credit Linked Subsidy Schemes along with continuing income tax exemptions;

4) Relatively stable real estate prices for the past few years along with developers offering incentives to clear their inventories; and

5) Wage growth maintaining its pace higher than property price rise for the past few years which bodes well for financiers to grows its AUM.

The Reserve Bank of India liquidity measures during the pandemic have increased banks appetite for funding the segment. This along with higher accretion of public deposits aided by lower bank deposit rates has supported large housing financiers. Whereas, affordable housing financiers have been supported through a rising share of funding from the National Housing Bank-refinance schemes, helping them lower their cost of borrowings and containing any significant margin compression.

The industry has navigated the COVID-19 pandemic with moderate disruptions in collection efficiency and a build-up in asset quality, partially also led by the implementation of the circular on NPA classification. It believes the sector could grow at 13% yoy in FY23 (FY22: 11%) with gross stage 3 numbers increasing to 3.3% from 2.8% in 3QFY22 (FY22: 2.9%), largely due to slippages from the restructured book (FY23: 1.7%; FY22: 2.1%). Additionally, 2% of AUM is supported by lending under Emergency Credit Line Guarantee Scheme which could also see slippages. The broad stage 3 number could rise by 70bp as it was seen in 3QFY22, due to the change in NPA recognition norm.

» INDUSTRY OUTLOOK

The NBFCs would begin the year with sufficient capital buffers, stable margins and sizeable on-balance sheet provisioning, while adequate system liquidity would aid funding. Nevertheless, an expected increase in systemic interest rates and asset quality issues in some segments due to the lagged impact of pandemic would be a drag on the operating performance.

The sector has been facing increased regulatory oversight and push towards convergence with banks through various measures such as scale-based regulation, realignment in asset quality classification and Prompt Corrective Action norm. The incremental impact of the notification on NPA recognition however will be moderate as the maximum impact has already been seen in 3QFY22 figures and NBFCs are holding adequate provisions.

» STAR HFL: FUTURE OUTLOOK

Star Housing Finance Limited, as a lender, is active in providing housing finance assistance to the EWS / LIG segment customers wishing to purchase / construct own homes in Tier II, III towns, semi-urban and rural geographies.

The operational geographies of Star HFL has remained intact and has withstood the test of disruption due to Covid-19 pandemic. The demand has remained robust and has been further bolstered by virtue of reverse migration of population in these geographies from urban sectors.

The space in which Star HFL operates has traditionally outpaced the overall mortgage market growth. Star HFL, as a company, is well poised to exhibit growth in future if its focus remains in this particular segment. Despite government level interventions, there is a latent demand in this space at any point of time thereby creating a need for a financier to cater to them on fair terms. Star HFL stands to gain from such dynamics and can look forward to making a substantial contribution to boosting housing stock in India as well as enhancing overall growth supported by quality.

» CAUTIONARY STATEMENT

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



“Positive Outlook for NBFCs as Assets Under Management Projected to Grow Steadily”



DIRECTOR'S REPORT

To,
The Members
Star Housing Finance Limited
(Formerly known as "Akme Star Housing Finance Limited")

The Board of Directors are pleased to present the Company's Eighteenth Annual Report on the business & operations of the Company, together with the Audited Financial Statement for the financial year ended March 31, 2023.

FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY

The Company's financial performance for the financial year ended March 31st, 2023, is summarized as below:

(INR in Lacs)

PARTICULARS	YEAR ENDED 31ST MARCH, 2023	YEAR ENDED 31ST MARCH, 2022 (RESTATED)
Gross Income	3724.31	1936.54
Less : Finance Cost	1128.84	617.01
Employee Benefit Exp.	950.25	745.01
Overhead	745.34	364.43
Depreciation	35.55	27.21
Impairment of Financial instruments	62.70	50.97
Profit Before Tax	801.63	131.91
Less: Provision for taxation	103.64	69.69
Profit After tax	697.99	62.22
Balance Brought Forward from last year	1,119.10	1,127.00
Appropriations	697.99	62.22
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	160.33	61.58
Transferred to General Reserve	Nil	Nil
Others	29.27	8.54
BALANCE CARRIED OVER TO THE BALANCE SHEET	1627.49	1119.10

BUSINESS PERFORMANCE:

(INR in Lacs)

KEY FACTORS	2022-23	2021-22	GROWTH (%)
Loan Portfolio	24600.10	10408.92	136.37%
EPS (Basis) in Rs.	0.97	0.10	870%
CRAR (%)	77.88%	84.78%	(8.14%)

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

DIVIDEND

The Board of Directors in its meeting held on Saturday, 15th July, 2023, has recommended a final dividend of Rs. 0.05 per equity share for the year ended March 31, 2023 subject to the approval of the Members at the 18th Annual General Meeting ('AGM').

The said dividend is in line with the Dividend Distribution Policy of the Company.

TRANSFER TO RESERVES

During the year under review, your Company appropriated Rs. 160.33 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. 697.99 Lakhs is proposed to be retained in the Profit and Loss Account.

SHARE CAPITAL

• Authorized Share Capital

During the year, the company increased the Authorized share capital from Rs. 30,00,00,000/- (Rupees Thirty Crore only) to Rs. 50,00,00,000/- (Rupees Fifty Crore only) vide passing ordinary resolution in Extra Ordinary General Meeting of the members of the company held on October 19, 2022. Hence, the authorized share capital of the Company as at March 31, 2023 was Rs. 50,00,00,000 (Rupees Fifty Crore only) consisting of 10,00,00,000 (Ten Crore) equity shares of Rs. 5 (Rupees Five Only) each.

• Issued and Paid-up Capital

The paid-up Equity Share Capital of the company as on March 31, 2023 is Rs. 38,57,91,330 (divided into 7,71,58,266 Equity Shares of Rs. 5/-each).

During the year under review:

a) The company has issued & allotted 16,00,000 equity shares of Rs. 10/- each at Rs.135/- per share (including a premium of Rs. 125/- per share) & 7,30,500 equity shares of Rs. 10/- each at Rs.153/- per share (including a premium of Rs. 143 /- per share) under preferential allotment on a private placement basis for cash consideration through approval accorded by the shareholders at the Annual General Meeting held on 16th July 2022 & Extra Ordinary General Meeting held on 19th October, 2022 . These shares are ranking pari-passu with the old equity shares of the company. Proceeds of the said Preferential Issue were utilized for expansion of business, general corporate purposes and working capital requirements. Therefore, there are no details to be disclosed as per Regulations 32(7A) of the SEBI Listing Regulations.

b) The Board of Directors at its meeting held on 17th October, 2022, & shareholders vide their meeting dated 06th December, 2022 approved the sub-division of the One Equity Share of face value Rs.10/- each into Two Equity Shares of face value of Rs. 5/- each. The Company fixed 16th December, 2022 as the record date for the purpose of determining the members eligible for the allotment of sub division of Equity Shares.

c) The Company allotted 3,78,25,458 (Three Crore Seventy Eight Lakh Twenty Five Thousand Four Hundred Fifty Eight Only) bonus equity shares of 5/- (Rupees Five only) each fully paid up, in ratio of 1:1, i.e., One Bonus share of Rs. 5/- each fully paid up for every one existing share of Rs. 5 each. Thereby, the equity share capital of the Company increased from Rs. 18,91,27,290 (Rupees Eighteen Crore ninety one Lakhs twenty seven thousand two hundred and ninety only) to 37,82,54,580/- (Rupees Thirty Seven Crore Eighty Two lakhs Fifty Four Thousand Five hundred eighty only). The Company fixed 16th December, 2022 as the record date for the purpose of determining the members eligible for the allotment of bonus Equity Shares.

d) The Board of Directors of the Company in their meeting held on 03rd February, 2023 allotted 15,07,350 fully paid up equity shares of face value Rs. 5/- each as ESOP under "Akme Employee Stock Option Plan 2021."The disclosure with regard to ESOP as required under the SEBI (Share Based Employee Benefits) Regulations 2014 is available on the website of the Company at: www.starhfl.com.

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

CREDIT RATING

The following ratings have been reaffirmed/assigned to the Company for its Bank Loan during the Year by CARE Rating Agency:

S.NO	FACILITIES	LIMITS (IN CR)	TENURE	RATING	RATING ACTION
1.	Bank Loans	167	Long Term	CARE BBB-, Positive (Triple B Minus; Outlook: Positive)	Reaffirmed

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

S.NO	FACILITIES	LIMITS (IN CR)	TENURE	RATING	RATING ACTION
1.	Bank Loans	159	Long Term	IND BBB/Stable	Upgraded
2.	Bank Loans	450 (increased from 159)	Long Term	IND BBB/Stable	Affirmed
3.	Non-Convertible Debentures (NCDs)*	50	Long Term	IND BBB/Stable	Assigned

*Yet to be issued

TERM LOAN FROM BANKS AND FINANCIAL INSTITUTIONS

During the financial year 2022-23 your company raised term loans of Rs. 118.95 crores from the following institutions:

1. Rs. 5.00 Crores (Rupees Five Crores only) from Sundaram Home Finance Limited;
2. Rs. 10.00 Crores (Rupees Ten Crores only) from Hinduja Housing Finance Limited;
3. Rs. 18.00 Crores (Rupees Eighteen Crores only) from Maanaveeya Development & Finance Private Limited;
4. Rs. 10.00 Crores (Rupees Ten Crore only) from ICICI Bank Limited
5. Rs. 7.50 Crores (Rupees Seven Crores Fifty Lakhs Only) from MAS Financial Services Limited;
6. Rs. 10.00 Crores (Rupees Ten Crore Only) under additional refinance Assistance from National Housing Bank;
7. Rs. 7.50 Crores (Rupees Seven Crores Fifty Lakhs Only) from MAS Rural Housing & Mortgage Finance Limited;
8. Rs. 6.20 Crores (Rupees Six Crore Twenty lakhs only) from Cholamandalam Investment and Finance Company Limited;
9. Rs. 5.00 Crores (Rupees Five Crore only) from LIC Housing Finance Limited;
10. Rs 34.75 Crores (Rupees Thirty Four Crore Seventy Five Lakhs Only) from State Bank of India; and
11. Rs 5.00 Crore (Rupees Five Crore Only) from Capital India Finance Limited.

The Outstanding Bank Borrowings as on 31.03.2023 stood at Rs. 162.50 Crores.

REVIEW OF OPERATIONS

Your Company is registered as a Housing Finance Company (HFC) with RBI 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 mechanism. Your Company is committed towards improving efficiency in all its processes and service levels for its customers.

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

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

• Income & Profits

Total Revenue from operations increased by 92.32% to Rs. 3724.31 Lakhs for the Financial Year ended March 31, 2023 as compared to Rs. 1936.54 Lakhs for the previous Financial Year. Profit before Tax (PBT) was 507.71% higher at Rs. 801.63 Lakhs as compared to Rs. 131.91 Lakhs for the previous Financial Year. The Total Comprehensive Income for the Financial Year 2022-23 increased by 752.01% from Rs. 69.69 Lakhs in the Financial Year to Rs. 593.75 Lakhs in the Previous Financial Year.

• Sanctions

During the Financial Year under review, your Company sanctioned housing loans of Rs. 19901.83 Lakhs as compared to Rs. 4314.01 Lakhs sanctioned in the previous Financial Year registering a growth of 361.33 %. The cumulative loan sanctions since inception of your Company stood at Rs. 39528.84 Lakhs as at March 31, 2023.

• Disbursements

During the Financial Year under review, your Company disbursed loans of Rs. 18679.81 Lakhs as compared to Rs 3657.94 Lakhs disbursed in the previous Financial Year and recorded growth of 610.66%.

• Capital Adequacy

As per the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated Feb 17, 2021 Every housing finance company shall, maintain a minimum capital ratio on an ongoing basis consisting of Tier-I and Tier-II capital which shall not be less than 15 per cent on or before March 31, 2022 and thereafter of its aggregate risk weighted assets and of risk adjusted value of off-balance sheet items .

Your Company's Capital Adequacy Ratio as at March 31, 2022 and March 31, 2023, were 84.79% and 77.88 % respectively which are far above the minimum required level of 15%

• Assets Under Management (AUM)

The AUM of your company stood at Rs. 24600.10 Lakhs (including off balance sheet AUM of Rs.1891.60 Lakhs) as at March 31, 2023 as against Rs. 10408.92 Lakhs (No off balance sheet AUM) in the previous financial year, registering a growth of 136.34%.

Prudential Norms for the HFCs Issued By RBI

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

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

As the SBR framework encompasses different facets of regulation of NBFCs covering capital requirements, governance standards, prudential regulation, etc., RBI issued an integrated regulatory framework for NBFCs under SBR providing a holistic view of the SBR structure. These revised regulatory framework has come into effect from October 01, 2022.

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

Asset Classification and Provisioning Norms:

The RBI has come out with certain clarifications on Income Recognition, Asset Classifications and Provisioning norms with a view to have a uniformity across all the lending institutions including HFCs vide their notification dated November, 12 2021. The company has been complying with these instructions meticulously.

PROSPECTS AND DEVELOPMENTS:

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

HOUSING FINANCE:

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

DISTRIBUTION NETWORK:

Your company has been successful in continuous expansion of its branch network with a view to support its disbursement growth, deeper penetration in the states in which the Company operates and enhancing customer reach. During the Financial Year under review, the Company has expanded its branch network to 5 states with 14 branches as on March 31, 2023. Your Company operates in Akola, Baramati, Chennai, Hingoli, Indore, Jaipur, Jalgoan, Mahad, Mumbai, Nashik, Pune, Udaipur, Rajsamand and Surat.

HUMAN RESOURCE MANAGEMENT:

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

The Company's success depends largely upon the quality and competence of its Management team and key personnel. Attracting and retaining talented professionals is therefore a key element of the Company's strategy and a significant source of competitive advantage. The Company has a diverse workforce of 148 employees as on March 31, 2023.

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

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

CAPITAL AND LIABILITY MANAGEMENT:

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

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

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

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

RESOURCE MOBILISATION:

Your Company's borrowing policy is under the control of the Board. The Company has vide special resolution passed on 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 regulatory directions issued from time to time. The prevalent relevant directions issued by RBI under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 are being complied with.

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The details of Loans, Guarantees and Investments covered under the provisions of Section 186 (1) of the Companies Act, 2013, apart from the loans made, guarantee given or security provided by the Company in the ordinary course of business are given in the Notes to accounts forming part of the Audited Financial Statements for the year ended March 31, 2023.

ADOPTION AND ALTERATION IN MEMORANDUM AND ARTICLE OF ASSOCIATION:

The Company has made alteration in the Capital Clause V of the Memorandum of Association of the Company by way of increasing the Authorised Share Capital in accordance with the provisions of Companies Act, 2013 by passing Ordinary Resolution in its Extra Ordinary General Meetings (EGM) held on 19th October, 2022 and 6th December, 2022.

NON-PERFORMING ASSETS AND PROVISIONS FOR CONTINGENCY:

The Gross NPA of your Company as on March 31, 2023 was Rs. 381.12 Lakhs; 1.68 % (previous year 311.46 Lakhs; 2.99%). The Net NPA as on March 31, 2023 was Rs. 282.44 Lakhs; 1.25 % (previous year 248.17 Lakhs; 2.40 %). 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 disclosures required by RBI/NHB to the financial statements. By way of prudence and abundant caution, Company has provided additional provision over and above the RBI guidelines as on March 31, 2023.

The Company has maintained cumulative NPA provision of Rs. 0.99 crore against the required provision of Rs. 0.99 crore (Previous year Rs. 0.63 crore). Further for standard assets Company carries provision of Rs. 0.85 crore (Previous year Rs. 1.14 crore).

DETAILS RELATING TO DEPOSITS

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

GOVERNMENT POLICIES FOR THE HOUSING FINANCE COMPANIES

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

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

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

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

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

BSE COMPLIANCES:

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

INVESTOR COMPLAINTS AND COMPLIANCE:

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

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

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

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

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

There have been no other material changes and commitments which affect the financial position of the Company that have occurred between the end of the financial year to which the financial statements relate and the date of this report.

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

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

SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES:

As on March 31, 2023 the Company does not have any subsidiary Company or Joint Venture Company or Associate Company.

PARTICULARS OF EMPLOYEES:

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

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

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

A. Conservation of energy:

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

B. Technology absorption:

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

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

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

The RBI vide its Master Direction - Information Technology Framework for the NBFC Sector dated June 8, 2017, which shall apply mutatis mutandis to all HFCs also, had notified Information technology framework (guidelines) for all NBFCs including Housing Finance companies ('HFCs') to enhance safety, security, efficiency in process leading to benefit for HFCs and their customer.

Your company is in compliance with the aforesaid guidelines.

C. Foreign Exchange Earnings and Outgo:

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

RISK MANAGEMENT FRAMEWORK:

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

The Company has a Risk Management Committee (RMC). The RMC met multiple times during the year and kept an active watch on the emergent risks the Company come across during the course of business. The Risk Management Committee oversees the process of identification, measurement and mitigation of risks.

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

ASSET LIABILITY MANAGEMENT COMMITTEE (ALCO):

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

VIGIL MECHANISM/WHISTLE BLOWER POLICY:

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

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

The whistle blower policy is placed on the website of the Company and can be accessed at <https://www.starhfl.com/wp-content/uploads/2023/02/Vigil-Mechanism-Whistle-Blower-Policy.pdf>

CODES AND STANDARDS

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

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

Your Company has approved Know Your Customer & Anti Money Laundering Measure Policy (KYC & AML Policy) in place and adheres to the said Policy. The said Policy is in line with the Reserve Bank of India 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 policy is placed on the website of the Company and can be accessed at https://www.starhfl.com/wp-content/uploads/2023/03/Star_KYC-And-AML-Policy_1.0.pdf

(b) Fair Practice Code

Your Company has in place a Fair Practice Code (FPC), which includes guidelines on appropriate staff conduct when dealing with the customers and on the organization's policies vis-à-vis client protection. The FPC captures the spirit of the Reserve Bank of India guidelines on fair practices for Housing Finance Companies. During the year under review, FPC was modified by the Board and the grievance redressal mechanism within the Company was further strengthened. The policy is placed on the website of the Company and can be accessed at https://www.starhfl.com/wp-content/uploads/2023/03/Star_Fair-Practices-Code_1.0.pdf

(c) Policy on Disclosure of material events and information

During the year under review, your Company has adopted the Policy on Disclosure of Material Events and Information, in accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to determine the events and information which are material in nature and are required to be disclosed to the Stock Exchanges. The policy is placed on the website of the Company and can be accessed at <https://www.starhfl.com/wp-content/uploads/2023/02/Disclosure-of-policy-for-determination-of-materiality-of-events-or-information.pdf>

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

The Company has adopted Code of Conduct for the Board of Directors and the Senior Management Personnel to set forth the guiding principles on which the Company and its Board and Senior Management Personnel shall operate and conduct themselves with multitudinous stakeholders, government and regulatory agencies, media and anyone else with whom it is connected. The policy is placed on the website of the Company and can be accessed at <https://www.starhfl.com/wp-content/uploads/2023/02/Code-of-conduct-of-Board-of-Directors-and-Senior-Management-Personnel.pdf>

(e) CEO & CFO Certification

The Managing Director (MD) and Chief Financial Officer (CFO) have certified to the Board in accordance with Regulation 17(8) read with Part B of Schedule II of the Listing Regulations pertaining to CEO/CFO certification for the financial year ended March 31, 2023, which is annexed hereto as Annexure VI.

(f) Code for Prevention of Insider Trading Practices

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

(g) Code of Business Ethics (COBE)

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

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

(h) Comprehensive Risk Management Policy

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

(i) Corporate Social Responsibility (CSR) Policy

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

(j) Remuneration Policy

The Nomination and Remuneration Committee had laid down criteria for determining Director's Qualification, Attributes and Independence of a Director, remuneration of Directors, Key Managerial Personnel and other employees and criteria for evaluation of Directors, Chairperson, Non-Executive Directors and Board and the evaluation process of the same. The policy may be accessed on the Company's website at www.starhfl.com

(k) Related Party Transactions Policy:

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

(l) Familiarization Programme for Independent Directors:

The objective of a familiarization programme is to ensure that the non-executive directors are updated on the business environment and overall operations of the Company. This enables the non-executive directors to make better informed decisions in the interest of the company and its stakeholders. The policy is placed on the website of the Company and can be accessed at www.starhfl.com

DIRECTORS AND KEY MANAGERIAL PERSONAL

The Board of Directors of the Company comprises of Six [6] directors of which one [1] is Executive Director; One [1] is Chairman & Managing Director & Four [4] are Non- Executive Independent Directors including one woman director as on March 31, 2023 who brings in a wide range of skills and experience to the Board.

• Retirement of Director by rotation

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and Articles of Association of the company, Mr. Ashish Jain, Chairman & Managing Director of the Company liable to retire by rotation, has offered himself for re-appointment at the ensuing 18th Annual General Meeting of the company. A resolution for his reappointment is being proposed at the 18th Annual General Meeting and his Profile is included in the Notice.

• **Composition of the Board as on March 31, 2023**

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

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

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

S.No.	NAME OF DIRECTORS/ KMP	DESIGNATION	APPOINTMENT/ RESIGNATION	DATE OF CHANGE
1.	Mr. Paritosh Kothari	Company Secretary & Compliance Officer	Resignation	01.06.2022
2.	Mr. Shreyas Mehta	Company Secretary & Compliance Officer	Appointment	01.06.2022
3.	Mr. Amrit Singh Rajpurohit	Non-Executive & Independent Director	Resignation	28.10.2022
4.	Mrs. Rekha Jain	Non-Executive & Independent Director	Resignation	03.01.2023
5.	Mr. Ajith Kumar Lakshmanan	Non-Executive & Independent Director	Appointment	03.09.2022
6.	Mrs. Neelam Tater	Non-Executive & Independent Director	Appointment	03.09.2022
7.	Mr. Pradip Kumar Das	Non-Executive & Independent Director	Appointment	17.10.2022

• **Reappointment of Independent director**

The Company has Re-appointed Mrs. Rekha Jain (DIN: 07703994) as an Independent Director of the company for a term of three years in Annual General Meeting held on July 16, 2022. However, She resigned on 03rd January, 2023.

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

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

STOCK OPTION

During the year Company has allotted 1507350 Equity Shares under the "Akme Employee Stock Option Plan 2021" to the eligible Employees of the Company on 03rd February, 2023.

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

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

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

The Independent Directors of the Company met on February 18, 2023 & March 03, 2023 without the presence of Non-Independent Directors and members of the management to review the performance of Non Independent Directors and the Board of Directors as a whole; to review the performance of the Chairman and Managing Director of the Company and to assess the quality, quantity and timeliness of flow of information between the management and the Board of Directors. The performance evaluation of the Independent Directors was carried out by the entire Board.

NUMBER OF THE MEETINGS OF THE BOARD

The Board met Fourteen (14) times during the year under review. The details of the number of meetings of the Board held during the Financial Year 2022-23 and the attendance therein forms part of the Report on Corporate Governance which forms part of the Annual Report.

COMMITTEES OF THE BOARD

The Board of Directors has the following Committees:

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

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

• Shareholder's Meeting

During the financial year ended March 31, 2023, 3 (Three) General Meetings were held. Further, details of the meetings are given in the Corporate Governance Report, which forms part of the Annual Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY TRANSACTIONS

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

During the financial year under review, the company has not entered into material contract, arrangement or transaction with related party, as defined under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Related Party Transaction Policy of the Company. The Policy on Related party transaction is uploaded on the website of the Company. The web link of the same is <https://www.starhfl.com/wp-content/uploads/2023/02/Policy-on-dealing-with-Related-Party-Transactions.pdf>

Form AOC-2 as per the Related Party Transactions is attached as "Annexure I" to this Report and forms a part of it.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has in place a Policy on Prevention of Sexual Harassment in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

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

During the year, no complaint was received by the Company.

