

20TH

ANNUAL REPORT

FY 2024 - 25



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Kalpesh Dave

Executive Director & CEO

Mr. Kavish Jain

Executive Director

Mr. Amlendra Prasad Saxena

Non-Executive Independent Director

Mr. Ajith Kumar Lakshmanan

Non-Executive Independent Director

Mr. Chinnathambi Ilango

Non-Executive Independent Director

Mr. Pradip Kumar Das

Non-Executive Independent Director

Mrs. Neelam Tater

Non-Executive Independent Director

KEY MANAGERIAL PERSONNEL

Mr. Kalpesh Dave

Executive Director & CEO

Mr. Natesh Narayanan

Chief Financial Officer
(Resigned w.e.f 15.06.2025)

Mr. Anoop Saxena

Chief Operating Officer

Mr. Shreyas Mehta

Company Secretary & Compliance Officer

Mr. Bhanwar Singh Kachhawaha

Chief Compliance Officer
(Resigned w.e.f. 14.05.2025)

Mr. Ajit Kumar Satpathy

Chief Risk Officer

SECRETARIAL AUDITOR

M/s. D. M. Zaveri & Co.

Company Secretaries
145, 1st Floor, Kesar Residency, Charkop Sector 3,
Kandivali (West), Mumbai - 400067
T: +91 98203 20503 | E: dmz@dmzaveri.com

STATUTORY AUDITORS

M/s Nyati Mundra & Co.

52, Ashok Nagar. Udaipur (Raj) - 313001
M: +91 98295 67400 | E: nyatimundraco@gmail.com

REGISTRAR & TRANSFER AGENTS

Bigshare Services Pvt. Ltd

S6-2, 6th floor Pinnacle Business Park, Next to Ahura Centre,
Mahakali Caves Road, Andheri (East) Mumbai-400093
T: 011 42425004 / 47565852 | E: bssdelhi@bigshareonline.com

STOCK EXCHANGE

BSE Limited

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

REGISTERED OFFICE

Star Housing Finance Ltd.

603, Western Edge 1, Above Metro Cash & Carry,
Borivali East. Mumbai - 400066.
W: www.starhfl.com | E: compliance@starhfl.com

DEPOSITORIES

National Securities Depository Ltd. (NSDL)

301, 3rd Floor, Naman Chambers, G Block, Plot No- C-32,
Bandra Kurla Complex, Bandra East, Mumbai - 400051

Central Depository Services Ltd. (CDSL)

Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg,
Lower Parel, Mumbai - 400013

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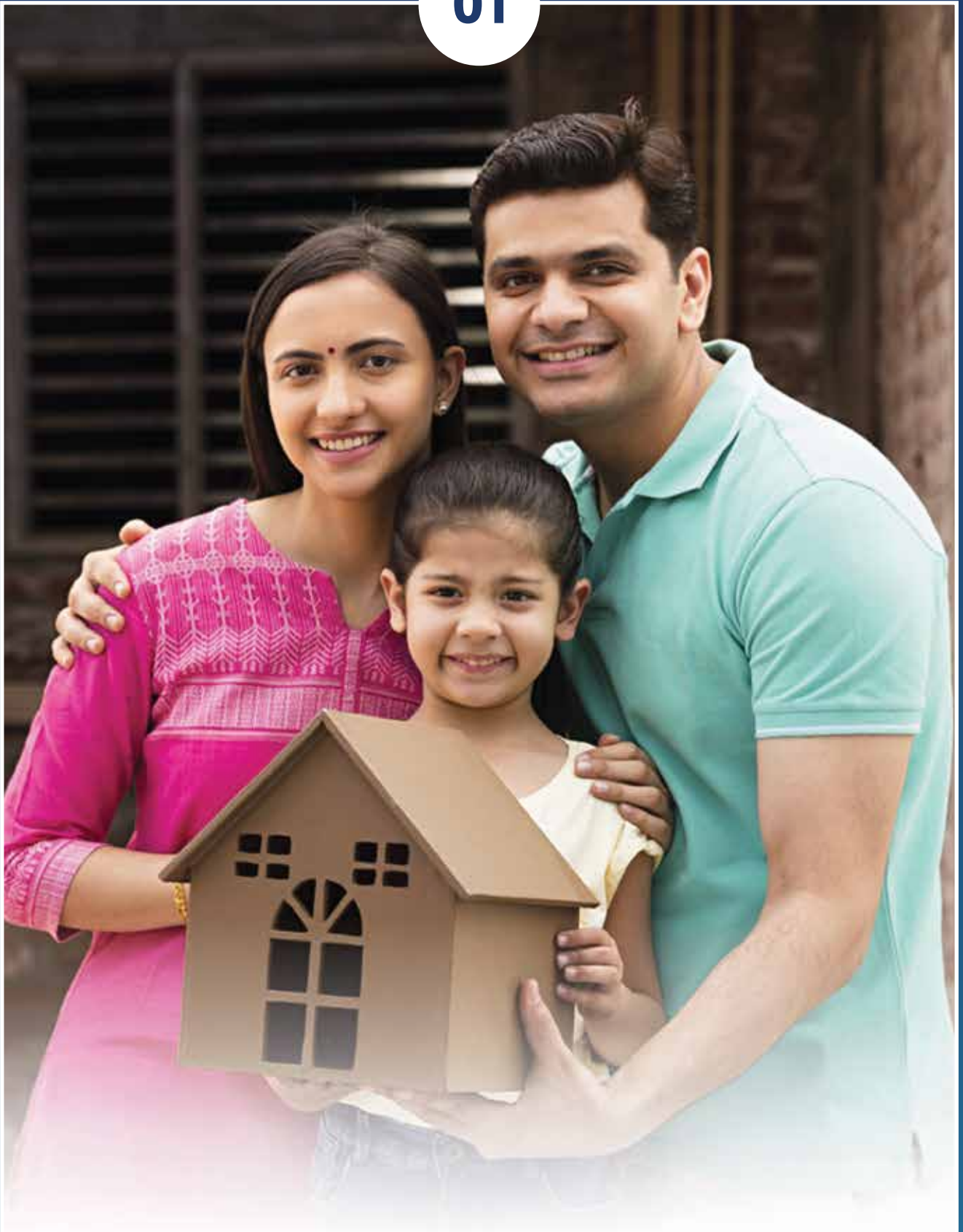
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03



COMPANY OVERVIEW

KEY HIGHLIGHTS



ASSET UNDER MANAGEMENT

₹ **520.70 crs**

↑ 21.98% YOY growth



GROSS LOAN BOOK

₹ **417.95 crs**

↑ 9.15% YOY growth



NETWORTH

₹ **143.87 crs**

↑ 8.16% YOY growth



BORROWINGS

₹ **403.81 crs**

↑ 26.07% YOY growth



PBT & PAT

₹ **14.19 crs**

₹ **11.10 crs**

↑ 23.68% and 24.94% YOY growth respectively



GNPA & NNPA

**1.84% &
1.40%**



ROE

8.02%



ROTA

2.12%



NO. OF EMPLOYEES

266



NO. OF BRANCHES

35

Rates as BBB / Stable by CARE Edge and India Ratings

OUR LENDERS



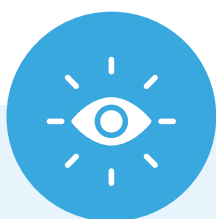
AK SECURITIZATION &
CREDIT OPPORTUNITIES FUND II



ABOUT US

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

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



COMPANY VISION

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



COMPANY MISSION

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

CORE VALUES

SEEKING EXCELLENCE

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



ACCOUNTABILITY & OWNERSHIP

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

TEAMWORK & COLLABORATION

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



NURTURING LIVES

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



GEOGRAPHIC FOOTPRINT

The Company commenced its journey from Udaipur, Rajasthan, in 2005 and is now present in 6 states of India, covering Rajasthan, Maharashtra, Gujarat, Madhya Pradesh, Tamil Nadu and Uttar Pradesh. During the journey Star HFL added 35 branches till March 31, 2025.

INTEGRITY

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



HUMAN CAPITAL

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

OUR JOURNEY

MARCH 2005

Incorporated originally as
“Akme BuildHome Pvt. Ltd.”

DECEMBER 2009

License Sanctioned by National Housing
Bank (NHB); name changed to Akme Star
Housing Finance in Nov 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 Akme Star HFC gets actively traded
on Bombay Stock Exchange (BSE).

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. Amlendra Prasad Saxena
(Ex NHB Official) inducted on the board

OCTOBER 2019

Arkfin Investments & Advisors Private
Limited (Formerly known as Arkfin
Investments Private Limited) invests
incremental capital in Akme Star HFC thereby
acquiring 21.5% stake in the Company.

JUNE 2019

Gets into **strategic partnership with
Arkfin Investments & Advisors Private
Limited** (Formerly known as Arkfin
Investments Private Limited) with an aim
to initiate overall transformation.

MARCH 2021

Present across 5 states

(Maharashtra, MP, Gujarat, Rajasthan & TN) through 7 branches, 15 digital POPs with 75+ employees.

- » Loan book as of Mar 31, 2021 of **Rs.94.54 Cr with 1108 live accounts.**
- » The name of the Company has changed from “**Akme Star Housing Finance Limited**” to “**Star Housing Finance Limited**”.
- » The company has **received Rs. 7 Cr.** (Rupees Seven crore only) through term loan augmentation (TLTRO) **from State Bank Of India.**
- » The Company has **received Rs. 12 Cr.** (Rupees Twelve Crore Only) **through term Loan from Union Bank of India.**
- » Star HFL was able to initiate engagement with the NHB and received credit lines through LIFT, SRF, and **regular refinance in FY 2021** amounting to **Rs. 24.60 Cr.**

- » AUM as of March 31, 2025 of **Rs. 520.70 crs with 5226 live accounts.**
- » PAT at Rs. 11.10 crs.
- » Net-worth at Rs. 143.87 crs.
- » Receives Ratings Upgrade from CARE Edge & India Ratings, now rated as “**BBB / Stable**”.
- » Appointed Kalpesh Dave as Executive Director.

OUR PRINCIPLES



TRANSPARENCY

Conducting and governing ethically with complete transparency and accountability

WELFARE

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



SAFETY

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

SUSTAINABILITY

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



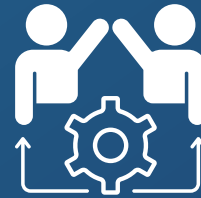


RESPONSIBILITY

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

INCLUSIVITY

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



HUMAN RIGHTS

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

GROWTH

Supporting and driving inclusive economic growth and equitable development for all



OUR OFFERINGS

HOME LOANS



PURCHASE OF FLATS / HOUSES

The company was formed with main objective of providing financial assistance for purchase of a dwelling unit where an individual family can live in.



RENOVATION OF EXISTING UNITS

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



EXTENSION OF EXISTING UNITS

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



BALANCE TRANSFER

Balance Transfer Loan facility allows customers to transfer their existing home loans from other financial institutions to us. This product is designed to help borrowers enjoy better repayment options and benefit from our transparent processes.

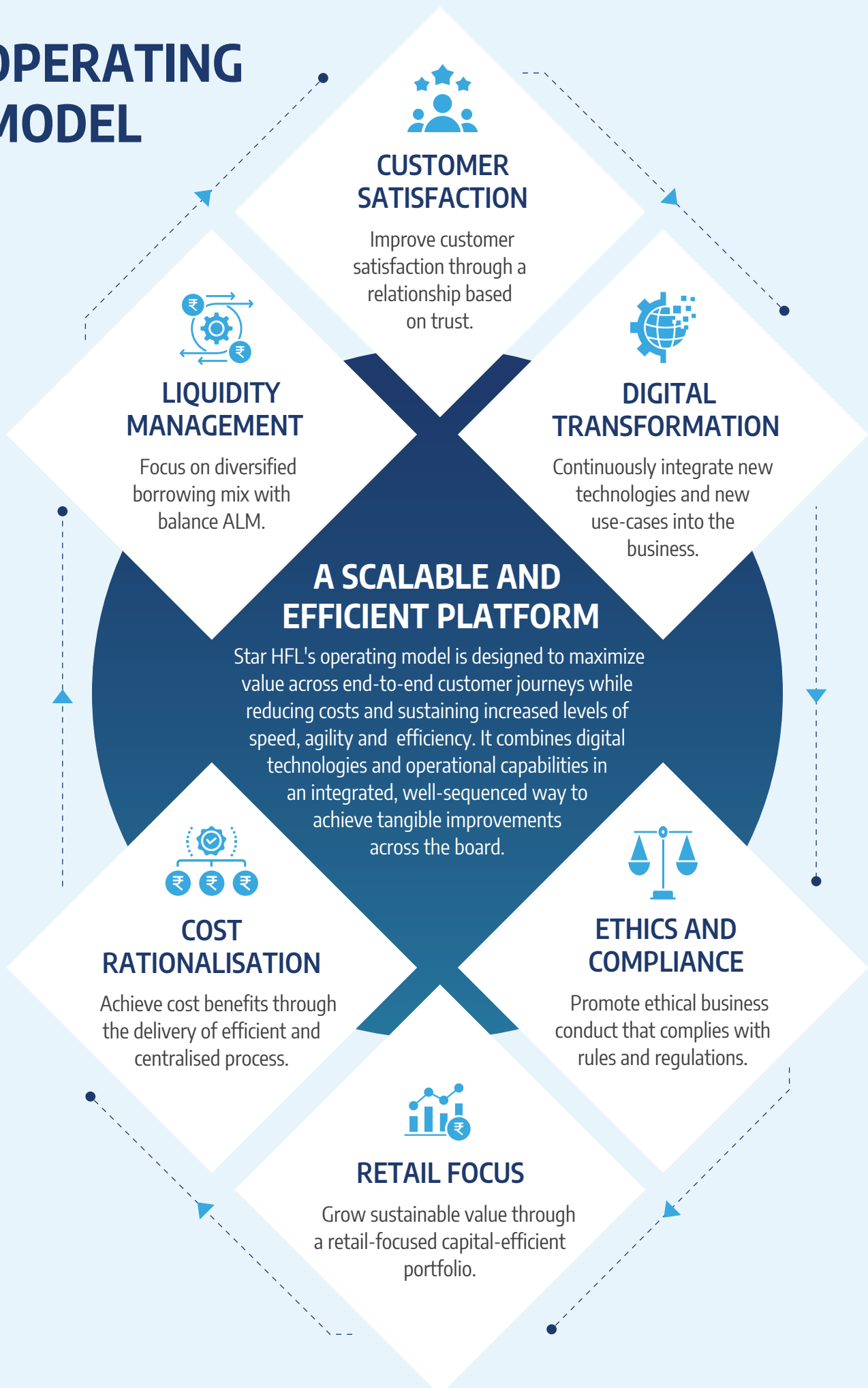


PURCHASE OF PLOT FOR CONSTRUCTION OF HOUSES

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



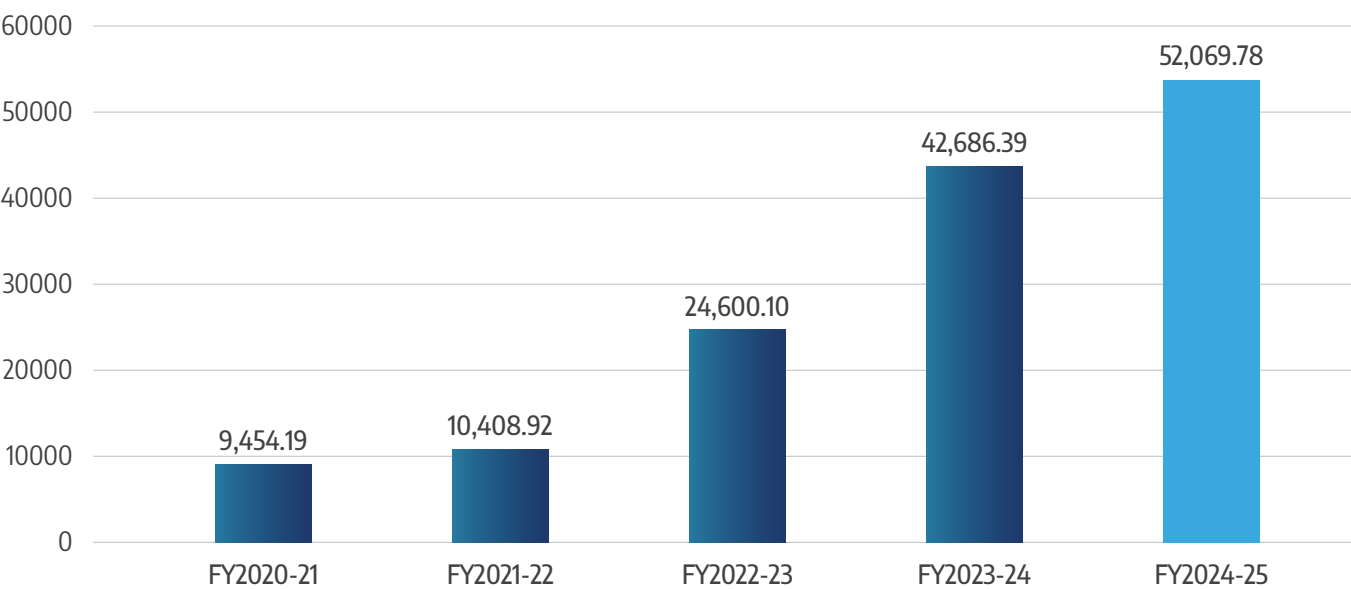
OPERATING MODEL



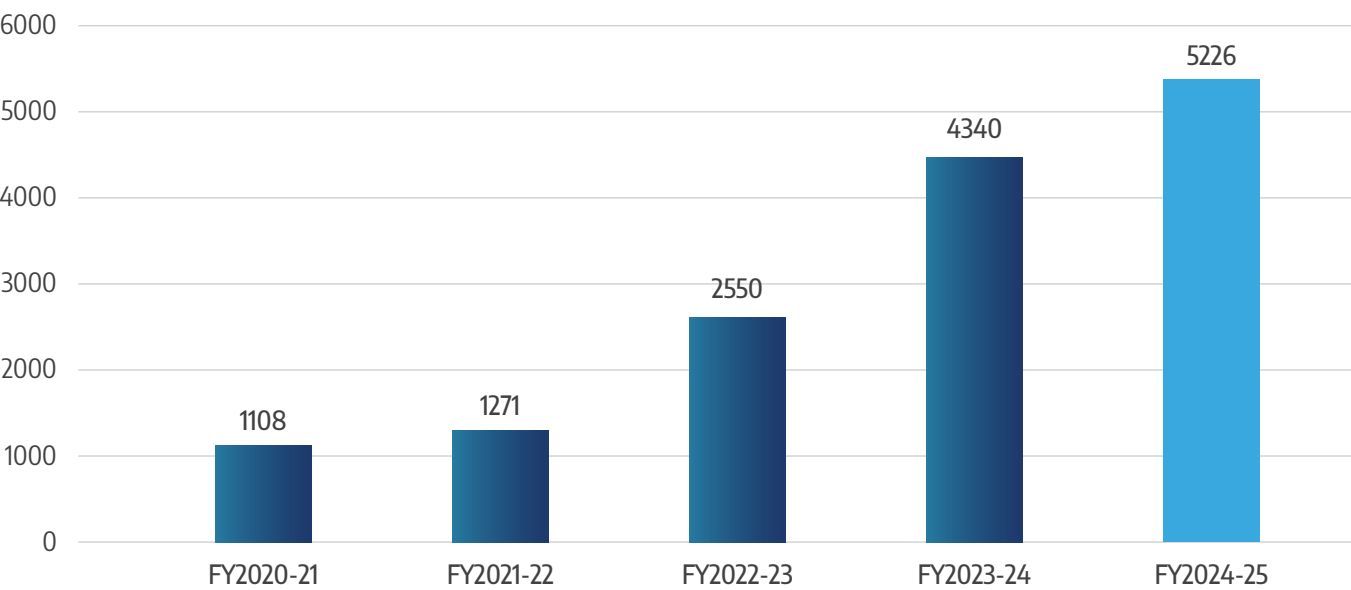
PERFORMANCE HIGHLIGHTS

BUSINESS METRICS

AUM GROWTH (IN LAKHS)

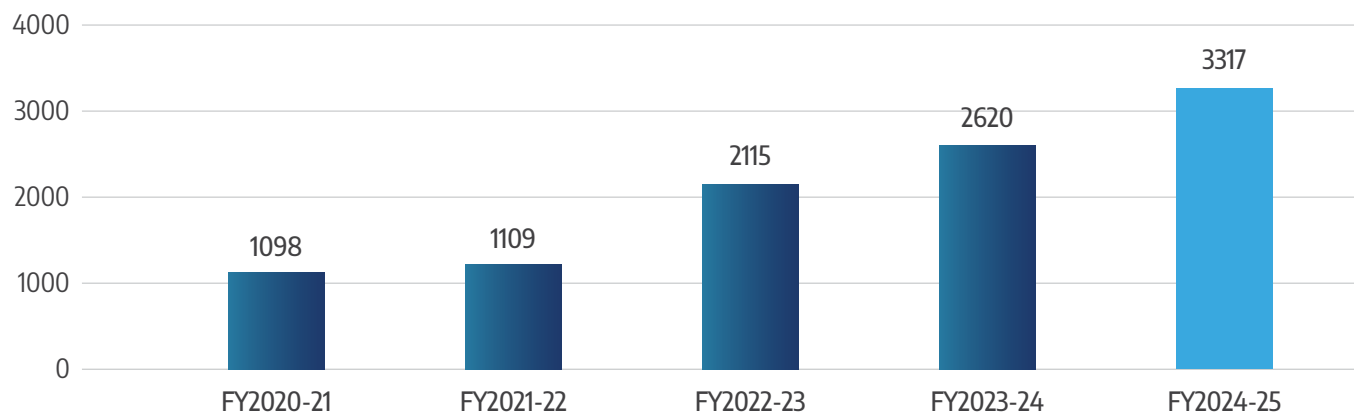


NO. OF LOAN ACCOUNTS

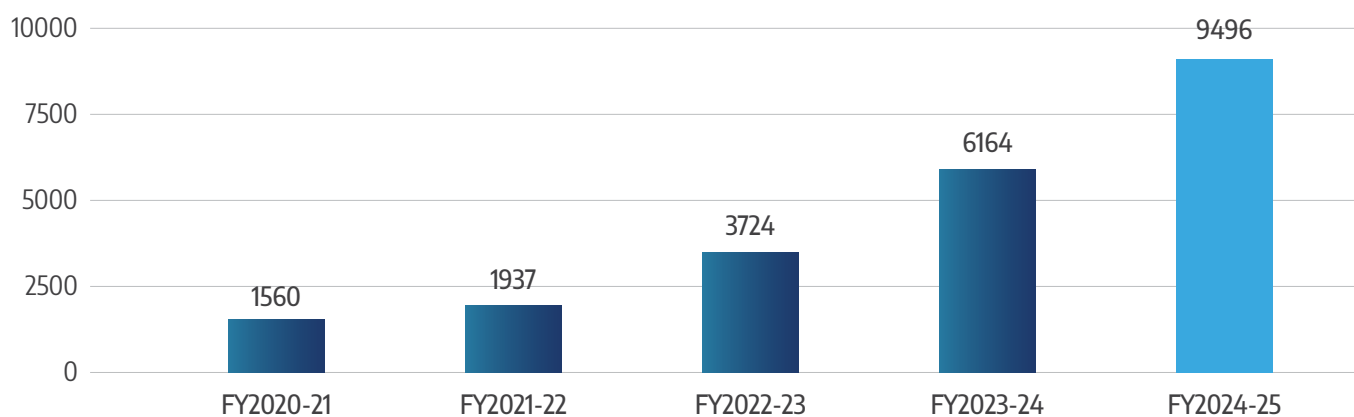


OPERATIONAL METRICS

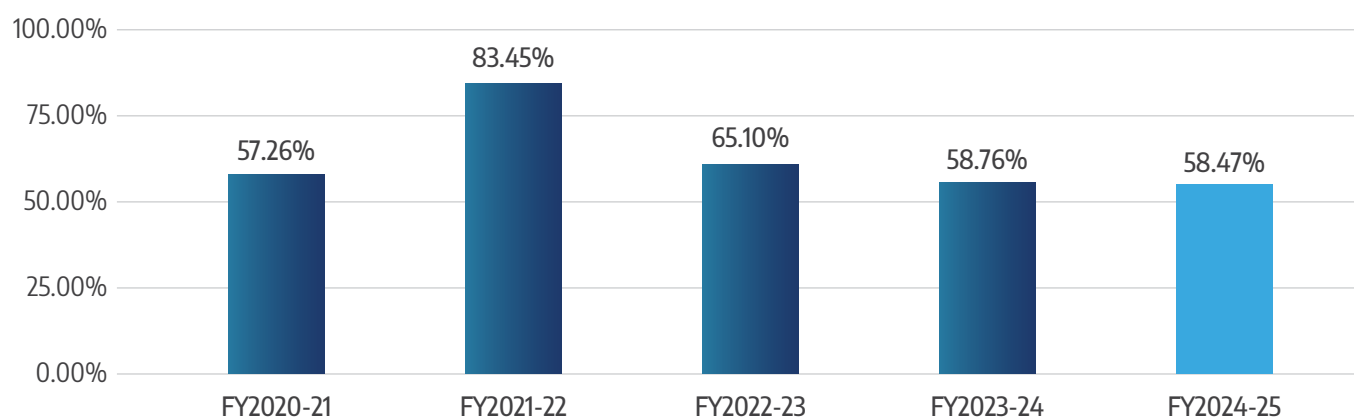
NET INTEREST INCOME (IN LAKHS)



GROSS TOTAL INCOME (IN LAKHS)

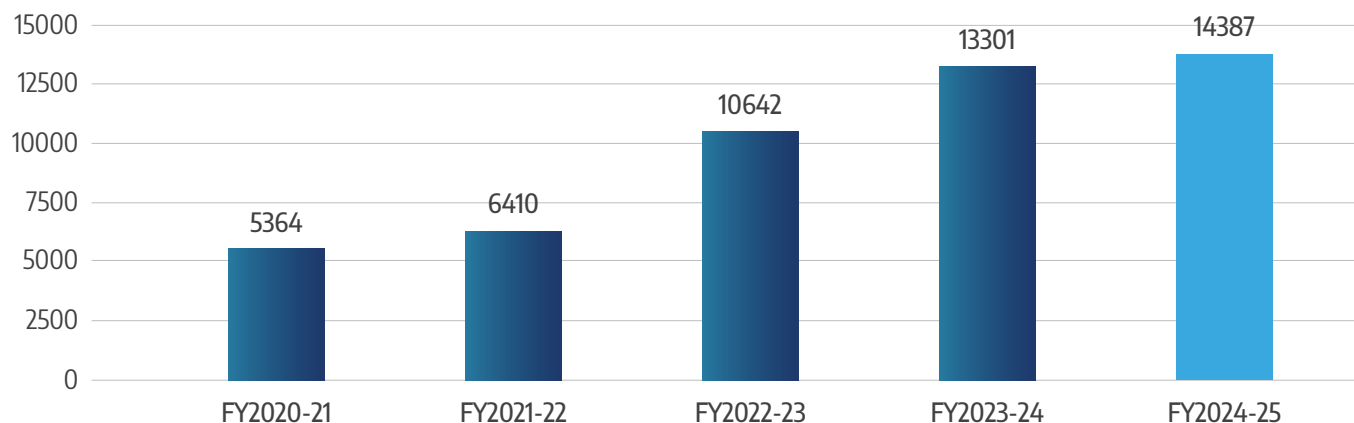


COST TO INCOME (%)

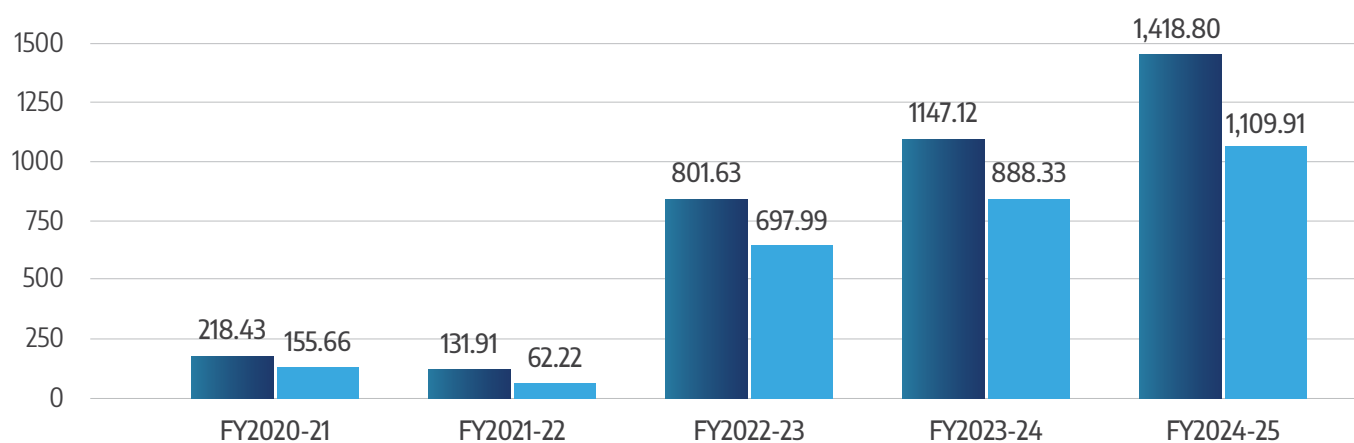


FINANCIAL METRICS

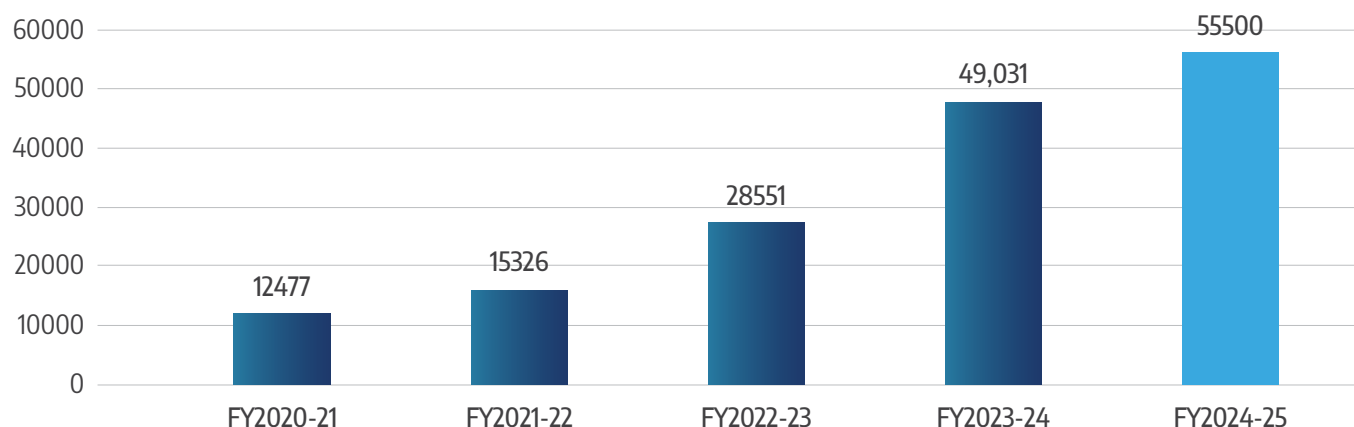
NET WORTH (IN LAKHS)



PBT-PAT (IN LAKHS)

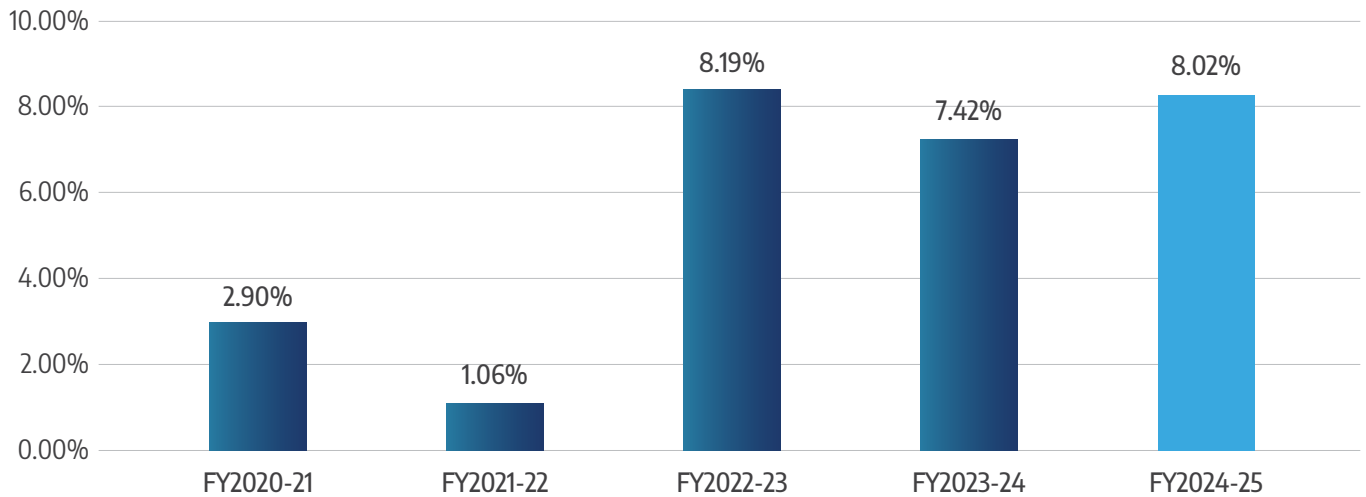


TOTAL ASSETS (IN LAKHS)

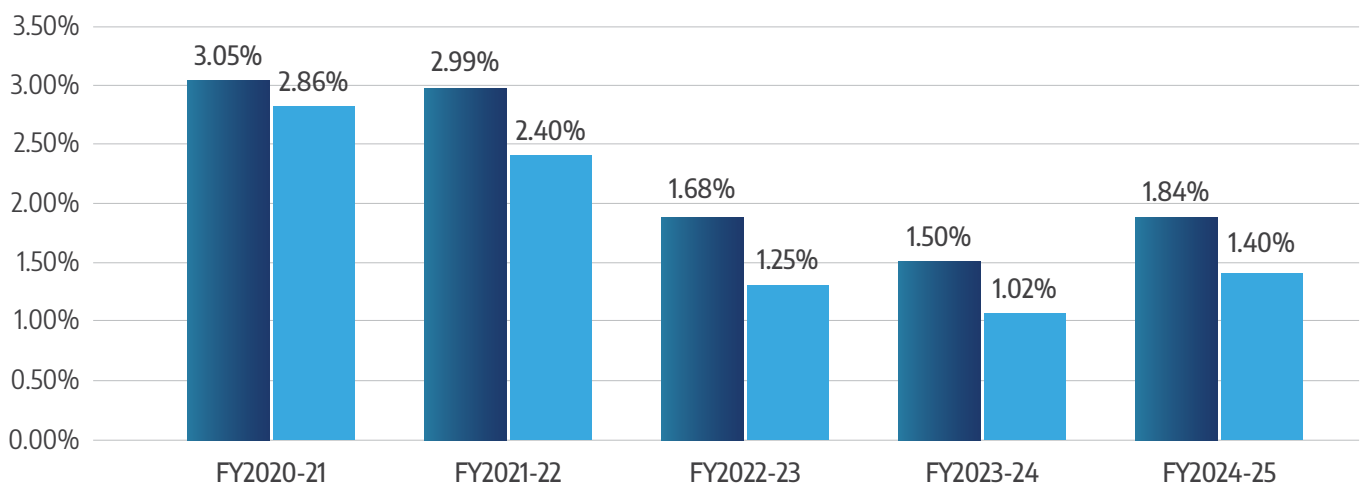


FINANCIAL METRICS

ROE (%)

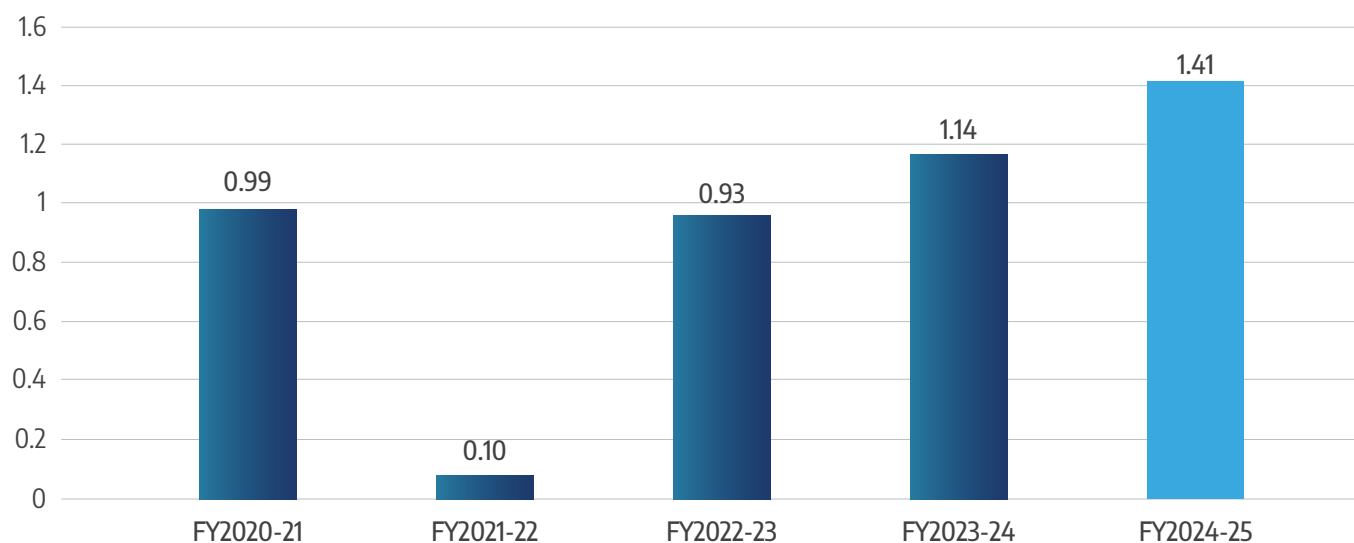


GNPA-NNPA (%)

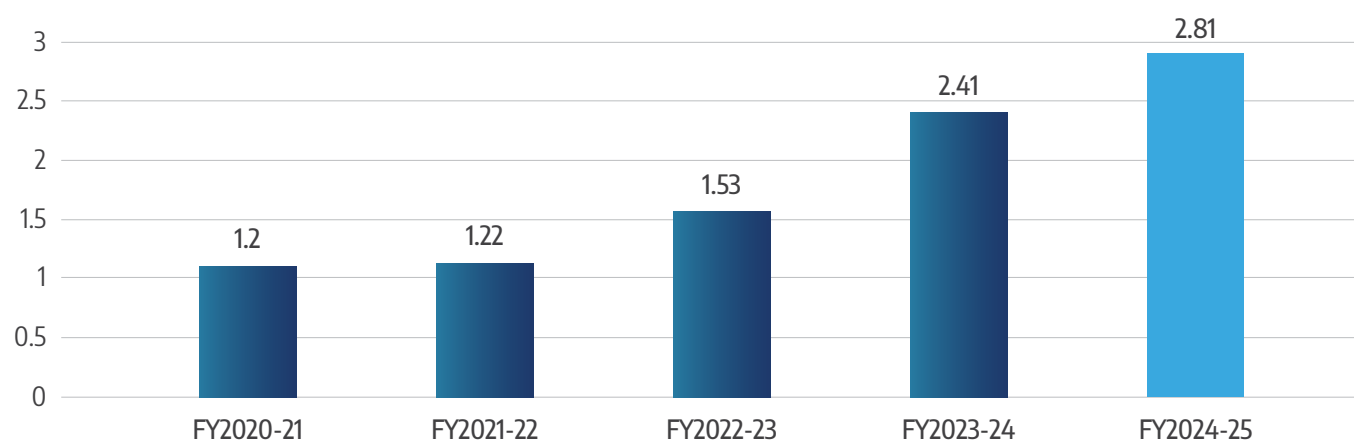


KEY FINANCIAL RATIOS

EARNING PER SHARE



LEVERAGE





BOARD OF DIRECTORS



Kalpesh Dave

Executive Director & CEO

Mr. Kalpesh Dave has more than 15 years of experience in housing finance space. His expertise includes competitive environment scanning, setting and scaling up of business processes, setting up of branch infrastructure, developing result oriented strategies for implementation on ground.



