

AKME STAR HOUSING FINANCE LIMITED

N.H.B. Registration No. 12.0080.09
CIN: L45201RJ2005PLC020463



Akme Business Center (ABC)
4-5, Subcity Centre, Savina Circle
Udaipur - 313 002 (Rajasthan)
Phone : (0294) 2489501 - 02
E-mail : akmestarring@yahoo.com

Ref. No.

Date :

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

DATE: 30.08.2019

TO
BSE LIMITED,
P.J. TOWERS, DALAL STREET, FORT
MUMBAI-400 001

SUB: NOTICE OF 14th ANNUAL GENERAL MEETING (AGM) AND ANNUAL REPORT 2018-19 OF AKME STAR HOUSING FINANCE LIMITED.

Dear Sir,

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

- 1) The 14th Annual General Meeting of the Company to be held on Saturday 21st September, 2019 at 11.30 A.M. at Kaya Valley Resort, National Highway 8, behind Kaya Jain temple, Udaipur (Raj).

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. We are submitting herewith the Annual Report along with the Notice of the Annual General Meeting for the financial year 2018-19

- 2) Register of Members & Share Transfer Books of the Company will remain closed from 14th September, 2019 to 21st September, 2019 (both days inclusive) for the purpose of 14th Annual General Meeting (AGM) of the Company to be held on 21st September, 2019.
- 3) The Company has fixed 13th September, 2019 as the cut-off date for the purpose of remote e-voting, for ascertaining the names of the Shareholder's, holding shares either in physical form or in dematerialized form, who will be entitled to cast their votes electronically during 18th September, 2019 (10.00 A.M) to 20th September, 2019 (05.00 P.M) in respect of the businesses to be transacted at the 14th AGM of the Company.

You are requested to take a note of the same.

Thanking you,

FOR, AKME STAR HOUSING FINANCE LIMITED


ASHISH JAIN
MANAGING DIRECTOR
DIN: 02041164

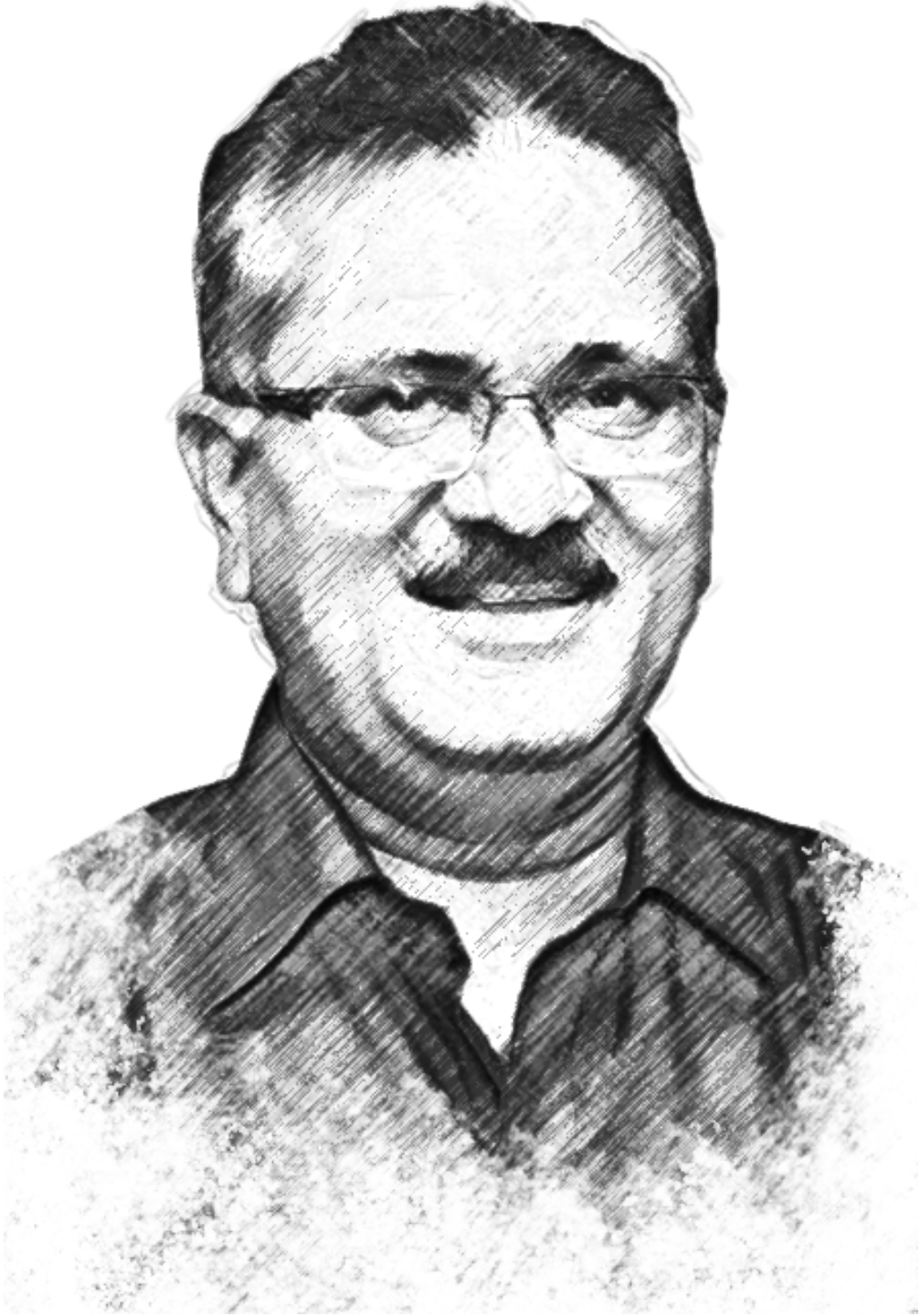




**AKME STAR
HOUSING
FINANCE
LIMITED**

**14th
ANNUAL
REPORT**

2019



in the loving memory of

Dr. Mohan Lal Nagda

Founder Chairman and Managing Director

Corporate Information of ASHFL

BOARD OF DIRECTORS

Mr. Ashish Jain
Chairman & Managing Director

Mr. Nirmal Kumar Jain
Executive Director

Mr. Kalu Lal Jain
Executive Director

Mr. Amrit Singh Rajpurohit
Independent Director

Mr. Suresh Chandra Gupta
Independent Director

Dr. Rekha Jain
Independent Director

KEY MANAGERIAL PERSONNEL

Mr. Bhanwar Singh Kachhawaha
Chief Financial Officer

Mr. Paritosh Kothari
Company Secretary

BANKERS

Bank of Baroda (BOB)
Main Branch, Town hall, Udaipur 313001

State Bank of India
Sme Branch, 4-C, Riddhi Siddhi Complex,
Madhuban Udaipur

Au Small Finance Bank Limited
19-A Dhuleshwar Garden Jaipur

STATUTORY AUDITORS

HR Jain & Co.
310-313 Arihant plaza, Near State bank of
India Udaipole, Udaipur 313001
M. No.: 9785390875
E Mail : hrjainca@gmail.com

REGISTRAR AND TRANSFER AGENTS

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

REGISTERED OFFICE

Akme Business Center
4-5 Subcity Center, Savina Circle,
Udaipur 313002
Tel: 0294-2489501
Email: compliance@akmestarihfc.in

CORPORATE OFFICE

Unit No. 708, Accord Classic, Station
Road, Jayprakash Nagar, Goregaon, East
Mumbai - 400063 (Maharashtra)

STOCK EXCHANGES

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400,001

SECRETARIAL AUDITOR

Ronak Jhuthawat & Co.
328, Samriddhi Complex , 3rd Floor,
Above Udaipur Urban Co operative
Bank, Opp Krishi Upaz mandi, Sector 11
Main Road Udaipur 313001
Tel: +91-9887422212
Email Id: csronakjhuthawat@gmail.com

DEPOSITORIES

**National Securities Depository
Limited (NSDL)**
Trade World, 4th Floor, Kamala Mills,
Compounds, Senapati Bapat Marg,
Lower Parel, Mumbai-400,013

**Central Depository Services Limited
(CDSL)**
17th floor, P J Towers, Dalal Street,
Mumbai 400001

CHRONICLE:

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▶ **FULFILLING
DREAM OF
OWN HOMES**



The journey of a thousand miles begins with a single step...

