

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

Date: 24.06.2022

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

Sub: Annual Report 2021-22 of Star Housing Finance Limited

Dear Sir,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the Financial Year 2021-22. The 17th Annual General Meeting of the Company is scheduled to be held on Saturday, 16th July, 2022 at 12.30 p.m. IST through Video Conferencing (VC)/Other Audio Visual Means (OAVM).

Thanking you

For Star Housing Finance Limited

S. R. Mehta

Shreyas Mehta
Company Secretary & Compliance Officer
M.No. A38639



17TH ANNUAL REPORT

— FINANCIAL YEAR
2021-22

www.starhfl.com



BOARD OF DIRECTORS

Mr. Ashish Jain

Chairman & Managing Director

Mr. Kavish Jain

Executive Director

Mr. Amlendra Prasad Saxena

Non- Executive Independent Director

Mr. Amrit Singh Rajpurohit

Non- Executive Independent Director

Dr. Rekha Jain

Non- Executive Independent Director

KEY MANAGERIAL PERSONNEL

Mr. Natesh Narayanan

Chief Financial Officer

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

STATUTORY AUDITORS

M/s Nyati Mundra & Co.

52, Ashok Nagar, Udaipur (Raj)-313001
Email ID: nyatimundraco@gmail.co
Mobile No: +919829567400

REGISTRAR AND TRANSFER AGENTS

Bigshare Services Private Limited

S6-2, 6TH Floor Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves
Road, Andheri (East) Mumbai - 400093
Tel: 011-42425004, 011-47565852
E: bssdelhi@bigshareonline.com

STOCK EXCHANGE

BSE LIMITED

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

REGISTERED OFFICE

603, western Edge 1, above Metro Mall
Borivali East, Mumbai-400066
E: compliance@starhfl.com
W: www.starhfl.com

DEPOSITORIES

**National Securities Depository Limited
(NSDL)**

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

**Central Depository Services Limited
(CDSL)**

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

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KEY HIGHLIGHTS

FIGURE IN LAKHS

Disbursement:
3657.94

Borrowing:
7847.79

Gross Revenue:
1936.54

CRAR:
84.78%

Portfolio:
10408.92

Net Worth:
6409.85

Total Interest:
1797.37

ROE:
4.05%

Total Asset:
15326.03

Net interest income:
1190.21

PAT:
238.21

Cost of borrowing:
8.51%

PBT:
307.89

OUR LENDERS



STAR

OUR JOURNEY SO FAR

GEARING UP FOR NEXT LEVEL OF GROWTH

March 2005

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

Dec 2009

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

March 2015

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

July 2017

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

June 2019

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

Oct 2019

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

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 and 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 change 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 crs

Till date

- Loan book as of March 31, 2022 of Rs. 104.089 Lakhs with 1271 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 Capital India Home Loans & Home capital.
- The Company has received Rs. 5.30 Crore (Rupees Five Crore Thirty Lakhs only) through term loan from Hinduja Housing Finance Limited
- The Company has received Rs. 5 Crore (Rupees Five Crore only) Refinance Assistance under Special Refinance Facility 2021 (SRF-2021) from National Housing Bank.
- The Company has received Rs. 2 Crores (Rupees Two Crore Only) under Term Loan from Capital India Finance Limited.
- The Company has received Rs. 10 Crores (Rupees Ten Crore only) under Additional Refinance from National Housing Bank.
- The Company has received Rs. 10 Crores (Rupees Ten Crore only) under Term Loan from Hinduja Leyland Finance Limited.
- The Company has received Rs. 10 Crores (Rupees Ten Crore only) under Term Loan from Indian Overseas Bank.
- The Company has received Rs. 10 Crores (Rupees Ten Crore only) under Term Loan from State Bank of India.



MISSION

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

VISION

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



CORE VALUE

Seeking Excellence

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

Teamwork & Collaboration

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

Accountability & Ownership

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

Nurturing Lives

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

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.

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 7 branches till March 31, 2022

Human Capital

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

PRINCIPLES FOLLOWED BY STAR HFL FOR SUCCESSFUL BUSINESS

PRINCIPLES - 1

Star HFL conducts and govern themselves with ethics, transparency and accountability.

PRINCIPLES - 2

Star HFL provides goods and services that are safe and contribute to sustainability through out their lifecycle.

PRINCIPLES - 3

Star HFL promotes the wellbeing of all employees.

PRINCIPLES - 4

Star HFL respects the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

PRINCIPLES - 5

Star HFL respects & promote human rights.

PRINCIPLES - 6

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

PRINCIPLES -7

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

PRINCIPLES - 8

Star HFL supports inclusive growth and equitable development.



OUR OFFERINGS

HOME LOAN

A. Purchase of Flats/Houses

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

B. Renovation of Existing Units

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

C. Extension of Existing Units

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

D. Balance Transfer

Loans will be extended for Balance Transfer from other Financial Institutions, which may arise out of interest rates, service issues etc. In addition, Top Up loan option for personal use and additional loans for extension/ renovation will also be made available as per the eligibility norms

E. 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.

GEOGRAPHICAL SPREAD

(OUR BUSINESS PRESENCE)

RAJASTHAN

UDAIPUR | BANSWARA |
SIROHI | DUNGARPUR
CHITTORGARH | PRATAPGARH
RAJSAMAND | COVER 17
DISTRICTS

MADHYA PRADESH

INDORE | RATLAM
MANDSOUR | DEWAS
UJJAIN | KHARGONE

GUJARAT

SURAT,
AHMEDABAD

MAHARASHTRA

MUMBAI | PUNE | MAHAD
BARAMATI | NAVI MUMBAI
AKOLA | NASIK
JALGAON | HINGOLI

TAMIL NADU

CHENNAI
KANCHIPURAM



A SCALABLE AND EFFICIENT PLATFORM

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

1. BUSINESS METRICS

ASSETS UNDER MANAGEMENT (AUM) (₹ in Lakh)



DISBURSEMENT (₹ in Lakh)



NUMBER OF LOAN ACCOUNT



2. OPERATIONAL METRICS

NET INTEREST INCOME (₹ in Lakh)



GROSS TOTAL INCOME (₹ in Lakh)



COST TO INCOME (%)

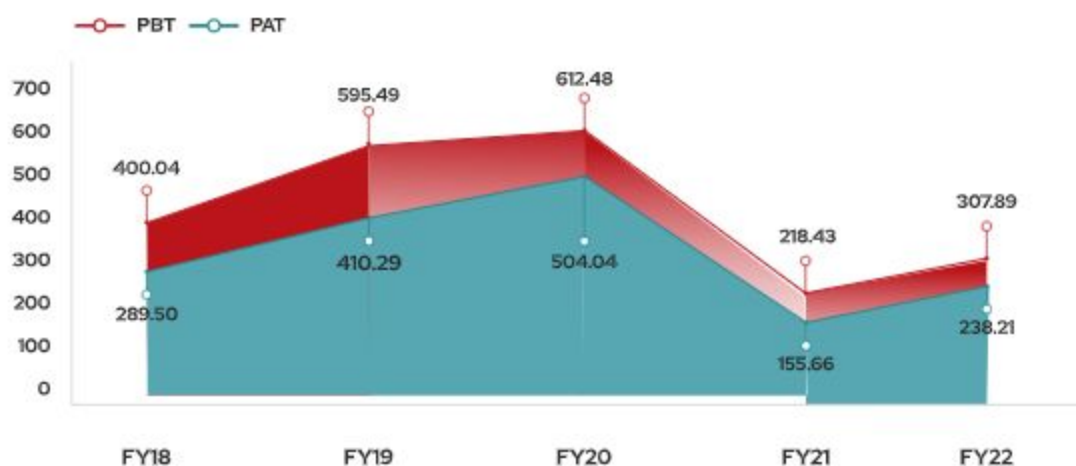


3. FINANCIAL METRICS

NET WORTH (₹ in Lakh)



PAT-PBT (₹ in Lakh)



TOTAL ASSEST (₹ in Lakh)

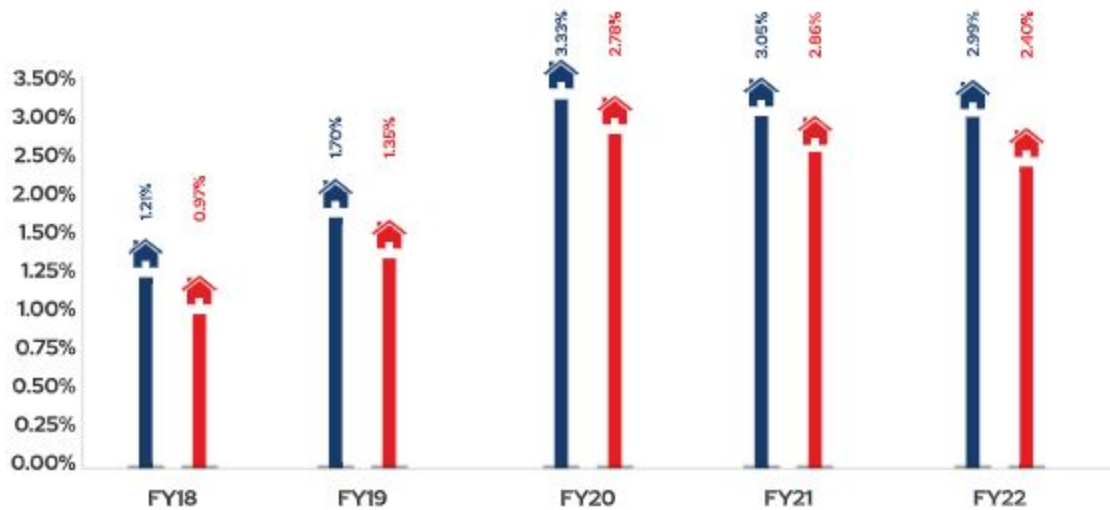


RETURN ON EQUITY (%)



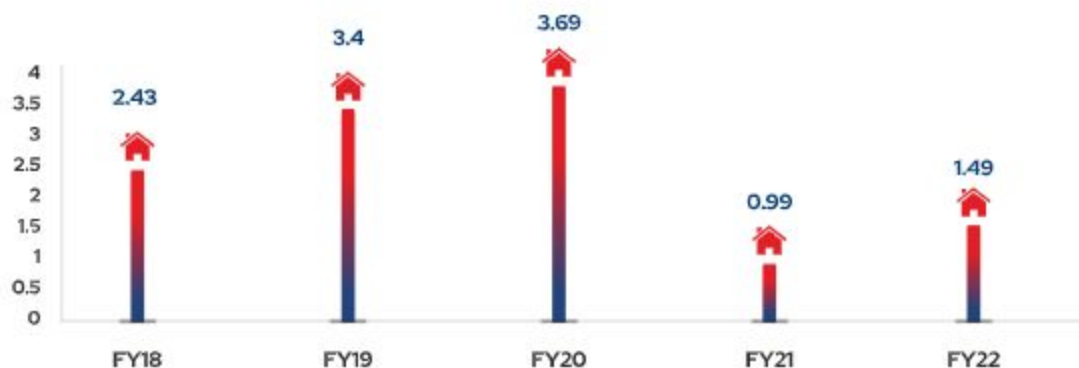
NPA (%)

■ Gross NPA ■ Net NPA



4. KEY FINANCIAL RATIO

EARNING PER SHARE



LEVERAGE



SHAREHOLDING AS ON MARCH, 2022



PUBLIC
INDIVIDUAL



PROMOTER &
PROMOTER GROUP



BODY
CORPORATE-PUBLIC



NRI-PUBLIC

BOARD
OF DIRECTORSSTRONG
GOVERNANCE**MR. ASHISH JAIN****Chairman & Managing Director**

(DIN: 02041164)

Mr. Ashish Jain, aged 36 years, is the Managing Director & Chairman of the Company. He is a qualified Engineer from University of Pune. He did his Masters in Logistic and Supply Chain Management from University of Nottingham, UK. After finishing his Masters' in year 2011 he joined Star Housing Finance Limited as Credit and Field Officer. During his tenure as Credit officer he under took several reforms in credit appraisal and field investigation. After that in year 2014 he was appointed as Chief Financial Officer of the Company. Later

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

BOARD OF DIRECTORS

MR. KAVISH JAIN

Executive Director
(DIN: 02041197)

Mr. Jain, is MBA and Law graduate was head of operations at Star Housing Finance Ltd. and now appointed as Executive Director of the Company. Mr. Kavish Jain is committed to create the most fulfilling and helpful consumer journey for millions of Indians who need home finance loans. Mr. Jain brings his in-depth expertise & knowledge, spanning over 7 years, to retail asset operations, operating systems & processes, disbursement handling and many more topics. He has been overseeing and directing the entire marketing team as well as co-coordinating with Channel partners/Business associates of the company



BOARD OF DIRECTORS

INDEPENDENT BOARD



MR. AMLENDRA PRASAD SAXENA

Non-Executive Independent Director
(DIN : 06964564)

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. As part of NHB, he had numerous exposure on International training /seminar 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. Mr. A. P. Saxena has been associated with Inter Regulatory Meetings with RBI, SEBI, IRDAI on various regulatory and compliance issues of group NBFCs/HFCs. He has in-depth knowledge on issues relating to KYC/AML, Fair Practice Codes, Corporate Governance, Grievance Redressal System (GRIDS) etc. Mr. A. P. Saxena is having post graduate qualification in Statistics and MBA from Faculty of Management Studies (FMS), University of Delhi. He has also worked with the Central Govt., as an officer of Indian Statistical Service, in the beginning of his career.



DR. REKHA JAIN

Non- Executive Independent Director
(DIN:07703994)

Dr. Rekha Jain, aged 41 years, is the Non-Executive & Independent Director of our Company. She is social activist and having more than 17 years of experience. She is associated with the Company from last 5 years.



MR. AMRIT SINGH RAJPUROHIT

Non-Executive Independent Director
(DIN:02173432)

Mr. Amrit Singh Rajpurohit, aged 66 years, is the Non-Executive & Independent Director of our Company. He has a vast experience in mineral industries and development of land. He is an active social worker and is associated with various NGOs. He is associated with the Company from last 9 years.

KEY MANAGERIAL PERSONNEL



MR. NATESH NARAYANAN

Chief Financial Officer

Mr. Natesh Narayanan, appointed as Chief Financial Officer of the company in March, 2020. He is having more than 17 years of experience in liability / funding side of the business. A known name in the industry, he has nurtured relationships with bankers, fund managers, business associates, and rating agencies. He carries a mandate to strengthen the liability side of business in line with long term business plan.



MR. SHREYAS MEHTA

Company Secretary & Compliance Officer

Mr. Shreyas Mehta is 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 been a advisor to the Board of Directors on best practices in corporate governance and responsible for regulatory compliances of various companies. He has good experience in compliance audit and compliance management system and allied assignments. A member of The Institute of Company Secretary of India with Bachelor's degree in Financial Market from Mumbai University.

LEADERSHIP TEAM - RICH EXPERIENCE



MR. B. S. KACHHAWAHA
Chief Risk Officer

Mr B. S. Kachhawaha is the Chief Risk Officer of our Company. With an illustrious career spanning more than 37 years behind him, Mr. Kachhawaha a career banker with a difference – his rich experience across the Banking & Financial Services industry has also witnessed his ability to oscillate between micro and macro-level thinking. He is commerce graduate from Rajasthan university and is a Certified Associate of Indian Institute of Bankers With his unparalleled first-hand exposure to a spectrum of banking activities such as retail banking & sales, credit & collection, branch operations, leading CASA & sales teams, RBI compliances and many more, He is associated with the Company since 2017. He presently heads our finance and treasury compliance, budget and analytics departments. . He has been instrumental in bringing about the policies of the company with regard to advances, recovery, etc. He is also looking after and strengthening the individuals and organization through structuring the sound systems and procedures and implementing the same in letter and spirit. His in-depth knowledge about the financial system and various derivatives is unparalleled.



DR. ASHISH KOTHARI
Head Operations

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



MR. KALPESH R DAVE
Head Corporate Planning & Strategy

Mr. Dave has more than 14 years of experience in financial services space with a proven track record in planning and strategy. Strong skill set to enable scale up of overall business operations and seamless execution of strategic initiatives. Expected to play a meaningful role in the transformation and build up phase of Star HFL.



MR. ANOOP SAXENA
Head of Credit

Anoop Saxena – 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 the 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.

Message From Managing Director

Mr. Ashish Jain

CHAIRMAN & MANAGING
DIRECTOR
(DIN: 02041164)

Dear Shareholders,

Greetings and best wishes to all of you as we step into FY2022-23 with determination and focus. We have defined our goals with the strong pace of our strategic delivery and improved performance. Looking forward, I am optimistic and fairly certain that happier, more pleasant times await us in Financial Year 2023.

Throughout the year, we proceeded to develop our organization in terms of processes, systems, people, culture, and structure in order to lay the groundwork for robust and sustainable growth.

While the fears of pandemic had subsided as the year progressed, your company continued to face business disruption due to second and third wave of Covid-19 pandemic. Resultantly, our focus continued to be on maintaining

“In Steps With The
Changing Times”

our asset quality followed by disbursements done in calibrated manner. Today I can say confidently that your company has stood the test of “once in a century” event early in its evolution journey and has shown remarkable resilience to ensure continuity of business operations.

Talking about business performance for FY2021-22, as of Mar 31, 2022 the AUM stands at Rs. 104.09 crs with 1271 live accounts. Your company incrementally disbursed Rs. 36.58 crs during the year. The net-worth is at Rs. 64.10 crs and borrowing outstanding is Rs. 78.48 crs. The leverage levels remain modest at 1.22x. The CRAR is 84.78%. Your company reported GNPA at 2.99% and NNPA at 2.40%.

On the funding front in FY2021-22, your company has raised Rs. 42.30 crs of fresh credit lines from the National Housing Bank (Rs. 15 crs), Hinduja Housing Finance (Rs. 5.30 crs), Hinduja Leyland Finance (Rs. 10 crs), Capital India (Rs. 2 crs) & Indian Overseas Bank (Rs. 10 crs). Your company also has been able to strengthen the net-worth by infusion of capital (Rs. 8.09 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 initiated engagement with India Ratings and CARE for its long-term credit facilities. Star HFL is now rated IND BBB- / Stable by India Rating and CARE BBB-; Stable by CARE.

With an objective to cater to rural housing requirements for the reverse migrated population, Star HFL launched rural home loan products under the umbrella “Star Griha Gramin Loans”. With an objective to augment AUM growth, your company has entered into co-lending arrangements with Capital India Home Loans and Singularity CreditWorld. We are started the work towards developing “one click” digital lending capabilities for our target segment.

Star HFL is now set to grow. FY2021-22 was the year where we summited our efforts on legacy framework. From hereon, I expect your company to register growth across business and operational areas. Housing as a sector is getting revived post pandemic and the demand in rural geographies has in fact increased meaningfully.

Star HFL sees itself as a housing finance company that would enable credit for deserving homebuyers in WES / LIG segment on fair terms. We see tremendous opportunity henceforth in our existing and potential geographies of operations. 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.

I am confident that perseverance and resilience will continue to create value for all stakeholders; and I look forward to the new financial year with confidence and optimism.

Yours Truly,

Ashish Jain

Chairman & Managing Director

DIN: 02041164



Message from Chief Financial Officer

Dear Shareholders

FY 21-22 was year that had many first for your company. We started the year with a loan book of 94.54 crores and happy to submit to you all that we ended the year with a loan book of 104.09 crores. This is the 1st time in the history of your company that the loan book has crossed the 100 crores. The 1st quarter of the year saw across the nation due to pandemic and fresh Disbursements were muted to movement restrictions as well the fear of the reoccurrence of Pandemic in the 2nd wave. Like last FY again July – March were the period during which we could operate with some semblance of normal operations. Our branches started functioning in phased manner depending on the local restrictions in July and by September all our branches were functioning with full adherence to local level guidelines. We reached our highest disbursement of 36 crores this FY22. Together since FY 20 we have cumulatively disbursed 95.10 crores in the last 3 FYs. This year also recorded the highest Revenue in the history of your company with the Total Revenue exceeding 19 crores despite the challenges

we managed to grow the loan book by 10.10 % in FY 22. We also have managed to reduce our Project Loan Book to 5.23 crores which 5% of our overall Loan book. 92.5% of our Loan Book comprises of Retail Loans as at March 31, 2022.