Kavish Jain

Executive Director

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



Amlendra Prasad Saxena

Independent Director

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



Ajith Kumar Lakshmanan

Independent Director

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



Chinnathambi Ilango

Independent Director

With over 36 years in commercial banking, Shri C. Ilango is a seasoned professional whose career highlights include transforming **CanFin Homes Ltd as Managing Director and CEO** from 2011 to 2016. Under his leadership, branch network expanded from 41 to 140, and Assets under Management surged from INR 2,199 crore to INR 10,643 crore. His core competencies span strategic planning, revenue enhancement, operational excellence, relationship building, and financial skills.



Pradip Kumar Das

Independent Director

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



Neelam Tater

Independent Director

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



KEY MANAGEMENT



Kalpesh Dave
Executive Director & CEO

Mr. Kalpesh Dave has more than 15 years of experience in housing finance space. His expertise includes competitive environment scanning, setting and scaling up of business processes, setting up of branch infrastructure, developing practical and result oriented strategies for implementation on ground.



CA Anoop Saxena
Chief Operating Officer

Mr. Anoop Saxena is a professional CA with 15+ years of experience in Credit & Operations Management, Business Management, Product Development, Portfolio Management, Underwriting and Internal Audit in housing finance space. He is instrumental in setting up the risk framework at Star HFL along with the policies and processes.



Hemant Shinde
Head - Fund Raising

Mr. Hemant Shinde is a dynamic and results-driven professional with over 2 decades of proven track record in fund raising. Expertise in cultivating relationships, implementing effective fundraising strategies, and driving sustainable growth. A strategic thinker adept at navigating regulatory frameworks and leveraging opportunities for impactful fundraising initiatives.



CS Shreyas Mehta
Company Secretary & Compliance Officer

Result-oriented professional with more than 10 years of experience in corporate secretarial, statutory compliances, legal and corporate regulatory affairs. Rich experience in a wide spectrum of drafting, vetting and finalizing various corporate policies like Board Charter & policies.

KEY MANAGEMENT



Sandeep Kadam
Chief Business Officer

Mr. Sandeep Kadam is a senior level business executive with more than 15 years of housing finance experience in Maharashtra region. He has a strong experience in leading & supervising high performing professional team. He has strong hold on administration, portfolio management, customer service and in providing overall business growth direction at regional level.



Ajit Kumar Satpathy
Chief Risk Officer

A seasoned finance professional with over 18 years of extensive experience in credit risk analysis, marketing, SME and MID corporate business analysis, credit monitoring, compliance, relationship management, grievance handling and trade finance. Ajit holds an MBA in Finance and Marketing from IBS, Hyderabad, and an MBA in Marketing from NIBM, Chennai. He also has an engineering background with a B.E. in Mechanical Engineering from North Orissa University.



Murtaza Vohra
Head - Planning

Seasoned administrative professional with over a decade of experience in managing facility operations, vendor management, and corporate services in the financial sector. Proven track record in streamlining processes, ensuring regulatory compliance, and enhancing workplace efficiency for optimal business support.



CA Shikha Dharmawat
Finance Controller &
Head - Accounts

A qualified member of the ICAI having vast knowledge in the areas of Financial accounting, Auditing, Direct and Indirect Taxation, Budgeting & Analysis. Has proven capability to structure, manage and drive financial interface of an organization with a strong ability to manage profitable growth through critical analysis of loan accounting, expense and revenue streams of the company.



Nikhil Sahu
Head - Business Intelligence Unit

Mr. Nikhil Sahu has extensive experience in business intelligence and data analytics with strong business acumen and the ability to translate complex data into clear and concise recommendations. He excels in fast-paced, challenging environments, and thrives on driving innovation and continuous improvement.



Rajesh Gopinath
Business Head - Tamil Nadu

Mr. Rajesh Gopinath is a senior management professional with 20+ years of experience in business, relationship & people management in lending & insurance distribution space in Southern geographies of India. He comes with a strong track record having worked with various housing finance companies and financial institutions.



Nilesh Pande
Business Head - Vidarbha

Mr. Nilesh Pande comes with over a decade & half vintage in Vidarbha region of Maharashtra. He has been successful in creating housing finance market in rural geographies of Vidarbha through establishment of strong branch infrastructure. He is a well-known name in the residential mortgage space specifically in Akola and Nagpur.



Mohan Tayade
Business Head - Surat

Mr. Mohan Tayade is a young housing finance professional having made name for himself in South Gujarat, especially Surat market. Having risen up the ranks, he has acquired strong domain and is specifically an expert in understanding the underlying underwriting dynamics for borrowers in South Gujarat.

KEY MANAGEMENT



Varun Shah

Business Head - Rest of
Maharashtra

Mr. Varun Shah has over 10 years of experience in the mortgage finance sector, with a strong focus on the Pune & nearby region. As the Business Head, he leads regional operations, drives business expansion, and ensures customer satisfaction through strategic execution and efficient team management. His deep understanding of the local market has been key to sustained growth in the area.



Jai Tekwani

Business Head - NCR

Mr. Jai Tekwani brings over 12 years of rich experience in the mortgage finance sector, with deep expertise in managing large-scale operations across the NCR region. As the Business Head, he leads strategic growth initiatives, team development, and portfolio expansion, leveraging his strong understanding of regional dynamics and customer behavior.



Indra Awasthi

Business Head - Madhya Pradesh

Mr. Indra Awasthi has 8+ years of experience in the mortgage finance industry, with a robust track record in the Madhya Pradesh market. His role as Business Head involves overseeing branch operations, driving business growth, and ensuring operational excellence across the MP region.



Krishna Thorat

Business Head - Mumbai

With over a decade of experience in mortgage finance, Mr. Krishna Thorat heads the Mumbai region. Known for his deep market insights and customer-centric approach, he has been instrumental in scaling operations and enhancing market penetration in the highly competitive Mumbai landscape.



Vijay Kumawat

Business Head - Rajasthan

Mr. Vijay Kumawat brings 8+ years of experience in mortgage finance, primarily focused on the Rajasthan region. As Business Head, he oversees regional business strategy, branch performance, and customer acquisition, ensuring consistent growth and operational efficiency.



MESSAGE FROM CEO



Dear Shareholders,

It is with great pride that I present Star Housing Finance Limited's Annual Report. Over the past year, our disciplined approach and resilient business model have propelled significant growth, reinforcing our commitment to providing sustainable, affordable housing finance.

Macro Environment:

Despite a backdrop of global economic uncertainty, the affordable housing segment has demonstrated remarkable stability. Portfolio quality, revenue growth, and profitability remained strong. While interest rates have started to come down, hence we believe that it will enhance our business prospects. India's robust economic fundamentals - driven by rapid urbanization, rising per-capita GDP, and an expanding middle class - continue to underpin our optimism.

Financial Inclusion:

Government initiatives to deepen financial inclusion, boost literacy, and expand digital access have unlocked new opportunities in underserved markets. Star HFL is uniquely positioned to capitalize on this momentum, leveraging our expertise to bridge the credit gap in non-metropolitan regions and deliver long-term stakeholder value.

Our Niche Focus:

We concentrate on self-employed and underbanked borrowers in rural and semi-urban India. By tailoring products and underwriting to their specific needs, we foster entrepreneurship and transform lives. Today, over 70% of our clients are self-employed - a testament to our deep understanding of this segment.

Financial Performance:

- » **Branch Network:** Expanded to 35 branches across six states.
- » **Assets Under Management (AUM):** ₹520.70 crore, with 5,226 active accounts.
- » **Disbursements:** ₹149.51 crore during the year.
- » **Net Worth:** ₹143.87 crore.
- » **Borrowings:** ₹403.81 crore, maintaining a healthy leverage ratio of 2.81x.

Sustained Growth Strategy:

Our goal is to establish Star HFL as a pan-India player. Over FY26-27, we intend to double our branch network, enhance technology platforms, and deepen co-lending partnerships. Innovative funding sources will support our mission to finance affordable homes across the country.

We have clearly outlined our goals and demonstrated significant progress through strategic execution and enhanced performance.



Underwriting Excellence:

A robust, decentralized underwriting framework ensures swift decisions and rigorous risk control. Multiple control points, quantitative checks, and empowered branch teams have delivered high collection efficiency and strong asset quality. As of March 31, 2025:

PAR (0+ days): 5.39% | **GNPA:** 1.84% | **NNPA:** 1.40%

Customer-Centric Digital Transformation:

Technology is central to our growth strategy. We continue to strengthen our digital infrastructure - enhancing customer experience, improving operational efficiency, and fortifying risk management. We remain enthusiastic about emerging technologies that can unlock new efficiencies and insights.

Our People:

Our employees are our greatest asset. We champion diversity and inclusion, foster transparent communication, and uphold the highest standards of integrity. This culture of respect and empowerment drives our performance and builds lasting relationships with stakeholders.

Corporate Governance:

Star HFL benefits from a strong, independent Board of Directors, comprising seasoned professionals from the BFSI sector:

- » **Mr. Chinnathambi Ilango** (Ex-MD, CanFin Homes Ltd.)
- » **Mr. Amlendra Prasad Saxena** (Ex-GM, NHB)
- » **Mr. Ajith Kumar Lakshmanan** (Ex-ED, LIC of India)
- » **Mr. Pradip Kumar Das** (Ex-ED, IDBI Bank)
- » **Mrs. Neelam Tater** (CA & CS)

Their guidance reinforces our commitment to best-in-class governance practices.

Way Forward:

Looking ahead, our clear vision and seasoned leadership team will continue to drive Star HFL's high-growth trajectory. We are grateful to our Board, the Reserve Bank of India, and the National Housing Bank for their support and regulatory guidance. We remain fully compliant with all statutory requirements and are poised to deliver sustained value to our stakeholders. Thank you for your continued trust and support.

Regards,

Kalpesh Dave

Executive Director & CEO

MESSAGE FROM CFO



Dear Shareholders,

It is with immense pleasure and fulfilment that I present the key highlights of the previous financial year. While the full impact of our dedicated vision and principles cannot be solely quantified, it is essential to evaluate our progress, communicate our outcomes, and affirm our standing in the market.

Homeownership is a source of pride and a pivotal step toward long-term stability. At Star Housing Finance Limited, we are dedicated to assisting customers in overcoming barriers to homeownership, particularly first-time buyers who are often self-employed. Our vision of 'Housing for All' continues to guide us as we uphold our values and strengthen our organization.

We have consistently embraced a customer-centric approach, aiming to bridge the credit divide in the largely underserved affordable housing segment. Our objective remains to serve underserved customers, particularly in Tier-2 and Tier-3 cities, where the demand for affordable housing is most pronounced.

Our assets under management (AUM) have grown significantly, reaching Rs. 520.70 Crores, up from Rs. 426.86 Crores in March 2025. This growth is attributed to our expanding branch network, dedicated workforce, and the inclusion of diverse lenders to our portfolio. The 21.98% rise in AUM underscores our effective strategy and investments in expanding our distribution network, resulting in disbursements totalling to Rs. 149.51 Crores in FY2024-25.

Our financial performance demonstrates our growth trajectory. The company recorded a Profit before Tax of Rs. 14.19 Crores and a Profit after Tax of Rs. 11.10 Crores. Furthermore, our Net Interest Margin stood at 7.69%, reflecting our efficient fund management and operational effectiveness.

The quality of our portfolio continues to validate our stringent underwriting standards and proactive collection strategies. Our Gross and Net NPAs remained at 1.84% and 1.40%, respectively. Consistent high collection efficiency throughout the year highlights our robust credit risk management practices.

Our strong leadership team has been pivotal in driving quality business growth. Prudent risk management, coupled with effective operational strategies, has significantly enhanced our bottom line, creating increased value for our shareholders.

A balanced customer mix, comprising 35% salaried employees and 65% self-employed consumers, has enabled us to build a niche, high-quality portfolio. Our average ticket size of approximately Rs. 11 Lakhs indicates the affordability and accessibility of our financial products, catering to the consistent spending patterns of our customer base.

In conclusion, our ongoing efforts to strengthen our liability franchise ensure that we continue to fulfil the housing finance needs of our customers while delivering robust financial performance. We remain steadfast in our vision of enabling affordable housing for all and driving inclusive growth nationwide.

Our vision of 'Housing for All' continues to guide us as we uphold our values and strengthen our organization.



Lastly, I would like to extend my appreciation to our stakeholders, lenders, and investors for their continuous support. Achieving our objectives in the years ahead will require your continued guidance. I also express our sincere gratitude to all our customers for their trust and for choosing us as their financial partner. Finally, I extend my thanks to our dedicated employees for their unwavering commitment to Star HFL.

Regards,

Natesh Narayanan

Chief Financial Officer



STATUTORY REPORTS

MANAGEMENT DISCUSSION AND ANALYSIS 2024-25

GLOBAL ECONOMY

During the reported year, the global economy faced significant macroeconomic challenges. Despite this, certain emerging markets such as India, Mexico, and Vietnam exhibited strong growth trajectories, while advanced economies like the United States surpassed pre-pandemic growth levels. Conversely, China's economy experienced sluggish growth. Factors such as trade disruptions, persistent geopolitical conflicts, underinvestment, and uneven growth across various regions further compounded these challenges. Additionally, the accumulation of debt in both private and public sectors created tension between maintaining financial market stability and achieving macroeconomic objectives.

Nevertheless, the global economy demonstrated resilience, achieving a growth rate of 3.2% amidst these headwinds. Central banks in major economies implemented calibrated interest rate hikes, leading to a faster-than-expected decline in inflation across most regions.

This fostered gradual economic expansion and increased employment opportunities in emerging markets, the United States, and Europe. Several low-income and frontier economies also regained their market positions.

Looking ahead, the global economy is expected to gradually improve. With inflation rates nearing target levels, GDP growth is projected to sustain at 3.2% in CY 2024 and CY 2025. Despite significant imbalances in consumption and investment, there is cautious optimism. Private consumption is projected to grow by about 4% in CY 2024, while total income is expected to expand by 2.6%. Collective policy efforts by governments and the inherent resilience of global economies are anticipated to play a crucial role in facilitating sustainable and inclusive growth in the coming years.

INDIAN ECONOMIC REVIEW

Despite global economic headwinds, the Indian economy maintained a positive growth trajectory. Strong momentum, robust indirect tax collections, and lower subsidies were key drivers of economic growth. Data released by the National Statistical Office (NSO) in late February 2024 surpassed expectations, and current data for January-March 2024 suggests that the Indian economy could achieve a growth rate close to 8%. Purchasing Managers' Indices (PMIs) reflect overall positive business sentiment, buoyed by rising demand, increased technology investments, improved efficiency gains, and favorable sales growth.

The reported year also saw a surge in investments, strong structural demand visibility, and healthier corporate and bank balance sheets.

Central public sectors achieved 92% of their combined FY 2023-24 capital expenditure target, reflecting the government's strong focus on infrastructure development. The manufacturing sector expanded at double digits, supported by high corporate profitability and falling input costs.

Projections from the Dynamic Stochastic General Equilibrium (DSGE) model indicate that GDP growth is likely to remain robust at 7.4% during 2024-25. CPI inflation is projected to average 4.4% during 2024-25, lower than the 5.4% projected for 2023-24, with most of the decline occurring in the first half of 2024-25.

Housing Finance

The Indian housing finance industry has experienced significant growth in recent years, driven by rising income levels, improved affordability, and better fiscal support from the government. As the Indian real estate market develops and financial independence of key players increases, the demand for homes is expected to grow substantially. The market is poised to expand at a Compound Annual Growth Rate (CAGR) of 7% from FY 2024 to FY 2029.

Although the housing finance market was severely impacted by the global lockdown, effective policies from the Reserve Bank of India (RBI) have steadily revitalized the market. Measures such as slashing repo rates to a two-decade low of 4.4% made home loans more affordable. Persistent initiatives and a gradual economic recovery facilitated the revival of the housing finance sector.

However, the Indian housing finance market remains diverse and highly fragmented, with numerous regional and local players operating alongside major banks and housing finance companies (HFCs). While traditional banks currently dominate the market share, non-banking financial institutions and HFCs are expected to experience significant growth in the coming years.

Challenges Faced by HFCs

Lack of Long-Term Funding Sources: HFCs struggle to secure funds for housing loans with tenures ranging from 15 to 20 years. They rely heavily on market sources such as bank loans and debt securities, which provide medium to short-term funds, creating an asset-liability mismatch. This mismatch exposes HFCs to liquidity and refinancing risks, potentially affecting profitability and solvency if not managed effectively.

Rising Cost of Land Acquisition: High land prices in urban areas pose a significant hurdle for housing finance companies. Increased land prices make housing projects more expensive, challenging potential homebuyers' affordability. Additionally, high stamp duties during property transactions contribute to the overall cost burden, dampening housing finance demand.

Regulatory Hurdles: The regulatory environment for HFCs is dynamic and constantly evolving. HFCs must adapt to changes in regulations related to capital adequacy norms, provisioning requirements, or lending practices. Failure to comply can result in penalties, restrictions, reputational damage, or even loss of operating licenses.

Competition from Banks: Traditional banks, with their established presence and lower cost of capital, dominate the housing finance market. This competitive advantage allows banks to offer attractive interest rates, making it difficult for HFCs to maintain market share and profitability. HFCs must continuously innovate and differentiate their products and services to stay competitive.

Risk Management: Effective risk management is crucial for HFCs to mitigate various risks associated with lending activities, including credit, operational, and market risks. Inadequate risk management can lead to financial losses, capital erosion, and reputational damage. HFCs must implement robust risk management frameworks and continuously monitor and adapt to the dynamic market landscape.

Positives for HFCs in the Near Future

Robust Growth Trajectory: The Indian housing finance industry is witnessing strong growth, driven by rising incomes, enhanced affordability, and substantial government support. With a projected 13% CAGR between FY 2023 and 2026, HFCs are poised to benefit from increasing demand for housing finance.

Expanding Market Reach: HFCs are expanding their presence in Tier 2 and Tier 3 cities, tapping into new customer segments, diversifying loan portfolios, and contributing to overall growth.

Technological Advancements: HFCs are leveraging technology to streamline operations, enhance underwriting processes, and provide seamless consumer experiences. Digital verification processes, artificial intelligence (AI), and machine learning (ML) are being adopted to improve loan approval processes, predict default risks, and detect fraud.

Collaborative Lending Arrangements: Partnerships between traditional banks and HFCs/NBFCs provide consumers with a broader range of home loan options. These co-lending partnerships combine the expertise of both entities to offer better loan products and enhance customer satisfaction.

Customized Loan Products: HFCs are focusing on delivering personalized loan products that cater to borrowers' specific financial requirements, including flexible repayment options, diverse interest rate selections, and tailored loan terms. These initiatives collectively enhance the overall customer experience.

About Star Housing Finance Limited (Star HFL):

Star HFL operates in the affordable housing space, focusing on low-ticket loans across 50+ locations in its operational geographies. These areas are served by 35 physical branches and a staff of over 250 individuals with housing finance backgrounds. The loans disbursed qualify under the priority sector lending norms as per RBI guidelines and most units financed fall under the PMAY(G) guidelines. To date, Star HFL has impacted the lives of more than 5000 EWS/LIG families across Maharashtra, Madhya Pradesh, NCR, Gujarat, Rajasthan, and Tamil Nadu, helping them realize their dream of home ownership.

The Company targets the housing finance needs of low and middle-income customers in suburban and rural India, counter to the industry's focus on metro and urban areas. Most customers have limited access to formal banking credit, and Star HFL bridges this gap by providing affordable and reliable credit to these aspiring homeowners.

As of March 31, 2025, the company's Assets Under Management (AUM) stood at Rs. 52,069.78 Lakhs. The Gross Non-Performing Assets (GNPA) were at 1.84%, reflecting the company's conservative credit underwriting and robust risk framework, despite focusing on the affordable housing segment.

Star HFL remains committed to raising long-term borrowings at competitive rates. The company's borrowings are primarily long-term, sourced through NHB refinance facilities, non-convertible debentures (NCDs), and term loans.



HOME LOANS

Star HFL offers a variety of home loans, including loans for ready-to-move-in homes, home construction, home improvement, home extension, plot plus construction, balance transfer, and top-up loans. These services are provided across 35 locations in India, with an average loan value of Rs. 9.50 Lakh. As of March 31, 2025, the home loan vertical's outstanding AUM was 42,297 Lakh.

ANALYSIS ON FINANCIAL PERFORMANCE

The total assets of the Company stood at Rs. 55,500 Lakh as on March 31, 2025 as against Rs. 49,031 Lakh as on March 31, 2024. The gross income earned by the Company during the financial year under review stood at Rs. 9,496 Lakh as compared to Rs. 6,164 Lakh earned by it during the previous year. The Company reported the profit before tax of Rs. 1,419 Lakh as against profit before tax of Rs. 1,147 Lakh in the previous year. The profit after tax posted by the Company is Rs. 1,110 Lakh as against Rs. 888 Lakh in the previous financial year.

RESOURCE MOBILISATION

During the financial year 2024-25, the company met its funding requirements through a mix of short-term debt (revolving facility) and long-term debt (Term loans through banks and financial institutions). Total long-term borrowing as of March 31, 2025, amounted to Rs. 40,381 Lakh, with no outstanding short-term borrowings. The company has been regular in servicing its debt obligations.

NON-CONVERTIBLE DEBENTURES ("NCDs")

As on March 31, 2025, Rs. 2,263 Lakhs remained outstanding by way of issuance of NCDs through private placement basis. The issued NCDs are listed on the Wholesale Debt Market Segment of BSE Limited.

During the financial year under review, the interest and/ or principal obligation, as applicable, on Non-Convertible Debentures issued by way of private placement basis was paid by the Company on their respective due dates and there were no instances of any interest and/or principal amount being paid by the Company after the due date of payment.



BANK LINES

During the financial year under review, the Company had outstanding term loan(s) from various banks and financial institutions for an amount aggregating to Rs. 38,118.23 Lakh.

RISK MANAGEMENT

Risk is an integral part of the business and almost every business decision requires the management to balance risk and reward. The ability to manage risks across geographies, products, asset classes, customer segments and functional departments is of paramount importance for the hindrance free growth of every organisation.

Due to increasing globalisation, integration of world markets, newer and more complex products & transactions and an increasingly stringent regulatory framework, the financial services industry is subject to continuously evolving legislative and regulatory environment.

The Company provides a wide range of financing under various verticals and is exposed to various risks. In order to ensure that the impact of risks is minimal, the Company lays utmost importance on scanning the external macroeconomic environment, market conditions and governmental policies regularly. The Company has built robust systems and processes to address the risks associated with its business.

The risk is managed through risk management framework approved by the Board of Directors, encompassing independent identification, measurement and management of risk across various businesses verticals of the Company. The Company has formulated comprehensive risk management policies and processes to identify, evaluate, manage and mitigate the risks that are encountered during conduct of business activities in an effective manner. The Company has established a system of risk management and internal controls consisting of an organizational risk management framework, policies, risk management system tools and procedures that we consider to be appropriate for our business operations.

The Company is exposed to a variety of risks, including liquidity risk, interest rate risk, market credit risk, operational risk, regulatory and compliance risk, reputation risk, business continuity risk, legal risk, competition risk and risks pertaining to cyber security.

Risk exposure is monitored and controlled through a variety of separate but complementary financial, credit, operational, compliance and legal reporting systems. A team of experienced and competent professionals, identify and monitor these risks on an on-going basis and evolve processes/systems to monitor and control the same to keep the risks to minimum levels. On-going monitoring by the officials helps in identifying the risks at an early stage. There is a continuous focus on the maker-checker processes. Detailed regulatory as well as credit inspections also help test our processes and compliances.

The Risk Management Committee of the Board is formulated in compliance with RBI's Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021. Further, the Company has adopted Risk Management Policy which ensures that risks is overseen and monitored at all the levels. The said Committee oversees the risk management policy including functions relating to cyber security, assess the risks, decide the measures to mitigate the risks. The Board reviews the effectiveness of risk management systems in place and ensures that the risks are effectively managed. The Audit Committee has additional oversight in the area of financial risks and controls.

Additionally, an independent Internal Audit firm has been appointed to review and report on the business processes and policies of the Company. The report of internal auditors on set processes is reviewed and discussed by the Audit Committee of the Company.

Various risks associated with the businesses of the Company are discussed in detail below:

Key Risk	Description / Impact of Risk	Risk Mitigation / Strategy
Credit Risk	Failure of borrowers to meet financial obligations, leading to financial loss.	Comprehensive credit approval process, proper documentation, extensive credit appraisal, periodic reviews, and proactive portfolio risk analysis
Market Risk	Adverse market movements or fluctuations affecting earnings, financial performance, and security value	Continuous monitoring of portfolios and collaterals / securities
Liquidity Risk	Unavailability of adequate funds, difficulty in selling assets, market disruptions affecting liquidity	Maintaining liquidity cushions, strong financial position, good credit ratings, diverse borrowing sources, and regular asset-liability mismatch assessments
Operational Risk	Risks from internal processes, systems, fraud, inadequate training, and employee errors	Well-defined policies, operational processes, regular internal and systems audits, and a maker/checker mechanism.
Reputation Risk	Adverse perception by stakeholders affecting business and revenue	Conducting business with diligence, stakeholder-centric approach, and employee training
Regulatory & Compliance Risk	Changes in laws and regulations, inadequate regulatory compliance, and unexpected demands from tax authorities.	Experienced compliance team, external advice, adherence to guidelines, and internal audits.
Competition Risk	High competition from new entrants and existing players in the housing finance sector.	Diversified and innovative product offerings, fair practices, and positive work environment to attract and retain talent.
Business Continuity Risk	Disruptions due to incidents like fire, natural calamities, and terrorism, leading to data and business loss.	Business Continuity Plan (BCP), secured systems, and continuous process reviews
Cyber Risk	Cyber threats like phishing, malware, and ransomware attacks, affecting data and operational control.	Cybersecurity measures, regular advisories, training, monitoring, and detection systems, and secured access to office infrastructure from remote locations

INTERNAL CONTROL SYSTEMS, INFORMATION SYSTEM AUDIT & THEIR ADEQUACY

We have adequate internal control systems to commensurate with the nature of business and size of operations for ensuring:

- » Orderly and efficient conduct of business;
- » Adherence to company's policies and procedures;
- » Safeguarding of all our assets against loss from unauthorised use or disposal;
- » Prevention and detection of frauds and errors;
- » Accuracy and completeness of accounting records;
- » Timely preparation of reliable financial information; and
- » Compliance with applicable laws and regulations.

Star HFL has adequate internal control systems to ensure orderly and efficient conduct of business, adherence to policies, safeguarding assets, prevention of frauds, accuracy of records, and compliance with laws. Policies and procedures are in place for transaction authorization, recording, and reporting. The internal audit function, supported by an independent firm, assesses risk management, controls, and processes. Findings and recommendations are reviewed by senior management and the Audit Committee, ensuring continuous improvement in internal controls.

ASSET LIABILITY MANAGEMENT

In line with the requirement of RBI/NHB, the Board of Directors has set up Asset Liability Management Committee ("ALM Committee").

The terms of reference of ALM Committee include:

- a. Reviewing the asset-liability profile of the Company with a view to manage the market exposure assumed by the Company;
- b. Safeguarding the recovery positions at any point of time;
- c. Monitoring the Base Prime Lending Rate(s) ("BPLRs") of the Company and to decide/finalise any change in said BPLRs from time to time;
- d. Reviewing the risk monitoring system, ensure payment of liability on its due dates, liquidity risk management, funding and capital planning, profit planning and growth projections, forecasting and analysing different scenarios and preparation of contingency plans; and
- e. Performing any other act, duty as stipulated by the Reserve Bank of India, National Housing Bank and any other regulatory authority, as prescribed from time to time.

HUMAN RESOURCES

We at Star HFL, are driven by the success of our employees. The quality of our employees and their dedication to achieving the organisational goal are what we at Star HFL consider to be the firm's ultimate identity and greatest assets.

In addition to supporting all of our companies by providing best-in-class human resources partnerships, the human resources function is in charge of developing the group human resources strategy.

Individual business divisions are under the control of human resources business partners, who also support talent management, data analysis, employee relations and advice, employee engagement, performance management, compensation and benefits, and learning & development.

The partners and important stakeholders who keep us competitive in the market are our staff. We believe in empowering our employees to improve the workplace by investing in their personal and professional development.

We believe that the credibility and reputation of the Firm is shaped by the collective conduct of individual employees and the tagline affirms these three beliefs at its foundation to supplement the Group values.

Pragmatic

The approach of HR is to make decisions and take actions based on the best interests of all stakeholders, guided by practical experience and observation.

Professional

We are committed to a work environment that promotes a professional atmosphere, in which all individuals are treated with dignity and respect.

Progressive

We keep up-to-date with emerging trends and work practices to ensure our HR practices remain relevant and exclusive and are able to meet the current and future needs of the organization and employees.

Talent Management

Building and developing our talent pool is our continuous and top priority and we have been successful in attracting diverse talent with sound expertise, new perspectives and experience.

Workforce Diversity

Regarding experience, culture, and heritage, the backgrounds of our employees are incredibly varied. This contributes significantly to the development of our inclusive culture since individuals from all origins bringing new perspectives, inventive ideas, and distinctive approaches.

Through this, we hope to create a workforce that is flexible, agile, high-performing, and most importantly, blended. We take pride in the diversity of our employees and work hard to treat everyone equally and with respect.





PERFORMANCE MANAGEMENT

For annual assessments, we adhere to a thorough performance evaluation methodology. The system's development-oriented strategy benefits employees at all levels. This routine enables us to recognise and capitalise on employee's strengths. It also helps us to suggest and plan development in the identified areas through training.

COMPENSATION AND BENEFITS

Star HFL's compensation framework is structured to align the interests of our employees with the long-term interests of the company and its other stakeholders.

Our compensation framework is designed to retain and motivate our human capital, reward them for their performance and attract superior talent from the industry. Star HFL also offers various benefits designed to meet the needs of our employees. These benefits are an integral part of our Company and provide employees and their families' valuable support during employment with Star HFL.

SUCCESSION PLANNING

At Star HFL, we promote an atmosphere of inclusion, by encouraging the next level of employees to take higher responsibilities.

Managers along with Human Resources formulate a customized grooming and orientation of high potentials, by carefully planning their work experiences. Their skills and capabilities are developed through further training and mentoring.

The total employee strength of the Company stood at 266 as on March 31, 2025.

MONTHLY NEW JOINEE ANNOUNCEMENT

A new joinee mailer is circulated amongst our employees, welcoming our new recruits in the Company. The objective of this initiative is to inform all our employees across locations about our new team member(s). We share the image of the employee, along with the department and function they have joined us in. This has helped us in introducing the new joinee with all our employees.

STAR HFL: FUTURE OUTLOOK

Star Housing Finance Limited (Star HFL) is dedicated to providing housing finance assistance to customers in the EWS/LIG segments, aiming to facilitate home purchases and construction in Tier II, III towns, semi-urban, and rural areas.

Star HFL's operational geographies have remained resilient, even amidst the disruptions caused by the Covid-19 pandemic. Demand has been robust, further bolstered by the reverse migration of populations from urban sectors to these areas.

The market segment in which Star HFL operates has traditionally outpaced overall mortgage market growth. With a continued focus on this segment, Star HFL is well-positioned for future growth. Despite government interventions, there remains latent demand in this space, creating opportunities for fair financing solutions. Star HFL stands to gain from these dynamics and can make substantial contributions to boosting India's housing stock and overall economic growth.

CAUTIONARY STATEMENT

The Management Discussion and Analysis section may contain forward-looking statements regarding future prospects. These statements are subject to various identified and unidentified risks and uncertainties that could lead to actual results deviating significantly from anticipated outcomes. In addition to macroeconomic changes, certain unprecedented challenges may pose unforeseen and evolving risks to the Company and its operating environment. The results, facts, and figures presented in this report are based on assumptions derived from available internal and external information. As these underlying factors are subject to change over time, the estimates based on them are also subject to change. These forward-looking statements represent the Company's current intentions, beliefs, or expectations and are valid only as of the date they were made. The Company assumes no obligation to revise or update any forward-looking statements, whether due to new information, future events, or other reasons.



DIRECTOR'S REPORT

To,
The Members of
Star Housing Finance Limited

The Board of Directors are pleased to present the Company's Twentieth Director's Report and the Audited Financial Statement for the Financial Year ("FY") ended March 31, 2025.

COMPANY OVERVIEW

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

Since the commencement of our home loan business operations in Sep 2009, Star HFL has worked with the intent to enable homeownership through providing housing finance to target EWS/LIG customers in semi-urban and rural geographies. Star HFL is managed by a team of experienced housing finance professionals with strong domain at experience at regional and national level. Star HFL offers retail home loans up to INR 25 lakhs.

FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY

The Company's financial performance for the Financial Year ended March 31, 2025, is summarized as below:

(INR in Lakh)

PARTICULARS	YEAR ENDED 31 MARCH, 2025	YEAR ENDED 31 MARCH, 2024
Gross Income	9,496.27	6,163.55
Less : Finance Cost	4,649.05	2,782.78
Employee Benefit Exp.	1,857.46	1,320.53
Overhead	976.80	666.15
Depreciation	81.68	66.71
Impairment of Financial instruments	512.47	180.26
Profit Before Tax	1,418.81	1147.12
Less : Provision for taxation	308.90	258.79
Profit After tax	1,109.91	888.33
Balance Brought Forward from last year	2,243.30	1,627.49
Appropriations	1,109.91	888.33
Transfer from ESOP Reserve	236.29	-
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	283.76	229.42
Transferred to General Reserve	-	-
Others	73.56	43.10
Balance Carried over to the Balance Sheet	3,232.18	2,243.30
Return on Net Worth (%)	8.02%	7.42%
Return on Total Assets (%)	2.12%	2.29%
EPS (Rs.)	1.41	1.14
Debt Equity Ratio (times)	2.81	2.41
Average Cost of Funds (%)	12.78%	11.50%
Average Yield on advances (%)	19.24%	16.96%
Net Interest Margin (%)	7.69%	7.86%

BUSINESS PERFORMANCE

KEY FACTORS	2024-25	2023-24	GROWTH (%)
Loan Portfolio (Rs. In Lakhs)	52,069.78	42,686.39	21.98%
EPS (Basis) (in Rs)	1.41	1.14	23.20%
CRAR (%)	50.55%	54.65%	-7.51%

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

DIVIDEND

The Company has in place a Dividend Distribution Policy formulated in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“Listing Regulations”**), which intends to ensure that a rationale decision is taken, with regard to the amount to be distributed to the shareholders as dividend, after retaining sufficient funds for the Company’s growth, to meet its long-term objective and other purposes. The Policy also lays down various parameters to be considered by the Board of Directors of the Company before recommendation of dividend to the Members of the Company.

Considering the performance of the Company during the financial year 2024-2025, the Board of Directors felt the need to strike a balance between being prudent and conserving capital in the Company, while at the same time catering to the expectations of shareholders and also considering the Dividend Distribution Policy and in terms of RBI Circular No. DOR.ACC.REC.No.23/21.02.067/2021-22 dated 24th June, 2021, have recommended payment of final dividend amounting to Rs. 0.10 per equity share of Rs.5/- for the financial year ended March 31, 2025 in its meeting held on 14th August 2025. The dividend payable shall be subject to the approval of the Members at the ensuing twentieth Annual General Meeting (‘AGM’) of the Company.

The dividend declared by the Company for the Financial Year ended 31st March, 2025 is in compliance with the Dividend Distribution Policy of the Company. The Dividend Distribution Policy is available on the website of the Company at <https://www.starhfl.com/wp-content/uploads/2024/08/Dividend-Distribution-Policy.pdf>

TRANSFER TO RESERVES

During the year under review, your Company appropriated Rs. 283.76 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. 1,109.91 Lakhs is proposed to be retained in the Profit and Loss Account.

SHARE CAPITAL

Authorized Share Capital

During the year, the company’s Authorized share capital remain unchanged. Hence, the authorized share capital of the Company as at March 31, 2025 is Rs. 50,00,00,000/- (Rupees Fifty Crore only) consisting of 10,00,00,000 (Ten Crore) equity shares of Rs. 5/- (Rupees Five) each.

Issued and Paid-up Capital

The paid-up Equity Share Capital of the Company at on March 31, 2025 is Rs. 39,48,19,740/- (divided into 7,89,63,948 Equity Shares of Rs. 5/- each).

During the year under review:

1) The Board of Directors of the Company in their meeting held on 18th June, 2024 has allotted 60,000 fully paid up equity shares of face value Rs. 5/- each under “Akme Employee Stock Option Plan 2021.” A certificate from the Secretarial Auditors on the implementation of your Company’s ESOP will be available at the ensuing Annual General Meeting (“AGM”) for inspection by the Members. The disclosure with regard to ESOP as required under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations 2021 is available on the website of the Company at www.starhfl.com and also disclosed in the accompanying financial statements.

2) The Board of Directors of the Company in their meeting held on 25th July, 2024 has issued and allotted 1,83,332 Equity Shares of Rs. 5/- each at an issue price of Rs. 64/- per Equity Share including share premium of Rs. 59/- per equity share, against exercise of Warrants.

Changes after the Financial Year:

Lapse of Warrants and Forfeiture of Subscription Amount:

The Company had allotted 93,78,500 warrants on December 28, 2023, at an issue price of Rs. 64/- per warrant, each convertible into one equity share. The warrants issued carried an exercise period of 18 (Eighteen) months within which the warrant holders must exercise their right.

In line with the above, during the year under review, 1,83,332 equity shares of Rs. 5/- each were allotted upon exercise of warrants on July 25, 2024, at an issue price of Rs. 64/- per share, including a share premium of Rs. 59/- per share. The remaining unexercised warrants got lapsed upon expiry, and the 25% upfront subscription amount paid by the allottees was forfeited by the Company.

Apart from above, the Company has not issued any shares or convertible securities.

EMPLOYEE STOCK OPTION PLAN

a) During the year under review, your Company has allotted 60,000 Equity Shares under the “Akme Employee Stock Option Plan 2021” to the eligible Employee of the Company on June 18, 2024.