Corporate Snapshot

Portrait of ASHFL

AKME has been engaged in specialized retail financing services for over one decade. Catering to the financial needs of lower income and middle-income groups of society, ASHFL offers a range of retail financing products for Home Loans, Purchase and sale of flats, House, Property, Construction loan, repair and renovation of property, Extension of Existing Units, Mortgage Loan, Project Loan with a presence across urban, semi-urban and rural areas, the Company provides credit solutions for both the formal and informal sectors, with its network of 20+ branches, as at end March 2019, ASHFL caters to over 5,000 clients in more than 20 centers, in an endeavour to fulfill its quest to take top-class services to the doorstep of the people of India. These touch points are spread across the states of Gujarat, Maharashtra, Rajasthan & Madhya Pradesh,

Targeting a significant market share of the financial services space, ASHFL has been putting in place systems and processes that enable the Company to expand its distribution and assess various perspectives of credibility, in the absence of proper and systematic credit documents, including creditworthiness through other channels. It also leverages the distribution network of its partner franchisees, thus tapping the emerging opportunity by extending financial services to underpenetrated regions.

We at ASHFL are committed to deliver the services as per following values to our customers:

- Disseminating affordably priced financial services to customers and locations most in need of them, in a timely manner.
- Customizing product offerings and solutions to meet customers' requirements.
- Our governance structure is driven by a highly focused management team, guided by a distinguished Board profile.
- To assure that Customers are utmost satisfied under the home buying process.
- Making Housing Finance affordable and convenient.

Steps towards "Affordable Housing"

We stepped forward in the direction of 'Housing for All by 2022' to mingle our vision with the vision of the Government of India. ASHFL is putting its efforts in converting dream of numerous Indian's from the Rural & semi urban area into the reality. The Company is associated with the other organizations that are engaged in "Affordable Housing Projects."

Key Strength

Caters to a wide base of Borrowers

ASHFL has been catering to the needs of the vast financially underserved masses of the country, both in the formal and informal sectors of the urban, semi-urban and rural areas across seven states. This presents a colossal opportunity to expand its presence and business.

Growing range of Lending Products

Over the past 10 years ASHFL has created a diversified portfolio of loan products, which include for Micro Enterprises and Small and Medium Enterprises, Home Loans.

Efficient Liability Management

ASHFL enjoys an efficient cost of borrowing on Term Loans and Cash Credit. Side by side, the Company ensures robust Tier I and Tier II CRAR.

Strong Retail Presence and Wide Distribution Network

ASHFL believes in offering best-in class services at the doorstep of its customers. Powered by this mission, it has set up a robust retail network that expands even into the hinterlands.

Achieved Consistent Growth

Irrespective of economic cycles and other external factors, ASHFL has delivered consistent growth in profitability and returns over the years. Alongside stellar growth in the AUM, the GNPA's and NPA's have remained negligible.

MISSION

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

VISION

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

CORE VALUE



Seeking Excellence

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



Accountability & Ownership

Accountability is all about answerability; the willingness to accept a task and be responsible for completing it to the best of one's abilities. Ownership, on the other hand, requires not only taking onus of the task at hand, but responsibility for the outcome of it, whatever that may be. While workloads and responsibilities are often shared at ASHFL, 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 ASHFL 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 ASHFL, we feel that positive, constructive and efficient collaboration can ensure success.



Integrity

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



Nurturing Lives

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

OUR OFFERINGS

Home Loan

A. Purchase of Flats/Houses

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

B. Renovation of Existing Units

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

C. Extension of Existing Units

To extend the house for any reason, we do provide extension loan plan for

individuals, corporate in this scheme. This scheme is available even for a small bedroom, a balcony or roof top etc.

D. Purchase of Plot for Construction of houses.

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

Mortgage Loan

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

Project Loan

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

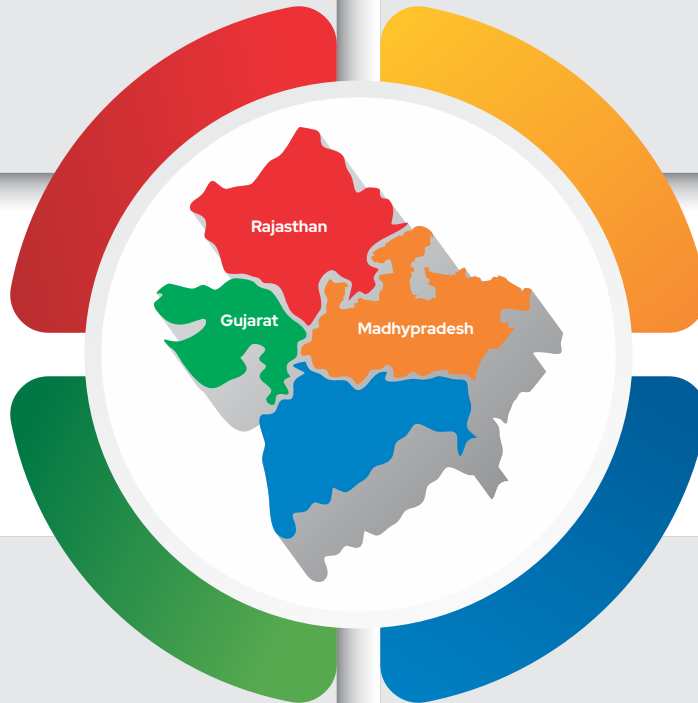
GEOGRAPHICAL SPREAD

Rajasthan

Udaipur, Banswara, Sirohi,
Dungarpur, Chittorgarh,
Pratapgarh, Rajsamand,
Covering 21 Districts