We started the FY 22 with 2 sanctions from NHB 5 crs in June 2021 and Hinduja Housing 5.3 crs in July 2021 that was followed by a new sanction of 52 crores from IOB, Capital India Fin. Ltd., LIC HFL, SBI and Hinduja Leyland Finance. We ended the year on high note by increasing our liability franchise by successfully adding new lenders like Indian Overseas Bank, Capital India Finance Ltd., Hinduja Leyland Finance, LIC HFL, Capital India Finance and an additional TL from State Bank of India. Our cost of borrowing is at 8.51%p. a. and our overall outstanding borrowing stands at 78.48 crores as of March 2022. Our gearing has improved to 1.22 as on March 2022. We successfully raised 8 Crores of Fresh Equity in Nov 2021 and bolstered our Networth to 64 crores as on March 2022.

Like last FY, this year too was dominated by pandemic and the challenges it had brought along and required us to be cautious and conservative when it comes to provisioning or write offs. Since our loan book also has seasoned with passage of time, the team was constantly looking out for early warning signals of stress, recognizing the challenge and work with the borrowers to address it jointly with our borrowers. Our on ground effort of staying connected with our customers yielded us rich dividends and was well appreciated by our borrowers too. Consequently we have written off 0.44 crores of retail loans and also provided 0.07 crores towards Impairment of Loan Assets as part of IND AS requirements.

Investment in building capacities in our branches, write off of 0.44 crores and the additional provisioning resulted in our PAT 2.38 crores in March 2022 as against 1.56 crores in March 2021. Total Revenue for the year was at a historic high 19.37 crores in March 2022 as against 15.60 crores in March 2021. Our liquidity position is extremely comfortable at 29.18 crores. The Yield on our Loan portfolio stood at 16.47% and NIIM at 10.36% as on March 2022 vis a vis 16.61% and 11.31% 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

MANAGEMENT DISCUSSION AND ANALYSIS 2021-22

GLOBAL ECONOMIC REVIEW

For the past three years the entire world has been grappling to reduce the impact of Covid-19 pandemic. The slowdown in the impact of the pandemic, vaccination drives, supportive macroeconomic policies and favorable financial conditions all over the globe proved to be catalyst for global resumption of work and the economy. The global economy was on the verge of recovery post severe two years of the Covid 19 pandemic yet across countries, there remained divergence in place of recovery, largely differentiated by the extent of vaccine access.

It is a big relief to see world economy getting back on growth. India started seeing economic revival in Q3FY21 and FY22 is certainly a turnaround year. Countries have adapted to Covid and consequently economies have opened up. This is due to higher inoculation of populations with vaccines. Environment is reasonably positive. According to IMF's World Economic Outlook (Apr'22), the world economy is projected to grow by 3.6% each in 2022 and 2023 from a growth of 6.1% in 2021 and normalize in the range of 3.3%-3.4% over the medium term.

India is the third largest economy on PPP basis as per World Bank and is projected to fare better than peers with an impressive estimated growth of 8.2% in 2022 and 6.9% in 2023. As per various leading research institutions, Indian economy has the potential to deliver the highest GDP CAGR globally in the medium term amongst large economies, driven by various structural policy measures taken by the Indian government.

In mid of the year inflation started to rise across most countries the central banks initially deemed rising inflation as transitory, largely attributing it to temporary supply chain disruptions. Global markets remained awash with liquidity, inflating most asset classes. The central banks continued with their accommodative monetary policy stance in order to support growth. In addition, governments and financial regulators provided a slew of measures to alleviate the impact of the pandemic and cushion the shock to various sectors of the economy.

However, the world faced a new challenge by the start of 2022 in the form of war between Ukraine & Russia and saw increased volatility in global markets owing to an outbreak of the Omicron variant, economic slowdown in China, faster than anticipated pace of monetary tightening across advanced economies and the eruption of geopolitical tensions.

Key concerns for now shift from pandemic to Russia-Ukraine war and resultant disruption to the global supply chain as well as higher crude prices. The RBI along with other central banks of major economies has reacted to this and has increased the benchmark Repo rate. In-fact, RBI has been relatively more pro-active in attending to contain inflationary pressures. It remains to be seen how the higher interest rate regime pans out globally and specifically for India and how domestic demand story on the backdrop of recovery from pandemic impacts the growth.

INDIAN ECONOMIC REVIEW

In First quarter of financial year 2021-22, owing to a second wave of COVID-19 severe consequences such as spiralling infections, shortages of essential medical supplies and an increased death toll it was entailed a higher loss of lives.

Towards the end of June 2021, there was an ebbing of the second wave. This coupled with the easing of pandemic related restrictions, increased vaccination coverage, strong agriculture growth supporting rural demand and the unleashing of pent up urban demand augured well for the Indian economy

After that the Indian economy is on the recovery path despite global headwinds. The country experienced third wave of pandemic owing to the Omicron virus starting from December, 2021 but it was less severe as compared to earlier two waves and this indicates that we are entering the endemic stage. The possibilities of fourth wave hitting India remains low due to improved immunity and high vaccine coverage.

Throughout the year, the RBI accorded priority to growth and retained an accommodative monetary policy stance. The RBI managed liquidity in the system through a combination of the Government Securities Acquisition Programme, open market operations, Operation Twist, sell/buy swaps and long duration variable rate reverse repo operations

As per the second advance estimate by the National Statistical Organisation (NSO), the Indian economy is expected to grow 8.9% in FY22 compared to a contraction of 6.6% in FY21. Most high frequency indicators exhibited good recovery, surpassing pre-pandemic levels. India's tax collections in FY22 stood at an all-time high of Rs. 27.07 lac crore, reflecting better tax compliance and better revenues

in direct and indirect taxes.

In March 2022, India's retail inflation spiked to 6.95%, which marked the third consecutive month of inflation being above the RBI's tolerance threshold of 6%. Core inflation, which excludes food and oil prices, was also above 6%. Higher inflationary expectations resulted in bond yields moving upwards. RBI has till now increased Repo rate twice in successive meetings and has given its outlook for the year as conservative and directed towards containing inflation.

IMPACT OF COVID-19 ON HOUSING FINANCE AND NON-BANK FINANCE COMPANIES

During the year, various state governments/local authorities announced lockdowns/ restrictions of varying degrees. During the waves of infections, some offices of the Corporation were closed or were working on revised timings in accordance with extant guidelines. Business was less disrupted as customers continued to be served through the online platforms.

As per various surveys, reverse migration has further supported an increase in housing demand in tier II/III cities. This is validated by the strong recovery seen in Real Estate sector in FY22. Also, as per experts, the demand dynamics of the Indian real estate have undergone a change during pandemic. Buyers are demanding homes which offer more liveable space. The residential property now doubles up as an office corner, virtual workouts as well as a place for online schooling.

NEW REGULATORY FRAMEWORK

The National Housing Bank (NHB) was set up as a principal agency for the promotion of housing finance institutions both at local and regional levels and to provide financial and other support to such institutions. To ensure a consistent regulatory regime, the Finance (No.2) Act, 2019 amended the National Housing Bank Act, 1987, conferring powers for regulation of Housing Finance Companies (HFCs) with Reserve Bank of India (RBI). Earlier RBI had issued draft and then final regulatory framework for HFCs which treated HFCs as a specialised type of NBFC.

The RBI announced Master Directions for HFCs on 17 February 2021 in order to protect public interest, ensure better functioning of the financial system and HFCs, and prevent affairs of companies being conducted in a manner that is deemed detrimental to investors' and depositors' interest. The current Master Direction provide comprehensive regulatory framework to HFCs for a sound and sustainability development of housing finance in the country.

INDIAN HOUSING DEMAND SCENARIO & HOUSING FINANCE OPPORTUNITY:

The housing market continued to witness a trend of increased number of first-time home buyers and those moving up the property ladder by opting for larger homes or acquiring homes in another location. The need for housing was also triggered by a larger number of people working from home. The residential real estate market continued to see strong growth in housing sales and new launches. Overall inventory levels have decreased. Factors such as low interest rates, rising income levels, stable property prices, improved affordability and continued support of fiscal incentives for home loans are some of the reasons for strong demand for home loans

India's real estate sector, which is a \$200 Bn market currently, has come out of the disruptions caused by the Covid and is on the path to become a \$1 Tn industry by 2030. With growing urbanisation, nuclearization, increasing working population coupled with increasing per capita income, demand for housing will see a rise. As per a report by Knight Frank, there will be a housing gap for about 97 mn households by 2030, up from 70mn households in 2019. These numbers are very close to that in the RBI document published in 2019.

The Indian housing finance market grew at ~16% CAGR over FY15-21 owing to rise in disposable income, healthy demand, government impetus on housing and more market players catering to different segments. It is estimated to grow in the range of 8-10% CAGR. HFCs accounted for 41% share of the total home loan outstanding amount as of Sep'21. The growth of HFCs is faster on account of deeper reach, focused approach, and expertise in this segment.

As per credit bureau, the overall affordable housing outstanding credit growth grew at a CAGR of ~10% during FY15-21. The major growth drivers being increase in penetration of financiers in rural and semiurban areas, favourable demographics, government push to promote "Housing for All", and improved affordability of borrowers. The affordable housing market outstanding is ~ Rs. 9.2 Tn as on FY21 and as per various research, it is projected to grow by at least 9- 10% CAGR in the medium term to touch ~Rs. 22 Tn by FY30. In volume terms, affordable housing loans comprises majority of overall housing loan volume.

GOVERNMENT INITIATIVES FOR THE HOUSING FINANCE COMPANIES

The Union Budget 2022 - 2023, presented on February 1, 2022, 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

urged all the States to adopt a Unique Land Parcel Identification Number (ULPIN) for IT-based record management to facilitate digitized management of records.

AFFORDABLE HOUSING: The Union Budget 2022 – 2023 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. This announcement is expected to boost affordable housing and act as an incentive to the developers who are building affordable homes.

DIGITIZATION OF LAND RECORDS: The Unique Land Parcel Identification Number (ULPIN) of a land parcel is similar to the Aadhaar number of an individual. The ULPIN has been launched under the Digital India Land Records Modernization Program (DILRMP). The Center has focused on the digitization of land records through its DILRMP scheme. According to the Department of Land Records, over 90% of the land records have been digitized in over 24 states.

NATIONAL GENERIC DOCUMENT REGISTRATION SYSTEM (NGDRS): Under the broad aegis of the DILRMP scheme, the National Generic Document Registration System (NGDRS) was introduced to provide a 'One Nation One Registration' software. A total number of 12 States/Union Territories have adopted the NGDRS so far, covering a population of more than 22 crores. More emphasis has been given to the integration of the Registry Office with other offices where some information is required for the completion of registration deeds. Information for mutation is automatically sent to the concerned department after the registration of deeds.

UNIQUE LAND PARCEL IDENTIFICATION NUMBER (ULPIN): The ULPIN has also been launched under the DILRMP scheme. The ULPIN is a unique 14-digit ID for every plot of land in the country based on the georeferencing coordinate of vertices of the land parcel. This technology is of international standard and complies with the Electronic Commerce Code Management Association standard and Open Geospatial Consortium standards. It ensures compatibility so all the states can adopt it. The ULPIN is expected to identify the government land records easily and protect them from fraudulent transactions. It will also ensure the efficient sharing of land records data between departments.

TDS ON SALE OF IMMOVABLE PROPERTY: The Union Budget 2022 – 23 has proposed that 1% TDS (Tax Deducted at Source) will apply to the sale of immovable properties of over Rs. 50 lakhs based on the sale price or the stamp duty value, whichever is higher, after an amendment in the Income Tax Act. This amendment aims to bring parity between different sections of the Income Tax Act, and also ensure there is no tax leakage at the time of property transactions.

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 also directed HFCs to maintain full cover available for public deposits at all times. If an HFC fails to repay public deposit, it shall not grant any loan or another credit facility or make any investment or create any other asset as long as the default exists.

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 linked to LTV in respect of housing loan to individual, 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 harmonised with NBFCs going forward.

KEY GROWTH DRIVERS

The non-banking housing finance market in India is fragmented with over 80 HFCs. However, the top four players command over 70

percent of the market share. The top two players HDFC and LIC each have assets over Rs. 1 trillion and command over 60 percent of the overall market as of March 21. As HFCs were not able to accept deposits from consumers in normal circumstances earlier, they have less stringent regulations vis-à-vis banks.

The HFCs gained prominence when the retail housing segment was neglected by banks, with many small consumers unable to fulfill the stringent documentation requirements of banks. Although the interest rates charged were higher than that of banks (due to a higher cost of funding), but this did not deter small consumers to pursue the same in terms of a clear lack of alternatives. Thus, in the last few years, there has been a large influx of new players, taking the number of non-deposit-taking HFCs from 55 (FY 2014) to currently more than 80 according to the National Housing Bank.

HFCs can incorporate stamp duties and registration costs into the home values (of value less than Rs. 10 lakh) to allow a little higher loan in the affordable segment. Through in all other loans (above Rs. 10 lakh) inclusion of Govt levy or revenue charges in the value of property for LTV purpose are not permitted to maintain the parity in the industry. Further, with banks having switched to marginal-cost-based lending rates (changing from base rate regime) in 2016, the interest rates may creep higher with funding costs, thereby, reducing the gap in rates offered by banks and HFCs. Despite banks' larger scale and funding advantages, they have been losing out to the HFCs.

INDUSTRY OUTLOOK:

The housing credit growth is expected to be in the range of 6%-11% in FY2022 lower than the previous years. The growth is expected to be slower in H1 FY2022 while recovery in H2 FY2022 would depend on the overall economic turnaround.

The growth is susceptible to risks of deferment in their home purchases and home improvement/extension decisions till there is a full-fledged resumption in business activities.

However, demand for housing loans has already picked up during the last two-quarters of FY.2021, most of the HFCs have already reached near pre-Covid level disbursements to achieve further higher disbursements. Consequently, HFCs are likely to witness upward growth in FY.2022.

As for the HFCs in Affordable housing space, which largely caters to self-employed and middle-to-low-income borrowers, the impact of the Covid-19 pandemic on earnings and savings could lead to the delay of home purchases for some time by such borrowers. Thus, their portfolio growth is expected to be moderate in FY.2022, but it is expected to continue growing at a faster pace than the overall industry.

HFCs are expected to maintain healthy liquidity in the short term as most of them are gradually reducing their reliance on short-term funding sources like commercial papers, which has helped improve asset-liability mismatches. Moreover, healthy provision cover maintained by most of the entities is expected to provide cushion and protect the profitability from COVID-related asset quality stress in FY.2022.

The business growth and all key performance parameters (asset quality, solvency, liquidity, earnings) are expected to witness recovery in the latter part of the next fiscal and would depend on the overall economic turnaround. HFCs' ability to maintain the growth momentum and keep slippages under control would be critically monitorable. Over a long-term period of greater than 5 years, there are positive signs which will help to grow the sector as the Indian GDP increases and achieves the target set by Prime Minister Narendra Modi of US\$ 5 trillion and as household incomes increase with the increase in GDP.

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

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.

DIRECTORS' 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 Seventeenth Annual Report along with the audited financial statement for the financial year ended March 31, 2022.

FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY

The Board's Report shall be prepared based on the financial statements of the company. The Company's financial performance for the financial year ended March 31, 2022, is summarized below: -

(Rs. In Lacs)		
PARTICULAR	2021-22	2020-21
Gross Income	1,936.54	1,560.29
Less: Finance Cost	617.01	498.83
Employee Benefit Exp.	569.02	397.26
Overhead	364.43	235.86
Depreciation	27.21	14.66
Impairment of Financial instruments	50.97	195.25
Profit Before Tax	307.89	218.43
Less: Provision for taxation	69.69	62.78
Profit After tax	238.21	155.66
Balance Brought Forward from last year	1,126.99	1,113.01
Appropriations	238.21	155.66
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	61.58	49.66
Transferred to General Reserve	Nil	Nil
Transferred to Impairment Reserve (Covid-19)	Nil	52.83
Others	8.54	Nil
Balance Carried over to the Balance Sheet	1,295.08	1,126.99

BUSINESS PERFORMANCE:

(Rs. In Lacs)			
KEY FACTORS	2021-22	2020-21	GROWTH (%)
Loan Portfolio	10408.92	9454.19	10.09%
EPS (Basis) in Rs.	1.49	0.99	51%
CRAR (%)	84.78%	86.35%	(1.82%)

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

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

DIVIDEND

The Board of Directors of the Company have recommended a final dividend of Rs. 0.20/- per equity share of Rs. 10/- each for the year under review.

TRANSFER TO RESERVES

During the year under review, your Company appropriated Rs. 61.58 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. 238.21 Lakhs is proposed to be retained in the Profit and Loss Account.

SHARE CAPITAL

• **Authorized Share Capital**

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

• **Issued and Paid-up Capital**

The paid-up Equity Share Capital of the company is Rs. 16,58,22,290 (divided into 1,65,82,229 Equity Shares of Rs. 10/- each) as on March 31, 2022.

During the year under review, the company has issued 9,08,729 equity shares of Rs. 10/- each to the Promoters and Non-Promoters on Preferential basis as approved in its Board Meeting held on 18th November, 2021.

CREDIT RATING

Your Company's financial discipline and prudence is reflected in the strong credit rating assigned/renewed by India Ratings & Research Private Limited, Care Rating Limited and Brickwork Rating India Private Limited during the year as under.

The details of the same are mentioned below:-

S.NO	FACILITIES	LIMITS (IN CR)	TENURE	RATING
1	Fund based (Bank Facilities)	159	Long Term	IND BBB -/ Stable
2	Fund based (Bank Facilities)	167	Long Term	CARE BBB-/Stable
3	Fund based (Bank Facilities)	166	Long Term	BWR BBB-/Stable

TERM LOAN FROM BANKS AND FINANCIAL INSTITUTIONS

During the financial year 2021-22 your company raised Financial Assistance from following institution:

1. Rs. 5.30 Crore (Rupees Five Crore Thirty Lakhs only) through term loan from Hinduja Housing Finance Limited
2. Rs. 5 Crore (Rupees Five Crore only) Refinance Assistance under Special Refinance Facility 2021 (SRF-2021) from National Housing Bank.
3. Rs. 2 Crores (Rupees Two Crore Only) under Term Loan from Capital India Finance Limited.
4. Rs. 10 Crores (Rupees Ten Crore only) under Additional Refinance from National Housing Bank.
5. Rs. 10 Crores (Rupees Ten Crore only) under Term Loan from Hinduja Leyland Finance Limited.
6. Rs. 10 Crores (Rupees Ten Crore only) under Term Loan from Indian Overseas Bank.

REVIEW OF OPERATIONS

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

To build a quality loan book, your Company endeavors to adopt superior underwriting practices backed by robust monitoring and recovery 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 customer's in semi-urban and rural areas in India. The majority of your Company's customers have limited access to formal banking credit facilities.

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

- **Income & Profits**

Total Income increased by 24.11% to Rs. 1936.54 Lakhs for the Financial Year ended March 31, 2022 as compared to Rs. 1,560.29 Lakhs in the previous Financial Year. Profit before Tax (PBT) was 40.95% higher at Rs. 307.89 Lakhs as compared to Rs. 218.43 Lakhs in the previous Financial Year. The Total Comprehensive Income for the Financial Year 2021-22 increased by 57.83% from Rs. 245.67 Lakhs in the Financial Year to Rs. 155.66 Lakhs in the Previous Financial Year.

The Outstanding Bank Borrowing as on 31.03.2022 stood at Rs. 7847.79 Lakhs

- **Sanctions**

During the Financial Year under review, your Company sanctioned housing loans for Rs. 4314.01 Lakhs as compared to Rs. 2822.74 Lakhs in the previous Financial Year registering a growth of 49.64%. The cumulative loan sanctions since inception of your Company stood at Rs. 19627.01 Lakhs as on March 31, 2022.

- **Disbursements**

During the Financial Year under review, your Company disbursed loans for Rs. 3657.94 Lakhs as compared to Rs. 2943.44 Lakhs in the previous Financial Year and recorded growth of 24.27% in disbursements.

- **Capital Adequacy**

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

Your Company's Capital Adequacy Ratio as at March 31, 2022, was 84.78 % which is far above the minimum required level of 15%

- **Assets Under Management (AUM)**

The AUM of your company stood at Rs. 10408.92 Lakhs as on March 31, 2022 as against Rs. 9454.19 Lakhs in the previous financial year, with a growth of 10.09%.