Total 30,19,700 options under the “Akme Employee Stock Option Plan 2021” are available for future grants as these were not exercised by the employees within the exercise period and were added back to the pool of the scheme for grant in future. 1,20,000 options are yet to exercise under the said scheme.

b) During the year under review, your Company has granted 77,00,000 stock options (convertible into 77,00,000 Equity Shares of the company, upon exercise) under “Star Housing Finance Limited Employee Stock Option II 2023” (“ESOP 2023”/ “Plan”) to the Eligible employees of the Company. However, all the granted options were surrendered by the eligible employees. These ESOPs are added back to the pool of the scheme for grant in future.

CREDIT RATING

The following ratings have been reaffirmed/assigned to the Company for its Bank Loan and Non-Convertible Debentures (NCDs) during the Year by India Ratings & Research Agency & Care Edge Ratings Agency:

SR. NO.	NAME OF RATING AGENCY	FACILITIES	LIMITS (IN MILLION)	TENURE	RATING	RATING ACTION
1	India Ratings & Research Agency	Bank Loan	INR 4500	Long Term	IND BBB/Stable	Affirmed
2	India Ratings & Research Agency	Non-Convertible Debentures (NCDs)	INR 500	Long Term	IND BBB/Stable	Affirmed

SR. NO.	NAME OF RATING AGENCY	FACILITIES	LIMITS (IN MILLION)	TENURE	RATING	RATING ACTION
1	CARE Ratings Limited	Long-term bank facilities	INR 3000	Long Term	CARE BBB; Stable	Reaffirmed

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

SR. NO.	NAME OF RATING AGENCY	FACILITIES	LIMITS (IN MILLION)	TENURE	RATING	RATING ACTION
1	India Ratings & Research Agency	Bank Loan	INR 4500	Long Term	IND BBB/Stable	Affirmed
2	India Ratings & Research Agency	Non-Convertible Debentures (NCDs)	INR 500	Long Term	IND BBB/Stable	Affirmed

TERM LOANS

A. BANKS AND FINANCIAL INSTITUTIONS

During the Financial Year 2024-25, your company raised term loans of Rs. 175 crores from the following institutions:

SR. NO	NAME OF THE INSTITUTION	AMOUNT RAISED (RS. IN LAKHS)
1	Indian Overseas Bank	1,000
2	Mas Financial Services Limited	5,000
3	Northern Arc Capital Limited	2,000
4	Poonawala Fincorp Limited	1,000
5	Shriram Finance	1,000
6	Sundaram Finance Ltd	1,500
7	Suryoday Small Finance Bank	1,000
8	Bajaj Finance Ltd	2,000
9	LIC Housing Finance Limited	2,500
10	ESAF Small Finance Bank	500
	TOTAL	17,500

The Outstanding Borrowings (other than debt securities) as on March 31, 2025 stood at Rs. 38118.23 Lakhs.

B. NON-CONVERTIBLE DEBENTURES (NCDs)

The details of outstanding NCDs of the Company as on March 31, 2025 is as follows:

SECURITY DESCRIPTION	ISIN	INTEREST RATE	FACE VALUE PER NCD (IN RS)	OUTSTANDING PRINCIPAL AMOUNT (IN RS.)
2,000 Secured Redeemable Non-Convertible Debentures (NCD)	INE526R07017	13.10%	1,00,000	11,90,47,619
1,100 Senior, Secured, Rated, Listed, Transferable, Redeemable, Taxable, Non-Convertible Debentures	INE526R07025	13.35%	1,00,000	11,00,00,000

Your Company has made timely payment of interest and principal amount on the respective due dates for NCDs issued by the Company and there has been no default in payment. The necessary disclosures as per SEBI Master Circular no. SEBI/HO/DDHS/PoD1/P/CIR/2024/54 dated May 22, 2024 has been disclosed to BSE Limited and are available at the website of the Company. Further, during the year under review, the Company has not issued any Non-Convertible Debentures.

Pursuant to NBFC-HFCs (RBI) Master Directions, 2021, the following statement is provided –

Total No. of NCDs which have not been claimed by the Investors or paid by the Company after the date on which NCDs became due for redemption.	NIL
Total Amount in respect of NCDs remaining unclaimed / unpaid beyond due date	NIL

REVIEW OF OPERATIONS

Your Company is registered as a Non-deposit taking Housing Finance Company (HFC) with RBI to carry out the housing finance activities in India.

In accordance with the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, Housing Finance Company shall mean a Company incorporated under the Companies Act, 2013 that fulfils the following Principal Business Criteria (PBC):

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

During the year, the Company has met the aforesaid principal business criteria for HFCs.

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

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

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

» Income & Profits

Total Revenue from operations increased by 54.07% to Rs. 9,496.27 Lakhs for the Financial Year ended March 31, 2025 as compared to Rs. 6,163.55 Lakhs for the previous Financial Year. Profit before Tax (PBT) was 23.68 % higher at Rs. 1,418.80 Lakhs as compared to Rs. 1,147.12 Lakhs for the previous Financial Year. The Total Comprehensive Income for the Financial Year 2024-25 increased by 21.88% at Rs. 1,071.78 Lakhs in the Financial Year as compared to Rs. 879.39 Lakhs in the Previous Financial Year.

» Sanctions

During the Financial Year under review, your Company sanctioned housing loans of Rs. 18,246.88 Lakhs as compared to Rs. 23,796.11 Lakhs sanctioned in the previous Financial Year. The cumulative loan sanctions since inception of your Company stood at Rs. 81,571.83 Lakhs as at March 31, 2025.

» Disbursements

During the Financial Year under review, your Company disbursed loans of Rs. 14,951.44 Lakhs (including off balance sheet disbursement of Rs. 1039.90 lacs) as compared to Rs 24,072.63 Lakhs (including off balance sheet disbursement of Rs. 3,592.33 Lakhs) disbursed in the previous Financial Year.

» Capital Adequacy

The Company has been maintaining the Capital Adequacy Ratio (CAR) above the minimum required level of 15% as prescribed by Reserve Bank of India (RBI).

The Capital Adequacy Ratio of the Company as at March 31, 2025 is 50.55 % as against 54.65 % as at March 31, 2024.

» Assets Under Management (AUM)

The AUM of your company stood at Rs. 52,069.78 Lakhs (including off balance sheet AUM of Rs. 10,275.24 Lakhs) as at March 31, 2025 as against Rs. 42,686.39 Lakhs (including off balance sheet AUM of Rs. 4,396.10 Lakhs) in the previous financial year, registering a growth of 21.98%

Prudential Norms for the HFCs Issued By RBI

Star Housing Finance Limited ("the Company") is registered with the National Housing Bank (NHB) as a Non-Deposit Accepting Housing Finance Company (HFC). Pursuant to the Reserve Bank of India's (RBI) Scale Based Regulation (SBR) framework notified on October 22, 2021, all HFCs are classified under the Middle Layer for regulatory purposes. This revised framework, which became effective from October 1, 2023, covers key areas such as capital adequacy, governance, and prudential norms.

The Company has taken necessary steps to ensure full compliance with the SBR guidelines applicable to NBFC–Middle Layer (NBFC–ML) entities.

Further, in line with RBI Circular No. DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 (updated as on February 27, 2025), the Company complies with the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and all other applicable regulations issued by the RBI and NHB.

Further, the Company's Non-Convertible Debentures (NCDs) issued on a private placement basis are listed on the Wholesale Debt Market (WDM) Segment of BSE Limited, and the Company is in compliance with the provisions of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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. As per the notification, all the NBFCs have to specify the exact due dates of loan repayment along with the methodology of SMA/NPA classifications reckoning from the due dates, in their loan agreements. Upgradation of accounts classified as NPA to STANDARD may be done only if entire arrears of interest and principal are paid by the borrower. Further, the companies would also provide consumer education literature on their websites explaining with examples, the concepts of overdue SMA and NPA classification and upgradation of accounts. The company has been complying with these instructions meticulously.

PROSPECTS AND DEVELOPMENTS:

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

HOUSING FINANCE:

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

DISTRIBUTION NETWORK:

Your company has been successful in continuous expansion of its branch network with a view to support its sustainable 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 6 states with 35 branches as on March 31, 2025. Your Company operates in Akola, Baramati, Chennai, Hingoli, Indore, Jaipur, Jalgoan, Mahad, Nashik, Pune, Udaipur, Rajsamand, Surat, Dewas, Ahmednagar, Vapi, Vyara, Pithampur, Khargone, Dhar, Chalisgaon, Kalyan, Kolhapur, Washim, Panvel, Virar, Buldhana, Hapur, Meerut, Ghaziabad, Dudu, Mathura, Kanchipuram, Sholinghur, Vellore.

HUMAN RESOURCE MANAGEMENT:

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

The Company's success depends largely upon the quality and competence of its Management team and Key Personnel. Attracting and retaining talented professionals is therefore a key element of the Company's strategy and a significant source of competitive advantage. The Company has a diverse workforce of 266 employees as on March 31, 2025. There are 244 male and 42 female employees as on the financial year end.

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

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

CAPITAL AND LIABILITY MANAGEMENT:

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

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

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

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

RESOURCE MOBILISATION:

Your Company's borrowing policy is under the control of the Board. The Company has vide special resolution passed on 10th August, 2023, under Section 180 (1) (a) & 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. 700 crores and the total amount so borrowed shall be within the limits as prescribed under the regulatory directions issued from time to time. The prevalent relevant directions issued by RBI under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 as amended are being complied with.

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

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

DIRECT ASSIGNMENT AND CO-LENDING:

In line with our strategic objective to accelerate AUM growth and deepen our presence in underserved markets, the Company has entered into a Direct Assignment (DA) transaction to the tune of Rs. 6203.83 Lakhs and a co-lending partnership with Vastu Housing Finance Corporation Limited (Vastu HFC), during the year under review. Under the DA model, the Company will efficiently deploy capital to Vastu HFC, enabling us to expand our geographic reach and optimize our balance-sheet utilization, while Vastu HFC strengthens its retail housing portfolio.

Through the co-lending framework, the Company will originate, underwrite and service affordable home loans - targeting over 5,000 first-time buyers in the EWS/LIG segments across semi-urban and rural regions - leveraging Vastu HFC's capital support, technology platform and risk-sharing mechanisms. This collaboration not only reinforces our commitment to financial inclusion and first-time home ownership, but also provides both organizations with mutual access to best-in-class processes, enhanced credit flow and scalable growth in priority markets.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company, being a HFC registered with the NHB and engaged in the business of providing loans in ordinary course of its business, is exempt from complying with the provisions of Section 186 of the Companies Act, 2013, with respect to loans. However, details of the loans made, guarantee given or security provided by the Company other than 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, 2025.

ALTERATION IN MEMORANDUM AND ARTICLES OF ASSOCIATION:

During the year under review, the Company has not made any alteration in Memorandum and Article of Association of the Company. The Copy of the aforesaid documents are available on the Company's website at <https://www.starh-fl.com/wp-content/uploads/2025/04/1.-MOA-and-AOA.pdf>

NON-PERFORMING ASSETS AND PROVISIONS FOR CONTINGENCY:

The Gross NPA of your Company as on March 31, 2025 was Rs. 769.14 Lakhs; 1.84% (previous year Rs. 572.56 Lakhs; 1.50 %). The Net NPA as on March 31, 2025 was Rs. 580.65 Lakhs; 1.40% (previous year 388.90 Lakhs; 1.02%). 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.

A detailed comparison of asset classification as per the Ind AS provisions and IRACP norms has been provided under Disclosures required by Reserve Bank of India/National Housing Bank forming part of the Audited Financial Statements.

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 disclosures required by RBI/NHB to the financial statements. By way of prudence and abundant caution, Company has provided additional provision over and above the RBI guidelines as on March 31, 2025.

The Company has maintained cumulative NPA provision of Rs. 188.49 lakhs against the required provision of Rs. 187.91 lakhs. Further for standard assets Company carries provision of Rs. 198.10 lakhs.

DETAILS RELATING TO DEPOSITS:

The Company has been granted registration by the Reserve Bank of India as a non-deposit taking Housing Finance Company and hence the provisions relating to Chapter V of the Act, i.e., acceptance of deposit, are not applicable to the Company.

BSE COMPLIANCES:

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

Further, the annual listing fees, as prescribed, have been paid to BSE Limited within the due time.

INVESTOR COMPLAINTS AND COMPLIANCE:

The Company has not received any investor complaints during the year and the report of the same was submitted to BSE pursuant to SEBI (LODR) Regulations, 2015.

ONLINE DISPUTE RESOLUTION (ODR) MECHANISM:

In order to streamline the dispute resolution mechanism in the securities market, SEBI vide its circular dated 31 July 2023, as amended from time to time, read with Master Circular no. SEBI/HO/OIAE/OIAE_IAD3/P/CIR/2023/195 dated 28 December 2023, introduced a common Online Dispute Resolution ("ODR") mechanism which harnesses online conciliation and arbitration for resolution of all kinds of disputes relating to securities market.

Under ODR mechanism, an investor shall first take up his/her/their grievance by lodging a complaint directly with the concerned Market Participant viz., Company. If the grievance is not redressed satisfactorily at the first phase, the investor may escalate the same through the SCORES Portal in accordance with the process laid out therein. ODR Mechanism provides a third level of escalation, if the investor is not satisfied with the resolution provided by the Company, the investor may initiate the dispute through the ODR portal within the timeframe prescribed under the circular. The ODR portal can be accessed at <https://smartodr.in/login>.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:

In accordance with the provisions of Sections 124, 125 and other applicable provisions, if any, of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as 'IEPF Rules') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the amount of dividend remaining unclaimed or unpaid for a period of 7 (Seven) years from the date of transfer to the Unpaid Dividend Account is required to be transferred to the Investor Education and Protection Fund (IEPF) maintained by the Central Government. Further as per the provisions of Section 124(6) of the Act read with IEPF Rules, the shares in respect of which dividend has not been paid or claimed by the Shareholders for 7 (Seven) consecutive years or more are also required to be transferred to the designated demat account created by the IEPF Authority.

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

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

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the financial statements relate till the date of this report.

EVENTS AFTER THE END OF FINANCIAL YEAR:

Listing of Equity Shares on the National Stock Exchange of India Limited (NSE)

The Company has made an application for the direct listing of its equity shares on the National Stock Exchange of India Limited (NSE) on July 16, 2025, with a view to enhance liquidity, broaden investor participation, and increase visibility in the capital markets. The listing, upon approval, is expected to provide an additional platform for trading of the Company's shares and further strengthen corporate governance and transparency standards.

Further, in respect thereof, the Company has made adequate and timely disclosures to the Stock Exchange, in compliance with the applicable regulatory requirements.

Reclassification of Promoter Shareholding

The Company has received a request from the Promoters and Promoter Group of the Company for reclassification of their shareholding from the "Promoter and Promoter Group" category to the "Public" category in accordance with Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The said request is being processed in compliance with the applicable provisions of SEBI LODR Regulations and is subject to necessary approvals from the Stock Exchange, members of the Company and other regulatory authorities, as may be required.

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

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

SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES:

As on March 31, 2025, the Company does not have any subsidiaries, associates, or joint ventures. Accordingly, the requirement of attaching Form AOC-1 is not applicable to the Company.

PARTICULARS OF EMPLOYEES:

In terms of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the disclosures with respect to the ratio of remuneration of director to median remuneration of employees, percentage increase in the median remuneration of the Company have been provided in **Annexure VIII** annexed to this Report.

Further, statement containing details top ten (10) employees in terms of the remuneration and employees in receipt of remuneration as required under 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 Secretarial Department at the Registered & Corporate Office of the Company or at compliance@starhfl.com.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND 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 successfully deployed a next generation, core housing virtual solution to stay at the forefront of technological innovation, enhance operational efficiency, and accelerate end to end loan processing. By integrating all branch offices with the head office on a secure, cloud based LOS LMS platform, you have partnered with Jaguar Software India to customize the system to your specific regional requirements. This strategic collaboration delivers the following key benefits:

- » **Document Digitization:** All customer and loan documents are captured electronically, eliminating paper based workflows.
- » **Centralized Operations:** Real time connectivity across all branches and the corporate office ensures consistent data access and streamlined communication.
- » **Accelerated Loan Processing:** Automated workflows and predefined approval hierarchies reduce turnaround times significantly.
- » **On Demand Reporting:** Single click generation of comprehensive reports enhances transparency and decision making.
- » **Robust Collaboration:** An inter departmental solution fosters seamless coordination between sales, credit, underwriting, and operations teams.
- » **Mobile Field Enablement:** Android and iOS applications empower field staff to submit initial documents and verification remarks immediately from customer premises.
- » **Cost and Risk Reduction:** Savings in logistics, handling, and printing, coupled with minimized physical document movement, lower operational costs and mitigate security risks.
- » **Enhanced Credit Analysis:** Automated data capture and structured workflows improve the consistency and quality of credit assessments.
- » **Enterprise Grade Security:** A cloud-based platform with end-to-end encryption and role based access control safeguards sensitive loan information.
- » **Maker Checker Controls:** Clearly defined maker checker roles ensure that only authorized personnel can grant final approval.
- » **Comprehensive Audit Trails:** Digital logs preserve the complete history of each loan transaction, facilitating audits and traceability.
- » **Simplified Workflows and MIS:** Regular management information system (MIS) updates provide actionable insights and reinforce process discipline.

Jaguar Software India, as your dedicated service provider, will deliver ongoing platform upgrades and implement the latest security protocols as required, ensuring that your solution remains both cutting edge and secure.

The RBI vide its Master Direction - Information Technology Framework for the NBFC Sector dated November 7, 2023, which shall apply mutatis mutandis to all HFCs also, had notified Information technology framework (guidelines) for all NBFCs including Housing Finance companies ('HFCs') to enhance safety, security, efficiency in process leading to benefit for HFCs and their customer.

Your company is in compliance with the aforesaid guidelines.

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

RISK MANAGEMENT FRAMEWORK:

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

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

During the Financial Year under review, the Risk Management Committee reviewed the risks associated with the business of your Company, undertook its root cause analysis and monitored the efficacy of the measures taken to mitigate the same. In addition, the Committee reviewed and approved various policies aimed at strengthening the Company's risk management framework and ensuring alignment with regulatory and strategic objectives.

The Board of Directors in its meeting held on June 18, 2024 has appointed Mr. Ajit Kumar Satpathy as Chief Risk Officer of the Company for a tenure of 3 years w.e.f. July 1, 2024 to function independently and ensure highest standards of risk management.

The Company has a Risk Management Policy in place and the same can be accessed on the website of the Company at <https://www.starhfl.com/wp-content/uploads/2023/12/1.-Risk-Management-Policy.pdf>

ASSET LIABILITY MANAGEMENT COMMITTEE (ALCO):

Pursuant to the RBI Guidelines, the Company has in place a Committee of Directors for Asset Liability Management ('ALM'). It consist of the following persons as its members:

Mr. Kalpesh Dave –Chairman
Mr. Natesh Narayanan-Member*
Mr. B.S. Kachhawaha- Member*
Mr. Ajit Kumar Satpathy -Member
Mr. Anoop Saxena-Member

* Mr. B.S. Kachhawaha, Chief Compliance Officer, resigned from his position w.e.f. 14th May 2025 and Mr. Natesh Narayanan, Chief Financial Officer, resigned from his position w.e.f 15th June 2025

The ALCO lays down policies and quantitative limits that involve assessment of various types of risks and shifts in assets and liabilities to manage such risks. ALCO ensures that the liquidity and interest Rate risks are contained within the limits laid down by the Board.

The minutes of the Committee meetings were placed before the Board for their noting and review.

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 Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulation 9A of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has in place a Whistle Blower Policy in place, which provides for a framework to report the genuine concerns against the suspected or confirmed fraudulent activities, allegations of corruption, violation of the Company's Code of Conduct and leak or suspected leak of unpublished price sensitive information.

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

The whistle blower policy is placed on the website of the Company and can be accessed at <https://www.starhfl.com/wp-content/uploads/2023/06/Vigil-Mechanism-Whistle-Blower-Policy.pdf>

During FY 2025, no person was denied access to the Audit Committee or its chairperson under this policy.

CODES AND STANDARDS

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

a) Know Your Customer & Anti Money Laundering Measure Policy

Your Company has approved Know Your Customer & Anti Money Laundering Measure Policy (KYC & AML Policy) in place and adheres to the said Policy. The said Policy is in line with the Reserve Bank of India, Master Directions – 2016 on KYC and AML applicable to all regulated entities. The Company has also adhered to the compliance requirement in terms of the said policy relating to the monitoring and reporting of cash / suspicious transactions. The Company furnishes to Financial Intelligence Unit (FIU), India, in the electronic medium, information of all cash transactions of the value of more than Rupees Ten Lakh or its equivalent in foreign currency and suspicious transactions whether or not made in cash, in terms of the said Policy. The policy is placed on the website of the Company and can be accessed at <https://www.starhfl.com/wp-content/uploads/2023/12/Policy-on-KYC-and-AML-Standards-Final-2-.pdf>

b) Fair Practice Code

Your Company has in place a Fair Practice Code (FPC), which includes guidelines on appropriate staff conduct when dealing with the customers and on the organization's policies vis-à-vis client protection. The FPC captures the spirit of the Reserve Bank of India guidelines on fair practices for Housing Finance Companies. During the year under review, FPC was modified by the Board and the grievance redressal mechanism within the Company was further strengthened. The policy is placed on the website of the Company and can be accessed at <https://www.starhfl.com/wp-content/uploads/2023/12/Fair-practice-Code.pdf>

c) Policy on Disclosure of material events and information

The Company has in place the Policy on Disclosure of Material Events and Information, in accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to determine the events and information which are material in nature and are required to be disclosed to the Stock Exchanges. The policy is placed on the website of the Company and can be accessed at <https://www.starhfl.com/wp-content/uploads/2024/08/-Disclosure-of-policy-for-determination-of-materiality-of-events-or-information.pdf>

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

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

e) CEO & CFO Certification

The Chief Executive Officer(CEO) and Chief Financial Officer (CFO) have certified to the Board in accordance with Regulation 17(8) read with Part B of Schedule II of the Listing Regulations pertaining to CEO/CFO certification for the financial year ended March 31, 2025, which is annexed hereto as **Annexure VII**

f) Code for Prevention of Insider Trading Practices

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

g) Code of Business Ethics (COBE)

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

The Company is committed to provide a healthy environment to all the employees and thus does not tolerate any sexual harassment at workplace. The Company has a Policy on Prevention, Prohibition & Redressal of Sexual Harassment of Women at Workplace and an Internal Complaints Committee (ICC) has been constituted there under. The Policy's primary objective is to protect the women employees from sexual harassment at the place of work and also provides for punishment in case of false and malicious representations. All employees are covered under the policy. No complaints were received from any employee during the Financial Year 2024-25, and therefore, no complaints were outstanding for redressal as of March 31, 2025.

The policy is placed on the website of the Company and can be accessed at https://www.starhfl.com/wp-content/uploads/2023/03/Star_Anti-Sexual-Harrasment-Policy_1.0.pdf

h) Comprehensive Risk Management Policy

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

i) Corporate Social Responsibility (CSR) Policy

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

The brief outline on CSR activities is mentioned in Notes to Financial Statements forming part of the Annual Report. The policy is available on the Company's website https://www.starhfl.com/wp-content/uploads/2024/09/CSR-Policy_SHFL.pdf

j) Remuneration Policy

The Nomination and Remuneration Committee had laid down criteria for determining Director's Qualification, Attributes and Independence of a Director, remuneration of Directors, Key Managerial Personnel and other employees and criteria for evaluation of Directors, Chairperson, Non-Executive Directors and Board and the evaluation process of the same. In this respect the Company framed the Remuneration Policy in order to align with various provisions under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and RBI Circular DOR.GOV.REC.No. 29/18.10.002/2022-23 dated 29th April, 2022. The policy may be accessed on the Company's website at <https://www.starhfl.com/wp-content/uploads/2023/06/Remuneration-Policy.pdf>

k) Related Party Transactions Policy

The Company has a Related Party Transaction Policy, intended to ensure requisite approval, reporting and disclosure of transactions between the Company and its related parties. The said policy also defines the materiality of related party transactions and lays down the procedures of dealing with related party transactions. During the year under review, the Related Party Transaction Policy was amended to align the same with the requirements of Companies (Amendment) Act, 2015 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy is placed on the website of the Company and can be accessed at https://www.starhfl.com/wp-content/uploads/2023/02/2.-RPT-Policy_SHFL.pdf

l) Familiarisation Programme for Independent Directors

The objective of a familiarisation programme is to ensure that the non-executive directors are updated on the business environment and overall operations of the Company. This enables the non-executive directors to make better informed decisions in the interest of the Company and its stakeholders. The policy is placed on the website of the Company and can be accessed at <https://www.starhfl.com/disclosure-under-regulation-46-of-sebi-lodr-2015/>

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors of the Company comprises of Seven [7] Directors of which one [1] is Executive Director; One [1] is Whole-time Director & Chief Executive Officer & Five [5] are Non - Executive Independent Directors including one woman Director as on March 31, 2025 who brings in a wide range of skills and experience to the Board.

» Retirement of Director by rotation

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and Articles of Association of the Company, Mr. Kalpesh Dave, Executive Director & CEO of the Company, who is liable to retire by rotation, has offered himself for re-appointment at the ensuing twentieth Annual General Meeting of the Company. A resolution for his re-appointment is being proposed at the twentieth Annual General Meeting and his profile is included in the AGM notice.

» Composition of the Board as on March 31, 2025

DIN	NAME OF DIRECTORS	CATEGORY OF DIRECTORS
08221964	Mr. Kalpesh Dave	Executive Director & Chief Executive Officer
02041197	Mr. Kavish Jain	Executive Director
06964564	Mr. Amlendra Prasad Saxena	Non-Executive & Independent Director
09724549	Mr. Ajith Kumar Lakshmanan	Non-Executive & Independent Director
07653773	Mrs. Neelam Tater	Non-Executive & Independent Director
06593113	Mr. Pradip Kumar Das	Non-Executive & Independent Director
03498879	Mr. Chinnathambi Ilango	Non-Executive & Independent Director

Based on the confirmations received, none of the Directors are disqualified from being appointed/re-appointed as a director in terms of Section 164 the Companies Act, 2013, a Certificate from M/s. D. M. Zaveri & Co. Practicing Company Secretaries regarding the Non-disqualification of Directors from being appointed/continue for the office of Director in your Company is placed as **Annexure VI**.

» Composition of the Key Managerial Personnel (KMP) as on March 31, 2025

SR. NO.	NAME OF DIRECTORS	CATEGORY OF DIRECTORS
1	Mr. Kalpesh Dave	Chief Executive Officer
2	Mr. Natesh Narayanan	Chief Financial Officer
3	Mr. Anoop Saxena	Chief Operating Officer
4	Mr. Shreyas Mehta	Company Secretary & Compliance Officer
5	Mr. B.S. Kachhawaha	Chief Compliance Officer
6	Mr. Ajit Kumar Sathpathy	Chief Risk Officer
7	Mr. Sandeep Kadam	Chief Business Head

» During the year following changes took place in the Board of Directors / KMP / Senior Managerial Personnel of Company:

SR. NO.	NAME OF DIRECTORS/ KMP	DESIGNATION	APPOINTMENT/ RESIGNATION	DATE OF CHANGE
1	Mr. Ashish Jain	Chairman and Managing Director	Resignation	28.06.2024
2	Mr. Kalpesh Dave	Additional Director & CEO	Appointment	18.06.2024
3	Mr. Kalpesh Dave	Executive Director & CEO	Change in Designation	18.06.2024
4	Mr. Ajit Kumar Satpathy	Chief Risk Officer	Appointment	01.07.2024

» **Following changes took place after the end of Financial Year End till the date of the report:**

SR. NO.	NAME OF KMPS	DESIGNATION	APPOINTMENT/ RESIGNATION	DATE OF CHANGE
1	Mr. Bhanwar Singh Kachhawaha	Chief Compliance Officer	Resignation	14.05.2025
2	Mr. Natesh Narayanan	Chief Financial Officer	Resignation	15.06.2025

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

The Company has received necessary declarations and disclosures from the Independent Directors under Section 149(7) and Section 184(1) of the Companies Act, 2013 stating that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and under Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and disclosing their interest in form MBP-1.

Further, all Independent Directors of the Company have submitted declarations confirming that:

- The disqualifications mentioned under sections 164, 167 and 169 of the Companies Act, 2013 do not apply to them.
- They have complied with the Code for Independent Directors prescribed in Schedule IV to the Act as applicable.
- They have registered themselves with Independent Directors' Database of The Indian Institute of Corporate Affairs ('IICA') and have cleared the online proficiency test of IICA, as applicable.
- They are not aware of any circumstances or situations, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence; and

The Board of the Company has taken the disclosures and declarations on record after verifying the due veracity of the same. In the opinion of the Board, all the Independent Directors possess the integrity, expertise and experience including the proficiency required to be Independent Directors of the Company, fulfill the conditions of independence as specified in the Act and the SEBI Listing Regulations and are independent of the management and have also complied with the Code for Independent Directors as prescribed in Schedule IV of the Act. The Directors and the senior management personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management Personnel.

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

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

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

MEETING OF INDEPENDENT DIRECTORS

Pursuant to Section 149(8) read with Schedule IV of the Act, and Regulation 25(3) of SEBI Listing Regulations, the Independent Directors shall hold at least two meeting in a financial year without the presence of Non- Independent Directors and members of the management. Accordingly, the Independent Directors of the Company met on February 14, 2025 and March 24, 2025 without the presence of Non-Independent Directors and members of the management to:

1. Review the performance of Non Independent Directors and the Board of Directors as a whole;
2. Review the performance of the Chairman and Managing Director of the Company and
3. Assess the quality, quantity and timeliness of flow of information between the management and the Board of Directors.

The performance evaluation of the Independent Directors was carried out by the entire Board. The details of the Independent Directors Meeting and the attendance of the Directors are provided in the Corporate Governance Report, which forms part of this Report.

NUMBER OF THE MEETINGS OF THE BOARD

The Board met Seven (7) times during the year under review. The details of the number of meetings of the Board held during the Financial Year 2024-25 and the attendance therein forms part of the Report on Corporate Governance which forms part of the Annual Report.

The gap between any two consecutive meetings was less than one hundred and twenty days.

COMMITTEES OF THE BOARD

The Board of Directors has the following Committees:

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

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

SHAREHOLDER'S MEETING

During the financial year ended March 31, 2025, 1 (one) General Meeting was held. Further, details of the meetings are given in the Corporate Governance Report, which forms part of the Annual Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY TRANSACTIONS

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

Pursuant to Regulation 23(4) of the SEBI Listing Regulations, 2015, all material related party transactions and subsequent material modification as defined in the policy on materiality of related party transaction shall require prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

Further, as per Regulation 23(1) of SEBI Listing Regulations, 2015, transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

Accordingly, during the financial year under review, the company has not entered into material contract, arrangement or transaction with related party, as defined under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Related Party Transaction Policy of the Company. The Related Party Transactions Policy and Procedures, as amended from time to time, as reviewed by the Audit Committee and approved by Board of Directors is uploaded on the website of the Company at https://www.starhfl.com/wp-content/uploads/2023/02/2.-RPT-Policy_SHFL.pdf

Form AOC-2 pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed as “**Annexure I**” to this Report and forms a part of it.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company firmly believes that Corporate Social Responsibility (‘CSR’) is more than an obligation and more than a duty, which helps to create positive impact on many lives. The Company persistently acts as a prudent corporate citizen and maintains harmonious relationship with the communities in which it operates to give back to the society.

As a part of its Corporate Social Responsibility (CSR) initiative, the Company has undertaken CSR projects and programs. These activities are in accordance with CSR activities as defined under the Act. The Company has a CSR Committee of Directors. Details about the Committee, CSR activities and the amount spent during the year, as required under section 135 of the Act and the related Rules and other details are given in the CSR Report as **Annexure IX** forming part of this Report.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

As per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Company has in place a Policy on Prevention Prohibition & Redressal of Sexual Harassment of Women at Workplace and has a robust mechanism to redress the complaints reported thereunder.

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

Pursuant to the provisions of Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the complaints received thereunder and the details relating thereto are as follows:

Further, as per Companies (Accounts) Second Amendment Rules, 2025, the law mandates for representing the following details:

Number of complaints of sexual harassment received in the year	NIL
Number of complaints disposed off during the year	NIL
Number of complaints pending for beyond 90 days	NIL

Your Company, on a regular basis, sensitizes its employees on prevention of sexual harassment through various workshops, awareness programmes. It may be mentioned here that the Company has Zero tolerance towards any action on the part of any executive / staff which may fall under the ambit of 'Sexual Harassment' at workplace, and is fully committed to uphold and maintain the dignity of every women working in the Company.

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

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

CHANGE IN NATURE OF BUSINESS

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

MAINTENANCE OF COST RECORDS

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

SECRETARIAL STANDARDS

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

AUDITORS AND AUDITORS' REPORT

1. Statutory Auditors

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

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

The Statutory Auditors have also submitted a separate Auditor's Report on Regulatory compliance to the Board to comply with the requirement under chapter XII of the Master Directions. The copy of the Auditor Report is annexed herewith.

The Notes on financial statements referred to in the Auditor's Report are self-explanatory and do not call for any further comments.

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 Regulation 24A of Securities Exchange Board of India (Listing Obligation & Disclosure Requirement) (Amendments) Regulations, 2018, the Board of Directors of the Company appointed M/s D.M. Zaveri & Co., Practicing Company Secretaries, Mumbai, a Peer Reviewed Firm, to undertake the Secretarial Audit of the Company for the financial year 2024-25. The Secretarial Audit Report & Annual Secretarial Compliance Report for the financial year ended March 31, 2025, is annexed as "Annexure II" and "Annexure III" forms an integral part of this Report.

Further, pursuant to the amendment of Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with effect from 13 December 2024, the Board of Directors have approved and recommended the appointment of M/s. D.M. Zaveri & Co., as a Secretarial Auditor of the Company for a term of 5 (Five) consecutive years to conduct Secretarial Audit of the Company and to furnish the Secretarial Audit Report for the period commencing from FY 2025-26 till FY 2029-2030, for approval of the Members at ensuing AGM of the Company.

Brief resume and other details are separately disclosed in the Notice of the AGM. M/s. D.M. Zaveri & Co have given their consent to act as a Secretarial Auditor of the Company and confirmed that their aforesaid appointment, if made, would be within the prescribed limits under the Act & Rules made thereunder and SEBI Listing Regulations. They have also confirmed that firm is not disqualified to be appointed as a Secretarial Auditor in terms of provisions of the Act & Rules made thereunder and SEBI Listing Regulations.

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

AUDIT & INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

3. Internal auditor

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

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

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

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

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

REPORTING OF FRAUDS BY AUDITORS

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

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(5) of the Act, for the financial year ended on March 31, 2025, the Directors hereby confirm that:

- » In the preparation of the annual financial statements for the year ended March 31, 2025, the applicable accounting standards read with the requirements set out under Schedule III to the Act have been followed and there were no material departures from the same;
- » The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company and of the profit of the Company for the year ended on that date;
- » The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- » The Directors have prepared the annual accounts on a going concern basis;
- » The Directors have laid down adequate 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.

COMPLIANCE WITH MATERNITY BENEFIT

The Company has complied with the provisions of the Maternity Benefit Act, 1961 during the financial year under review. All eligible women employees were extended the benefits as prescribed under the Act, including paid maternity leave, nursing breaks, and crèche facility (where applicable). The Company remains committed to ensuring a safe, inclusive and supportive work environment for all its employees.

REPORT ON CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION

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

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

The certificate issued by Mr. M/s. D.M. Zaveri & Co. 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 2024-25 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 as separate section forming part of this Annual Report.

ANNUAL RETURN

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

ENHANCING SHAREHOLDERS WEALTH

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.

INSOLVENCY AND BANKRUPTCY

The Company has not made any application or no proceeding is pending under the Insolvency and Bankruptcy Code, 2016 during the Financial Year and hence not being commented upon.

THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF.

During the Financial Year under review, there has been no incident of one time settlement for loan taken from the banks of financial institutions and hence not being commented upon.

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 Star Housing Finance Limited

Sd/-

Kalpesh Dave

Director & Chief Executive Officer

DIN: 08221964

Sd/-

Kavish Jain

Director

DIN: 02041197

Place: Mumbai

Date: 14-08-2025

ANNEXURE I

FORM NO. AOC.2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis: Star Housing Finance Limited ("the Company") has not entered into any contract/arrangement/transaction with its related parties, which is not in ordinary course of business or at arm's length during FY 2024-25. 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.

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

2. Details of material contracts or arrangement or transactions at of arm's length basis as on 31.03.2025

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
Nil						

FOR AND ON BEHALF OF THE BOARD

Sd/-

Kalpesh Dave

Director & Chief Executive Officer

DIN: 08221964

Sd/-

Kavish Jain

Director

DIN: 02041197

Place: Mumbai

Date: 14-08-2025



SECRETARIAL AUDIT REPORT

ANNEXURE II

Secretarial Audit Report

Form No. MR-3

For the Financial year ended 31st March 2025

[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 of
Star Housing Finance Limited

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** (hereinafter called '**the Company**'). Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Star Housing Finance Limited'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 covering the Financial year ended 31st March 2025, 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 the Company for the financial year ended on 31st March 2025 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 the Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder
(**Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings are not applicable to the Company during the audit period**);
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('The SEBI'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (**Not relevant / applicable to the Company during the year under review**)

- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
(Not relevant / applicable to the Company during the year under review)
- h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;
(Not relevant / applicable to the Company during the year under review)
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further report that, based on the explanation given by the management of the Company, following laws are specifically applicable to the Company;-

- a. Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002.
- b. Rules, regulations, directions and guidelines issued by Reserve Bank of India (RBI) / National Housing Bank (NHB) are as applicable to the Company.

I have also examined compliance with the applicable clauses to the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Government of India, as applicable under the Companies Act 2013;
- (ii) The Listing Agreements entered into by the Company with BSE Limited in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015;

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

I further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive, Non – Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the directors to schedule the Board Meeting, agenda and detailed notes on agenda were sent at least seven days in advance and meetings convened at a shorter notice for which necessary approvals obtained as per applicable provisions, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions 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.

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

I further report that during the period under review, there were following major actions which have been done in accordance with applicable statutory provisions;

1. The Board of Directors of the Company in their meeting held on 25th July 2024 allotted 1,83,332 equity shares of face value of Rs. 5/- each, fully paid up at an issue price of Re. 64/- including premium of Rs. 59/- on preferential issue basis pursuant to conversion of warrants
2. The Board of Directors of the Company in their meeting held on 18th June 2024 allotted 60,000 Equity Shares of Rs. 5/- each at an issue price of Rs. 14/- per Equity Share including share premium of Rs. 9/- per equity share to the eligible employee of the Company under 'Akme Employee Stock Option Plan 2021'.