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

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

LISTING FEES:

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

CHANGE IN NATURE OF BUSINESS:

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

MAINTENANCE OF COST RECORDS

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

SECRETARIAL STANDARDS

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

AUDITORS AND AUDITORS' REPORT

1. Statutory Auditors

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

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

2. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 and Pursuant to Reg. 24A of Securities Exchange Board of India (Listing Obligation & Disclosure Requirement) (Amendments) Regulations, 2018, the Board of Directors of the Company appointed M/s Ronak Jhuthawat & Co., Practicing Company Secretaries, Udaipur, to undertake the Secretarial Audit of the Company for the financial year 2022-23. The Secretarial Audit Report for the financial year ended March 31, 2023, is annexed as "Annexure II" and forms an integral part of this Report.

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

INTERNAL AUDIT & INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

3. Internal auditor

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

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

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

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

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

REPORTING OF FRAUDS BY AUDITORS

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

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(5) of the Act, for the financial year ended on March 31, 2023, the Directors hereby confirm that:

- in the preparation of the annual financial statements for the year ended March 31, 2023, the applicable accounting standards read with the requirements set out under Schedule III to the Act have been followed and there were no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company and of the profit of the Company for the year ended on that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the annual accounts on a going concern basis;
- the Directors have laid down internal financial controls to be followed by the Company and that the financial controls were adequate and were operating effectively;
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and were adequate and operating effectively.

REPORT ON CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

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

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

The certificate by the Statutory 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 2022-23 does not contain any qualification, reservation or adverse remarks.

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

ANNUAL RETURN

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

ENHANCING SHAREHOLDERS VALUE

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

OUTLOOK

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

ACKNOWLEDGEMENTS:

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

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

For and on behalf of the Board of Directors

SD/-
Ashish Jain
Managing Director
DIN: 02041164

SD/-
Kavish Jain
Managing Director
DIN: 02041197

Date: 15.07.2023

Place: Mumbai



FORM NO. AOC.2

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

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

- 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 2022-23. 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

- Details of material contracts or arrangements or transactions at of arm's length basis as on 31.03.2023

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
Akme Fintrade (India) Limited -Promoter Group Company	Loan	36 months	NA	Normal Course of Business	26.02.2022	No such amount was paid as Advances.
	Interest Received in loan given	36 months	NA	Normal Course of Business	18.04.2022	No such amount was paid as Advances.
	Professional Fees	12 months	NA	Normal Course of Business	18.04.2022	No such amount was paid as Advances.
	Interest on late payment of Invoice	12 months	NA	Normal Course of Business	18.04.2022	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: 15.07.2023
Place: Mumbai

SECRETARIAL AUDIT REPORT



ANNEXURE-II

FORM MR-3

SECRETARIAL AUDIT REPORT

(For The Financial Year Ended March 31, 2023)

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period **01.04.2022 to 31.03.2023**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, registers, papers, minute books, forms and returns filed and other records maintained by **Star Housing Finance Limited** (hereinafter called "**The Company**") for the financial year ended on March 31, 2023 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. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

- a. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
- b. 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
- c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021
- d. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

6. As confirmed, following other laws are specifically applicable to the Company for which the Management has confirmed that the Company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively:.

a. Housing Finance Company (Reserve Bank) Directions, 2021

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

8. I further report that:

A. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors including one Woman Director. The changes in the composition of the Board of Directors took place during the period under review were carried out in compliance with the provisions of the Act & Listing Regulations;

B. Except in case of meetings convened at a shorter Notice, adequate notice was given to all directors to schedule the Board Meetings and the agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting;

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

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

10. I further report that following event(s)/action(s) had a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to hereinabove:

A. The Company has approved Re-classification of 'Promoters/ Promoter Group' category to 'Public' category in terms of Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in the Annual General Meeting held on 16th July 2022. Further the same is pending for BSE Approval.

B. Pursuant to the provisions of Section 42, 62(c) and other provisions, applicable, if any, of the Companies Act, 2013 read with Companies (Prospectus and allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, the Company allotted 16,00,000 equity shares of Rs. 10/- each at Rs.135/- per share (including a premium of Rs. 125/- per share) on a private placement bases vide its Board meeting dated 29th July, 2022.

C. The Authorized Share Capital of the Company has been increased from Rs 30,00,00,000/- (Rupees Thirty Crore only) to Rs. 50,00,00,000/- (Rupees Fifty Crore) and corresponding amendments to the clause v of the Memorandum of Association of the Company at the Board meeting held on 26.09.2022 and the consent of the Shareholder has been obtained at the Extra Ordinary General Meeting held on 19.10.2022.

D. The Company has sub divided its one Equity Share of Rs. 10/- each fully paid-up into 2 Equity Shares of Rs. 5/- each fully paid-up, during the period under review vide its Board meeting dated 17.10.2022 and Shareholder' Meeting dated 06.12.2022.

E. The Company has issued bonus shares in the ratio of 1:1 vide its Board meeting dated 17.10.2022 and Shareholder' Meeting dated 06.12.2022.

F. Pursuant to the provisions of Section 42, 62(c) and other provisions, applicable, if any, of the Companies Act, 2013 read with Companies (Prospectus and allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, the Company allotted 7,30,500 equity shares of Rs. 10/- each at Rs.153/- per share (including a premium of Rs.143 /- per share) on a private placement basis vide its Board of Directors' meeting dated 12th November, 2022.

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

Compliance Requirement (Regulations/Circulars /guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action taken by	Type of Action (Advisory/ Clarification/ Fine/ Show Cause Notice/ Warning, etc.)	Details of Violation	Fine Amount	Observations /Remarks of the Practicing Company Secretary)	Management Response
Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements)	Reg 17(1)	Composition of Board	The Company received a notice through E-mail from BSE	Fine/Penalty	As per Regulation 17(1), Company was required to have minimum Six (6) Directors on Board, Company was having 5 Directors.	Rs 9,14,500	The Company has appointed 2 Non-Executive Independent Director w.e.f 03rd September, 2022 & complied with Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	The Company has appointed two non -executive Independent Director w.e.f. 03rd September, 2022 & the Company has filed waiver application to the Stock Exchange to waive of the penalty levied by them.
Regulation 295(1) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018	Reg 295(1)	The bonus issue of shares were not completed within two months	The Company received a notice through E-mail from BSE	Fine/Penalty	The bonus issue of shares were not completed within two months.	Rs 1,65,200	The Company has completed the process of bonus issue of shares with a delay of 7 days.	The Company has paid penalty in regards to the delay of bonus issue by 7 days to the Stock Exchange & will further take precaution with respect to the timelines

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

**SD/-
Ronak Jhuthawat
Proprietor
FCS: 9738, CP: 12094
Peer Review: 1270/2021
UDIN- F009738E000329574**

**Place: Udaipur
Date: 18.05.2023**

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

ANNEXURE-A

To,
The Members
Star Housing Finance Limited
(Formally known as "Akme Star Housing Finance Limited")
603, Western Edge I, Above Metro Cash & Carry,
Borivali East, Mumbai 400066

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

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

For Ronak Jhuthawat & Co.
(Company Secretaries)

SD/-
Ronak Jhuthawat
Proprietor
FCS: 9738, CP: 12094
Peer Review: 1270/2021
UDIN- F009738E000329574

Place: Udaipur
Date: 18.05.2023

ANNEXURE-III

REPORT ON CORPORATE GOVERNANCE

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

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

In accordance with Regulation 34(3) read with Schedule V of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereto) (Listing Regulations), hereinafter referred as SEBI (LODR), the Board of Directors of Star Housing Finance Limited have pleasure in presenting the Company's report containing the details of governance systems and processes for the Financial Year 2022-2023:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

2. BOARD OF DIRECTORS

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

The Board of Directors represents the interest of Company's Shareholders, in optimizing long-term Value by providing the Management with the guidance and strategic direction on the shareholder's behalf. The Board has a formal schedule of matters reserved for its consideration and decision, which includes reviewing corporate performance, ensuring adequate availability of financial resources, regulating compliances, safeguarding 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/annual results and its business segments.
- c) Compliance with various laws and regulations;
- d) Addressing conflicts of interest;
- e) Ensuring fair treatment of borrowers and employees;
- f) Ensuring information sharing with and disclosures to various Stakeholders, including investors, employees and regulators;
- g) Developing a corporate culture that recognizes and rewards adherence to ethical standards;

2.1 Composition and Category of the Board

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

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

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

The Composition of the Board as on March 31, 2023 was as under:

NAME OF THE DIRECTORS	DESIGNATION	NO. OF SHARES HELD AS ON MARCH 31, 2023
Mr. Ashish Jain	Chairman & Managing Director	11,07,800 (1.44%)
Mr. Kavish Jain	Executive Director	11,04,400 (1.43%)
Mr. Amlendra Prasad Saxena	Non-Executive Independent Director	Nil
Mr. Ajith Kumar Lakshmanan	Non-Executive Independent Director	Nil
Mr. Pradip Kumar Das	Non-Executive Independent Director	60000 (0.08%)
Mrs. Neelam Tater	Non-Executive Independent Director	Nil

DIRECTOR'S PROFILE

Mr. Ashish Jain

(Chairman & Managing Director)

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 was appointed Director in the Company in year 2017. Looking into his work and dedication, he was appointed Managing Director cum Chairman in the Company in year 2018. His understanding and vision is among the key for consistent performance of the Company. His hard work, immaculate working and determination to excel; accompanied by dedicated support from the management, has provided excellent results for the Company.

Mr. Kavish Jain

(Executive Director)

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

Mr. Amlendra Prasad Saxena

(Non- Executive Independent Director)

Mr. A. P. Saxena superannuated as General Manager from National Housing Bank (NHB) after having completed about 3 decades of service with NHB. During his stint with NHB, he had been actively engaged in the areas of Regulation and Supervision of HFCs, Refinance, Risk Management, Accounts and Policy Formulation in the field of Housing Finance. He had in his career numerous exposure to International trainings /seminars viz., International Housing Finance at Wharton University, World Urban Forum IV at Nanjing (China), kfw Germany. He was on the Board of CERSAI as a Nominee Director of NHB. Prior to joining NHB, He had worked with the Central Govt., as an Officer of Indian Statistical Service. He is 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.

Mr. Ajith Kumar Lakshmanan

(Non- Executive Independent Director)

Mr. Ajith Kumar Lakshmanan, aged 62 years, has a distinguished career of over 35 years, building Life Insurance and Housing Finance businesses, brands and people by leading large teams in an open and competitive market environment. Extensive domain of life insurance and housing finance industry with insights in strategy, business process re-engineering and digital marketing. Served on the Board of LIC International and LIC HFL as Senior Management and served as a Nominee Director at a Govt. of India Enterprise.

Mr. Pradip Kumar Das

(Non- Executive Independent Director)

Mr. Pradip Kumar Das, aged 60 years is a well-known commercial banker with more than three decades of all-round rich experience in public & private banking industry (more than 21 years in IDBI Bank Ltd and 14 years in Central Bank of India with 18 years plus in leadership role) across various business verticals & geographies. Series of accolades in terms of performance in Retail Banking. He was also on the board of various reputed Industries in the country. He is having experience in the field of Retail Banking, Wholesale Banking viz Corporate Banking Priority Sector Lending, Trade Finance, Cash Management services, Government Business Branch Banking operations, Policy, Currency Chest Management, Recovery & Resolution etc.

Mrs. Neelam Tater

(Non- Executive Independent Director)

Mrs. Neelam Tater, aged 31 years, is a fellow member of the Institute of Chartered Accountants of India and also a Company Secretary. She has rich professional Experience in CA Practice approx. 4 years and in employment having 1 year of Experience. She is having hands on experience across Income tax filing, Finance Management, Risk review, Internal Control over Financial Reporting. Mrs. Neelam Tater comes with a rich professional experience encompassing audit and risk management and business/management advisory services to diverse mix of corporate clients including banking and financial institutions.

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

Details of attendance of each Director at the Board Meetings and last Annual General Meeting ("AGM") and the number of Companies and Committees where he/she is a Director/Member/Chairman/Chairperson as on March 31, 2023 are given below:

NAME	CATEGORY	ATTENDANCE AT THE BOARD MEETINGS	ATTENDANCE AT AGM HELD ON JULY 16, 2022	NO. OF OTHER DIRECTORSHIPS	COMMITTEE POSITION IN INDIA (NUMBER OF MEMBERSHIPS IN AUDIT/ STAKEHOLDER COMMITTEE (S) INCLUDING THIS LISTED ENTITY)	
					CHAIRMAN	MEMBER
Mr. Ashish Jain	Executive Director, Chairperson & Managing Director	14 out of 14	Yes	Nil	0	1
Mr. Kavish Jain	Executive Director	14 out of 14	Yes	Nil	0	1
Mr. Amlendra Prasad Saxena	Non-Executive Independent Director	13 out of 14	Yes	Nil	0	0
² Mr. Ajith Kumar Lakshmanan	Non-Executive Independent Director	8 out of 8	Not Applicable	Nil	0	0
³ Mrs. Neelam Tater	Non-Executive Independent Director	7 out of 8	Not Applicable	Indianivesh Limited - Pacific Industries Limited	2	4
⁴ Mr. Pradip Kumar Das	Non-Executive Independent Director	5 out of 5	Not Applicable	Nil	0	2
⁵ Mr. Amrit Singh Rajpurohit	Non-Executive Independent Director	3 out of 9	Yes	Nil	0	0
⁶ Mrs. Rekha Jain	Non-Executive Independent Director	9 out of 12	Yes	Nil	1	2

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

² Mr. Ajith Kumar Lakshmanan has been appointed as an Independent Director of the Company w.e.f. September 03, 2022.

³ Mrs. Neelam Tater has been appointed as an Independent Director of the Company w.e.f. September 03, 2022.

⁴ Mr. Pradip Kumar Das has been appointed as an Independent Director of the Company w.e.f. October 17, 2022.

⁵ Mr. Amrit Singh Rajpurohit resigned from the position of Independent Director of the Company with effect from October 28, 2022.

⁶ Mrs. Rekha Jain Director of the Company resigned from the position of Independent Director of the Company with effect from January 03, 2023.

None of the Directors is a Director in more than 20 companies or more than 10 public limited companies or acts as an independent director in more than 7 listed companies. Further, none of the directors is a member of more than 10 committees or is a Chairperson/ Chairman of more than 5 committees. Only Audit Committee and Stakeholders' Relationship Committee were considered for reckoning the limit of membership/ chairmanship of the committees. For this purpose, Directorship/ Chairmanship/Membership held in the Company has also been considered.

All Independent Directors have confirmed in accordance with applicable Listing Regulations and Section 149(6) of the Companies Act, 2013 and the rules framed thereunder that they meet the independence criteria. Based on the disclosure received from all the Independent Directors, the Board is of the opinion that the Independent Directors fulfill the conditions of independence as specified in the Companies Act, 2013 and Listing Regulations.

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

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

S. NO.	NAME OF THE DIRECTORS	NAME OF THE COMPANY	CATEGORY OF DIRECTORSHIP
1.	Mr. Ashish Jain	Not Applicable	Not Applicable
2.	Mr. Kavish Jain	Not Applicable	Not Applicable
3.	Mr. Amlendra Prasad Saxena	Not Applicable	Not Applicable
4.	Mr. Ajith Kumar Lakshmanan	Not Applicable	Not Applicable
5.	Mr. Pradip Kumar Das	Not Applicable	Not Applicable
6.	Mrs. Neelam Tater	- Indianivesh Limited - Pacific Industries Limited	Non-Executive Independent Director

2.3. Meetings of the Board of Directors

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

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

14 (Fourteen) Board Meetings were held in the financial year 2022-23 and the gap between any two consecutive board meetings did not exceed one hundred and twenty days. The details of the same is mentioned below:

S. NO.	DATE OF BOARD MEETING
1.	18th April, 2022
2.	01st June, 2022
3.	17th June, 2022
4.	11th July, 2022
5.	29th July, 2022
6.	03rd September, 2022
7.	26th September, 2022
8.	13th October, 2022
9.	17th October, 2022
10.	12th November, 2022
11.	06th December, 2022
12.	17th December, 2022
13.	24th January, 2023
14.	03rd February, 2023

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

a) Pursuant to Section 168 of the Companies Act, 2013 Mr. Amrit Singh Rajpurohit resigned from the position of Independent Director of the Company on October 28, 2022, confirming no other material reasons other than those provided in his resignation letter and the Company has accepted the resignation on the same day i.e., as on October 28, 2022.

b) Pursuant to Section 168 of the Companies Act, 2013 Mrs. Rekha Jain resigned from the position of Independent Director of the Company on January 03, 2023, confirming no other material reasons other than those provided in his resignation letter and the Company has accepted the resignation on the same day i.e., as on January 03, 2023.

c) Pursuant to Sections 149, 152 and 161 and other applicable provisions of the Companies Act, 2013 (the 'Act') read with the Companies (Appointment & Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulation, 2015, Mr. Ajith Kumar Lakshmanan has been appointed as an Additional Director (in the Category of Non-Executive Independent Director) of the Company who is not liable to retire by rotation by the resolution passed by the Board of Directors as on September 03, 2022. Thereafter, he was appointed as Director (in the Category of Non-Executive Independent Director) in the Extra Ordinary General Meeting of the Company held on October 19, 2022.

d) Pursuant to Sections 149, 152 and 161 and other applicable provisions of the Companies Act, 2013 (the 'Act') read with the Companies (Appointment & Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulation, 2015, Mrs. Neelam Tater has been appointed as an Additional Director (in the Category of Non-Executive Independent Director) of the Company who is not liable to retire by rotation by the resolution passed by the Board of Directors as on September 03, 2022. Thereafter, she was appointed as Director (in the Category of Non-Executive Independent Director) in the Extra Ordinary General Meeting of the Company held on October 19, 2022.

e) Pursuant to Sections 149, 152 and 161 and other applicable provisions of the Companies Act, 2013 (the 'Act') read with the Companies (Appointment & Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulation, 2015, Mr. Pradip Kumar Das has been appointed as an Additional Director (in the Category of Non-Executive Independent Director) of the Company who is not liable to retire by rotation by the resolution passed by the Board of Directors as on October 17, 2022. Thereafter, he was appointed as Director (in the Category of Non-Executive Independent Director) in the Extra Ordinary General Meeting of the Company held on December 06, 2023.

2.5. Familiarization program

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

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

As required under the Listing Regulations and the Act, the Board of Directors has the familiarization program imparted to Independent Directors is available on the Company's website at <https://www.starhfl.com/disclosure-under-regulation-46-of-sebi-lodr-2015/>

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

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

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

2.7. Performance Evaluation

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

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

The evaluation of all the directors including independent directors was carried out by the entire Board, except for the director being evaluated. Performance evaluation of the Board, Chairman and the Non-Independent Directors was carried out by the independent directors in their meeting held on March 03, 2023. The directors were satisfied with the outcome of the evaluations of the Board, its Committees and the individual directors and on the basis of the evaluation reports, the present term of appointment of independent directors shall be continued.

2.8. Criteria for performance evaluation of Directors

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

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

2.9. Separate Meeting of Independent Directors

A separate meeting of the Independent Directors of the Company was held on February 18, 2023 & March 03, 2023 as per Schedule IV of the Act and Regulation 25 of the Listing Regulations, to review the performance of all Non-Independent Directors, the Board as a whole and the performance of the Chairman of the Company taking into account the views of other executive and non-executive directors. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees towards effective and reasonable performance and discharge of their duties. All the Independent Directors have participated in the Meeting.

3. AUDIT COMMITTEE

The Audit Committee of the Company is constituted under Regulation 18 of the Listing Regulations and Section 177 of the Act. The Company Secretary acts as the secretary to the committee. The Audit Committee acts as a link between the Statutory Auditors, Internal Auditors and the Board of Directors. Its purpose, amongst others, is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory, internal audit activities and related party transactions.

The functions of Audit Committee are:

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

- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters required being included in the Directors Responsibility Statement to be included in the Board's report in terms of section 134 of the Companies Act.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.

- Reviewing, with the management, the 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.
- Monitoring the end use of funds raised through public offers & related matters.

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.

3.1. Composition, Meetings and Attendance

The Audit Committee comprises of Mrs. Neelam Tater (Chairperson) (w.e.f. 06.12.2022), Mr. Amrit Singh Rajpurohit (ceased being in the Committee w.e.f. October 28, 2022), Mrs. Rekha Jain (ceased being in the committee w.e.f. January 03, 2023) and Mr. Pradip Kumar Das (w.e.f. 06.12.2022) & Mr. Kavish Jain as members. Mrs. Rekha Jain who (ceased to be member w.e.f. January 03, 2023), was present at the Annual General Meeting, held on July 16, 2022, being the Chairperson of the Audit Committee as on date of AGM. The Chief Financial Officer and Company Secretary are permanent invitees to the meetings.

During the financial year 2022-23, the Audit Committee met 4 (Four) times on April 18, 2022; July 11, 2022; October 17, 2022; and January 23, 2023. The gap between two consecutive meetings did not exceed 120 (one hundred and twenty) days.

The attendance details are given below:

NAME OF THE DIRECTORS	DESIGNATION	NO. OF MEETINGS ATTENDED
¹ Mrs. Rekha Jain	Chairperson	3 out of 3
² Mr. Amrit Singh Rajpurohit	Member	2 out of 3
Mr. Kavish Jain	Member	4 out of 4
³ Mrs. Neelam Tater	Chairperson	1 out of 1
⁴ Mr. Pradip Kumar Das	Member	1 out of 1

¹Mrs. Rekha Jain resigned as the Chairman of the Audit Committee w.e.f. 03rd January, 2023.

²Mr. Amrit Singh Rajpurohit ceased as the Member of the Audit Committee w.e.f. 28th October, 2022.

³Mrs. Neelam Tater has been appointed as the Chairperson of the Audit Committee w.e.f. 06th December, 2022 by the Board of Directors of the Company.

⁴Mr. Pradip Kumar Das has been appointed as the member of the Audit Committee w.e.f. 06th December, 2022 by the Board of Directors of the Company.

3.2. Terms of Reference

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

4. NOMINATION AND REMUNERATION COMMITTEE

In compliance with Section 178 of the Act and Regulation 19 of Listing Regulations, the Board has constituted the Nomination and Remuneration Committee.

The composition of the Nomination and Remuneration Committee as on March 31, 2023 and the details of Members participation at the Meetings of the Committee are as under:

4.1. Composition, Meeting and Attendance

The Nomination and Remuneration Committee comprises of Mr. Amrit Singh Rajpurohit (Chairman) (ceased to be a chairperson w.e.f. 28th October, 2022), Mr. Amlendra Prasad Saxena (Member), Mrs. Rekha Jain (ceased to be a member w.e.f. 03rd January, 2023), Mr. Ajith Kumar Lakshmanan (appointed to be Chairman w.e.f. 06th December, 2022), Mrs. Neelam Tater (appointed as member w.e.f. 06th December, 2022). Mr. Amrit Singh Rajpurohit, who was authorised by the chairman of the Committee, attended the AGM and addressed the queries of the shareholders on her behalf.

The Committee met five times during the year on June 01, 2022, September 03, 2022, October 17, 2022, February 03, 2023 and March 03, 2023 the details of attendance areas under:

NAME OF THE DIRECTORS	DESIGNATION	NO. OF MEETINGS ATTENDED
¹ Mr. Amrit Singh Rajpurohit	Non-Executive Independent Director	3 out of 3
Mr. Amlendra Prasad Saxena	Non-Executive Independent Director	5 out of 5
² Mrs. Rekha Jain	Non-Executive Independent Director	3 out of 3
³ Mr. Ajith Kumar Lakshmanan	Non-Executive Independent Director	2 out of 2
⁴ Mrs. Neelam Tater	Non-Executive Independent Director	2 out of 2

¹Mr. Amrit Singh Rajpurohit ceased as the Chairman of the Committee w.e.f. 28th October, 2022.