Regulatory Framework for HFCs Issued By RBI

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

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

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

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 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).

As the SBR framework encompasses different facets of regulation of NBFCs covering capital requirements, governance standards, prudential regulation, etc., RBI first issued an integrated regulatory framework for NBFCs under SBR providing a holistic view of the SBR structure, set of fresh regulations being introduced and respective timelines will be issued subsequently. These guidelines shall be effective 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 driver of our economy.

HOUSING FINANCE:

The Company aims at serving the middle income and the lower income sector of the economy, especially in the semi urban and rural areas, which are reckoned to be the key drivers of the sector in the coming decades. Full-fledged efforts are on to execute efficiently, as per the detail planning. Being aware of the challenges involved in serving this class of the society, a very cautious approach is adopted in building up volumes. Nevertheless, Company is quite confident of building substantial volumes in the near future. The Company's rural initiative will also start yielding results shortly. It is worth mentioning that despite the creditworthy customer class, ascertaining the title of the property remains a challenging job. The Company is actively involved with all the stakeholders to smoothen the process and is assertive in getting the right set of documents. We continue to 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 7 branches as on March 31, 2022. Your Company operates in the Udaipur, Mumbai, Pune, Akola, Indore, Chennai and Surat.

HUMAN RESOURCE MANAGEMENT:

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

Company's success depends largely upon the quality and competence of its Management team and key personnel. Attracting and retaining talented professionals is therefore a key element of the Company's strategy and a significant source of competitive advantage. The Company has a diverse workforce of 83 employees as on March 31, 2022.

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

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

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

CAPITAL AND LIABILITY MANAGEMENT:

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

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

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

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

RESOURCE MOBILISATION:

Your Company's borrowing policy is under the control of the Board. The Company has vide special resolution passed by means of special Resolution on 21st September, 2019, under Section 180(1)(c) of the Companies Act, 2013, authorized the Board of Directors to borrow money upon such terms and conditions as the Board may think fit in excess of aggregate of paid up share capital, free reserves, security premium of the Company up to an amount of Rs. 500 crore and the total amount so borrowed shall be within the limits as prescribed under the Housing Finance Companies (NHB) Directions, 2010.

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013, apart from the loans made, guarantee given or security provided by the Company in the ordinary course of business are given in the Notes to accounts forming part of the Audited Financial Statements for the year ended March 31, 2022.

ADOPTION AND ALTERATION IN MEMORANDUM AND ARTICLE OF ASSOCIATION:

Company has made Alteration in the provisions of the Memorandum of Association of the company by way of change in Name of Company and Change in Registered office in accordance with the provisions of Companies Act, 2013 vide passing Special Resolution (respectively) passed at Extra Ordinary General Meeting (EGM) held on 30th April, 2021.

NON-PERFORMING ASSETS AND PROVISIONS FOR CONTINGENCY:

The Gross NPA of your Company as on March 31, 2022 was Rs. 311.46 Lakhs; 2.99% (previous year 288.18 Lakhs; 3.05%). The Net NPA as on March 31, 2022 was Rs. 248.17 Lakhs; 2.40% (previous year 270.04 Lakhs; 2.86%). 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 NHB guidelines as on March 31, 2022.

The Company has maintained cumulative NPA provision of Rs. 63.29 Lakhs against the required provision of Rs. 63.29 Lakhs (Previous year Rs. 18.13 Lakhs). Further for standard assets Company carries provision of Rs. 114.17 Lakhs (Previous year Rs. 152.71 Lakhs).

DETAILS RELATING TO DEPOSITS

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

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 harmonised 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:

During the year under review the Company receive total of 3 investor complaint during and all of which were disposed of and same was submitted to BSE pursuant to SEBI (LODR) Regulation, 2015.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund for the year under review.

DETAILS OF MATERIAL CHANGES FROM THE END OF FINANCIAL YEAR TILL THE DATE OF REPORT:

No Material Changes have taken place from the end of the financial year till the date of this report.

SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company does not have any subsidiary Company or Joint 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 VIII" 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.

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

- For the aforesaid purpose, your company has signed-up with Jaguar Software India & IXL(Mobility Solutions) in 2019-2020 and customized it with the practical needs to area of operation of company, which results in following benefits
- Digitization of documents
- Centralization of all branches with corporate /registered office
- Speed-up the loan process
- Single- Click Report Generation
- Inter-departmental solution (robust the collaboration)
- Android/ iOs app based system for field staff to submit initial documents and verification remarks
- Saving cost in logistics, handling, printing, and mitigating risk of physical movements.
- Improves the quality of credit analysis.
- Secured and Safe cloud based system with end to end encryption.
- Predefined roles with maker-checker concept, with final approval authority to Managing director/ Authorized Personnel
- Keeping of Digital trails which can keep the whole loan process details in one click and useful during audit(s) and tracing purpose.
- Simplification of work flow, with regular MIS.

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

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

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

C. Foreign Exchange Earnings and Outgo:

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

INSURANCE:

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

RISK MANAGEMENT FRAMEWORK:

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

The Company has a Risk Management Committee (RMC) in placed that comprises its directors and members of its senior

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

In compliance with the clause 51 of Chapter IX- Corporate Governance of Non-Banking Financial Company -Housing Finance Company (Reserve Bank) Directions, 2021, Mr. B.S. Kachhawaha is designated as Chief Risk Officer (CRO) of the Company who has direct reporting to MD of the Company.

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

ASSET LIABILITY MANAGEMENT COMMITTEE (ALCO):

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

VIGIL MECHANISM/WHISTLE BLOWER POLICY:

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

CODES AND STANDARDS

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

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

Your Company has approved Know Your Customer & Anti Money Laundering Measure Policy (KYC & AML Policy) in place and adheres to the said Policy. The said Policy is in line with the National Housing Bank guidelines. The Company has also adhered to the compliance requirement in terms of the said policy relating to the monitoring and reporting of cash/ suspicious transactions. The Company furnishes to Financial Intelligence Unit (FIU), India, in the electronic medium, information of all cash transactions of the value of more than Rupees Ten Lakhs or its equivalent in foreign currency and suspicious transactions whether or not made in cash, in terms of the said Policy. The following policy is placed on the website of the Company and can be accessed at www.starhfl.com

(b) Fair Practice Code

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

(c) Policy on Disclosure of material events and information

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

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

Your Company has in placed Code of Conduct for the Board of Directors and the Senior Management Personnel to set forth the guiding principles on which the Company and its Board and Senior Management Personnel shall operate and conduct themselves with multitudinous stakeholders, government and regulatory agencies, media and anyone else with whom it is connected. A declaration by the Chief Financial Officer and Managing Director, with regard to the Compliance with the said code, forms part of this Annual Report. The following policy is placed on the website of the Company and can be accessed at www.starhfl.com

(e) Code for Prevention of Insider Trading Practices

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

(f) Code of Business Ethics (COBE)

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

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

(g) Comprehensive Risk Management Policy

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

(h) Corporate Social Responsibility (CSR) Policy

Your Company has 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 and a report on CSR expenditures is mentioned in "Annexure III" annexed to this report.

(i) Remuneration Policy

The Nomination and Remuneration Committee had laid down criteria for determining Directors Qualification, Attributes and Independence of a Director, remuneration of Directors, Key Managerial Personnel and other employees and criteria for valuation 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

(j) Related Party Transactions Policy:

Your Company has in placed the Related Party Transaction Policy, intended to ensure requisite approval, reporting and

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

(k) Familiarization Programme for Independent Directors:

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors of the Company comprises of Five [5] directors of which one [1] is Executive Directors; One [1] is Chairman & Managing Director & Three [3] are Independent & Non- Executive Director including one woman director as on March 31, 2022 who bring in a wide range of skills and experience to the Board.

• **Retirement of Director by rotation**

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the company, Mr. Kavish Jain, Executive Director of the Company is liable to retire by rotation, at the ensuing 17th Annual General Meeting of the company. He is eligible and offered himself for re-appointment. A resolution for his reappointment is being proposed at the 17th Annual General Meeting and his Profile is included in the Notice.

The Board of Directors of the Company are:-

- Composition of the Board as on March 31, 2022

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

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

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

S. No.	Name of Directors/ KMP	Designation	Appointment/ Resignation	Date of change
1	Mr. Nirmal Kumar Jain	Non- Executive Director	Resignation	31.12.2021

After the closer of the financial year following changes took place in the KMP:

- Mr. Paritosh Kothari resigned as a Company Secretary and Compliance Officer of the company with effect from 1st June 2022.
- Mr. Shreyas Mehtra appointed as a Company Secretary and Compliance Officer of the company with effect from 1st June 2022.

• **Reappointment of Independent director**

The Company has Re-appointed Mr. Amlendra Prasad Saxena (DIN: 06964564) as an Independent Director of the company for a term of Five years in Annual General Meeting held on September 29, 2021.

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

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

Disclosure Requirements) Regulations, 2015.

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

- **Stock Option**

During the year Employee Stock Option Scheme 2021(ESOP) for the employee of the Company approved vide passing Special resolution in Extra Ordinary General Meeting of the members of the company held on April 30, 2021

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

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

MEETINGS

- **Board**

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

During the financial year 2021-22, Fifteen (15) Board Meetings were held are as follows.

S. no.	Date of Meeting
1	07.04.2021
2	21.04.2021
3	22.05.2021
4	02.06.2021
5	18.06.2021
6	10.07.2021
7	05.08.2021
8	31.08.2021
9	05.10.2021
10	18.10.2021
11	29.10.2021
12	18.11.2021
13	06.01.2022
14	18.01.2022
15	26.02.2022

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

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel. The Independent Directors of the Company met once during the year on March 30, 2022 to review the performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairman of the Company and access the quality, quantity and timeliness of flow of information between the company management and the Board.

• Shareholder's Meeting

During the financial year 2021-22, Extra Ordinary General Meeting was held as follows.

Day/Date/Time	Location	Details of Ordinary/Special Resolution passed
April, 30, 2021 at 11.00 a.m.	Through Video conferencing at the Registered office of the Company at AKME Business Centre (ABC), 4-5 Subcity Centre Savina Circle, Opp. Krishi Upaz Mandi Udaipur, Rj 313002	Ordinary Resolution: - To increase in Authorized Share Capital of the Company Special Resolution - Change in the name of the Company from Akme Star Housing Finance Limited to Star Housing Finance Limited - Shifting of Registered Office of the Company from State of Rajasthan to State of Maharashtra - Approval of the Akme Employee Stock Option Plan 2021' (AKME ESOP SCHEME 2021)
October 29, 2021 at 11.00 a.m.	Through Video Conferencing At the Registered office of the Company at AKME Business Centre (ABC), 4-5 Subcity Centre Savina Circle, Opp. Krishi Upaz Mandi Udaipur Rj 313002	Special Resolution - To approve the issuance of 10,30,730 (Ten Lakhs Thirty Thousand Seven Hundred and Thirty) Equity Shares of Face value INR- 10/- each (Equity Share) at a price of INR 89/- (including premium of INR 79/- per Equity Share) for a total consideration of Rs. 9,17,34,970 (Rupees Nine Crore Seventeen Lakh Thirty Four Thousand Nine Hundred and Seventy)

Audit Committee & Other Board Committees

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

The Board of Directors has constituted four other committees namely -

- Nomination and Remuneration Committee,
- Stakeholders' Relationship Committee,
- Risk Management Committee,
- Corporate Social Responsibility Committee

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

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

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

CONTRACTS OR ARRANGEMENT 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 pricing basis, the details with respect to the related party transactions are mentioned in the notes to the audited financial statements.

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

Form AOC-2 as per the Related Party Transactions is attached as "Annexure I" to this Report and forms a part of it. The Related Party Transaction Policy as approved by the Board of Directors is available on the website of the Company which can be accessed at www.starhfl.com

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

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

LISTING WITH STOCK EXCHANGE:

Your Company confirms that it has paid the annual listing fees for the relevant period to Bombay Stock Exchange where the Company's 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 Act.

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 term of 5 (five) consecutive years, at the Annual General Meeting held on September 29, 2021. They have confirmed their eligibility and qualifications required under the Act for holding office as Statutory Auditors of the Company. The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer. No fraud have been reported by the Auditors of the Company in terms of Section 143(12) of the Companies Act, 2013.

SECRETARIAL AUDITOR & SECRETARIAL AUDIT REPORT

2. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 and Pursuant to Reg. 24A of Securities Exchange Board of India (Listing Obligation & Disclosure Requirement) (Amendments) Regulations, 2018, the Board of Directors of the Company had appointed Mr. Ronak Jhuthawat Proprietor of M/s Ronak Jhuthawat & Co., Practicing Company Secretaries, Udaipur, to undertake the Secretarial Audit of the Company for the financial year 2021-22. The Secretarial Audit Report for the financial year ended March 31, 2022, is annexed as "Annexure II" to this report.

The said report, does not contain any qualification, reservation or adverse remark, however, contains certain observations of the Secretarial Auditor which are self-explanatory, and thus do not call for any further comments.

INTERNAL AUDIT & INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

3. Internal auditor

Your Company has appointed CA Sandesh Deorukhkar, 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.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors state that:

- in the preparation of the annual financial statements for the year ended March 31, 2022, 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 as on March 31, 2022 and of the profit of the Company for the year ended on that date;
- The Directors have taken proper and sufficient care has 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 SHARE HOLDERS INFORMATION:

Your Company has taken adequate steps to adhere to all the stipulations laid down in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Corporate Governance (National Housing Bank) Directions, 2016, RBI Directions and the Companies Act, 2013 and Rules thereto, as amended from time to time. Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, RBI/ NHB Directions and disclosures as required under The Companies Act, 2013 and the Rules thereto, a separate Section titled 'Report on Corporate Governance' forms part of this Annual Report.

The certificate by the Practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated in the SEBI (LODR) Regulations, 2015 forms part of this report as "ANNEXURE V".

The said certificate for financial year 2021-22 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 a separate section forming part of this Annual Report.

ANNUAL RETURN

As required under Section 134(3)(a) of the Act, the Annual Return is available on the Company's website and can be accessed at www.starhfl.com.

ENHANCING SHAREHOLDERS VALUE

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

OUTLOOK

- 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

Chairman & Managing Director

DIN: 02041164

Sd/-

Kavish Jain

Director

DIN: 02041197

Date: 17.06.2022

Place: Mumbai

ANNEXURE I

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 2021-22. 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 arrangement or transactions at of arm's length basis as on 31.03.2022

Name of Related Party & Nature of relationship	Nature of Contracts/arrangements/ transaction	Duration of the contracts/ arrangements / transaction	Salient terms of the Contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions.	Date of Approval By Board/ Member	Amount paid as advances, if any
Mrs. Abhilasha Jain-Promoter	Salary	6 month	NA	Normal Course of Business	22.05.2021	No such amount was paid as advances.
	Professional Fees	6 month	NA	Normal Course of Business	22.05.2021	No such amount was paid as advances.
Mr. Anil k. Sachidanand - Key Management Personnel in Associate entity.	Professional Services	11 month	NA	Normal Course of Business	22.05.2021	No such amount was paid as advances

Akme Fintrade (India) Limited- Promoter Group Company	Inter Corporate Loan	24 month	NA	Normal Course of Business	22.05.2021	No such amount was paid as advances.
	Loan	36 month	NA	Normal Course of Business	26.02.2022	No such amount was paid as advances.
The Coronation Castles Private Limited- Promoter Company	Hospitality Services	12 month	NA	Normal Course of Business	22.05.2021	No such amount was paid as advances
Arkfin Investments Private Limited- Shareholder having substantial Interest	Inter Corporate Loan	90 days	NA	Normal Course of Business	21.09.2019	No such amount was paid as advances.
	Professional Services	12 month	NA	Normal Course of Business	22.05.2021	No such amount was paid as advances.
Arkfin Housing Fund- Significant Influence in Associate Entity	Investment	5 years	NA	Normal Course of Business	10.07.2021	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:17.06.2022

Place: Mumbai

ANNEXURE II

FORM MR-3

SECRETARIAL AUDIT REPORT

(For The Financial Year Ended March 31, 2022)

[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 **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 **01.04.2021 to 31.03.2022**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Star Housing Finance Limited** (hereinafter called "**The Company**") for the Financial year ended on March 31, 2022 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) Regulations, 2014;
 - e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Provisions of 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, 2009
 - 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. The Housing Finance Companies (NHB) Directions, 2010;
 - b. Guidelines on 'Know Your Customer' and Anti-Money Laundering Measures;
 - c. Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016;
7. During the period under review, the Company has complied with provisions of the Act, Rules, applicable Regulations, Guidelines, Standards, etc. mentioned above.
- 8. I further report that:**
- A. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors took place during the period under review were carried out in compliance with the provisions of the Act;
 - B. Except in case of meetings convened at a shorter Notice, adequate notice was given to all directors to schedule the Board Meetings, 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 unanimously as recorded in the minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be;
9. I further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), I am of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.
10. I further report that during the review period there were some events/action in pursuance of the above referred laws, rules, regulations, guidelines, standards, having a major bearing on the Company affairs as mentioned below:
- A. Pursuant to the provisions of section 13, 14, 15 read with Rule 29 of Companies (Incorporation) Rules, 2014 and any other applicable provisions of the Companies Act, 2013, Company has changed its name to Star Housing Finance Limited vide passing Special Resolution in the Meeting of members held on 30.04.2021. New Certificate of Incorporation pursuant to change of name has been issued by Registrar of Companies on 10.05.2021.
 - B. Pursuant to the provisions of Section 13, 14, 15 of the Companies Act, 2013, read with Rule 30 of Companies (Incorporation) Rules, 2014, shifting of registered office of the Company from Rajasthan to Maharashtra, has been approved vide passing Special Resolution in the Meeting of members held on 30.04.2021. Further Regional Director has issued new Certificate of Registration on 03.02.2021.
 - C. 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, Company has allotted 908729 (Nine Lacs Eight Thousand Seven Hundred Twenty Nine) Equity shares of face value INR 10/- each ("Equity Shares") at a price of INR 89/- (including a premium of INR. 79/- per equity shares) on preferential basis as approved in its Board Meeting held on 18.11.2021
 - D. Pursuant to provision of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under and in accordance with the Memorandum of Association and Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the provisions of Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, implementation of an employee stock option plan namely 'the Akme Employee Stock Option Plan 2021' (AKME ESOP SCHEME 2021) has been approved vide passing Special Resolution in the Meeting of members held on 30.04.2021.

For Ronak Jhuthawat & Co.
(Company Secretaries)

Sd/-
Ronak Jhuthawat
Proprietor

FCS: 9738, CP: 12094
Peer Review: 1270/2021
UDIN- F009738D000484839

Place: Udaipur
Date: 11.06.2022

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
(Formerly 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. Where ever required, I have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Ronak Jhuthawat & Co.
(Company Secretaries)

Sd/-
Ronak Jhuthawat
Proprietor
FCS: 9738, CP: 12094
Peer Review: 1270/2021
UDIN- F009738D000484839

Place: Udaipur
Date: 11.06.2022

ANNEXURE III

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

1. A brief outline on CSR policy of the Company

Corporate Social Responsibility is a Company's sense of responsibility towards the community and environment in which it operates. It is the continuing commitment by business to behave ethically and contribute to economic development of the society at large. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed.

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

2. The Composition of CSR Committee:

The Company's CSR Committee consists of Managing Director, one Executive Director and one Non-Executive Independent Director. The composition of the Committee is set out below:

S. No.	DIN	Name of Director	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the Year
1	02041164	Mr. Ashish Jain	Managing Director/Chairperson	2	2
2	00240441	Mr. Nirmal Kumar Jain*	Director/Member	1	1
3	02173432	Mr. Amrit Singh Rajpurohit	Independent Director/Member	2	2
4	02041197	Mr. Kavish Jain**	Director/Member	1	1

*Resignation of Mr. Nirmal Kumar Jain with effect from November 18, 2021,

**Mr. Kavish Jain was appointed as member of the Committee with effect from November 18, 2021.

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

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

4. Provide the details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the companies (corporate social responsibility policy) rules, 2014, if applicable (attach the report).

Not applicable for the financial year under review

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

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

Note: The Company did not have any amount available for set off in the Financial Year 2021-22.