For D. M. Zaveri & Co
Company Secretaries

Sd/-
Dharmesh Zaveri
Proprietor
FCS. No.: 5418
CP No.: 4363

Place: Mumbai
Date: 14-08-2025

ICSI UDIN: F005418G000974661
Peer Review Certificate No.: 1187/2021

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

ANNEXURE A

To,
**The Members of
Star Housing Finance Limited**

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

Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

1. We 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 test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
2. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
3. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For D. M. Zaveri & Co
Company Secretaries**

**Sd/-
Dharmesh Zaveri**

Proprietor
FCS. No.: 5418
CP No.: 4363

Place: Mumbai
Date: 14-08-2025

ANNEXURE III

Secretarial Compliance Report of Star Housing Finance Limited for the Financial Year ended 31st March 2025

To,
The Board of Directors,
Star Housing Finance Limited

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **Star Housing Finance Limited** (hereinafter referred as 'the listed entity'), having its Registered Office at 603, Western Edge I, Above Metro Cash & Carry, Borivali East, Mumbai 400066, Mumbai - 400066, Secretarial Review was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. Based on our verification of the listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, we hereby report that the listed entity has, during the review period covering the financial year ended on 31st March 2025, complied with the statutory provisions listed hereunder in the manner and subject to the reporting made hereinafter:

We, D. M. Zaveri & Co, Company Secretaries have examined:

- a. All the documents and records made available to us and explanation provided by **Star Housing Finance Limited** ("the listed entity"),
- b. The filings/ submissions made by the listed entity to the stock exchanges,
- c. Website of the listed entity,
- d. Any other document/ filing, as may be relevant, which has been relied upon to make this certification,

For the year ended 31st March 2025 ("Review Period") in respect of compliance with the provisions of:

- a. The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- b. The Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:

- a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- c. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d. Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; **(Not Applicable during the Review Period)**
- e. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- f. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

- g. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- h. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

and circulars/ guidelines issued thereunder;

and based on the above examination, I/We hereby report that, during the Review Period:

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

COMPLIANCE REQUIREMENT (REGULATIONS/ CIRCULAR/ GUIDELINES INCLUDING SPECIFIC CLAUSE)	REGULATION /CIRCULAR NO.	DEVIATIONS	ACTION TAKEN BY	TYPE OF ACTION	DETAILS OF VIOLATION	FINE AMOUNT	OBSERVATIONS/ REMARKS OF THE PRACTICING COMPANY SECRETARY	MANAGEMENT RESPONSE	REMARKS
Nil									

- b) The listed entity has taken the following actions to comply with the observations made in previous reports:

OBSERVATIONS/ REMARKS OF THE PRACTICING COMPANY SECRETARY IN THE PREVIOUS REPORTS	OBSERVATIONS MADE IN THE SECRETARIAL COMPLIANCE REPORT FOR THE YEAR ENDED.	COMPLIANCE REQUIREMENT (REGULATIONS/ CIRCULAR/ GUIDE-LINES INCLUDING SPECIFIC CLAUSE)	DETAILS OF VIOLATION/ DEVIATIONS AND ACTIONS TAKEN / PENALTY IMPOSED, IF ANY, ON THE LISTED ENTITY	REMEDIAL ACTIONS, IF ANY, TAKEN BY THE LISTED ENTITY	COMMENTS OF THE PCS ON THE ACTIONS TAKEN BY THE LISTED ENTITY
Nil					

We hereby report that, during the review period the compliance status of the listed entity is appended as below:

SR. NO	PARTICULARS	COMPLIANCE STATUS (YES/NO/NA)	OBSERVATIONS/ REMARKS BY PCS
1	Secretarial Standards: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	-
2	Adoption and timely updation of the Policies: » All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities. » All the policies are in conformity with SEBI Regulations and have been reviewed and updated on time, as per the regulations/ circulars/ guidelines issued by SEBI.	Yes	-

SR. NO	PARTICULARS	COMPLIANCE STATUS (YES/NO/NA)	OBSERVATIONS/ REMARKS BY PCS
3	Maintenance and disclosures on Website: <ul style="list-style-type: none"> » The Listed entity is maintaining a functional website. » Timely dissemination of the documents/ information under a separate section on the website. » Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website. 	Yes	-
4	Disqualification of Director: None of the Directors of the Company are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	Yes	-
5	Details related to Subsidiaries of listed entities have been examined w.r.t.: <ul style="list-style-type: none"> » Identification of material subsidiary companies » Disclosure requirement of material as well as other subsidiaries. 	N.A.	The Company do not have any subsidiary company
6	Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	-
7	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.	Yes	-
8	Related Party Transactions: <ul style="list-style-type: none"> » The listed entity has obtained prior approval of Audit Committee for all related party transactions; or » The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained. 	Yes N.A.	- No such instance found during review period
9	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	-
10	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	-
11	Actions taken by SEBI or Stock Exchange(s), if any: No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder except as provided under separate paragraph herein (**).	N. A.	No such instance found during review period

SR. NO	PARTICULARS	COMPLIANCE STATUS (YES/NO/NA)	OBSERVATIONS/ REMARKS BY PCS
12	Resignation of statutory auditors from the listed entity or its material subsidiaries: In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and / or its material subsidiary(ies) has / have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations by listed entities.	N. A.	No such instance found during review period
13	Additional Non-compliances, if any: No additional non-compliance observed for any SEBI regulation/circular/guidance note etc.	N. A.	No such additional noncompliance observed during review period

Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For D. M. Zaveri & Co
Company Secretaries

Sd/-
Dharmesh Zaveri
Proprietor
FCS. No.: 5418
CP No.: 4363

Place: Mumbai
Date: 07-05-2025

ICSI UDIN: F005418G000285148
Peer Review Certificate No.: 1187/2021



REPORT ON CORPORATE GOVERNANCE

ANNEXURE IV

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

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

The Company is in compliance with Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (hereinafter "RBI Master Directions") (including erstwhile regulations), the Companies Act, 2013 (hereinafter "the Act"), Securities and Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter "SEBI LODR Regulations" or "Listing Regulations") and all other applicable rules and regulations.

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 2024-2025:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

2. BOARD OF DIRECTORS

The Board of Directors is the apex body for overseeing the Company's overall functioning. The Board provides strategic direction and leadership and oversees the management policies and their effectiveness looking at long-term interests of shareholders and other stakeholders. The Board of Directors of the Company plays a crucial role in overseeing how the management serves the short and long term interests of stakeholders. This belief is reflected in Company's governance practices, under which the Company strives to maintain an effective, informed and independent Board.

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

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

2.1 Composition and Category of the Board

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

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

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

All the directors of the Board have confirmed that they are not debarred from holding the office of director by virtue of any order by SEBI or any other authority. The directors have ascertained that neither they nor any other company on which they serve as directors have been identified as a wilful defaulter/large defaulter.

Independent Directors:

Independent Director acts as a guide, coach, and mentor to the Company. Their wide knowledge of both, their field of expertise and Board Room practices help foster varied, unbiased, independent and experienced perspectives. The Company benefits immensely from their inputs in achieving its strategic direction.

The Independent Directors have confirmed that they satisfy the criteria prescribed for an Independent Director as stipulated in Regulation 16(1)(b) & 25 of the SEBI (LODR) Regulations and have also submitted the declaration of independence stating that they meet the criteria as provided under Section 149(6) of the Companies Act, 2013 (Act) as amended from time to time. All Independent Directors of the Company have been appointed as per the provisions of the Act and SEBI LODR Regulations. They have also confirmed compliance with the Section 150 of the Act and Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014 relating to the inclusion of their name in the databank of Independent Directors maintained by Indian Institute of Corporate Affairs (IICA). The terms and conditions of appointment of Independent Directors are available on the Company's website at <https://www.starhfl.com>. In the opinion of the Board, the Independent Directors fulfil the conditions as specified in Schedule V of the SEBI LODR Regulations and are independent of the management. None of the Independent Directors has resigned before the expiry of their respective tenures during the Financial Year 2024-25.

Fit & Proper Criteria:

The Company has formulated and adopted a Policy on Fit & Proper Criteria for the Directors as per the provisions of the RBI Master Directions. All the Directors of the Company have confirmed that they satisfy the fit and proper criteria of Directors at the time for their appointment/re-appointment and on a continuing basis as prescribed under the RBI Master Directions.

The Composition of the Board as on March 31, 2025 was as under:

NAME OF THE DIRECTORS	DESIGNATION	NO. OF SHARES HELD AS ON MARCH 31, 2025
Mr. Kalpesh Dave	Executive Director & Chief Executive Officer	3,00,099
Mr. Kavish Jain	Executive Director	16,41,289
Mr. Amlendra Prasad Saxena	Non- Executive Independent Director	Nil
Mr. Ajith Kumar Lakshmanan	Non- Executive Independent Director	Nil
Mr. Pradip Kumar Das	Non- Executive Independent Director	60,000
Mrs. Neelam Tater	Non- Executive Independent Director	Nil
Mr. Chinnathambi Ilango	Non- Executive Independent Director	Nil

Mr. Ashish Jain, Chairman and Managing Director of the Company, resigned from his designation w.e.f. 30th June 2024 and Mr. Kalpesh Dave has been appointed as Executive Director & Chief Executive Officer w.e.f. 18th June 2024.

Director's Profile

Mr. Kalpesh Dave

Executive Director & Chief Executive Officer

Mr. Kalpesh Dave, aged 43 years, is a results-driven housing finance professional with over 15 years of experience across diverse business verticals and geographies in India. He specializes in building and scaling housing finance businesses, establishing key relationships with stakeholders and driving business development initiatives. He is associated with Star Housing Finance Limited since 2019, he has led the company's growth with a focus on corporate governance and operational excellence. With a background in engineering and an MBA in Finance and Marketing, Mr. Dave has also gained international exposure through his work in the Middle East and with global financial institutions. He is a recognized thought leader, awarded for his performance and frequently featured in media outlets.

Mr. Kavish Jain

Executive Director

Mr. Kavish Jain, aged 36 years, is MBA and Law graduate, was head of operations at Star Housing Finance Ltd. and now appointed as Executive Director of the Company. Mr. Jain is committed to create the most fulfilling and helpful consumer journey for millions of Indians who need home finance loans. Mr. Jain brings his in-depth expertise & knowledge, spanning over 6 years, to retail asset operations, operating systems & processes, disbursement handling and many more topics. He has been overseeing and directing the entire marketing team as well as co-ordinating with Channel partners/Business associates of the company.

Mr. Amlendra Prasad Saxena

Non- Executive Independent Director

Mr. Amlendra Prasad Saxena, aged 66 years, superannuated as General Manager from National Housing Bank (NHB) after having completed about 3 decades of service with NHB. During his stint with NHB, he had been actively engaged in the areas of Regulation and Supervision of HFCs, Refinance, Risk Management, Accounts and Policy Formulation in the field of Housing Finance. He had in his career numerous exposure to International trainings /seminars viz., International Housing Finance at Wharton University, World Urban Forum IV at Nanjing (China), kfw Germany. He was on the Board of CERSAI as a Nominee Director of NHB. Prior to joining NHB, he had worked with the Central Govt., as an Officer of Indian Statistical Service. He has completed second term on April 16, 2025 on the Board of one HFC and has been engaged in the Advisory Capacity with few HFCs. Mr. Saxena is having Post Graduate Qualification in Statistics from University of Lucknow and MBA (Finance) from Faculty of Management Studies, University of Delhi.

Mr. Ajith Kumar Lakshmanan

Non- Executive Independent Director

Mr. Ajith Kumar Lakshmanan, aged 64 years, has a distinguished career of over 35 years, building Life Insurance and Housing Finance businesses, brands and people by leading large teams in an open and competitive market environment.

Extensive domain of life insurance and housing finance industry with insights in strategy, business process re-engineering and digital marketing. Served on the Board of LIC International and LIC HFL as Senior Management and served as a Nominee Director at a Govt. of India Enterprise.

Mr. Pradip Kumar Das

Non- Executive Independent Director

Mr. Pradip Kumar Das, aged 63 years, is a well-known commercial banker with more than three decades of all-round rich experience in public & private banking industry (more than 21 years in IDBI Bank Ltd and 14 years in Central Bank of India with 18 years plus in leadership role) across various business verticals & geographies, series of accolades in terms of performance in Retail Banking. He is also on the Board of various reputed Industries in the country.

He is having experience in the field of Retail Banking, Wholesale Banking viz Corporate Banking Priority Sector Lending, Trade Finance, Cash Management services, Government Business Branch Banking operations, Policy, Currency Chest Management, Recovery & Resolution etc.

Mrs. Neelam Tater

Non- Executive Independent Director

Mrs. Neelam Tater, aged 34 years, is a fellow member of the Institute of Chartered Accountants of India and also a Company Secretary. She has rich professional Experience in CA Practice approx. 4 years and in employment having 1 year of Experience. She is having hands on experience across Income tax filing, Finance Management, Risk review, Internal Control over Financial Reporting.

Mrs. Neelam Tater comes with a rich professional experience encompassing audit and risk management and business/management advisory services to diverse mix of corporate clients including banking and financial institutions.

Mr. Chinnathambi Ilango

Non- Executive Independent Director

Mr. Chinnathambi Ilango, aged 68 years, a seasoned professional with a remarkable career spanning over 36 years in the commercial banking sector. Beginning as an Officer at Canara Bank in 1980, he honed his skills and expertise, culminating in a prestigious role as the Managing Director and CEO of CanFin Homes Ltd from 2011 to 2016.

Mr. Chinnathambi Ilango's core competencies include strategic planning, revenue enhancement, operational excellence, relationship building, communication, resource allocation, competitive intelligence, and team leadership. He excels in financial skills such as regulatory compliance, credit underwriting, portfolio management, risk management, and commercial lending. Throughout his career, he displayed a knack for turning around poorly performing branches, streamlining internal controls, and achieving exceptional recovery rates for non-performing assets. His illustrious performance was not limited to the national stage, as he garnered international acclaim in 2004 at Seoul, Korea. Mr. Ilango's extraordinary career is a testament to his unwavering commitment to the banking industry and his ability to drive sustained growth and excellence.

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

Details of attendance of each Director at the Board Meetings and last Annual General Meeting ("AGM") and the number of Companies and Committees where he/she is a Director/Member/Chairman/Chairperson as on March 31, 2025 are given below:

NAME	CATEGORY	ATTENDANCE AT THE BOARD MEETINGS	ATTENDANCE AT AGM HELD ON SEPTEMBER 16, 2024	1 NO. OF OTHER DIRECTORSHIPS	COMMITTEE POSITION IN INDIA (NUMBER OF MEMBERSHIPS IN AUDIT/STAKEHOLDER COMMITTEE (S) INCLUDING THIS LISTED ENTITY)	
					CHAIRMAN	MEMBER
² Mr. Ashish Jain	Chairman & Managing Director	2 out of 2	Not Applicable	Nil	0	0
Mr. Kavish Jain	Executive Director	7 out of 7	Yes	Nil	0	2
Mr. Amlendra Prasad Saxena	Non-Executive Independent Director	7 out of 7	Yes	Nil	0	0
Mr. Ajith Kumar Lakshmanan	Non-Executive Independent Director	7 out of 7	Yes	Nil	0	0
Mrs. Neelam Tater	Non-Executive Independent Director	7 out of 7	Yes	5	1	4
Mr. Pradip Kumar Das	Non-Executive Independent Director	7 out of 7	Yes	3	3	3
Mr. Chinnathambi Ilango	Non-Executive Independent Director	7 out of 7	Yes	Nil	0	1
³ Mr. Kalpesh Dave	Executive Director and Chief Executive Officer	5 out of 5	Yes	Nil	0	0

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

²Mr. Ashish Jain (DIN: 02041164) resigned from the position of Chairman & Managing Director w.e.f. June 30, 2024.

³Mr. Kalpesh Dave (DIN: 08221964), Chief Executive Officer of the Company, has been appointed as an Executive Director of the Company w.e.f. June 18, 2024.

None of the Directors is a Director in more than 20 companies or more than 10 public limited companies or acts as an Independent director in more than 7 listed companies and also more than 3 NBFCs of scale Middle and above. Further, none of the directors is a member of more than 10 committees or is a Chairperson/ Chairman of more than 5 committees across all the public companies in which he/ she is a Director. Only Audit Committee and Stakeholders' Relationship Committee were considered for reckoning the limit of membership/ chairmanship of the committees. For this purpose, Directorship/ Chairmanship/Membership held in the Company has also been considered. There are no material significant related party transactions made by the Company with its Promoters, Directors, Key Managerial Personnel or other designated persons and their relatives which may have a potential conflict with the interest of the Company at large.

None of the other directors are related inter-se to each other.

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

SR. NO	NAME OF THE DIRECTOR	NAME OF THE COMPANY	CATEGORY OF DIRECTORSHIP
1	Mr. Ashish Jain *	Not Applicable	Not Applicable
2	Mr. Kalpesh Dave *	Not Applicable	Not Applicable
3	Mr. Kavish Jain	Not Applicable	Not Applicable
4	Mr. Amlendra Prasad Saxena	Not Applicable	Not Applicable
5	Mr. Ajith Kumar Lakshmanan	Not Applicable	Not Applicable
6	Mr. Pradip Kumar Das	GEE Limited	Non-Executive - Nominee Director - Chairperson
		Birla Cotsyn (India) Limited	Non-Executive Independent Director
		Time Technoplast Limited	Non-Executive Independent Director
7	Mrs. Neelam Tater	Pacific Industries Limited	Non-Executive Independent Director
		Manba Finance Limited	Non-Executive Independent Director
		GEE Limited	Non-Executive Independent Director
		Esprit Stones Limited	Non-Executive Independent Director
8	Mr. Chinnathambi Ilango	Not Applicable	Not Applicable

*Mr. Ashish Jain (DIN: 02041164) resigned from the position of Chairman & Managing Director w.e.f. June 30, 2024 and Mr. Kalpesh Dave (DIN: 08221964) has been appointed as an Executive Director & Chief Executive Officer (CEO) w.e.f. June 18, 2024

2.3. Meetings of the Board of Directors

The Company holds at least four Board meetings in a year, one in each quarter. Apart from the four scheduled Board Meetings, additional Board Meetings are also convened to address the specific requirements of the Company, as and when required.

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 Notice and Agenda of the Board and Committee Meetings are circulated well in advance and in accordance with the applicable laws to enable the Board to discharge its responsibilities effectively and take informed decisions. With the unanimous consent of the Board, all information which is in the nature of Unpublished Price Sensitive Information (UPSI), is circulated to the Board and its Committees at a shorter notice before the commencement of the respective Meetings. All statutory and other significant matters, including the minimum information as required to be placed before Board in terms of Schedule II- Part A of SEBI (LODR) Regulations and Secretarial Standards under the Act were placed before the Board.

The participation in the Board and Committee Meetings is also facilitated through video conferencing, to encourage effective and active involvement in the Board deliberations by Directors located in other locations. The Board meets at least once in a quarter to inter-alia review the Company's quarterly performance and Financial Results, assess business strategies and their implementation and also discuss policy, compliances and other matters. The Meetings are conducted in compliance with the regulatory requirements including those prescribed under the Act. Additional meetings are held when necessary.

Further, 7 (Seven) Board Meetings were held in the financial year 2024-25 and the gap between any two consecutive Board Meetings did not exceed one hundred and twenty days. The details of the same is mentioned below:

SR. NO	DATE OF BOARD MEETING
1	08th May 2024
2	18th June 2024
3	25th July 2024
4	20th August 2024
5	13th November 2024
6	14th February 2025
7	24th March 2025

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

a) Pursuant to Sections 149, 152 and 161 and other applicable provisions of the Act read with the Companies (Appointment & Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulation, 2015, Mr. Kalpesh Dave, Chief Executive Officer of the Company, has been appointed as an Additional Director (in the Category of Executive Director) and designated as Executive Director and Chief Executive Officer of the Company who is liable to retire by rotation by the resolution passed by the Board of Directors as on June 18, 2024. Thereafter, his appointment was approved in the Annual General Meeting of the Company held on September 16, 2024. The Company has also submitted, in a timely manner, a quarterly statement on changes in its Board of Directors to the National Housing Bank (NHB).

2.5. Familiarization program

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

The Familiarization Programme aims to provide Independent Directors with the Housing Industry scenario, the socioeconomic environment in which the Company operates, the business model, the operational and financial performance of the Company, to update the Independent Directors on a continuous basis on significant developments in the Industry or regulatory changes affecting the Company, so as to enable them to take well informed decisions in a timely manner. The familiarization programme also seeks to update the Independent Directors on the roles, responsibilities rights and duties under the Act and other relevant legislations.

The Familiarization Programme for the new and continuing Independent Directors of the Company ensures valuable participation and inputs which help in bringing forth the best practices into the organization and taking informed decision(s) at the Board Level.

Further, at the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/ her role, function, duties and responsibilities. During the year under review, the Company had provided suitable training to Independent Directors, familiarizing them with their roles, rights, duties and responsibilities, nature of Industry in which the company operates and business model of the Company.

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

Pursuant to Regulation 46 of the SEBI LODR Regulations, details of such programmes imparted to Independent Directors are available on the Company's website and can be accessed through the Web link <https://www.starhfl.com/disclosure-under-regulation-46-of-sebi-lodr-2015/>

Selection and Appointment of Directors:

The selection and appointment of Directors of the Company is carried out in accordance with provisions of the Act and relevant rules made thereunder, Directions and Guidelines issued by RBI and NHB, SEBI (LODR) Regulations and as per the Nomination and Remuneration Policy of the Company.

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

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

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

*Mr. Ashish Jain (DIN: 02041164) resigned from the position of Chairman & Managing Director w.e.f. June 30, 2024. In terms of RBI Master Directions considering the need for professional experience in managing the affairs of the Company at least one of the directors shall have relevant experience of having worked in a Bank/ NBFC/ HFC. The Company is in compliance with these directions.

2.7. Performance Evaluation

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

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

The evaluation of the performance of the Board is based on the approved criteria such as the Board composition, strategic planning, role of the Chairperson, independence from the entity, independent views and judgement, knowledge and participation, Non-Executive Directors and other senior management, assessment of the timeliness and quality of the flow of information by the Company to the Board and adherence to compliance and other regulatory issues. The manner in which formal annual evaluation of the Board, its Committees and individual Directors are conducted includes:

In light of the criteria prescribed for the evaluation, the Board analyses its own performance, that of its Committees and each Director during the year and suggests changes or improvements, if required.

- i. The performance evaluation of Independent Directors of the Company is carried out by the Board of the Company excluding the Director being evaluated.
- ii. The Independent Directors, at their separate meeting review the performance of Non-Independent Directors, the Board as a whole and Chairperson.

During the year under review Performance Evaluation of the Board as a whole, as well as that of its Committees, Independent Directors and Non Independent Directors has been carried out in accordance with the relevant provisions of the Act read with relevant rules made thereunder and SEBI (LODR) Regulations and in compliance of guidance note issued by SEBI under Circular no. SEBI/HO/ CFD/ CMD/CIR/P/2017/004 dated Jan. 05, 2017. With the objective of enhancing the effectiveness of the Board, the Nomination and Remuneration Committee has formulated the methodology and criteria to evaluate the performance of the Board and its Committees and each Director.

The Board has expressed its satisfaction with the evaluation process.

The evaluation of all the directors including Independent Directors was carried out by the entire Board at its meeting held on 14th February 2025. The directors were satisfied with the outcome of the evaluations of the Board, its Committees and the individual directors and on the basis of the evaluation reports, the present term of appointment of independent directors shall be continued.

2.8. Criteria for performance evaluation of Directors

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

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

2.9. Separate Meeting of Independent Directors

A separate meeting of the Independent Directors of the Company was held on February 14, 2025 and March 24, 2025 as per Clause VII of Schedule IV of the Act and Regulation 25 of the Listing Regulations read with Schedule II, Part E, to review the performance of all Non-Independent Directors, the Board as a whole and the performance of the Chairman of the Company taking into account the views of other Executive and Non-Executive Directors. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees towards effective and reasonable performance and discharge of their duties.

3. COMMITTEES OF THE BOARD

The Board has constituted sub-committees comprising of Directors and Senior Management Personnel (wherever required) as its Members to focus on specific areas and make informed decisions within the authority delegated to each of the Committees. Each Committee of the Board is guided by its charter, which defines the scope, powers and composition of the Committee. All decisions and recommendations of the Committees were placed before the Board for information or approval. All decisions and recommendations of the various Committees were accepted by the Board during the Financial Year 2024-25. The composition and functioning of these Board Committees is in compliance with the applicable provisions of the Companies Act, 2013, SEBI LODR Regulations and the Master Directions issued by RBI.

3.1 Audit Committee

The Board has constituted the Audit Committee in terms of provisions of Section 177 of the Act, Regulation 18 read with Part C of Schedule II of SEBI LODR Regulations, RBI Master Directions and is chaired by an Independent Director. At present, the Audit Committee comprises of 3 Directors as its Members, out of them 2/3rd are Independent Directors. All the Members of the Committee are financially literate and majority of the Members including the Chairperson possess accounting and 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 Auditors, Internal Auditors and the Board of Directors. Its purpose, amongst others, is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory, internal audit activities and related party transactions. The Board has accepted and implemented the recommendations of the Audit Committee, whenever provided by it.

The functions of Audit Committee are:

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

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

- » Reviewing, with the management, the quarterly, 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 exists.
- » Approval of appointment of CFO (i.e., the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- » To overview the Vigil Mechanism of the Company and took appropriate actions in case of repeated frivolous complaints against any Director or Employee.
- » Monitoring the end use of funds raised through public offers & related matters.
- » The Audit Committee must ensure that an Information System Audit of the critical and significant internal systems and processes is conducted at least once in two years to assess operational risks faced by the HFC. Note: The Information System Audit as prescribed shall be carried out separately through a Certified Information System Auditor (CISA).

Powers of the Audit Committee:

The power of Audit Committee inter alia broadly includes the following

- » Investigating any activity within its terms of reference;
- » Seeking information from any employee;
- » Obtaining outside legal or other professional advice; and
- » Securing attendance of outsiders with relevant expertise, if it considers necessary.

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

3.1.1 Composition, Meetings and Attendance

The Audit Committee comprises of Mr. Pradip Kumar Das (Chairman) (w.e.f. 22.04.2023), Mrs. Neelam Tater (w.e.f. 22.04.2023 until 08.05.2024), Mr. Chinnathambi Ilango (w.e.f. 08.05.2025) & Mr. Kavish Jain (w.e.f. 08.12.2021) as members. Mr. Pradip Kumar Das was present at the Annual General Meeting, held on September 16, 2024, being the Chairperson of the Audit Committee as on date of the AGM. The Chief Financial Officer and Company Secretary are permanent invitees to the meetings.

During the financial year 2024-25, the Audit Committee met 5 (Five) times on May 8, 2024; July 25, 2024; October 30, 2024; November 13, 2024 and February 14, 2025. The gap between two consecutive meetings did not exceed 120 (one hundred and twenty) days.

The attendance details are given below:

NAME OF THE DIRECTOR	DESIGNATION	NO. OF MEETINGS ATTENDED
Mr. Pradip Kumar Das	Non-Executive Independent Director (Chairman)	5 out of 5
Mr. Kavish Jain	Executive Director (Member)	5 out of 5
Mrs. Neelam Tater ¹	Non-Executive Independent Director (Member)	1 out of 1
Mr. Chinnathambi Ilango ¹	Non-Executive Independent Director (Member)	4 out of 4

¹The Board of Directors of the Company appointed Mr. Chinnathambi Ilango as the Member of the Committee by replacing Ms. Neelam Tater w.e.f 08th May, 2024.

3.1.2 Terms of Reference

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

3.2. Nomination And Remuneration Committee

The Board has constituted the Nomination and Remuneration Committee in terms of the provisions of Section 178 of the Act, Regulation 19 read with Part D of Schedule II of SEBI LODR Regulations, RBI Master Directions and is chaired by an Independent Director. At present, the Nomination and Remuneration Committee comprises of 3 Directors as its Members, all of them being Independent Directors. The Company Secretary of the Company acts as Secretary to the Committee. The Board has accepted and implemented the recommendations of the Nomination and Remuneration Committee, whenever provided by it. The Board has formed and approved a charter for the Nomination and Remuneration Committee setting out the roles, responsibilities and functioning of the Committee.

The composition of the Nomination and Remuneration Committee as on March 31, 2025 and the details of Members participation at the Meetings of the Committee are as under:

3.2.1. Composition, Meeting and Attendance

The Nomination and Remuneration Committee comprises of, Mr. Ajith Kumar Lakshmanan (Chairman) (w.e.f. 06.12.2022), Mr. Amlendra Prasad Saxena (Member) (w.e.f. 29.09.2020), Mrs. Neelam Tater (Member) (w.e.f 06.12.2022). Mr. Ajith Kumar Lakshmanan, was present at the Annual General Meeting, held on September 16, 2024, being the Chairperson of the Nomination and Remuneration Committee as on date of the AGM.

The Committee met twice during the year on June 18, 2024 and July 25, 2024 the details of attendance are mentioned below:

NAME OF THE DIRECTOR	DESIGNATION	NO. OF MEETINGS ATTENDED
Mr. Ajith Kumar Lakshmanan	Non-Executive Independent Director (Chairman)	2 out of 2
Mr. Amlendra Prasad Saxena	Non-Executive Independent Director (Member)	2 out of 2
Mrs. Neelam Tater	Non-Executive Independent Director (Member)	2 out of 2

3.2.2 Terms of Reference of the Committee

The terms of reference of the Nomination and Remuneration Committee inter-alia includes the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of the Directors, KMP and other Employees;
2. For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may: use the services of an external agencies, if required; & consider candidates from a wide range of backgrounds, having due regard to diversity; and consider the time commitments of the candidates.
3. Devising a policy on diversity of Board of Directors;
4. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board for their appointment and removal;
5. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
6. Recommend to the Board, all remuneration, in whatever form, payable to senior management;
7. Performing such functions as are required to be performed by the Compensation Committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, including the following:
 - (a) Administering the ESOP plans;
 - (b) Determining the eligibility of Employees to participate under the ESOP plans;
 - (c) Granting options to eligible Employees and determining the date of grant;
 - (d) Determining the number of options to be granted to an Employee;
 - (e) Determining the exercise price under the ESOP plans; and
 - (f) Construing and interpreting the ESOP plans and any agreements defining the rights and obligations of the Company and eligible Employees under the ESOP plans, and prescribing, amending and / or rescinding rules and regulations relating to the administration of the ESOP plans.

8. Framing suitable policies and systems to ensure that there is no violation by any Employee of any applicable laws in India or overseas, including:
 - a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, (SEBI PIT Regulations);
 - b. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003 and
9. Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended by the Nomination and Remuneration Committee

3.2.3 Remuneration Policy

The Company has duly formulated Policy on Nominations & Remuneration for Directors, KMP and Senior Management ("Remuneration Policy") as per the provisions of the Act read with applicable Rules, Regulations under the Act, RBI Master Directions, 2021 and (SEBI) LODR Regulations as amended from time to time, which, inter-alia, lays down the approach to diversity of the Board, the criteria for identifying the persons who are qualified to be appointed as Directors and such persons who may be appointed as Senior Management Personnel of the Company and also lays down the criteria for determining the remuneration of the Directors, KMP and the process of their evaluation.

In order to address issues arising out of excessive risk taking caused by misaligned packages while formulating the policy inter-alia the following factors were included:

- a. Constitution of a Remuneration Committee,
- b. Principles for fixed/variable pay structures, and
- c. Malus/ clawback provisions.

The remuneration paid to the Directors, KMPs and Senior Management Personnel is in line with the Remuneration Policy of the Company. In reviewing the overall remuneration of the Board of Directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company. The company has uploaded its remuneration policy on the website at <https://www.starhfl.com/wp-content/uploads/2023/06/Remuneration-Policy.pdf>

Details of remuneration for Directors paid during the Financial Year 2024-25 are provided in table below:

a) Non-Executive Directors

(in Lakhs)

NAME	FIXED SALARY			COMMISSION	SITTING FEES	TOTAL COMPENSATION
	BASIC	PERQUISITES	TOTAL			
Non-Executive Independent Directors						
Mr. Amlendra Prasad Saxena	-	-	-	-	5.95	5.95
Mr. Ajith Kumar Lakshmanan	-	-	-	-	6.65	6.65
Mrs. Neelam Tater	-	-	-	-	3.80	3.80
Mr. Pradip Kumar Das	-	-	-	-	7.60	7.60
Mr. Chinnathambi Ilango	-	-	-	-	5.60	5.60

b) Executive Director

PARTICULARS	MR. ASHISH JAIN ¹	MR. KAVISH JAIN	KALPESH DAVE ²
Salary paid during the FY 2024-25	22.50	36.10	50.12
Commission	-	-	-
Variable Pay	-	-	-
Perquisites	-	-	-
Sitting Fees	-	-	-
Sitting Fess from Subsidiary Companies	-	-	-
Number of shares held	16,19,000	16,41,289	3,00,099

¹Mr. Ashish Jain (DIN: 02041164) resigned from the position of Chairman & Managing Director w.e.f. June 30, 2024.

²Mr. Kalpesh Dave (DIN: 08221964), Chief Executive Officer of the Company, has been appointed as an Executive Director of the Company w.e.f. June 18, 2024.

3.3. Stakeholders' Relationship Committee

In compliance with the provisions of Section 178 of the Act and Regulation 20 read with Part D of the Schedule II of SEBI (LODR) Regulations, the Company has Stakeholders' Relationship Committee ('SRC') in line to consider and resolve the grievances of our shareholders and the other security holders, including complaints relating to non-receipt of annual report, transfer and transmission of securities, non-receipt of dividends/interests and such other grievances as may be raised by the security holders from time to time.

3.3.1. Composition, Meeting and Attendance

The Stakeholders' Relationship Committee comprises of 3 (Three) Directors out of which 2 (Two) are Non-Executive Directors i.e. Mrs. Neelam Tater (Chairperson) (w.e.f. 24.01.2023), Mr. Pradip Kumar Das (Member) (w.e.f. 06.12.2022), Mr. Ashish Jain (member until his resignation ie. 30.06.2025) and Kavish Jain (Member) (w.e.f. 25.07.2024).

During the year under review, the Committee met on February 14, 2025. All the members were present at the said meeting.

3.3.2. Terms of Reference

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

- » Transfer/transmission of shares/debentures and such other securities as may be issued by the Company from time to time;
- » Issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- » Issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates/certificates relating to other securities;
- » To approve and monitor dematerialization of shares/debentures/other securities and all matters incidental or related thereto; to authorize the Company Secretary and Head Compliance/other Officers of the Share Department to attend to matters relating to non-receipt of annual reports, notices, non-receipt of declared dividend/interest, change of address for correspondence etc. and to monitor action taken;
- » To redress the complaints of the members and investors, related to transfer and transmission of securities, non-receipt of annual reports and other securities related matters;

- » To review the request/Complaints received by the Registrar and Share Transfer Agent from the members relating to transfer, transmission, consolidation, replacement of share certificates, issue of duplicate share certificates and dematerialization of securities certificates;
- » To recommend the measures for overall improvement in the quality of investor services;
- » Monitoring expeditious redressal 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.

3.3.3 Compliance Officer

NAME AND DESIGNATION OF THE COMPLIANCE OFFICER	MR. SHREYAS MEHTA (COMPANY SECRETARY & COMPLIANCE OFFICER)
Address	603, Western Edge-I, Above Metro Cash & Carry, Borivali (East), Mumbai-400066
Telephone Number	8828036610
E-mail ID	compliance@starhfl.com

3.3.4. Details of Shareholders' Complaints

Details of investor complaints received and resolved during the year ended 31st March, 2025 are as follows:

COMPLAINTS PENDING AS ON APRIL 1, 2024	COMPLAINTS RECEIVED DURING THE YEAR	COMPLAINTS RESOLVED DURING THE YEAR	COMPLAINTS PENDING AS ON MARCH 31, 2025
NIL			

All shares of the Company are in dematerialized form except eight shares which are in physical form due to rematerialisation request. "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. No complaints from the investors/shareholders has come to the notice of Registrar and Share Transfer Agent of the Company.

3.4 Risk Management Committee

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

3.4.1 Terms of Reference:

1. To formulate a detailed Risk Management Policy which shall include:
 - a) Framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability, information, cyber security risks or any other risk as may be determined by the Committee.
 - b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - c) Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
7. Reporting results of risk and credit monitoring to the Board;
8. Reviewing and approving various credit proposals in terms of credit and risk management policies approved by the Board;
9. Establishing policies, practices and other control mechanism to manage risks;
10. 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.

The Committee coordinates its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.

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

3.4.2. Composition, name of members and chairperson

Risk Management Committee consist of the following:

- » Mr. Amlendra Prasad Saxena – Chairman
- » Mr. B S Kachhawaha – Member
- » Mr. Kalpesh Dave – Member
- » Mr. Ajith Kumar Lakshmanan – Member
- » Mr. Pradip Kumar Das - Member
- » Mr. Ajit Kumar Satpathy – Member

3.4.3. Meetings and attendance during the year

The Risk Management Committee met 5 (Five) times during the financial year 2024-25 i.e. on June 28, 2024; August 20, 2024; November 13, 2024; February 12, 2025 & March 24, 2025.

NAME OF THE DIRECTOR	DESIGNATION	NO. OF MEETINGS ATTENDED
Mr. Amlendra Prasad Saxena	Non-Executive Independent Director (Chairman)	5 out of 5
Mr. B.S. Kachhawaha ³	Chief Compliance Officer (Member)	5 out of 5
Mr. Ajith Kumar Lakshmanan	Non-Executive Independent Director (Member)	5 out of 5
Mr. Ashish Jain ¹	Managing Director (Member)	0 out of 1
Mr. Pradip Kumar Das ²	Non-Executive Independent Director (Member)	5 out of 5
Mr. Kalpesh Dave ²	Executive Director & Chief Executive Officer (Member)	4 out of 4
Mr. Ajit Kumar Satpathy ²	Chief Risk Officer (Member)	4 out of 4

¹ Mr. Ashish Jain resigned from his designation w.e.f. 30th June 2024;

² Mr. Pradip Kumar Das was appointed as a member of the Committee w.e.f 08th May 2024 and Mr. Kalpesh Dave along with Mr. Ajit Kumar Satpathy were appointed as a member of the Committee w.e.f 25th July 2024

³ Mr. B.S. Kachhawaha has resigned from his designation w.e.f. 14th May 2025

3.5. Corporate Social Responsibility (CSR) Committee

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

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

The Board has constituted the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Act and is chaired by the Executive Director. At present, the Corporate Social Responsibility Committee comprises of 3 Directors as its Members including one of them being Independent Director. The company has board approved CSR Policy which is uploaded on the website link: <http://www.starhfl.com>

The following are the 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, 2025 and the details of Members' participation at the Meetings of the Committee are as under:

3.5.1 Composition, name of members and chairperson

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

- » Mr. Kavish Jain - Chairman
- » Mr. Kalpesh Dave - Member
- » Mrs. Neelam Tater - Member

3.5.2 Meetings and attendance during the year

The Corporate Social Responsibility Committee met 2 (Two) times during the financial year 2024-25 i.e. on June 05, 2024 & March 25, 2025.