²Mrs. Rekha Jain resigned as the member of the Committee w.e.f. 03rd January, 2023.

³Mr. Ajith Kumar Lakshmanan has been appointed as the member of the Committee w.e.f. 06th December, 2022 by the Board of Directors of the Company.

⁴Mrs. Neelam Tater has been appointed as the Chairperson of the Committee w.e.f. 06th December, 2022 by the Board of Directors of the Company.

4.2 Terms of Reference of the 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;

4.3 Remuneration Policy

Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company. The company has uploaded its remuneration policy on the website

<https://www.starhfl.com/disclosure-under-regulation-46-of-sebi-lodr-2015/>

Details of remuneration for Directors in Financial Year 2022-23 are provided in table below:

a) Non-Executive Directors

(In Lacs)

NAME	FIXED SALARY			COMMISSION	SITTING FEES	TOTAL COMPENSATION
	BASIC	PERQUISITES	TOTAL			
Non-Executive Independent Directors						
Mr. Amlendra Prasad Saxena	-	-	-	-	3.25	3.25
¹ Mr. Amrit Singh Rajpurohit	-	-	-	-	0.75	0.75
² Mrs. Rekha Jain	-	-	-	-	2.25	2.25
³ Mr. Ajith Kumar Lakshmanan	-	-	-	-	2.00	2.00
⁴ Mrs. Neelam Tater	-	-	-	-	1.75	1.75
⁵ Mr. Pradip Kumar Das	-	-	-	-	1.25	1.25

¹ Mr. Amrit Singh Rajpurohit resigned from the position of Non-Executive Independent Director w.e.f. 28th October, 2022.

² Mrs. Rekha Jain resigned from the position of Non-Executive Independent Director w.e.f. 03rd January, 2023.

³ Mr. Ajith Kumar Lakshmanan has been appointed as the Non-Executive Independent Director w.e.f. 03rd September, 2022.

⁴ Mrs. Neelam Tater has been appointed as the the Non-Executive Independent Director w.e.f. 03rd September, 2022.

⁵ Mr. Pradip Kumar Das has been appointed as the Non-Executive Independent Director w.e.f. 17th October, 2022.

b) Executive Directors

PARTICULARS	MR. ASHISH JAIN	MR. KAVISH JAIN
Salary paid during the FY 2022-23	48 Lakhs	21 Lakhs
Commission	-	-
Variable Pay	-	-
Perquisites	-	-
Sitting Fees	-	-
Sitting Fees from Subsidiary Companies	-	-
Minimum Remuneration	Schedule V	Schedule V
Number of shares held	11,07,800	11,04,400

5. 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 composition has constituted Stakeholders' Relationship Committee. The Stakeholders' Relationship Committee ('SRC') considers and resolves the grievances of our shareholders, and other security holders, including complaints relating to non-receipt of annual report, transfer and transmission of securities, non-receipt of dividends/interests and such other grievances as may be raised by the security holders from time to time.

5.1. Composition, Meeting and Attendance

The Stakeholders' Relationship Committee comprises of 3 (Three) directors of which 2 (Two) are Non-Executive Directors i.e. Mrs. Neelam Tater (Chairperson w.e.f. December 06, 2022), Mr. Pradip Kumar Das (Member, Independent Director w.e.f. December 06, 2022), Mr. Ashish Jain (Member, Managing Director), Mrs. Rekha Jain (Chairperson, Independent Director resigned as Chairperson as on January 03, 2023) and Mr. Amrit Singh Rajpurohit (Member, Independent Director resigned as member w.e.f. October 28, 2022).

During the year under review, the Committee met on September 19, 2022. All the members were present at the said meeting.

5.2. Terms of Reference

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

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

5.3. Compliance Officer

NAME AND DESIGNATION OF THE COMPLIANCE OFFICER	Mr. Shreyas Mehta (Company Secretary & Compliance Officer)
ADDRESS	603, Western Edge-I, Above Metro Cash & Carry, Borivali (East), Mumbai-400066
TELEPHONE NUMBER	8828036610
E-MAIL ID	compliance@starhfl.com

5.4. Details of Shareholders' Complaints

Details of investor complaints received and resolved during the year ended 31st March, 2023 are as follows:

COMPLAINTS PENDING AS ON APRIL 1, 2022	COMPLAINTS RECEIVED DURING THE YEAR	COMPLAINTS RESOLVED DURING THE YEAR	COMPLAINTS PENDING AS ON MARCH 31, 2023
NIL			

All shares of the Company are in dematerialized form except eight shares for which rematerialized request received and the same has been processed. "Bigshare Services Private Limited", has been appointed and it has been acting as the Registrar and Share Transfer Agent of the Company for carrying out transfer and other ancillary work related thereto. Bigshare Services Private Limited, has appropriate systems to ensure that requisite service is provided to investors of the Company in accordance with the applicable corporate and securities laws and within the adopted service standards.

6. RISK MANAGEMENT COMMITTEE

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

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.

Composition, name of members and chairperson

Risk Management Committee consist of the following, Directors of the Company as its members:

Mr. Amlendra Prasad Saxena- Chairman
 Mr. B S Kachhwaha- Member
 Mr. Ashish Jain- Member
 Mr. Ajith Kumar Lakshmanan- Member

Meetings and attendance during the year

The Risk Management Committee met 3 (Three) times during the financial year 2022-23 i.e. on April 15, 2022; October 07, 2022 & March 03, 2023.

NAME OF THE DIRECTORS	DESIGNATION	NO. OF MEETINGS ATTENDED
¹ Mr. Amlendra Prasad Saxena	Non-Executive Independent Director	1 out of 1
Mr. B.S. Kachhwaha	Chief Risk Officer	3 out of 3
² Mr. Ajith Kumar Lakshmanan	Non-Executive Independent Director	1 out of 1
Mr. Ashish Jain	Managing Director	3 out of 3
³ Mr. Amrit Singh Rajpurohit	Non-Executive Independent Director	2 out of 2
⁴ Mrs. Rekha Jain	Non-Executive Independent Director	2 out of 2

¹ Mr. Amlendra Prasad Saxena has been appointed as the Chairman of the Committee w.e.f. 06th December, 2022.

² Mr. Ajith Kumar Lakshmanan has been appointed as the member w.e.f. 06th December, 2022.

³ Mr. Amrit Singh Rajpurohit resigned as the Chairman of the Committee w.e.f. 28th October, 2022.

⁴ Mrs. Rekha Jain resigned as the Member of the Committee w.e.f. 03rd January, 2023.

7. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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

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

However, the Company does not have to comply with the requirements of CSR Committee in view of the fact that Company's net worth, or turnover or net profit does not exceed the limits as mentioned in the Section 135 of the Companies Act, 2013.

The Company has voluntarily constituted the CSR Committee to discuss about the norms and to review the existing CSR Policy & to provide guidance on various CSR activities to be undertaken by the Company in future if any.

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 on March 31, 2022 and the details of Members' participation at the Meetings of the Committee are as under:

Composition, name of members and chairperson

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

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

Meetings and attendance during the year

The Corporate Social Responsibility Committee met 2 (Two) times during the financial year 2022-23 i.e. on October 01st, 2022; March 18, 2023.

NAME OF THE DIRECTORS	DESIGNATION	NO. OF MEETINGS ATTENDED
Mr. Ashish Jain	Managing Director	2 out of 2
¹ Mr. Amrit Singh Rajpurohit	Non-Executive Independent Director	1 out of 1
Mr. Kavish Jain	Executive Director	2 out of 2
² Mrs. Neelam Tater	Non-Executive Independent Director	1 out of 1

¹ Mr. Amrit Singh Rajpurohit resigned as the Member of the Committee w.e.f. 28th October, 2022.

² Mrs. Neelam Tater has been appointed as the member w.e.f. 06th December, 2022.

8. ASSET LIABILITY MANAGEMENT COMMITTEE

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

Terms of Reference of the Asset Liability Management Committee inter alia include the following:

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

Composition, name of members and chairperson

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

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

Meetings and attendance during the year

The Asset Liability Management Committee met 4 (Four) times during the financial year 2022-23 i.e. on May 24, 2022; July 08, 2022 , October 15, 2022 and January 14, 2023.

NAME OF THE MEMBERS	DESIGNATION	NO. OF MEETINGS ATTENDED
Ashish Jain	Chairman	4 out of 4
Natesh Narayanan	Member	4 out of 4
B.S. Kachhawaha	Member	2 out of 4
Kalpesh Dave	Member	4 out of 4
Anoop Saxena	Member	4 out of 4

9. GENERAL BODY MEETINGS

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

FINANCIAL YEAR	AGM	DATE	TIME	LOCATION
2021-22	17th AGM	16th July, 2022	12:30 P.M.	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")
2020-21	16th AGM	29th September, 2021	12:30 P.M.	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")
2019-20	15th AGM	24th October, 2020	12:30 P.M.	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")

9.2. Special Resolution passed in the previous three year General body meetings of the Company

ANNUAL GENERAL MEETING (AGM) /EXTRA-ORDINARY GENERAL MEETING (EGM)	DATE OF EGM	LOCATION & TIME	SPECIAL RESOLUTION PASSED AT THE AGM
EGM	19th October, 2022	Through video conferencing at 603, Western Edge I, Above Metro Cash & Carry, Borivali East, Mumbai 400066 AT 12:30 P.m.	<ul style="list-style-type: none"> Approval of Issuance of Equity Shares on Preferential Basis through Private Placement
AGM	16th July, 2022	Through video conferencing at 603, Western Edge I, Above Metro Cash & Carry, Borivali East, Mumbai 400066 AT 12:30 P.M.	<ul style="list-style-type: none"> Re- appointment of Mrs. Rekha Jain (DIN: 07703994) as an Independent Director of the company for the second term of three years w.e.f. 29th July, 2022. Extension of Period of Remuneration of Mr. Ashish Jain (DIN: 02041164), Chairman & Managing Director of the Company. Approval of Remuneration payable to Mr. Kavish Jain (DIN: 02041197) Executive Director of the company. Approval of Issuance of Equity Shares on Preferential Basis through Private Placement.
EGM	29th October, 2021	Through video conferencing at Akme Business Centre (ABC), 4-5 Subcity center, Savina, opp. Krishi Upaz mandi, Udaipur 313002 (raj) AT 11.00 A.M.	<ul style="list-style-type: none"> Approve the Issuance of Equity Shares on Preferential Basis

AGM	29th September, 2021	Through video conferencing at Akme Business Centre (ABC), 4-5 Subcity center, Savina, opp. Krishi Upaz mandi, Udaipur 313002(raj) AT 12:30 P.M.	<ul style="list-style-type: none"> Re- appointment of Mr. Amlendra Prasad Saxena (DIN: 06964564) as an Independent Director of the company for a term of five years. Approval of Remuneration payable to Mr. Nirmal Kumar Jain (DIN: 00240441) Non-Executive Director of the company.
EGM	30th April, 2021	Through video conferencing at Akme business Centre (ABC), 4-5 Subcity center, Savina circle, opp. Krishi Upaz mandi, Udaipur 313002, (raj) AT 11.00 A.M	<ul style="list-style-type: none"> Change in name of the Company Shifting of Registered office of the Company from State of Rajasthan to State of Maharashtra. Approve Employee Stock Option Scheme 2021 (ESOP) for the Employee of the Company.
AGM	24th October, 2020	Through video conferencing at Akme business Centre (ABC), 4-5 Subcity center, Savina circle, opp. Krishi Upaz mandi, Udaipur 313002, -(raj) AT 12.30 P.M.	<ul style="list-style-type: none"> Special Resolution for Alteration in the Articles of Association of the company
EGM	08th June, 2020	Through video conferencing at Akme business Centre (ABC), 4-5 Subcity center, Savina circle, opp. Krishi Upaz mandi, Udaipur 313002, -(raj) AT 11.30 A.M.	<ul style="list-style-type: none"> Approve Secured, Rated, Non-convertible Redeemable Debentures upto Rs. 100 Crores (Rupees One Hundred Crores only)

10. MEANS OF COMMUNICATION

The quarterly and annual results are generally published in English newspapers and in Marathi newspapers respectively and are simultaneously posted on the Company's website at www.starhfl.com and are also sent to the BSE Limited.

Earnings call were made to the investors during the Financial Year 2022-2023 on October 19, 2022 and January 24, 2022.

The Annual Report of the Company is also available on the website of the Company in a user friendly and downloadable form.

ADDRESS FOR CORRESPONDENCE:-

Registrar and Transfer Agents
 Bigshare Services Private Limited
 302, Kushal Bazar, 32-33, Nehru Place,
 New Delhi-110019
 Tel: 011-42425004 , 011-47565852
 Email: bss@bigshareonline.com

STAR HFL SECRETARIAL DEPARTMENT

Shreyas Mehta
 Compliance Officer & Company Secretary
 603, Western Edge I, Above Metro Cash & Carry,
 Borivali East, Mumbai 400066
 Tel: +91 8828036610
 Email: compliance@starhfl.com

11. GENERAL SHAREHOLDER INFORMATION

11.1. 18th Annual General Meeting

DATE	TIME	VENUE
10th August, 2023	12.30 P.M.	Video Conferencing

11.2. Financial Year: 01st April, 2022 to 31st March, 2023

11.3. Book Closure Dates: 04th August, 2023 - 10th August, 2023

11.4. Dividend payment date: 09th September, 2023

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

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

The Company has paid Annual Listing fees to the Stock Exchange for the year 2022-23.

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

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

MONTH	HIGH STARHFL	LOW STARHFL	SENSEX CLOSING	SHARE CLOSING	STARHFL AVERAGE
Apr-22	110.65	98.05	57,060.87	110.65	102.45
May-22	124.5	101.25	55,566.41	121.4	112.88
Jun-22	144.95	121.3	53,018.94	131.05	132.23
Jul-22	163.55	131.95	57,570.25	160.9	144.30
Aug-22	164.15	164.15	59,537.07	153.7	157.08
Sep-22	183	153.7	57,426.92	175.8	164.00
Oct-22	226.7	178.8	60,746.59	215.4	201.35
Nov-22	219.75	218.95	63,099.65	199.95	206.38
Dec-22	222	200	60,840.74	49.8	133.83
Jan-23*	52.9	51	59,549.90	46.15	47.05
Feb-23	53	47.9	58,962.12	48.7	48.63
Mar-23	52.95	48.5	58,991.52	49.91	48.98

*From January, 2023 onwards the effect of split and bonus of shares came into force.

Source: BSE Websites

11.7 Shareholding Pattern as on March 31, 2023

CATEGORY	NO OF SHARES	% OF SHAREHOLDING
A. SHAREHOLDING OF PROMOTER AND PROMOTER GROUP		
1. Promoter's Holding		
(i) Indian Promoters	4325519	5.61
2. Persons acting in concert (Promoter Group)		
(i) Individuals	10813062	14.01
(ii) Body Corporate	2533336	3.28
TOTAL A	17671917	22.90
B. NON PROMOTER SHAREHOLDING		
(i) Individual	35104739	45.50
(ii) Foreign portfolio Investors	800000	1.04
(iii) Body Corporate	21202888	27.48
(iv) NRI	1266531	1.64
(v) Others	1112191	1.44
TOTAL B	59486349	77.10
TOTAL A+B	77158266	100

11.8. Distribution of Shareholding as on March 31, 2023:-

SHAREHOLDING OF NOMINAL		NO. OF SHAREHOLDERS	% OF TOTAL SHAREHOLDERS	SHARE AMOUNT (IN RS)	% OF TOTAL CAPITAL
RS.	RS.				
1	5000	5117	76.3048	4578480	1.1868
5001	10000	377	5.6218	2978085	0.7719
10001	20000	353	5.2639	5474230	1.4190
20001	30000	133	1.9833	3372860	0.8743
30001	40000	86	1.2824	3182965	0.8250
40001	50000	69	1.0289	3216260	0.8337
50001	100000	206	3.0719	16112800	4.1766
100001	9999999999	365	5.4429	346875650	89.9128

11.9 Commodity Price Risks or Foreign Exchange Risk and Hedging Activities

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

Share Transfer Agent

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

Registered Office:

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

Tel : 022-62638200

E-mail : investor@bigshareonline.com

Website: www.bigshareonline.com

Share Transfers System (Physical Form)

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

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

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

Dematerialization of shares and liquidity

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

SHARES IN PHYSICAL & DEMAT AS ON MARCH 31, 2023	NO OF SHARES	PERCENTAGE
In Physical form	8	0.01
In Dematerialized form	77158258	99.99

There are no outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments issued by the Company.

Investor Correspondence

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

Mr. Shreyas Mehta (Company Secretary and compliance officer)

Address: 603, Western Edge-I,

Above Metro Cash & Carry,

Borivali (East), Mumbai-400066

Email: compliance@starhfl.com

Tel No.: 8828036610

List of all credit ratings obtained during the FY 2022-23

Your Company's financial discipline and prudence is reflected in the strong credit rating assigned by Care rating during the year as under.

The details of the same are mentioned below:-

S. NO.	FACILITIES	LIMITES (IN CR)	TENURE	RATING
1.	Long Term Bank Facilities	167	Long Term	CARE BBB-, Positive (Triple B Minus; Outlook: Positive)

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 2022-23, 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 transactions with related party that may have potential conflict with the interest of the Company. Details of related party transaction entered into by the Company in the ordinary course of its business are included in notes forming part of financial statement and also uploaded on the website of the Company along with the submission to stock exchanges on a half yearly basis. The Transactions are in accordance with regulation 23 of SEBI (LODR) Regulation 2015 were entered with the related parties pursuant to approval of the shareholder's, Audit Committee and Board of Directors of the Company. The policy on related party transaction is available on the website at <https://www.starhfl.com/disclosure-under-regulation-46-of-sebi-lodr-2015/>

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

COMPLIANCE REQUIREMENT (REGULATIONS/ CIRCULARS/ GUIDELINES INCLUDING SPECIFIC CLAUSE)	REGULATION/ CIRCULAR NO.	DEVIATIONS	ACTION TAKEN BY	TYPE OF ACTION (ADVISORY/ CLARIFICATION/ FINE/ SHOW CAUSE NOTICE/ WARNING, ETC.)	DETAILS OF VIOLATION	FINE AMOUNT PAID (*)	MANAGEMENT RESPONSE
Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements)	Reg 17(1)	Composition of Board	The Company received an notice through E-mail from BSE	Fine/Penalty	As per Regulation 17(1), Company was required to have minimum Six (6) Directors on Board, Company was having 5 Directors.	Rs 914500	The Company has appointed two non-executive Independent Director w.e.f. 03rd September, 2022 & the Company has filed waiver application to the Stock Exchange to waive of the penalty levied by them
Regulation 295(1) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018	Reg 295(1)	The bonus issue was not completed within two months	The Company has received mail from BSE	Fine/Penalty	The bonus issue of shares was not completed within two months	Rs 165200	The Company has paid penalty in regards to the delay of bonus issue by 7 days to the Stock Exchange & will further take precaution with respect to the timelines

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

Disclosure of Compliance of Corporate Governance

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

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

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

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

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

• **Code for Prevention of Insider Trading Practices**

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

The said code of conduct has been posted on the website of the Company 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 the designated employees and directors from time to time. As per policy, trading window closes from every quarter end and reopens after 48 hours from the conclusion of Board Meeting, in which the respective half yearly/yearly financial results are approved.

• **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 statements.

• **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 March 31, 2023.

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

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

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

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

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

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

- **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.

- **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).

- **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. Bigshare Services Private Limited.

- » **Service of documents through electronic mode**

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

- » **Financial year:**

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

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 2022-23.

SD/-

Ashish Jain
Chairman & Managing Director
DIN-02041164

Place: Mumbai
Date: 15.07.2023

ANNEXURE IV**CORPORATE GOVERNANCE CERTIFICATE 2022-23****PRACTISING COMPANY SECRETARY CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To
The Members,
Star Housing Finance Limited
(Formerly known as "Akme Star Housing Finance Limited")
603, Western Edge I, Above Metro Cash & Carry,
Borivali East, Mumbai 400066

We have examined the compliance of conditions of Corporate Governance by Star Housing Finance Limited, ("the Company") for the year ended on March 31, 2023, 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, Ronak Jhuthawat & Co.
(Company Secretaries)

SD/-
Ronak Jhuthawat
Proprietor
FCS: 9738 CP: 12094
Peer Review No.: 1270/2021
UDIN: F009738E000597127

Date: 15.07.2023
Place: Udaipur

ANNEXURE V

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To
The Members,
Star Housing Finance Limited
(Formerly known as "Akme Star Housing Finance Limited")
603, Western Edge I, Above Metro Cash & Carry, Borivali East, Mumbai 400066

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

In 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 March 31, 2023 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. Ashish Jain	02041164	29.07.2017
2.	Mr. Kavish Jain	02041197	18.05.2020
3.	Mr. Amlendra Prasad Saxena	06964564	14.09.2020
4.	Mr. Ajith Kumar Lakshmanan	09724549	03.09.2022
5.	Mrs. Neelam Tater	07653773	03.09.2022
6.	Mr. Pradip Kumar Das	06593113	17.10.2022

Note:

1. Mr. Amrit Singh Rajpurohit (DIN: 02173432) has been resigned as Non-Executive Independent Director of the company w.e.f 28.10.2022
2. Mrs. Rekha Jain (DIN: 07703994) has been resigned as Non-Executive Independent Director of the company w.e.f 03.01.2023

For, Ronak Jhuthawat & Co.
(Company Secretaries)

SD/-
Ronak Jhuthawat
Proprietor
FCS: 9738 CP: 12094
Peer Review No.: 1270/2021
UDIN: F009738E000597347

Date: 15.07.2023
Place: Udaipur

ANNEXURE VI

Chief Executive Officer (CEO)/ Chief Financial Officer (CFO) Certificate 2022-23

To,
The Board of Directors
Star Housing Finance Limited
(Formerly Known as "Akme Star Housing Finance Limited")
603, Western Edge I, Above Metro Cash & Carry, Borivali East, Mumbai 400066

1. We have reviewed financial statements and the cash flow statement of Star Housing Finance Limited for the year ended 31st March, 2023 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

Place: Mumbai
Date: 15.07.2023

ANNEXURE VII

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-2022-23

S. NO.	REQUIREMENTS	REMUNERATION
1.	Ratio of remuneration of each Director of median remuneration of employee of the company for the FY-22-23	Executive Director 1. Mr. Ashish Jain 16.00X 2. Mr. Kavish Jain 7.00X
2.	Percentage Increase/ (Decrease) in Remuneration of each director, CFO, CEO, CS, if any, in the Financial Year	Director 1. Mr. Ashish Jain (11.11%) 2. Mr. Kavish Jain (41.67%) KMP 1. Mr. Natesh Narayanan (CFO) 209.49% 2. Mr. Shreyas Mehta (CS) 100%
3.	The Percentage Increase in the median Remuneration of Employees in Financial Year	0.32%
4.	No. of Permanent Employees on the roll of Company	148
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.	<p>The average percentage increase in remuneration of all employees (other than Key managerial personnel's (KMP's) For the FY-2022-23) stood at 97.27% where as the average Percentage increase in the remuneration of KMP'S was at 27.65 %</p> <p>Further there was no exceptional circumstance which warranted an increase in managerial remuneration which was not justified by the overall performance of the Company</p>
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. 2022-23
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

Place: Mumbai
 Date: 15.07.2023

INDEPENDENT AUDITOR'S REPORT

To the Members of
Star Housing Finance Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Star Housing Finance Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matter

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

KEY AUDIT MATTER	AUDITOR'S RESPONSE
Impairment of loans <p>Management estimates impairment provision of the Financial assets using Expected Credit loss model for the loan exposure as per the Board approved policy which is in line with Ind AS and the Regulations. Measurement of loan impairment involves application of significant judgement by the management. The most significant judgements are:</p> <ul style="list-style-type: none"> Timely identification and classification of the impaired loans, including classification of assets to stage 1, 2, or 3 using criteria in accordance with Ind AS 109 which also include considering the impact of RBI's regulatory circulars, The segmentation of financial assets when their ECL is assessed on a collective basis, 	Principal audit procedures performed <p>We examined Board Policy approving methodologies for computation of ECL that address policies, procedures and controls for assessing and measuring credit risk on all lending exposures, commensurate with the size, complexity and risk profile specific to the borrowers.</p> <p>We evaluated the design and operating effectiveness of controls across the processes relevant to ECL, including the judgements and estimates.</p> <p>We tested the completeness of loans and advances included in the Expected Credit Loss calculations as of March 31, 2023 by reconciling it with the balances as per loan balance register and loan commitment report as on that date.</p> <p>We tested assets in stage 1, 2 and 3 on sample basis to verify that they were allocated to the appropriate stage.</p>

<ul style="list-style-type: none"> • Determination of probability of defaults (PD) and loss given defaults (LGD) based on the default history of loans, subsequent recoveries made and other relevant factors and • Assessment of qualitative factors having an impact on the credit risk. <p>There are disclosures made in financial statements for ECL especially in relation to judgements and estimates by the Management in determination of the ECL. Refer note 3.6 and note 6 to the financial statements.</p>	<p>Tested samples to ascertain the completeness and accuracy of the input data used for determining the PD and LGD rates and agreed the data with underlying books of accounts and records.</p> <p>For samples of exposure, we tested the appropriateness of determining EAD, PD and LGD.</p> <p>For exposure determined to be individually impaired, we tested samples of loans and advances and examined management's estimate of future cash flows, assessed their reasonableness and checked the resultant provision calculations.</p> <p>We performed an overall assessment of the ECL provision levels at each stage including management's assessment and provision on account of Company's portfolio, risk profile, credit risk management practices.</p> <p>We assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 in relation to ECL especially in relation to judgements used in estimation of ECL provision.</p>
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Information Other than the Financial Statements and Auditors' Report Thereon

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

When we read the Other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 (Revised) 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibilities for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibility for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration has been paid by the Company to its directors during the year in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations as at year-end which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts as at the year-end for which there were any material foreseeable losses.