6. Average net profit of the Company for last three financial years: Rs. 47546813/-
7. (a) Two percent of average net profit of the company as per section 135(5): Rs.950936/-
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
 (c) Amount required to be set off for the financial year, if any: Nil
 (d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 950936/-
8. (a) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in lakh)	Amount Unspent (in lakh)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs. 10,25,000	Nil	-	-	Nil	-

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

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

(1)	(2)	(3)	(4)	(5)	(6)				
S. no	Name of project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent on the projects (in Rs.)	Mode of Implementation -Direct (Yes/No)	Mode of Implementation through implementing Agency	
				State	District			Name	CSR Registration number
1	Shri Jagatbharti Education and Charitable Trust	Promoting education	No	Gujarat	Surendra Nagar	10,00,000/-	Direct	-	-
2	Anthony Chacko	Promoting health care	No	Madhya Pradesh	Bhopal	25000/-	Direct	-	-

(d) Amount spent in Administrative Overheads: Nil

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

(f) Total amount spent for the Financial Year: Rs. 10,25,000

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

S.no.	Particulars	Amount (in RS.)
1	Two percent of average net profit of the Company as per section 135(5)	950936
2	Total amount spent for the Financial Year	10,25,000
3	Excess amount spent for the financial year [(ii)-(i)]	74064
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
5	Amount available for set off in succeeding financial years [(iii)-(iv)]	74064

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

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

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

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

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

- (a) Date of creation or acquisition of the capital asset(s): Not Applicable
- (b) Amount of CSR spent for creation or acquisition of capital asset: Not Applicable
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: Not Applicable
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

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

For, and on behalf of the Board

Sd/-

Ashish Jain

Chairman, CSR committee

Date: 17.06.2022

Place: Mumbai

ANNEXURE IV

REPORT ON CORPORATE GOVERNANCE

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 2021-2022:

Company's philosophy on Code of Governance

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

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

The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising of regulators, employees, customers, vendors, investors and the society at large. Integrity, transparency, accountability and compliance with laws are the basis of good governance and also instrumental in the Company's robust business practices to ensure ethical and responsible leadership both at the Board and Management level.

The Company believes in adopting the 'best practices' in the area of corporate governance. The Company has a strong legacy of fair, transparent and ethical governance practices and in line with the same, has adopted a Code of Conduct for its Senior Management Personnel and Board of Directors.

In line with the nature and size of operations, the Corporate Governance framework of the Company, is based on the following main principles:

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

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

BOARD OF DIRECTORS

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

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

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

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

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

The Board 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.

A. Composition of the Board

The Board of the Company represents an optimum combination of Executive and Non-Executive Directors as well as Independent Directors, who possess varied professional knowledge and experience in diverse fields like finance, banking, insurance, economics, corporate laws and administration. The Board of your company is headed by the Executive Director (designated as Chairman and Managing Director)

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

The Board of Directors as on 31.03.2022 comprises of Five [5] directors of which one [1] is Executive Directors; One [1] is Managing Director & Three [3] are Independent & Non-Executive Director including one woman director who are not liable to retire by rotation. The Company is in compliance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2018 and other applicable provisions of the Companies Act, 2013, with regard to composition of Board of Directors.

None of the directors of the Company holds directorship in more than 7 (Seven) Listed entities or act as an Independent Director of more than 7 (Seven) Listed companies. Further, none of the directors is member of more than 10 (Ten) committees or chairperson of more than 5 (Five) committees across all Public Limited companies in which they hold the office of Directors.

- The Composition of the Board as on March 31, 2022 is given below:

Name of Director	Relationship With other Directors	Designation	Category of Directorship	No. of Directorship in listed entities including this listed entity	Names of other listed entities along with category of directorship	No. of memberships in Statutory Committees* (As per Regulation 26 of SEBI (LODR))	No. of post of Chairperson of Statutory Committees* (As per Regulation 26 of SEBI (LODR))
Mr. Ashish Jain	Relative of Mr. Kavish Jain	Chairman & Managing Director	Chairman & Managing Director	1	Nil	1	0
Mr. Kavish Jain	Relative of Mr. Ashish Jain	Director	Executive Director	1	Nil	1	0
Mr. Amrit Singh Rajpurohit	None	Director	Non-Executive Independent Director	1	Nil	2	0
Dr. Rekha Jain	None	Director	Non-Executive Independent Director	1	Nil	2	2
Mr. Amlendra Prasad Saxena	None	Director	Non-Executive Independent Director	1	Nil	0	0

It excludes Private Companies, Foreign Companies, Companies under Section 8 of the Companies Act, 2013 and for determination of limit of committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee alone shall be considered.

Shares and Convertible Instruments Held by Non-Executive Directors:

Sr. No.	Name of Director	Category	Shares
1.	Mr. Amrit Singh Rajpurohit	Non-Executive Independent Director	34000
2.	Dr. Rekha Jain	Non-Executive Independent Director	5
3.	Mr. Amlendra Prasad Saxena	Non-Executive Independent Director	Nil

Apart from the details mentioned here in above, no other Non-Executive director hold any shares in the Company.

The Board do hereby confirms that all the present Independent Directors of the Company fulfill the conditions specified in the SEBI LODR and are independent of the management of the Company.

The Board had accepted all recommendations of committees of the Board which are mandatorily required, during the financial year 2021-22.

The Company has familiarization programme for Independent Directors with regard to their roles, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc. The familiarization programme along with details of the same imparted to the Independent Directors during the year are available on the website of the Company <https://www.starhfl.com/investor-relations>

B. Core Skills/Expertise/Competencies Available with the Board

While all the Board members possess the skills identified, their area of core expertise is given below:

NAME OF DIRECTOR	AREA OF EXPERTISE
Mr. Ashish Jain	- Leadership/Operational experience - Industry experience - Business Strategy - Corporate Governance
Mr. Kavish Jain	- Operational experience - Financial Regulatory - Corporate Governance
Mr. Amrit Singh Rajpurohit	- Industry Knowledge - Leadership / Operational experience - Financial / Legal & Risk Management
Dr. Rekha Jain	- Social Activist - Corporate Governance & Operational experience
Mr. Amlendra Prasad Saxena	- Leadership / Operational experience - Financial, Regulatory / Legal & Risk Management - Corporate Governance

C. Directors' Profile

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

D. Evaluation of Directors and Board

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

E. Board Meetings

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

The Functional/business heads of the Company periodically give presentations covering their respective operations, performance, plans and strategies and discuss upon the areas of improvements and prospective opportunities. The Agenda along with comprehensive notes and background material are circulated well in advance before each meeting to all the Directors. Presentations are made by the Senior Management on the Company's performance, operations, plans and other matters on a periodic basis. The proceedings of the meetings of the Board and its Committees are recorded in the form of minutes, which are circulated to the Board for perusal. The important decisions taken at the Board / Committee meetings are promptly communicated to the concerned departments. The information as given to the Board either as a part of the agenda of the meeting or by way of presentation during the meeting; inter alia includes:

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

- Update on non-fulfillment or defaults by the Company of any financial liability/obligations of material nature
- Update on shareholders' grievance redressal process, significant regulatory matters.
- Risk evaluation and control mechanism.
- Details of investments and deployment of capital issue proceeds.

During the financial year 2021-22, 15 (Fifteen) Board Meetings were held on 07.04.2021, 21.04.2021, 22.05.2021, 02.06.2021, 18.06.2021, 10.07.2021, 05.08.2021, 31.08.2021, 05.10.2021, 18.10.2021, 29.10.2021, 18.11.2021, 06.01.2022, 18.01.2022, 26.02.2022 respectively. The details of the attendance of the Directors at the Board Meeting, Sitting fees paid and attendance at the Annual General Meeting held during the year 2021-22 are as follows:

S. NO.	NAME OF THE DIRECTOR	NO. OF MEETING BOARD OF MEETINGS		SITTING FEES PAID	WHETHER ATTENDED LAST AGM HELD ON 29.09.2021 (Y/N)
		HELD	ATTENDED		
1	Mr. Nirmal Kumar Jain*	12	9	0	Yes
2	Mr. Ashish Jain	15	15	0	Yes
3	Mr. Kavish Jain	15	14	0	Yes
4	Mr. Amrit Singh Rajpurohit	15	9	1,95,000	Yes
5	Mr. Amlendra Prasad Saxena	15	13	2,90,000	Yes
6	Dr. Rekha Jain	15	14	3,10,000	Yes

*Resignation of Mr. Nirmal Kumar Jain (DIN:00240441) from the post of Non- Executive Director of company w.e.f. 31.12.2021

F. Independent Directors

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

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

Board meeting of the Board in every Financial Year, give a declaration that they meet the criteria of independence as provided under the provisions of Section 149 of the companies Act, 2013. In the opinion of the Board, each Independent Director possesses the appropriate balance of skills, experience and knowledge as required

• Separate Meeting of the Independent Directors

During the year, as per the requirement of Schedule IV of the Companies Act, 2013 and SEBI (LODR) Regulations, 2018, a separate meeting of the Independent Directors of the Company was held on March 30th, 2022 without the attendance of Non Independent Directors and members of the management. All 3 Independent Directors were present at the meeting, where in they had inter alia; reviewed the performance of Non-Independent Directors and the Board as a whole; reviewed the performance of the Chairman of the Company and assessed the quality, quantity and timeliness of flow of information between the company management and the Board.

G. Remuneration to Director

• Non-Executive Directors

During the Financial year 2021-22, except sitting fee no remuneration is paid to Non-Executive Independent Directors. There was no pecuniary relationship or transactions of the non-executive Independent director's vis-à-vis the company during the Financial Year ended March 31, 2022 except sitting fees for attending Board meetings.

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

NAME OF NON EXECUTIVE INDEPENDENT DIRECTOR	SITTING FEES PAID (Amount in Rs.)
Mr. Amlendra Prasad Saxena	2,90,000/-
Mr. Amrit Singh Rajpurohit	1,95,000/-
Dr. Rekha Jain	3,10,000/-

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

• Executive Director

The Executive Directors of the Company have been appointed, in terms of the resolutions passed by the shareholders at the Annual General Meetings. Elements of the remuneration package comprise of salary, perquisites and other benefits are as approved by the members at the Annual General Meeting. Details of the remuneration paid to the Executive Directors during the year under review are provided in Form MGT 7 (annual return) which is hosted on the website of the Company and can be accessed at www.starhfl.com

COMMITTEES OF THE BOARD

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

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

A. Audit Committee

The Audit Committee has been constituted by the Company in terms of provisions of Section 177 of the Act and Regulation 18 read with Part D of Schedule II of SEBI LODR Regulations and is chaired by Non-Executive Independent Director.

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

The Audit Committee acts as a link between the Statutory and Internal Auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities.

The functions of Audit Committee are:

The Board of Directors has formed and approved a charter for the Audit Committee setting out the roles, responsibilities and functioning of the Committee. In adherence to the provisions of the Act, and SEBI LODR Regulations and all other applicable

regulatory requirements, the terms of reference of the Audit Committee are covered by its charter. Its functioning inter alia broadly includes the following: Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible

- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters required being included in the Directors Responsibility Statement to be included in the Board's report in terms of section 134 of the Companies Act.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
- Reviewing, with the management, the half yearly and annual financial statements before submission to the board for approval
- Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document /prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the Internal Control Systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with Internal auditors on any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism, in case the same is exist.
- Approval of appointment of CFO (i.e., the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- To overview the Vigil Mechanism of the Company and took appropriate actions in case of repeated frivolous complaints against any Director or Employee.
- Powers of the Audit Committee: Investigating any activity within its terms of reference;
 - Seeking information from any employee;
 - Obtaining outside legal or other professional advice; and
 - Securing attendance of outsiders with relevant expertise, if it considers necessary.

The Company holds minimum four pre-scheduled Audit Committee meetings annually, one in each quarter and the maximum time gap between two Audit Committee meetings is not more than One Hundred Twenty days.

The composition of the Audit Committee as at March 31, 2022 and details of the Members participation at the Meetings of the Committee are as under:

Name of Members	Category	Designation	Attendance at the Audit Committee Meetings					
			22.05.2021	05.08.2021	31.08.2021	05.10.2021	29.10.2021	18.01.2022
Dr. Rekha Jain	Non-Executive Independent Director	Chairperson	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Nirmal Kumar Jain*	Non-Executive Director	Member	Yes	Yes	Yes	Yes	Yes	NA
Mr. Amrit Singh Rajpurohit	Non-Executive Independent Director	Member	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Kavish Jain*	Executive Director	Member	NA	NA	NA	NA	NA	Yes

- *Resignation of Mr. Nirmal Kumar Jain with effect from November 18, 2021, Mr. Kavish Jain was appointed as member of the Committee with effect from November 18, 2021.
- Dr. Rekha Jain is the Chairperson of the Audit Committee.

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

• **Self-Assessment by the Audit Committee**

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

B. Stakeholders' Relationship Committee

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 read with Part D of the Schedule II of SEBI LODR Regulations the Board has Constituted Stakeholders' Relationship Committee.

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

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

- transfer/transmission of shares/debentures and such other securities as may be issued by the Company from time to time;
- issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates/certificates relating to other securities;
- issue and allot right shares/bonus shares pursuant to a rights issue/bonus issue made by the Company, subject to such approvals as may be required;
- to grant Employee Stock Options pursuant to approved Employees' Stock Option Scheme(s), if any, and to allot shares pursuant to options exercised;

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

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

Committee Members	Category	Designation	Attendance at the Stakeholders' Relationship Committee Meetings			
			7.04.2021	28.06.2021	28.09.2021	18.11.2021
Dr. Rekha Jain	Non-Executive Independent Director	Chairperson	Yes	Yes	Yes	Yes
Mr. Ashish Jain	Managing Director	Member	Yes	Yes	Yes	Yes
Mr. Amrit Singh Rajpurohit	Non-Executive Independent Director	Member	Yes	Yes	Yes	Yes

- Dr. Rekha Jain is the Chairman of the Committee.

All shares of the Company are in dematerialized form. 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.

During the period under review, The Company has received 3 investor's Complaint and it has been resolved and also no complaint is pending.

C. Nomination and Remuneration Committee

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

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

Your Company has in place a Nomination (including Boards' Diversity), Remuneration & Evaluation Policy, which, inter-alia, lays down the criteria for identifying the persons who are qualified to be appointed as Directors and/or senior management personnel of the Company, along with the criteria for determination of remuneration of Directors, KMPs and other employees and their evaluation and includes other matters, as prescribed under the provisions of Section 178 of Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of SEBI LODR Regulations.

In compliance with Section 178 of the Companies Act, 2013, and applicable SEBI (LODR), Regulations, 2015 the Board has constituted the "Nomination and Remuneration Committee".

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

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

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

The composition of the Nomination and Remuneration Committee as on March 31, 2022 and the details of Members participation at the Meetings of the Committee are as under:

Name Of Members	Category	Designation	Attendance at the Nomination And Remuneration Committee Meetings			
			7.04.2021	05.08.2021	31.08.2021	06.01.2022
Mr. Amrit Singh Rajpurohit	Non-Executive Independent Director	Chairman	Yes	Yes	Yes	Yes
Dr. Rekha Jain	Non-Executive Independent Director	Member	Yes	Yes	Yes	Yes
Mr. Amlendra Prasad Saxena	Non-Executive Independent Director	Member	Yes	Yes	Yes	Yes

- Mr. Amrit Singh Rajpurohit is the Chairman of the Committee.

D. Corporate Social Responsibility (CSR) Committee

The Company has voluntarily constituted the CSR Committee and to review the existing CSR Policy to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, to provide guidance on various CSR activities undertaken by the Company and to monitor its progress.

The following Terms of reference:

- To formulate and recommend to the Board, Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII.
- To monitor the Corporate Social Responsibility Policy of the Company from time to time.
- To recommend the amount of expenditure to be incurred on the CSR activities to be undertaken.
- The composition of the Corporate Social Responsibility Committee as on March 31, 2022 and the details of Members' participation at the Meetings of the Committee are as under:

NAME OF MEMBERS	CATEGORY	DESIGNATION	ATTENDANCE AT THE CSR MEETING	
			08.11.2021	10.02.2022
Mr. Ashish Jain	Managing Director	Chairman	Yes	Yes
Mr. Nirmal Kumar Jain*	Non- Executive Director	Member	Yes	NA
Mr. Amrit Singh Rajpurohit	Non-Executive Independent Director	Member	Yes	Yes
Mr. Kavish Jain*	Executive Director	Member	NA	Yes

- Mr. Ashish Jain is the Chairman of the Committee.
- *Resignation of Mr. Nirmal Kumar Jain with effect from November 18, 2021, Mr. Kavish Jain was appointed as member of the Committee with effect from November 18, 2021.

E. Risk Management Committee

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

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

- Oversight of risk management performed by the executive management;
- Reviewing the BRM policy and framework in line with local legal requirements and SEBI guidelines;
- Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
- Defining framework for identification, assessment, monitoring, mitigation, and reporting of risks.
- Reviewing and identifying risk in the area of cyber security and Management.
- Reviewing and monitoring the effectiveness and application of credit risk management policies, related standards and procedures and to control the environment with respect to credit decisions;

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

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

Name Of Members	Category	Designation	Attendance at the Risk Management Committee Meeting		
			18.05.2021	14.07.2021	22.10.2021
Mr. Amrit Singh Rajpurohit	Non-Executive Independent Director	Chairman	Yes	Yes	Yes
Mr. Nirmal Kumar Jain*	Non- Executive Director	Member	Yes	Yes	Yes
Dr. Rekha Jain	Non-Executive Independent Director	Member	Yes	Yes	Yes
Mr. Ashish Jain	Executive Director	Member	Yes	Yes	Yes
Mr. B.S. Kachhawaha	Chief Risk Officer	Member	NA	NA	NA

- Resignation of Mr. Nirmal Kumar Jain with effect from November 18, 2021, Mr. B.S. Kachhawaha was appointed as member of the Committee with effect from November 18, 2021
- Mr. Amrit Singh Rajpurohit is the Chairman of the Committee.

GENERAL BODY MEETINGS

A. Annual General Meeting

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

FINANCIAL YEAR	LOCATION	MEETING DATE & TIME	SPECIAL RESOLUTION PASSED AT THE AGM
2020-21	Akme Business Centre (ABC), 4-5 Subcity Savina Circle, Opp. Krishi Upaz Mandi Udaipur - 313002, - (RAJ) AT 12:30 p.m. (Indian Standard Time) Through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM")	29.09.2021 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 for Remuneration payable to Mr. Nirmal Kumar Jain (DIN:00240441) Non-Executive Director of the Company
2019-20	Akme Business Centre (ABC), 4-5 Subcity Savina Circle, Opp. Krishi Upaz Mandi Udaipur - 313002, - (RAJ) AT 12:30 p.m. (Indian Standard Time) Through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM")	24.10.2020 AT 12.30 P.M.	<ul style="list-style-type: none"> Regularization of Mr. Kavish Jain (DIN: 02041197) as an Executive Director of the company Appointment of Mr. Amlendra Prasad Saxena (DIN: 06964564) as a Independent Director of the company for a term of one year. Alteration in the Articles of Association of the company.
2018-19	Kaya Valley Resort, National Highway 8, behind Kaya Jain temple, Udaipur (Raj)	21.09.2019 AT 11.30 A.M.	<ul style="list-style-type: none"> Appointment of Mr. Suresh Chandra Gupta (DIN: 08527990) as an Independent Director of the company for a term of 5 year Reappointment Mr. Amrit Singh Rajpurohit (DIN: 02173432) as an Independent Director of the Company for a Second term of 5 years Revision in Remuneration of Mr. Ashish Jain (DIN: 02041164) Managing Director & Chairman of the Company Adoption of Memorandum of Association as per the provisions of the Companies Act, 2013 Adoption of Articles of Association as per the provisions of the Companies Act, 2013 Revision in Remuneration of Mr. Nirmal Kumar Jain (DIN: 00240441) Executive Director of the Company To approve the material related party transactions with Arkfin Investments Private Limited To approve creation of charge within the borrowing limit of the company To enhance the borrowing limits. Approval of limits for the Loans, Guarantees and Investments by the Company as per section 186

B. Extra Ordinary General Meeting

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

FINANCIAL YEAR	LOCATION	MEETING DATE & TIME	SPECIAL RESOLUTION PASSED AT THE AGM
2021-2022	Through Video Conferencing ("VC") at Akme Business Centre (ABC), 4-5 Subcity Savina Circle, Opp. Krishi Upaz Mandi Udaipur - 313002, - (RAJ)	30.04.2021 At 11.00 A.M.	<ul style="list-style-type: none"> Change in the name of the Company from Akme Star Housing Finance Limited to Star Housing Finance Limited Shifting of Registered Office of the Company from State of Rajasthan to State of Maharashtra Approval of the Akme Employee Stock Option Plan 2021' (AKME ESOP SCHEME 2021)
	Through Video Conferencing Registered office of the Company at AKME Business Centre (ABC), 4-5 Subcity Centre Savina Circle, Opp. Krishi Upaz Mandi Udaipur Rj 313002	29.10.2021 At 11:00 A.M.	<ul style="list-style-type: none"> To approve the issuance of 10,30,730 (Ten Lakhs Thirty Thousand Seven Hundred and Thirty) Equity Shares of Face value INR- 10/- each (Equity Share) at a price of INR 89/- (including premium of INR 79/-per Equity Share) for a total consideration of Rs. 9,17,34,970 (Rupees Nine Crore Seventeen Lakh Thirty Four Thousand Nine Hundred and Seventy)

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 2021-22, 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

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

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

C. Details of compliance with mandatory requirements

During the year 2021-22, the Company has complied with all mandatory requirements in conformity with SEBI (LODR) guidelines, 2015 has been detailed hereunder:

- **Chairman of the Board**

The Chairman of the Board is the Managing Director of the Company. The Board of the Company is an appropriate mix of Executive/Non-Executive and Independent Directors that have collective experience in diverse fields like finance, banking, insurance, economics, corporate laws and administration.