NAME OF THE DIRECTOR	DESIGNATION	NO. OF MEETINGS ATTENDED
Mr. Ashish Jain ¹	Managing Director (Chairman)	1 out of 1
Mr. Kavish Jain ¹	Executive Director (Chairman)	2 out of 2
Mr. Kalpesh Dave ²	Executive Director & Chief Executive Officer (Member)	1 out of 1
Mrs. Neelam Tater	Non-Executive Independent Director (Member)	2 out of 2

¹ Mr. Ashish Jain resigned from his designation w.e.f. 30th June 2024 and was replaced as a Chairman of this Committee by Mr. Kavish Jain

² Mr. Kalpesh Dave was appointed as a member of this Committee w.e.f. 25th July 2024

3.6 Asset Liability Management Committee

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

3.6.1. Terms of Reference:

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

3.6.2. Composition, name of members and chairperson

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

- » Mr. Kalpesh Dave - Chairman
- » Mr. Natesh Narayanan - Member
- » Mr. B.S. Kachhawaha - Member
- » Mr. Ajit Kumar Satpathy - Member
- » Mr. Anoop Saxena - Member

3.6.3. Meetings and attendance during the year

The Asset Liability Management Committee met 3 (Three) times during the financial year 2024-25 i.e. on May 22, 2024; September 30, 2024 and December 30, 2024.

NAME OF THE MEMBERS	DESIGNATION	NO. OF MEETINGS ATTENDED
Ashish Jain ¹	Managing Director (Chairman)	1 out of 1
Kalpesh Dave ¹	Executive Director and Chief Executive Officer (Chairman)	3 out of 3
Natesh Narayanan ³	Chief Financial Officer (Member)	3 out of 3
B.S. Kachhawaha ³	Chief Compliance Officer (Member)	0 out of 3
Anoop Saxena	Chief Operating Officer (Member)	3 out of 3
Ajit Kumar Satpathy ²	Chief Risk Officer	2 out of 2

¹ Mr. Ashish Jain resigned from his designation w.e.f. 30th June 2024 and was replaced as a Chairman of this Committee by Mr. Kalpesh Dave.

² Mr. Ajith Kumar Satpathy, Chief Risk Officer, was appointed as a member of the Committee w.e.f. 30th September 2024.

³ Mr. B.S. Kachhawaha, Chief Compliance Officer, resigned from his position w.e.f. 14th May 2025 and Mr. Natesh Narayanan, Chief Financial Officer, resigned from his position w.e.f 15th June 2025

3.7 IT Strategy Committee

The Board has created an IT Strategy Committee in compliance with Reserve Bank of India (Information Technology Governance, Risk, Controls and Assurance Practices) Directions, 2023 issued by Reserve Bank of India (RBI) and other applicable regulations to oversee and provide strategic direction for the Company's information technology framework, ensuring alignment with business objectives, regulatory requirements and robust governance practices.

3.7.1 Terms of Reference:

- » Ensure the implementation of the Company's IT strategy in alignment with overall business objectives and regulatory requirements.
- » Provide a strategic framework for evaluating, selecting, implementing, and maintaining IT systems and infrastructure to support current and future business needs.
- » Review and approve IT policies, including Information Security Policy, Cyber security Framework, Data Protection Policy, Business Continuity & Disaster Recovery Plan, and other related policies.
- » Monitor IT investments and budgets, ensuring cost-effectiveness and alignment with strategic goals.
- » Assess and manage IT-related risks, including cyber security threats, system downtime, data breaches, and compliance risks, and recommend mitigation measures.

- » Oversee the establishment of robust IT governance practices and ensure compliance with RBI regulations and other applicable laws.
- » Review periodic reports from the IT Steering Committee on project implementation, system performance, incident management, and risk status.
- » Report to the Board of Directors on the adequacy of IT systems, controls, governance, and recommend changes or improvements where necessary.

3.7.2 Composition, name of members, chairperson and meetings during the year

The Committee consist of the following persons as its members:

- » Mr. Pradip Kumar Das – Chairman
- » Mr. Chinnathambi Ilango – Member
- » Mr. Ajith Kumar Lakshmanan – Member

The Committee has met once on 12th February 2025 with all the members being present.

4. DETAILS OF SENIOR MANAGEMENT AS ON MARCH 31, 2025

SR. NO	NAME	DESIGNATION
1	Mr. Kalpesh Dave	Chief Executive Officer
2	Mr. Natesh Narayanan	Chief Financial Officer
3	Mr. Anoop Saxena	Chief Operating Officer
4	Mr. Shreyas Mehta	Company Secretary & Compliance Officer
5	Mr. B.S. Kachhawaha	Chief Compliance Officer
6	Mr. Ajit Kumar Sathpathy	Chief Risk Officer
7	Mr. Sandeep Kadam	Chief Business Head

CHANGES DURING THE F.Y. 2024-2025

1	Mr. Kalpesh Dave	Appointed as an Executive Director & Chief Executive Officer w.e.f. 18th June, 2024
2	Mr. Ashish Jain	Resigned as Chairman and Managing Director w.e.f. 30th June, 2024
3	Mr. Ajit Kumar Satpathy	Appointed as Chief Risk Officer w.e.f. 01st July, 2024

CHANGES AFTER F.Y. 2024-25

1	Mr. B.S. Kachhawaha	Resigned as Chief Compliance Officer w.e.f. 14th May 2025
2	Mr. Natesh Narayanan	Resigned as Chief Financial Officer w.e.f. 15th June 2025

5. GENERAL BODY MEETINGS

5.1. Location and time, where Annual General Meeting (“AGM”) for the last 3 years were held:

FINANCIAL YEAR	AGM	DATE	TIME	LOCATION
2023-24	19th AGM	16th September 2024	12:30 P.M.	Through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”)
2022-23	18th AGM	10th August, 2023	12:30 P.M.	Through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”)
2021-22	17th AGM	16th July, 2022	12:30 P.M.	Through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”)

5.2. Special Resolution passed in the previous three year annual General body meetings of the Company:

ANNUAL GENERAL MEETING (AGM)	DATE OF AGM/ EGM	LOCATION & TIME	PARTICULARS OF THE SPECIAL RESOLUTION
19th AGM	16th September, 2024	Through video conferencing at 603, Western Edge I, Above Metro Cash & Carry, Borivali East, Mumbai 400066 at 12:30 P.M.	» To appoint Mr. Kalpesh Dave (DIN: 08221964) as an Executive Director of the Company, designated as Executive Director & Chief Executive Officer
18th AGM	10th August, 2023	Through video conferencing at 603, Western Edge I, Above Metro Cash & Carry, Borivali East, Mumbai 400066 at 12:30 P.M.	<ul style="list-style-type: none"> » To Reappoint Mr. Ashish Jain, as Chairman and Managing Director of the Company, including his terms of re-appointment and remuneration. » To Approve “Star Housing Finance Limited Employee Stock Option Scheme II 2023.” » To Approve the Amendments to Articles of Association of the Company. » To approve increase in the borrowing powers in excess of Paid-up Share Capital, Free Reserves and Securities Premium of the Company under Section 180(1)(c) of the Companies Act, 2013. » To approve creation of charges on assets of the Company under Section 180(1)(a) of the Companies Act, 2013 to secure borrowings made/to be made under section 180(1)(c) of the Companies Act, 2013. » To consider and approve issue of Non-Convertible Debentures. » Payment of remuneration to Executive Directors who are Promoters or members of Promoter Group.
17th AGM	16th July, 2022	Through video conferencing AT 603, Western Edge I, Above Metro Cash & Carry, Borivali East, Mumbai 400066 AT 12:30 P.M.	<ul style="list-style-type: none"> » Re- appointment of Mrs. Rekha Jain (DIN: 07703994) as an Independent Director of the company for the second term of three years w.e.f. 29th July, 2022. » Extension of period of Remuneration of Mr. Ashish Jain (DIN: 02041164), Chairman & Managing Director of the Company. » Approval of Remuneration payable to Mr. Kavish Jain (DIN: 02041197) Executive Director of the company. » Approval of Issuance of Equity Shares on Preferential Basis through Private Placement.

Resolutions passed through postal ballot: No Special resolution was passed through postal ballot during the Financial Year ended March 31, 2025.

6. MEANS OF COMMUNICATION

Timely disclosure of relevant and reliable information on financial performance is at the core of good governance.

The channels of communication include informative Annual Report containing Directors' Report, Report on Corporate Governance, Management's Discussion and Analysis Report and the Audited Financial Statements.

The Company also communicates with the shareholders through its website www.starhfl.com. The quarterly and annual financial results as well as shareholding pattern of the Company, Code of Conduct for Board of Directors and Senior Management and Code of Conduct for Insider Trading are hosted on the Company's website for information of its shareholders.

Quarterly / Annual Financial Results: The quarterly and annual results are announced within stipulated period. The financial results are generally published in English newspapers and in vernacular i.e. Marathi newspapers respectively and are simultaneously posted on the Company's website at www.starhfl.com.

BSE Corporate Compliance & Listing Centre: BSE have developed web-based applications for corporates. Periodical compliances like financial results, shareholding pattern, corporate governance reports, etc. are filed electronically on BSE Listing Centre.

Website: The Company's website www.starhfl.com contains dedicated section "INVESTOR DESK" having updated relevant information for shareholders.

News Releases: The Company has made seven (7) news releases during the FY 2024-25 on 18.04.2024, 08.05.2024, 25.07.2024, 09.09.2024, 09.10.2024, 13.11.2024 and 14.02.2025. The same can be accessed on the Company's website at www.starhfl.com.

Earnings call: Earnings call were made to the investors on periodic basis during the Financial Year 2024-2025 on July 26, 2024, November 14, 2024 and May 08, 2025.

Annual Report: The Annual Report containing inter-alia Standalone Audited Financial Statements, Auditors' Report, Directors' Report, Management Discussion and Analysis, Corporate Governance Report is also available on the website of the company in a user friendly and downloadable form.

SCORES (SEBI Complaints Redressal System): SEBI processes investors' complaints in a centralised web-based complaints redressal system i.e. SCORES. Through this system, a shareholder can lodge complaint(s) against a Company for their grievance.

The Company is registered with SEBI Complaints Redress System (SCORES). 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.

Green Initiative: Sending important communication to shareholders through email - In terms of the Green initiative launched by the Ministry of Corporate Affairs, to allow service of documents to the members through electronic mode. The Company has been sending various communications/ documents like Annual Report, Notice of AGM, etc. through e-mail to those shareholders who have registered their email id with the DP/ RTA.

7. GENERAL SHAREHOLDERS INFORMATION

This section inter-alia provides information pertaining to the Company, its Shareholding Pattern, means of dissemination of information, service standards, share price movements and such other information, in terms of point no. C (9) of Schedule V to the SEBI LODR Regulations relating to Corporate Governance.

The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L45201MH2005PLC376046

7.1. 20th Annual General Meeting :

DATE	TIME	VENUE
26th September 2025	2:00 P.M.	Video Conferencing

7.2. Financial Year: The Financial Year of the Company starts from 01st April, 2024 to 31st March, 2025

7.3. Book Closure Dates: 20th September 2025 to 26th September 2025

7.4. Dividend Payment Date: 25th October 2025

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

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

The Company has paid Annual Listing fees to the Stock Exchange for the year 2024-25.

7.6. Shareholding Pattern as on March 31, 2025

CATEGORY	NO. OF SHARES	% OF SHAREHOLDING	NO. OF WARRANTS	% OF SHAREHOLDING
A. SHAREHOLDING OF PROMOTER AND PROMOTER GROUP				
1. Promoter's Holding				
(i) Indian Promoters	1,40,63,094	17.81	3,20,000	3.48
2. Persons acting in concert (Promoter Group)				
(ii) Body Corporate	7,63,369	0.97		
TOTAL A	1,48,26,463	18.78	3,20,000	3.48
B. NON PROMOTER SHAREHOLDING				
(i) Individual (including NRI's)	3,89,36,977	49.31	20,12,667	21.89
(ii) Foreign portfolio Investors				
(iii) Body Corporate	1,79,20,302	22.69	62,23,334	67.68
(iv) Others	72,80,206	9.226	6,39,167	6.95
TOTAL B	6,41,37,485	81.22	88,75,168	96.52
TOTAL A+B	7,89,63,948	100.00	91,95,168	100.00

7.8 Distribution of Shareholding as on March 31, 2025

SHAREHOLDING OF NOMINAL		NUMBER OF SHAREHOLDERS	PERCENTAGE OF TOTAL	SHARE AMOUNT (IN RS)	PERCENTAGE OF TOTAL
Rs.	Rs.				
1	5000	7582	78.5537	7499270	1.8994
5001	10000	629	6.5168	4925970	1.2477
10001	20000	431	4.4654	6456995	1.6354
20001	30000	219	2.2690	5502365	1.3936
30001	40000	94	0.9739	3421130	0.8665
40001	50000	102	1.0568	4827415	1.2227
50001	100000	205	2.1239	14889175	3.7711
100001	999999999999999	390	4.0406	347297420	87.9635
TOTAL		9652	100.00	394819740	100

7.9 Commodity Price Risks or Foreign Exchange Risk and Hedging Activities

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

7.10 Details of utilization of funds under Regulation 32 (7A) of SEBI LODR Regulations:

The amount raised by the Company has been fully utilised and there was no deviation/ variation in the utilization of funds against the stated objects.

7.11 Fees for all services paid by the listed entity to the statutory auditor

During financial year 2024-2025, the total fees paid by the Company, on a consolidated basis, to M/s. Nyati Mundra & Co., the Statutory Auditors, and all entities in the network firm/network entity of M/s. Nyati Mundra & Co. was Rs. 5,00,000/-

7.12 Disclosure in respect to Loans and advances

During the financial year 2024-2025 the Company has not disbursed any 'Loans and advances' in the nature of loans to firms/companies in which directors are interested.

7.13 Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, Conversion Date and Likely Impact on Equity

As on 31st March, 2025, the Company had 91,95,168 outstanding warrants which were lapsed after the end of financial year and are no longer in force. Further, 1,20,000 ESOPs under the "Akme Employee Stock Option Plan 2021" remains outstanding and yet to be exercised as on the reporting date.

Except for the aforementioned ESOPs, the Company has not issued any Global Depository Receipts (GDRs), American Depository Receipts (ADRs), warrants, or other convertible instruments that remain outstanding as on 31st March 2025.

7.14 Listing of Shares & Non-Convertible Debentures

Equity Shares - The equity shares issued by the Company are listed on the BSE Ltd. Annual Listing fees as prescribed have been paid to the BSE Ltd.

Non-Convertible Debentures – The NCDs issued by the Company are listed on the BSE Ltd. Listing fees as prescribed have been paid to the BSE Ltd.

7.15 Share Transfer Agent

M/s. Bigshare Services Private Limited is appointed as the Share Transfer Agent of the Company and act as single point of contact for all shareholder-related matters. All shareholder correspondence is to be addressed to the following address:

7.16 Registered Office of the Share Transfer Agent

Bigshare Services Private Limited

Address: Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai – 400093.

Tel : 022 6263 8200

E-mail : investor@bigshareonline.com

Website: www.bigshareonline.com

7.17 Share Transfers System (Physical Form)

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

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

7.18 Dematerialization of shares and liquidity

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

SHARES IN PHYSICAL & DEMAT AS ON MARCH 31, 2025	NO. OF SHARES	PERCENTAGE (%)
In Physical form	8	0.00001
In Dematerialized form	78963940	99.9999

7.19 Plant Location

The Company is mainly engaged in providing housing finance and as such does not have any manufacturing plant.

7.20 Address for correspondence

Shareholders can contact the Compliance Officer of the Company for secretarial matters of the Company as mentioned below:

A. Star HFL Secretarial Department

Mr. Shreyas Mehta (Company Secretary and Compliance Officer)

Add: 603, Western Edge-I, Above Metro Cash & Carry, Borivali (East), Mumbai-400066

Email: compliance@starhfl.com

Tel No.: 8828036610

B. Registrar and Transfer Agent

Bigshare Services Private Limited

Add: Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai – 400093.

E-mail : investor@bigshareonline.com

Website: www.bigshareonline.com

Tel : 022 6263 8200

7.21 List of all credit ratings obtained during the FY 2024-25

Your Company's financial discipline and prudence is reflected in the strong credit rating assigned by India Ratings & Research Agency and Care Rating during the year as under:

The following ratings have been reaffirmed/assigned to the Company for its Bank Loan & Non-Convertible Debentures (NCDs) during the Year by India Ratings & Research Agency & Care Ratings Agency:

S.R. NO	NAME OF RATING AGENCY	FACILITIES	LIMITS (IN MILLION)	TENURE	RATING	RATING ACTION
1	India Ratings & Research Agency	Bank Loan	INR 4500	Long Term	IND BBB/Stable	Affirmed
2	India Ratings & Research Agency	Non-Convertible Debentures (NCDs)	INR 500	Long Term	IND BBB/Stable	Affirmed

S.R. NO	NAME OF RATING AGENCY	FACILITIES	LIMITS (IN MILLION)	TENURE	RATING	RATING ACTION
1	CARE Ratings Limited	Long-term bank facilities	INR 3000	Long Term	CARE BBB; Stable	Reaffirmed

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

S.R. NO	NAME OF RATING AGENCY	FACILITIES	LIMITS (IN MILLION)	TENURE	RATING	RATING ACTION
1	India Ratings & Research Agency	Bank Loan	INR 4500	Long Term	IND BBB/Stable	Affirmed
2	India Ratings & Research Agency	Non-Convertible Debentures (NCDs)	INR 500	Long Term	IND BBB/Stable	Affirmed

7.22 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 2024-25, notice for AGM etc., are being sent in electronic mode to shareholders who have registered their e-mail addresses with the Company/depository participants. Further, in accordance with Regulation 36 (1)(b) of the Listing Regulation, the Company is also sending letter to shareholders whose email addresses are not registered with Company/ Registrar/Depository participant providing the weblink of the Company's website from where the Annual Report can be accessed.

8. OTHER DISCLOSURES

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

There were no transactions with related party that may have potential conflict with the interest of the Company. Details of related party transaction entered into by the Company in the ordinary course of its business are included in notes forming part of financial statement and also uploaded on the website of the Company along with the submission to stock exchanges on a half yearly basis.

The Transactions are in accordance with regulation 23 of SEBI (LODR) Regulation 2015 were entered with the related parties pursuant to approval of the shareholder's, Audit Committee and Board of Directors of the Company. The policy on related party transaction is available on the website at https://www.starhfl.com/wp-content/uploads/2023/02/2.-RPT-Policy_SHFL.pdf

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

COMPLIANCE REQUIREMENT (REGULATIONS/ CIRCULARS/ GUIDELINES INCLUDING SPECIFIC CLAUSE)	REGULATION/ CIRCULAR NO.	DEVIATIONS	ACTION TAKEN BY	TYPE OF ACTION (ADVISORY/ CLARIFICATION/ FINE/SHOW CAUSE NOTICE/ WARNING, ETC.)	DETAILS OF VIOLATION	FINE AMOUNT PAID (IN RS.)	MANAGEMENT RESPONSE	FY
Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements)	Reg 17(1)	Composition of Board	The Company received an notice through Email from BSE	Fine/Penalty	As per Regulation 17(1), Company was required to have minimum Six (6) Directors on Board, Company was having 5 Directors.	Rs 9,14,500	The Company has appointed two non-executive Independent Director w.e.f. 03rd September, 2022 & the Company has filed waiver application to the Stock Exchange to waive of the penalty levied by them.	2022-23
Regulation 295(1) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018	Reg 295(1)	The bonus issue was not completed within two months	The Company has received mail from BSE	Fine/Penalty	The bonus issue of shares was not completed within two months	Rs 1,65,200	The Company has paid penalty in regards to the delay of bonus issue by 7 days to the Stock Exchange & will further take precaution with respect to the Timelines.	2022-23

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

C. Disclosure of Compliance of Corporate Governance

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

SR. NO	PARTICULARS	REGULATIONS	BRIEF DESCRIPTION OF THE REGULATIONS	COMPLIANCE STATUS (YES/NO/N.A.)
1	Board of Directors	17(1)	Composition of Board	Yes
		17(2)	Meeting of Board of Directors	Yes
		17(3)	Review of Compliance Reports	Yes
		17(4)	Plans for orderly succession for appointments	Yes, as and when applicable
		17(5)	Code of Conduct	Yes
		17(6)	Fees/Compensation	Yes
		17(7)	Minimum Information to be placed before the Board	Yes
		17(8)	Compliance Certificate	Yes
		17(9)	Risk Assessment & Management	Yes
		17(10)	Performance Evaluation	Yes
		17 A	Maximum Number of Directorships	Yes
2	Audit Committee	18(1)	Composition of Audit Committee & Presence of the Chairman of the Committee at the Annual General Meeting	Yes
		18(2)	Meeting of Audit Committee	Yes
		18(3)	Role of the Committee and Review of information by the Committee	Yes
3	Nomination and Remuneration Committee	19(1) & (2)	Composition of Nomination and Remuneration Committee	Yes
		19(3)	Presence of the Chairman of the Committee at Annual General Meeting	Yes
		19(4)	Role of the Committee	Yes
4	Stakeholders Relationship Committee	20(1), (2) & (3)	Composition of Stakeholders Relationship Committee	Yes
		20(4)	Role of the Committee	Yes
5	Risk Management Committee	21(1),(2),(3) & (4)	Composition, terms of reference	N.A.
6	Vigil Mechanism	22	Formulation of Vigil Mechanism for Directors and Employee	Yes
7	Related Party Transaction	23(1),(5),(6),(7) & (8)	Policy for Related Party Transaction	Yes
		23(2)&(3)	Approval including omnibus approval of Audit Committee for all Related Party Transactions and review of transaction by Committee	Yes
		23(4)	Approval for Material Related Party Transactions	Yes
		23 (9)	Half yearly disclosure of Related Party Transactions	Yes
8	Obligations with respect to Independent Directors	25(1)&(2)	Maximum Directorship & Tenure	Yes
		25(3)	Meeting of Independent Directors	Yes
		25(4)	Review of Performance by the Independent Directors	Yes
		25(7)	Familiarisation of Independent Directors	Yes

SR. NO	PARTICULARS	REGULATIONS	BRIEF DESCRIPTION OF THE REGULATIONS	COMPLIANCE STATUS (YES/NO/N.A.)
9	Obligations with respect to Directors and Senior Management	26(1)&(2)	Memberships & Chairmanship in Committees	Yes
		26(3)	Affirmation with compliance to code of conduct from members of Board of Directors and Senior Management Personnel	Yes
		26(4)	Disclosure of Shareholding by Non- Executive Directors	Yes
		26(5)	Disclosures by Senior Management about potential conflicts of Interest	Yes
10	Other Corporate Governance Requirements	27(1)	Compliance of Discretionary Requirements	Yes
		27(2)	Filing of Quarterly Compliance Report on Corporate Governance	Yes
11	Disclosures on Website of the Company	46(2)(a)	Details of Business	Yes
		46(2)(b)	Terms & Conditions of appointment of Independent Directors	Yes
		46(2)(c)	Composition of various committees of Board of Directors	Yes
		46(2)(d)	Code of Conduct of Board of Directors and Senior Management Personnel	Yes
		46(2)(e)	Details of establishment of Vigil Mechanism / Whistle Blower policy	Yes
		46(2)(f)	Criteria of making payments to Non-Executive Directors	N.A.
		46(2)(g)	Policy on dealing with Related Party Transactions	Yes
		46(2)(h)	Policy for determining Material Subsidiaries	N.A.
		46(2)(i)	Details of familiarization programmes imparted to Independent Directors	Yes
		46(2)(j)	Email address for grievance redressal and	Yes
			other relevant details	
		46(2)(k)	Contact Information of designated officials for assisting and handling investor grievances	Yes
		46(2)(l)	Financial Information	Yes
		46(2)(m)	Shareholding Pattern	Yes
		46(2)(n)	Details of Agreements entered with Media Companies and/or their Associates	N.A.
		46(2)(o)	Schedule of Analyst/Institutional Investors Meet	Yes
		46(2)(p)	New name and old name for a continuous period of one year	Yes
		46(2)(q)	Advertisement in Newspaper	Yes
		46(2)(r)	Credit ratings obtained and any revision thereof	Yes
		46(2)(s)	Separate Audited Financial Statements of each subsidiary	N.A.

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

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

E. Internal Guidelines on Corporate Governance

The Company has formulated and adopted the Internal Guidelines on Corporate Governance in accordance with Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 which lay down the Corporate Governance practices of the Company and the same is available on the website of the Company at <https://www.starhfl.com/wp-content/uploads/2024/08/CG-Policy.pdf>

POLICIES AND CODES

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

A policy is a statement of intent and is implemented as a procedure or protocol. For compliance with the Chapter II (Principles governing disclosures and obligations of listed entity) of SEBI (LODR) Regulations, RBI Master Directions and other applicable guidelines on the company and keeping with the commitment to the principle of integrity and transparency in business operations for good corporate governance and also to ensure effective and efficient Internal Controls System, the Company has adopted several codes / policies / guidelines which among others include the following:

a. Internal Guidelines on Corporate Governance:

Your Company has formulated and adopted Internal Guidelines on Corporate Governance in accordance with the RBI Master Directions, which inter-alia, defines the legal, contractual and social responsibilities of the Company towards its various Stakeholders and lays down the Corporate Governance guidelines of the Company. The guidelines have been framed in accordance with the Companies Act, 2013, SEBI LODR, Regulations, RBI Master Directions and other applicable rules and regulations. The policy is reviewed, as and when necessary, by the Board in the context of changing regulations and emerging best practices with a view to improving the Company's governance standards on an ongoing basis. The said guidelines are available on the website of the Company at <https://www.starhfl.com/wp-content/uploads/2024/08/CG-Policy.pdf>

b. Policy on Know Your Customer ("KYC") Norms and Anti Money Laundering ("AML") Measures ("KYC & AML Policy"):

In terms of the circular(s) and direction(s) on KYC norms and AML measures issued by the RBI, the Prevention of Money Laundering Act, 2002 and Rules made thereunder, the Board has adopted 'KYC & AML Policy' which inter-alia incorporates your Company's approach towards KYC norms, AML measures and combating of financing of terrorism ("CFT") related issues. The KYC & AML Policy provides a comprehensive and dynamic framework and measures to be taken in regard to KYC, AML and CFT. The primary objective of the Policy is to prevent the Company from being used, intentionally or unintentionally, by criminal elements for money laundering or terrorist financing activities. The said policy is available on the website of the Company at <https://www.starhfl.com/wp-content/uploads/2023/12/Policy-on-KYC-and-AML-Standards-Final-2-.pdf>

c. Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions:

Pursuant to Regulation 23 of SEBI LODR Regulations, the Company has in place policy on materiality of Related Party Transactions and on dealing with Related Party Transactions. All transactions entered into with Related Parties during the Financial Year were in the ordinary course of business and on arm's length basis. There were no materially significant transactions with related parties during the Financial Year which conflicted with the interest of the Company. Suitable disclosures as required by the applicable Accounting Standards have been made in the notes to the Financial Statements. The details of the transactions with related parties, if any, are placed before the Audit Committee from time to time. The said policy is available on the website of the Company at https://www.starhfl.com/wp-content/uploads/2023/02/2.-RPT-Policy_SHFL.pdf

d. Code of Conduct for the Board and the Senior Management Personnel:

In terms of the SEBI LODR Regulations and as an initiative towards setting out a good Corporate Governance structure within the organization, the Board adopted a comprehensive 'Code of Conduct for the Board and the Senior Management Personnel' which is applicable to all the Directors, including Non-Executive and Independent Directors and Senior Management Personnels of the Company. The Code intends to provide guidance to the Directors and Senior Management Personnel to conduct their business affairs ethically and in full compliance with applicable laws, rules and regulations. In accordance with Part D of Schedule V of the SEBI LODR Regulations, declaration from Director and Chief Executive Officer of the Company has been received confirming that all the Directors and the Senior Management Personnel of the Company have complied to the Code of Conduct for the Board and the Senior Management Personnel for the Financial Year ended March 31, 2025 and is attached as an annexure with this Report. The said policy is available on the website of the Company at <https://www.starhfl.com/wp-content/uploads/2023/02/Code-of-conduct-of-Board-of-Directors-and-Senior-Management-Personnel.pdf>

e. Policy on "Valuation of Properties and Empanelment of Valuers":

In terms of the RBI Master Directions, your Company is required to frame a system /procedure /policy on valuation of properties and appointment of valuers. In reference to the above, the Board adopted the Policy on Valuation of Properties and Empanelment of Valuers. The said policy is available on the website of the Company at <https://www.starhfl.com/wp-content/uploads/2024/08/Valuation-Policy.pdf>

f. CSR Policy:

In terms of the provision of Section 135 of the Act, the Board adopted a 'CSR Policy' which helps in furtherance of your Company's objective to create value in the society and community in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and community, in fulfilment of its role as a socially responsible corporate citizen. The CSR Policy encompasses the philosophy of Company for delineating its responsibility as a corporate citizen and as a part of its initiatives the Company has undertaken various projects in the area of skill / rural area development, women empowerment, environment protection and healthcare/medical facility etc. inter-alia indicates the CSR activities that can be undertaken by the Company and defines the roles and responsibilities of the Board and CSR Committee in implementing and monitoring CSR projects identified and supported by the Company. The said policy is available on the website of the Company at https://www.starhfl.com/wp-content/uploads/2024/09/CSR-Policy_SHFL.pdf

g. Code for Independent Directors:

In terms of Section 149 and Schedule IV of the Companies Act, 2013 the Company has adopted a code for Independent Directors in order to ensure fulfilment of responsibilities of Independent Directors of the Company in a professional manner. The Code for Independent Directors aims to promote confidence of the Investment Community, particularly minority Shareholders, Regulators and other Stakeholders in the institution of Independent Directors and sets out the guidelines of professional conduct of Independent Directors, their roles, functions and duties, the process of performance evaluation etc.

h. Prevention of Sexual Harassment Policy, and information required to be disclosed under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company is committed to providing a work environment that ensures that every Employee is treated with equal dignity and respect. The Company has implemented a robust framework on prevention of sexual harassment, which is in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company educates Employees regarding Sexual Harassment Policy through posters and regular mailers and also conducts online trainings which form a part of the induction process. Pursuant to the said Act, the details of the total reported and closed cases pertaining to incidents under the above framework/ law are as follows:-

NAME OF THE STOCK EXCHANGE	STOCK CODE/ ID
Number of complaints filed during the Financial year	NIL
Number of complaints disposed off during the Financial Year	NIL
Number of complaints pending as on end of the Financial Year	NIL

The policy is placed on the website of the Company and can be accessed at https://www.starhfl.com/wp-content/uploads/2023/03/Star_Anti-Sexual-Harrasment-Policy_1.0.pdf

i. Dividend Distribution Policy:

The Company has in place Dividend Distribution Policy, duly approved by the Board of Directors. The same is available on the website of the Company and can be accessed at <https://www.starhfl.com/wp-content/uploads/2024/08/Dividend-Distribution-Policy.pdf>

Code for Prevention of Insider Trading Practices:

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

The said code of conduct has been posted on the website of the Company at i.e. <https://www.starhfl.com/wp-content/uploads/2024/08/PIT-Policy.pdf>. 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.

j. Certificate from Practicing Company Secretary (PCS):

A certificate from Mr. Dharmesh M. Zaveri, Proprietor of D. M. Zaveri & Co., 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.

k. Accounting Standards:

The Company has complied with the applicable Accounting Standards specified under section 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).

l. Vigil Mechanism/Whistle Blower Policy:

The Board of Directors of the Company 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.

The Company further affirms that no personnel has been denied access to the Audit Committee.

The whistle blower policy is placed on the website of the Company and can be accessed at <https://www.starhfl.com/wp-content/uploads/2023/06/Vigil-Mechanism-Whistle-Blower-Policy.pdf>

m. Auditors Certificate on Corporate Governance:

As required under the SEBI (LODR) Regulations, 2015, the Company has complied with all mandatory requirements of corporate governance norms as enumerated in Chapter IV of SEBI (LODR) Regulations, 2015. Mr. Dharmesh M. Zaveri, Proprietor of D. M. Zaveri & Co., Practicing Company Secretary of the Company have certified that the Company has complied with the conditions of Corporate Governance which forms part of this Annual Report.

n. Certification of Financial Reporting and Internal Controls / (CEO/CFO Certificate):

In accordance with Regulation 18(3) of SEBI (LODR) Regulations, 2015, Mr. Kalpesh Dave, Executive Director & Chief Executive Officer of the Company and Mr. Natesh Narayanan, the Chief Financial Officer 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. The same forms part of this Annual Report as an annexure to the Directors Report.

o. 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, 2015. 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.

p. Demat Suspense Account / Unclaimed Suspense Account:

There are no shares lying under Demat Suspense Account/ Unclaimed Suspense Account and hence the Company does not have any Demat Suspense Account / Unclaimed Suspense Account.

q. Disclosure of certain types of agreements binding listed entities:

The Company has not entered into any agreements as required to be disclosed under clause 5A of paragraph A of Part A of Schedule III of SEBI (LODR) Regulations

r. 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.

s. 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.

t. 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.

u. Tax Deducted at Source ('TDS') on Interest of Listed Non-Convertible Debentures (NCD)

As per the provisions of Section 193 of the Income Tax Act, 1961, the Company would be required to deduct applicable TDS on interest payment to the NCD holders who are entitled to receive the interest on NCD held by them on the record date.

v. Other useful information for Shareholders:

» Shares held in Electronic Form

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

» Shares held in Physical Form

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

» Service of documents through electronic mode

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

» SEBI investors' contact for feedback and assistance:

Tel: 022-26449188,

E-mail: sebi@sebi.gov.in

FOR AND ON BEHALF OF THE BOARD

Star Housing Finance Limited

Sd/-

Kalpesh Dave

Director & Chief Executive Officer

DIN: 08221964

Sd/-

Kavish Jain

Director

DIN: 02041197

Place: Mumbai

Date: 14-08-2025

Registered Office Address: 603, Western Edge I,
Above Metro Cash & Carry, Borivali East, Mumbai – 400066.

Tel: +91 8828036610

Email Id: compliance@starhfl.com

Website: www.starhfl.com

CIN: L45201MH2005PLC376046

ANNEXURE V

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Star Housing Finance Limited

I have examined the compliance of conditions of Corporate Governance by **Star Housing Finance Limited** ('the Company'), for the Financial Year ended 31st March 2025, as stipulated in regulations 17 to 27 and clauses (b) to (i) and (t) of regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Management's Responsibility

The Management is responsible for ensuring that the Company complies with the conditions of Corporate Governance. This responsibility also includes the design, implementation and maintenance of internal controls and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing regulations.

Auditor's Responsibility

Our responsibility is limited to examining 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.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Opinion

In my opinion and to the best of my information and according to our examination of the relevant records and the explanations given to me and the representations made by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) and (t) of regulation 46(2) and para C, D and E of the Schedule V of the Listing Regulations during the year ended 31st March 2025.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on Use

This certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for any events or circumstances occurring after the date of this Certificate.

For D. M. Zaveri & Co
Company Secretaries

Sd/-

Dharmesh Zaveri

Proprietor

FCS No. 5418

CP No. 4363

Place: Mumbai

Date: 14-08-2025

ICSI UDIN: F005418G000974760

Peer Review Certificate No.: 1187/2021

ANNEXURE VI

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 of
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 and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2025 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.

SR. NO	NAME OF DIRECTORS	DIN	DATE OF APPOINTMENT IN THE COMPANY
1	Mr. Kalpesh Rajendra Dave	08221964	18/06/2024
2	Mr. Kavish Jain	02041197	18/05/2020
3	Mr. Amlendra Prasad Saxena	06964564	14/09/2020
4	Mr. Ajith Kumar Lakshmanan	09724549	03/09/2022
5	Mrs. Neelam Tater	07653773	03/09/2022
6	Mr. Pradip Kumar Das	06593113	17/10/2022
7	Mr. Chinnathambi Ilango	03498879	08/11/2023

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For D. M. Zaveri & Co
Company Secretaries**

**Sd/-
Dharmesh Zaveri**

Proprietor
FCS No. 5418
CP No. 4363

Place: Mumbai
Date: 14-08-2025

ICSI UDIN: F005418G000974751
Peer Review Certificate No.: 1187/2021

ANNEXURE VII

Chief Executive Officer (CEO) / Chief Financial Officer (CFO) Certificate 2024-25

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

We the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Star Housing Finance Limited (“the Company”) to the best of our knowledge and belief certify that:

1. We have reviewed the financial statements and the cash flow statement of Star Housing Finance Limited for the year ended 31st March, 2025 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. We further state that 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 hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
4. We are responsible for establishing and maintaining internal controls for financial reporting and that 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.
5. 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.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF Star Housing Finance Limited

Sd/-
Kalpesh Dave
Director and Chief Executive Officer
DIN: 08221964

Sd/-
Natesh Narayanan
Chief Financial Officer

Place: Mumbai
Date: 07-05-2025

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-2024-25

SR. NO	REQUIREMENTS	REMUNERATION
1	Ratio of remuneration of each Director of median remuneration of employee of the company for the FY 24-25	Executive Director 1. Ashish Jain 7.00X 2. Kavish Jain 10.00X 3. Kalpesh Dave 15.00X
2	Percentage Increase/ (Decrease) in Remuneration of each director, CFO, CEO, CS, if any, in the Financial Year	Director 1. Mr. Ashish Jain (63.17%) 2. Mr. Kavish Jain 60.44% 3. Kalpesh Dave 7.43% KMP 1. Mr. Natesh Narayanan (CFO) (4.65%) 2. Mr. Anoop Saxena (COO) 35.71% 3. Mr. Shreyas Mehta (CS) 39.19% 4. Mr. B.S. Kachhawaha 54.19%
3	The Percentage Increase in the median Remuneration of Employees in Financial Year	7.41%
4	No. of Permanent Employee on the roll of Company	266
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 decrease in remuneration of all employees (other than Key managerial personnel's (KMP's) for the FY-2024-2025) stood at (19%) whereas the average Percentage increase in the remuneration of KMP'S was at 14% Further there was no exceptional circumstance which warranted an increase in managerial remuneration which was not justified by the overall performance of the Company
6	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, it is affirmed that the remuneration is as per the remuneration policy of the company

Note:

1. Calculation of remuneration have been made on comparable and annualized basis
2. The remuneration of KMP's was taken from Audited Financial statement for F.Y. 2024-25
3. Remuneration comprises of salary (Fixed and variable), allowances, perquisites/taxable Value of perquisites.

FOR AND ON BEHALF OF THE BOARD OF Star Housing Finance Limited

Sd/-

Kalpesh Dave

Director & Chief Executive Officer

DIN: 08221964

Sd/-

Kavish Jain

Director

DIN: 02041197

Place: Mumbai

Date: 14-08-2025

ANNEXURE IX

Annual Report on Corporate Social Responsibility (CSR) Activities for F.Y. 2024-2025

1. Brief outline of the Company's CSR policy

Star Housing Finance Limited ("The Company") has a Board approved Corporate Social Responsibility (CSR) Policy in compliance with Section 135 of the Companies Act 2013 and the rules made thereunder.

The main objective of the CSR Policy is to lay down guidelines to inculcate the objective of society betterment and philanthropy in its growth plan.

The CSR policy of the Company inter alia provides guiding principles for selection and implementation of CSR activities in pursuance of Schedule VII to the Companies Act, 2013, roles and responsibilities of the CSR Committee, guidance for formulation of an annual action plan, process for implementation of CSR activities, modalities of monitoring and evaluation framework and reporting mechanism. The CSR Policy of the Company is available on the Company's website.