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

iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes of accounts, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer note 45 to the financial statements.

(b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer note 45 to the financial statements.

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub- clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.

v. (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

vi. Provison to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. As required by the Companies (Auditors' Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the order.

For: Nyati Mundra & Co.
Chartered Accountants
FRN: 008513C

SD/-
CA Akash Jain
Partner
Membership No. : 079052
UDIN: 23079052BGTUBY9821

Place: Udaipur
Date: April 22nd 2023

REPORT ON INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **STAR HOUSING FINANCE LIMITED** (the "Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note.

For: Nyati Mundra & Co.

Chartered Accountants

FRN: 008513C

SD/-

CA Akash Jain

Partner

Membership No. : 079052

UDIN: 23079052BGTUBY9821

Place: Udaipur

Date: April 22nd 2023

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

(i) According to the information and explanations given to us, in respect of Property, Plant and Equipment & Intangible Assets.

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment. The Company has maintained proper records showing full particulars of intangible assets.
- b) The Company has a program of verification of Property, Plant and Equipment, so to cover all the items in a phased periodical manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- 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.
- d) The Company has not revalued any of its Property, Plant and Equipment including Right of Use Assets and intangible assets during the year.
- e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) a) The Company does not have any inventory and hence, reporting under clause 3 (ii)(a) of the Order is not applicable.

b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of ` 5 crores, in aggregate, at any points of time during the year, from banks on the basis of security of current assets hence, reporting under clause 3 (ii)(b) of the Order is not applicable.

(iii) During the year, the Company has made investments in and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties. The Company has not provided any guarantee or security to any other entity during the year. With respect to such investments and loans and advances:

- a) The Company's principal business is to give loans, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
- b) The investments made and the terms and conditions of the grant of all the loans and advances in the nature of loans, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- c) In respect of loans and advances in the nature of loans (together referred to as "loan assets"), the schedule of repayment of principal and payment of interest has been stipulated. Note 3.6 to the Financial Statements explains the Company's accounting policy relating to impairment of financial assets which include loans assets. In accordance with that policy, loan assets with balances as at March 31, 2023, aggregating 381.01 Lacs were categorized as credit impaired ("Stage 3") and 394.39 Lacs were categorized as those where the credit risk has increased significantly since initial recognition ("Stage 2"). Disclosures in respect of such loans have been provided in Note 6.1 to the Financial Statements. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemized list of loan assets where delinquencies in the repayment of principal and interest have been identified.
- d) The total amount overdue for more than ninety days, in respect of loans and advances in the nature of loans, as at the year-end is 172.90 Lacs. Reasonable steps are been taken by the Company for recovery of the principal and interest as stated in the applicable Regulations and loan agreements.
- e) The Company's principal business is to give loans, and hence reporting under clause 3(iii)(e) of the Order is not applicable.
- f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

(iv) According to information and explanation given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits during the year and no order in this respect has been passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunals in regard to the Company. Hence, reporting under clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of the services rendered by the Company. Hence, reporting under clause 3(vi) of the Order is not applicable.

(vii) According to the information and explanations given to us, in respect of statutory dues:

- a) Undisputed statutory dues, including Goods and Service tax (GST), Provident Fund, Employees' State Insurance, Income-tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities.
- b) There were no undisputed amounts payable in respect of GST, Provident Fund, Employees' State Insurance, Income-tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- c) There were no dues referred in sub clause (a) above which have not been deposited on account of disputes as at March 31, 2023.

(viii) According to the information and explanations given to us, no transactions relating to previously unrecorded income were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during the year.

(ix) According to the information and explanations given to us, in respect of borrowings:

- a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- c) In our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application in respect of term loans raised towards the end of the year.
- d) On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.
- f) The Company does not have any subsidiary or associate or joint venture and hence reporting on clause 3(ix)(f) of the Order is not applicable.

(x) a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

b) According to the information and explanations given to us, a preferential allotment of 16,00,000 equity shares of Rs. 10/- each at Rs.135/- per share (including a premium of Rs. 125/- per share) & 7,30,500 equity shares of Rs. 10/- each at Rs.153/- per share (including a premium of Rs. Rs.143 /- per share) on a private placement basis vide their Board of Directors' meeting dated 29th July , 2022 & 12th November,2022 respectively. In our opinion requirements of the section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised.

(xi) a) According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

b) No report under section 143(12) of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and up to the date of this report.

c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence, reporting under clause 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements, etc. as required by the applicable accounting standards.

- a. In our opinion, the Company has an adequate Internal audit system commensurate with the size and the nature of its business.
- b. We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) According to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence, provisions of section 192 of the Act are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clauses 3(xvi) a, b and c of the Order is not applicable.

The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi) (d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company. Hence, reporting under clause 3(xviii) of the Order is not applicable

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, Asset Liability Maturity (ALM) pattern, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Act or special account in compliance with the provision of section 135(6) of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

(xxi) According to the information and explanations given to us, the Company does not have subsidiary, associate and joint venture. Accordingly, reporting under clause 3(xxi) of the Order is not applicable.

For: Nyati Mundra & Co.
Chartered Accountants
FRN: 008513C

SD/-
CA Akash Jain
Partner
Membership No. : 079052
UDIN: 23079052BGTUBY9821

Place: Udaipur
Date: April 22nd 2023

To
The Board Of Directors
STAR HOUSING FINANCE LIMITED

Independent Auditor's Additional Report for the year ended 31 March 2023, pursuant to the requirements of the Master Direction – Non- Banking Finance Company – Housing Finance Company (Reserve Bank) Directions, 2021.

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

2. We have audited the accompanying audited Ind-AS financial statements of Star Housing Finance Company ("the Company") which comprise the Balance Sheet as at 31st March 2023, 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 22nd April' 2023.

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 2023 and as required by the requirements of Master Direction – Non- Banking finance Company – Housing Finance Company (Reserve Bank) Directions, 2021., and Information/ explanations and representation received from the management, we report on the matters specified in paragraphs 70 of Chapter XII of the said Directions.

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

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

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

Auditors Responsibility

5. Pursuant to the requirements of the Auditor's Report Directions, it is our responsibility to provide reasonable assurance on the matters specified in para 70 of the Directions, to the extent applicable to the Company, on the basis of our audit of the financial statements of the Company for the year ended 31st March 2023 and examination of books of account and other records maintained by the Company for the year then ended.

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

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

Opinion

Based on our audit of the financial statements for the year ended 31st March 2023 and examination as above, evidences obtained and the information and explanations, along with the representations provided by the Management, we report that:

A: Applicable to all Housing Finance companies:

1. The company has obtained a Certificate of Registration No. 12.0080.09 from National Housing Bank (CoR not valid for acceptance of public deposit). According to the information and explanations given to us, the housing company is complying with the principal Business Criteria as defined in para 4.1.17 of the master-direction- Non Banking Finance company- Housing Finance company (Reserve Bank) Directions 2021.
2. According to the information and explanations given to us, the company is meeting the required Net Owned Fund (NOF) requirement as prescribed under section 29A of the National Housing Bank Act, 1987 during the period under audit and as on 31st March 2023. 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 2023.
4. According to the information and explanations given to us and as per the audit evidences gathered during the audit, the Company's total borrowings as on March 31st 2023 amounting to Rs. **162.50** Crs is less than 12 times of NOF.
5. According to the information and explanations given to us and as per the audit evidences gathered during the audit, the company has complied with the prudential norms on income recognition, accounting standards, asset classification, loan-to-value ratio, provisioning requirements, disclosure in balance sheet, investment in real estate, exposure to capital market and engagement of brokers, and concentration of credit/investments as specified in the Master Direction - Non- Banking finance Company - Housing Finance Company (Reserve Bank) Directions, 2021. However, we draw your attention to:
 - a) The company has granted moratorium to the eligible borrowers as per the RBI circular on Covid-19 Regulatory package dated 17.04.2020 and 23.05.2020 whereby Term Loan EMIs payable from 01.03.2020 to 31.08.2020 have been deferred and the Loan tenure has been extended by the respective period. **As on 31-March-2023 outstanding of those accounts is 16.70 Crore and total no. of that account is 256 out of 2550 live customer.**
6. According to the information and explanations given to us, the capital adequacy ratio as disclosed in the half yearly statutory return and revised return filed thereafter, submitted to National Housing Bank has been correctly determined by the company and such ratio is in compliance with the minimum capital to risk weighted asset ratio (CRAR).
7. According to the information and explanations given to us, the Company during the **half financial year ended 30th Sep 2022** has furnished to the NHB the half yearly Statutory Return within the stipulated period. **Further half yearly NHB Statutory Return for the period end as on 31-March-2023 yet to be submitted** because it is not falling due as on the date of the Audit report.
8. According to the information and explanations given to us, the Schedule-III Return on statutory liquid assets is not applicable to the company as its non-deposit taking company
9. According to the information and explanations given to us, the company **has open six new branches during the FY-22-23**
10. According to the information and explanations given to us, the company has not given any loan against security of shares (Para 3.1.3 of the Directions), not given any loan against security of single product- gold jewellery, not given any loan against HFCs own shares (Para 18 of the Directions).
11. According to the information and explanations given to us, the Board of Directors of the company have passed a resolution for non-acceptance of any public deposit dated **1st June 2022**.
12. According to the information and explanations given to us, the company has not accepted any public deposits during the financial year ended 31 March 2023.

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

13. According to the information and explanations given to us, the Company has Certificate of Registration as Housing Finance Company and not accepting/holding public deposits. Accordingly Paragraph 70.2.1 to 70.2.7 of Master Direction – Non- Banking finance Company – Housing Finance Company (Reserve Bank) Directions, 2021, are not applicable to the company for the financial year ended 31st March 2023.

For: Nyati Mundra & Co.
Chartered Accountants
FRN: 008513C

SD/-
CA Akash Jain
Partner
Membership No. : 079052
UDIN: 23079052BGTUBY9821

Place: Udaipur
Date: April 22nd 2023

FINANCIAL STATEMENTS



STAR HOUSING FINANCE LIMITED

(Formerly known as Akme Star Housing Finance Limited)

Statement of Assets and Liabilities as on 31.03.2023

(INR in Lacs)

PARTICULARS	NOTE NO.	AS AT MARCH 31, 2023	AS AT MARCH 31, 2022 (RESTATED)	AS AT APRIL 01, 2021
ASSETS				
FINANCIAL ASSETS				
• Cash and cash equivalents	5	2,810.12	2,917.93	2,010.13
• Bank balance other than cash and cash equivalents	5A	1,272.73	519.82	350.43
• Loans	6	22,807.76	10,231.46	9,283.34
• Investments	7	738.29	857.79	356.14
• Other Financial assets	8	320.69	480.75	196.33
TOTAL FINANCIAL ASSETS		27,949.59	15,007.75	12,196.37
NON- FINANCIAL ASSETS				
• Property, plant and Equipment	9A	219.17	104.23	101.56
• Intangible Assets	9B	156.45	52.73	43.10
• Right to use Assets	9C	-	7.61	12.41
• Deferred tax assets (Net)		76.12	21.49	47.77
• Current Tax Assets (Net)	10	86.73	88.38	43.33
• Other non-financial assets	11	62.75	43.84	32.01
TOTAL NON-FINANCIAL ASSETS		601.22	318.28	280.19
TOTAL ASSETS		28,550.81	15,326.03	12,476.56
LIABILITIES AND EQUITY				
FINANCIAL LIABILITIES				
• Borrowings	12	16,249.99	7,847.79	6,428.30
• Other Financial liabilities	13	1,447.08	1,024.66	636.63
TOTAL FINANCIAL LIABILITY		17,697.07	8,872.44	7,064.93
NON-FINANCIAL LIABILITIES				
• Provisions	14	14.92	37.51	37.20
• Other non-financial liabilities	15	196.94	6.23	10.48
TOTAL NON-FINANCIAL LIABILITY		211.86	43.74	47.68
EQUITY				
• Equity Share capital	16	3,857.91	1,658.22	1,567.35
• Other Equity	17	6,783.97	4,751.63	3,796.60
TOTAL FINANCIAL LIABILITY		17,697.07	8,872.44	7,064.93
TOTAL LIABILITIES AND EQUITY		28,550.81	15,326.03	12,476.56

Overview and significant accounting policies. The accompanying notes are an integral part of the financial statements

In terms of our report of even date

For NYATI MUNDRA & CO.

Chartered Accountants

ICAI FR No : 008153C

SD/-

CA Akash Jain

Partner

Membership No. 079052

UDIN: 23079052BGTUBY9821

Date: 22-04-2023

Place: Mumbai

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

SD/-

Ashish Jain

Chairman & Managing Director

DIN: 02041164

SD/-

Natesh Narayanan

Chief Financial Officer

SD/-

Kavish Jain

Director

DIN: 02041197

SD/-

Shreyas Mehta

Company Secretary

M.No. A38639

STAR HOUSING FINANCE LIMITED

(Formerly known as Akme Star Housing Finance Limited)

Statement of Profit & Loss for the year ended 31-03-2023

(INR in Lacs)

PARTICULARS	NOTE NO.	FOR THE YEAR ENDED 31-03-2023	RESTATED FOR THE YEAR ENDED 31-03-2022
A. REVENUE FROM OPERATIONS	18A		
i. Interest Income		3,234.89	1797.37
ii. Fees & Commission Income		106.39	24.17
iii. Gain/loss on derecognition of Financial Assets		29.90	7.34
iv. Net Gain/Loss on Fair Value Changes		15.01	11.21
v. Other Operating Income		146.82	32.35
B. OTHER INCOME	18B	191.29	64.10
I. TOTAL INCOME		3,724.31	1,936.54
EXPENSES			
i. Finance Cost	19	1,128.84	617.01
ii. Impairment of Financial Instruments	20	62.70	50.97
iii. Employee Benefits expenses	21	950.25	745.01
iv. Depreciation and amortisation expenses	22	35.55	27.21
v. Other Expenses	23	745.34	364.43
TOTAL EXPENSES		2,922.68	1,804.63
II. PROFIT BEFORE TAX (I-II)		801.63	131.91
IV. TAX EXPENSES	24		
• Current Tax		129.95	45.91
• Deferred Tax		(26.31)	23.77
V. PROFIT FOR THE PERIOD (III-IV)		697.99	62.22
OTHER COMPREHENSIVE INCOME			
a. Items that will not be reclassified to profit or loss			
• Re-measurements of defined benefit liability		0.88	7.47
b. Items that will be reclassified to profit & loss			
• Loss on Equity instruments through OCI		(105.12)	-
VI. TOTAL OTHER COMPREHENSIVE INCOME		(104.24)	7.47
VII. TOTAL COMPREHENSIVE INCOME (V+VI)		593.75	69.69
EARNINGS PER SHARE (OF RS. 5/- EACH)	25		
• Basic		0.97	0.10
• Diluted		0.93	0.10

In terms of our report of even date

For NYATI MUNDRA & CO.

Chartered Accountants

ICAI FR No : 008153C

SD/-**CA Akash Jain**

Partner

Membership No. 079052

UDIN: 23079052BGTUBY9821

Date: 22-04-2023**Place:** Mumbai**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS****SD/-****Ashish Jain**

Chairman & Managing Director

DIN: 02041164

SD/-**Natesh Narayanan**

Chief Financial Officer

SD/-**Kavish Jain**

Director

DIN: 02041197

SD/-**Shreyas Mehta**

Company Secretary

M.No. A38639

STAR HOUSING FINANCE LIMITED

(Formerly known as Akme Star Housing Finance Limited)

Statement of Changes in Equity for the period ended 31.03.2023

A) EQUITY SHARE CAPITAL

(INR in Lacs)

PARTICULARS	AS AT MARCH 31, 2023	AS AT MARCH 31, 2022	AS AT APRIL 01, 2021
AUTHORISED SHARE CAPITAL 10,00,00,000 Equity Shares @ 5 Each (PY 3,00,00,000 Equity Shares @ 10 Each)	5,000.00	3,000.00	1,700.00
ISSUED, SUBSCRIBED, CALLED UP & PAID UP SHARE CAPITAL 7,71,58,266 Equity Shares @ 5 Each (P.Y. 165,82,229 Equity Shares @ 10 Each)	3,857.9	1,658.22	1,567.35
TOTAL	3,857.91	1,658.22	1,567.22

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, 2023		AS AT MARCH 31, 2022		AS AT APRIL 01, 2021	
	NO. OF SHARES	RS. IN LACS	NO. OF SHARES	RS. IN LACS	NO. OF SHARES	RS. IN LACS
At the beginning of the year	1,65,82,229	1,658.22	15,67,3500	1567.35	1,56,73,500	1567.35
Add: Share issued during the year	23,30,500	233.05	9,08,729	90.87	-	-
Add: Split during the year	1,89,12,729	-	-	-	-	-
Add: Bonus issue during the year	3,78,25,458	1,891.27	-	-	-	-
Add: ESOP issue during the year	15,07,350	75.37	-	-	-	-
OUTSTANDING AT THE END OF THE YEAR	7,71,58,266	3,857.91	1,65,82,229	1658.22	1,56,73,500	1567.35

B) OTHER EQUITY

PARTICULARS	RESERVES AND SURPLUS				OTHER COMPREHENSIVE INCOME			COVID 19 IMPAIRMENT RESERVE	TOTAL OTHER EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT
	SHARE PREMIUM RESERVE	ESOP OUTSTANDING RESERVE	SPECIAL RESERVE	RETAINED EARNINGS	EQUITY INSTRUMENTS THROUGH OTHER COMPREHENSIVE INCOME	REVALUATION SURPLUS	OTHERS		
Balances as at April 01, 2021	1,728.41	-	487.63	1,127.00	268.14	55.68	-	129.74	3,796.60
Share Premium	717.90	-	-	-	-	-	-	-	717.90
Transfer to special reserve	-	-	61.58	(61.58)	-	-	-	-	-
Profit for the year	-	-	-	62.22	-	-	-	-	62.22
Other Comprehensive Income	-	-	-	-	-	-	7.47	-	7.47
Others	-	175.98	-	(8.54)	-	-	-	-	167.44
Balances As At March 31, 2022	2,446.31	175.98	549.21	1,119.10	268.14	55.68	7.47	129.74	4,751.63
Share Premium	3,298.23	-	-	-	-	-	-	-	3,298.23
Transfer to special reserve	-	-	160.33	(160.33)	-	-	-	-	-
Profit for the year	-	-	-	697.99	-	-	-	-	697.99
Dividend Expenses	-	-	-	(33.16)	-	-	-	-	(33.16)
Bonus share issued	(1,891.27)	-	-	-	-	-	-	-	(1,891.27)
Other Comprehensive Income	-	-	-	-	(105.12)	-	0.88	-	(104.24)
Others	-	60.92	-	3.89	-	-	-	-	64.80
Balances As At March 31, 2023	3,853.26	236.90	709.54	1,627.49	163.02	55.68	8.34	129.74	6,783.97

In terms of our report of even date

For NYATI MUNDRA & CO.

Chartered Accountants

ICAI FR No : 008153C

SD/-**CA Akash Jain**

Partner

Membership No. 079052

UDIN: 23079052BGTUBY9821

Date: 22-04-2023**Place:** Mumbai**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS****SD/-****Ashish Jain**

Chairman & Managing Director

DIN: 02041164

SD/-**Natesh Narayanan**

Chief Financial Officer

SD/-**Kavish Jain**

Director

DIN: 02041197

SD/-**Shreyas Mehta**

Company Secretary

M.No. A38639

STAR HOUSING FINANCE LIMITED

(Formerly known as Akme Star Housing Finance Limited)

Statement Of Cash Flow For The Period Ended 31.03.2023

PARTICULARS	FOR THE PERIOD ENDED 31.03.2023	RESTATED FOR THE PERIOD ENDED 31.03.2022
Cash flow from operating activities		
Net profit Before Tax and exceptional items	801.63	131.91
Adjustment For:		
Depreciation and Amortisation Expenses	35.55	203.20
Provision for Employee Benefit	65.97	9.98
Provision for ECL	6.47	6.61
Bad debts Written-off	56.23	44.36
Operating cash flow before working capital changes	965.85	396.05
Decrease/(Increase) in other financial assets	160.06	(284.42)
Decrease/(Increase) in Current Tax assets	(31.51)	(53.59)
Decrease/(Increase) in other Non- financial assets	(18.91)	(11.83)
Increase/(Decrease) in Other financial liabilities	422.42	388.03
Increase/(Decrease) in Other non-financial liabilities	190.71	(4.25)
Increase/(Decrease) in Provision	(22.58)	0.30
Increase/(Decrease) in cash credit	0.00	(14.24)
Cash From/(Used) for Operations	1666.03	416.05
(Increase)/Decrease in loans	(12638.99)	(999.09)
Less: Taxes Paid	(129.95)	(45.91)
Net Cash Generated From Operating Activities (A)	(11102.91)	(628.95)
Cash flow from investing activities		
Investment in Fixed Deposits	(753.36)	(168.35)
Purchase of Fixed Assets	(246.60)	(34.70)
(Increase)/Decrease in investment	(14.24)	501.65
Net Cash flow from investing activities (B)	(1014.20)	(704.69)
Cash flow from financing activities		
Cash flow from issue of Shares	308.42	90.87
Share Premium received	3298.23	717.90
Dividend	0.45	(1.05)
Borrowing Taken/(Repayment)	8402.21	1,433.72
Net cash flow from financing activities (C)	12009.30	2,241.44
Net Increase in cash and cash equivalents (A+B+C)	(107.81)	907.79
Cash and cash equivalents as at beginning of the year	2917.93	2010.13
Cash and cash equivalents	2810.12	2,917.93

Note:

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

b) Figures in the brackets indicate outflow.