- **Nomination and Remuneration Committee**

The Company has a Nomination and Remuneration Committee, the details of which are provided in this Report under the section "Nomination and Remuneration Committee." The Committee recommends to the Board the remuneration payable to Executive Director and also recommends the appointment/reappointment of Executive/Non-Executive Directors and their induction on various committees of the Board.

- **Shareholder's Rights**

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

- **Audit Qualification**

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

- **Training of Board Members**

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

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

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

D. Other Disclosure

- **Reconciliation of Share Capital Audit as Companies**

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

- **Risk Management**

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

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

In compliance with the SEBI (Prohibition of Insider Trading) Regulations 2015, the Company has adopted Code of Conduct for Prevention of Insider Trading Practices for its Directors and designated employees. The code lays down guidelines, which include procedures to be followed, and disclosures to be made while dealing in the shares of the Company.

The said code of conduct has been posted on the website of the Company i.e www.Starhfl.com the said code is in line with the provisions of the Companies Act, 2013. In accordance with the said Code, the Company closes its trading window for 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, 2022

- **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

- **PCS 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 Jhutawat & Co., practicing Company Secretary, Udaipur 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.

- **Means of Communication**

Pursuant to the applicable regulations of SEBI LODR Regulations, your Company publishes financial results on annually, quarterly and half yearly results basis which are duly reviewed by the Audit Committee before submission to the Board. The Annual Report,

Financial Results, shareholding pattern and material events, are regularly submitted to stock exchanges in accordance with the Listing Agreement and uploaded on the Company's website www.starhfl.com. The financial results of the Company are generally published in the English and Hindi newspapers such as Financial Express and Business Remedies.

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

General Shareholders Information: 17th Annual General Meeting:

1	Day & Date	Saturday, 16th July 2022
2	Time	12:30 P.M.
3	Venue	Video Conferencing
4	Financial Reporting Calendar	Financial Year April to March
5	Dates of Book Closure	10th July, 2022 to 16th July, 2022
6	Listing on Stock Exchanges	BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 001 Stock Code – 539017
7	ISIN Number for NSDL & CDSL	INE526R01010
8	Corporate Identification Number (CIN)	L45201MH2005PLC376046

**Shareholding Pattern of the Company as at March 31, 2022:-
Equity Shares:**

CATEGORY	NO OF SHARES	% OF SHAREHOLDING
A. Shareholding of Promoter and Promoter Group		
1. Promoter's Holding		
(I) Indian Promoters	1723760	10.40
2. Persons acting in concert (Promoter Group)		
(I) Individuals	3665650	22.10
(ii) Body Corporate	808808	4.88
Total A	6198218	37.38
B. Non Promoter Shareholding		
(I) Individual	5973229	36.02
(ii) Foreign portfolio Investors	0	0
(iii) Body Corporate	3682988	22.21
(iv) NRI	291214	1.76
(v) Others	436580	2.63
Total B	10384011	62.62
Total A+B	16582229	100.00%

Distribution of Shareholding as at March 31, 2022:-

SHAREHOLDING OF NOMINAL		NO. OF SHAREHOLDERS	% OF TOTAL SHAREHOLDERS	SHARE AMOUNT (IN RS)	% OF TOTAL CAPITAL
Rs	RS				
1	5000	1261	62.457	1380830	0.8327
5001	10000	191	9.460	1563980	0.9432
10001	20000	136	6.736	2101800	1.2675
20001	30000	74	3.665	1924060	1.1603
30001	40000	38	1.882	1363140	0.8220
40001	50000	55	2.724	2652460	1.5996
50001	100000	121	5.993	9297180	5.6067
100001	9999999999	143	7.083	145538840	87.7680
Total		2019	100	165822290	100

Address for Correspondence:-

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

Star HFL Secretarial Department:-

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

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

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

- Designated Exclusive Email-Id**

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

- Share Transfer system**

The Company's shares are traded under compulsory dematerialized mode and are freely tradable. The Board of Directors have delegated the power to attend all the formalities relating to transfer of securities to the Registrar and Share Transfer Agent of the Company. An annual certificate of compliance with the share/debt transfer formalities as required under Regulation 40 (9) and 61 (4) of the SEBI LODR Regulations is obtained from the Company Secretary in Practice and the copy of the certificate is filed with the stock exchange within the prescribe limit.

- Dematerialization of Shares and Liquidity**

The Company's equity shares are in the list of compulsory dematerialization settlement by all investors. As at March 31, 2022, 100% of the share capital of the Company representing 16582229 equity shares were held in dematerialized form.

Market Information

MONTH	HIGH SHFL	LOW SHFL	SENSEX CLOSING	SHARE CLOSING	SHFL AVERAGE
Apr-21	90.00	69.10	48782.36	88.90	79.55
May-21	94.90	80.30	51937.44	90.00	87.6
Jun-21	104.80	77.50	52482.71	91.65	91.15
Jul-21	101.40	86.25	52586.84	92.35	93.83
Aug-21	96.00	71.20	57552.39	89.80	83.60
Sep-21	103.30	77.60	59126.36	99.40	90.45
Oct-21	118.00	89.45	59306.93	93.30	103.73
Nov-21	101.00	80.25	57064.87	87.15	90.63
Dec-21	107.00	80.20	58253.82	86.30	93.60
Jan-22	102.00	80.40	58014.17	93.25	91.20
Feb-22	120.00	92.15	56247.28	104.45	106.08
Mar-22	108.80	95.00	58568.51	98.10	101.90

- Accounting Standards**

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

- Listing of Equity Shares:**

Star HFL's shares are listed on the BSE Ltd.

The Stock Code: 539017

The Company has arranged for the payment of the listing fees for the year 2021-22 as per the listing agreement with the respective stock exchanges.

- Going Concern:**

The directors are satisfied that the Company has adequate resources to continue its business for the foreseeable future and consequently consider it appropriate to adopt the going concern basis in preparing the financial statements.

- Other useful information for Shareholders**

- **Electronic filing of compliances on BSE**

In terms of SEBI (LODR), Guidelines 2015, all periodical compliance filings such as Company's financial results, shareholding pattern, corporate announcement and corporate governance report etc are electronically filed with the respective stock exchanges through BSE Listing Centre developed by BSE Limited

- **SEBI Complaints Redress System (SCORES)**

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

Centralized database of all complaints, online upload of Action Taken Reports (ATR) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

- **Shares held in Electronic Form**

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

- **Shares held in physical form:** we do not have any investor who is holding shares in physical form.

- **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.

➤ **Outstanding GDRs/ ADRs/ warrants:**

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

➤ **SEBI toll-free helpline service for investors:** 1800227575 or 18002667575 (available on all days from 10:00 a.m. to 6:00 p.m. excluding declared holidays).

➤ **SEBI investors' contact for feedback and assistance:** tel. 022-26449188, e-mail: sebi@sebi.gov.in

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

We, hereby, confirm and declare that in terms of Regulation 26(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Board members and Senior Management Personnel of the Company have affirmed compliance with the "Code of Conduct for the Board of Directors and the Senior Management Personnel", for the Financial Year 2021-22.

Sd/-

Ashish Jain

Chairman & Managing Director

DIN-02041164

Sd/-

Shreyas Mehta

Company Secretary

M.No. A38639

Place: Mumbai

Date: 17.06.2022

CORPORATE GOVERNANCE CERTIFICATE

2021-22

ANNEXURE V

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, 2022, 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: F009738D000490999

Date: 14.06.2022

Place: Udaipur

ANNEXURE- VI**2021-22****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, 2022 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. Amrit Singh Rajpurohit	02173432	15.07.2013
4	Mr. Amleendra Prasad Saxena	06964564	14.09.2020
5	Dr. Rekha Jain	07703994	29.07.2017

Note:

1. Mr. Nirmal Kumar Jain has resigned as Non-Executive Director of the company w.e.f 31.12.2021

For, Ronak Jhuthawat & Co.
(Company Secretaries)

Sd/-
Ronak Jhuthawat
Proprietor
FCS: 9738 CP: 12094
Peer Review No.: 1270/2021
UDIN: FO09738D000489756

Date: 14.06.2022

Place: Udaipur



Chief Executive Officer (CEO)/Chief Financial Officer (CFO) Certificate

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 cashflow statement of Star Housing Finance Limited for the year ended 31st March, 2022 and to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee:
 - (i) that there are no significant changes in internal control over financial reporting during the year;
 - (ii) that there are no significant changes in accounting policies during the year; and
 - (iii) that there are no instances of significant fraud of which we have become aware

Sd/-

Natesh Narayanan

Chief Financial Officer

PAN: AFDPR1097N

Sd/-

Ashish Jain

Chairman & Managing Director

DIN: 02041164

Date: 17/06/2022

Place: Mumbai

ANNEXURE- VIII

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-2021-22

S.No	Requirements	Remuneration
1	Ratio of remuneration of each Director of median remuneration of employee of the company For the FY-21-22	Executive Director 1. Ashish Jain 18.05X 2. Nirmal Kumar Jain 6.35X 3. Kavish Jain 12.04X
2	Percentage Increase/ (Decrease) in Remuneration of each director, CFO, CEO, CS, if any, in the Financial Year	Director 1. Mr. Ashish Jain 45.31% 2. Mr. Nirmal Kumar Jain - 3. Mr. Kavish Jain 45.31% KMP 1. Mr. Natesh Narayanan (CFO) 16.84% 2. Mr. Paritosh Kothari (CS) 12.50%
3	The Percentage Increase in the median Remuneration of Employees in Financial Year	82.36%
4	No. of Permanent Employee on the roll of Company	83
5	Average percentile already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in managerial remuneration.	The average percentage increase in remuneration of all employees (other than Key managerial personnel's (KMP's) For the FY-2021-22) stood at 24.26% where as the average Percentage Increase in the remuneration of KMP'S was at 12.19% Further there was no exceptional circumstance which warranted an increase in managerial remuneration which was not justified by the overall performance of the Company
6	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, it is affirmed that the remuneration is as per the remuneration policy of the company

Note:

- Calculation of remuneration have been made on comparable and annualized basis
- Median for the FY 2021-22 is calculated on annualized basis of all employees while it was calculated on the basis of actuals in the previous year
- The remuneration of KMP's is as reported in the Audited Financial statement for FY. 2021-22
- Remuneration comprises of salary (Fixed and variable), allowances, perquisites/taxable Value of perquisites.

For, and on behalf of the Board

Sd/-

Ashish Jain

Chairman & Managing Director

DIN 02041164

Sd/-

Kavish Jain

Director

DIN 02041197

Date:17/06/2022

Place: Mumbai



Nyati Mundra & CO.

CHARTERED ACCOUNTANTS

52, Ashok Nagar, Udaipur (Raj)-313001, Tel: 0294-2412111;

Email: nyatimundraco@gmail.com

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, 2022, 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, 2022, 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.

Emphasis of Matter

We draw attention to Note 35 to 36 to the financial Statement which describes the extent to which the COVID-19 pandemic will impact the company's operations and its financial metrics including the expected credit loss on financial assets which are dependent on uncertain future developments. Our opinion is not modified in respect of this matter.

Key Audit 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	Principal audit procedures performed
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 application of	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

Impairment of loans	Principal audit procedures performed
<p>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, • 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>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, 2022 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> <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. 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>

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.

Other Matters

The financial statements as at and for the year ended March 31, 2021, have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial statements dated May 22nd, 2021 expressed an unmodified opinion.

Our opinion on the financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of this matter.

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, 2022 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 97(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 is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations 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 to 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. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
- 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: 22079052AHHLPR8858

Place: Udaipur
Date: 18.04.2022

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, 2022 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or

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

Opinion

In our opinion, 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, 2022, 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: 22079052AHHLPR8858

Place: Udaipur

Date: 18.04.2022

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, 2022 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 Rs. 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, 2022, aggregating 311.46 Lacs were categorised as credit impaired ("Stage 3") and 1910.27 lacs were categorised 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 98.37 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 not advanced loans or made investments in or provided guarantees or security to parties covered by section 185 and 186 of the Act. Hence reporting under paragraph 3(iv) of the Order is not 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, 2022 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, 2022.
- (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, company has made preferential allotment of 9,08,729 shares of Rs 10 at a premium of Rs 79 as approved in its Board meeting held on 18th Nov 2021. 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 upto 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, here

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.

- (xiv) (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 issued to the Company during the year and covering the period upto March 31, 2022.
- (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: 22079052AHHLPR8858

Place: Udaipur

Date: 18.04.2022

TO
THE BOARD OF DIRECTORS
STAR HOUSING FINANCE LIMITED

Independent Auditor's Additional Report for the year ended, 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 2022, 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 18th April 2022.

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 31st March 2022 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 2022 and examination of books of account and other records maintained by the Company for the year then ended.
6. We conducted our examination in respect of this certificate in accordance with the Guidance Note on Reports or Certificates for Special Purposes ("the Guidance Note") issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SOC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related and Related

Services Engagements, issued by ICAI.

8 Opinion:

Based on our audit of the financial statements for the year ended 31st March 2022 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 2022. 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 31st March 2022.
- 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 31, 2022 amounting to Rs. 78.48 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-2022 outstanding of those accounts is 21.29 Crore and total no. of that account is 286 out of 1271 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 2021** 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-2022 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 not opened any new branch during the FY-21-22**
- 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 **07th April 2021**.
- 12 According to the information and explanations given to us, the company has not accepted any public deposits during the financial year ended.

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 2022.

For: Nyati Mundra & Co.

Chartered Accountants

Firm Registration No. 008153C

Sd/-

Akash Jain

Partner

M.No.079052

UDIN: 22079052AHHLPR8858

Place: Udaipur

Date: 18.04.2022

STAR HOUSING FINANCE LIMITED

(Formerly known as Akme Star Housing Finance Limited)

Statement of Assets and Liabilities as on 31.03.2022

INR in Lacs

Sr. No.	Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS				
1	Financial Assets			
	- Cash and cash equivalents	5	2,917.93	2010.13
	- Bank balance other than cash and cash equivalents	5A	519.82	350.43
	- Loans	6	10,231.46	9283.34
	- Investments	7	857.79	356.14
	- Other Financial assets	8	480.75	196.33
	Total Financial Assets		15,007.75	12196.37
2	Non- financial Assets			
	- Property, plant and Equipment	9A	104.23	101.56
	- Intangible Assets	9B	52.73	43.10
	- Right to use Assets	9C	7.61	12.41
	- Deferred tax assets (net)		21.49	47.77
	- Current Tax Assets (Net)	10	88.38	43.33
	- Other non-financial assets	11	43.84	32.01
	Total Non-Financial Assets		318.28	280.19
	Total Assets		15,326.03	12476.56
LIABILITIES AND EQUITY				
LIABILITIES				
1	Financial Liabilities			
	- Borrowings	12	7,847.79	6428.30
	- Other Financial liabilities	13	1,024.66	636.63
	Total Financial Liability		8,872.44	7064.93
2	Non-Financial Liabilities			
	- Provisions	14	37.51	37.20
	- Other non-financial liabilities	15	6.23	10.48
	Total Non-Financial Liability		43.74	47.68
3	EQUITY			
	- Equity Share capital	16	1,658.22	1567.35
	- Other Equity	17	4,751.63	3796.60
	Total Equity		6,409.85	5363.95
	Total Liabilities and Equity		15,326.03	12476.56

Overview and significant accounting policies

1 to 4

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

In terms of our report of even date

For NYATI MUNDRA & CO.

Chartered Accountants

ICAI FR No : 008153C

For and on behalf of the Board of Directors

Sd/-

CA Akash Jain

Partner

Membership No. 079052

UDIN: 22079052AHHLPR8858

Sd/-

Ashish Jain

Chairman & Managing Director

DIN: 02041164

Sd/-

Kavish Jain

Director

DIN: 02041197

Place: Udaipur

Date: 18-04-2022

Sd/-

Natesh Narayanan

Chief Financial Officer

Sd/-

Paritosh Kothari

Company Secretary

M.No. A36550

STAR HOUSING FINANCE LIMITED

(Formerly known as Akme Star Housing Finance Limited)

Statement of Profit & Loss for the year ended 31.03.2022

INR in Lacs

Sr. No.	Particulars	Note No.	For the Year ended 31-03-2022	For the Year ended 31-03-2021
	Revenue From Operations	18A		
(i)	Interest Income		1,797.37	1552.96
(ii)	Other Operating Income		56.52	15.88
(iii)	Gain/loss on derecognition of financial Assets		7.34	(8.55)
(iv)	Net Gain/Loss on Fair Value Changes		11.21	-
B	Other Income	18B	64.10	-
I	Total Income		1,936.54	1,560.29
	Expenses			
(i)	Finance Cost	19	617.01	498.83
(ii)	Impairment of Financial Instruments	20	50.97	195.25
(iii)	Employee Benefits expenses	21	569.02	397.26
(iv)	Depreciation and amortisation expenses	22	27.21	14.66
(v)	Other Expenses	23	364.43	235.86
II	TOTAL EXPENSES		1,628.65	1,341.86
III	Profit Before Tax (I-II)		307.89	218.43
IV	- Tax Expenses	24		
	- Current Tax		45.91	74.41
	- Deferred Tax		23.77	(11.63)
V	Profit For the period (III-IV)		238.21	155.66
	- Other comprehensive Income			
	a) Items that will not be reclassified to profit or loss			
	- Re-measurements of defined benefit liability		9.98	-
	- Income Tax effect		(2.51)	-
	b) Items that will be reclassified to profit & loss		-	-
VI	Total Other Comprehensive Income		7.47	-
VII	Total Comprehensive Income (V+VI)		245.67	155.66
	Earnings Per Share (of Rs. 10/- each)	25		
	Basic		1.49	0.99
	Diluted		1.49	0.99

Overview and significant accounting policies

1 to 4

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

In terms of our report of even date

For NYATI MUNDRA & CO.