The CSR projects undertaken by the Company are within the framework of Schedule VII of the Companies Act, 2013. The Company's CSR projects are focused on core sectors such as Healthcare, Environment sustainability, Education, Protection of national heritage, art and culture etc.

2. The Composition of CSR Committee:

The composition of the Committee is set out below:

SR. 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	02041197	Mr. Kavish Jain**	Director/Chairman	2	2
2	02041164	Mr. Ashish Jain*	Director/Chairman	1	1
3	08221964	Mr. Kalpesh Dave***	Executive Director & Chief Executive Officer/Member	1	1
4	07653773	Mrs. Neelam Tater	Non-Executive Independent Director/Member	2	2

* Mr. Ashish Jain resigned from his designation with effect from June 30, 2024.

**Mr. Kavish Jain was appointed as Chairman of the Committee with effect from July 25, 2024.

***Mr. Kalpesh Dave was appointed as Member of the Committee with effect from July 25, 2024.

3. 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 web-link for the requisite information is as under www.starhfl.com.

4. 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.

Not applicable

5. 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.

SR. NO.	FINANCIAL YEAR	AMOUNT AVAILABLE FOR SET-OFF FROM PRECEDING FINANCIAL YEARS (IN LAKHS)	AMOUNT REQUIRED TO BE SET-OFF FOR THE FINANCIAL YEAR, IF ANY (IN LAKHS)
1	Nil	Nil	Nil

6. Average net profit of the Company as per section 135(5):

Rs. 663.83 Lakh

7. CSR Obligation

SR. NO.	PARTICULARS	AMOUNT (INR IN LAKH)
1	Two percent of average net profit of the company as per section 135(5)	13.28
2	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
3	Amount required to be set off for the financial year, if any	Nil
4	Total CSR obligation for the financial year (7a+7b-7c)	13.28

8. Details of CSR Spent During the Financial Year:

(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 PROVISIO TO SECTION 135(5)		
	AMOUNT	DATE OF TRANSFER	NAME OF THE FUND	AMOUNT	DATE OF TRANSFER
15.00	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.

SR. NO.	NAME OF THE 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 (INR IN LAKH).	MODE OF IMPLEMENTATION -DIRECT (YES/NO)	MODE OF IMPLEMENTATION THROUGH IMPLEMENTING AGENCY	
							NAME	CSR REGISTRATION NUMBER
1	Vision for Viksit Bharat Vivibha 2024	Promoting Education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	No	Gurugram, Haryana	15.00/-	No	Research for Resurgence Foundation	CSR00009771

(d) Amount spent in Administrative Overheads: Nil

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

(f) Total amount spent for the Financial Year: Rs. 15.00 Lakh

(g) Excess amount for set off, if any: Rs 1.72 Lakh

SR. NO.	PARTICULARS	AMOUNT (INR IN LAKH)
1	Two percent of average net profit of the Company as per section 135(5)	13.28
2	Total amount spent for the Financial Year	15.00
3	Excess amount spent for the financial year [(ii)-(i)]	1.72
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)]	1.72

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

SR. 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): Nil

10. 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 OF
Star Housing Finance Limited**

Sd/-
Kavish Jain
Chairman, CSR committee

Place: Mumbai
Date: 14-08-2025



FINANCIAL STATEMENTS

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 2025, 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 2025, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, were 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
<p>Impairment of loans</p> <p>Management estimates impairment provision of the Financial assets using Expected Credit loss model for the loan exposure as per the Board approved policy which is in line with Ind AS and the Regulations. Measurement of loan impairment involves application of significant judgement by the management. The most significant judgements are:</p> <p>» 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,</p>	<p>Principal audit procedures performed</p> <p>We examined Board Policy approving methodologies for computation of ECL that address policies, procedures and controls for assessing and measuring credit risk on all lending exposures, commensurate with the size, complexity and risk profile specific to the borrowers.</p> <p>We evaluated the design and operating effectiveness of controls across the processes relevant to ECL, including the judgements and estimates.</p>

<ul style="list-style-type: none"> » 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 6.1 to the financial statements.</p>	<p>We tested the completeness of loans and advances included in the Expected Credit Loss calculations as of March 31, 2025 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.</p> <p>We assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 in relation to ECL especially in relation to judgements used in estimation of ECL provision.</p>
<p>Evaluation of Company's IT Systems and Controls</p> <p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>Due to the pervasive nature and complexity of the IT environment, we have ascertained IT systems and controls as a key audit matter</p>	<p>Our audit procedures include:</p> <ul style="list-style-type: none"> » Assessing the reliability of electronic data processing, we included specialized IT auditors as part of the audit team. » Obtained an understanding of the IT control environment, IT policies during the audit period. » Tested the design and operating effectiveness of the IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were reviewed and authorized. » Tested the Company's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization. » Considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit. » Assessment and identification of key IT applications, and further verifying, testing, and reviewing the design and operating effectiveness of the IT system on the basis of reports /returns and other financial and nonfinancial information generated from the system on a test check basis. <p>Where we identified the need to perform additional procedures, we placed reliance on manual reconciliations between systems and other information sources.</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.

Report on Other Legal and Regulatory Requirements

1. 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 the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, 2025 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration has been paid by the Company to its directors during the year 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 has disclosed the impact of pending litigations as at 31st March 2025 on its financial position in its Standalone financial statements - Refer Note 29 of financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts as at the year-end for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes of accounts, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer note 45 to the financial statements.

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

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

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

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

- vi. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As provision to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2025.

3. In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration paid / provided by the Company to its directors during the year is in accordance with the provisions of Section 197 read with Schedule V of the Act.

For Nyati Mundra & Co.

Chartered Accountants

Firm Registration Number: 008513C

Sd/-

CA Rupesh Pachori

Partner

Membership No. 427929

UDIN: 25427929BMINGL3371

Place: Mumbai

Date: 07-05-2025

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 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31 2025, 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

Firm Registration Number: 008513C

Sd/-

CA Rupesh Pachori

Partner

Membership No. 427929

UDIN: 25427929BMINGL3371

Place: Mumbai

Date: 07-05-2025

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 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, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
 - a) The Company does not have any inventory and hence, reporting under clause 3 (ii)(a) of the Order is not applicable.
 - b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of ` 5 crores, in aggregate, at any points of time during the year, from banks on the basis of security of current assets hence, reporting under clause 3 (ii)(b) of the Order is not applicable.
- iii. During the year, the Company has made investments in and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties. The Company has not provided any guarantee or security to any other entity during the year. With respect to such investments and loans and advances:
 - a) The Company's principal business is to give loans, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
 - b) The investments made and the terms and conditions of the grant of all the loans and advances in the nature of loans, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
 - c) In respect of loans and advances in the nature of loans (together referred to as “loan assets”), the schedule of repayment of principal and payment of interest has been stipulated. Note 3.6 to the Financial Statements explains the Company's accounting policy relating to impairment of financial assets which include loans assets. In accordance with that policy, loan assets with balances as at March 31 2025, aggregating **769.14 Lacs** were categorized as credit impaired (“Stage 3”) and **1,638.78 Lacs** were categorized as those where the credit risk has increased significantly since initial recognition (“Stage 2”). Disclosures in respect of such loans have been provided in Note 6.1 to the Financial Statements. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemized list of loan assets where delinquencies in the repayment of principal and interest have been identified.

- d) The total amount overdue for more than ninety days, in respect of loans and advances in the nature of loans, as at the year-end is **260.18 Lacs**. Reasonable steps are being taken by the Company for recovery of the principal and interest as stated in the applicable Regulations and loan agreements.
 - e) The Company's principal business is to give loans, and hence reporting under clause 3(iii) (e) of the Order is not applicable.
 - f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii) (f) is not applicable.
- iv. According to information and explanation given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
 - v. According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits during the year and no order in this respect has been passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunals in regard to the Company. Hence, reporting under clause 3(v) of the Order is not applicable.
 - vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of the services rendered by the Company. Hence, reporting under clause 3(vi) of the Order is not applicable.
 - vii. According to the information and explanations given to us, in respect of statutory dues:
 - a) Undisputed statutory dues, including Goods and Service tax (GST), Provident Fund, Employees' State Insurance, Income-tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities.
 - b) There were no undisputed amounts payable in respect of GST, Provident Fund, Employees' State Insurance, Income-tax, cess and other material statutory dues in arrears as at March 31 2025 for a period of more than six months from the date they became payable.
 - c) There were no dues referred in sub clauses (a) above which have not been deposited on account of disputes as at March 31 2025.
 - 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 wilful 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) Based on our audit procedures and according to the information given by the management, moneys raised by way of initial public offer or further public offer (including debt instruments) during the year were applied for the purposes for which those are raised.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has utilized funds raised by way of preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) for the purposes for which they were raised.
- xi. a) According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b) No report under section 143(12) of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and up to the date of this report.
- c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year
- xii. The Company is not a Nidhi Company and hence, reporting under clause 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements, etc. as required by the applicable accounting standards.
- 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 for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. According to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence, provisions of section 192 of the Act are not applicable.

- xvi. a) According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India (RBI) Act, 1934. Thus, paragraph 3(xvi)(a) of the Order is not applicable to the Company.
- b) (The Company is a registered Housing Finance Company (HFC) and holds a valid Certificate of Registration (CoR) from National Housing Bank and hence reporting under paragraph 3(xvi)(b) of the Order is not applicable to the Company.
- c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence reporting under paragraph 3 (xvi)(c) of the Order is not applicable.
- d) According to the information and explanations given to us, there is no CIC in the Group.
- 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

Firm Registration Number: 008513C

Sd/-

CA RUPESH PACHORI

Partner

Membership No. 427929

UDIN: 25427929BMINGL3371

Place: Mumbai

Date: 07-05-2025

To,
The Board of Directors
Star Housing Finance Limited

Independent Auditor's Additional Report for the year ended 31 March 2025, 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 2025, 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 07th May 2025.

In addition to the said report made under Section 143 of the Companies Act, 2013 ('the Act') on the Ind AS financial statements of the Company for the year ended 31 March 2025 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 Statement

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 2025 and examination of books of account and other records maintained by the Company for the year then ended.

5. 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.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SOC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related and Related Services Engagements, issued by ICAI.

Opinion

Based on our audit of the financial statements for the year ended 31st March 2025 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 2025. During the year, the housing finance company has not issued paid-up preference shares which are compulsorily convertible into equity. However the company has issued 93,78,500 Share warrants on 28th December 2023, out of these few of the warrant holders have paid the Part Consideration and have applied for exercising their rights for conversion of warrants into equivalent number of Equity Shares. Consequently, company has allotted 1,82,332 number of equity shares of Rs. 5/- each dated 25th July 2024 to the respective holders.
3. According to the information and explanations given to us, the company has complied with section 29C of the National Housing Bank Act, 1987 by creating a reserve fund in which 20 percent of its net profit has been transferred during the financial year ended 31 March 2025.
4. According to the information and explanations given to us and as per the audit evidence gathered during the audit, the Company's total borrowings as on March 31st 2025 amounting to Rs. 403.81 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-2025 outstanding of those accounts is 9.28 Crore and total no. of that account is 141 out of 5226 live customers.**

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 2024** 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-2025 yet to be submitted** because it is not falling due as on the date of the Audit report.
8. According to the information and explanations given to us, the Schedule-III Return on statutory liquid assets is not applicable to the company as its non-deposit taking company.
9. According to the information and explanations given to us, the company has open **5 (five)** new branches during the FY-24-25.
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 22nd April 2023.
12. According to the information and explanations given to us, the company has not accepted any public deposits during the financial year ended 31st March 2025.

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 2025.

For Nyati Mundra & Co.

Chartered Accountants

Firm Registration Number: 008513C

Sd/-

CA Rupesh Pachori

Partner

Membership No. 427929

UDIN: 25427929BMINGL3371

Place: Mumbai

Date: 07-05-2025



FINANCIAL STATEMENTS

STAR HOUSING FINANCE LIMITED

Statement of Assets and Liabilities as on 31-03-2025

(INR in Lakh)

SR. NO.	PARTICULARS	NOTE NO.	AS AT MARCH 31, 2025	AS AT MARCH 31, 2024
ASSETS				
1	FINANCIAL ASSETS			
	- Cash and cash equivalents	5	8,416.80	6,093.60
	- Bank balance other than cash and cash equivalents	5A	1,991.70	2,461.73
	- Loans	6	41,522.04	38,202.55
	- Investments	7	848.88	801.23
	- Other Financial assets	8	1,995.30	701.16
	TOTAL FINANCIAL ASSETS		54,774.72	48,260.28
2	NON- FINANCIAL ASSETS			
	- Property, plant and equipment	9A	119.91	283.65
	- Asset Held for Sale	9B	56.65	-
	- Intangible Assets	9C	176.04	25.31
	- Capital work in progress	9D	-	186.38
	- Current tax assets (net)	10	199.67	130.66
	- Other non-financial assets	11	173.11	144.53
	TOTAL NON-FINANCIAL ASSETS		725.38	770.54
	TOTAL ASSETS		55500.10	49,030.82
LIABILITIES AND EQUITY LIABILITIES				
1	FINANCIAL LIABILITIES			
	- Debt securities	12	2,263.00	2,813.68
	- Borrowings (other than debt securities)	13	38,118.23	29,216.25
	- Other financial liabilities	14	392.61	3,577.85
	TOTAL FINANCIAL LIABILITIES		40,773.84	35,607.78
2	NON-FINANCIAL LIABILITIES			
	- Provisions	15	2.55	6.04
	- Other non-financial liabilities	16	52.91	72.88
	- Deferred tax liability (net)	25.2	283.73	42.67
	TOTAL NON-FINANCIAL LIABILITIES		339.19	121.59
3	EQUITY			
	- Equity share capital	17	3,948.20	3,936.03
	- Other equity	18	10,438.87	9,365.42
	TOTAL EQUITY		14,387.07	13,301.46
	TOTAL LIABILITIES AND EQUITY		55,500.10	49,030.82

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

For NYATI MUNDRA & CO.

Chartered Accountants

ICAI FR No : 008153C

Sd/-

CA Rupesh Pachori

Partner

Membership No. 427929

UDIN: 25427929BMINGL3371

Place: Mumbai

Date: 07-05-2025

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-

Kalpesh Dave

CEO & Director

DIN: 08221964

Sd/-

Natesh Narayanan

CFO

Sd/-

Kavish Jain

Director

DIN: 02041197

Sd/-

Shreyas Mehta

Company Secretary

M.No. A38639

STAR HOUSING FINANCE LIMITED

Statement of Profit & Loss for the year ended 31-03-2025

(INR in Lakh)

SR. NO.	PARTICULARS	NOTE NO.	FOR THE YEAR ENDED 31-03-2025	FOR THE YEAR ENDED 31-03-2024
A	Revenue From Operations	19A		
i	Interest income		7,943.37	5,395.43
ii	Fees & commission income		227.50	189.95
iii	Gain/loss on de-recognition of financial assets		876.91	97.62
iv	Net gain/loss on fair value changes		79.45	62.94
v	Other operating income		127.71	116.22
B	Other Income	19B	241.33	301.38
I	TOTAL INCOME		9,496.27	6,163.55
	Expenses			
i	Finance cost	20	4,649.05	2,782.78
ii	Impairment of financial instruments	21	512.47	180.26
iii	Employee benefits expenses	22	1,857.46	1,320.53
iv	Depreciation and amortisation expenses	23	81.68	66.71
v	Other expenses	24	976.81	666.15
II	TOTAL EXPENSES		8,077.47	5,016.43
III	PROFIT BEFORE TAX (I-II)		1,418.80	1,147.12
IV	TAX EXPENSES	25		
	- Current tax		55.01	136.99
	- Deferred tax		253.88	121.80
V	PROFIT FOR THE PERIOD (III-IV)		1,109.91	888.33
	Other comprehensive Income			
	a. Items that will not be reclassified to profit or loss			
	-Re-measurements of defined benefit liability		(19.16)	(11.95)
	-Tax on above		4.82	3.01
	b. Items that will be reclassified to profit & loss			
	-Loss on equity instruments through OCI		(31.79)	-
	-Tax on above		8.00	-
VI	TOTAL OTHER COMPREHENSIVE INCOME		38.13	8.94
VII	TOTAL COMPREHENSIVE INCOME (V+VI)		1,071.78	879.39
	Earnings Per Share (of Rs. 5/- each)	26		
	- Basic		1.41	1.14
	- Diluted		1.40	1.11

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

For NYATI MUNDRA & CO.

Chartered Accountants

ICAI FR No : 008153C

Sd/-
CA Rupesh Pachori

Partner

Membership No. 427929

UDIN: 25427929BMINGL3371

Place: Mumbai

Date: 07-05-2025

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
Sd/-
Kalpesh Dave

CEO & Director

DIN: 08221964

Sd/-
Natesh Narayanan

CFO

Sd/-
Kavish Jain

Director

DIN: 02041197

Sd/-
Shreyas Mehta

Company Secretary

M.No. A38639

STAR HOUSING FINANCE LIMITED

Statement of Changes in Equity for the period ended 31-03-2025

A) EQUITY SHARE CAPITAL

(INR in Lakh)

PARTICULARS	AS AT MARCH 31, 2025	AS AT MARCH 31, 2024
AUTHORISED SHARE CAPITAL		
10,00,00,000 Equity Shares @ 5 Each (P.Y. 10,00,00,000 Equity Shares @ 5 Each)	5,000.00	5,000.00
ISSUED, SUBSCRIBED, CALLED UP & PAID-UP SHARE CAPITAL		
7,89,63,948 Equity Shares @ 5 Each (P.Y. 7,87,20,616 Equity Shares @ 5 Each)	3,948.20	3,936.03
TOTAL	3,948.20	3,936.03

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, 2025		AS AT MARCH 31, 2024	
	No. of shares	₹ in Lakh	No. of shares	₹ in Lakh
At the beginning of the year	7,87,20,616	3,936.03	7,71,58,266	3,857.91
Add: ESOP issued during the year	60,000	3.00	15,62,350	78.12
Add: Share warrant converted during the year	1,83,332	9.17	-	-
OUTSTANDING AT THE END OF THE YEAR	7,89,63,948	3,948.20	7,87,20,616	3,936.03

B) OTHER EQUITY

(INR in Lakh)

PARTICULARS	OTHER EQUITY									
	RESERVES AND SURPLUS				OTHER COMPREHENSIVE INCOME				Covid 19 -impairment reserve	Total other equity attributable to equity holders
	Share premium reserve	Money received against share warrants	ESOP outstanding reserve	Special reserve	Retained earnings	Equity instruments through other comprehensive income	Revaluation surplus	Others		
BALANCES AS AT MARCH 31, 2023	3,853.26	-	236.90	709.54	1,627.49	163.02	55.68	8.34	129.74	6,783.97
Share premium	262.87	-	-	-	-	-	-	-	-	262.87
Money received against share warrant	-	1,500.56	-	-	-	-	-	-	-	1,500.56
Transfer to special reserve	-	-	-	229.42	(229.42)	-	-	-	-	-
Profit for the year	-	-	-	-	888.33	-	-	-	-	888.33
Dividend expenses	-	-	-	-	(38.61)	-	-	-	-	(38.61)
Other Comprehensive income	-	-	-	-	(0.60)	-	-	(8.34)	-	(8.94)
Others	-	-	(18.87)	-	(3.89)	-	-	-	-	(22.75)
BALANCES AS AT MARCH 31, 2024	4,116.13	1,500.56	218.04	938.96	2,243.30	163.02	55.68	-	129.74	9,365.42
Share premium	5.40	-	-	-	-	-	-	-	-	5.40
Money received against share warrant and its conversion to equity shares	108.17	(29.33)	-	-	-	-	-	-	-	78.83
Transfer to special reserve	-	-	-	283.76	(283.76)	-	-	-	-	-
Profit for the year	-	-	-	-	1,109.91	-	-	-	-	1,109.91
Dividend expenses	-	-	-	-	(59.22)	-	-	-	-	(59.22)
Other Comprehensive income	-	-	-	-	(14.34)	(23.79)	-	-	-	(38.13)
ESOP outstanding reserve	4.70	-	(208.65)	-	236.29	-	-	-	-	32.34
Revaluation reserve transferred	-	-	-	-	-	-	(55.68)	-	-	(55.68)
BALANCES AS AT MARCH 31, 2025	4,234.39	1,471.23	9.39	1,222.72	3,232.18	139.23	-	-	129.74	10,438.87

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

For NYATI MUNDRA & CO.

Chartered Accountants

ICAI FR No : 008153C

Sd/-

CA Rupesh Pachori

Partner

Membership No. 427929

UDIN: 25427929BMINGL3371

Place: Mumbai

Date: 07-05-2025

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-

Kalpesh Dave

CEO & Director

DIN: 08221964

Sd/-

Natesh Narayanan

CFO

Sd/-

Kavish Jain

Director

DIN: 02041197

Sd/-

Shreyas Mehta

Company Secretary

M.No. A38639

STATEMENT OF CASH FLOW

(INR in Lakh)

PARTICULARS	FOR THE PERIOD ENDED 31-03-2025	FOR THE PERIOD ENDED 31-03-2024
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit Before Tax and exceptional items	1,418.80	1,147.12
Adjustment For:		
Depreciation and Amortisation Expenses	81.68	66.71
Provision for Employee Benefit	8.48	(34.70)
Provision for ECL	136.94	65.72
Bad debts Written-off	375.53	114.54
Operating cash flow before working capital changes	2,021.45	1,359.39
Decrease/(Increase) in other financial assets	(1,294.14)	(380.47)
Decrease/(Increase) in Current Tax assets	(128.24)	(82.54)
Decrease/(Increase) in other Non- financial assets	(28.57)	(81.78)
Increase/(Decrease) in Other financial liabilities	(3,185.23)	2,130.77
Increase/(Decrease) in Other non-financial liabilities	(19.97)	(124.06)
Increase/(Decrease) in Provision	(3.49)	(8.89)
Cash From/(Used) for Operations	(2,638.21)	2,812.43
(Increase)/Decrease in loans	(3,831.96)	(15,575.05)
Less: Taxes Paid	(55.01)	(136.99)
Net Cash Generated From Operating Activities (A)	(6,525.18)	(12,899.60)
CASH FLOW FROM INVESTING ACTIVITIES		
Investment in Fixed Deposits	470.28	(1,187.91)
(Purchase)/sale of fixed assets	5.39	(186.44)
(Increase)/Decrease in investment	(79.45)	(62.94)
Net Cash flow from investing activities (B)	396.22	(1,437.30)
CASH FLOW FROM FINANCING ACTIVITIES		
Cash flow from issue of Shares	12.17	78.12
Share Premium received	118.26	262.87
Share warrant money received	(29.33)	1,500.56
Dividend paid	(0.24)	(1.09)
Borrowing Taken/(Repayment)	8,351.31	15,779.93
Net cash flow from financing activities (C)	8,452.16	17,620.39
Net Increase in cash and cash equivalents (A+B+C)	2,323.20	3,283.49
Cash and cash equivalents as at beginning of the year	6,093.60	2,810.12
Cash and cash equivalents	8,416.80	6,093.60

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

b) Figures in the brackets indicate outflow.

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

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

For NYATI MUNDRA & CO.

Chartered Accountants

ICAI FR No : 008153C

Sd/-

CA Rupesh Pachori

Partner

Membership No. 427929

UDIN: 25427929BMINGL3371

Place: Mumbai

Date: 07-05-2025

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-

Kalpesh Dave

CEO & Director

DIN: 08221964

Sd/-

Natesh Narayanan

CFO

Sd/-

Kavish Jain

Director

DIN: 02041197

Sd/-

Shreyas Mehta

Company Secretary

M.No. A38639

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

1. Reporting entity

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

2. Basis of preparation of financial statements

2.1 Statement of compliance

The Balance Sheet, the Statement of Profit and Loss, the Statements of Changes in Equity and the Statement of Cash Flow (the "financial statements") have been prepared under historical cost convention on an accrual basis in accordance with the Indian Accounting Standard ("Ind AS") and the relevant provision of the Companies Act, 2013 (the "Act") (to the extent notified) and the guidelines issued by the National Housing Bank ("NHB") and the Reserve Bank of India ("RBI") to the extent applicable. The Ind AS is prescribed under section 133 of the Act read with Rule 3 of the companies (Indian Accounting Standards) Rules, 2015 and relevant amendment II rules issued thereafter and in compliance with Regulation 33 and 52 of the SEBI ("Listing Obligations and Disclosure Requirements") Regulations, 2015, as amended from time to time. 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 the circumstances: -
(i) the normal course of business and
(ii) the event of default

2.3 Functional and presentation currency

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

2.4 Basis of measurement

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

2.5 Use of estimates and judgments

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future years. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes

Judgments

(I) Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The company considers the frequency, volume and timing of sales in prior years, the reason for such sales, and its

expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of a holistic assessment of how company's stated objective for managing the financial assets is achieved and how cash flows are realised. Therefore, the company considers information about past sales in the context of the reasons for those sales, and the conditions that existed at that time as compared to current conditions.

If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward. Based on this assessment and future business plans of the Company, the management has measured its financial assets at amortised cost as the asset is held within a business model whose objective is to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest ('the 'SPPI criterion').

(II) Fair value of financial instruments

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

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

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

This estimation by nature requires an element of judgment regarding the expected behaviour and life cycle of the instruments, as well 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 several 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.

(VI) Excess interest spread on direct assignment

The assessment of derecognition criteria being met involves significant judgements. Furthermore, the measurement of the related EIS receivable income, servicing asset and liability requires significant estimates to be made for the discount rate, expected portfolio life, prepayment and foreclosures.

3. Material 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. During the current year the other income predominantly consist of online (through company's website) marketing and branding of some parties.

D. Income from Transfers through direct assignment transaction

The Company transfers loans through direct assignment transactions. The transferred loans are derecognised, and gains/losses are accounted for, only if the Company transfers substantially all risks and rewards specified in the underlying assigned loan contract. In accordance with the Ind AS 109, on derecognition of a financial asset under assigned transactions, the difference between the carrying amount and the consideration received are recognised in the Statement of Profit and Loss.

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

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

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

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

SPPI test (Solely Payment of Principal and Interest)

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

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

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

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

Accordingly, financial assets are measured as follows:

I) Financial assets carried at amortized cost (AC)

A 'Financial asset' is measured at the amortised cost if both the following conditions are met:

The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is

included in interest income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

II) Financial assets at fair value through other comprehensive income (FVTOCI)

A 'Financial asset' is classified as at the FVTOCI if both of the following criteria are met:

The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the asset's contractual cash flows represent SPPI.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

III) FVTPL is a residual category for debt financial asset.

Any financial assets, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the company may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Financial asset included within the FVTPL category are measured at fair value with all changes recognized in the P&L

Financial assets: subsequent measurement and gains and losses

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

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

II) Financial assets carried at amortized cost (AC)

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

B. Financial liability

I) Initial recognition and measurement

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

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 2025

3.5 De-recognition of financial assets and liabilities

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

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

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

I) Financial assets

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

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

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

II) Financial liability

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

3.6 Impairment of financial assets

A. Overview of ECL principles

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

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

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

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

Stage 1:

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

Stage 2:

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

Stage 3:

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

Loan commitments:

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

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

PD:

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

EAD:

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

LGD:

Loss given default ("LGD") is an estimate of the loss arising in the case where a default occurs at a given time.

It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

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

The mechanics of the ECL method are summarized below:

Stage 1:

The 12 months ECL is calculated on the portion of ECL 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 FVTOCI

The ECLs for loans and advances measured at FVTOCI 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

While estimating the expected credit losses, the company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, Property Price Index, Unemployment rates, Benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays are embedded in the methodology to reflect such macro-economic trends reasonably.

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

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

3.8 Write-offs

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

3.9 Determination of fair value

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

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

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

3.10 Property, plant and equipment

I. Recognition and measurement

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

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

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

II. 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
Building	60 years
Furniture and fixtures	8 years
Office and other equipment	5 years
Computers	3 years
Vehicle	8 years

IV Non-Current Asset held for sale

The company classifies non-current assets or disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This classification is made when the following criteria are met:

- The asset (or disposal group) is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets;
- The sale is highly probable, with management committed to a plan to sell the asset;
- An active program to locate a buyer and complete the sale plan has been initiated;
- The asset is actively marketed for sale at a price that is reasonable in relation to its current fair value; and
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification.

Once classified as held for sale, non-current assets (or disposal groups) are measured at the lower of their carrying amount and fair value less costs to sell.

Depreciation (or amortisation) on such assets ceases from the date they are classified as held for sale. Assets and liabilities classified as held for sale are presented separately in the balance sheet under current assets and current liabilities, respectively.

If the criteria for classification as held for sale are no longer met, the Group ceases to classify the asset (or disposal group) as held for sale. The asset is then measured at the lower of:

- Its carrying amount before the asset (or disposal group) was classified as held for sale, adjusted for any depreciation, amortisation, or revaluations that would have been recognized had the asset not been classified as held for sale; and
- Its recoverable amount at the date of the subsequent decision not to sell.

V Capital Work-in-Progress

Capital Work-in-Progress (CWIP) represents costs incurred on assets that are under development and are not yet ready for their intended use as at the reporting date. This includes expenditure on intangible assets under development, such as software. Expenditure directly attributable to the acquisition or development of an asset is capitalised as part of the cost of the asset when it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. Software under development is also included under CWIP until the development is complete and the software is ready for its intended use. Upon completion, the cost is transferred to Intangible Assets. Expenditure that does not meet the recognition criteria under Ind AS 38 is charged to the Statement of Profit and Loss. During the year, software development expenditure of Rs. 213.56 lakhs were reflected under CWIP as on the balance sheet date, out of which Rs. 171.33 lakhs were capitalised to Intangible Assets – Jaguar Software, and the balance of Rs. 42.23 lakhs were charged to the Statement of Profit and Loss.

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 is 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 celling') In order to calculate the present value of economic benefits consideration is given to any minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses and the effect of the asset ceiling (if any ,excluding interest) are recognized is OCI The Company Determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at

the beginning of the annual period to the then net defined benefit liability (asset) taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments . Net interest expense and other expenses related to defined benefit plans are recognized in profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past services ('past service cost or' past service gain) or the gain or loss on curtailment is recognized gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short term employee benefit

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

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

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 liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised, for all deductible temporary differences, to the extent it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that they have become probable that future taxable profits will be available against which they can be used. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3.16 Borrowing cost

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

3.17 Cash & cash equivalents

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

3.18 Segment reporting-identification of segments

The Company has only one reportable business segment, i.e. lending to borrowers, which have similar nature of products and services, type/class of customers and the nature of the regulatory environment (which is banking), risks and returns for the purpose of Ind AS 108 on 'Segment Reporting'. Accordingly, the amounts appearing in the financial statements relate to the Company's single business segment.

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 shareholders 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 shareholders 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 the 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 company measures 'Right-of-Use assets' as present value of all lease payment discounted using the Company'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).

3.22 Dividend Pay-out

The Company recognises a liability towards the equity shareholders of the Company when the dividend is authorised and the distributions no longer at the discretion of the Company. As per the corporate laws in India, an interim dividend is authorised when it is approved by the Board of Directors and final dividend is authorised when it is approved by the Shareholders. A corresponding amount is recognised directly in equity.

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, 2025.

Note 5: Cash and cash equivalents

(INR in Lakh)

PARTICULARS	AS AT MARCH 31, 2025	AS AT MARCH 31, 2024
Balances with banks in current / cash credit accounts	6,710.78	1,787.07
Cash in hand	99.94	92.27
Deposit with original maturity of less than three months	1,606.08	4,214.27
	8,416.80	6,093.61

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

(i) Earmarked balances with bank	1.94	1.69
(ii) Balances with bank to the extent held as margin money or security against the borrowings, guarantees, other commitments	1,989.77	2,460.04
(iii) Repatriation restrictions in respect of cash and bank balances	-	-
	1,991.70	2,461.73

5.1 Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

Note 6: Loans (at amortised cost)

(INR in Lakh)

PARTICULARS	AS AT MARCH 31, 2025	AS AT MARCH 31, 2024
TERM LOANS		
RETAIL LOANS	41,765.98	38,250.32
Housing Loan	33,244.76	31,770.41
Non Housing Loan	8,521.22	6,479.91
Builder/Corporate Loan	28.56	39.97
TOTAL GROSS	41,794.54	38,290.29
Less: Impairment loss allowance	(386.59)	(249.65)
TOTAL NET	41,407.95	38,040.64
Others	114.08	161.91
TOTAL LOANS	41,522.04	38,202.55

Secured by tangible assets	41,238.50	37,680.01
Unsecured	556.04	610.28
TOTAL GROSS	41,794.54	38,290.29
Less: Impairment loss allowance	(386.59)	(249.65)
TOTAL NET	41,407.95	38,040.64
Others	114.08	161.91
TOTAL LOANS	41,522.04	38,202.55

Public Sector	-	-
Others	41,794.54	38,290.29
TOTAL GROSS	41,794.54	38,290.29
Less: Impairment loss allowance	(386.59)	(249.65)
TOTAL NET	41,407.95	38,040.64
Others	114.08	161.91
TOTAL LOANS	41,522.04	38,202.55

- I. Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.
- II. Loans granted by the Company are secured by equitable mortgage/registered mortgage of the property and/or undertaking to create a security and/or personal guarantees and/or hypothecation of assets and/or assignments of life insurance policies.
- III. Loans sanctioned but undisbursed amount is Rs. 1,203.21 Lakh as on March 31, 2025 (31.03.2024 – Rs. 1,468.07 Lakh).
- IV. Direct Assignment transferred by way of 90% - The Company during current year has assigned a pool of certain loans amounting to Rs. 5,583.45 Lakh (PY - Nil) by way of a Direct Assignment Transaction. These loan assets have been de-recognised from the loan portfolio of the Company as the sale of loan asset is an absolute assignment and transfer on a 'without-Recourse' basis while retaining 10% share as Minimum Retention Requirement (MRR). The Company continues to act as a servicer to the assignment transaction on behalf of assignee. In terms of an assignment transaction, the company pays to the assignee on a monthly basis the prorata collection amount on agreed terms.

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

(INR in Lakh)

PARTICULARS	AS AT MARCH 31, 2025				AS AT MARCH 31, 2024			
	STAGE 1	STAGE 2	STAGE 3	TOTAL	STAGE 1	STAGE 2	STAGE 3	TOTAL
GROSS CARRYING AMOUNT OPENING BALANCE	37,258.61	459.12	572.56	38,290.29	21,933.10	394.39	381.01	22,708.50
Less: Assets repaid (excluding write offs)*	9,749.20	245.50	37.06	10,031.76	4,689.02	39.22	55.79	4,784.03
Transfers from Stage 1**	(1,850.53)	1,552.09	298.44	-	(679.68)	445.25	234.42	-
Transfers from Stage 2**	213.62	(294.56)	80.94	-	286.49	(333.47)	46.97	-
Transfers from Stage 3**	14.10	-	(14.10)	-	-	-	-	-
Less: Amounts written off	209.79	34.10	131.64	375.53	72.65	7.84	34.05	114.54
New assets originated	13,709.81	201.73	-	12,709.44	20,480.35	-	-	20,480.35
GROSS CARRYING AMOUNT CLOSING BALANCE	39,386.62	1,638.78	769.14	41,794.54	37,258.61	459.12	572.56	38,290.29

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

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

** Represents the balance outstanding as at beginning of the year, net of repayments made during the year, if any. The repayments are forming part of " Assets repaid (excluding write offs)".

6.2) Reconciliation of ECL balance is given below:

(INR in Lakh)

PARTICULARS	AS AT MARCH 31, 2025				AS AT MARCH 31, 2024			
	STAGE 1	STAGE 2	STAGE 3	TOTAL	STAGE 1	STAGE 2	STAGE 3	TOTAL
ECL ALLOWANCE - OPENING BALANCE	53.45	12.54	183.66	249.65	74.02	11.23	98.68	183.93
Addition during the year	62.23	69.88	4.83	136.94	-	1.31	84.98	86.29
Reversal during the year	-	-	-	-	20.57	-	-	20.57
ECL ALLOWANCE - CLOSING BALANCE	115.68	82.42	188.49	386.59	53.45	12.54	183.66	249.65

The contractual amount outstanding on loans that have been written off during the year, but were still subject to enforcement activity is Rs. 375.53 Lakh as at March 31, 2025 (31.03.2024-Rs.114.54 Lakh).

Note 7: Investments

(INR in Lakh)

PARTICULARS	AS AT MARCH 31, 2025	AS AT MARCH 31, 2024
INVESTMENTS IN INDIA		
Alternate Investment Fund	658.28	578.83
Equity instruments (Unquoted)	47.82	222.40
Equity instruments (Quoted)	142.78	-
TOTAL GROSS	848.88	801.23
Investments outside India	-	-
TOTAL GROSS	848.88	801.23
Less: Allowance for impairment loss	-	-
TOTAL NET	848.88	801.23
Alternate Investment fund (FVTPL)	658.28	578.83
Equity Instrument Fair Valued through Other Comprehensive Income	190.61	222.40
Less: Allowance for impairment loss	-	-
TOTAL NET	848.88	801.23

- Based on the assessment, no impairment loss has been recognised on the securities.
- With reference to the RBI circular no. RBI/2023-24/90 DOR.STR.REC.58/21.04.048/2023-24 dated Dec 19, 2023, Company is not required to liquidate or made provision against investment in AIF as the AIF does not have any exposure in the debtor company which are presently on our debtor list or had been during the last twelve months from the date of the circular issued.