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

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

In terms of our report of even date

For NYATI MUNDRA & CO.

Chartered Accountants

ICAI FR No : 008153C

SD/-**CA Akash Jain**

Partner

Membership No. 079052

UDIN: 23079052BGTUBY9821

Date: 22-04-2023**Place:** Mumbai**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS****SD/-****Ashish Jain**

Chairman & Managing Director

DIN: 02041164

SD/-**Natesh Narayanan**

Chief Financial Officer

SD/-**Kavish Jain**

Director

DIN: 02041197

SD/-**Shreyas Mehta**

Company Secretary

M.No. A38639

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

1. REPORTING ENTITY

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

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 STATEMENT OF COMPLIANCE

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

2.2 RESENTATION OF FINANCIAL STATEMENTS

The company presented its financial statements as per Division III of Schedule III of the act. Balance sheet is prepared in order of liquidity. Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognized amounts without being contingent on a future event, the parties also intend to settle on a net basis in all the circumstances :-

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

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Indian rupee (INR) which is also the company's functional currency. All amounts have been rounded off to the nearest rupee in 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 is taken from observable markets wherever possible, where this is not feasible, and estimation is required in establishing fair values. Judgments and estimations include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

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

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

This estimation by nature requires an element of judgment regarding the expected behaviour and life cycle of the instruments, as well as 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 calculate interest income on the net basis. If the financial asset cures and is no longer credit impaired, the company reverts to calculating interest income on gross basis.

B. Fee and Commission Income

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

C. Other Income

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

3.2 FINANCIAL INSTRUMENT-INITIAL RECOGNITION

A .Date of recognition

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

B. Initial measurement of financial instruments

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

C. Measurement categories of financial assets and liabilities

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

3.3 FINANCIAL ASSETS AND LIABILITIES

A. Financial assets

Business model assessment

The company determines its business model at the level that best reflects how it manage group of financial assets to achieve its business objective. The company's business model is not assessed on an instrument-by-instrument basis; but at a higher level of aggregated portfolio and is based on observable factors such as:-

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the company's key management personnel.
- The risk that affect the performance of the business model (and the financial assets held within that business model) and in particular, the way those risks are managed.
- The expected frequency, value and timing of sales are also important aspects of the company's assessment

SPPI test (Solely Payment of Principal and Interest)

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

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

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

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

Accordingly, financial assets are measured as follows:

i) Financial assets carried at amortized cost (AC)

A financial asset is measured at 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, 2023.

3.5 DE-RECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

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

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

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

i) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when the contractual right to the cash flow from the financial assets expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership are transferred and it does not retain control of the financial asset. On de-recognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of de-recognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognized in the statement of profit and loss. Accordingly, gain on sale or de-recognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109. Also, the company recognizes servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset.

ii) Financial liability

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

3.6 IMPAIRMENT OF FINANCIAL ASSETS

A. Overview of ECL principles

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

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

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

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

Stage 1: When loans are first recognized, the company recognizes an allowance based on 12 months ECL. Stage 1 (loans which are current (on time) or past due for less than or equal to 30 days) loans include those loans where there is no significant credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2 or stage 3.

Stage 2: When a loan (loans which are past due for more than 30 days and less than or equal to 90 days) has shown a significant increase in credit risk since origination, the company recreates an allowance for the lifetime ECL. Stage 2 loans also include facilities where the credit risk has improved and the loan has been reclassified from stage 3.

Stage 3: Loans considered credit impaired is the loans which are past due for more than 90 days. The company records an allowance for life time ECL.

Loan commitments: When estimating 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 re-viewed and changes in the forward looking estimations are analysed.

The mechanics of the ECL method are summarized below:

Stage 1: The 12 months ECL is calculated on the portion of 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) Geographical areas
- iv) Occupation types
- v) Current economic conditions prevailing in the market

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
Computer Software	5 Years

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

3.12 IMPAIRMENT OF NON-FINANCIAL ASSETS

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

3.13 EMPLOYEE BENEFITS

i. Post employee benefits

Defined contribution plan

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

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling') In order to calculate the present value of economic benefits consideration is given to any minimum funding requirements.

Re-measurements of the net defined benefit liability ,which comprise actuarial gains and losses and the effect of the asset ceiling (if any ,excluding interest) are recognized is OCI The Company Determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset) taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments . Net interest expense and other expenses related to defined benefit plans are recognized in profit and loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past services ('past service cost or' past service gain) or the gain or loss on curtailment is recognized gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short term employee benefit

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

Share-based payments

Estimating fair value for share-based payment transactions requires use of an appropriate valuation model. The Company measures the cost of equity- settled transactions with Option holders using Black- Scholes Model to determine the fair value of the options on the grant date. Inputs into the valuation model, includes assumption such as the expected life of the share option, volatility and dividend yield. The stock options granted to employees pursuant to the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date using Black Scholes Model.

The fair value of the options determined at grant date is accounted as employee compensation cost over the vesting period on a straight-line basis over the period of option, based on the number of grants expected to vest, with corresponding increase in equity. On cancellation or lapse of option granted to employees, the compensation cost charged to statement of profit & loss is credited with corresponding decrease in equity.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.14 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions

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

Contingent liability

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

Contingent asset

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

3.15 INCOME TAX

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

i. Current tax

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

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

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

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

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

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company accepts, at the reporting date, to recover or settle the carrying amount of its assets & liabilities.

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

3.16 BORROWING COST

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

3.17 CASH & CASH EQUIVALENTS

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

3.18 SEGMENT REPORTING-IDENTIFICATION OF SEGMENTS

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

3.19 EARNINGS PER SHARE

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

3.20 CASH FLOW STATEMENT

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

3.21 ACCOUNTING OF LEASES

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).

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 Lacs)

PARTICULARS	AS AT MARCH 31, 2023	RESTATED AS AT MARCH 31, 2022	AS AT APRIL 01, 2021
Balances with banks in current / cash credit accounts	1,246.27	2,526.29	1,247.51
Cash in hand	49.52	41.60	72.63
Deposit with original maturity of less than three months	1,514.33	350.04	690.00
	2,810.12	2,917.93	2,010.13

NOTE 5A: BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(i) Earmarked balances with bank	0.60	1.05	0.43
(ii) Balances with bank to the extent held as margin money or security against the borrowings, guarantees, other commitments	1,272.13	518.77	350.00
(iii) Repatriation restrictions in respect of cash and bank balances	-	-	-
	1,272.73	519.82	350.43

NOTE 6: LOANS (AT AMORTISED COST)

(INR in Lacs)

PARTICULARS	AS AT MARCH 31, 2023	RESTATED AS AT MARCH 31, 2022	AS AT APRIL 01, 2021
TERM LOANS			
Retail	22,496.73	9,527.90	7,882.45
Housing Loan	19,078.40	8,523.25	7,487.78
Non Housing Loan	3,418.33	1,004.65	394.67
Builder/Corporate Loan	211.56	881.02	1,571.74
TOTAL GROSS	22,708.50	10,408.92	9,454.19
Less: Impairment loss allowance	(183.93)	(177.46)	(170.85)
TOTAL NET	22,524.57	10,231.46	9,283.34
Others	283.19	-	-
TOTAL LOANS	22,807.76	10,231.46	9,283.34

Secured by tangible assets	22,431.59	10,139.37	9,200.99
Unsecured	276.92	269.55	253.19
TOTAL GROSS	22,708.50	10,408.92	9,454.19
Less: Impairment loss allowance	(183.93)	(177.46)	(170.85)
TOTAL NET	22,524.57	10,231.46	9,283.34
Others	283.19	-	-
TOTAL LOANS	22,807.76	10,231.46	9,283.34

Public Sector	-	-	-
Others	22,708.50	10,408.92	9,454.19
TOTAL GROSS	22,708.50	10,408.92	9,454.19
Less: Impairment loss allowance	(183.93)	(177.46)	(170.85)
Others	283.19	-	-
TOTAL NET	22,807.76	10,231.46	9,283.34

- Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.
- Loans granted by the Company are secured by equitable mortgage/registered mortgage of the property and/or undertaking to create a security and/or personal guarantees and/or hypothecation of assets and/or assignments of life insurance policies.
- Loans sanctioned but undisbursed amount is Rs.9.48 cr. as on March 31, 2023(P.Y. 5.08 Cr.).

6.1) AN ANALYSIS OF CHANGES IN THE GROSS CARRYING AMOUNT* AND THE CORRESPONDING ECL ALLOWANCES

(INR in Lacs)

PARTICULARS	AS AT MARCH 31, 2023				AS AT MARCH 31, 2022			
	STAGE 1	STAGE 2	STAGE 3	TOTAL	STAGE 1	STAGE 2	STAGE 3	TOTAL
GROSS CARING AMOUNT OPENING BALANCE	8,187.17	1,910.27	311.46	10,408.90	7,648.85	1,517.16	288.18	9,454.19
Less: Assets repaid (excluding write offs)*	6,046.33	251.91	25.80	6,324.04	2,074.26	573.36	11.24	2,658.85
Transfers from Stage 1**	(154.06)	145.48	8.58	-	(1,267.38)	1,200.69	66.69	-
Transfers from Stage 2**	1,234.93	(1,370.96)	136.04	-	239.74	(253.57)	13.83	-
Transfers from Stage 3**	48.21	-	(48.21)	-	7.35	3.51	(10.86)	-
Less: Amounts written off	16.69	38.48	1.06	56.23	4.05	5.17	35.14	44.36
New assets originated	18,679.86	-	-	18,679.86	3,636.94	21.00	-	3,657.94
GROSS CARRYING AMOUNT CLOSING BALANCE	21,933.10	394.39	381.01	22,708.50	8,187.19	1,910.27	311.46	10,408.92

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

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

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

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

6.2) RECONCILIATION OF ECL BALANCE IS GIVEN BELOW:

PARTICULARS	AS AT MARCH 31, 2023				AS AT MARCH 31, 2022			
	STAGE 1	STAGE 2	STAGE 3	TOTAL	STAGE 1	STAGE 2	STAGE 3	TOTAL
ECL ALLOWANCE - OPENING BALANCE	48.06	66.11	63.29	177.46	70.77	81.94	18.13	170.85
Addition during the year	25.96	-	35.40	61.35	-	-	45.15	45.15
Reversal during the year	-	54.88	-	54.88	22.71	15.83	-	38.54
ECL ALLOWANCE - CLOSING BALANCE	74.02	11.23	98.68	183.93	48.06	66.11	63.29	177.46

The contractual amount outstanding on loans that have been written off during the year, but were still subject to enforcement Activity is 0.56 crores as at March 31, 2023 (31.03.2022-0.44 crores).

NOTE 7: INVESTMENTS

(INR in Lacs)

PARTICULARS	AS AT MARCH 31, 2023	RESTATED AS AT MARCH 31, 2022	AS AT APRIL 01, 2021
INVESTMENTS IN INDIA			
Alternate Investment Fund	515.89	501.65	-
Equity instruments (Unquoted)	222.40	356.14	356.14
TOTAL GROSS INVESTMENTS OUTSIDE INDIA	738.29	857.79	356.14
	-	-	-
TOTAL GROSS	738.29	857.79	356.14
Less: Allowance for impairment loss	-	-	-
TOTAL NET	738.29	857.79	356.14

<ul style="list-style-type: none"> Alternate Investment fund (FVTPL) Equity Instrument Fair Valued through Other Comprehensive Income Less: Allowance for impairment loss 	515.89	501.65	-
	222.40	356.14	356.14
	-	-	-
TOTAL NET	738.29	857.79	356.14

NOTE 8: OTHER FINANCIAL ASSETS

(INR in Lacs)

PARTICULARS	AS AT MARCH 31, 2023	RESTATED AS AT MARCH 31, 2022	AS AT APRIL 01, 2021
Interest Receivable on Loans	41.11	57.68	63.55
Other Deposits	-	257.13	25.20
Other Receivables/Advances	214.90	38.84	0.79
Security deposit	64.69	127.09	106.78
TOTAL	320.69	480.75	196.33

NOTE 9A: PROPERTY PLANT AND EQUIPMENT

(INR in Lacs)

PARTICULARS	GROSS CARRYING VALUE				DEPRECIATION				NET CARRYING VALUE		
	AS AT MARCH 31, 2022	ADDITION DURING THE YEAR	ADJUSTMENTS /DEDUCTIONS DURING THE YEAR	AS AT MARCH 31, 2023	AS AT APRIL 01, 2022	FOR THE YEAR	ADJUSTMENTS /DEDUCTIONS DURING THE YEAR	AS AT MARCH 31, 2023	AS AT MARCH 31, 2023	AS AT MARCH 31, 2022	AS AT APRIL 01, 2022
Land	92.56	-	-	92.56	-	-	-	-	92.56	92.56	92.56
Furniture & Fixtures	3.35	102.19	-	105.53	2.33	4.76	-	7.09	98.44	1.01	3.35
Vehicle	14.92	-	-	14.92	13.72	0.38	-	14.09	0.83	1.20	14.92
Computers & Printer	23.06	24.54	-	47.60	14.35	11.92	-	26.27	21.33	8.71	23.06
Other Equipment's	0.71	1.28	-	1.99	0.46	0.22	-	0.67	1.31	0.25	0.71
Electrical Equipment's	0.62	5.02	-	5.64	0.13	0.81	-	0.95	4.69	0.48	0.62
TOTAL	135.21	133.03	-	268.24	30.99	18.09	-	49.07	219.17	104.23	135.21

There have been no acquisition through business combinations and no change of amount due to revaluation of property, plant and equipment and other intangible assets during the year ended 31st March 2023 and 31st March 2022.

NOTE 9B: OTHER INTANGIBLE ASSETS

(InR in Lacs)

PARTICULARS	GROSS CARRYING VALUE				AMORTISATION				NET CARRYING VALUE		
	AS AT MARCH 31, 2022	ADDITION DURING THE YEAR	ADJUSTMENTS /DEDUCTIONS DURING THE YEAR	AS AT MARCH 31, 2023	AS AT APRIL 01, 2022	FOR THE YEAR	ADJUSTMENTS /DEDUCTIONS DURING THE YEAR	AS AT MARCH 31, 2023	AS AT MARCH 31, 2023	AS AT MARCH 31, 2022	AS AT APRIL 01, 2022
Software	39.03	-	-	39.03	13.85	7.24	-	21.09	17.94	25.18	39.03
Jaguar Software	39.07	-	-	39.07	11.52	7.81	-	19.34	19.73	27.55	39.07
Software - WIP	-	118.78	-	118.78	-	-	-	-	118.78	-	-
TOTAL	78.10	118.78	-	196.88	25.37	15.06	-	40.43	156.45	52.73	78.10

NOTE 9C: RIGHT TO USE ASSETS

(InR in Lacs)

PARTICULARS	GROSS CARRYING VALUE				AMORTISATION				NET CARRYING VALUE		
	AS AT MARCH 31, 2022	ADDITION DURING THE YEAR	ADJUSTMENTS /DEDUCTIONS DURING THE YEAR	AS AT MARCH 31, 2023	AS AT APRIL 01, 2022	FOR THE YEAR	ADJUSTMENTS /DEDUCTIONS DURING THE YEAR	AS AT MARCH 31, 2023	AS AT MARCH 31, 2023	AS AT MARCH 31, 2022	AS AT APRIL 01, 2022
Lease Assets - Right to use	14.41	-	(5.20)	9.21	6.81	2.40	-	9.21	-	7.61	14.41
TOTAL	14.41	-	(5.20)	9.21	6.81	2.40	-	9.21	-	7.61	14.41

NOTE 10: CURRENT TAX ASSETS (NET)

(InR in Lacs)

PARTICULARS	AS AT MARCH 31, 2023	RESTATED AS AT MARCH 31, 2022	AS AT APRIL 01, 2021
Current Tax Assets	86.73	88.38	43.33
TOTAL	86.73	88.38	43.33

NOTE 11 OTHER NON-FINANCIAL ASSETS

(InR in Lacs)

PARTICULARS	AS AT MARCH 31, 2023	RESTATED AS AT MARCH 31, 2022	AS AT APRIL 01, 2021
Prepaid (Exp. & Rent)	62.56	40.06	24.09
Other Advances	0.19	0.72	2.18
Duties and taxes	-	3.06	5.74
TOTAL	62.75	43.84	32.01

NOTE 12: BORROWINGS (OTHER THAN DEBT SECURITIES)

(InR in Lacs)

PARTICULARS	AS AT MARCH 31, 2023	RESTATED AS AT MARCH 31, 2022	AS AT APRIL 01, 2021
SECURED (AT AMORTISED COST)(REFER NOTE 12A)			
TERM LOANS			
From Bank & FI	13,256.73	5,189.91	4,054.07
From NHB	2,993.26	2,657.88	2,360.00
CASH CREDIT, DLOF AND WORKING CAPITAL DEMAND LOANS FROM BANKS	-	-	14.24
TOTAL	16,249.99	7847.79	6428.30

Borrowings in India	16,249.99	7847.79	6428.30
Borrowings outside India	-	-	-
TOTAL	16,249.99	7847.79	6428.30

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				
Capital India Finance Limited	117.77	Repayable in 36 monthly instalments of Rs. 6.79 Lakhs each	Hypothecation of specific book debts with security coverage of 1.20 times and personal guarantee of Mr. Ashish Jain.	13.50%
Capital India Finance Limited-2	494.55	Repayable in 59 monthly instalments of Rs. 11.44 Lakhs each and last instalments of Rs. 11.88 Lakhs	Hypothecation of specific book debts with security coverage of 1.15 times and personal guarantee of Mr. Ashish Jain.	13.25%
Cholamandal Investment & Finance Com.Ltd	264.89	Repayable in 48 monthly instalments of Rs. 7.87 Lakhs each	Hypothecation of specific book debts with security coverage of 1.15 times and personal guarantee of Mr. Ashish Jain.	11.80%
Cholamandal Investment & Finance Com.Ltd-2	318.24	Repayable in 48 monthly instalments of Rs. 6.67 Lakhs each	Hypothecation of specific book debts with security coverage of 1.15 times and personal guarantee of Mr. Ashish Jain.	12.50%
Hinduja Housing Finance Ltd. TL-1	166.96	Repayable in 54 monthly instalments of Rs.11.12 Lakhs each	Hypothecation of specific book debts with security coverage of 1.10 times and personal guarantee of Mr. Nirmal Kumar Jain.	11.60%
Hinduja Housing Finance Ltd. TL-2	337.59	Repayable in 60 monthly instalments of Rs.8.83 Lakhs each	Hypothecation of specific book debts with security coverage of 1.10 times .and personal guarantee of Mr. Ashish Jain.	11.20%
Hinduja Housing Finance Ltd. TL-3	953.35	Repayable in 60 monthly instalments of Rs.16.67 Lakhs each	Hypothecation of specific book debts with security coverage of 1.10 times .and personal guarantee of Mr. Ashish Jain.	13.50%
Hinduja Leyland Finance Tranch-1	385.12	Repayable in 48 monthly instalments of Rs. 12.97 Lakhs each	Hypothecation of specific book debts with security coverage of 1.10 times .and personal guarantee of Mr. Ashish Jain.	11.20%
Hinduja Leyland Finance Tranch-2	385.02	Repayable in 48 monthly instalments of Rs. 12.97 Lakhs each	Hypothecation of specific book debts with security coverage of 1.10 times .and personal guarantee of Mr. Ashish Jain.	11.20%
ICICI Bank Limited	803.48	Repayable in 24 monthly instalments of Rs. 41.67 Lakhs each	Hypothecation of specific book debts with security coverage of 1.25 times and 10% cash collateral in form of Fixed deposit and personal guarantee of Mr. Ashish Jain.	8.75%
Indian Overseas Bank	892.65	Repayable in 83 monthly instalments of Rs. 11.90 Lakhs each and last instalments of Rs.12.30 Lakhs	Hypothecation of specific book debts with security coverage of 1.25 times and 10% cash collateral in form of Fixed deposit and personal guarantee of Mr. Ashish Jain.	10.25%
LIC Housing Finance Ltd.	429.76	Repayable in 60 monthly instalments of Rs. 11.15 Lakhs each	Hypothecation of specific book debts with security coverage of 1.25 times and personal guarantee of Mr. Ashish Jain.	12.10%
Maanaveeya Development And Fincnace TI	991.23	Repayable in 32 monthly instalments of Rs. 30.30 Lakhs each and last instalments of Rs. 30.40 Lakhs	Hypothecation of specific book debts with security coverage of 1.20 times and personal guarantee of Mr. Ashish Jain.	13.75%
Maanaveeya Development And Fincnace TI-2	793.69	Repayable in 32 monthly instalments of Rs. 24.24 Lakhs each and last instalment of Rs. 24.34 Lakhs	Hypothecation of specific book debts with security coverage of 1.20 times and personal guarantee of Mr. Ashish Jain.	13.75%
MAS Financial Services Ltd. TL-3	424.15	Repayable in 48 monthly instalments of Rs. 10.41 Lakhs each	Hypothecation of specific book debts with security coverage of 1.00 times and personal guarantee of Mr. Ashish Jain.	13.50%
MAS Financial Services Ltd. TL	229.73	Repayable in 60 monthly instalments of Rs. 04.17 Lakhs each	Hypothecation of specific book debts with security coverage of 1.00 times and personal guarantee of Mr. Ashish Jain.	13.35%
Mas Rural Housing & Mortgage Finance Limited	423.59	Repayable in 48 monthly instalments of Rs. 10.41 Lakhs each	Hypothecation of specific book debts with security coverage of 1.00 times and personal guarantee of Mr. Ashish Jain.	13.00%