Chartered Accountants

ICAI FR No : 008153C

For and on behalf of the Board of Directors

Sd/-

CA Akash Jain

Partner

Membership No. 079052

UDIN: 22079052AHHLPR8858

Sd/-

Ashish Jain

Chairman & Managing Director

DIN: 02041164

Sd/-

Kavish Jain

Director

DIN: 02041197

Place: Udaipur

Date: 18-04-2022

Sd/-

Natesh Narayanan

Chief Financial Officer

Sd/-

Paritosh Kothari

Company Secretary

M.No. A36550

STAR HOUSING FINANCE LIMITED

(Formerly known as Akme Star Housing Finance Limited)

Statement of Changes in Equity for the period ended 31.03.2022

A) Equity Share capital

INR in Lacs

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised Share Capital		
300,00,000 Equity Shares @ 10 Each	3,000.00	1,700.00
(PY 170,00,000 Equity Shares @ 10 Each)	-	-
Issued, Subscribed, Called Up & Paid Up Share Capital	-	-
165,82,229 Equity Shares @ 10 Each	1,658.22	1,567.35
(PY 156,73,500 Equity Shares @ 10 Each)		
Total	1,658.22	1,567.35

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	INR. in Lacs	No. of shares	INR. in Lacs
At the beginning of the year	1,56,73,500	1567.35	1,56,73,500	1567.35
Add: Share issued during the year	9,08,729	90.87	-	-
Outstanding at the end of the year	1,65,82,229	1658.22	1,56,73,500	1,567.35

B) Other Equity

INR in Lacs

Particular	Other equity							
	Reserves and surplus			Other comprehensive income			Covid 19- Impaireme nt Reserve	Total other equity attributabl e to equity holders of the parent
	Share premium reserve	Special reserve	Retained earnings	Equity Instrument s through other comprehen sive income	Revaluation Surplus	Others		
Balances as at March 31, 2020	1,728.41	437.97	1,113.01	268.14	55.68	-	76.92	3,680.12
Transfer to special reserve	-	49.66	(49.66)	-	-	-	-	-
Profit for the year	-	-	155.66	-	-	-	-	155.66
Dividend Expenses	-	-	(39.18)	-	-	-	-	(39.18)
Transfer to Impairment reserve	-	-	(52.83)	-	-	-	52.83	-
Balances as at March 31, 2021	1,728.41	487.63	1,126.99	268.14	55.68	-	129.75	3,796.60

B) Other Equity

INR in Lacs

Particular	Other equity							Total other equity attributable to equity holders of the parent
	Reserves and surplus			Other comprehensive income			Covid 19- Impairment Reserve	
	Share premium reserve	Special reserve	Retained earnings	Equity Instruments through other comprehensive Income	Revaluation Surplus	Others		
Share Premium	717.90	-	-	-	-	-	-	717.90
Transfer to special reserve	-	61.58	(61.58)	-	-	-	-	-
Profit for the year	-	-	238.21	-	-	-	-	238.21
Other Comprehensive Income	-	-	-	-	-	7.47	-	7.47
Others			(8.54)					(8.54)
Balances as at March 31, 2022	2,446.31	549.21	1,295.08	268.14	55.68	7.47	129.75	4,751.63

In terms of our report of even date
For NYATI MUNDRA & CO.
Chartered Accountants
ICAI FR No : 008153C

For and on behalf of the Board of Directors

Sd/-
CA Akash Jain
Partner
Membership No. 079052
UDIN: 22079052AHHLPR8858

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

Sd/-
Kavish Jain
Director
DIN: 02041197

Place: Udaipur
Date: 18-04-2022

Sd/-
Natesh Narayanan
Chief Financial Officer

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

STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31.03.2022

Particulars	For the Period ended 31.03.2022	For the Period ended 31.03.2021
Cash flow from operating activities		
Net profit Before Tax and exceptional items	307.89	218.43
Adjustment For :		
Depreciation and Amortization Expenses	27.21	14.66
Provision for Employee Benefit	9.98	-
Provision for ECL	6.61	69.51
Bad debts Written-off	44.36	125.73
Operating cash flow before working capital changes	396.05	428.34
Decrease/(Increase) in other financial assets	(284.42)	(91.19)
Decrease/(Increase) in Current Tax assets	(53.59)	(43.33)
Decrease/(Increase) in other Non- financial assets	(11.83)	64.51
Increase/(Decrease) in Other financial liabilities	388.03	600.90
Increase/(Decrease) in Other non-financial liabilities	(4.25)	(20.97)
Increase/(Decrease) in Provision	0.30	27.35
Increase/(Decrease) in cash credit	(14.24)	(582.67)
Cash From/(Used) for Operations	416.05	382.94
(Increase)/Decrease in loans	(999.09)	(1209.35)
Less: Taxes Paid	(45.91)	(74.41)
Net Cash Generated From Operating Activities (A)	(628.95)	(900.82)
Cash flow from investing activities		
Investment in Fixed Deposits	(168.35)	(350.00)
Purchase of Fixed Assets	(34.70)	(51.03)
(Increase)/decrease in investment	(501.65)	-
Net Cash flow from Investing activities (B)	(704.69)	(401.03)
Cash flow from financing activities		
Cash flow from issue of Shares	90.87	-
Share premium received	717.90	-
Dividend	(1.05)	(39.61)
Borrowing Taken/ (Repayment)	1,433.72	3241.40
Net cash flow from financing activities (C)	2,241.44	3201.79
Net Increase in cash and cash equivalents (A+B+C)	907.79	1899.94
Cash and Cash equivalents as at beginning of the year	2,010.13	110.19
Cash and Cash Equivalents	2,917.93	2010.13

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.

For NYATI MUNDRA & CO.

Chartered Accountants

ICAI FR No : 008153C

Sd/-

CA Akash Jain

Partner

Membership No. 079052

UDIN: 22079052AHHLPR8858

Place: Udaipur

Date: 18-04-2022

For and on behalf of the Board of Directors

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Ashish Jain

Chairman & Managing Director

DIN: 02041164

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Natesh Narayanan

Chief Financial Officer

Sd/-

Kavish Jain

Director

DIN: 02041197

Sd/-

Paritosh Kothari

Company Secretary

M.No. A36550

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

1. Reporting entity

Star Housing Finance Limited (Formerly known as "Akme Star Housing Finance Limited") ("The Company"), was incorporated on March 21st, 2005 and Registered office at 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 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 RBI regulation 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 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 are 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 Presentation 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 of the following circumstance :-

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

2.3 Functional and presentation currency

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

2.4 Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting date as required under relevant IndAS.

2.5 Use of estimates and judgments

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

Judgments

(i) Business model assessment

Classification and measurement of financial assets depend on the results of the assessment of sole payment of principle and

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

(ii) Fair value of financial instruments

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

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

EIR methodology recognizes interest income/expense using a rate of return that represents the best estimate of a constant rate of return over the expected 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 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.

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

SPPI test

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

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

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

In contrast, contractual terms that introduce a more than de 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 derecognition 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, 2022.

3.5 De-recognition of financial assets and liabilities

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

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

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

i) Financial assets

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

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

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

ii) Financial liability

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

3.6 Impairment of financial assets

A. Overview of ECL principles

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

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

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

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

Stage 1:

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

Stage 2:

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

Stage 3:

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

Loan commitments:

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

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

PD:

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

EAD:

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

LGD:

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

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

The mechanics of the ECL method are summarized below:

Stage 1:

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

Stage 2:

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

Stage 3:

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

B. Loans and advances measured at FVOCI

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

C. Forward looking information

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

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

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

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

3.8 Write-offs

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

3.9 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the company has taken into account 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 capping') In order to calculate the present value of economic benefits consideration is given to any minimum funding requirements.

Remesurements 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 in 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 in 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 borrowing 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).

Note 4: New Technical Pronouncement

Ministry of Corporate Affairs (MCA) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2021.

Note 5: Cash and cash equivalents

INR in Lacs

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks in current / cash credit accounts	2,526.29	1247.51
Cash in hand	41.60	72.63
Deposit with original maturity of less than three months	350.04	690.00
	2,917.93	2010.13

Note 5A: Bank balance other than cash and cash equivalents

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

Note 6: Loans (at amortised cost)

INR in Lacs

Particulars	As at March 31, 2022	As at March 31, 2021
Term Loans		
Retail	9,527.90	7882.45
-Housing Loan	8,523.25	7487.78
-Non Housing Loan	1,004.65	394.67
Corporate Loan	881.02	1571.74
Total Gross	10,408.92	9454.19
Less: Impairment loss allowance	(177.46)	(170.85)
Total Net	10,231.46	9283.34
Others (ICD)	-	-
Total Loans	10,231.46	9283.34
Secured by tangible assets	10,139.37	9200.99
Unsecured	269.55	253.19
Total Gross	10,408.92	9454.19
Less: Impairment loss allowance	(177.46)	(170.85)
Total Net	10,231.46	9283.34
Others	-	-
Total Loans	10,231.46	9283.34
Public Sector	-	-
Others	10,408.92	9454.19
Total Gross	10,408.92	9454.19
Less: Impairment loss allowance	(177.46)	(170.85)
Total Net	10,231.46	9283.34

- i. Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counter parties.
- ii. Loans granted by the Company are secured by equitable mortgage/registered mortgage of the property and/or undertaking to create a security and/or personal guarantees and/or hypothecation of assets and/or assignments of life insurance policies.
- iii. Loans sanctioned but undisbursed amount is Rs. 5.08 cr. as on March 31, 2022 (P.Y. 5.62cr)
- iv. 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.

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

Particulars	As at March 31, 2022				As at March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross Carrying amount opening balance	7,648.85	1,517.16	288.18	9,454.19	6,577.26	875.93	256.96	7,710.15
Less: Assets repaid (excluding write offs)*	2,074.26	573.36	11.24	2,658.85	204.71	116.69	12.93	334.33
Transfers from Stage 1**	(1,267.38)	1,200.69	66.69	-	(1,575.57)	1,424.48	151.09	-
Transfers from Stage 2**	239.74	(253.57)	13.83	-	6,42.46	(673.84)	31.38	-
Transfers from Stage 3**	7.35	3.51	(10.86)	-	15.39	-	(15.39)	-
Less: Amounts written off	4.05	5.17	35.14	44.36	2.81	-	122.92	125.73
New assets originated	3,636.94	21.00	-	3,657.94	2,196.84	7.27	-	2,204.11
Gross carrying amount closing balance	8,187.19	1,910.27	311.46	10,408.92	7,648.85	1,517.16	288.18	9,454.19

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, 2022				As at March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	70.77	81.94	18.13	170.85	49.31	45.35	6.68	101.33
Addition during the year	-	-	45.15	45.15	21.47	36.59	11.45	69.51
Reversal during the year	22.71	15.83	-	38.54	-	-	-	-
ECL allowance - closing balance	48.06	66.11	63.29	177.46	70.77	81.94	18.13	170.85

The contractual amount outstanding on loans that have been written off during the year, but were still subject to enforcement Activity is 0.44 crs As at March 31, 2022 (31.03.2021-1.26 crs.)

Note 7: Investments

INR in Lacs

Particulars	As at March 31, 2022	As at March 31, 2021
Investments in India		
Alternate Investment Fund	501.65	-
Equity Instruments (Unquoted)	356.14	356.14
Total gross	857.79	356.14
Investments outside India		
Total gross	857.79	356.14

Particulars	As at March 31, 2022	As at March 31, 2021
Less: Allowance for impairment loss	-	-
Total net	857.79	356.14
Alternate Investment fund (FVTPL)	501.65	-
Equity Instrument Fair Valued through Other Comprehensive Income	356.14	356.14
Less: Allowance for impairment loss	-	-
Total net	857.79	356.14

Note 8: Other financial assets

INR in Lacs

Particulars	As at March 31, 2022	As at March 31, 2021
Interest Receivable on Loans	57.68	63.55
Other Deposits	257.13	25.20
Other Receivables/Advances	38.84	0.79
Security deposit	127.09	106.78
Total	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, 2021	Addition during the year	Adjustments/ Deductions during the year	As at March 31, 2022	As at April 01, 2021	For the year	Adjustments/ Deductions during the year	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Land	92.56	-	-	92.56	-	-	-	-	92.56	92.56
Furniture & Fixtures	3.35	-	-	3.35	1.98	0.35	-	2.33	1.01	1.37
Vehicle	14.92	-	-	14.92	13.17	0.55	-	13.72	1.20	1.75
Computers & printer	12.60	10.46	-	23.06	7.36	6.98	-	14.35	8.71	5.24
Other Equipment's	0.71	-	-	0.71	0.34	0.12	-	0.46	0.25	0.37
Electrical Equipment's	0.30	0.32	-	0.62	0.02	0.11	-	0.13	0.48	0.28
Total	124.44	10.77	-	135.21	22.88	8.11	-	30.99	104.23	101.56

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

Note 9B: Other intangible assets

Particulars	Gross carrying value				Amortisation				Net carrying value	
	As at March 31, 2021	Addition during the year	Adjustments/ Deductions during the year	As at March 31, 2022	As at April 01, 2021	For the year	Adjustments/ Deductions during the year	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Software	20.19	18.84	-	39.03	6.84	7.01	-	13.85	25.18	13.35
Jaguar Software	33.99	5.08	-	39.07	4.24	7.29	-	11.52	27.55	29.75
Total	54.18	23.92	-	78.10	11.07	14.30	-	25.37	52.73	43.10

Note 9C: Right to use Assets

Particulars	Gross carrying value				Amortisation				Net carrying value	
	As at March 31, 2021	Addition during the year	Adjustments/ Deductions during the year	As at March 31, 2022	As at April 01, 2021	For the year	Adjustments/ Deductions during the year	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Lease Assets-Right to use	-	14.41	-	14.41	2.00	4.80	-	6.81	7.61	12.41
Total	-	14.41	-	14.41	2.00	4.80	-	6.81	7.61	12.41

Note 10: Current Tax Assets (Net)

INR in Lacs

Particulars	As at March 31, 2022	As at March 31, 2021
Current Tax Assets	88.38	43.33
Total	88.38	43.33

Note: 11 Other Non-Financial Assets

INR in Lacs

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid (Exp. & Rent)	40.06	24.09
Other Advances	0.72	2.18
Duties and taxes	3.06	5.74
Total	43.84	32.01

Note 12: Borrowings (other than debt securities)

INR in Lacs

Particulars	As at March 31, 2022	As at March 31, 2021
Secured (At Amortised Cost) (Refer Note 12A)		
Term loans		
From Bank & FI	5,189.91	4,054.07
From NHB	2,657.88	2,360.00
Cash Credit, DLOF and working capital demand loans	-	14.24
Total	7,847.79	6,428.30
Borrowings in India	7,847.79	6,428.30
Borrowings outside India	-	-
Total	7,847.79	6,428.30

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				
AU Small Finance Bank Ltd.	71.52	Repayable in 60 monthly installments (principle) of Rs. 8.33 Lacs each	Hypothecation of specific book debts with security coverage of 110 times and personal guarantee of Mr. Nirmal Kumar Jain and Mr. Ashish Jain. Further it is secured by extension of charge over residential property	12.15%

Particulars	Amount	Terms of redemption/ repayment	Security	ROI
Avanse Financial Services Ltd.	71.67	Repayable in 48 monthly installments of Rs. 7.93 Lacs each	Hypothecation of specific book debts with security coverage of 1.10 times and 5% cash collateral of Rs.15.00 Lacs in form of Fixed deposit with Fincare Small Finance Bank and personal guarantee of Mr. Nirmal Kumar Jain and Ashish Jain	13.00%
Bank of Baroda	42.35	Repayable in 20 quarterly installments (principle) of Rs. 36.80 Lac each	Hypothecation of specific book debts with security coverage of 1.33 times. It is also collaterally secured by mortgage of commercial plot and personal guarantee of Mr. Nirmal Kumar Jain, Mr. Ashish Jain, Mr. Kalu Lal Jain, Mrs. Pushpa Nagda and corporate guarantee of Akme Build Mart Pvt. Ltd.	10.25%
Hinduja Housing Finance Ltd. TL-1	299.75	Repayable in 54 monthly installments (principle) of Rs. 11.12 Lacs each	Hypothecation of specific book debts with security coverage of 1.10 times and personal guarantee of Mr. Nirmal Kumar Jain	11.20%
Hinduja Housing Finance Ltd. TL-2	434.04	Repayable in 60 monthly installments (principle) of Rs. 8.83 Lacs each	Hypothecation of specific book debts with security coverage of 1.10 times and personal guarantee of Mr. Ashish Jain	11.20%
MAS Financial Services Ltd. TL-1	93.73	Repayable in 48 monthly installments (principle) of Rs. 10.41 Lacs each	Hypothecation of specific book debts with security coverage of 1.00 times and personal guarantee of Mr. Nirmal Kumar Jain.	13.55%
MAS Financial Services Ltd. TL-2	93.70	Repayable in 48 monthly installments (principle) of Rs. 10.41 Lacs each	Hypothecation of specific book debts with security coverage of 1.00 times and personal guarantee of Mr. Nirmal Kumar Jain.	13.55%
National Housing Bank – Lift	295.24	Repayable in 18 quarterly installments (principle) of Rs. 27.00 Lacs each and last installments of Rs. 14 Lacs	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.	6.65%
National Housing Bank – Refinance	405.00	Repayable in 26 quarterly installments (principle) of Rs. 19.00 Lacs each and last installments of Rs.6 Lacs	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.	6.60%
National Housing Bank – Regular Refinance	851.85	Repayable in 27 quarterly installments (principle) of Rs. 37.04 Lacs 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.	6.70%
National Housing Bank- New SRf	125.00	Repayable in 3 quarterly installments (principle) of Rs.125.00 Lac each	Hypothecation of specific book debts with security coverage of 1.00 times	5.40%
National Housing Bank- Additional Refinance	980.79	Repayable in 26 quarterly installments (principle) of Rs. 37.05 Lacs each and last installment pf Rs.36.70 lacs	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. Pushpa Nagda and corporate guarantee of Akme Build Estate Ltd.	6.70%
Capital India Finance Ltd	174.40	Repayable in 36 monthly installments of Rs. 6.79 Lacs each	Hypothecation of specific book debts with security coverage of 1.20 times and personal guarantee of Mr. Ashish Jain	13.50%
State Bank of India	427.60	Repayable in 60 monthly installments (principle) of Rs. 25.00 Lacs each	Hypothecation of specific book debts with security coverage of 1.30 times. It is also collaterally secured by mortgage of residential plot and personal guarantee of Mr. Nirmal Kumar Jain, Dipesh Jain, Ashish Jain and Kavish Jain	10.95%

Particulars	Amount	Terms of redemption/ repayment	Security	ROI
State Bank of India-TLTRO	528.56	Repayable in 8 quarterly installments (principle) of Rs. 87.50 Lacs each	Hypothecation of specific book debts with security coverage of 1.33 times. It is also collaterally secured by mortgage of residential plot and personal guarantee of Mr. Nirmal Kumar Jain, Dipesh Jain, Ashish Jain and Kavish Jain	10.95%
Union Bank of India	1030.97	Repayable in 15 quarterly installments (principle) of Rs. 80.00 Lacs 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%
Hinduja Leyland Finance Tranch-1	483.74	Repayable in 48 monthly installments of Rs. 12.97 Lacs 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	483.58	Repayable in 48 monthly installments of Rs. 12.97 Lacs each	Hypothecation of specific book debts with security coverage of 1.10 times and personal guarantee of Mr. Ashish Jain	11.20%
Indian Overseas Bank	954.29	Repayable in 83 monthly installments (principle) of Rs. 11.90 Lacs each and last installments of Rs. 12.30 Lacs	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	11.55%
Total	7847.79			

Maturity pattern of repayment:

Particulars	Due within 1 yr		Due 1-3 yrs		Due 3-5 yrs		Due 5-10 yrs		Due 10 yrs		Total	
Maturities	No. Of instalments	Amount	No. Of instalments	Amount	No. Of instalments	Amount	No. Of instalments	Amount	No. Of instalments	Amount	No. Of instalments	Amount
Rate of Interest												
From Bank & FI												
9.01% - 10.00%	4	320.00	8	640.00	1	80.00	-	-	-	-	13	1040.00
10.00% - 11.00%	17	700.47	7	300.00	-	-	-	-	-	-	24	1000.47
11.00% - 12.00%	54	520.56	111	1161.18	64	720.15	30	357.40	-	-	259	2759.29
12.00% - 13.00%	19	143.44	-	-	-	-	-	-	-	-	19	143.44
13.00% - 14.00%	30	248.30	20	120.85	-	-	-	-	-	-	50	369.15
From NHB												
5.00% - 6.00%	1	125.00	-	-	-	-	-	-	-	-	1	125.00
6.00% - 7.00%	12	360.26	32	958.94	24	744.70	15	488.20	-	-	83	2552.09
												2360
Total												7989.44
EIR Impact												(141.66)
Total		2418.03		3180.96		1544.85		845.60				7847.79

Note 13: Other financial liabilities

INR in Lacs

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due on borrowings	9.25	7.86
Employee Related Liability	36.10	29.10
Security Deposit (Liability)	-	2.00
Bank Overdraft	956.09	562.63
Other liabilities	23.21	35.04
Total	1024.66	636.63

Note 14: Provisions

INR in Lacs

Particulars	As at March 31, 2022	As at March 31, 2021
Retirement benefits-Gratuity	-	26.07
Provision for Expenses	37.51	11.14
Total	37.51	37.20

Note 15: Other non-financial liabilities

INR in Lacs

Particulars	As at March 31, 2022	As at March 31, 2021
Other non-Financial Liabilities	0.35	-
Statutory Dues Payable	5.89	10.48
Total	6.23	10.48

Note 16: Equity Share capital

INR in Lacs

Particulars	As at March 31, 2022	As at March 31, 2021
Authorized Share Capital		
300,00,000 Equity Shares @ 10 Each	3,000.00	1700.00
(PY 170,00,000 Equity Shares @ 10 Each)	-	-
Issued, Subscribed, Called Up & Paid Up Share Capital		
165,82,229 Equity Shares @ 10 Each	1,658.22	1567.35
(PY 156,73,500 Equity Shares @ 10 Each)		
Total	1,658.22	1567.35

Note 16.1: Reconciliation of number of shares outstanding and the amount of share capital at the beginning and end of the year:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Rs. in Lacs	No. of shares	Rs. in Lacs
At the beginning of the year	1,56,73,500	1567.35	1,56,73,500	1567.35
Add: Share issued during the year	9,08,729	90.87	-	-
Outstanding at the end of the year	1,65,82,229	1,658.22	1,56,73,500	1,567.35

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% of Holding	No. of shares	% of Holding
Arkfin Investments Pvt Ltd	32,54,252	19.63%	33,69,500	21.50%
Pushpa Nagda	11,56,560	6.98%	11,56,560	7.38%
Nirmal Kumar Jain	9,29,000	5.60%	9,29,000	5.93%

Note - The Company has issued 908729 equity shares through preferential share allotment basis at a face value of Rs.10 and premium of Rs.79 as approved in its Board Meeting held on 18th November, 2021.