Madhypradesh

Indore, Ratlam,
Neemuch, Nagda,
Ujjain



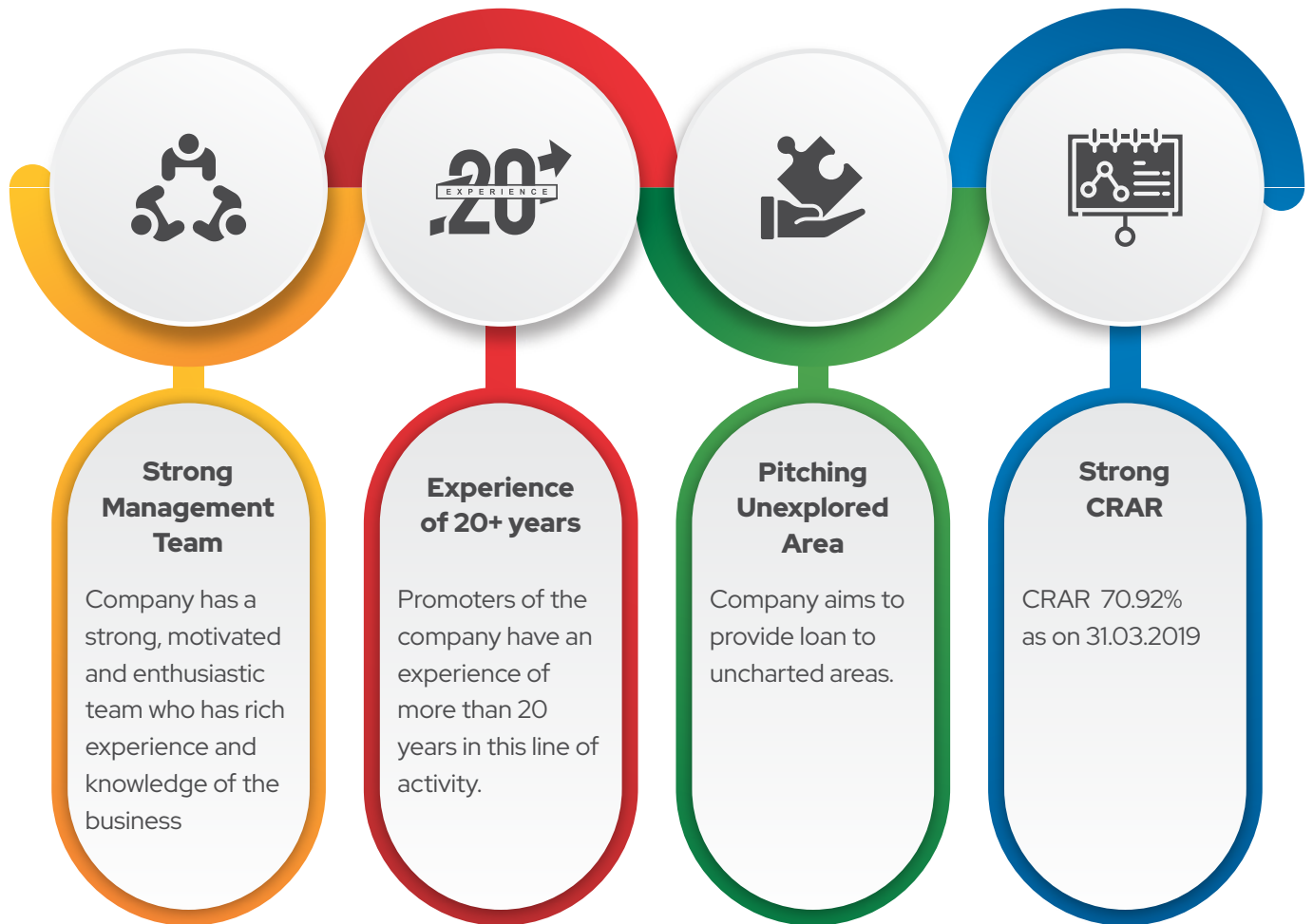
Surat,
Ahmedabad,
Himmatnagar,
Baroda

Gujarat

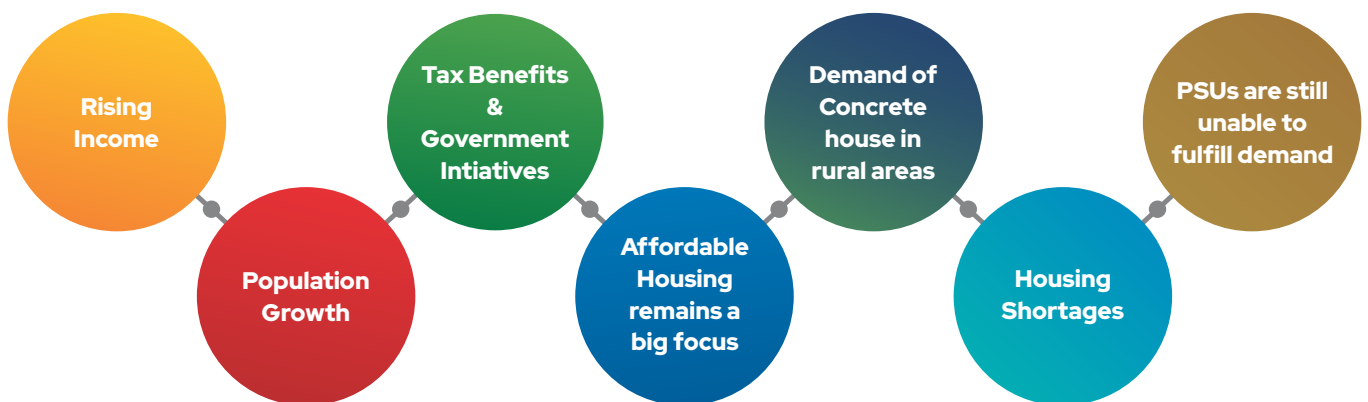
Mumbai,
Nasik,
Navi Mumbai,
Pune

Maharashtra

STRENGTHS

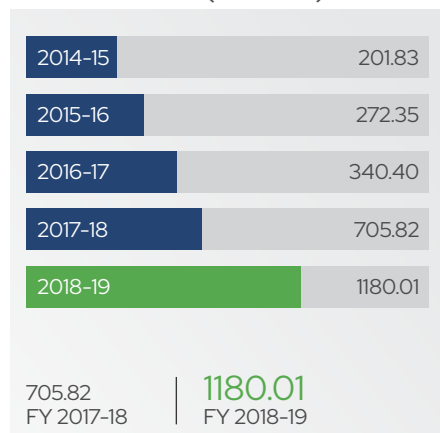


FACTORS DRIVING HOUSING FINANCE COMPANIES

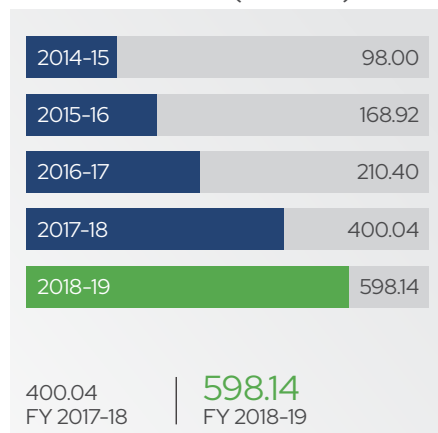


KEY FINANCIAL HIGHLIGHTS

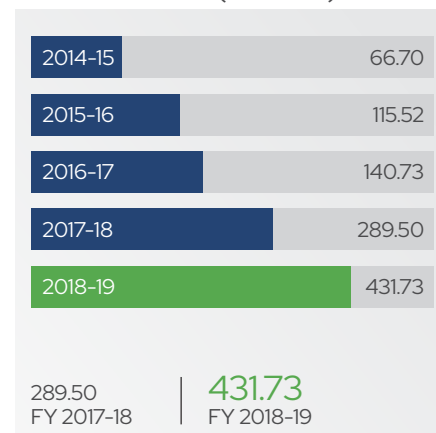
Gross Revenue (₹ in Lacs)



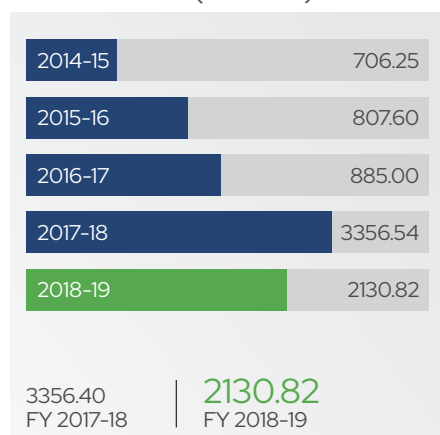
Profit Before Tax (₹ in Lacs)



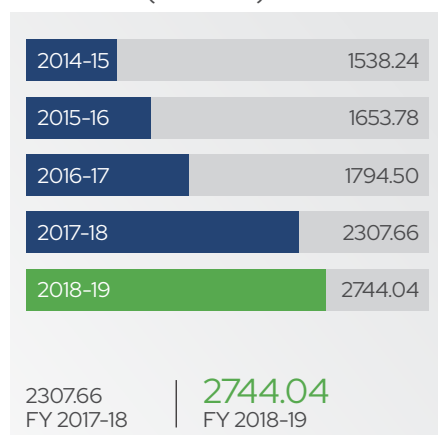
Profit After Tax (₹ in Lacs)



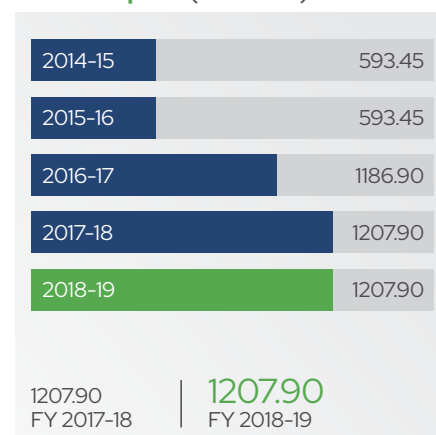
Disbursement (₹ in Lacs)



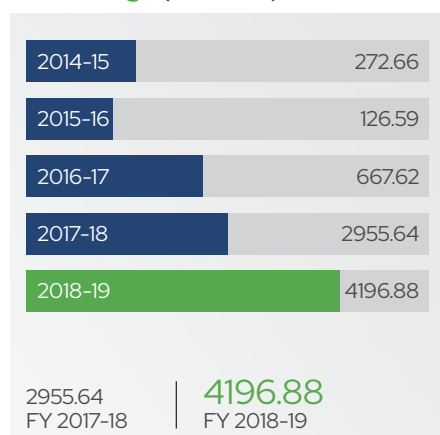
Net Worth (₹ in Lacs)



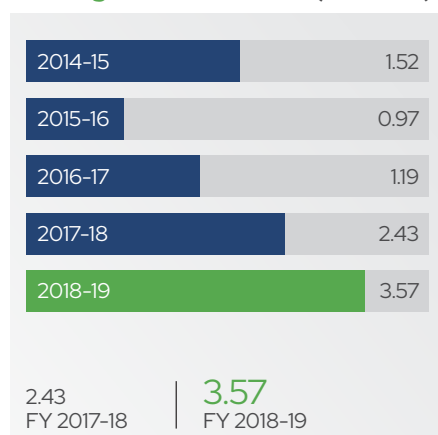
Share Capital (₹ in Lacs)