PARTICULARS	AMOUNT	TERMS OF REDEMPTION/REPAYMENT	SECURITY	ROI
Mas Rural Housing & Mortgage Finance Limited-2	228.73	Repayable in 60 monthly instalments of Rs. 4.17 Lakhs each	Hypothecation of specific book debts with security coverage of 1.00 times and personal guarantee of Mr. Ashish Jain.	13.35%
National Housing Bank - Lift	187.24	Repayable in 18 quarterly installments of Rs. 27.00 Lakhs each and last installments of Rs.14 Lakhs	Hypothecation of specific book debts with security coverage of 1.25 times and personal guarantee of Mr. Nirmal Kumar Jain, Mr. Ashish Jain and Mrs. Pushpa Nagda and corporate guarantee of Akme Build Estate Ltd.	8.20%
National Housing Bank - Refinance	317.52	Repayable in 26 quarterly instalments of Rs. 19.00 Lakhs each and last instalment of Rs.6 Lakhs	Hypothecation of specific book debts with security coverage of 1.25 times. It is also secured by Bank guarantee to 15% of the sanctioned amount and personal guarantee of Mr. Nirmal Kumar Jain, Mr. Ashish Jain and Mrs. Pushpa Nagda and corporate guarantee of Akme Build Estate Ltd.	8.10%
National Housing Bank - Regular Refinance	637.43	Repayable in 27 quarterly instalments of Rs. 37.04 Lakhs 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 Mr. Nirmal Kumar Jain, Mr. Ashish Jain and Mrs. Pushpa Nagda and corporate guarantee of Akme Build Estate Ltd.	8.10%
National Housing Bank - Additional Refinance-2A	316.66	Repayable in 38 quarterly instalments of Rs. 8.52 Lakhs each and last instalment of Rs. 14.15 Lakh	Hypothecation of specific book debts with security coverage of 1.30 time and personal guarantee of Mr. Ashish Jain and Mrs. Pushpa Nagda.	7.85%
National Housing Bank - Additional Refinance-2B	657.69	Repayable in 38 quarterly instalments of Rs. 17.70 Lakhs each and last instalments of Rs.2.40 Lakhs	Hypothecation of specific book debts with security coverage of 1.30 time and personal guarantee of Mr. Ashish Jain and Mrs. Pushpa Nagda.	8.10%
National Housing Bank - Additional Refinance	848.31	Repayable in 26 quarterly instalments of Rs. 37.05 Lakhs each and last instalment pf Rs.36.70 lakhs	Hypothecation of specific book debts with security coverage of 1.35 times. It is also secured by Bank guarantee to 15% of the sanctioned amount and personal guarantee of Mr. Ashish Jain and Mrs. PushpaNagda and corporate guarantee of Akme Build Estate Ltd.	8.10%
State Bank of India-1	100.43	Repayable in 60 monthly instalments of Rs. 25.00 Lakhs 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 Mr. Nirmal Kumar Jain,Dipesh Jain, Ashish Jain and Kavish Jain.	10.85%
State Bank of India-2	952.24	Repayable in 50 monthly instalments of Rs. 20.00 Lakhs each	Hypothecation of specific book debts with security coverage of 1.30 times and 10% cash collateral in form of Fixed deposit and personal guarantee of Mr. Nirmal Kumar Jain,Dipesh Jain, Ashish Jain and Kavish Jain.	10.85%
State Bank of India-3	2424.13	Repayable in 12 monthly instalments of Rs. 26.50 Lakhs each and 60 monthly instalments of Rs. 26.00 Lakhs each and 23 monthly instalments of Rs. 25.00 Lakhs each and last instalment of Rs. 22.00 Lakhs	Hypothecation of specific book debts with security coverage of 1.30 times and 10% cash collateral in form of Fixed deposit and personal guarantee of Mr.Ashish Jain, Kavish Jain and Nirmal Kumar Jain.	10.85%
Sundram Home Finance Limited	260.72	Repayable in 48 monthly instalments of Rs. 6.25 Lakhs each	Hypothecation of specific book debts with security coverage of 1.20 times and personal guarantee of Mr. Ashish Jain.	12.00%
Sundram Home Finance Limited-2	192.63	Repayable in 48 monthly instalments of Rs. 4.17 Lakhs each	Hypothecation of specific book debts with security coverage of 1.20 times and personal guarantee of Mr. Ashish Jain.	12.30%
Union Bank of India	714.49	Repayable in 15 quarterly instalments of Rs. 80.00 Lakhs each	Hypothecation of specific book debts with security coverage of 1.33 times. It is also provide upfront FDR of Rs.1.80 Cr.and personal guarantee of Mr. Nirmal Kumar Jain, Mr. Ashish Jain and Mr. Kavish Jain.	9.65%
TOTAL	16249.99			

MATURITY PATTERN OF REPAYMENT

(INR in Lacs)

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 Instalments	Amount	No. Of Instalments	Amount	No. Of Instalments	Amount	No. Of Instalments	Amount	No. Of Instalments	Amount
Rate of Interest												
FROM BANK & FI												
8.01% - 9.00%	12	500.04	8	333.33	0	0.00	0	0.00	-	-	20	833.33
9.01% - 10.00%	4	320.00	5	399.11	0	0.00	0	0.00	-	-	9	719.11
10-00% - 11.00%	40	856.32	72	1389.60	61	1202.60	54	1064.60	-	-	227	4513.12
11.00% - 12.00%	72	615.01	113	1108.80	17	124.72	0	-	-	-	202	1848.54
12.00%-13.00%	47	317.78	96	706.24	49	394.31	0	-	-	-	192	1418.33
13.00%-14.00%	93	1169.00	172	2277.87	95	850.80	1	11.75	-	-	361	4309.42
FROM NHB												
7.00%-8.00%	3	25.02	8	66.72	8	66.72	19	158.2	-	-	38	316.66
8.00%-9.00%	15	412.19	36	989.42	29	787.62	23	473.16	-	-	103	2662.38
TOTAL		4421.42		7286.07		2917.65		1624.84				16620.89
EIR Impact												(370.90)
TOTAL												16249.99

NOTE 13: OTHER FINANCIAL LIABILITIES

(INR in Lacs)

PARTICULARS	AS AT MARCH 31, 2023	RESTATED AS AT MARCH 31, 2022	AS AT APRIL 01, 2021
Interest accrued but not due on borrowings	14.26	9.25	7.86
Employee Related Liability	3.92	36.10	29.10
Security Deposit (Liability)	-	-	2.00
Book Overdraft	1,380.78	956.09	562.63
Other Liabilities	48.11	23.21	35.04
TOTAL	1,447.08	1024.66	636.63

NOTE 14: PROVISIONS

(INR in Lacs)

PARTICULARS	AS AT MARCH 31, 2023	RESTATED AS AT MARCH 31, 2022	AS AT APRIL 01, 2021
Retirement benefits-Gratuity	-	-	26.07
Provision for Expenses	14.92	37.51	11.14
TOTAL	14.92	37.51	37.20

NOTE 15: OTHER NON-FINANCIAL LIABILITIES

(INR in Lacs)

PARTICULARS	AS AT MARCH 31, 2023	RESTATED AS AT MARCH 31, 2022	AS AT APRIL 01, 2021
Duties and taxes-Liability	17.08	-	-
Other non-Financial Liabilities	0.68	0.35	-
Statutory Dues Payable	179.18	5.89	10.48
TOTAL	196.94	6.23	10.48

NOTE 16: EQUITY SHARE CAPITAL

(INR in Lacs)

PARTICULARS	AS AT MARCH 31, 2023	RESTATED AS AT MARCH 31, 2022	AS AT APRIL 01, 2021
AUTHORISED SHARE CAPITAL 10,00,00,000 Equity Shares @ 5 Each (PY 3,00,00,000 Equity Shares @ 10 Each)	5,000.00	3,000.00	1,700.00
ISSUED, SUBSCRIBED, CALLED UP & PAID UP SHARE CAPITAL 7,71,58,266 Equity Shares @ 5 Each (P.Y. 165,82,229 Equity Shares @ 10 Each)	3,857.91	1,658.22	1,567.35
TOTAL	3,857.91	1,658.22	1,567.22

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, 2023		RESTATED AS AT MARCH 31, 2022		AS AT APRIL 01, 2021	
	NO. OF SHARES	RS. IN LACS	NO. OF SHARES	RS. IN LACS	NO. OF SHARES	RS. IN LACS
At the beginning of the year	1,65,82,229	1,658.22	15,67,3500	1567.35	1,56,73,500	1567.35
Add: Share issued during the year	23,30,500	233.05	9,08,729	90.87	-	-
Add: Split during the year	1,89,12,729	-	-	-	-	-
Add: Bonus issue during the year	3,78,25,458	1,891.27	-	-	-	-
Add: ESOP issue during the year	15,07,350	75.37	-	-	-	-
OUTSTANDING AT THE END OF THE YEAR	7,71,58,266	3,857.91	1,65,82,229	1658.22	1,56,73,500	1567.35

NOTE 16.2: DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% OF EQUITY SHARES IN THE COMPANY:

PARTICULARS	AS AT MARCH 31, 2023		RESTATED AS AT MARCH 31, 2022		AS AT APRIL 01, 2021	
	NO. OF SHARES	% OF HOLDING	NO. OF SHARES	% OF HOLDING	NO. OF SHARES	% OF HOLDING
Arkfin Investments Pvt Ltd	1,30,17,008	16.87	32,54,252	19.63%	33,69,500	21.50%
Pushpa Nagda	46,26,240	6.00%	11,56,560	6.98%	11,56,560	7.38%
Nirmal Kumar Jain	-	-	-	-	9,29,000	5.93%

NOTE:

The company did a preferential allotment of 16,00,000 equity shares of Rs. 10/- each at Rs.135/- per share (including a premium of Rs. 125/- per share) & 7,30,500 equity shares of Rs. 10/- each at Rs.153/- per share (including a premium of Rs. Rs.143 /- per share) on a private placement basis vide their Board of Directors' meeting dated 29th July , 2022 & 12th November,2022 respectively.

The Board of Directors at its meeting held on 17th October, 2022, approved the sub-division of the One Equity Share of face value Rs.10/- each into Two Equity Shares of face value of Rs. 5/- each. The Company had fixed 16th December, 2022 as the record date for the purpose of sub-division of Equity Shares.

The Company had allotted 3,78,25,458 (Three Crore Seventy Eight Lakh Twenty Five Thousand Four Hundred Fifty Eight Only) equity shares of 5/- (Rupees Five only) each fully paid up, as Bonus in ratio of 1:1, i.e., One Bonus shares of Rs 5/- each fully paid up for every one existing share. Thereby, equity share capital of the Company had been increased from 18,91,27,290 (Rupees Eighteen Crore ninety one Lakhs Twenty seven thousand two ninety only) to 378254580/- (Rupees Thirty Seven Crore Eighty Two lakhs Fifty Four Thousand Five hundred eighty only).

The Board of Directors of the Company vide their meeting dated 03rd February, 2023 allotted 1507350 fully paid up equity shares of face value Rs. 5/- each as ESOP under "Akme Employee Stock Option Plan 2021"

NOTE 17: OTHER EQUITY

(INR in Lacs)

PARTICULARS	RESERVES AND SURPLUS				OTHER COMPREHENSIVE INCOME			COVID 19 IMPAIRMENT RESERVE	TOTAL OTHER EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT
	SHARE PREMIUM RESERVE	ESOP OUTSTANDING RESERVE	SPECIAL RESERVE	RETAINED EARNINGS	EQUITY INSTRUMENTS THROUGH OTHER COMPREHENSIVE INCOME	REVALUATION SURPLUS	OTHERS		
Balances as at April 01, 2021	1,728.41	-	487.63	1,127.00	268.14	55.68	-	129.74	3,796.60
Share Premium	717.90	-	-	-	-	-	-	-	717.90
Transfer to special reserve	-	-	61.58	(61.58)	-	-	-	-	-
Profit for the year	-	-	-	62.22	-	-	-	-	62.22
Other Comprehensive Income	-	-	-	-	-	-	7.47	-	7.47
Others	-	175.98	-	(8.54)	-	-	-	-	167.44
Balances As At March 31, 2022	2,446.31	175.98	549.21	1,119.10	268.14	55.68	7.47	129.74	4,751.63
Share Premium	3,298.23	-	-	-	-	-	-	-	3,298.23
Transfer to special reserve	-	-	160.33	(160.33)	-	-	-	-	-
Profit for the year	-	-	-	697.99	-	-	-	-	697.99
Dividend Expenses	-	-	-	(33.16)	-	-	-	-	(33.16)
Bonus share issued	(1,891.27)	-	-	-	-	-	-	-	(1,891.27)
Other Comprehensive Income	-	-	-	-	(105.12)	-	0.88	-	(104.24)
Others	-	60.92	-	3.89	-	-	-	-	64.80
Balances As At March 31, 2023	3,853.26	236.90	709.54	1,627.49	163.02	55.68	8.34	129.74	6,783.97

NOTE 18A: REVENUE FROM OPERATIONS

(INR in Lacs)

PARTICULARS	YEAR ENDED MARCH 31, 2023	RESTATED FOR THE YEAR ENDED MARCH 31, 2022
INTEREST INCOME ON FINANCIAL ASSETS MEASURED AT AMORTISED COST		
Interest Income on loans to customers	3,089.64	1,635.78
Interest on Bank Deposits from Banks	93.82	34.70
Other interest income	51.43	126.88
TOTAL (A)	3,234.89	1,797.37
OTHER OPERATING INCOME		
Service charges	-	0.11
Other charges	106.39	24.06
TOTAL (B)	106.39	24.17
Gain/loss on derecognition of financial Assets	29.90	7.34
TOTAL (C)	29.90	7.34
Net Gain/Loss on Fair Value Changes	15.01	11.21
TOTAL (D)	15.01	11.21
Bad Debt Recovered	146.82	32.35
TOTAL (E)	146.82	32.35
TOTAL (A+B+C+D+E)	3,533.02	1,872.44

NOTE 18B: OTHER INCOME

(INR in Lacs)

PARTICULARS	YEAR ENDED MARCH 31, 2023	RESTATED FOR THE YEAR ENDED MARCH 31, 2022
Insurance Income	-	14.10
Professional and Advisory Income	191.29	50.00
TOTAL	191.29	64.10

NOTE : 19 FINANCE COST

(INR in Lacs)

PARTICULARS	YEAR ENDED MARCH 31, 2023	RESTATED FOR THE YEAR ENDED MARCH 31, 2022
Finance costs on financial liabilities measured at amortised cost		
Interest on borrowings		
• Interest on term loans	1,119.28	587.21
• Interest on cash credit and working capital demand loan	0.42	19.95
• Interest on ICD	-	2.36
Other borrowing cost (incl. Bank Charges)	9.14	7.50
TOTAL	1,128.84	617.01

NOTE 20: IMPAIRMENT ON FINANCIAL INSTRUMENTS

(INR in Lacs)

PARTICULARS	YEAR ENDED MARCH 31, 2023	RESTATED FOR THE YEAR ENDED MARCH 31, 2022
ON FINANCIAL ASSETS MEASURED AT AMORTISED COST		
Loans	6.47	6.61
Bad Debts written off	56.23	44.36
TOTAL	62.70	50.97

NOTE 21: EMPLOYEE BENEFITS EXPENSES

(INR in Lacs)

PARTICULARS	YEAR ENDED MARCH 31, 2023	RESTATED FOR THE YEAR ENDED MARCH 31, 2022
Salaries, allowances and benefits	712.22	514.26
Employee Compensation Expenses	182.75	175.98
Contribution to provident and other funds	11.95	15.42
Gratuity Expenses	10.06	12.50
Staff welfare expenses	33.27	26.85
TOTAL	950.25	745.01

NOTE 22: DEPRECIATION AND AMORTIZATION

(INR in Lacs)

PARTICULARS	YEAR ENDED MARCH 31, 2023	RESTATED FOR THE YEAR ENDED MARCH 31, 2022
Depreciation of property, plant and equipment	18.09	8.11
Amortisation of intangible assets	15.06	14.30
Amortisation of Right to use assets	2.40	4.80
TOTAL	35.55	27.21

NOTE 23: OTHER EXPENSES

(INR in Lacs)

PARTICULARS	YEAR ENDED MARCH 31, 2023	RESTATED FOR THE YEAR ENDED MARCH 31, 2022
Advertising Exp.	3.39	2.84
Annual Listing expenses	3.27	-
Other Annual fees	-	0.05
Audit Fees	4.63	2.84
Business Promotion Exp.	2.44	3.75
Commission	1.09	4.51
Computer & Software Exp.	1.55	2.17
Conveyance	16.59	8.08
Credit Rating Exp.	4.92	12.85
Director Sitting fees	12.26	8.67
Donation	-	0.20
CSR expenses	-	10.25
Electricity Exp	7.08	3.14
Insurance Expenses	8.31	2.25
Office Exp.	26.40	24.06
Office Rent Exp.	69.60	53.58
Municipal Tax	0.16	2.33
I.T. - Infrastructure exp.	36.81	4.04
Media And PR Expenses	42.68	3.66
Interest, Penalty & Fine	10.67	0.38
Postage and courier	8.81	1.33
Printing & Stationery	20.63	6.40
Professional & Technical fee	317.99	155.25
Professional Tax	0.04	0.18
Repair & Maintenance Expenses	8.64	3.24
ROC & Compliance Fees	19.63	1.22
Telephone Expenses	2.13	1.28
Travelling Expenses	51.21	21.55
Legal and Recovery Exp.	55.24	14.56
Security Deposit Rent	9.18	9.77
TOTAL	745.34	364.43

NOTE 24: TAX EXPENSES

(INR in Lacs)

PARTICULARS	YEAR ENDED MARCH 31, 2023	RESTATED FOR THE YEAR ENDED MARCH 31, 2022
The components of income tax expense are:		
Current tax	129.95	45.91
Deferred tax	(26.31)	23.77
TOTAL TAX CHARGE	103.64	69.69

NOTE 24.1: RECONCILIATION OF TAX EXPENSE AND THE ACCOUNTING PROFIT MULTIPLIED BY STATUTORY INCOME TAX RATE FOR THE YEAR ENDED MARCH 31, 2023 AND MARCH 31, 2022 IS AS FOLLOWS:

(INR in Lacs)

PARTICULARS	YEAR ENDED MARCH 31, 2023	RESTATED FOR THE YEAR ENDED MARCH 31, 2022
Accounting profit before tax	645.44	200.77
Statutory Income tax rate (%)	25.17%	25.17%
Tax at statutory Income Tax rate	162.46	50.53
TAX IMPACT OF:		
Income not subject to tax	-	-
Non-deductible expenses	11.03	20.82
Deduction under section 36 (1) (viii)	(26.89)	(11.18)
Other Deduction	(16.65)	(14.26)
Deferred Tax (Assets)/ Liability	(26.31)	23.77
Income tax expense	103.64	69.69
Income tax expenses booked in P&L	103.64	69.69
Effective tax rate	16.06%	34.71%

NOTE 24.2: DEFERRED TAX

The components of Deferred Tax assets and Liabilities as on 31.03.2023 and 31.03.2022 are as follows

(INR in Lacs)

PARTICULARS	YEAR ENDED MARCH 31, 2023	RESTATED FOR THE YEAR ENDED MARCH 31, 2022
Opening Balance (Deferred Tax Assets)	21.49	47.77
DEFERRED TAX ASSETS:		
Unamortized Processing Fee	46.29	17.39
Impairment of Financial Assets	90.47	44.67
OCI-Investment	28.62	-
Difference between tax depreciation and depreciation/amortization charged for the financial reporting	-	-
Others	7.95	0.66
Gross deferred Tax Asset (A)	194.83	110.49
Deferred Tax Liabilities:		
Provision for employee benefit	0.30	2.51
Difference Between WDV of fixed Assets and as per Co. Act, 2013 and Income tax Act, 1961	3.52	3.06
Unamortized Borrowing Cost	93.39	35.65
Gross Deferred Tax Liabilities (B)	97.21	41.22
NET DEFERRED TAX ASSET/ (LIABILITY)	97.61	21.49
AMOUNT (DEBITED)/ CREDITED IN PROFIT AND LOSS ACCOUNT	26.31	(26.28)

NOTE 25: EARNING PER SHARE

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

PARTICULARS	UNITS	YEAR ENDED MARCH 31, 2023	RESTATED FOR THE YEAR ENDED MARCH 31, 2022
a) Amount used as the numerator for basic EPS profit after tax	(in ₹)	6,97,99,402	62,22,312
b) Weighted average number of equity shares for basic EPS	Number	7,19,98,502	6,40,28,462
c) Weighted average number of equity shares for diluted EPS	Number	7,51,36,231	6,40,28,462
d) Nominal value per share	(in ₹)	5	10
e) Earnings per share:			
Basic (a/b)	(in ₹)	0.97	0.10
Diluted (a/c)	(in ₹)	0.93	0.10

NOTE 26: RELATED PARTY TRANSACTIONS (AS REQUIRED BY INDAS 24 - RELATED PARTY DISCLOSURES)**LIST OF RELATED PARTIES AND RELATIONSHIP:**

(INR in Lacs)

PARTICULARS	PARTICULARS
Mr. Ashish Jain	Chairman and Managing Director (KMP)
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	Ex Company Secretary and Compliance officer
Mr. Natesh Narayanan	Chief Financial Officer (KMP)
Mr. Shreyas Mehta	Company Secretary and Compliance officer (KMP)
Mrs. Neelam Tater	Non-Executive Independent Director
Mr. Ajit Kumar Lakshmanan	Non-Executive Independent Director
Mr. Pradip Kumar Das	Non-Executive Independent Director
Akme Fintrade (India) Limited	Promoter Group Company
Akme Build Estate Limited	Promoter Group Company

TRANSACTIONS WITH RELATED PARTIES

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

(INR in Lacs)

NAME OF THE RELATED PARTY	NATURE OF TRANSACTIONS	MARCH 31, 2023			MARCH 31, 2022		
		AMOUNT RECEIVED	AMOUNT PAID	OUTSTANDING	AMOUNT RECEIVED	AMOUNT PAID	OUTSTANDING
Mr. Ashish Jain	Remuneration	-	48.00	-	-	54.00	-
Mr. Kavish Jain	Remuneration	-	21.00	-	-	36.00	-
Mr. Amlendra Prasad Saxena	Sitting Fees	-	3.25	-	-	2.90	-
Mr. Amrit Singh Rajpurohit	Sitting Fees	-	0.75	-	-	1.95	-
Mrs. Rekha Jain	Sitting Fees	-	2.25	-	-	3.10	-
Mr. Paritosh Kothari	Salary	-	1.00	-	-	5.40	-
Mr. Shreyas Mehta	Salary	-	18.00	-	-	-	-
Mrs. Neelam Tater	Sitting Fees	-	1.75	-	-	-	-
Mr. Ajit Kumar Lakshmanan	Sitting Fees	-	2.00	-	-	-	-
Mr. Pradip Kumar Das	Sitting Fees	-	1.25	-	-	-	-
Mr. Natesh Narayanan	Salary	-	33.60	-	-	21.60	-
	Allotment of Equity Shares pursuant to "Akme Employee Stock Option Plan 2021"	-	47.25	-	-	-	-
Mr. Nirmal Kumar Jain	Remuneration	-	-	-	-	23.65	-
	Professional Services	-	-	-	-	8.00	-
Mrs. Abhilasha Jain	Professional Services	-	-	-	-	3.00	-
	Salary	-	-	-	-	6.00	-
Mr. Anil K. Sachidanad	Professional Services	-	-	-	-	61.50	-
Akme Fintrade (India) Limited	Inter Corporate Loan	-	-	-	411.68	411.68	-
	Interest	18.41	-	-	70.24	-	-
	Loan	360.00	-	-	-	360.00	360.00
	Professional Services	12.45	-	48.34	-	-	-
The Coronation Castles Private Limited	Hospitality Services	-	-	-	-	1.09	-
	Inter Corporate Loan	-	-	-	-	-	-
	Interest	-	-	-	-	-	-
Arkfin Investments Private Limited	Professional Services	-	-	-	-	36.87	-
	Inter Corporate Loan	-	-	-	140.00	140.00	-
	Interest	-	-	-	-	2.36	-

TRANSACTIONS WITH RELATED PARTIES

(INR in Lacs)

NAME OF THE RELATED PARTY	NATURE OF TRANSACTIONS	MARCH 31, 2023			MARCH 31, 2022		
		AMOUNT RECEIVED	AMOUNT PAID	OUTSTANDING	AMOUNT RECEIVED	AMOUNT PAID	OUTSTANDING
Arkfin Housing Fund	Investment	-	-	-	-	496.00	496.00
	Income on investment	-	-	-	-	-	5.65
Akme Build Estate Limited	Investment	0.41	-	-	-	-	-
	Income on investment	-	-	11.04	-	-	-

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, 2023(31-03- 2022: Nil)
b) Commitments – Undisbursed amount of housing and other loan is Rs.9.48 cr. (31-03-2022:5.08 cr.)

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 10.94 Lacs (PY 13.95 Lacs).

(b) Defined benefit plan:

The Company has a defined benefit plan i.e., Gratuity, for its employees. Under the gratuity plan every employee who has completed at least five years of services gets a gratuity on departure at 15 days of salary for each year service.