Note 17: Other Equity

INR in Lacs

Particular	Other equity							Total other equity attributable to equity holders of the company
	Reserves and surplus			Other comprehensive income			Covid 19- Impairment Reserve	
	Share premium reserve	Special reserve	Retained earnings	Equity Instruments through other comprehensive income	Revaluation Surplus	Others		
Balances as at March 31, 2020	1,728.41	437.97	1,113.01	268.14	55.68	-	76.92	3,680.12
Transfer to special reserve#	-	49.66	(49.66)	-	-	-	-	-
Profit for the year	-	-	155.66	-	-	-	-	155.66
Dividend Expenses	-	-	(39.18)	-	-	-	-	(39.18)
Transfer to Impairment reserve	-	-	(52.83)	-	-	-	52.83	-
Balances as at March 31, 2021	1,728.41	487.63	1126.99	268.14	55.68	-	129.75	3796.60
Share Premium	717.90	-	-	-	-	-	-	717.90
Transfer to special reserve	-	61.58	(61.58)	-	-	-	-	-
Profit for the year	-	-	238.21	-	-	-	-	238.21
Other Comprehensive Income	-	-	-	-	-	7.47	-	7.47
Others	-	-	(8.54)	-	-	-	-	(8.54)
Balances as at March 31, 2022	2446.31	549.21	1295.08	268.14	55.68	7.47	129.75	4751.63

Note 18A: Revenue From Operations

INR in Lacs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest income on financial assets measured at amortised cost		
- Interest Income on loans to customers	1,635.78	1,425.10
- Interest on Bank Deposits from Banks	34.70	-
- Other interest income	126.88	127.86
Total (A)	1,797.37	1,552.96
Fees and commission income		
-Service charges	0.11	-
-Other charges	24.06	11.63
- Bad Debt Recovered	32.35	4.24
Total (B)	56.52	15.88
-Gain/loss on De recognition of financial Assets	7.34	(8.55)
Total (C)	7.34	(8.55)
- Net Gain/Loss on Fair Value Changes	11.21	-
Total (D)	11.21	-
Total (A+B+C)	1,872.44	1,560.29

Note 18B: Other Income

INR in Lacs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
- Insurance Income	14.10	-
- Professional and Advisory Income	50.00	-
Total	64.10	-

Note 19: Finance Cost

INR in Lacs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Finance costs on financial liabilities measured at amortised cost		
Interest on borrowings		
- Interest on term loans	587.21	407.57
- Interest on cash credit and working capital demand loan	19.95	47.08
- Interest on ICD	2.36	9.91
Other borrowing cost (incl. Bank Charges)	7.50	34.27
Total	617.01	498.83

Note 20: Impairment on financial instruments

INR in Lacs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
On financial assets measured at amortised cost		
-Loan	6.61	69.51
-Bad Debts written off	44.36	125.73
Total	50.97	195.25

Note 21: Employee benefits expenses

INR in Lacs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, allowances and benefits	514.26	353.47
Contribution to provident and other funds	15.42	7.48
Gratuity Expenses	12.50	22.10
Staff welfare expenses	26.85	14.21
Total	569.02	397.26

Note 22 Depreciation and Amortization

INR in Lacs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation of property, plant and equipment	8.11	5.41
Amortisation of intangible assets	14.30	7.24
Amortisation of Right to use assets	4.80	2.00
Total	27.21	14.66

Note 23: Other Expenses

INR in Lacs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Advertising Exp.	2.84	1.76
Annual Listing expenses	-	3.27
Other Annual fees	0.05	0.91
Audit Fees	2.84	1.35
Business Promotion Exp.	3.75	0.51
Commission	4.51	6.14
Computer & Software Exp.	2.17	8.25
Conveyance	8.08	4.58
Credit Rating Exp.	12.85	0.55
Director Sitting fees	8.67	2.18
Donation	0.20	-
CSR expenses	10.25	11.00
Electricity Exp	3.14	1.96
Insurance Expenses	2.25	11.41
Office Exp.	24.06	6.73
Office Rent Exp.	53.58	12.2
Municipal Tax	2.33	-
IT. - Infrastructure exp.	4.04	1.72
Media And PR Expenses	3.66	-
Interest, Penalty & Fine	0.38	2.33
Postage and courier	1.33	0.67
Printing & Stationery	6.40	1.34
Professional & Technical fee	155.25	132.87
Professional Tax	0.18	-
Repair & Maintenance Expenses	3.24	1.26
ROC & Compliance Fees	1.22	0.31
Telephone Expenses	1.28	0.81
Travelling Expenses	21.55	9.36
Legal and Recovery Exp.	14.56	8.13
Security Deposit Rent	9.77	4.27
Total	364.43	235.86

Note 24: Tax Expenses

INR in Lacs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
The components of income tax expense are:		
Current tax	45.91	74.41
Deferred tax	23.77	(11.63)
Total Tax charge	69.69	62.78

Note 24.3: Reconciliation of tax expense and the accounting profit multiplied by statutory income tax rate for the year ended March 31, 2022 and March 31, 2021 is as follows:

INR in Lacs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Accounting profit before tax	200.77	349.41
Statutory Income tax rate (%)	25.17%	25.17%
Tax at statutory Income Tax rate	50.53	87.95
Tax Impact of:		
Income not subject to tax	-	0.11
Non-deductible expenses	20.82	3.60
Deduction under section 36 (1) (viii)	(11.18)	(12.5)
Other Deduction	(14.26)	(4.74)
Deferred Tax (Assets)/ Liability	23.77	(11.63)
Income tax expense	69.69	62.78
Income tax expenses booked in P&L	69.69	62.78
Effective tax rate	34.71%	17.97%

Note 24.2: Deferred Tax

INR in Lacs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
The components of Deferred Tax assets and Liabilities as on 31.03.2022 and 31.03.2021 are as follows		
Opening Balance (Deferred Tax Assets)	47.77	36.14
Deferred Tax Assets:		
Unamortized Processing Fee	17.39	12.05
Impairment of Financial Assets	44.67	43.00
Difference between tax depreciation and depreciation/amortization charged for the financial reporting	-	-
Others	0.66	0.13
Gross deferred Tax Asset (A)	110.49	91.33
Deferred Tax Liabilities:		
Provision for employee benefit	2.51	-
Difference Between WDV of fixed Assets and as per Co. Act, 2013 and Income tax Act, 1961	3.06	1.63
Unamortized Borrowing Cost	35.65	5.78
Gross Deferred Tax Liabilities (B)	41.22	7.41
Net Deferred Tax Asset/ (Liability)	21.49	47.77
Amount (debited)/ Credited in Profit and Loss account	(26.28)	11.63

Note 25: Earning per share

The earnings per share (EPS) is calculated as follows:

Particulars	Unit	Year ended March 31, 2022	Year ended March 31, 2021
a) Amount used as the numerator for basic EPS profit after tax	(In Rs.)	23820737	15565848
b) Weighted average number of equity shares for basic EPS	Number	16007116	15673500
c) Weighted average number of equity shares for diluted EPS	Number	16007116	15673500
d) Nominal value per share	(In Rs.)	10	10
e) Earnings per share:			
-Basic (a/b)	(In Rs.)	1.49	0.99
-Diluted (a/c)	(In Rs.)	1.49	0.99

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

Name of the Related Party	Nature of Relationship
Mr. 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	Company Secretary and Compliance officer (KMP)
Mr. Natesh Narayanan	Chief Financial Officer (KMP)
Mr. Nirmal Kumar Jain (Ex-Director)	Promoter
Mrs. Abhilasha Jain	Promoter
Mr. Anil K. Sachidanad	Key Management personnel in Associate Entity
Akme Fintrade (India) Limited	Promoter Group Company
The Coronation Castles Private Limited	Promoter Company
Arkfin Investments Private Limited	Shareholder having Substantial Interest
Arkfin Housing Fund	Significant Influence in Associate Entity

Transactions with Related Parties

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

Name of the Related Party	Nature of Transactions	March 31, 2022			March 31, 2021		
		Amount Received	Amount Paid	Outstanding	Amount Received	Amount Paid	Outstanding
Mr. Ashish Jain	Remuneration	-	54.00	-	-	37.16	-
Mr. Kavish Jain	Remuneration	-	36.00	-	-	22.02	-
Mr. Amlendra Prasad Saxena	Sitting Fees	-	2.90	-	-	0.60	-
Mr. Amrit Singh Rajpurohit	Sitting Fees	-	1.95	-	-	0.80	-
Mrs. Rekha Jain	Sitting Fees	-	3.10	-	-	0.60	-
Mr. Paritosh Kothari	Salary	-	5.40	-	-	4.80	-

Transactions with Related Parties

INR in Lacs

Name of the Related Party	Nature of Transactions	March 31, 2022			March 31, 2021		
		Amount Received	Amount Paid	Outstanding	Amount Received	Amount Paid	Outstanding
Mr. Natesh Narayanan	Salary		21.60		-	18.48	-
Mr. Nirmal Kumar Jain	Remuneration	-	23.65	-	-	36.00	-
	Professional Services	-	8.00	-	-	-	-
Mr. Kavish Jain-	Salary	-	-	-	-	2.75	-
Mrs. Abhilasha Jain	Professional Services	-	3.00	-	-	8.84	-
	Salary	-	6.00	-	-	-	-
Mr. Anil K. Sachidanad	Professional Services	-	61.50	-	-	36.00	-
Akme Fintrade (India) Limited	Inter Corporate Loan	411.68	411.68	-	704.78	839.97	-
	Interest	70.24	-	-	32.79	7.24	-
	Loan	-	360.00	360.00	-	-	-
The Coronation Castles Private Limited	Hospitality Services	-	1.09	-	-	0.47	-
	Inter Corporate Loan	-	-	-	70.00	70.00	-
	Interest	-	-	-	-	1.80	-
Arkfin Investments Private Limited	Professional Services	-	36.87	-	-	30.17	-
	Inter Corporate Loan	140.00	140.00	-	85.00	85.00	-
	Interest	-	2.36	-	-	1.35	-
Arkfin Housing Fund	Investment	-	496.00	496.00	-	-	-
	Income on investment	-	-	5.65	-	-	-

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

- Contingent liabilities - there is no contingent liability As at March 31, 2022 (31-03-2021: Nil)
- Commitments - Undisbursed amount of housing and other loan is Rs.5.08 cr. (31-03-2021: 5.62 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 13.95Lacs (PY 6.19 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	31-Mar-2022 (12months)	31-Mar-2021 (12months)
Discount Rate	7.25 % p.a.	6.40 % p.a.
Salary Growth Rate	7.00 % p.a.	7.00 % p.a.
Withdrawal Rates	10.00 % p.a at younger ages reducing to 2.00 % p.a % at older ages	10.00 % p.a at younger ages reducing to 2.00 % p.a % at older ages

(ii) Major risk to the plan

I have outlined the following risks associated with 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 in to 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 strain 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 bond 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	31-Mar-2022 (12months)	31-Mar-2021 (12months)
	Rs.	Rs.
Opening Defined Benefit Obligation	27,85,352	26,06,537
Transfer (in)/(out) obligation	-	-
Current service cost	8,97,619	10,46,331
Interest cost	1,73,102	2,36,326
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	(1,94,036)	-
Due to change in demographic assumption	-	-
Due to experience adjustments	(8,03,571)	(11,03,842)
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	-	-
Benefits paid by company	(8,65,000)	-
Closing Defined Benefit Obligation	19,93,466	27,85,352

(iv) Reconciliation of plan assets

Particulars	31-Mar-2022 (12months)	31-Mar-2021 (12months)
	Rs.	Rs.
Opening value of plan assets	-	-
Transfer (in)/(out) plan assets	19,93,466	-
Expenses deducted from assets	-	-
Interest income	-	-
Return on plan assets excluding amounts included in interest income	-	-
Assets distributed on settlements	-	-

Particulars	31-Mar-2022 (12months)	31-Mar-2021 (12months)
Contributions by Employer	-	-
Contributions by Employee	-	-
Exchange differences on foreign plans	-	-
Benefits paid	-	-
Closing value of plan assets	19,93,466	-

(v) Assets and Liabilities recognized in the balance sheet

Particulars	31-Mar-2022 (12months)	31-Mar-2021 (12months)
	Rs.	Rs.
Present value of unfunded obligations	-	27,85,352
Present value of funded obligations	19,93,466	-
Fair value of plan assets	-	-
Net Defined Benefit Liability/(Assets)	19,93,466	27,85,352

(vi) Profit and loss account for the period

Particulars	31-Mar-2022 (12months)	31-Mar-2021 (12months)
	Rs.	Rs.
Service cost:		
Current service cost	8,97,619	10,46,331
Past service cost	-	-
loss/(gain) on curtailments and settlement	-	-
Net interest cost	1,73,102	2,36,326
Total included in 'Employee Benefit Expenses/(Income)	10,70,721	12,82,657

(vii) Other Comprehensive Income for the period

Particulars	31-Mar-2022 (12months)	31-Mar-2021 (12months)
	Rs.	Rs.
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	(1,94,036)	-
Due to change in demographic assumption	-	-
Due to experience adjustments	(8,03,571)	(11,03,842)
Return on plan assets excluding amounts included in interest income	-	-
Amounts recognized in Other Comprehensive (Income)/Expense	(9,97,607)	(11,03,842)

(viii) Reconciliation of Net Defined Benefit Liability / (Assets)

Particulars	31-Mar-2022 (12months)	31-Mar-2021 (12months)
	Rs.	Rs.
Net opening provision in books of accounts	27,85,352	26,06,537
Transfer (in)/(out) obligation	-	-
Transfer (in)/out plan assets	-	-
Employee Benefit Expense	10,70,721	12,82,657
Amounts recognized in Other Comprehensive (Income)/Expense	(9,97,607)	(11,03,842)
	28,58,466	27,85,352
Benefits paid by the Company	(8,65,000)	-
Contributions to plan assets	(19,93,466)	-
Closing provision in books of accounts	-	27,85,352

(ix) Sensitivity to Key Assumptions

Particulars	31-Mar-2022 (12months)	31-Mar-2021 (12months)
	Rs.	(%)
Discount rate Sensitivity		
Increase by 0.5 %	18,92,066	26,67,197
(% change)	-5.09 %	-4.24 %
Decrease by 0.5 %	21,04,064	29,12,937
(% change)	5.55 %	4.58 %
Salary growth rate Sensitivity		
Increase by 0.5 %	20,68,587	28,45,048
(% change)	3.77 %	2.14 %
Decrease by 0.5 %	19,20,616	27,20,493
(% change)	-3.65 %	-2.33 %
Withdrawal rate (W.R.) Sensitivity		
W.R. x 110 %	19,96,119	27,81,175
(% change)	0.13 %	-0.15 %
W.R. x 90 %	19,88,745	27,88,228
(% change)	-0.24 %	0.10 %

(x) The Maturity Profile of Defined Benefit Obligation Expected Future Cash flows (Undiscounted)

Particulars	Rs.	(%)
Year 1 Cash flow	1,90,321	3.6%
Year 2 Cash flow	63,226	1.2%

Particulars	Rs.	(%)
Year 3 Cash flow	1,04,539	2.0%
Year 4 Cash flow	1,42,343	2.7%
Year 5 Cash flow	1,53,733	2.9%
Year 6 to Year 10 Cash flow	8,12,115	15.4%

(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 2022, the Company has approved 15,67,350 Employee Stock options under the AKME ESOP Scheme 2021 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:-

- 25% on completion of one year from the date of grant
- 25% on completion of second year from the date of grant
- 50% on completion of second 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, 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:

Particulars	As at March 31, 2022	As at March 31, 2021
Outstanding at the beginning of the year	-	-
Vested at the beginning of the year	-	-
Granted during the year	15,57,000	-
Vested during the year	-	-
Lapsed	-	-

Particulars	As at March 31, 2022	As at March 31, 2021
Forfeited (Vested-Lapsed)	-	-
Lapsed (Unvested-Lapsed)	-	-
Outstanding at the end of the year	15,57,000	-

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

INR in Lacs

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 month	Total	Within 12 months	After 12 month	Total
ASSETS						
Financial assets:						
Cash and cash equivalents	2,917.93	-	2,917.93	2,010.13	-	2,010.13
Bank balance other than cash and cash equivalents	84.98	434.85	519.82	30.43	320.00	350.43
Loans	986.35	9,245.11	10,231.46	1,406.83	7,876.51	9,283.34
Investments	-	857.79	857.79	-	356.14	356.14
Other financial assets	399.74	81.01	480.75	84.20	112.13	196.33
Non-Financial assets:						
Deferred tax assets	-	21.49	21.49	-	47.77	47.77
Current Tax Assets (Net)	88.38	-	88.38	43.33	-	43.33
Property, plant and equipment	-	104.23	104.23	-	101.56	101.56
Intangible assets	-	52.73	52.73	-	43.10	43.10
Right to use Assets	-	7.61	7.61	-	12.41	12.41
Other non-financial assets	26.22	17.62	43.84	7.00	25.01	32.01
TOTAL ASSETS	4,503.60	10,822.43	15,326.03	3,581.93	8,894.64	12,476.57
LIABILITIES						
Financial liabilities:						
Borrowings	2,418.03	5,429.75	7,847.79	2,220.39	4,207.92	6,428.30
Other financial liabilities	1,024.66	-	1,024.66	636.63	-	636.63
Non-financial liabilities:						
Provisions	37.51	-	37.51	11.14	26.07	37.21
Other non-financial liabilities	6.23	-	6.23	10.48	-	10.48
TOTAL LIABILITIES	3,486.43	5,429.75	8,916.18	2,878.63	4,233.99	7,112.62
NET	1,017.17	5,392.68	6,409.85	703.29	4,660.65	5,363.95

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, 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	297.93	-	-	-	-
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	-	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	-	-	7,847.79	7,847.79

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

Particulars	Carrying Amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value*					
Cash and cash equivalents	2010.13	-	-	-	-
Bank balance other than cash and cash equivalents	350.43	-	-	-	-
Loans	9283.34	-	-	9283.34	9283.34
Investments	356.14	-	356.14	-	356.14
Other financial assets	196.33	-	106.78	-	106.79
Total	12196.37	-	462.92	9283.34	9746.27
Financial liabilities not measured at fair value*					
Borrowings	6428.30	-	-	6428.30	6428.30
Other financial liabilities	636.63	-	-	-	-
Total	7064.93	-	-	6428.30	6428.30

*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 to shareholders, return capital to shareholder or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the board.

The Company's policy is to keep the gearing ratio at reasonable level of 5-6 times in imminent year while Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021 currently permits HFCs to borrow up to 13 times of their net owned funds ("NOF"). The Company includes with in debt, its all interest bearing loans and borrowings.