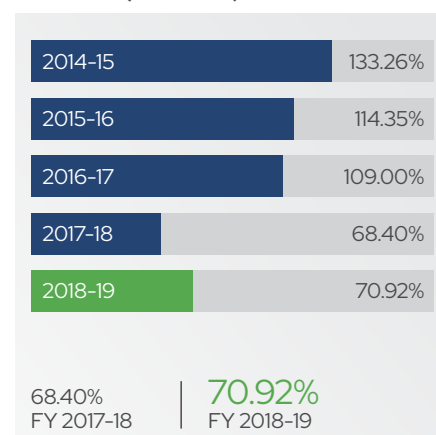
Borrowings (₹ in Lacs)



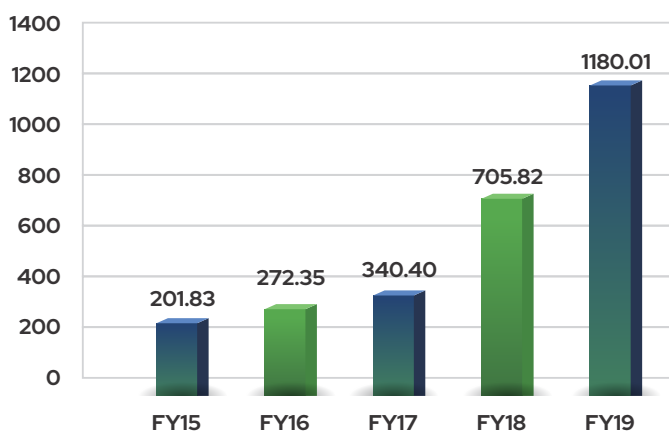
Earning Per Share Basic (₹ in Lacs)



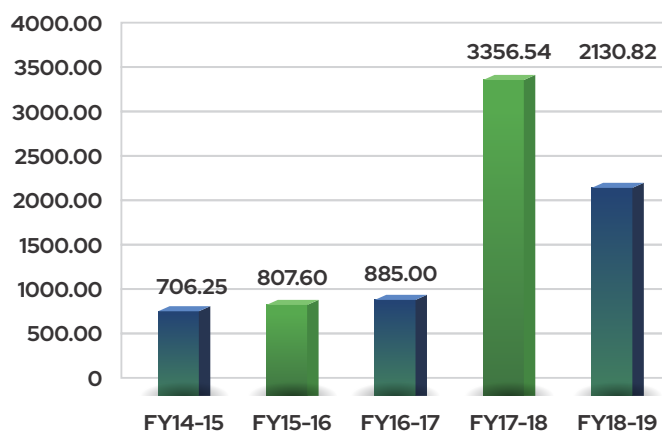
CRAR % (₹ in Lacs)



Gross Revenue (₹ in Lacs)

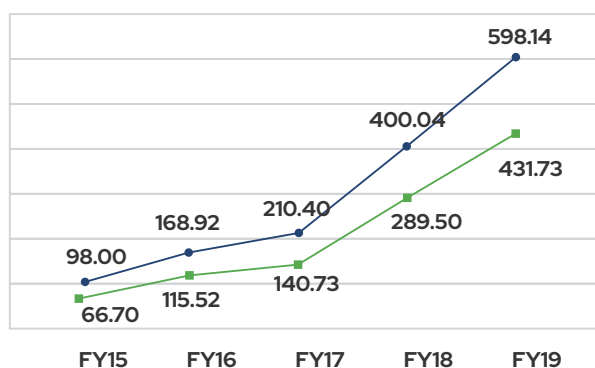


Disbursement (₹ in Lacs)

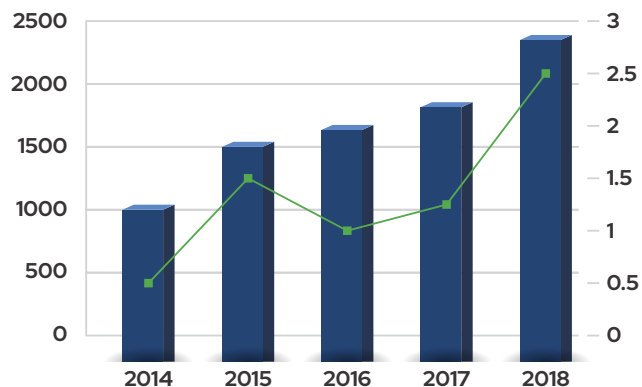


PAT-PBT (₹ in Lacs)

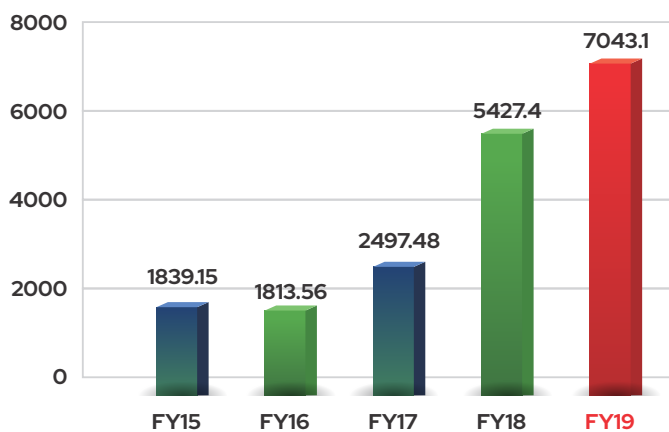
● PAT (₹ in Lacs) ■ PBT (₹ in Lacs)



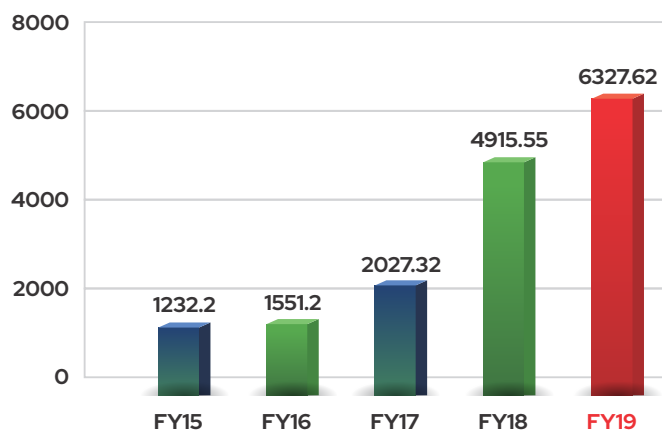
Shareholder's Fund & Earning per share



Total Assets

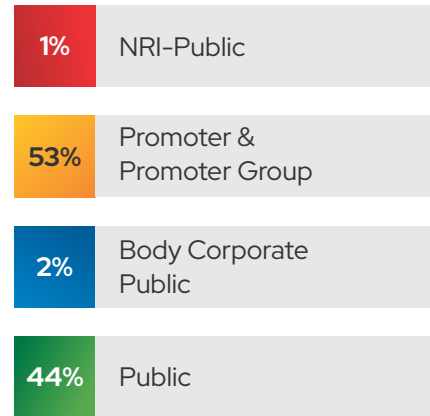
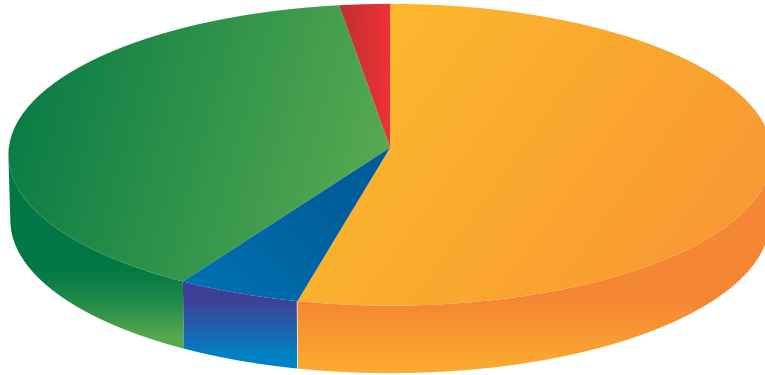