Note 8: Other financial assets

(INR in Lakh)

PARTICULARS	AS AT MARCH 31, 2025	AS AT MARCH 31, 2024
Interest Receivable on Loans	56.26	37.09
Other Receivables/Advances	1,850.78	585.93
Security deposit	88.25	78.14
TOTAL	1,995.30	701.16

Note 9A: Property plant and equipment

(INR in Lakh)

PARTICULARS	GROSS CARRYING VALUE				DEPRECIATION				NET CARRYING VALUE	
	AS AT MARCH 31, 2024	ADDITION DURING THE YEAR	ADJUSTMENTS /DEDUCTIONS DURING THE YEAR	AS AT MARCH 31, 2025	AS AT MARCH 31, 2024	FOR THE YEAR	ADJUSTMENTS /DEDUCTIONS DURING THE YEAR	AS AT MARCH 31, 2025	AS AT MARCH 31, 2025	AS AT MARCH 31, 2024
Land	92.56	-	92.56	-	-	-	-	-	-	92.56
Building	61.30	-	56.65	4.65	1.75	2.90	-	4.65	-	59.55
Furniture & Fixtures	131.20	13.96	-	145.17	34.49	27.32	-	61.80	83.36	96.71
Vehicle	14.92	-	-	14.92	14.35	0.57	-	14.92	-	0.57
Computers & Printer	71.84	23.40	-	95.24	45.94	24.95	-	70.89	24.35	25.90
Other Equipment (mobile)	2.77	-	-	2.77	1.31	0.46	-	1.76	1.01	1.46
Electrical Equipment's	9.76	7.21	-	16.97	2.86	2.92	-	5.78	11.19	6.90
TOTAL	384.35	44.58	149.21	279.72	100.70	59.11	-	159.81	119.91	283.65

Note 9B: Asset Held for Sale

(INR in Lakh)

PARTICULARS	GROSS CARRYING VALUE				DEPRECIATION				NET CARRYING VALUE	
	AS AT MARCH 31, 2024	ADDITION DURING THE YEAR	ADJUSTMENTS /DEDUCTIONS DURING THE YEAR	AS AT MARCH 31, 2025	AS AT MARCH 31, 2024	FOR THE YEAR	ADJUSTMENTS /DEDUCTIONS DURING THE YEAR	AS AT MARCH 31, 2025	AS AT MARCH 31, 2025	AS AT MARCH 31, 2024
Building	-	56.65	-	56.65	-	-	-	-	56.65	-
TOTAL	-	56.65	-	56.65	-	-	-	-	56.65	-

Note 9C: Other intangible assets

(INR in Lakh)

PARTICULARS	GROSS CARRYING VALUE				DEPRECIATION				NET CARRYING VALUE	
	AS AT MARCH 31, 2024	ADDITION DURING THE YEAR	ADJUSTMENTS /DEDUCTIONS DURING THE YEAR	AS AT MARCH 31, 2025	AS AT MARCH 31, 2024	FOR THE YEAR	ADJUSTMENTS /DEDUCTIONS DURING THE YEAR	AS AT MARCH 31, 2025	AS AT MARCH 31, 2025	AS AT MARCH 31, 2024
Software	39.03	-	-	39.03	28.24	5.75	-	33.99	5.04	10.80
Jaguar Software	41.79	173.29	-	215.09	27.28	16.82	-	44.09	170.99	14.52
TOTAL	80.83	173.29	-	254.12	55.51	22.57	-	78.09	176.04	25.31

Note 9D: Capital Work in Progress

(INR in Lakh)

PARTICULARS	GROSS CARRYING VALUE				DEPRECIATION				NET CARRYING VALUE	
	AS AT MARCH 31, 2024	ADDITION DURING THE YEAR	ADJUSTMENTS /DEDUCTIONS DURING THE YEAR	AS AT MARCH 31, 2025	AS AT MARCH 31, 2024	FOR THE YEAR	ADJUSTMENTS /DEDUCTIONS DURING THE YEAR	AS AT MARCH 31, 2025	AS AT MARCH 31, 2025	AS AT MARCH 31, 2024
Software - WIP	186.38	27.17	213.56	-	-	-	-	-	-	186.38
TOTAL	186.38	27.17	213.56	-	-	-	-	-	-	186.38

- » There has been no acquisition through business combinations during the year ended 31st March 2025 and 31st March 2024.
- » There has been no revaluation of property, plant and equipment and other intangible assets during the year ended 31st March 2025 and 31st March 2024.
- » The Company concluded the sale transaction of a land asset during the financial year, recognizing a profit from the transaction. The entire sale consideration has been received.
- » In line with Ind AS 105, the Company has reclassified its Building from 'Property, Plant and Equipment' to 'Assets Held for Sale' during the reporting period, pursuant to the management's strategic decision to divest the asset.
- » During the year, Capital Work-in-Progress amounting to Rs. 213.56 lakhs were assessed. Out of these, Rs. 171.33 lakhs were capitalised under Intangible Assets – Jaguar Software upon completion and readiness for intended use. The remaining Rs. 42.23 lakhs were charged to the statement of Profit and Loss, as it did not meet the recognition criteria for capitalization under Ind AS 38 – Intangible Assets.

Note 10: Current Tax Assets (Net)

(INR in Lakh)

PARTICULARS	AS AT MARCH 31, 2025	AS AT MARCH 31, 2024
Current Tax Assets	199.67	130.66
TOTAL	199.67	130.66

Note 11: Other Non-Financial Assets

(INR in Lakh)

PARTICULARS	AS AT MARCH 31, 2025	AS AT MARCH 31, 2024
Prepaid (Exp. & Rent)	117.26	144.45
Other Advances	0.08	0.09
Duties and taxes	55.76	-
TOTAL	173.11	144.53

Note 12: Debt Securities

(INR in Lakh)

PARTICULARS	AS AT MARCH 31, 2025	AS AT MARCH 31, 2024
SECURED (AT AMORTISED COST)		
Bonds/Debentures		
Non-Convertible Debentures	2,263.00	2,813.68
TOTAL	2,263.00	2,813.68
Debt Securities in India	2,263.00	2,813.68
Debt Securities outside India	-	-
TOTAL	2,263.00	2,813.68

Details of Secured NCDs are below:

DESCRIPTION	DATE OF ALLOTMENT	FIRST DATE OF REDEMPTION	RATE OF INTEREST	AS AT MARCH 31, 2025	AS AT MARCH 31, 2024
2,000 NCDs of ₹1,00,000 each	19 October, 2023	19 November, 2023	13.10%	1177.71	1,734.79
1,100 NCDs of ₹1,00,000 each	12 March, 2024	25 December, 2025	13.35%	1085.29	1,078.89

Maturity pattern of repayment:

PARTICULARS	DUE WITHIN 1 YEAR		DUE 1-3 YEARS		DUE 3-5 YEARS		DUE 5-10 YEARS		DUE 10 YEARS		TOTAL	
INSTALMENT NO. / RATE OF INTEREST	NO.	AMOUNT	NO.	AMOUNT	NO.	AMOUNT	NO.	AMOUNT	NO.	AMOUNT	NO.	AMOUNT
13.00%-14.00%	13	846.43	23	1,444.19							36	2,290.62
TOTAL		846.43		1,444.19								2,290.62
EIR Impact												(27.62)
TOTAL												2,263.00

Note 13: Borrowings (Other than debt securities)

(InR in Lakh)

PARTICULARS	AS AT MARCH 31, 2025	AS AT MARCH 31, 2024
SECURED (AT AMORTISED COST) (REFER NOTE 13A)		
Term Loan		
From Bank & FI	32,463.24	22,265.88
From NHB	5,654.99	6,950.37
TOTAL	38,118.23	29,216.25
Borrowings in India	38,118.23	29,216.25
Borrowings outside India	-	-
TOTAL	38,118.23	29,216.25

Note 13A: Details of term of redemption / repayment and security provided in respect of term loan:

(InR in Lakh)

PARTICULARS	AMOUNT	TERMS OF REDEMPTION/REPAYMENT	SECURITY
TERM LOANS FROM BANKS/FIS			
Capital India Finance Limited 2	345.80	Principal repayable in 60 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts* and personal guarantee of Mr. Ashish Jain.
Cholamandal Investment & Finance Company Limited	132.50	Principal repayable in 48 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts* and personal guarantee of Mr. Ashish Jain.
Cholamandal Investment & Finance Com.Ltd 2	187.27	Principal repayable in 49 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts* and personal guarantee of Mr. Ashish Jain.
ESAF Small Finance Bank	859.85	Principal repayable in 57 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts* and certain % cash collateral in form of Fixed deposit
Hinduja Housing Finance Ltd. TL-2	138.46	Principal repayable in 60 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts* and personal guarantee of Mr. Ashish Jain.
Hinduja Housing Finance Ltd. TL-3	561.55	Principal repayable in 60 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts* and personal guarantee of Mr. Ashish Jain.
Hinduja Housing Finance Ltd. TL-4	588.00	Principal repayable in 60 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts* and personal guarantee of Mr. Ashish Jain.
Hinduja Leyland Finance Limited-Tranch-1	145.62	Principal repayable in 48 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts* and personal guarantee of Mr. Ashish Jain.
Hinduja Leyland Finance Limited-Tranch-2	145.63	Principal repayable in 48 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts* and personal guarantee of Mr. Ashish Jain.
ICICI Bank Limited-TL-2	60.96	Principal repayable in 24 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts* and personal guarantee of Mr. Ashish Jain.
IDBI Bank Ltd.	796.11	Principal repayable in 84 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts* and certain % cash collateral in form of Fixed deposit and personal guarantee of Mr. Ashish Jain
Indian Overseas Bank	624.28	Principal repayable in 84 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts* and certain % cash collateral in form of Fixed deposit and personal guarantee of Mr. Ashish Jain

PARTICULARS	AMOUNT	TERMS OF REDEMPTION/REPAYMENT	SECURITY
TERM LOANS FROM BANKS/FIS			
LIC Housing Finance Ltd.	566.62	Principal repayable in 60 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts*
LIC Housing Finance TL-2	1,918.25	Principal repayable in 60 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts* and personal guarantee of Mr. Ashish Jain.
Maanaveeya Development and Fincnace TI	247.03	Principal repayable in 34 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts* and personal guarantee of Mr. Ashish Jain.
Maanaveeya Development and Finance TI -2	265.23	Principal repayable in 33 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts* and personal guarantee of Mr. Ashish Jain.
Mas Financial Service Ltd TI -2	192.62	Principal repayable in 48 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts* and personal guarantee of Mr. Ashish Jain.
Mas Financial Service Ltd TI-3	134.61	Principal repayable in 60 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts* and personal guarantee of Mr. Ashish Jain.
Mas Financial Service Ltd TI-4	321.96	Principal repayable in 60 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts* and personal guarantee of Mr. Ashish Jain.
Mas Financial Service Ltd TI-5	346.17	Principal repayable in 60 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts* and personal guarantee of Mr. Ashish Jain.
Mas Financial Service Ltd TI-6	177.17	Principal repayable in 60 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts* and personal guarantee of Mr. Ashish Jain.
Mas Rural Housing & Mortgage Finance Limited	192.74	Principal repayable in 48 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts* and personal guarantee of Mr. Ashish Jain.
Mas Rural Housing & Mortgage Finance Limited-TL-2	138.67	Principal repayable in 60 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts* and personal guarantee of Mr. Ashish Jain.
Mas Rural Housing & Mortgage Finance Limited-TL-3	173.00	Principal repayable in 60 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts* and personal guarantee of Mr. Ashish Jain.
National Housing Bank - Refinance	129.47	Principal repayable in 27 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts* and secured by Bank guarantee of certain % 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.
National Housing Bank - Refinance	171.85	Principal repayable in 27 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts* and secured by Bank guarantee of certain % 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.
National Housing Bank - Refinance	249.94	Principal repayable in 39 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts* and secured by Bank guarantee of certain % of the sanctioned amount and personal guarantee of Mr. Ashish Jain and Mrs. Pushpa Nagda

PARTICULARS	AMOUNT	TERMS OF REDEMPTION/REPAYMENT	SECURITY
TERM LOANS FROM BANKS/FIS			
National Housing Bank - Refinance	519.21	Principal repayable in 39 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts* and secured by Bank guarantee of certain % of the sanctioned amount and personal guarantee of Mr. Ashish Jain and Mrs. Pushpa Nagda
National Housing Bank - Refinance	488.80	Principal repayable in 27 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts* and secured by Bank guarantee of certain % of the sanctioned amount and personal guarantee of Mr. Ashish Jain and Mrs. Pushpa Nagda
National Housing Bank - Refinance	743.87	Principal repayable in 39 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts* and secured by Bank guarantee of certain % of the sanctioned amount and personal guarantee of Mr. Ashish Jain and Mrs. Pushpa Nagda
National Housing Bank - Refinance	3,351.86	Principal repayable in 39 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts*
State Bank of India-TL-2	495.12	Principal repayable in 50 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts* and certain % cash collateral in form of Fixed deposit and personal guarantee of Dipesh Jain, Ashish Jain and Kavish Jain
State Bank Of India-TL-3	1,814.07	Principal repayable in 94 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts* and secured by mortgage of residential plot and certain % cash collateral in form of Fixed deposit and personal guarantee of Mr. Ashish Jain, Kavish Jain.
State Bank Of India-TL-4	3,941.88	Principal repayable in 96 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts* and certain % cash collateral in form of Fixed deposit and personal guarantee of Mr. Ashish Jain and Mr. Kavish Jain.
Sundram Home Finance LTD	116.99	Principal repayable in 48 monthly instalments and interest thereon as per specific rate of interest**	Hypothecation of specific book debts* and personal guarantee of Mr. Ashish Jain.
Sundaram Home Finance Ltd TI 2	97.94	Principal repayable in 48 monthly instalments and interest thereon as per specific rate of interest**	Hypothecation of specific book debts* and personal guarantee of Mr. Ashish Jain.
Sundaram Home Finance Ltd TI 3	264.61	Principal repayable in 48 monthly instalments and interest thereon as per specific rate of interest**	Hypothecation of specific book debts* and personal guarantee of Mr. Ashish Jain.
Sundaram Finance Ltd	807.26	Principal repayable in 60 monthly instalments and interest thereon as per specific rate of interest**	Hypothecation of specific book debts* and personal guarantee of Mr. Ashish Jain.
TATA Capital	276.78	Principal repayable in 36 monthly instalments and interest thereon as per specific rate of interest**	Hypothecation of specific book debts* and personal guarantee of Mr. Ashish Jain and Mr. Kavish Jain
Union Bank of India	83.10	Principal repayable in 15 quarterly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts* and providing upfront FD and personal guarantee of Mr. Nirmal Kumar Jain, Mr. Ashish Jain and Mr. Kavish Jain.
Indian Overseas Bank TI 2	941.28	Principal repayable in 96 monthly instalments and interest thereon as per specific rate of interest**	Hypothecation of specific book debts* and personal guarantee of Mr. Ashish Jain.

PARTICULARS	AMOUNT	TERMS OF REDEMPTION/REPAYMENT	SECURITY
TERM LOANS FROM BANKS/FIS			
LIC Housing Finance Limited TI 3	2,122.14	Principal repayable in 60 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts* and personal guarantee of Mr. Ashish Jain.
Mas Financial Services Limited TI 7	842.44	Principal repayable in 60 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts* and corporate guarantee of Arkfin Investments and Advisors Private Limited.
Mas Financial Services Limited TI 8	863.13	Principal repayable in 60 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts* and corporate guarantee of Arkfin Investments and Advisors Private Limited.
Mas Financial Services Limited TI 9	893.86	Principal repayable in 60 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts* and corporate guarantee of Arkfin Investments and Advisors Private Limited.
Mas Financial Services Pvt Ltd TL 10	938.53	Principal repayable in 60 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts* and corporate guarantee of Arkfin Investments and Advisors Private Limited
Mas Financial Services Ltd TL 11	478.48	Principal repayable in 60 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts* and corporate guarantee of Arkfin Investments and Advisors Private Limited.
Mas Financial Services Ltd TI 12	483.48	Principal repayable in 60 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts* and corporate guarantee of Arkfin Investments and Advisors Private Limited.
Northern Arc Capital Limited	1,792.20	Principal repayable in 48 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts* and corporate guarantee of Arkfin Investments and Advisors Private Limited.
Poonawala Fincorp Limited	892.30	Principal repayable in 60 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts*
Shriram Finance	941.53	Principal repayable in 60 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts*
Sundaram Finance Ltd TI 2	1,376.26	Principal repayable in 60 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts* and corporate guarantee of Arkfin Investments and Advisors Private Limited.
Suryoday Small Finance Bank Ltd	885.68	Principal repayable in 60 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts*
Bajaj Finance Ltd	1,376.26	Principal repayable in 48 monthly instalments and interest thereon as per specific rate of interest**.	Hypothecation of specific book debts* and corporate guarantee of Arkfin Investments and Advisors Private Limited.
TOTAL	38,118.23		

*Book debts with security cover ranges from 1.00 to 1.33 times.

**Rate of Interest ranges from 8.60% to 14.25% per annum.

There has not been any default in repayment of borrowings and interest during the year ended March 31, 2025, (no default during the year ended March 31, 2024).

Maturity pattern of repayment:

PARTICULARS	DUE WITHIN 1 YEAR		DUE 1-3 YEARS		DUE 3-5 YEARS		DUE 5-10 YEARS		DUE 10 YEARS		TOTAL	
MATURITIES	NO. OF INSTAL-MENTS.	AMOUNT	NO. OF INSTAL-MENTS.	AMOUNT	NO. OF INSTAL-MENTS.	AMOUNT	NO. OF INSTAL-MENTS.	AMOUNT	NO. OF INSTAL-MENTS.	AMOUNT	NO. OF INSTAL-MENTS.	AMOUNT
RATE OF INTEREST												
From Bank & FI												
9.00% - 10.00%	17	561.36	24	1,000.00	12	500.00					53	2,061.36
10.01% - 11.00%												
11.01% - 12.00%	157	3,224.78	223	5,744.54	152	4,447.99	41	1,505.41			573	14,922.72
12.01%-13.00%	180	2,409.45	305	4,608.64	211	3,428.21	33	353.96			729	10,800.26
13.01%-14.00%	175	2,136.96	257	2,884.88	31	527.43					463	5,549.27
14.01%-15.00%	12	92.88	24	230.29	3	29.60					39	352.76
From NHB												
8.00% - 9.00%	24	740.96	55	1,667.26	42	1,312.45	61	2,009.05			182	5,729.73
TOTAL		9166.38		16135.62		10245.69		3868.42				39,416.10
EIR Impact												(1,297.87)
TOTAL												38,118.23

Note 14: Other financial liabilities

(INR in Lakh)

PARTICULARS	AS AT MARCH 31, 2025	AS AT MARCH 31, 2024
Interest accrued but not due on borrowings	83.92	43.89
Employee related liability	6.60	3.1
Book overdraft	177.59	3,258.51
Other liabilities	124.49	272.31
TOTAL	392.61	3,577.85

Note 15: Provisions

(INR in Lakh)

PARTICULARS	AS AT MARCH 31, 2025	AS AT MARCH 31, 2024
Provision for expenses	2.55	6.04
TOTAL	2.55	6.04

Note 16: Other non-financial liabilities

(INR in Lakh)

PARTICULARS	AS AT MARCH 31, 2025	AS AT MARCH 31, 2024
Duties and taxes	-	11.71
Statutory dues payable	52.78	61.17
Other non-financial liabilities	0.12	-
TOTAL	52.91	72.88

Note 17: Equity Share capital

(INR in Lakh)

PARTICULARS	AS AT MARCH 31, 2025	AS AT MARCH 31, 2024
AUTHORISED SHARE CAPITAL		
10,00,00,000 Equity Shares @ 5 Each (P.Y. 10,00,00,000 Equity Shares @ 5 Each)	5,000.0	5,000.0
ISSUED, SUBSCRIBED, CALLED UP & PAID-UP SHARE CAPITAL		
7,89,63,948 Equity Shares @ 5 Each (P.Y. 7,87,20,616 Equity Shares @ 5 Each)	3,948.20	3,936.03
TOTAL	3,948.20	3,936.03

Note 17.1: 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, 2025		AS AT MARCH 31, 2024	
	NO. OF SHARES	₹ IN LAKH	NO. OF SHARES	₹ IN LAKH
At the beginning of the year	7,87,20,616	3,936.03	7,71,58,266	3,857.91
Add: ESOP issued during the year	60,000	3.00	15,62,350	78.12
Add: Share warrant converted during the year	1,83,332	9.17	-	-
OUTSTANDING AT THE END OF THE YEAR	7,89,63,948	3,948.20	7,87,20,616	3,936.03

Note 17.2: Details of shareholders holding more than 5% of equity shares in the Company:

PARTICULARS	AS AT MARCH 31, 2025		AS AT MARCH 31, 2024	
	NO. OF SHARES	% OF HOLDING	NO. OF SHARES	% OF HOLDING
Arkfin Investments Private Limited	12590581	15.94%	12852197	16.33%
Pushpa Nagda	4626240	5.86%	4626240	5.88%

Note:

The company has allotted 60,000 equity shares of the face value of Rs. 5/- each to eligible employees upon exercise of stock options vested with them under the 'Akme Employee Stock Option Plan 2021'.

The company has issued 93,78,500 share warrants on 28th December 2023. Further, few of the warrant holders have paid the part consideration and have applied for exercising their rights for conversion of warrants into equivalent number of Equity Shares. Consequently, company has allotted 1,83,332 number of equity shares of Rs. 5/- each dated 25th July 2024 to the respective holders.

Note- 18 Other Equity

(INR in Lakh)

PARTICULARS	OTHER EQUITY									
	RESERVES AND SURPLUS					OTHER COMPREHENSIVE INCOME			Covid 19 impairment reserve	Total other equity attributable to equity holders
	Share premium reserve	Money received against share warrants	ESOP outstanding reserve	Special reserve	Retained earnings	Equity instruments through other comprehensive income	Revaluation surplus	Others		
Balances as at March 31, 2023	3,853.26	-	236.90	709.54	1,627.49	163.02	55.68	8.34	129.74	6,783.97
Share premium	262.87	-	-	-	-	-	-	-	-	262.87
Money received against share warrant	-	1,500.56	-	-	-	-	-	-	-	1,500.56
Transfer to special reserve	-	-	-	229.42	(229.42)	-	-	-	-	-
Profit for the year	-	-	-	-	888.33	-	-	-	-	888.33
Dividend expenses	-	-	-	-	(38.61)	-	-	-	-	(38.61)
Other Comprehensive income	-	-	-	-	(0.60)	-	-	(8.34)	-	(8.94)
Others	-	-	(18.87)	-	(3.89)	-	-	-	-	(22.75)
Balances as at March 31, 2024	4,116.13	1,500.56	218.04	938.96	2,243.30	163.02	55.68	-	129.74	9,365.42
Share premium	5.40	-	-	-	-	-	-	-	-	5.40
Money received against share warrant and its conversion to equity shares	108.17	(29.33)	-	-	-	-	-	-	-	78.83
Transfer to special reserve	-	-	-	283.76	(283.76)	-	-	-	-	-
Profit for the year	-	-	-	-	1,109.91	-	-	-	-	1,109.91
Dividend expenses	-	-	-	-	(59.22)	-	-	-	-	(59.22)
Other Comprehensive income	-	-	-	-	(14.34)	(23.79)	-	-	-	(38.13)
ESOP outstanding reserve	4.70	-	(208.65)	-	236.29	-	-	-	-	32.34
Revaluation reserve transferred	-	-	-	-	-	-	(55.68)	-	-	(55.68)
Balances as at March 31, 2025	4,234.39	1,471.23	9.39	1,222.72	3,232.18	139.23	-	-	129.74	10,438.87

- » The company has issued 93,78,500 share warrants on 28th December 2023 against the receipt of Rs. 15,00,56,000 being the warrants subscription price i.e 25% of the issue price. Further, few of the warrant holders have paid the part consideration and have applied for exercising their rights for conversion of warrants into equivalent number of Equity Shares. Consequently, company has allotted 1,83,332 number of equity shares of Rs. 5/- each dated 25th July 2024 to the respective holders.
- » 30,19,700 no. of ESOPs under ESOP Scheme I - 'Akme Employee Stock Option Plan 2021' has been lapsed due to non-exercise within the exercise period. And the amount related to lapsed shares were transferred to retained earnings.
- » The company has sold land during the year, and accordingly, the revaluation reserve related to that land has been reversed.

Note 19A: Revenue From Operations

(INR in Lakh)

PARTICULARS	YEAR ENDED MARCH 31, 2025	YEAR ENDED MARCH 31, 2024
INTEREST INCOME ON FINANCIAL ASSETS MEASURED AT AMORTISED COST		
- Interest Income on loans to customers	7,705.61	5,171.50
- Interest on Bank Deposits from Banks	206.59	178.63
- Other interest income	31.17	45.29
TOTAL (A)	7,943.37	5,395.43
FEES & COMMISSION INCOME		
-Service charges	-	0.94
-Other charges	227.50	189.01
TOTAL (B)	227.50	189.95
-Gain/loss on de-recognition of financial Assets	876.91	97.62
TOTAL (C)	876.91	97.62
- Net Gain/Loss on Fair Value Changes	79.45	62.94
TOTAL (D)	79.45	62.94
OTHER OPERATING INCOME		
- Bad Debt Recovered	127.71	116.22
TOTAL (E)	127.71	116.22
TOTAL (A+B+C+D+E)	9,254.94	5,862.17

Note 19B: Other Income

PARTICULARS	YEAR ENDED MARCH 31, 2025	YEAR ENDED MARCH 31, 2024
- Marketing and Branding Income	228.62	301.38
- Profit on sale of Fixed Asset	12.71	-
TOTAL	241.33	301.38

Note 20: Finance Cost

PARTICULARS	YEAR ENDED MARCH 31, 2025	YEAR ENDED MARCH 31, 2024
FINANCE COSTS ON FINANCIAL LIABILITIES MEASURED AT AMORTISED COST		
Interest on borrowings		
- Interest on loan from Bank, FI's, NHB and on NCD	4,617.03	2,775.00
- Interest on cash credit and working capital/revolving facility	9.53	0.01
Other borrowing cost (incl. Bank Charges)	22.49	7.77
TOTAL	4,649.05	2,782.78

Note 21: Impairment on financial instruments

PARTICULARS	YEAR ENDED MARCH 31, 2025	YEAR ENDED MARCH 31, 2024
ON FINANCIAL ASSETS MEASURED AT AMORTISED COST		
-loans	136.94	65.72
-Bad Debts written off	375.53	114.54
TOTAL	512.47	180.26

Note 22: Employee benefits expenses

(INR in Lakh)

PARTICULARS	YEAR ENDED MARCH 31, 2025	YEAR ENDED MARCH 31, 2024
Salaries, allowances and benefits	1,714.74	1,138.15
Employee Compensation Expenses-ESOP	32.34	99.50
Contribution to provident and other funds	12.89	13.57
Gratuity Expenses	29.39	14.78
Staff welfare expenses	68.10	54.52
TOTAL	1,857.46	1,320.53

Note 23: Depreciation and Amortization

PARTICULARS	YEAR ENDED MARCH 31, 2025	YEAR ENDED MARCH 31, 2024
Depreciation of property, plant and equipment	59.11	51.62
Amortisation of intangible assets	22.57	15.08
TOTAL	81.68	66.71

Note 24: Other Expenses

PARTICULARS	YEAR ENDED MARCH 31, 2025	YEAR ENDED MARCH 31, 2024
Advertising expense	39.57	10.42
Annual listing expense	5.07	3.54
Other annual fee	2.07	0.23
Audit fee	10.69	7.37
Business promotion expense	0.32	15.80
Commission	5.69	6.64
Computer & software expense	5.61	11.98
Conveyance	65.86	36.91
Credit rating expense	17.55	23.06
Director sitting fee	32.26	33.35
Donation	1.44	0.46
CSR expense	15.00	7.51
Electricity expense	30.08	8.53
Insurance expense	11.07	6.26
Office expense	89.38	62.44
Office rent expense	227.38	114.82
Municipal tax	0.16	0.16
I.T. - Infrastructure expense	89.45	14.78
Media and PR expense	43.52	17.03
Interest, penalty & fine	0.73	0.60
Postage and courier	10.50	9.52
Printing & stationery	30.62	36.64
Professional & technical fee	92.01	81.22
Professional tax	0.06	0.03
Repair & maintenance expense	11.19	12.95
ROC & compliance fee	0.22	0.59
Telephone expense	3.51	2.15
Travelling expense	39.12	41.32
Balance written off	21.93	-
Legal and recovery expense	74.74	99.85
TOTAL	976.81	666.15

Note 25: Tax Expenses

(INR in Lakh)

PARTICULARS	YEAR ENDED MARCH 31, 2025	YEAR ENDED MARCH 31, 2024
THE COMPONENTS OF INCOME TAX EXPENSE ARE:		
Current tax	55.01	136.99
Deferred tax	253.88	121.80
TOTAL TAX CHARGE	308.90	258.79

Note 25.1: Reconciliation of tax expense and the accounting profit multiplied by statutory income tax rate for the year ended March 31, 2025 and March 31, 2024 is as follows:

PARTICULARS	YEAR ENDED MARCH 31, 2025	YEAR ENDED MARCH 31, 2024
Current Tax	55.01	136.99
Deferred Tax (Refer note 25.2)	253.88	121.80
Tax adjustment of earlier year	-	-
Total income tax expenses recognized in the current year	308.90	258.79
Profit before tax	1,418.80	1,147.12
Statutory Income tax rate (%)	25.17%	25.17%
Tax at statutory Income Tax rate	357.11	288.73
Tax Effect of:		
Items that are allowable or disallowable in determining taxable profits (net)	106.21	69.74
Deduction under section 36 (1) (viii)	(57.99)	(39.80)
Tax Adjustment of earlier year	-	-
Income Tax expense recognised in profit and loss	308.90	258.79
Income tax recognised in other comprehensive income	12.83	3.01

Note 25.2: Deferred Tax

The components of deferred tax assets and liabilities are as follows:

DEFERRED TAX ASSET/ (LIABILITY)	OPENING BALANCE AS ON 01.04.2024	RECOGNISED IN PROFIT OR LOSS (EXPENSES) / INCOME	RECOGNISED IN OTHER COMPREHENSIVE INCOME	CLOSING BALANCES AS ON 31.03.2025
Fiscal allowances on fixed assets	2.93	1.05	-	3.98
Measurement of financial instruments at amortised cost	(140.38)	(99.22)	-	(239.59)
Impairment loss allowance on financial assets	62.83	34.46	-	97.30
From OCI (Investment/Gratuity)	31.33	-	12.83	44.16
Others adjustment	0.61	(190.19)	-	(189.57)
TOTAL	(42.67)	(253.88)	12.83	(283.73)

DEFERRED TAX ASSET/ (LIABILITY)	OPENING BALANCE AS ON 01.04.2023	RECOGNISED IN PROFIT OR LOSS (EXPENSES) / INCOME	RECOGNISED IN OTHER COMPREHENSIVE INCOME	CLOSING BALANCES AS ON 31.03.2024
Fiscal allowances on fixed assets	(3.52)	6.45	-	2.93
Measurement of financial instruments at amortised cost	(2.92)	(137.45)	-	(140.38)
Impairment loss allowance on financial assets	46.29	16.54	-	62.83
From OCI (Investment/Gratuity)	28.33	-	3.01	31.33
Others adjustment	7.95	(7.34)	-	0.61
TOTAL	76.12	(121.80)	3.01	(42.67)

Note 26: Earning per share

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

PARTICULARS	UNIT	YEAR ENDED MARCH 31, 2025	YEAR ENDED MARCH 31, 2024
a) Amount used as the numerator for basic EPS profit after tax	(in ₹ lakh)	1,109.91	888.33
b) Weighted average number of equity shares for basic EPS	Number	7,88,93,364	7,77,95,590
c) Weighted average number of equity shares for diluted EPS	Number	7,89,76,070	8,02,45,225
d) Nominal value per share	(in ₹)	5	5
e) Earnings per share:			
-Basic (a/b)	(in ₹)	1.41	1.14
-Diluted (a/c)	(in ₹)	1.40	1.11

Note 27: 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. Kalpesh Dave	Executive Director (Appoint as ED dated 18.06.2024) & Chief Executive Officer (KMP)
Mr. Kavish Jain	Executive Director
Mr. Amlendra Prasad Saxena	Non-Executive Independent Director
Mrs. Neelam Tater	Non-Executive Independent Director
Mr. Ajit Kumar Lakshmanan	Non-Executive Independent Director
Mr. Pradip Kumar Das	Non-Executive Independent Director
Mr. Chinnathambi Ilango	Non-Executive Independent Director
Mr. Ashish Jain	Ex Chairman and Managing Director (KMP) (Resigned dated 30.06.2024)
Mr. Natesh Narayanan	Chief Financial Officer (KMP)
Mr. Shreyas Mehta	Company Secretary and Compliance officer (KMP)
Mr. Anoop Saxena	Chief Operating Officer (KMP)
Mr. Bhanwar Singh Kachhawaha	Chief Compliance Officer (KMP)
Mr. Ajit Kumar Satpathy	Chief Risk Officer (KMP) (Appointment Dated 01.07.2024)
Mr. Anil K Sachidanand	Key Management Personnel in Arkfin Investment Pvt Ltd
Arkfin Investment Pvt. Ltd.	Shareholder having substantial interest
Arkfin Housing Fund	Significant Influence in Arkfin Investment Pvt Ltd
Akme Fintrade (India) Limited	Promoter Group Company
Akme Build Estate Limited	Promoter Group Company

Transactions with Related Parties

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

(INR in Lakh)

NAME OF THE RELATED PARTY	NATURE OF TRANSACTIONS	MARCH 31, 2025			MARCH 31, 2024		
		Amount Received	Amount Paid	Outstanding	Amount Received	Amount Paid	Outstanding
Mr. Kalpesh Dave**	Remuneration	-	50.12	-	-	38.91	-
	Advance Remuneration	3.21	3.39	0.18	-	-	-
Mr. Kavish Jain	Remuneration	-	36.10	-	-	22.50	-
Mr. Amlendra Prasad Saxena	Sitting Fees	-	5.95	-	-	7.25	-
Mrs. Neelam Tater	Sitting Fees	-	3.80	-	-	7.40	-
Mr. Ajit Kumar Lakshmanan	Sitting Fees	-	6.65	-	-	7.25	-
Mr. Pradip Kumar Das	Sitting Fees	-	7.60	-	-	6.50	-
Mr. Chinnathambi Ilango	Sitting Fees	-	5.60	-	-	2.20	-
Mr. Ashish Jain*	Remuneration	-	22.50	-	-	61.09	-
Mr. Shreyas Mehta**	Remuneration	-	36.10	-	-	25.94	-
Mr. Natesh Narayanan**	Remuneration	-	47.16	-	-	49.46	-
Mr. Anoop Saxena**	Remuneration	-	43.68	-	-	26.02	-
	Advance Remuneration	2.00	2.00	-	-	-	-
	Housing Loan Given	-	-	21.42	-	27	27
	EMI Received against Loan	8.27	-	-	1.58	-	-
	Interest/charges Earned	2.79	-	-	1.64	-	-
Mr. Bhanwar Singh Kachhawaha**	Remuneration	-	11.95	-	-	4.56	-
Mr. Ajit Kumar Satpathy	Remuneration	-	25.52	-	-	-	-
	Advance Remuneration	0.17	1.25	1.08	-	-	-
Mr. Anil K. Sachidanad	Professional Fees	-	-	-	-	49.50	-
	Professional Fess Advance	-	-	22.00	-	22.00	-
Akme Fintrade (India) Limited	Professional Services	-	-	48.00	0.34	-	48.00
Arkfin Investments Private Limited	Professional Services	-	149.04	-	-	39.96	149.04
Arkfin Housing Fund	Investment	-	-	578.83	-	-	515.89
	Net Gain/Loss on Fair Value Changes	-	-	79.45	-	-	62.94
Akme Build Estate Limited	Professional Services	-	-	-	11.04	-	-

*Share Warrant issued:

NAME	RELATIONSHIP OF THE COUNTERPARTY WITH THE LISTED ENTITY OR ITS SUBSIDIARY	NO. OF SHARE WARRANTS ISSUED		AMOUNT IN LAKH	
		MARCH 31 2025	MARCH 31, 2024	MARCH 31, 2025	MARCH 31, 2024
Mr. Ashish Jain	Ex Managing Director and Ex Key Management Personnel	-	1,60,000	-	25.60
Mr. Kavish Jain	Executive Director	-	1,60,000	-	25.60

****Allotment of Equity shares pursuant to "Akme Employee Stock Option Plan 2021":**

NAME	RELATIONSHIP OF THE COUNTERPARTY WITH THE LISTED ENTITY OR ITS SUBSIDIARY	NO. OF SHARE WARRANTS ISSUED		AMOUNT IN LAKH	
		MARCH 31 2025	MARCH 31, 2024	MARCH 31, 2025	MARCH 31, 2024
Mr. Shreyas Mehta	Key Management Personnel	60,000	60,000	32.60	27.35
Mr. Natesh Narayanan	Key Management Personnel	-	1,00,000	-	70.05
Mr. Kalpesh Dave	Director and Key Management Personnel	-	1,50,000	-	105.08
Mr. Anoop Saxena	Key Management Personnel	-	1,50,000	-	105.08
Mr. Bhanwar Singh Kachhawaha	Key Management Personnel	-	20,000	-	14.01

28. 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 CEO 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.

29. Contingent liabilities and commitments

a. Contingent liabilities

1) There is no contingent liability as at March 31, 2025 (31-03- 2024: Nil).

2) The Company's pending litigations comprise of Proceedings by the company against its customers for recovery of loans, pending with various authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in the financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

b. Contingent commitments

1) Undisbursed Amount- Loans sanctioned but undisbursed or partially disbursed amount is Rs. 1,203.21 Lakh as on March 31, 2025 (31.03.2024 - Rs. 1,468.07 Lakh)

30. 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 and other 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 (including admin charges) towards contribution to provident and other fund for the year aggregated to Rs. 9.26 Lakh (Previous Year: Rs. 13.57 Lakh).

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) Principal actuarial assumptions

PARTICULARS	31-MAR-2025 (12 MONTHS)	31-MAR-2024 (12 MONTHS)
Discount Rate	6.60% p.a	7.20% p.a
Salary Growth Rate	8.00% p.a	8.00% p.a
Withdrawal Rates	Age 25 & Below: 30 % p.a. 25 to 35: 25 % p.a. 35 to 45: 20 % p.a. 45 to 55: 15 % p.a. 55 & above: 5 % p.a.	Age 25 & Below: 25 % p.a. 25 to 35: 20 % p.a. 35 to 45: 15 % p.a. 45 to 55: 10 % p.a. 55 & above: 5 % p.a.

(II) Major risk to the plan

a) Actuarial Risk:

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

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

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

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

b) Investment Risk:

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

c) Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company, there can be 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 bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

e) Legislative Risk:

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

(III) Reconciliation of defined benefit obligation

(INR in Lakh)

PARTICULARS	31-MAR-2025 (12 MONTHS)	31-MAR-2024 (12 MONTHS)
Opening Defined Benefit Obligation	55.84	27.43
Transfer in/(out) obligation	-	-
Current service cost	28.20	14.57
Interest cost	3.79	1.94
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	2.61	0.51
Due to change in demographic assumption	(2.87)	-
Due to experience adjustments	19.88	11.39
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	-	-
Closing Defined Benefit Obligation	107.45	55.84

(IV) Reconciliation of plan assets

PARTICULARS	31-MAR-2025 (12 MONTHS)	31-MAR-2024 (12 MONTHS)
Opening value of plan assets	29.12	18.54
Transfer in/(out) plan assets	-	-
Expenses deducted from assets	-	-
Interest Income	2.60	1.73
Return on plan assets excluding amounts included in interest Income	0.46	(0.04)
Assets distributed on settlements	-	-
Contributions by Employer	26.72	8.88
Contributions by Employee	-	-
Exchange differences on foreign plans	-	-
Benefits paid	-	-
Closing value of plan assets	58.90	29.12

Note:

Since the value of the interest is not known as at the report date, I have computed accrued interest of Rs. 3.06 Lakh for the current valuation period and I have adjusted the closing Fair Value of the assets accordingly.