Debt to Net Worth Ratio

(INR in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Debts	7,847.79	6,428.30
Net Worth	6,409.85	5,363.95
Debt to Net Worth (in times)	1.22	1.2

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 MANAGEMENT OBJECTIVES AND POLICIES

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

(i) Credit Risk

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

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

A. Loans and Advances

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

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

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

Carrying Amount		INR. In Lacs
Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Retail Loan	9,527.90	7,882.45
Corporate Loan	881.02	1,571.74
Investments	857.79	356.14
Total	11,266.71	9810.33

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 counter party in the event of default and at the time of counter party's default. Company has mode led EAD based on the contractual and behavioral cash flows till the lifetime of the loan and considering the expected prepayments.

Company has considered expected cash flows for all loans at DPD bucket level for each of the segments which were used for

computation for ECL. Moreover, the EAD comprised of principal component, accrued interest on the outstanding exposure for the ensuring 12 months. So discounting was done for computation of expected credit loss.

ECL Computation:

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

Particulars	INR in Lacs	
	As at March 2022	As at March 2021
Stage1	48.06	70.77
Stage 2	66.10	81.94
Stage 3	63.29	18.13
Amount of expected	177.46	170.85
Credit loss provided for		

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

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

Movement of ECL		INR in Lacs
Particulars	As at March 2022	As at March 2021
Opening provision of ECL	170.85	101.33
Addition of during the year	6.61	69.51
Utilization/ reversal during the year	-	-
Closing provision of ECL	177.46	170.85

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counter party. 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, 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

As on March 31, 2021

(INR in Lacs)

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

Customers Profile

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	4,704.75	1,553.23	261.53	6,519.52
Non Housing				
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

Customers Profile

As on March 31, 2021

(INR in Lacs)

Customer Profile	Stage-1	Stage-2	Stage-3	Total
Housing				
Salaried	746.31	102.55	58.93	9,077.9
Self Employed	6,529.59	1,404.15	218	8,151.73
Non Housing				
Salaried	17.95	10.46	-	28.41
Self Employed	355.01	-	11.25	366.25
Total	7,648.85	1,517.16	288.18	9,454.19

(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 425 Lakh spread across 2 banks. The utilization level is maintained in such a way that ensures sufficient liquidity on hand.

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

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

INR in Crore

Particulars	As at March 31, 2022		As at March 31, 2021	
	Borrowing	Trade payable	Borrowing	Trade payable
1 day to 30/31 days (one month)	1.12	-	0.92	-
Over 1 month to 2 months	1.90	-	4.04	-
Over 2 months to 3 months	3.45	-	1.99	-
Over 3 months to 6 months	6.04	-	4.95	-
Over 6 months to 1 year	11.67	-	10.30	-
Over 1 year to 3 years	31.81	-	28.94	-
Over 3 years to 5 years	14.86	-	9.74	-
Over 5 years	7.63	-	3.40	-
Total	78.48	-	64.28	-

(iv) Market Risk

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

Interest rate risk

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

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	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)	(27.94)	27.94	(45.7)	45.7

(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 with reference to disclosure state under Format-B prescribed in the Resolution Framework -1.0 are given below:

Format for Discloser to be made Half Yearly ending March 31, 2022	Housing Loan
Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	16.78 Cr
Of (A), aggregate debt that slipped into NPA during the half-year	NIL
Of (A) amount written off during the half-year	0.03 Cr
Of (A) amount paid by the borrowers during the half-year	0.91 Cr
Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year	16.59 Cr

37. The title deeds of immovable property held by the company are duly executed in favor 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 2022 and 31st March 2021.
39. The company is not declared willful 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 2022 and 31st march 2021.
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 2022 and 31st march 2021.
41. Registration of charges or satisfaction with registrar of Companies (ROC)

Brief Description Of Charge	Location of Registrar	Period by which charges had to be registered	Reason for delay
Deed of Hypothecation dated 24.06.2021 executed between Star Housing Finance Limited (as the borrower) and National Housing Bank (the lender) in relation to securing repayment of the loan facility amount aggregating to Rs.5 crores	ROC-Jaipur	30 Days	-
Deed of Hypothecation dated 12.07.2021 executed between Star Housing Finance Limited (as the borrower) and Hinduja Housing Finance Limited (the lender) in relation to securing repayment of the loan facility amount aggregating to Rs.53,000,000.00	ROC-Jaipur	30 Days	-
Deed of Hypothecation dated 30.10.2021 executed between Star Housing Finance Limited (as the borrower) and Capital India Finance Limited (the lender) in relation to securing repayment of the loan facility amount aggregating to Rs. 20,000,000.00	ROC-Jaipur	30 Days	-

Brief Description Of Charge	Location of Registrar	Period by which charges had to be registered	Reason for delay
Deed of Hypothecation dated 02.03.2022 executed between Star Housing Finance Limited(as the borrower) and Hinduja Leyland Finance Limited (the lender) in relation to securing repayment of the loan facility amount aggregating to Rs. 100,000,000.00	ROC-Mumbai	30 Days	-
Deed of Hypothecation dated 11.03.2022 executed between Star Housing Finance Limited(as the borrower) and National Housing Bank (the lender) in relation to securing repayment of the loan facility amount aggregating to Rs. 100,000,000.00	ROC-Mumbai	30 Days	-
Deed of Hypothecation dated 30.03.2022 executed between Star Housing Finance Limited(as the borrower) and Indian Overseas Bank (the lender) in relation to securing repayment of the loan facility amount aggregating to Rs. 100,000,000.00	ROC-Mumbai	30 Days	-
Satisfaction of charge created on 28.05.2022 for loan amount Rs. 32,500,000.00	ROC-Jaipur	30 Days	-
Satisfaction of charge created on 30.08.2021 for loan amount Rs. 135000000.00	ROC-Jaipur	30 Days	-
Satisfaction of charge created on 02.11.2021 for loan amount Rs. 250000000.00	ROC-Jaipur	30 Days	-

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 2022 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 2022 and 31st march 2021. 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 2022 and 31st march 2021.
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 2022 and 31st march 2021.

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

Other expenses include Rs. 10.25 lakh for the Year ended March 31, 2022 towards Corporate Social Responsibility (CSR), in accordance with Companies Act, 2013. Gross Amount required to be spent by the Company during the year is Rs. 9.51 lakh.

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

(INR in Lacs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Amount Spent	Yet to be Spent	Total	Amount Spent	Yet to be Spent	Total
Construction / Acquisition of any assets	Nil	Nil	Nil	Nil	Nil	Nil
On the purpose of other then above	10.25	Nil	10.25	11.00	Nil	11.00

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.

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, 2022.

3. Disclosure:

(I) Capital to Risk Assets Ratio

Particulars	As at March 31, 2022	As at March 31, 2021
CRAR %	84.78%	86.35%
CRAR - Tier I capital %	83.74%	84.66%
CRAR - Tier II Capital %	1.04%	1.68%
Amount of subordinated debt raised as Tier II capital	-	-
Amount raised by issue of perpetual debt instruments	-	-
Unutilized amount at the end of the year	-	-

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

The Company has transferred a sum of Rs. 61.58 lacs (PY Rs. 49.66 lacs) during the year in the Special Reserve out of its profits in terms of Section 29C of the National Housing Bank Act, 1987. This amount includes a sum of Rs. 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:

Particular	INR in Lacs	
	As at March 31, 2022	As at March 31, 2021
Balance at the beginning		
a) Statutory reserve as per section 29C of the National Housing Bank Act, 1987	253.30	253.30
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken in to account for the purpose of statutory reserve u/s 29C of National Housing Bank Act, 1987	234.33	184.67
c) Total	487.63	437.97
Addition/appropriation/withdrawals during the year		

Particular	INR in Lacs	
	As at March 31, 2022	As at March 31, 2021
Add:		
a) Amount transferred as per section 29C of the National Housing Bank Act, 1987	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	44.42	49.66
Less:		
a) Amount appropriated as per section 29C of the National Housing Bank Act, 1987	Nil	Nil
b) Amount withdrawn from special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of statutory reserve u/s 29C of the National Housing Bank Act, 1987	Nil	Nil
Balance at the end of the year		
a) Statutory reserve as per section 29 C 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 into account for the purpose of statutory reserve u/s 29C of the National Housing Bank act, 1987	278.75	234.33
c) Total	549.21	487.63

Particular	INR in Lacs	
	As at March 31, 2022	As at March 31, 2021
(iii) Investments		
1. Value of investment		
(I) Gross value of investment		
(a) In India	857.79	356.14
(b) Outside India	-	-

INR in Lacs

Particular	As at March 31, 2022	As at March 31, 2021
(ii) Provision for depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investment		
(a) In India	857.79	356.14
(b) Outside India	-	-
2. Movement of provisions held towards depreciation on investments		
(i) Opening balance	-	-
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write off/write back of excess provisions during the year	-	-
(iv) Closing balance	-	-

(iv) Derivatives

There has been no forward rate contract/interest rate swap or any other derivative transaction carried out by the company during the year ended As at March 31, 2022 and As at March 31, 2021.

(v) Disclosures relating to securitization

There has been no securitization/assignment transactions carried out by the company during the year ended As at March 31, 2022 and As at March 31, 2021.

(vi) Asset liability management (ALM)

Maturity pattern of certain items assets and liabilities – as at As at March 31, 2022

INR In Cr.

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month to 2 months	Over 2 month up to 3 months	Over 3 month up to 6 months	Over 6 month up to 1 year	Over 1 year up to 3 years	Over 3 years up to 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowing from banks	0.09	-	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

Maturity pattern of certain items assets and liabilities – as at As at March 31, 2022

INR In Cr.

Particulars	1day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month to 2 months	Over 2 month up to 3 months	Over 3 month up to 6 months	Over 6 month up to 1 year	Over 1 year up to 3 years	Over 3 years up to 5 years	Over 5 years	Total
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
Other Liquid Assets	25.68	-	-	1.75	1.76	2.51	0.89	2.85	1.50	-	36.94

Maturity pattern of certain items assets and liabilities – as at As at March 31, 2021

INR in Cr.

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

(vii) Exposure

A. Exposure to real estate sector

INR in Lacs

Category		As at March 31, 2022	As at March 31, 2021
Direct Exposure			
(i)	Residential Mortgages:		
	-Lending fully secured by Mortgages on Residential property that is or will be occupied by borrower or that is rented; (Individual Housing Loans up to Rs. 15.00 lacs may be shown separately)	3677.28	3689.12
	-Individual Housing Loans up to Rs. 15.00 Lakh	6103.83	5511.87

Category		As at March 31, 2022	As at March 31, 2021
(ii)	Commercial Real Estate		
	Lending secured by Mortgages on commercial real estates (Office buildings, Retail Space, Multi-purpose commercial Premises, Multi-family residential buildings, Multi-tenanted commercial premises, Industrial or warehouse space, hotels, land acquisition, development and construction etc.) Exposure would also include non-fund based (NFB) limits.	-	-
(iii)	Investment in Mortgage backed Securities (MBS) and other securitized exposures	-	-
a.	Residential	-	-
b.	Commercial Real Estate	-	-
Indirect Exposure			
Fund based and non-fund based exposures on National Housing Bank (NHB) and housing finance companies (HFC's)		-	-
Total (a) + (b)		9781.11	9200.99

B. Exposure to capital market

There is no exposure to capital market during the year ended As at March 31, 2022 and As at March 31, 2021.

C. Details of financing of parent company products

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

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

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

E. Unsecured loans

There is no exposure to capital market during the year ended As at March 31, 2022 and As at March 31, 2021.

4. Miscellaneous**(I) Registration/ license/ authorization obtained from other financial sector regulators**

Registration/ license	Authority issuing the registration/ license	Registration/ license reference
Certificate of registration	Reserve Bank of India	DOR-00080

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

Items	As at March 31, 2022	As at March 31, 2021
a) Penalty		
Penalty if any levied by National Housing Bank	Nil	Yes, Penalty of Rs.15000/- for contravention of provision of the para 29 (6) (a) of Housing Finance Direction, 2010

Items	As at March 31, 2022	As at March 31, 2021
b) Adverse remarks		
Adverse remarks if any given by national housing bank	Nil	Nil
c) Percentage of outstanding loans granted against collateral gold jewelry to their outstanding assets	Nil	Nil

(iii) Related Party 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 during the year

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 Pvt. 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**l) Provisions and contingencies**

INR in Lacs

Particulars	As at March 31, 2022	As at March 31, 2021
Provisions for depreciation on investment	-	-
Provisions made towards income tax	-	-
Provisions towards non-performing assets	63.29	18.13
Provisions for standard assets	114.17	152.71
Other provisions and contingencies*	37.51	11.14

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, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Standard assets				
Total outstanding	8742.3	8782.59	1355.16	383.42
Provisions	89.56	144.77	24.61	7.94
Sub-standard assets				
Total outstanding	150.22	276.93	7.74	11.25
Provisions	30.05	17.57	1.49	0.56
Doubtful assets-Category-I				
Total outstanding	153.50	-	-	-
Provisions	31.75	-	-	-
Doubtful assets-Category-II				
Total outstanding	-	-	-	-
Provisions	-	-	-	-
Doubtful assets-Category-III				
Total outstanding	-	-	-	-
Provisions	-	-	-	-
Loan assets				
Total outstanding	-	-	-	-
Provisions	-	-	-	-
Total				
Total outstanding	9046.02	9059.52	1362.9	394.67
Provisions	151.36	162.34	26.10	8.51

Note:

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

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

There has been no draw down from reserves during the year ended March 31, 2022 (P.Y. H Nil)

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

INR in Lacs

S.no	Particulars	As at March 31, 2022	As at March 31, 2021
1	Concentration of public deposits (for public deposit taking/holding HFCs)	-	-
2	Concentration of loans and advances		
	Total advances to twenty largest borrowers	1008.77	1952.50
	Percentage of advances to twenty largest borrowers to total advances of the HFC	9.69%	20.65%
3	Concentration of all exposures (including off-balance sheet exposures)		
	Total exposure to twenty largest borrowers/customers	1008.77	1953.50
	Percentage of exposures to twenty largest borrowers/customers to total exposure of the HFC on borrowers/customers	9.69%	19.50%
4	Concentration of NPAs		
	Total exposure to top ten NPA accounts	138.29	93.30

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

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

v) Sector wise NPA

Particulars	% of NPAs to total advances in that sector	% of NPAs to total advances in that sector
	As at March 31, 2022	As at March 31, 2021
A. Housing loans :		
Individuals	3.36%	3.06%
Builders/project loans	-	-
Corporate	-	-
Others (specify)	-	-
B. Non housing loans :		
Individuals	0.57%	2.85%
Builder/project loans	-	-
Corporate	-	-
Other (specify)	-	-

vi) Movement of NPAs

INR in Crore

Particulars		Current Year
(I) Net NPAs to Net Advances (%)	2.40	2.86
(II) Movement of NPAs (Gross)		
a) Opening Balance	2.88	2.57
b) Additions during the year	1.30	1.87
c) Reductions during the year	1.07	1.56
d) Closing Balance	3.11	2.88

Particulars		Current Year
(III) Movement of Net NPAs		
a) Opening Balance	2.70	2.50
b) Additions during the year	1.04	1.74
c) Reductions during the year	1.26	1.54
d) Closing Balance	2.48	2.70
(IV) Movement of Provisions for NPAs (excluding provisions on standard assets)		
a) Opening Balance	0.18	0.07
b) Provisions made during the year	0.45	0.11
c) Closing Balance	0.63	0.18

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, 2022 and As at March 31, 2021 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, 2022 and As at March 31, 2021.

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, 2022	Year ended As at March 31, 2021
(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

INR in Lacs

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

Particulars	As at March 31, 2022
Number of significant counter parties	5
Amount	6566.62
Percentage of funding concentration to total deposits	-
Percentage of funding concentration to total liabilities*	73.65%

* Total liabilities excludes net worth

(ii) Top 20 Large deposits

Particulars	As at March 31, 2022
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, 2022
Total amount of top 10 borrowings	7805.44
Percentage of amount of top 10 borrowings to total borrowings	99.46%

(iv) Funding Concentration based on significant Instrument/product

Particulars	As at March 31, 2022	Percentage of total liabilities*
Borrowings from Banks & FI's	5,189.91	58.21%
Borrowings from National Housing Bank (NHB)	2,657.88	29.81%
Deb 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, working capital and continues to diversify its source of borrowings with the emphasis on longer tenor borrowings. The company has diversified mix of investors/lenders which includes Banks, National Housing Bank, Development Financial Institution.

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

Refer note no.34 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

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (Provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5) = (3) - (4)	6	(7) = (4) - (6)
Performing Assets						
Standard	Stage 1	8187.19	48.06	8139.13	23.94	24.12
	stage 2	1910.27	66.11	1844.16	5.95	60.16
Subtotal		10097.46	114.17	9983.29	29.89	84.28
Non-Performing Assets (NPA)						
Substandard	Stage 3	157.96	31.54	126.43	23.70	7.84
Doubtful - up to 1 year	Stage 3	153.50	31.75	121.75	38.37	-6.62
1-3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		153.50	31.75	121.75	38.37	-6.62
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		311.46	63.29	248.17	62.07	1.22
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		10408.92	177.46	10231.46	91.96	85.50
Total	Stage 1	8187.19	48.06	8139.13	23.94	24.12
	Stage 2	1910.27	66.11	1844.16	5.95	60.16
	Stage 3	311.46	63.29	248.17	62.07	1.22
	Total	10408.92	177.46	10231.46	91.96	85.50

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	7847.79	-
	(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	10,139.37	
	(b) Unsecured	269.55	
(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	-	

Particulars			INR in Lacs
Liabilities side			
			Amount outstanding
			Amount overdue
(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) Share	
		(a) Equity	-
		(b) Preference	-
		(ii) Debentures and Bonds	-
		(iii) Units of mutual funds	-
		(iv) Government Securities	-
		(v) Others (please specify)	-
	2	Unquoted	
		(i) Shares	
		(a) Equity	356.14
		(b) Preference	-
		(ii) Debentures and Bonds	-
		(iii) Units of mutual funds	-
		(iv) Government Securities	-
		(v) Others (Alternate Investment Fund)	501.65

Particulars				INR in Lacs		
Liabilities side				Amount outstanding		Amount overdue
(6)	Borrower group-wise classification of assets financed as in (3) and (4) above:					
	(Please see Note 2 below)					
	Category			Amount net of provisions		
				Secured	Unsecured	Total
	1	Related Parties **				
		(a)	Subsidiaries	-	-	-
		(b)	Companies in the same group	-	-	-
		(c)	Other related parties	352.56	-	352.56
	2	Other than related parties		9626.29	252.62	9,878.90
	Total			9,978.85	252.62	10,231.46
(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	784.64		541.65
	2	Other than related parties		73.15		48.00
	Total			857.79		589.65
	** 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			311.46
	(ii)	Net Non-Performing Assets				
		(a)	Related parties			-
		(b)	Other than related parties			248.17
	(iii)	Assets acquired in satisfaction of debt				-

Notes:

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

11. Principal Business Criteria for HFCs

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

- a) It is an NBFC whose financial assets, in the business of providing finance for housing, constitute at least 60% of its total assets (netted off by intangible assets).
- b) Out of the total assets (netted off by intangible assets), not less than 50% should be by way of housing financing for individuals.

The Company meets the aforesaid principal business criteria for HFCs.

(INR in Lacs)

Particulars	As at March 31, 2022
Total Assets	15,326.03
Less: Intangible assets	74.22
Less: Cash & Bank Balance	2,917.93
Net total Assets	12,333.88
Housing Finance	9,046.02
Individual Housing Finance	8,523.25
Percentage of housing finance to total assets (netted off intangible assets)	73.34%
Percentage of individual housing finance to total assets (netted off intangible assets)	69.10%
Percentage of individual housing finance to housing finance	94.22%

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: 22079052AHHLPR8858

For and on behalf of the Board of Directors

Sd/-

Ashish Jain

Chairman & Managing Director

DIN: 02041164

Sd/-

Kavish Jain

Director

DIN: 02041197

Sd/-

Natesh Narayanan

Chief Financial Officer

Sd/-

Paritosh Kothari

Company Secretary

M.No. A36550

Place: Udaipur

Date: 18-04-2022