Loan Assets

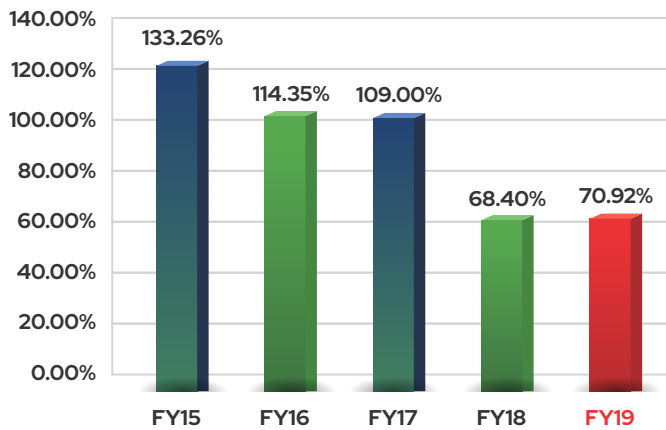


Shareholding as on March, 2019

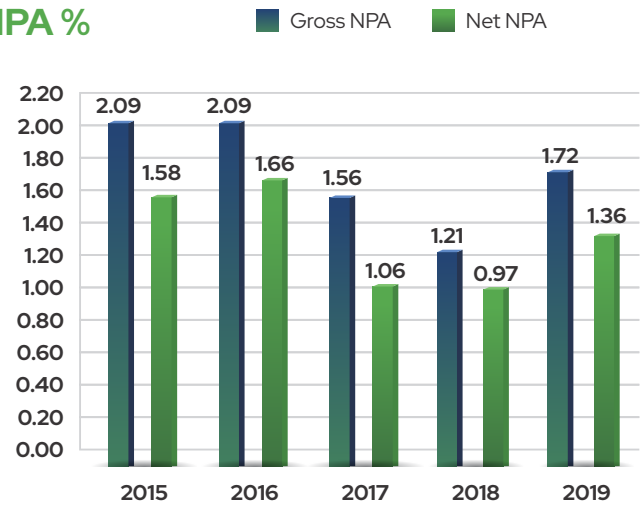
Holding (in %)



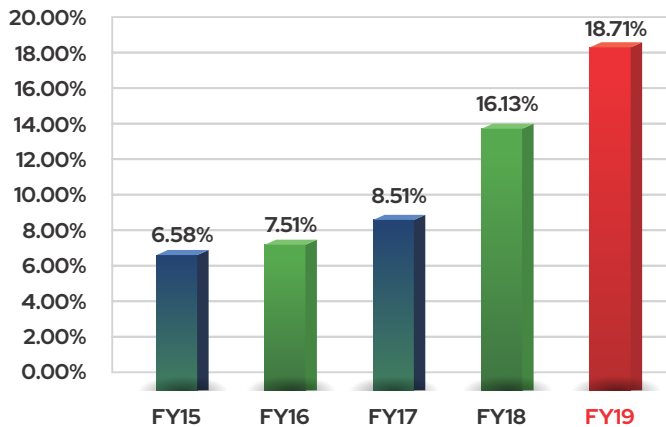
CRAR %



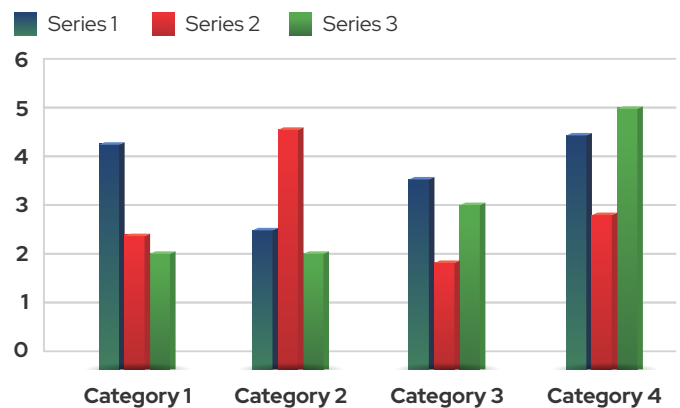
NPA %

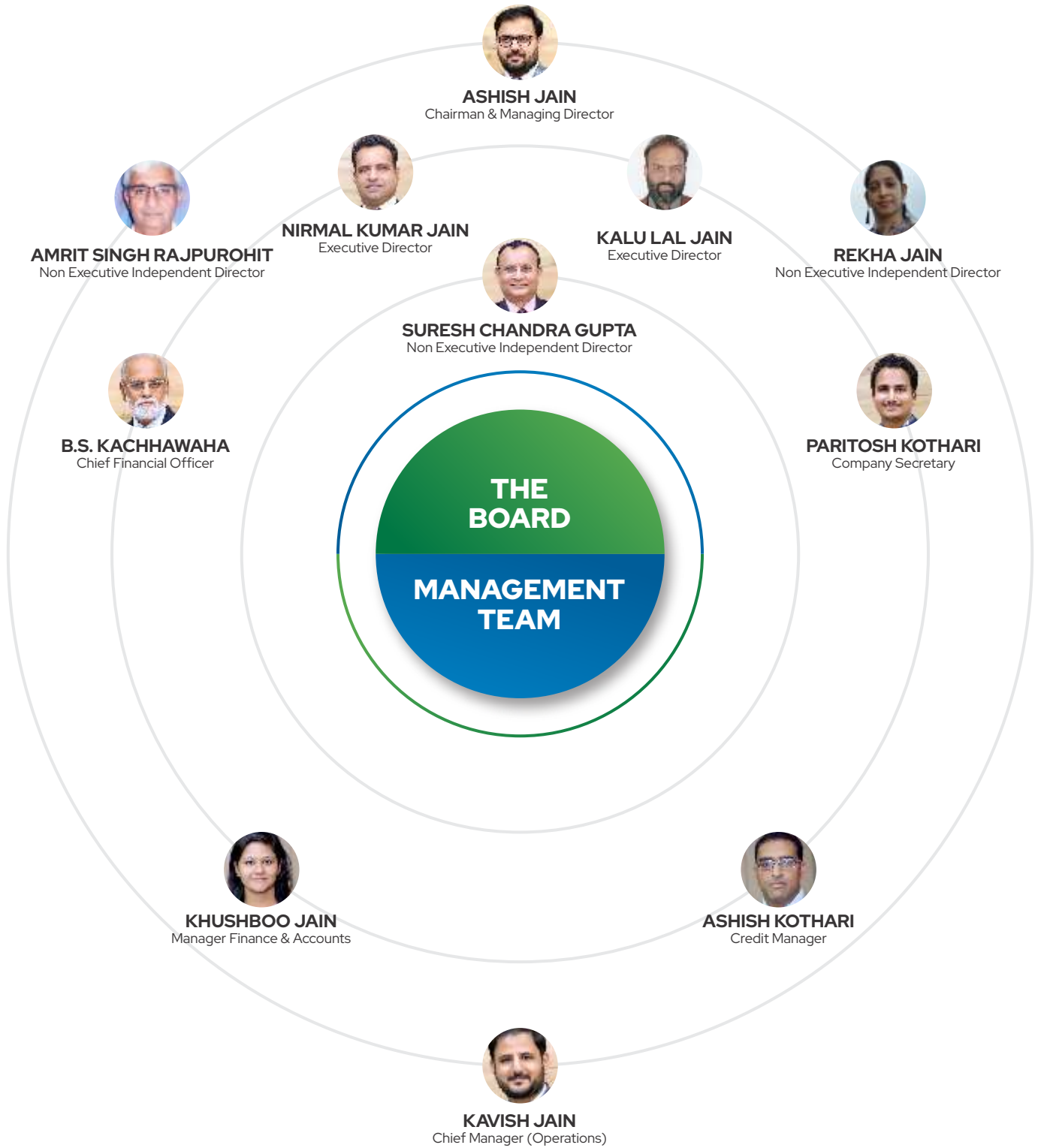


Return on Equity



Shareholder's Fund & Earning per share







Mr. Ashish Jain

Chairman & Managing Director

(DIN: 02041164)

Mr. Ashish Jain, aged 34 years, is the Managing Director & Chairman of the Company. He is a qualified Engineer from University of Pune. He did his Masters in Logistic and Supply Chain Management from University of Nottingham, UK. After finishing his Masters' in year 2011 he joined Akme Star Housing Finance Limited as Credit and Field Officer. During his tenure as Credit officer he undertook several reforms in credit appraisal and field investigation. After that in year 2014 he was appointed as Chief Financial Officer of the Company. Later on he became Board Member and appointed Director in the Company in year 2017. Looking into his work and dedication he was appointed Managing Director cum Chairmen of the Company in year 2018. His understanding and vision is among the key for consistent performance of the Company. His hard work, immaculate working and determination to excel; accompanied by dedicated support from the management, has provided excellent results for the Company.

“Growth is never by mere chance; it is the result of forces working together.”



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

Mr. Nirmal Kumar Jain, age 52 Years, is the Promoter and Executive Director of the Company. He is a first generation entrepreneur, a Chartered Accountant more than two decades business experience He along with other promoters of Groups have started groups operation through its company M/s Akme Fintrade (India) Limited which was incorporated in the year 1996. Due to his hard work and dedicated efforts Akme Star Housing got license from NHB. He is also awarded as "Business Leader Corporate 2nd Rank by Institute of Chartered Accountants of India and the Mahaveer Yuva Sansthan Udaipur given honor as "YUVA GAURAV in 2012. His long vision encourage us and we were able to set up our business in other states of Country. His Contribution towards social work and development of society is immeasurable. He is also awarded by various organisation and societies.