Contribution to gratuity fund

In accordance with Indian Accounting Standard 19 'Employee benefits', actuarial valuation was done in respect of the aforesaid defined benefit plan of gratuity based on the following assumption:

(I) PRINCIPLE ACTUARIAL ASSUMPTIONS

PARTICULARS	MARCH 31, 2023 12 MONTHS	MARCH 31, 2022 12 MONTHS
Discount Rate	7.35% p.a.	7.25% p.a.
Salary Growth Rate	8.00% p.a.	7.00% p.a.
Withdrawal Rates	Age 25 & Below: 25 % p.a. 25 to 35: 20 % p.a. 35 to 45: 15 % p.a. 45 to 55: 10 % p.a. 55 & above: 5 % p.a.	Age 25 & Below: 10 % p.a. 25 to 35: 8 % p.a. 35 to 45: 6 % p.a. 45 to 55: 4 % p.a. 55 & above: 2 % p.a.

(II) MAJOR RISK TO THE PLAN

A. Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an Increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C. Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company there can be a drain on the cash flows.

D. Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice-versa. This assumption depends on the yields on the corporate/ government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E. Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

(III) RECONCILIATION OF DEFINED BENEFIT OBLIGATION

PARTICULARS	MARCH 31, 2023 12 MONTHS	MARCH 31, 2022 12 MONTHS
	RS.	RS.
Opening Defined Benefit Obligation	19,93,466	27,85,352
Transfer in/(out) obligation	-	-
Current service cost	8,92,823	8,97,619
Interest cost	1,37,627	1,73,102
Actuarial loss/ (gain)	(1,42,671)	(1,94,036)
Past service cost	-	-
Loss(gain) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefit paid from fund	(1,38,462)	27,85,352
Benefits paid by company	-	(8,65,000)
CLOSING DEFINED BENEFIT OBLIGATION	27,42,783	19,93,466

(IV) RECONCILIATION OF PLAN ASSETS

PARTICULARS	MARCH 31, 2023 12 MONTHS	MARCH 31, 2022 12 MONTHS
	RS.	RS.
Opening value of plan assets	-	-
Transfer in/(out) plan assets	-	-
Expected return	25,466	-
Actuarial loss/ (gain)	(26,127)	-
Assets distributed on settlements	-	-
Contributions by Employer	19,93,466	-
Contributions by Employee	-	-
Assets acquired in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(1,38,462)	-
CLOSING VALUE OF PLAN ASSETS	18,54,343	-

(V) ASSETS AND LIABILITIES RECOGNIZED IN THE BALANCE SHEET

PARTICULARS	MARCH 31, 2023 12 MONTHS	MARCH 31, 2022 12 MONTHS
	RS.	RS.
Present value of unfunded obligations	-	19,93,466
Present value of funded obligations	27,42,783	-
Fair value of plan assets	(18,54,343)	-
Unrecognised Past Service Cost	-	-
NET DEFINED BENEFIT LIABILITY/ (ASSETS)	8,88,440	19,93,466

(VI) PROFIT AND LOSS ACCOUNT FOR THE PERIOD

PARTICULARS	MARCH 31, 2023 12 MONTHS	MARCH 31, 2022 12 MONTHS
	RS.	RS.
Current service cost	8,92,823	8,97,619
Interest on Obligation	1,37,627	1,73,102
Expected return on plan assets	(25,466)	-
Net Actuarial loss/ (gain)	(1,16,544)	(9,97,607)
Recognized Past Service Cost-Vested	-	-
Recognized Past Service Cost-Unvested	-	-
Loss/(gain) on curtailments and settlement	-	-
TOTAL INCLUDED IN 'EMPLOYEE BENEFIT EXPENSES/ (INCOME)	8,88,440	73,114
Loss/(gain) on obligation	(1,42,671)	(9,97,607)
Loss/(gain) on assets	26,127	-
NET ACTUARIAL LOSS/(GAIN)	(1,16,544)	(9,97,607)

(VII) RECONCILIATION OF NET DEFINED BENEFIT LIABILITY / (ASSETS)

PARTICULARS	MARCH 31, 2023 12 MONTHS	MARCH 31, 2022 12 MONTHS
	RS.	RS.
Net opening provision in books of accounts	19,93,466	27,85,352
Transfer in/ (out) obligation	-	-
Transfer (in)/ out plan assets	-	-
Employee Benefit Expense	8,88,440	73,114
	28,81,906	28,58,466
Benefits paid by the Company	-	(8,65,000)
Contributions to plan assets	(19,93,466)	-
CLOSING PROVISION IN BOOKS OF ACCOUNTS	8,88,440	19,93,466

(C) OTHER LONG TERM EMPLOYEE BENEFITS

There was no other liability.

30. EMPLOYEE STOCK OPTIONS

- i. **The Company has an Employee Share based payment scheme, under which stock options were granted to employees as per details provided below:**

During the year ended 31 March 2023, the Company has exercised the first tranche of ESOP i.e. 25% first vesting of share option from the date of grant out of approved 15,67,350 of Employee Stock options under the AKME ESOP Scheme 2021 (pre-split and bonus) via board resolution dated 7th April 2021 and shareholders' special resolution dated 30th April 2021. The Board has granted 15,57,000 options under ESOP 2021, which is in accordance with the provisions of the law and/or guidelines issued by relevant authority applicable at the date of the grant.

PARTICULARS	ESOP 2021
No of Employee Stock Options approved	15,67,350
No of Employee Stock Options Granted	15,57,000
Date of Grant	05-08-2021
Exercise Price per option	56/-

ii. Vesting conditions:

Vesting of options will be over a period of three years from the effective date in following manner:-

- a) 25% on completion of one year from the date of grant
- b) 25% on completion of second year from the date of grant
- c) 50% on completion of third year from the date of grant

iii. Contractual life:

The contractual life (Vesting period plus exercise period) ranges from 1.6 years to 3.6 years i.e. vesting period ranging from 1 to 3 years and exercise period of 6 months from the date of vesting of options. In case of resignation of, employee may exercise all options vested on the date of submission of resignation. Similarly in case of termination, employee may exercise all options vested before vacating the office.

iv. Method of settlement:

AKME ESOP Scheme 2021 will be settled through issue of Equity shares.

v. Reconciliation of outstanding share options:

TOTAL ESOPS	PRE-SPLIT & BONUS: 15,67,350		POST-SPLIT & BONUS: 62,69,400	
QUANTITY GRANTED	15,57,000 (05.08.2021)	60,000 (01.06.2022)	62,28,000	2,40,000
LAPSED	49,650	-	1,98,600	-
	15,07,350	60,000	60,29,400	2,40,000
VESTING SCHEDULE:				
25%	3,76,837	15,000	15,07,350	60,000

31. 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.

32. Maturity analysis of assets and liabilities

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

(INR in Lacs)

PARTICULARS	AS AT MARCH 31, 2023			AS AT MARCH 31, 2022		
	WITHIN 12 MONTHS	AFTER 12 MONTHS	TOTAL	WITHIN 12 MONTHS	AFTER 12 MONTHS	TOTAL
ASSETS						
Financial assets:						
Cash and cash equivalents	2,810.12	-	2,810.12	2,917.93	-	2,917.93
Bank balance other than cash and cash equivalents	421.76	850.97	1,272.73	84.98	434.85	519.82
Loans	3,277.01	19,530.75	22,807.76	986.35	9,245.11	10,231.46
Investments	174.58	563.71	738.29	-	857.79	857.79
Other financial assets	232.43	88.26	320.69	399.74	81.01	480.75
Non-Financial assets:						
Deferred tax assets	-	76.12	76.12	-	21.49	21.49
Current Tax Assets (Net)	86.73	-	86.73	88.38	-	88.38
Property, plant and equipment	-	219.17	219.17	-	104.23	104.23
Intangible assets	-	156.45	156.45	-	52.73	52.73
Right to use Assets	-	-	-	-	7.61	7.61
Other non-financial assets	62.75	-	62.75	26.2	17.62	43.84
TOTAL ASSETS	7,065.38	21,485.43	28,550.81	4,503.60	10,822.43	15,326.03
LIABILITIES						
Financial liabilities:						
Borrowings	4,215.00	12,034.99	16,249.99	2,418.03	5,429.75	7,847.79
Other financial liabilities	1,447.08	-	1,447.08	1,024.66	-	1,024.66
Non-financial liabilities:						
Provisions	14.92	-	14.92	37.51	-	37.51
Other non-financial liabilities	196.94	-	196.94	6.23	-	6.23
TOTAL LIABILITIES	5,873.94	12,034.99	17,908.93	3,486.43	5,429.75	8,916.18
NET	1,191.45	9,450.43	10,641.88	1,017.17	5,392.68	6,409.85

33. FINANCIAL INSTRUMENT FAIR VALUE MEASUREMENT**A). Financial instruments by category**

The carrying value and fair value of financial instruments by categories As at March 31, 2023 were as follows:

(INR in Lacs)

PARTICULARS	CARRYING AMOUNT	FAIR VALUE			
		LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
FINANCIAL ASSETS NOT MEASURED AT FAIR VALUE*					
Cash and Cash equivalents	2,810.12	-	-	-	-
Bank balance other than cash and cash equivalents	1,272.73	-	-	-	-
Loans	22,807.76	-	-	22,807.76	22,807.76
Investments	738.29	-	738.29	-	738.29
Other financial assets	320.69	-	320.69	-	320.69
TOTAL	27,949.59	0.00	1,058.98	22,807.76	23,866.74
FINANCIAL LIABILITIES NOT MEASURED AT FAIR VALUE*					
Borrowings	16,249.99	-	-	16,249.99	16,249.99
Other financial liabilities	1,447.08	-	-	-	-
TOTAL	17,697.07	0.00	0.00	16,249.99	16,249.99

The carrying value and fair value of financial instruments by categories As at March 31, 2022 were as follows:

(INR in Lacs)

PARTICULARS	CARRYING AMOUNT	FAIR VALUE			
		LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
FINANCIAL ASSETS NOT MEASURED AT FAIR VALUE*					
Cash and Cash equivalents	2,917.93	-	-	-	-
Bank balance other than cash and cash equivalents	519.82	-	-	-	-
Loans	10,231.46	-	-	10,231.46	10,231.46
Investments	857.79	-	857.79	-	857.79
Other financial assets	480.79	-	127.09	-	127.09
TOTAL	15,007.75	0.00	984.88	10,231.46	11,216.34
FINANCIAL LIABILITIES NOT MEASURED AT FAIR VALUE*					
Borrowings	7,847.79	-	-	7,847.79	7,847.79
Other financial liabilities	1,024.66	-	-	-	-
TOTAL	8,872.44	0.00	0.00	7,847.79	7,847.79

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

B) MEASUREMENT OF FAIR VALUE**Valuation methodologies of financial instruments not measured at fair value:**

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

Short Term financial assets and liabilities:

For financial assets and financial liabilities that have a short term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalent, other financial assets (excluding security deposit), trade payables and other financial liability.

Loans and advances to customers:

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

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

Investments:

Investment in mutual funds has been taken as Level 2 and value has been considered based on mutual fund statement. Investments in unlisted equity instruments has been taken as Level 2 and value has been considered based on latest available fair value of the Instruments.

Borrowings:

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

Transfer between Levels I and II

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

C) CAPITAL

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

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

Capital Management:

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

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

The Company's policy is to keep the gearing ratio at reasonable level of 5-6 times in imminent year while Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021 currently permits HFCs to borrow up to 12 times of their net owned funds ("NOF"). The Company includes with in debt, it's all interest bearing loans and borrowings.

DEBT TO NET WORTH RATIO

(INR in Lacs)

PARTICULARS	AS AT MARCH 31, 2023	AS AT MARCH 31, 2022
Debts	16,249.99	7,847.79
Net Worth	10,641.88	6,409.85
Debt to Net Worth (in times)	1.53	1.22

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.

34. FINANCIAL RISK MANGEMENT OBJECTIVES AND POLICIES

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

(i) Credit Risk

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

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

A. Loans and Advances

The Company has a comprehensive framework for monitoring credit quality of its retail and other loans primarily based on number of days past due. The Company manage credit risks by using a set of credit procedures and guidelines, laid down in our credit risk policy, to ensure effective credit risk management and health of our portfolio. The adherence to the policy and various process is monitored and appraised in credit committee meetings on a quarterly basis. The policy is amended periodically to ensure compliance with the guidelines of the RBI as well as other regulatory bodies. We have implemented a structured credit approval process, established a process by which separate set of verifications are conducted by a customer relationship manager and service officer to ensure the quality of customers acquired as well as eliminate misuse of borrowing practices and comprehensive credit risk assessment, which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of a potential customer. Portfolio quality, credit limits, collateral quality and credit exposure limits are regularly monitored at various levels.

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

CARRYING AMOUNT

(INR in Lacs)

PARTICULARS	AS AT MARCH 31, 2023	AS AT MARCH 31, 2022
Retail Loan	22496.73	9,527.90
Builder/Corporate Loan	211.56	881.02
Investments	738.29	857.79
TOTAL	23,446.58	11,266.71

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

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

Staging

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

The Company considers a financial instruments defaulted and therefore stage 3 (credit- impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments. For Financial assets in stage 1, the impairment calculated based on defaults that are possible in next twelve months, whereas for financial instruments in stage 2 and 3 the ECL calculation considers default event for the lifespan of the instrument. As per Ind AS 109, Company assesses whether there is a significant increase in credit risk at the reporting date from the initial recognition. Company has staged the assets based on the day past dues criteria and other market factors which significantly impacts the portfolio.

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

Grouping

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

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

Impairment-Expected Credit Loss ("ECL"):

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

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

Probability of default (PD):

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

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

Loss Given default (LGD):

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

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

The following steps are performed to calculate the LGD.

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

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

Exposure at default ("EAD")

As per Ind AS 109, EAD is estimation of the extent to which the financial entity may be exposed to counterparty in the event of default and at the time of counterparty's default. Company has modelled EAD based on the contractual and behavioural cash flows till the lifetime of the loan and considering the expected prepayments. Company has considered expected cash flows for all loans at DPD bucket level for each of the segments which were used for computation for ECL. Moreover, the EAD comprised of principal component, accrued interest on the outstanding exposure for the ensuring 12 months. So discounting was done for computation of expected credit loss.

ECL Computation:

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

(INR in Lacs)

PARTICULARS	AS AT MARCH 2023	AS AT MARCH 2022
Stage 1	74.02	48.06
Stage 2	11.23	66.10
Stage 3	98.68	63.29
Amount of expected Credit loss provided for	183.93	177.46

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

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

MOVEMENT OF ECL

(INR in Lacs)

PARTICULARS	AS AT MARCH 2023	AS AT MARCH 2022
Opening provision of ECL	177.46	170.85
Addition of during the year	6.47	6.61
Utilization/ reversal during the year	-	-
Closing provision of ECL	183.93	177.46

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, 2023

(INR in Lacs)

LTV BUCKET	STAGE 1		STAGE 2		STAGE 3		TOTAL
	OWN	MANAGED	OWN	MANAGED	OWN	MANAGED	
0%-40%	7956.30	1867.05	216.04	-	285.74	-	10325.13
41%-60%	7567.36	24.54	104.52	-	75.44	-	7771.86
61%-80%	5901.96	-	49.53	-	4.50	-	5955.99
More than 80%	507.49	-	24.30	-	15.33	-	547.12
TOTAL	21933.10	1891.60	394.39	-	381.01	-	24600.10

AS ON MARCH 31, 2022

(INR in Lacs)

LTV BUCKET	STAGE 1	STAGE 2	STAGE 3	TOTAL
0%-40%	2,185.68	825.34	167.49	3178.51
41%-60%	2,159.91	796.82	129.93	3086.66
61%-80%	3,221.98	264.92	14.04	3500.94
More than 80%	619.62	23.18	-	642.80
TOTAL	8187.19	1910.27	311.46	10408.92

CUSTOMER PROFILE

AS ON MARCH 31, 2023

(INR in Lacs)

CUSTOMER PROFILE	STAGE 1		STAGE 2		STAGE 3		TOTAL
	OWN	MANAGED	OWN	MANAGED	OWN	MANAGED	
HOUSING LOAN							
Self Employed	13098.67	1170.76	324.08	-	309.70	-	14903.22
Salaried	5450.42	249.77	49.30	-	57.79	-	5807.27
NON HOUSING LOAN							
Self Employed	2753.20	358.77	8.43	-	13.52	-	3133.93
Salaried	630.81	112.29	12.58	-	-	-	755.68
TOTAL	21933.10	1891.60	394.39	-	381.01	-	24600.10

AS ON MARCH 31, 2022

(INR in Lacs)

CUSTOMER PROFILE	STAGE 1	STAGE 2	STAGE 3	TOTAL
HOUSING				
Salaried	2,222.21	262.11	42.18	2,526.50
Self Employed	4704.75	1,553.23	261.53	6,519.52
NON HOUSING LOAN				
Salaried	53.20	18.12	-	71.32
Self Employed	1,207.03	76.81	7.74	1,291.59
TOTAL	8,187.19	1,910.27	311.46	10,408.92

(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 25 Lakh spread across 1 banks. The utilization level is maintained in such a way that ensures sufficient liquidity on hand. Majority of the company's portfolio is individual housing loans and the company have off book asset under management. Total AUM is Rs. 246.00 crores (own book AUM is Rs. 227.08 crores and off book AUM is Rs. 18.92 crores).

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, 2023		AS AT AS AT MARCH 31, 2022	
	BORROWING	TRADE PAYABLE	BORROWING	TRADE PAYABLE
1 day to 30/31 days (one month)	2.98	-	1.12	-
Over 1 month to 2 months	2.79	-	1.90	-
Over 2 months to 3 months	3.83	-	3.45	-
Over 3 months to 6 months	11.13	-	6.04	-
Over 6 months to 1 year	21.42	-	11.67	-
Over 1 year to 3 years	72.71	-	31.81	-
Over 3 years to 5 years	34.27	-	14.86	-
Over 5 years	13.37	-	7.63	-
TOTAL	162.50	-	78.48	-

(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

(INR in Lacs)

PARTICULARS	AS AT AS AT MARCH 31, 2023		AS AT AS AT MARCH 31, 2022	
	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)	(45.10)	45.10	(27.94)	27.94

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.

35. IMPACT OF COVID-19

COVID-19 pandemic had led to a significant decrease in global & local economic activities, which may persist. The company has used the 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. The extent to which COVID-19 pandemic impacts the Company's operations and financial metrics will depend on future developments, which are highly uncertain.

36. Disclosure required under the RBI Resolution Framework 2.0 for COVID-19 related Stress" of Individuals and Small Business dated May 05, 2021 in the Format-B prescribed in the Resolution Framework -1.0 are given below:

FORMAT FOR DISCLOSURE TO BE MADE YEAR ENDING MARCH 31, 2023	HOUSING LOAN
Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous year (A)	16.59 Cr
Of (A), aggregate debt that slipped into NPA during the year	0.26 Cr
Of (A) amount written off during the year	0.01 Cr
Of (A) amount paid by the borrowers during the year	2.01 Cr
Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the year	14.48 Cr

37. The title deeds of immovable property held by the company are duly executed in favour of the company for properties where the company is the lessee.

38. No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (prohibition) Act 1988 and rules made thereunder, as at 31st March 2023 and 31st March 2022.

39. The company is not declared wilful defaulter by any bank or financial institution or any other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank Of India, during the year ended 31st march 2023 and 31st march 2022.

40. The Company does not have any transactions with the companies struck off under section 248 of The Companies Act 2013 or section 560 of Companies Act, 1956 during the year ended 31st march 2023 and 31st march 2022.

41. Registration of charges or satisfaction with registrar of Companies (ROC): There has been no delay in registration of charges or satisfaction with ROC beyond the statutory date during the year ended 31st march 2023.

42. The Company has borrowings from banks and financial institutions on the basis of security of current assets and the quarterly returns filed by the company with the banks and financial institutions are in accordance with the books of accounts of the company for the respective quarters.

43. The company has taken borrowings from banks and financial institutions and utilized them for the specific purpose for which they were taken as at the balance sheet date. Unutilized funds as at 31st march 2023 are held by the company in the form of deposits till the time utilization is made subsequently.

44. There have been no transactions which have not been recorded in the books of accounts that have been surrendered or disclosed as income during the year ended 31st march 2023 and 31st march 2022. In the tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended 31st march 2023 and 31st march 2022.

45. As a part of normal lending business, the company grants loans and advances on the basis of security/guarantee provided by the borrower/co-borrower. These transactions are conducted after exercising proper due diligence.

Other than the transactions described above,

- No funds have been advanced or loaned or invested by the Company to or in any other person(s) or entity(ies) including foreign entities ("Intermediaries") with the understanding that the intermediary shall lend or invest in a party identified by or on behalf of the company (ultimate beneficiaries):
- No funds have been received by the Company from any party(ies)(funding party) with the understanding that the Company shall whether, directly or indirectly, lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

46. The company has not traded or invested in crypto currency or virtual currency during the year ended 31st march 2023 and 31st March 2022.

47. Pursuant to the RBI circular DOR.STR.REC.68/21.04.048/2021-22 dated 12 November 2021- "Prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to Advances – Clarification". In this regards our company has been following the same procedure as specified in the said guidelines with regard to classify the account as NPA or SMA.

We hereby further clarify that the account is recognized as NPA or SMA from the very date it crosses the 90 days / 60 days or 30 days as applicable from its due date of repayment for respective classification. As such, NPA amount computed by the company does not have any impact of the above referred circular. Apart from this no NPA account is being upgraded unless the entire overdue amount as on date is fully recovered.

48. Subsequent event

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

49. CSR expenses

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

1.Net worth of rupees five hundred crore or more, or

2.Turnover of rupees one thousand crore or more or

3.Net profit of rupees five crore or more

during the immediately preceding financial year shall constitute a Corporate Social Responsibility (CSR) Committee of the Board consisting of three or more Directors, out of which at least one director shall be an independent director.

However, the Company does not have to comply with the requirements of CSR Committee in view of the fact that Company's net worth, or turnover or net profit does not exceed the limits as mentioned in the Section 135 of the Companies Act, 2013.

The Company has voluntarily constituted the CSR Committee to discuss about the norms and to review the existing CSR Policy & to provide guidance on various CSR activities to be undertaken by the Company in future if any.

50. 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.

51. Capital work-in-progress – Intangible Assets

Intangible assets under development ageing schedule / completion schedule

(INR in Lacs)

INTANGIBLE ASSETS UNDER DEVELOPMENT	AMOUNT IN INTANGIBLE ASSET UNDER DEVELOPMENT FOR A PERIOD OF				TOTAL
	LESS THAN 1 YEAR	1-2 YEARS	2-3 YEARS	MORE THAN 3 YEARS	
Projects in progress	118.78	-	-	-	118.78
Projects temporarily suspended	-	-	-	-	-

52. Restatement of Financial Statement for the financial year 2021-2022

1. **Reason:** Company granted a total of shares 15,67,350 (Pre Bonus and Split) under 'Akme Employee Stock Option Plan 2021' of the Company in April 2021 to be vested over a period of three years. However as per the provision of Ind-AS-33 proportionate employee expenses were not recorded in the financial year 2021-22. Pursuant to the impact of this error, the Company has restated the comparative financial statements / information for the year ended 31 March 2022, in accordance with the requirements of Ind-AS 8 - 'Accounting Policies, Changes in Accounting Estimates and Errors'. Retained earnings (other equity) as at 31st March 2022 within the statement of changes in equity has also been restated to adjust the impact of such adjustments relating to prior periods/years.