(V) Assets and Liabilities recognized in the balance sheet

PARTICULARS	31-MAR-2025 (12 MONTHS)	31-MAR-2024 (12 MONTHS)
Present value of unfunded obligations	-	-
Present value of funded obligations	107.45	55.84
Fair value of plan assets	(58.90)	(29.12)
Unrecognised Past Service Cost	-	-
Defined Benefit Liability/ (Assets)	48.55	26.72
Less: Paid	48.55	26.72
Net Defined Benefit Liability/ (Assets)	-	-

(VI) Profit and loss account for the period

PARTICULARS	31-MAR-2025 (12 MONTHS)	31-MAR-2024 (12 MONTHS)
Service cost:		
Current service cost	28.20	14.57
Past service cost	-	-
loss/(gain) on curtailments and settlement	-	-
Net interest cost	1.19	0.21
Total included in 'Employee Benefit Expenses/(Income)	29.39	14.78

(VII) Other Comprehensive Income for the period

PARTICULARS	31-MAR-2025 (12 MONTHS)	31-MAR-2024 (12 MONTHS)
Components of actuarial gain/losses on obligations:		
- Due to Change in financial assumptions	2.61	0.51
- Due to change in demographic assumption	(2.87)	-
- Due to experience adjustments	19.88	11.39
Return on plan assets excluding amounts included in interest Income	(0.46)	0.04
Amounts recognized in Other Comprehensive (Income) / Expense	19.16	11.94

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

PARTICULARS	31-MAR-2025 (12 MONTHS)	31-MAR-2024 (12 MONTHS)
Net opening provision in books of accounts	26.72	8.88
Transfer in/(out) obligation	-	-
Transfer (in)/out plan assets	-	-
Employee Benefit Expense as per 3.2	29.39	14.78
Amounts recognized in Other Comprehensive (Income)/Expense	19.16	11.94
	75.27	35.60
Benefits paid by the Company	-	-
Contributions to plan assets	(26.72)	(8.88)
Closing provision in books of accounts	48.55	26.72

(IX) Sensitivity to Key Assumptions

PARTICULARS	31-MAR-2025	31-MAR-2024
	Rs. / %	Rs. / %
Discount rate Sensitivity		
Increase by 0.5%	105.26	54.16
(% change)	(2.03%)	(3.01%)
Decrease by 0.5%	109.74	57.62
(% change)	2.14%	3.19%
Salary growth rate Sensitivity		
Increase by 0.5%	109.24	57.11
(% change)	1.67%	2.27%
Decrease by 0.5%	105.64	54.62
(% change)	(1.68%)	(2.18%)
Withdrawal rate (W.R.) Sensitivity		
W.R. x 110%	105.78	55.34
(% change)	(1.55%)	(0.88%)
W.R. x 90%	109.12	56.27
(% change)	1.56%	0.78%

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

PARTICULARS	INR	%
Year 1 Cash flow	32.81	9.9%
Year 2 Cash flow	10.85	8.4%
Year 3 Cash flow	11.33	8.7%
Year 4 Cash flow	10.87	8.4%
Year 5 Cash flow	10.75	8.3%
Year 6 to Year 10 Cash flow	42.07	32.4%

C. Other long term employee benefits- There was no other liability

30. Employee stock options

AKME ESOP Scheme 2021 (Employee Stock Option Scheme I)

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 31st March 2025, the employees has not exercised the third tranche of ESOP Scheme I i.e. 50% third vesting of share option from the date of grant.

ii. Vesting Conditions:

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

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

iii. Contractual Life:

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

iv. Method of Settlement:

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

v. Method used to account for ESOP:

The Company used Intrinsic Value Method for accounting of the ESOP Option.

vi. Option movement during the year 2024-25

PARTICULARS	ESOP PLAN 2021
Total Number of Options outstanding at the beginning of the period	3199700
Total Number of Options Granted (During FY 2024-25)	-
Number of Options Vested (During FY 2024-25)	3079700
Options Lapsed/Forfeited (During FY 2024-25)	3019700
No. of Options Exercised (During FY 2024-25)	60000
Total Number of Shares arising as a result of Exercise of the Options	60000
Money realized by Exercise of Options (INR) (During FY 2024-25)	840000/-
Loan repaid by the Trust during the year from exercise price received	Not applicable since the ESOP Plans are implemented directly by the Company
Total Number of Options outstanding at the end of the year	120000*
Total Number of Options Exercisable at the end of the year	-

(Figures are inserted after the effect of split & bonus) *Options not yet vested.

Star Housing Finance Limited Employee Stock Option Scheme II 2023

The Board of Directors of the Company vide their meeting dated 25th July 2024 has approved the grant of 77,00,000 stock options (convertible into 77,00,000 Equity Shares of the Company, upon exercise) under "Star Housing Finance Limited Employee Stock Option Scheme II 2023" ("ESOP 2023" /"Plan") to the Eligible employees as recommended by the Nomination & Remuneration Committee.

Further, the said ESOPs is being surrendered by employees. Currently no options are outstanding under this scheme.

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

There is no overdue 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.

32. Maturity analysis of assets and liabilities

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

(INR in Lakh)

PARTICULARS	AS AT MARCH 31, 2025			AS AT MARCH 31, 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets:						
Cash and cash equivalents	8,416.80	-	8,416.80	1,879.34	-	1,879.34
Bank balance other than cash and cash equivalents	38.26	1,953.44	1,991.70	4,947.79	1,726.52	6,674.31
Loans	6,068.86	35,453.18	41,522.04	6,635.68	31,566.87	38,202.55
Investments	801.06	47.82	848.88	753.41	47.82	801.23
Other financial assets	1,086.40	908.90	1,995.30	535.75	167.11	702.86
Non-Financial assets:						
Current Tax Assets (Net)	199.67	-	199.67	130.66	-	130.66
Property, plant and equipment	-	119.91	119.91	-	283.65	283.65
Asset Held for Sale	56.65	-	56.65	-	-	-
Intangible assets	-	176.04	176.04	-	25.31	25.31
Capital work in progress	-	-	-	-	186.38	186.38
Other non-financial assets	154.36	18.75	173.11	117.24	27.29	144.53
TOTAL ASSETS	16,822.06	38,678.04	55,500.10	14,999.86	34,030.96	49,030.83
LIABILITIES						
Financial liabilities:						
Borrowings	10,012.78	30,368.44	40,381.22	7,495.67	24,534.26	32,029.93
Other financial liabilities	392.62	-	392.62	3,577.85	-	3,577.85
Non-financial liabilities:						
Provisions	2.55	-	2.55	6.04	-	6.04
Other non-financial liabilities	52.91	-	52.91	72.88	-	72.88
Deferred tax liabilities	-	283.73	283.73	-	42.67	42.67
TOTAL LIABILITIES	10,460.85	30,652.17	41,113.03	11,152.44	24,576.93	35,729.37
NET	6,361.20	8,025.87	14,387.07	3,847.42	9,454.03	13,301.45

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, 2025 were as follows:

(INR in Lakh)

PARTICULARS	CARRYING AMOUNT	FAIR VALUE			
		Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS NOT MEASURED AT FAIR VALUE*					
Cash and Cash equivalents	8,416.80	-	-	-	-
Bank balance other than cash and cash equivalents	1,991.70	-	-	-	-
Loans	41,522.04	-	-	41,522.04	41,522.04
Investments	848.88	-	848.88	-	848.88
Other financial assets	1,995.30	-	1,995.30	-	1,995.30
TOTAL	54,774.72	-	2,844.18	41,522.04	44,366.22
FINANCIAL LIABILITIES NOT MEASURED AT FAIR VALUE*					
Debt Securities	2,263.00	-	-	2,263.00	2,263.00
Borrowings	38,118.23	-	-	38,118.23	38,118.23
Other financial liabilities	392.61	-	-	-	-
TOTAL	40,773.84	-	-	40,381.23	40,381.23

The carrying value and fair value of financial instruments by categories As at March 31, 2024 were as follows:

(INR in Lakh)

PARTICULARS	CARRYING AMOUNT	FAIR VALUE			
		Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS NOT MEASURED AT FAIR VALUE*					
Cash and Cash equivalents	6,093.61	-	-	-	-
Bank balance other than cash and cash equivalents	2,460.04	-	-	-	-
Loans	38,202.55	-	-	38,202.55	38,202.55
Investments	801.23	-	801.23	-	801.23
Other financial assets	701.16	-	701.16	-	701.16
TOTAL	48,258.59	-	1,502.39	38,202.55	39,704.94
FINANCIAL LIABILITIES NOT MEASURED AT FAIR VALUE*					
Borrowings	29,216.25	-	-	29,216.25	29,216.25
Debt Securities	2,813.68	-	-	2,813.68	2,813.68
Other financial liabilities	3,577.85	-	-	-	-
TOTAL	35,607.78	-	-	32,029.93	32,029.93

*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 1 and 2

There has been no transfer in between level 1 and level 2.

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

Capital Management

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

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

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

Debt to Net Worth Ratio

(INR in Lakh)

PARTICULARS	AS AT MARCH 31, 2025	AS AT MARCH 31, 2024
Debts	40381.23	32,029.93
Net Worth	14,387.07	13,301.46
Debt to Net Worth (in times)	2.81	2.41

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.

Internal capital adequacy assessment process (ICAAP): The Company is in the process of devising suitable ICAAP, looking to the size of scale and operation of the company. Nevertheless, the company has been maintaining the CRAR of 50.55% as against prescribed minimum level of 15%. Thus, the company not only covering the regular risk i.e., credit, market and operation but also the residual risk (Litigation, reputation, strategic risks etc).

34. FINANCIAL RISK MANGEMENT OBJECTIVES AND POLICIES

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

(I) Credit Risk

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

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

A. Loans and Advances

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

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

Carrying Amount

(INR in Lakh)

PARTICULARS	AS AT MARCH 31, 2025	AS AT MARCH 31, 2024
Retail Loan	41,765.98	38,250.32
Builder/Corporate Loan	28.56	39.97
Investments	848.88	801.23
TOTAL	42,643.42	39,091.52

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 instrument 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.

(INR in Lakh)

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, and are further subgrouped as a. Geography wise (State wise) and b. Salaried and Non-salaried wise

Impairment-Expected Credit Loss (“ECL”):

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

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

Probability of default (PD):

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

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

Loss Given default (LGD):

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

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

The following steps are performed to calculate the LGD.

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

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

Exposure at default (EAD)

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

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

ECL Computation:

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

(INR in Lakh)

PARTICULARS	AS AT MARCH 2025	AS AT MARCH 2024
Stage 1	115.68	53.45
Stage 2	82.42	12.54
Stage 3	188.49	183.66
Amount of expected credit loss provided for	386.59	249.65

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

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

Movement of ECL

(INR in Lakh)

PARTICULARS	AS AT MARCH 2025	AS AT MARCH 2024
Opening provision of ECL	249.65	183.93
Addition of during the year	136.94	65.72
Utilization/ reversal during the year	-	-
Closing provision of ECL	386.59	249.65

B. Collateral and other credit enhancements

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

(ii) Analysis of risk concentration

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

LTV to Customers:

LTV wise bifurcation:

As on March 31, 2025

(INR in Lakh)

LTV BUCKET	STAGE-1		STAGE-2		STAGE-3		TOTAL	
	Own	Managed	Own	Managed	Own	Managed	Own	Managed
0%-40%	14,154.96	4,282.96	629.78	-	178.50	8.02	14,963.24	4,290.98
40.01%-60%	13,805.57	3,531.87	475.38	14.89	283.35	28.66	14,564.31	3,575.42
60.01%-80%	9,861.41	1,959.98	409.31	-	264.96	-	10,535.68	1,959.98
More than 80%	1,564.68	448.86	124.30	-	42.33	-	1,731.31	448.86
TOTAL	39,386.62	10,223.67	1,638.78	14.89	769.14	36.68	41,794.54	10,275.24

As on March 31, 2024

(INR in Lakh)

LTV BUCKET	STAGE-1		STAGE-2		STAGE-3		TOTAL	
	Own	Managed	Own	Managed	Own	Managed	Own	Managed
0%-40%	11,961.40	1,319.30	163.23	4.22	207.99	-	12,332.62	1,323.52
40.01%-60%	12,583.93	1,681.41	98.38	36.21	228.25	17.35	12,910.56	1,734.98
60.01%-80%	11,864.23	1,197.58	145.82	49.31	110.46	21.90	12,120.51	1,268.78
More than 80%	849.05	62.01	51.69	6.82	25.86	-	926.60	68.83
TOTAL	37,258.61	4,260.30	459.12	96.56	572.56	39.25	38,290.29	4,396.10

Customers Profile:

As on March 31, 2025

(INR in Lakh)

CUSTOMER PROFILE	STAGE-1		STAGE-2		STAGE-3		TOTAL	
	Own	Managed	Own	Managed	Own	Managed	Own	Managed
HOUSING LOAN								
Self Employed	21,429.45	6,414.56	1,157.90	6.91	632.18	28.66	23,219.52	6,450.13
Salaried	9,739.90	2,573.16	255.50	-	58.39	-	10,053.79	2,573.16
NON-HOUSING LOAN								
Self Employed	6,559.59	990.79	198.53	7.98	78.58	8.02	6,836.70	1,006.78
Salaried	1,657.68	245.16	26.85	-	-	-	1,684.53	245.16
TOTAL	39,386.62	10,223.67	1,638.78	14.89	769.14	36.68	41,794.54	10,275.24

As on March 31, 2024

(INR in Lakh)

CUSTOMER PROFILE	STAGE-1		STAGE-2		STAGE-3		TOTAL	
	Own	Managed	Own	Managed	Own	Managed	Own	Managed
HOUSING LOAN								
Self Employed	19,039.13	2,487.18	340.53	67.14	447.34	39.25	19,826.99	2,593.56
Salaried	11,770.92	956.59	111.28	21.38	101.19	-	11,983.39	977.97
NON-HOUSING LOAN								
Self Employed	4,748.48	669.90	7.32	8.04	24.04	-	4,779.84	677.94
Salaried	1,700.07	146.63	-	-	-	-	1,700.07	146.63
TOTAL	37,258.61	4,260.30	459.12	96.56	572.56	39.25	38,290.29	4,396.10

(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 NCDs. 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 27 Lakh spread across 3 banks. The utilization level is maintained in such a way that ensures sufficient liquidity on hand. Majority of the company's portfolio is individual housing loans, and the company have off book asset under management. Total AUM is Rs. 52,069.78 Lakh (own book AUM is Rs. 41,794.54 Lakh and off book AUM (Co-lending / Direct Assignment) is Rs. 10,275.24 Lakh).

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

PARTICULARS	AS AT MARCH 31, 2025		AS AT MARCH 31, 2024	
	Borrowing	Trade payable	Borrowing	Trade payable
1 day to 30/31 days (one month)	705.78	-	481.68	-
Over 1 month to 2 months	755.35	-	527.76	-
Over 2 months to 3 months	839.03	-	881.23	-
Over 3 months to 6 months	2,507.31	-	1,930.04	-
Over 6 months to 1 year	5,205.32	-	3,674.96	-
Over 1 year to 3 years	17,579.81	-	12,819.88	-
Over 3 years to 5 years	10,245.69	-	7,746.21	-
Over 5 years	2,542.94	-	3,968.17	-
TOTAL	40,381.23	-	32,029.93	-

(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.

A. 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, 2025		AS AT MARCH 31, 2024	
	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)	(38.37)	38.37	(63.59)	63.59

B. 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 principal 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.

36. Disclosure required under the RBI Resolution Framework 2.0 for COVID-19 related Stress" of Individuals and Small Business dated May 05,2021in the Format-B half-yearly prescribed in the Resolution Framework -1.0 are given below:

FORMAT FOR DISCLOSER TO BE MADE HALF YEARLY ENDING SEPTEMBER 30, 2024	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)	10.33 Cr
Of (A), aggregate debt that slipped into NPA during the half-year	0.58 Cr
Of (A) amount written off during the half-year	-
Of (A) amount paid by the borrowers during the half-year	0.54 Cr
Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year	9.15 Cr

FORMAT FOR DISCLOSER TO BE MADE HALF YEARLY ENDING MARCH 31, 2025	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)	9.15 Cr
Of (A), aggregate debt that slipped into NPA during the half-year	0.77 Cr
Of (A) amount written off during the half-year	0.15 Cr
Of (A) amount paid by the borrowers during the half-year	1.76 Cr
Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year	6.27 Cr

37. The title deeds of immovable property held by the company are duly executed in favour of the company.

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 2025 and 31st March 2024.

39. The company is not declared wilful defaulter by any bank or financial institution or any other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended 31st March 2025 and 31st March 2024.

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 2025 and 31st March 2024.

41. Registration of charges or satisfaction with registrar of Companies (ROC): There has been one delay in registration of charges or satisfaction with ROC beyond the statutory date during the year ended 31st March 2025.

BRIEF DESCRIPTION OF CHARGE	LOCATION OF REGISTRAR	PERIOD BY WHICH CHARGES HAD TO BE REGISTERED	REASON FOR DELAY
Satisfaction of charge created on 21.02.2025 for loan amount Rs. 50000000.00 for National Housing Bank (the lender)	ROC-Jaipur	30 Days	There has been a technical error in affixing Digital Signature, hence there is a delay of 8 days in filing the form.

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 2025 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 2025 and 31st March 2024. 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 2025 and 31st March 2024.

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,

- a. 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):
- b. 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 2025 and 31st March 2024.

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. 15.00 lakh for the year ended March 31, 2025 (P.Y. Rs. 7.51 lakh), towards Corporate Social Responsibility (CSR) expenditure, in accordance with the Section 135 of the Companies Act, 2013. Gross Amount required to be spent by the Company during the year is Rs. 13.28 lakh.

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

(INR in Lakh)

PARTICULARS	AS AT MARCH 31, 2025			AS AT MARCH 31, 2024		
	Amount Spent	Yet to be Spent	Total	Amount Spent	Yet to be Spent	Total
Construction / Acquisition of any assets	-	-	-	-	-	-
On the purpose of other then Above	15.00	-	15.00	7.51	-	7.51

50. The figures for the previous year have been regrouped and / or reclassified to conform to current year's classification.

51. Notice – Income Tax

The department has issued the notices u/s 143 (1) and 143 (3) seeking clarifications on certain points pertaining to the income and other ancillary issues related to the company for the A.Y.2023-2024. The company submitted its reply from time to time. Finally, the department has reassessed the income of the company for the A.Y.2023-2024 and found that the assessments submitted earlier was in order and closed the matter vide their letter dated 13.03.2025 with nil demand and penalty.

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, 2025.

3. Disclosure:

(I) Analytical Ratios

(a) Capital to Risk Assets Ratio (CRAR)

PARTICULARS	AS AT MARCH 31, 2025	AS AT MARCH 31, 2024
CRAR %	50.55%	54.65%
CRAR – Tier I capital %	50.11%	54.31%
CRAR – Tier II Capital %	0.44%	0.34%
Amount of subordinated debt raised as Tier II capital	-	-
Amount raised by issue of perpetual debt instruments	-	-
Unutilized amount at the end of the year	-	-

(b) Liquidity Coverage Ratio (LCR)

The Company was not required to comply with the guidelines on Liquidity Coverage Ratio (LCR) in line with Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 as at 31 March 2025.

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

The Company has transferred a sum of Rs. 283.76 Lakh (PY Rs. 229.42 Lakh) 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.230.40 Lakh (PY 158.14 Lakh) toward the reserve created under Section 36(1) (viii) of the Income Tax Act, 1961. Breakup of transfer of funds in both the reserves is as under: -

(INR in Lakh)

PARTICULARS	AS AT MARCH 31, 2025	AS AT MARCH 31, 2024
BALANCE AT THE BEGINNING		
a) Statutory reserve as per section 29C of the National Housing Bank Act, 1987	395.25	323.97
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	543.71	385.57
c) Total	938.96	709.54
ADDITION/APPROPRIATION/WITHDRAWALS DURING THE YEAR		
Add:		
a) Amount transferred as per section 29C of the National Housing Bank Act, 1987	53.36	71.28
b) Amount of special reserve u/s36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of statutory reserve u/s 29C of the National Housing Bank Act, 1987	230.40	158.14
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	448.61	395.25
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	774.12	543.71
c) Total	1,222.72	938.96

(III) Investments

(INR in Lakh)

PARTICULARS	AS AT MARCH 31, 2025	AS AT MARCH 31, 2024
1. VALUE OF INVESTMENT		
(i) Gross value of investment	-	-
(a) In India	848.88	801.23
(b) Outside India	-	-
(ii) Provision for depreciation	-	-
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investment	-	-
(a) In India	848.88	801.23
(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 31st, 2025 and As at March 31st, 2024.

(v) Disclosures relating to direct assignment / securitization transaction

During the current financial year, the Company has assigned a pool of certain loans amounting to ₹5,583.45 lakh (Previous Year: Nil) through a direct assignment transaction. The Company has not undertaken any securitization transactions during the year ended March 31, 2025, as well as during the year ended March 31, 2024.

Details of Assignment transactions undertaken by HFCs

PARTICULARS	MARCH 31, 2025	MARCH 31, 2024
(i) No. of accounts	639	-
(ii) Aggregate value (net of provisions) of accounts assigned	6,203.84	-
(iii) Aggregate consideration	5,583.45	-
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value (booked on upfront basis)	755.88	-

(vi) Asset liability management (ALM)

Maturity pattern of certain items assets and liabilities – As at March 31st, 2025

(INR in Lakh)

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 -TL	-	-	184.63	172.23	255.73	741.71	1,468.81	5,474.14	4,563.59	3,364.78	16,225.63
Borrowing from FI's – TL	168.54	13.61	291.39	535.49	535.68	1,622.75	3,175.79	10,661.48	4,887.88	-	21,892.60
Borrowing from FI's – NCD	-	-	47.62	47.62	47.62	142.86	560.71	1,416.57	-	-	2,263.00
Market Borrowing	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
ASSETS											
Advances	54.00	64.00	437.30	505.85	620.71	1,516.00	2,871.00	12,656.60	14,388.03	8,795.13	41,908.62
Investments	-	-	-	658.28	142.78	-	-	-	-	47.82	848.88
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Other Liquid Assets	7,313.31	602.97	525.79	-	-	12.99	-	171.31	174.94	1,605.26	10,408.25

Maturity pattern of certain items assets and liabilities – As at March 31st, 2024

(INR in Lakh)

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	20.00	-	150.10	176.23	530.22	901.98	1,611.49	5,233.07	4,718.26	3,968.18	17,309.53
Borrowing from FI's	25.76	12.01	226.19	303.91	303.39	885.21	1,777.75	6,003.95	2,368.55	-	11,906.72
Borrowing from FI's – NCD	-	-	47.62	47.62	47.62	142.86	285.71	1,582.86	659.39	-	2,813.68
Market Borrowing	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
ASSETS											
Advances	50.00	128.99	175.00	389.09	646.60	1,884.00	3,362.00	12,051.00	11,405.00	8,360.86	38,452.54
Investments	-	-	-	-	578.83	174.58	-	-	-	47.82	801.23
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Other Liquid Assets	1,879.34	-	3,714.06	610.62	-	1.01	622.10	889.06	466.50	370.97	8,553.65

(vii) Exposure

A. Exposure to real estate sector

(INR in Lakh)

CATEGORY		AS AT MARCH 31, 2025	AS AT MARCH 31, 2024
DIRECT EXPOSURE			
(i)	Residential Mortgages:		
	-Lending fully secured by Mortgages on Residential property that is or will be occupied by borrower or that is rented; (Individual Housing Loans up to Rs. 15.00 Lakh may be shown separately)	206,45.83	18,271.84
	-Individual Housing Loans up to Rs. 15.00 Lakh	205,64.11	19,368.20
(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.	28.56	39.97
(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)		412,38.50	37,680.01

B. Exposure to capital market

There is no exposure to capital market during the year ended as on March 31st 2025 and as on March 31st 2024.

C. Details of financing of parent company products

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

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

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

E. Unsecured loans

There is exposure of Rs. 556.04 Lakh during the year ended March 31st, 2025 and Rs. 610.28 Lakh during the year ended March 31st, 2024.

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, 2025	AS AT MARCH 31, 2024
a) Penalty		
Penalty if any levied by National Housing Bank	Nil	Nil
Penalty if any levied by SEBI	Nil	Nil
b) Adverse Remarks		
Adverse remarks if any given by national housing bank	Nil	Nil
c) Percentage of outstanding loans granted against collateral gold jewellery to their outstanding assets	Nil	Nil

(iii) Related Party transaction

Details of all material transactions with related parties are disclosed in Note 27.

(iv) Ratings assigned by credit rating agency and migration of ratings:

As on 31.03.2025

FACILITY	RATING AGENCY	AS AT MARCH 31, 2025	DATE OF RATING
Long term-Bank Loan	Care Rating Limited	CARE BBB / Stable	28-10-2024
Long term-NCD	India Rating & Research Private Limited	IND BBB / Stable	09-05-2024
Long term-Bank Loan	India Rating & Research Private Limited	IND BBB / Stable	09-05-2024

As on 31.03.2024

FACILITY	RATING AGENCY	AS AT MARCH 31, 2024	DATE OF RATING
Long term-Bank Loan	Care Rating Limited	CARE BBB / Stable	25-10-2023
Long term-NCD	India Rating & Research Private Limited	IND BBB / Stable	10-05-2023
Long term-Bank Loan	India Rating & Research Private Limited	IND BBB / Stable	27-04-2023

(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) Consolidated Financial Statements (CFS)

There are no group company to be consolidated, and accordingly, is not required to prepare consolidated financial statement as per Ind AS 110- "Consolidated Financial Statements".

5. Additional Disclosures**i) Provisions and contingencies**

(INR in Lakh)

PARTICULARS	AS AT MARCH 31, 2025	AS AT MARCH 31, 2024
Provisions for depreciation on investment	-	-
Provisions made towards income tax	55.01	136.99
Provisions towards non-performing assets	188.49	183.66
Provisions for standard assets	198.10	65.99
Other provisions and contingencies	2.55	6.04

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 has been recomputed as per the requirements

ii) Break up of loans and advances and provisions thereon

(INR in Lakh)

PARTICULARS	HOUSING LOAN		NON-HOUSING LOAN	
	AS AT MARCH 31, 2025	AS AT MARCH 31, 2024	AS AT MARCH 31, 2025	AS AT MARCH 31, 2024
STANDARD ASSETS				
Total outstanding	32,582.75	31,261.85	8,442.65	6,455.87
Provisions	150.99	57.12	47.11	8.87
SUB-STANDARD ASSETS				
Total outstanding	273.29	243.27	59.47	15.28
Provisions	63.47	79.35	13.08	3.97
DOUBTFUL ASSETS-CATEGORY-I				
Total outstanding	233.40	138.77	10.35	8.76
Provisions	58.57	47.04	2.59	3.94
DOUBTFUL ASSETS-CATEGORY-II				
Total outstanding	183.88	166.48	8.76	-
Provisions	46.83	49.36	3.94	-
DOUBTFUL ASSETS-CATEGORY-III				
Total outstanding	-	-	-	-
Provisions	-	-	-	-
LOAN ASSETS				
Total outstanding	-	-	-	-
Provisions	-	-	-	-
TOTAL				
Total outstanding	33,273.32	31,810.38	8,521.22	6,479.91
Provisions	319.87	232.86	66.72	16.79

Note:

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

PERIOD FOR WHICH THE ASSETS HAS BEEN CONSIDER AS DOUBTFUL	CATEGORY
Upto one year	Category-I
One to three years	Category-II
More than three years	Category-III

3. As per RBI Direction regarding computation of GNPA and NNPA, these have been computed as per the IND-AS standard. Comparative figure for the previous year has been recomputed as per the requirements.

(iii) Draw Down from Reserves

Draw down of Rs. Nil from reserves during the year ended March 31, 2025 (P.Y. NIL).

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

(INR in Lakh)

SR.NO	PARTICULARS	AS AT MARCH 31, 2025	AS AT MARCH 31, 2024
1.	Concentration of public deposits (for public deposit taking/holding HFCs)	-	-
2.	Concentration of loans and advances		
	Total advances to twenty largest borrowers	645.39	1700.19
	Percentage of advances to twenty largest borrowers to total advances of the HFC	1.54%	1.83%
3.	Concentration of all exposures (including off-balance sheet exposures)		
	Total exposure to twenty largest borrowers/customers	722.35	739.95
	Percentage of exposures to twenty largest borrowers/customers to total exposure of the HFC on borrowers/customers	1.39%	1.73%
4.	Concentration of NPAs		
	Total exposure to top ten NPA accounts	208.61	151.92

*Advances represent the outstanding balances as at the respective year end

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

v) Sector wise NPA

PARTICULARS	% OF NPAs TO TOTAL ADVANCES IN THAT SECTOR AS AT MARCH 31, 2025	% OF NPAs TO TOTAL ADVANCES IN THAT SECTOR AS AT MARCH 31, 2024
A. HOUSING LOANS:		
Individuals	2.08%	1.72%
Builders/project loans	-	-
Corporate	-	-
Others (specify)	-	-
B. NON HOUSING LOANS:		
Individuals	0.92%	0.37%
Builders/project loans	-	-
Corporate	-	-
Others (specify)	-	-

vi) Movement of NPAs

(INR in Lakh)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
(I) Net NPAs to Net Advances (%)	1.40	1.02
(II) Movement of NPAs (Gross)		
a) Opening Balance	572.57	381.01
b) Additions during the year	469.86	284.74
c) Reductions during the year	273.29	93.18
d) Closing Balance	769.14	572.57
(III) Movement of Net NPAs		
a) Opening Balance	388.90	282.33
b) Additions during the year	364.49	185.81
c) Reductions during the year	172.74	79.24
d) Closing Balance	580.65	388.90
(IV) Movement of Provisions for NPAs (excluding provisions on standard assets)		
a) Opening Balance	183.66	98.60
b) Provisions made during the year	4.83	85.06
c) Closing Balance	188.49	183.66

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 has 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, 2025 and as at March 31, 2024 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, 2025 and as at March 31, 2024.

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

PARTICULARS	YEAR ENDED AS AT MARCH 31, 2025	YEAR ENDED AS AT MARCH 31, 2024
a) No. of complaints pending at the beginning of the year	-	-
b) No. of complaints received during the year	-	-
c) No. of complaints redressed during the year	-	-
d) No. of complaints pending at the end of the year	-	-

*as per the records of the company

6. Liquidity Risk Management Framework

(I) Funding Concentration based on significant counterparty (Borrowings)

PARTICULARS	AS AT MARCH 31, 2025	AS AT MARCH 31, 2024
Number of significant counter parties	4	2
Amount	22,185.53	14,211.59
Percentage of funding concentration to total liabilities*	53.96%	39.78%

* Total liabilities excludes net worth

(II) TOP 20 LARGE DEPOSITS

PARTICULARS	AS AT MARCH 31, 2025	AS AT MARCH 31, 2024
Total amount of top 20 deposits	NA	NA
Percentage of amount of top 20 deposits to total deposits	NA	NA

(III) TOP 10 BORROWINGS

PARTICULARS	AS AT MARCH 31, 2025	AS AT MARCH 31, 2024
Total amount of top 10 borrowings	33,131.89	27,430.78
Percentage of amount of top 10 borrowings to total borrowings	82.05%	85.64%

(IV) FUNDING CONCENTRATION BASED ON SIGNIFICANT INSTRUMENT/PRODUCT

PARTICULARS	AS AT MARCH 31, 2025	PERCENTAGE OF TOTAL LIABILITIES*	AS AT MARCH 31, 2024	PERCENTAGE OF TOTAL LIABILITIES*
Borrowings from Banks & FI's	32,463.24	80.39%	22,265.88	62.32%
Borrowings from National Housing Bank (NHB)	5,654.99	14.00%	6,950.37	19.45%
Debt securities	2,263.00	5.60%	2,813.68	7.87%

* Total liabilities exclude net worth

(V) STOCK RATIO

STOCK RATIO	PERCENTAGE
Commercial papers as a % of total liabilities	-
Commercial papers as a % of total assets	-
Non-convertible debentures (original maturity of less than one year) as a % of total liabilities.	-
Non-convertible debentures (original maturity of less than one year) as a % of total assets	-
Other short-term liabilities as a % of total liabilities	25.44%
Other short-term liabilities as a % of total assets	18.85%

(vi) Institutional set-up for liquidity risk Management

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

The Liquidity Risk Management (LRM) of the company is governed by the LRM Policy approved by the Board. The Asset Liability Committee (ALCO) is responsible for implementing and monitoring the liquidity risk management strategy of the company in line with its risk management objectives and ensures adherence to the risk tolerance/limits set by the Board. Refer note no. 33 of standalone financials statement

7. Loans against security of shares- Not Applicable

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

9. In compliance with the RBI circular no. RBI/2019-20/170, DOR (NBFC) C.C.PD No. 109/22.10.106/2019-20 dated 13.03.202 the additional disclosure in the prescribed format is appended below:

(INR in Lakh)

ASSET CLASSIFICATION AS PER RBI NORMS	ASSET CLASSIFICATION AS PER IND AS 109	GROSS CARRYING AMOUNT AS PER IND AS	LOSS ALLOWANCES (PROVISIONS) AS REQUIRED UNDER IND AS 109	NET CARRYING AMOUNT	PROVISIONS REQUIRED AS PER IRACP NORMS	DIFFERENCE BETWEEN IND AS 109 PROVISIONS AND IRACP NORMS
1	2	3	4	(5) = (3) - (4)	6	(7) = (4) - (6)
PERFORMING ASSETS						
Standard	Stage 1	39,386.62	115.68	39,270.94	110.94	4.74
	Stage 2	1,638.78	82.42	1,556.35	4.44	77.99
Subtotal	-	41,025.40	198.10	40,827.30	115.37	82.73
NON-PERFORMING ASSETS (NPA)						
Substandard	Stage 3	332.75	76.56	256.20	49.91	26.64
Doubtful - up to 1 year	Stage 3	243.75	61.16	182.59	60.94	0.22
1-3 years	Stage 3	192.64	50.77	141.87	77.06	(-26.28)
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		436.39	111.93	324.46	137.99	(-26.06)
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		769.14	188.49	580.65	187.91	0.58
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		-	-	-	-	-
Total	Stage 1	39,386.62	115.68	39,270.94	110.94	4.74
	Stage 2	1,638.78	82.42	1,556.35	4.44	77.99
	Stage 3	769.14	188.49	580.65	187.91	0.58
	Total	41,794.54	386.59	41,407.95	303.28	83.31

10. SCHEDULE TO THE BALANCE SHEET OF AN HFC

PARTICULARS		(INR IN LAKH)	
LIABILITIES SIDE		AMOUNT OUTSTANDING	AMOUNT OVERDUE
(1)	Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:		
	Debentures : Secured	2,263.00	-
a)	: Unsecured	-	-
	(other than falling within the meaning of public deposits*)	-	-
b)	Deferred Credits	-	-
c)	Term Loans	38,118.23	-
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	40,877.14	
b)	Unsecured	644.89	
(4)	Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities		
(i)	Lease assets including lease rentals under sundry debtors		
a)	Financial lease	-	
b)	Operating lease	-	
(ii)	Stock on hire including hire charges under sundry debtors		
a)	Assets on hire	-	
b)	Repossessed Assets	-	
(iii)	Other loans counting towards asset financing activities		
a)	Loans where assets have been repossessed	-	
b)	Loans other than (a) above	-	

(5)	Break-up of Investments		
	Current Investments		
1.	Quoted		
	i)	Shares	-
		(a) Equity	-
		(b) Preference	-
	ii)	Debentures and Bonds	-
	iii)	Units of mutual funds	-
	iv)	Government Securities	-
	v)	Others (please specify)	-
2.	Unquoted		
	i)	Shares	-
		(a) Equity	-
		(b) Preference	-
	ii)	Debentures and Bonds	-
	iii)	Units of mutual funds	-
	iv)	Government Securities	-
	v)	Others (please specify)	-
Long Term investments			
	1.	Quoted	
		i)	Shares
			(a) Equity
			(b) Preference
		ii)	Debentures and Bonds
		iii)	Units of mutual funds
		iv)	Government Securities
		v)	Others (please specify)
	2.	Unquoted	
		i)	Shares
			(a) Equity
			(b) Preference
		ii)	Debentures and Bonds
		iii)	Units of mutual funds
		iv)	Government Securities
		v)	Others (Alternate Investment Fund)

(6) Borrower group-wise classification of assets financed as in (3) and (4) above: (Please see Note 2 below)				
Category		Amount net of provisions		
1.		Secured	Unsecured	Total
	Related Parties **			
a)	Subsidiaries	-	-	-
b)	Companies in the same group	-	-	-
c)	Other related parties	-	-	-
2.	Other than related parties	40,877.14	644.89	41,522.03
TOTAL		40,877.14	644.89	41,522.03

(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	142.78	40.00	
2.	Other than related parties	706.10	706.28	
TOTAL		848.88	746.28	

** 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	769.14		
(ii)	Net Non-Performing Assets			
a)	Related parties	-		
b)	Other than related parties	580.65		
(iii)	Assets acquired in satisfaction of debt	-		

Notes:

- As defined in Paragraph 4.1.30 of these Directions.
- Provisioning norms shall be applicable as prescribed in these Directions.
- 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 31,2025
Total Assets	55,500.10
Less: Intangible assets	274.29
Net total Assets	55,225.81
Housing Finance	33,273.32
Individual Housing Finance	33,244.76
Percentage of housing finance to total assets (netted off intangible assets)	60.25%
Percentage of individual housing finance to total assets (netted off intangible assets)	60.20%
Percentage of individual housing finance to housing finance	99.91%

12. Disclosures required by the RBI vide Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs dated 22 October 2021 – The Company falls under the Middle layer.

1) Sectoral exposure

(INR in Lacs)

SECTORS	CURRENT YEAR			PREVIOUS YEAR		
	TOTAL EXPOSURE (INCLUDES ON BALANCE SHEET AND OFF-BALANCE SHEET EXPOSURE)	GROSS NPAs	PERCENTAGE OF GROSS NPAs TO TOTAL EXPOSURE IN THAT SECTOR	TOTAL EXPOSURE (INCLUDES ON BALANCE SHEET AND OFF-BALANCE SHEET EXPOSURE)	GROSS NPAs	PERCENTAGE OF GROSS NPAs TO TOTAL EXPOSURE IN THAT SECTOR
1. Agriculture and Allied Activities	-	-	-	-	-	-
2. Industry	-	-	-	-	-	-
3. Services	-	-	-	-	-	-
4. Personal Loan						
i. Project /Builder Loans	28.56	-	0.00%	39.97	-	0.00%
ii. Housing Loans	42,268.05	690.56	1.63%	35,341.94	548.53	1.55%
iii. Non-Housing Loans	9,773.17	78.58	0.80%	7,304.48	24.04	0.33%
Total of Personal Loan	52,069.78	769.14	1.48%	42,686.39	572.56	1.34%
5. Others, if any	-	-	-	-	-	-

2) Breach of Covenants

The Company has complied with the covenants under the terms of major borrowing facilities throughout the year ended 31st March 2025 and 31st March 2024.

3) Divergence in Asset Classification and Provisioning

The last inspection of the regulator for the year ended 31.03.2023 & 31.03.2024 conducted on between 22.07.2024 to 29.07.2024. The regulator has indicated no divergence in asset classification and provisioning.

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

Sd/-
CA Rupesh Pachori
Partner
Membership No. 427929
UDIN: 25427929BMINGL3371

Place: Mumbai
Date: 07-05-2025

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
Kalpesh Dave
CEO & Director
DIN: 08221964

Sd/-
Natesh Narayanan
CFO

Sd/-
Kavish Jain
Director
DIN: 02041197

Sd/-
Shreyas Mehta
Company Secretary
M.No. A38639



REGISTERED & CORPORATE OFFICE



+91 8828036610 | info@starhfl.com



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