Mr. Kalu Lal Jain
Executive Director
 (DIN: 00451442)

Mr. Kalu Lal Jain, age 49 Years, is the Promoter and Director of our Company. He is a highly acclaimed dignitary of the city having vast experience of real estate market since 1986. He actively looks after the housing finance division of the company and has adequate experience of activities allied thereto.



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

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



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

Mrs. Rekha Jain, age 39 years, is the Non executive & Independent Director of our Company. She is social activist and having more than 15 years of experience. She is associated with the Company from last 2 years.



Mr. Suresh Chandra Gupta
Non Executive Director
 (DIN: 08527990)

Mr. Suresh Chandra Gupta, age 60 years, is the non executive and Independent Director of our Company, He is Expertise in Banking Sector and having experience of more than 35+ years and retired as Bank Manager from RMGB.

BRIEF PROFILE OF MANAGEMENT TEAM



Mr. B. S. Kachhawaha
Chief Financial Officer
(CFO)

Mr B. S. KACHHAWAHA is the Chief Financial Officer of our Company. With an illustrious career spanning more than 35 years behind him, Mr. Kachhawaha a career banker with a difference – his rich experience across the Banking & Financial Services industries has also witnessed his ability to oscillate between micro and macro-level thinking. He is commerce graduate from Rajasthan university and is a Certified Associate of Indian Institute of Bankers With his unparalleled first-hand exposure to a spectrum of banking activities such as retail banking & sales, credit & collection, branch operations, leading CASA & sales teams, RBI compliances and many more, He is associated with the Company since 2017. He presently heads our finance and treasury, compliance, budget and analytics departments. . He has been instrumental in bringing about the policies of the company with regard to advances, recovery, etc. He is also looking after and strengthening the individuals and organization through structuring the sound systems and procedures and implementing the same in letter and spirit. His in-depth knowledge about the financial system and various derivatives is unparalleled.



Mr. Paritosh Kothari
Company Secretary (CS)

Mr. Paritosh Kothari is a qualified Company Secretary (CS) and has also earned a B.Com & Law Graduate degree from MLSU University. Mr Kothari has been appointed as Company Secretary and Compliance Officer. He is having expertise in the field of Compliance and Secretarial related work. His deep insights and research mindset has helped company to find newer innovative ways to expand and flourish. Mr. Kothari possesses a truly profound understanding of all Regulatory, Control and Legal Frameworks including corporate laws and those under bodies like NHB. He drawing on his long experience of over 5 years across the secretarial field. He also acts as an advisory to the Board of Directors and Senior Management on good governance practices and the compliance of regulations and guidelines under applicable statutes.



Mrs. Khushboo Jain
Manager
(Finance & Accounts)

Mrs. Khushboo Jain is designated as Manager Finance & Accounts. She is associated with the Company since 2015. She is responsible for accounts, internal audit, NHB compliance, Taxation, MIS etc. She holds a bachelor's degree in commerce from the MLSU University, Udaipur and is a fellow member of the Institute of Chartered Accountants of India. Mrs. Jain has garnered admiration in all her professional roles, involving, fund raising, treasury operations management, accounts, internal control and statutory compliance. Her core proven strength lies in the delivery of decision matrices, through Planning, Controlling, Taxation and Audits, as well as the regulatory compliance of National Housing Bank. Further, she has also demonstrated highly effective usage of Corporate Governance tools in her proactive support of Compliance management.



Mr. Kavish Jain
Chief Manager
(Operations)

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



Mr. Ashish Kothari
Credit Manager

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

CHAIRMAN'S FOREWORD



**WE ARE A
HUMANCENTRIC
ENTERPRISE
WITH A LONG-TERM
STRATEGY IN A
LONG-TERM
BUSINESS**

Dear Shareholders,

It gives me great pleasure and immense pride to present you the 14th Annual Report on the performance of your Company for the year 2018-19. It has been 1 year of sad demises of Mr. Mohan Lal Nagda, Ex Chairman & Managing Director of our Company. 1 year of journey without his guidance was very challenging. His brilliance, passion and energy were truly missed and it cannot be fulfilled.

I would like to thank all stakeholders for the steadfast support and unwavering confidence reposed in the Company through thick and thin. It is this consistent faith and support that has enabled your Company to suitably strategize and adapt effectively to the truly historic and groundbreaking policy changes that the country has experienced in the past 12 months.

I shall confine myself to very briefly mentioning the salient operating results of the Company during the year 2018-19 that Net profit stood at Rs. 431.73 Lacs, an increase of 49.13 per cent. EPS for FY'19 was Rs. 3.57 as compared to Rs. 2.43 for FY'18.

These figures broadly indicate that your Company has been able to navigate through the difficult challenges of the recent past relatively more effectively than many of our peers in the housing industry. This has largely been due to the strong fundamentals of your Company and the foresight of your Management in putting into place a business strategy based on its core competencies.

Your Company raised fresh term Loan of Rs. 2.5 Crores through Term Loan From Mahindra & Mahindra Financial Services Limited, Rs. 3 Crores through term loan Avanse Financial Services Limited, Rs. 6 Crores through term loan from Hinduja Housing Finance for meeting the working capital requirements. Presently Company is in line up with more proposals with banks and Financial Institutions for meeting the working capital requirement of the company in FY 2019-20.

The Outstanding Bank Borrowing as on 31.03.2019 stood at Rs 4196.88. Lacs

As you are well aware, the Government of India under the dynamic leadership of the Prime Minister Shri Narendra Modiji has ushered in a series of structural reforms aimed at propelling the nation forward towards a path of rapid economic growth and development. These visionary initiatives have significantly altered the business paradigm in all sectors of the economy.

Now that the Government has taken bold and decisive steps to

initiate game changing reforms, I am glad to report that your Company is well positioned to navigate through the critical period of adjustments and course corrections that lie ahead. This is largely due to the patience and cooperation of all stakeholders who have fully supported the Management's blueprint for structural changes within the Company and roadmap for reorienting ASHFL core product portfolio in tune with the anticipated changed business environment.

As the youth mass of the India are now more enthusiastic and energetic, demand for housing loan has been increased due to improved living standard. We, at ASHFL assure to contribute in the economy by performing at our best to meet with the rising demand of the home loan and other approved loan services.

Corporate Governance is step towards growth

Governance is the comprehensive process by which we intend to manage our Company. Good governance will be the insurance against sectoral volatility that makes all earnings growth sustainable.

Good governance comes primarily from an association with the right people - starting from the promoters, Board of Directors, professional managers, capital providers, quality of customers and community engagement.

I am pleased to report that the promoters & Directors of Akme Star Housing Finance Limited come with a multi-user experience of having worked in India's banking and nonbanking finance spaces across market cycles, companies and geographies.

At ASHFL, we believe an ethical framework represents the most critical infrastructure. This influences something more relevant than the cost at which we may finance home ownership.

'Discipline' is that operative word that ensures success in a mortgage sector.

Service the loan on time and in full, stay engaged with the customer during the loan life cycle, borrow cost-effectively and generally live with a liquid Balance Sheet translating into a superior credit rating. Success then in our business is not just about doing the right things comprehensively and consistently but also about not playing to the gallery by addressing fleeting opportunities for the moment that enhance our quarterly numbers but affect our long term viability. Long-term success in this business is derived from exercising only select options, deepen competence in select areas, refuse to be tempted by

strategic distractions and stay true to a long-term discipline. In doing so, we have made a conscious decision in favor of growing conservatively but consistently as opposed to growing rapidly but erratically.

Building an institution of respect

The focus of our Company intent is to be deeply trusted. We believe that trust represents the lifeblood of our business. The more we are trusted, the stronger the employee traction, the more capital lenders will provide resources and the longer our investors will stay with invested across our journey. ASHFL has been pursuing a business objective that is not as much about emerging as the largest or fastest growing Indian housing finance company as much as about the prospect of growing sustainably.

I would also like to place on record my appreciation for the

sincerity, hard work and dedication of the entire Akme Star Housing Finance Limited team for contributing to our Founder's vision Late Dr. Mohan Lal Nagda and building ASHFL into a successful and meaningful entity.

On behalf of my fellow-directors and the entire ASHFL corporate family, I renew our pledge to remain committed towards building a New India.