2. The impacts of the restatement are as follows:

IMPACT ON STATEMENT OF PROFIT AND LOSS

PARTICULARS	YEAR ENDED	
	31-03-2023	31-03-2022
Employee Benefit Expenses	-	175.98
PBT	-	(175.98)

IMPACT ON STATEMENT OF ASSETS AND LIABILITIES

PARTICULARS		AS AT MARCH 31, 2023	RESTATED AS AT MARCH 31, 2022	AS AT APRIL 01, 2021
Other Equity	ESOP O/s Reserve	-	(175.98)	-

53. Survey – Income Tax

The survey operations were carried out by the Income Tax Department at the Office of the Company during the period from November 23, 2022, to November 27, 2022. The Company does not foresee any material impact on the current or future business operations.

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

1. Minimum Disclosures

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

2. Summary of Significant Accounting Policies

The accounting policies regarding key areas of operations are disclosed as note 1 of accounting policy to the Standalone Financial Statement for the year ended March 31, 2023.

3. Disclosure:**(i) Analytical Ratios****(a) Capital to Risk Assets Ratio**

PARTICULARS	AS AT MARCH 31, 2023	AS AT MARCH 31, 2022
CRAR %	77.88%	84.78%
CRAR – Tier I capital %	77.10%	83.74%
CRAR – Tier II Capital %	0.78%	1.04%
Amount of subordinated debt raised as Tier II capital	-	-
Amount raised by issue of perpetual debt instruments	-	-
Unutilized amount at the end of the year	-	-

(b) The Company was not required to comply with the guidelines on Liquidity Coverage Ratio (LCR) in line with Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 as at 31 March 2023.

ii) Reserve fund u/s 29C of NHB Act, 1987 - Statutory reserve

The Company has transferred a sum of Rs. 160.33 lakhs (PY Rs.61.58 lakhs) during the year in the Special Reserve out of its profits in terms of Section 29C of the National Housing Bank Act, 1987. This amount includes a sum of Rs.44.42 lacs (PY 49.66) 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 Lacs)

PARTICULARS	AS AT MARCH 31, 2023	AS AT MARCH 31, 2022
BALANCE AT THE BEGINNING		
A) Statutory reserve as per section 29C of the National Housing Bank Act, 1987	270.46	253.30
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	278.75	234.33
C) TOTAL	549.21	487.63
ADDITION/APPROPRIATION/WITHDRAWALS DURING THE YEAR		
Add:	-	-
A) Amount transferred as per section 29C of the National Housing Bank Act, 1987	53.51	17.16
B) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of statutory reserve u/s 29C of the National Housing Bank Act, 1987	106.82	44.42
Less:	-	-
A) Amount appropriated as per section 29C of the National Housing Bank Act, 1987	Nil	Nil
B) Amount withdrawn from special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of statutory reserve u/s 29C of the National Housing Bank Act, 1987	Nil	Nil
ADDITION/APPROPRIATION/WITHDRAWALS DURING THE YEAR	AS AT MARCH 31, 2023	AS AT MARCH 31, 2022
A) Statutory reserve as per section 29 C of the National Housing Bank Act, 1987	323.97	270.46
B) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of statutory reserve u/s 29C of the National Housing Bank act, 1987	385.57	278.75
C) TOTAL	709.54	549.21

(iii) Investments

PARTICULARS	AS AT MARCH 31, 2023	AS AT MARCH 31, 2022
1. VALUE OF INVESTMENT		
(i) Gross value of investment	-	-
a) In India	738.29	857.79
b) Outside India	-	-
(ii) Provision for depreciation	-	-
a) In India	-	-
b) Outside India	-	-
(iii) Net value of investment	-	-
a) In India	738.29	857.79
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, 2023 and As at March 31, 2022.

(v) Disclosures relating to securitization

There has been no securitization/assignment transactions carried out by the company during the year ended March 31, 2023 and March 31, 2022.

(vi) Asset liability management (ALM)

Maturity pattern of certain items assets and liabilities – As at March 31, 2023

(INR in Crore)

PARTICULARS	1 DAY TO 7 DAYS UP TO 6 MONTHS	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 YEAR UP TO 5 YEARS	OVER 5 YEARS	TOTAL
LIABILITIES											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowing from banks	0.30	0.00	1.26	1.25	2.05	7.38	10.52	31.78	20.61	13.37	88.52
Borrowing from FI's	0.09	0.10	1.23	1.54	1.78	3.75	10.90	40.93	13.66	-	73.98
Market Borrowing	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
ASSETS											
Advances	0.50	0.30	1.90	2.73	6.01	9.03	11.82	62.70	48.57	86.35	229.91
Investments	-	-	-	-	-	1.75	-	-	5.63	-	7.38
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
Other Liquid Assets	17.96	5.85	5.14	1.04	-	0.21	2.12	2.57	1.58	4.35	40.82

Maturity pattern of certain items assets and liabilities – As at March 31, 2022

(INR in Crore)

PARTICULARS	1 DAY TO 7 DAYS UP TO 6 MONTHS	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 YEAR UP TO 5 YEARS	OVER 5 YEARS	TOTAL
LIABILITIES											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowing from banks	0.09	0.00	0.33	1.21	2.75	3.93	8.18	21.85	11.10	7.63	57.07
Borrowing from FI's	0.08	0.10	0.51	0.70	0.70	2.11	3.49	9.96	3.76	-	21.41
Market Borrowing	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
ASSETS											
Advances	0.05	0.11	0.75	0.92	0.94	2.77	4.33	18.38	14.37	61.48	104.09
Investments	-	-	-	-	-	-	-	-	5.01	3.56	8.57
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
Other Liquid Assets	25.68	-	-	1.75	1.76	2.51	0.89	2.85	1.50	-	36.94

(vii) Exposure**A. EXPOSURE TO REAL ESTATE SECTOR**

(INR in Lacs)

CATEGORY		AS AT MARCH 31, 2023	AS AT MARCH 31, 2022
DIRECT EXPOSURE			
	Residential Mortgages:		
(i)	Lending fully secured by Mortgages on Residential property that is or will be occupied by borrower or that is rented; (Individual Housing Loans up to Rs. 15.00 lacs may be shown separately)	11544.48	3689.12
	Individual Housing Loans up to Rs. 15.00 lacs	10675.55	5511.87
	Commercial Real Estate	-	-
(ii)	Lending secured by Mortgages on commercial real estates (Office buildings, Retail Space, Multi-purpose commercial Premises, Multi-family residential buildings, Multi-tenanted commercial premises, Industrial or warehouse space, hotels, land acquisition, development and construction etc.) Exposure would also include non-fund based (NFB) limits.	-	-
(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)		22220.03	9781.11

B. Exposure to capital market

There is no exposure to capital market during the year ended as on March 31, 2023 and as on March 31, 2022.

C. Details of financing of parent company products

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

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

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

E. Unsecured loans

There is exposure of Rs. 2.77 crores during the year ended March 31, 2023 and Rs. 2.70 crores during the year ended March 31, 2022.

4. Miscellaneous

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

REGISTRATION/ LICENSE	AUTHORITY ISSUING THE REGISTRATION/ LICENSE	REGISTRATION/ LICENSE REFERENCE
Certificate of registration	Reserve Bank of India	DOR-00080

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

ITEMS	AS AT MARCH 31, 2023	AS AT MARCH 31, 2022
a) Penalty		
Penalty if any levied by National Housing Bank	Nil	Nil
Penalty if any levied by SEBI	i) Yes, Penalty of Rs. 914500/- for contravention of provision of the regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) ii) Penalty of Rs. 165200/- for contravention of provision of the regulation 295(1) of SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2018	Nil
b) Adverse remarks		
Adverse remarks if any given by national housing bank	Nil	Nil
c) Percentage of outstanding loans granted against collateral gold jewellery to their outstanding assets	Nil	Nil

(iii) Related Party transaction

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

(iv) Ratings assigned by credit rating agency and migration of ratings:

As on 31.03.2023

FACILITY	RATING AGENCY	AS AT MARCH 31, 2023	DATE OF RATING
Long term	Care Rating Limited	CARE BBB-/ Positive	30-01-2023
Long term	India Rating & Research Private Limited	IND BBB-/ Stable	03-02-2022

As on 31.03.2022

FACILITY	RATING AGENCY	AS AT MARCH 31, 2022	DATE OF RATING
Long term	India Rating & Research Private Limited	IND BBB-/ Stable	03-02-2022
Long term	Care Rating Limited	CARE BBB-/ Stable	25-02-2022
Long term	Brickwork Rating India Private Ltd.	BWR BBB-/ Stable	28-07-2021

(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 Ind-AS 110 not applicable.

5. ADDITIONAL DISCLOSURES**i) Provisions and contingencies**

(INR in Lacs)

PARTICULARS	AS AT MARCH 2023	AS AT MARCH 2022
Provisions for depreciation on investment	-	-
Provisions made towards income tax	-	-
Provisions towards non-performing assets	98.69	63.29
Provisions for standard assets	85.25	114.17
Other provisions and contingencies	14.92	37.51

Note: As per RBI Direction regarding computation of GNPA and NNPA, these have been computed as per the IND-AS standard. Comparative figure for the previous year have been recomputed as per the requirements

ii) Break up of loans and advances and provisions thereon

(INR in Lacs)

PARTICULARS	HOUSING LOAN		NON-HOUSING LOAN	
	AS AT MARCH 31, 2023	AS AT MARCH 31, 2022	AS AT MARCH 31, 2023	AS AT MARCH 31, 2022
STANDARD ASSETS				
Total outstanding	18922.47	8742.30	3405.02	1355.16
Provisions	73.10	89.56	12.15	24.61
SUB-STANDARD ASSETS				
Total outstanding	170.02	150.22	8.76	7.74
Provisions	43.07	30.05	3.94	1.49
DOUBTFUL ASSETS-CATEGORY-I				
Total outstanding	66.69	153.50	4.76	-
Provisions	16.67	31.75	1.19	-
DOUBTFUL ASSETS-CATEGORY-II				
Total outstanding	130.78	-	-	-
Provisions	33.80	-	-	-
DOUBTFUL ASSETS-CATEGORY-III				
Total outstanding	-	-	-	-
Provisions	-	-	-	-
LOAN ASSETS				
Total outstanding	-	-	-	-
Provisions	-	-	-	-
TOTAL				
Total outstanding	19289.96	9046.02	3418.55	1362.90
Provisions	166.65	151.36	17.28	26.10

Note:

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

PERIOD FOR WHICH THE ASSETS HAS BEEN CONSIDER AS DOUBTFUL	CATEGORY
Upto one year	Category-I
One to three years	Category-II
More than three years	Category-III

3. As per RBI Direction regarding computation of GNPA and NNPA, these have been computed as per the IND-AS standard. Comparative figure for the previous year have been recomputed as per the requirements.

iii) Draw Down from Reserves

Draw down of Rs. 18.92 crores (Bonus shares issued) from reserves during the year ended March 31, 2023 (P.Y. Nil)

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

(INR in Lacs)

S.No	PARTICULARS	AS AT MARCH 2023	AS AT MARCH 2022
1.	Concentration of public deposits (for public deposit taking/holding HFCs)	-	-
2.	Concentration of loans and advances	-	-
	Total advances to twenty largest borrowers	598.33	1008.77
3.	Percentage of advances to twenty largest borrowers to total advances of the HFC	2.63%	9.69%
	Concentration of all exposures (including off-balance sheet exposures)	-	-
	Total exposure to twenty largest borrowers/customers	598.33	1008.77
	Percentage of exposures to twenty largest borrowers/customers to total exposure of the HFC on borrowers/customers	2.63%	9.69%
4.	Concentration of NPAs	-	-
	Total exposure to top ten NPA accounts	152.48	138.29

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

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

v) Sector wise NPA

PARTICULARS	% of NPAs TO TOTAL ADVANCES IN THAT SECTOR AS AT MARCH 31, 2023	% of NPAs TO TOTAL ADVANCES IN THAT SECTOR AS AT MARCH 31, 2022
A. HOUSING LOANS:		
Individuals	1.91%	3.36%
Builders/project loans	-	-
Corporate	-	-
Others (specify)	-	-
B. NON HOUSING LOANS:		
Individuals	0.40%	0.57%
Builders/project loans	-	-
Corporate	-	-
Others (specify)	-	-

vi) Movement of NPAs

(INR in Crore)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
(I) Net NPAs to Net Advances (%)	1.25	2.40
(II) Movement of NPAs (Gross)	-	-
a) Opening Balance	3.11	2.88
b) Additions during the year	1.35	1.30
c) Reductions during the year	0.65	1.07
d) Closing Balance	3.81	3.11
(III) Movement of Net NPAs	-	-
a) Opening Balance	2.48	2.70
b) Additions during the year	1.02	1.04
c) Reductions during the year	0.67	1.26
d) Closing Balance	2.82	2.48
(IV) Movement of Provisions for NPAs (excluding provisions on standard assets)	-	-
a) Opening Balance	0.63	0.18
b) Provisions made during the year	0.36	0.45
c) Closing Balance	0.99	0.63

Note: As per RBI Direction regarding computation of GNPA and NNPA, these have been computed as per the IND-AS standard. Comparative figure for the previous year have been recomputed as per the requirements.

vii) Overseas assets

The company does not have any joint ventures and subsidiaries abroad during the year ended as at March 31, 2023 and as at March 31, 2022 and hence this disclosure is not applicable.

viii) Off-balance sheet SPVs sponsored

There was no off-balance sheet SPVs sponsored by the company during the year ended as at March 31, 2023 and as at March 31, 2022.

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, 2023	YEAR ENDED AS AT MARCH 31, 2022
(a) No. of complaints pending at the beginning of the year	-	-
(b) No. of complaints received during the year	-	1
(c) No. of complaints redressed during the year	-	1
(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 Lacs)

PARTICULARS	AS AT MARCH 31, 2023
Number of significant counter parties	3
Amount	8226.577
Percentage of funding concentration to total deposits	-
Percentage of funding concentration to total liabilities*	45.94%

* Total liabilities excludes net worth

(ii) Top 20 large deposits

PARTICULARS	AS AT MARCH 31, 2023
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, 2023
Total amount of top 10 borrowings	14,171.45
Percentage of amount of top 10 borrowings to total borrowings	87.21%

(iv) Funding Concentration based on significant instrument/product

PARTICULARS	AS AT MARCH 31, 2023	PERCENTAGE OF TOTAL LIABILITIES*
Borrowings from Banks & FI's	13,256.73	74.02%
Borrowings from National Housing Bank (NHB)	2,993.26	16.71%
Debt securities	-	-
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, and working capital and continues to diversify its source of borrowings with the emphasis on longer tenor borrowings. The company has diversified mix of investors/lenders which includes Banks, National Housing Bank, Financial Institution.

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

Refer note no. 33 of standalone financials statement

7. LOANS AGAINST SECURITY OF SHARES- NOT APPLICABLE**8. LOANS AGAINST SECURITY OF SINGLE PRODUCT - GOLD JEWELLERY- NOT APPLICABLE**

9. IN COMPLIANCE WITH THE RBI CIRCULAR NO. RBI/2019-20/170, DOR (NBFC) C.C.PD NO. 109/22.10.106/2019-20 DATED 13.03.2021 THE ADDITIONAL DISCLOSURE IN THE PRESCRIBED FORMAT IS APPENDED BELOW:

(INR in Lacs)

PARTICULARS	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	21933.10	74.02	21859.08	60.92	13.10
	Stage 2	394.39	11.23	383.16	1.07	10.16
Subtotal		22327.49	85.25	22242.25	61.98	23.26
NON-PERFORMING ASSETS (NPA)						
Substandard	Stage 3	178.79	47.02	131.77	26.82	20.20
Doubtful - up to 1 year	Stage 3	71.45	17.87	53.58	17.86	0.00
1-3 years	Stage 3	130.78	33.80	96.98	52.31	-18.51
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		202.22	51.67	150.56	70.17	-18.51
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		381.01	98.68	282.33	96.99	1.69
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		22708.50	183.93	22524.57	158.97	24.95
TOTAL	Stage 1	21933.10	74.02	21859.08	60.92	13.10
	Stage 2	394.39	11.23	383.16	1.07	10.16
	Stage 3	381.01	98.68	282.33	96.99	1.69
	TOTAL	22708.50	183.93	22524.57	158.97	24.95

10. SCHEDULE TO THE BALANCE SHEET OF AN HFC

PARTICULARS		(INR in Lacs)	
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	16249.99	-
d)	Inter-corporate loans and borrowing	-	-
e)	Commercial Paper	-	-
f)	Public Deposits*	-	-
g)	Other Loans -DLOF	-	-
* Please see Note 1 below			
(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):			
a)	In the form of Unsecured debentures	-	-
b)	In the form of partly secured debentures i.e. debentures where there is a 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	22,530.84	-
b)	Unsecured	276.92	-
(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	-	-
ii)	Debentures and Bonds	-	-
iii)	Units of mutual funds	-	-
iv)	Government Securities	-	-
v)	Others (please specify)	-	-
2.	Unquoted		
i)	Shares	-	-
	(a) Equity	-	-
	(b) Preference	-	-
ii)	Debentures and Bonds	-	-
iii)	Units of mutual funds	-	-
iv)	Government Securities	-	-
v)	Others (please specify)	-	-
Long Term investments			
1.	Quoted		
i)	Shares	-	-
	(a) Equity	-	-
	(b) Preference	-	-
ii)	Debentures and Bonds	-	-
iii)	Units of mutual funds	-	-
iv)	Government Securities	-	-
v)	Others (please specify)	-	-
2.	Unquoted		
i)	Shares	-	-
	(a) Equity	222.40	-
	(b) Preference	-	-
ii)	Debentures and Bonds	-	-
iii)	Units of mutual funds	-	-
iv)	Government Securities	-	-
v)	Others (Alternate Investment Fund)	515.89	-

(6) Borrower group-wise classification of assets financed as in (3) and (4) above: (Please see Note 2 below)					
Category			Amount net of provisions		
1.			Secured	Unsecured	Total
	Related Parties **				
	a)	Subsidiaries	-	-	-
	b)	Companies in the same group	-	-	-
	c)	Other related parties	-	-	-
2.	Other than related parties		22,530.84	276.92	22,807.76
TOTAL			22,530.84	276.92	22,807.76
(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) : (Please see Note 3 below)					
CATEGORY			MARKET VALUE / BREAK UP OR FAIR VALUE OR NAV	BOOK VALUE (NET OF PROVISIONS)	
1.	Related Parties **				
	a)	Subsidiaries	-		-
	b)	Companies in the same group	-		-
	c)	Other related parties	174.57		40.00
2.	Other than related parties		563.72		563.89
TOTAL			738.29		603.89
** 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	381.01		
(ii)	Net Non-Performing Assets				
	a)	Related parties	-		
	b)	Other than related parties	282.33		
(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:

- It is an NBFC whose financial assets, in the business of providing finance for housing, constitute at least 60% of its total assets (netted off by intangible assets).
- Out of the total assets (netted off by intangible assets), not less than 50% should be by way of housing financing for individuals.

The Company meets the aforesaid principal business criteria for HFCS.

(INR in Lacs)

PARTICULARS	AS AT MARCH 31, 2023
Total Assets	28,550.81
Less: Intangible assets	232.57
Net total Assets	28,318.24
Housing Finance	19,289.96
Individual Housing Finance	19,078.40
Percentage of housing finance to total assets (netted off intangible assets)	68.12%
Percentage of individual housing finance to total assets (netted off intangible assets)	67.37%
Percentage of individual housing finance to housing finance	98.90%

12. DISCLOSURES REQUIRED BY THE RBI VIDE SCALE BASED REGULATION (SBR): A REVISED REGULATORY FRAMEWORK FOR NBFCs DATED 22 OCTOBER 2021 - THE COMPANY FALLS UNDER THE MIDDLE LAYER.**1) Sectoral exposure**

SECTORS	AS AT MARCH 31, 2023			AS AT MARCH 31, 2022		
	TOTAL EXPOSURE (INCLUDES ON BALANCE SHEET AND OFF-BALANCE SHEET EXPOSURE) (₹ CRORE)	GROSS NPAS (₹ CRORE)	PERCENTAGE OF GROSS NPAS TO TOTAL EXPOSURE IN THAT SECTOR	TOTAL EXPOSURE (INCLUDES ON BALANCE SHEET AND OFF-BALANCE SHEET EXPOSURE) (₹ CRORE)	GROSS NPAS (₹ CRORE)	PERCENTAGE OF GROSS NPAS TO TOTAL EXPOSURE IN THAT SECTOR
1. Agriculture and Allied Activities	-	-	-	-	-	-
2. Industry	-	-	-	-	-	-
3. Services	-	-	-	-	-	-
i. Builder/Corporate Loans	2.11	-	0.00%	8.81	3.04	34.51%
Total of Services						
i. Housing Loans	204.99	3.67	1.79%	91.41	-	0.00%
ii. Loans against property	36.13	0.05	0.14%	1.17	0.05	4.27%
iii. Others	2.77	0.09	3.25%	2.70	0.03	1.11%
Total of Personal Loan						
4. Others, if any (please specify)	-	-	-	-	-	-
TOTAL	246.00	3.81	1.55%	104.09	3.12	3.00%

2) Breach of Covenants

The Company has complied with the covenants under the terms of major borrowing facilities throughout the year ended 31st March 2023 and 31st March 2022.

3) Divergence in Asset Classification and Provisioning

The regulator is yet to inspect the company for the audit of year ended 31st March 2023 and 31st March 2022.

In terms of our report of even date

For NYATI MUNDRA & CO.

Chartered Accountants

ICAI FR No : 008153C

SD/-

CA Akash Jain

Partner

Membership No. 079052

UDIN: 23079052BGTUBY9821

Date: 22-04-2023

Place: Mumbai

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

SD/-

Ashish Jain

Chairman & Managing Director

DIN: 02041164

SD/-

Natesh Narayanan

Chief Financial Officer

SD/-

Kavish Jain

Director

DIN: 02041197

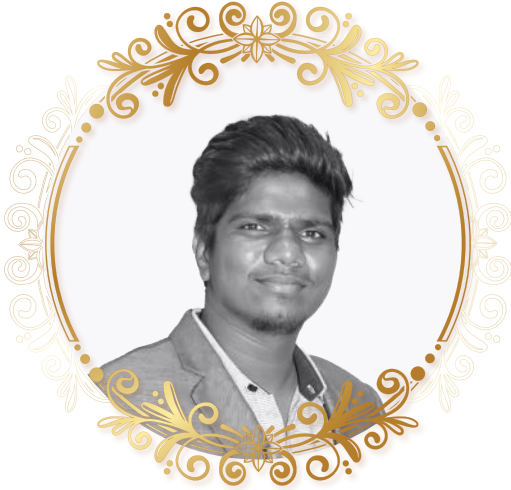
SD/-

Shreyas Mehta

Company Secretary

M.No. A38639

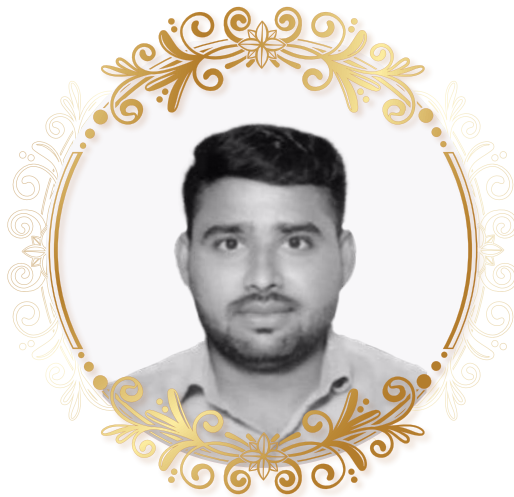
In Loving Memory Of



VIGNESH S



SUSHIL KALE



RAHUL PATIL