With best wishes,

Sd/-

Ashish Jain
Chairman & Managing Director

A FINANCIAL REVIEW BY SHRI B. S. KACHHAWAHA, CHIEF FINANCIAL OFFICER

(Question & Answer)

Operational Review

Analysis of the Company's performance in 2018-19

Q. Were you pleased with the performance of the Company in 2018-19?

A. We experience a successful year at AKME. The company reported profitable growth. The revenue increased by 67%, profit after tax increased by 49%. The sharp divergence of these numbers suggest that the Company strengthened its competitive position; in fact that since inception, the company has reported only profitable growth indicates that it continues to do what it is best in the best possible manner.

Q. What was particularly heart-warming about the Company's performance during the year?

A. The financial year under review was the most challenging of times for the sector. The country passed through a challenging year marked by weaker consumer sentiment, unexpected short and long term debt default by a large NBFC in India, which induced panic that translated into a short term liquidity paralysis in the Indian economy and financial markets (debt and equity). The result was that small and medium enterprises encountered an acute liquidity crunch. The Govt Of India moved swiftly to provide liquidity in addition to open market operations and debt market operations and debt purchase by public sector banks from NBFCs through securitization, stabilizing the market leading to normalisation and recovery. However, what transpired was that a number of NBFCs reported weaker performance resulting in a crisis of confidence. The fact that AKME did not affect adversely during the liquidity paralysis phase by reported record results—almost untouched by the prevailing sectoral crisis—was the highlight of our performance during the last financial year.

Q. How did the company seed its business for prospective growth during the year under review?

A. One of our priorities during the last financial year was not just to grow our business for the moment but to seed it for

prospective and sustainable growth. It was observed that manual processes were present in the company and thus IT integration required to be done at a greater pace. In view of the increasing business of the company in recent past inadequacies of the existing software has been experienced. Accordingly, the company has entered into an agreement with Jaguar Software India, Hyderabad to install its "Jaguar 360 degree Cloud" software which is under advance implementation stage. It is the latest and greatest solution for HFCs that can cater to not only every diverse requirement but can scale to the largest volumes. It covers the Loan origination, Loan Management, Loan Accounting, collection, Financial accounting, collaboration Tools like BPM workflows, Team Chat & Team Task Manager. With the implementation of this software, manual process would reduce drastically, since there is an existing culture of credit in the new markets; there is a growing base of ground level prosperity there is a large under penetrated mortgage market in the geographies. We see our initiatives of integrating the technology with the business during the last financial year would be translating into volume business, revenue and profits in the coming years.

Q. What is the financial anchor of the business?

A. The center piece of our financial strategy are Interest yield and Net Interest Margin. In 2018-19, we reported interest yield of 19.88% as against 18.99%, we achieved in the previous year. Our interest yield has been marginally higher than the previous year, but still it is much better than the industry average. We have been able to maintain it by focusing the small ticket size loans in the rural and semi urban areas where the competition is comparatively low.

However, our Net Interest Margin during the year 2018-19, though has been better than the industry average it slipped marginally to 12.23% from its previous year's level of 14.24%. This has been on account of tight liquidity prevailing in the market on account of failure of some NBFCs in meeting its obligations in time which transpired into short term liquidity. Consequently the funds became costlier. However, in a bid to maintain the growth with no compromise on asset quality, it was a conscious decision not to pass on the increased cost on to the customers.

Q. What are some of the revenue highlights of 2018-19?

A. During the year 2018-19 the company has earned gross revenue of Rs. 1180.01 lacs as against Rs. 705.82 lacs in the previous year, registering a growth of 67%. During the year

2018-19, we strengthened our foundation with the objective to achieve higher growth. The revenue growth is an index that showcases the Company's ability to maximize revenues which provided a basis against which the Company's success can be compared with sectoral peers. This indicates the ability of the Company to leverage its distribution network and report higher revenue.

Q. What are the efficiency parameters of the Company?

- A. The efficiency of the company can be measured on two counts: Growth in the quality Asset under Management and other is profitability of the Company.

Asset under Management is an index showing the total market value of the assets under management. Larger AUM of the company signifies scale and ability to disburse more and generate better revenue. The company's AUM increased by 29%. Though the growth is matching with the industry average but fell short of the Target. The shortfall is attributed to non booking of Builder loan accounts. During the year under review it was decided not to book any new builder account because of sluggishness being felt in real estate sector. The company therefore, has been concentrating on individual housing loans with small ticket size where risk is lower and dispersed. As a result the disbursement made during the year 2018-19 was Rs. 21.30 crores as against Rs. 33.56 crores disbursed during the previous year.

As regards profitability, the year 2018-19 has been remarkably good which can be seen from the comparison of following profitability ratios:

	2017-18	2018-19
Interest yield	18.99%	19.88%
Net Interest Margin	14.24%	12.23%
ROE	16.13%	18.71%
ROA	7.31%	6.92%

Besides, a healthy NIM and yield on advances, we have been able to control our operating cost to mitigate the comparatively higher cost of funds from the traditional sources i.e. banks. Our operating cost during the year has been 2.21% improved considerably from 4.22% in the previous year. This has been on account of various steps viz., rationalization of staff, economy of scale and control on the overheads, improvement in the efficiency of staff, etc. The salient parameters of the operating cost are asunder:

	2017-18	2018-19
Employee cost	2.35%	1.31%
Operating Cost	1.87%	0.89%
Total Operating Cost	4.22%	2.21%

Profit before tax during the year 2018-19 has been Rs. 598.14 lacs as against Rs. 400.04 lacs in the previous year recording a growth of 50%. Thus, your company has achieved an all round growth.

Q. What are the priorities for the year 2019-20? What is the basis of company's optimism?

- A. Encouraged by the all round performance of the company for the year 2018-19, we are very optimistic and have therefore, planned to increase its business during the year 2019-20 atleast by 100%. Considering the following facts and developments it is considered very much within the reach of the company:

- i. Given the priority to the housing sector particularly to the Affordable housing by the Govt., demand of the Housing finance is immense.
- ii. Over the past few years the company has earned a goodwill and brand name, particularly in rural and semi urban areas;
- iii. Efficient and experienced Management team, tested systems and procedures and devised a flexible loan policy keeping the customer in the center place.
- iv. Competitive pricing among the peer group;
- v. Capital adequacy ratio 70.92% as compared to the regulatory requirement of 12% which can be leveraged to expand the business.
- vi. Investment grade credit rating assigned to the company by ACUITE, attracting the lenders to finance the company at competitive price and favourable terms.
- vii. Company entered into the new market of M.P, Gujarat, Maharashtra and the untapped market of Rajasthan. At present the company has been operating in 30 districts across the four states;
- viii. Exploring opening of the branches, besides widening the network of Direct Selling Agents.

Apart from that, Company's priorities are lower cost market borrowings V/S Bank funding, strengthening the MIS system, introduce the state of the art technology for its back office and continuous upgrading the skill of the

operating staff by imparting training and conducting re orientation programmes.

At macro level there are a number of things to be optimistic about. From sectoral point of view, we continue to be present in extensively under penetrated and under serviced mortgage markets where the priority of the day is to catch up with pent up demand. As if this is not enough, a sustained growth in per capita income is creating additional demand for home financing. So the biggest optimism is that the market we serve is large with the room to accommodate a number of companies like ours.

Within this market we have selected to be present in a niche that largely insulates us from the commodity segment. We provide housing finance to individuals building their own homes where an attractive proportion of the individual's funds has already been invested in the home (skin in the game) and our financing is for a property under construction into which the individual will move about a year. In this market, we service a vast range of individuals close to the bottom of India's economic pyramid - the chaiwala, the subziwalla, the driver, the local tradesman etc. We will continue to extend loans with an average ticket size of less than Rs. 10 lacs for self occupancy of a single unit dwelling. With the recent government policies making housing affordable, we see significant opportunities driven by demand from the low and middle class income segment and self employed customers with a significant financing gap.

We believe that for this customer segment, prestige and credibility are paramount incentivizing timely repayment. We also believe that India is passing through a phase of extensive economic rejuvenation starting from the grassroots as a result of which our large market is only likely to get larger.

Q. What are the major concerns and challenges ahead?

A. The major concerns and challenges for the industry as well as the company are to grow but with maintaining the Asset Quality. To achieve this your company has developed an efficient credit appraisal and delivery system, full proof legal/ technical evaluation and robust mechanism. During the year the company has appointed experienced and qualified professionals to oversee all these verticals.

Having these tools in place, the company has been able to contain the delinquencies and credit cost at the desired levels with sizeable growth in the business. The position

has though slipped on account of crop failure in some of the areas in M.P. and Rajasthan still the position is better than the industry average which can be witnessed from the following ratios:

	2017-18	2018-19
Gross NPA	1.21%	1.72%
Net NPA	0.97%	1.36%
Credit Cost	0.44%	0.25%

Q. What is the big message that you wish to send out to shareholders?

A. One of the things that shareholders would be prompted to ask given the challenging sectoral environment is whether we compromised our fundamentals in pursuing aggressive growth during the last financial year. I am to state that we did not; we grew our revenues and profits without in any way compromising the quality of our loan book. This is evident in the numbers despite a 29% growth in AUM our non performing assets were 1.72% of our loan book though it slipped from previous year's but considerably below the peer group average. We reported a consistent ROA of 6% and above. Meanwhile, we moderated our average cost of funds and maintained our net interest margin around the level of the previous year (and possibly among the highest levels in our sector). This validates our culture of conservative lending during the year under review.

With best wishes,

Sd/-

B.S. Kachhawaha
Chief Financial Officer

MANAGEMENT DISCUSSION AND ANALYSIS 2018-19

Global Economic Review

Following a robust growth of 3.8% in 2017 and in the first half of 2018, the global economy slowed significantly in the second half of 2018, reflecting a confluence of factors affecting major economies like the financial market correction, tightened Monetary Policy and other non-economic factors. Owing to this global economy growth expected to maintain Moderate in near Term and then pick up modestly.

Monetary policies across key developed economies saw incremental acts of normalization coupled with rate tightening measures. Emerging markets and developing economies are expected to sustain momentum till 2020, on the contrary, economic activities in advanced economies is projected to continue slowly.

Crude prices remained volatile since August 2018 as a result of multiple factors including the American policy pertaining to Iranian exports and softening global demand.

Oil prices dropped from a four year peak of US\$ 81 per barrel in October 2018 to US\$ 61 per barrel in February 2019.

While advanced economies are showing signs of a slowdown, emerging economies like India and China are expected to fuel the world's economic growth engines.

Global growth is expected to remain at 3.3% in 2019 while bounce back to 3.6% in 2020. The unwinding of the US fiscal stimulus and the fading of the favorable spill-overs from US demand to trading partners will be offset by a pickup in growth in emerging markets and developing economies.

Global oil supply is expected to increase gradually, lowering oil prices to US\$ 68.76 a barrel in 2019 and to US\$ 60 a barrel in 2023. (Source: World Economic Outlook)

Indian Economy Overview

Indian economy started the year with a growth of nearly 8% in the April to June 2018 quarter. The growth has however tapered down by the end of the financial year. The growth in the October – December 2018 hit a low of 6.6% on the back of a weak consumer demand and lower government spending. The economy faced various headwinds with the inflation reaching near 2 year high levels, driven by surging oil prices. On the back

of rising inflation the Reserve Bank of India increased the Repo Rate by 25 basis points in June 2018 and August 2018. However in order to drive the slowing economy the rates were reduced by 25 basis points each in February 2019 and April 2019. Finally the RBI cut the rates yet again in June 2019 by another 25 basis points, moving to a more accommodative stance.

The New Government with a strong mandate at the centre will have a clear runway to drive reforms and growth which should augur well for the economy, on a long term basis, despite the near term uncertainty around the monsoon.

India's revenue receipts are estimated to touch 28-30 trillion (US\$ 385-412 billion) by 2019, owing to Government of India's measures to strengthen infrastructure and reforms like demonetization and Goods and Services Tax (GST).

Housing Finance Industry

Housing finance has been one of the fastest growing sectors within the financial services space. Housing finance companies (HFC) have been able to capture a large section of the growth within the sector. As per CRISIL, there are two reasons for the fast growth – first is the ability of HFCs to tap the massive opportunity in affordable housing, and second is the slower credit growth at banks providing HFCs the room to ramp up faster and continue gaining market share.

The Financial services sector and HFCs in particular have seen challenging times since the Q3 of FY 19. Given the headwinds being faced by the sector, the credit growth has dried up leading to HFCs preferring to raise money through securitization.

Structural growth opportunities – The housing finance sector has steadily grown at 18% in the last seven years, according to the 2017 India Housing Finance Report. The sector has further growth in store with the Government focusing on Housing for All, through various schemes such as the "The Pradhan Mantri Awas Yojana" (PMAY) which aims to build over 2 crore affordable homes across 305 rural and urban centers.

Recent Development in Housing Finance Industry

- **Benefits to Affordable home buyers extended** – For making more homes available under affordable housing,

the benefits under Section 80 - IBA of the Income Tax Act is being extended for one more year, i.e. to the housing projects approved till 31 March, 2020.

- **Additional boost from exemption of tax on Notional Rent** - Investors used to shy away from property market as they were charged tax on the notional rental income from their second homes irrespective of whether they put the property on rent or not. The exemption on notional rent is likely to attract more investors in the home market.
- **Tax Benefits** - Developers who build affordable homes are exempted from paying taxes on their profits for five years starting 2016 instead three years.

TDS threshold for deduction of tax on rent has been increased from 1.80 lakh to 2.40 lakh.

- **Challenges faced by HFCs**
Some of the key challenges faced by the housing finance companies are as under:
- **Risk of increasing borrowing rate**
The housing finance sector could experience some headwinds with the credit drying up and the borrowing costs increase. There are indications that inflation will rise over the medium-term, which will subsequently have an impact on this sector.
- **Impact of RERA**
Implementation of the Real Estate Regulation and Development Act (RERA) was a big step in streamlining the real estate sector. However, new home projects took a big hit. Launch of new projects was down by 41% across the country, according to a July 2017 report by Knight Frank. A slowdown in new projects would consequently result in lesser people taking home loans. But most experts feel the RERA jolt is temporary and would be resolved over the medium-term
- **Rising NPA**
There may be a growth in loan disbursement in the affordable housing category, but the amount of bad loans, also known as non-performing assets (NPAs), has risen sharply. Data suggest that the NPAs have risen starkly in the affordable housing sector.
- **Rising Repossessed Assets**
Stock of Repossessed Assets have increased due to lower salability of the assets leading to elongated recovery time.

Key Government Initiatives

Bank recapitalization scheme:

The Indian Government announced a capital infusion of Rs 41,000 crore through recapitalization bonds in FY2018-19.

CAR Requirements: NHB proposed to increase the minimum CAR from 12% at present to 15% and reduce maximum leverage from 16 times at present to 12 times in a phased manner by March 2022.

Relaxation in securitization Norms: Reduction in holding period for securitization by RBI from 12 months to 6 months for loans having original maturity of 5 years or more is likely to provide RS 6,00,000 million of additional portfolio available for securitization.

Expanding infrastructure: The Government of India invested Rs 1.52 trillion to construct 6,460 kilometres of roads in 2018. Its expenditure of Rs 5.97 trillion (US\$ 89.7 billion) towards infrastructural development for 2018-19 is expected to strengthen the national economy.

Increasing MSPs: The Indian Government fixed MSPs of 22 mandated kharif and rabi crops and Fair and Remunerative Price for sugarcane. The Indian Government committed to provide a 50% return over the cost of production for all mandated crops, strengthening the rural economy.

The Insolvency and Bankruptcy code (Amendment), Ordinance 2018: Passed in June 2018, the ordinance provides significant relief to home-buyers by recognizing their status as financial creditors. The major beneficiary was MSMEs, empowering the Indian Government to provide them with a special dispensation under the code.

Liberalization of Foreign Direct Investment (FDI) policy fuelled inflows of as much as US\$ 269 billion in the last five years in India.

Outlook

India is likely to outperform the global average economic growth and sustain its 7% growth momentum to emerge as a US\$ 4 trillion economy by 2024. A combination of favourable demographics, rising urbanisation and shift from the unorganised to the organised sector are expected to drive growth in private consumption. Discretionary spending is expected to increase owing to the presence of a large middle-class and growth of an affluent class. The Government's focus on rural India in the election year 2019 is expected to provide an impetus to rural consumption. The rise in social sector spending, improvement in agricultural productivity, increase in financial

inclusion and adoption of digital technologies are expected to strengthen rural demand.

Mortgage finance sector review

Over the last seven years, housing finance companies have been gaining market share due to their focus on niche segments such as the self-employed and affordable housing segments, which have been largely served by HFCs and enjoy higher growth potential. The Indian housing finance market grew at a five-year CAGR of 18% with the pace of growth of HFCs and NBFC's higher at a five-year CAGR of 20%, compared to a five-year CAGR of 16% for banks. In the last five years (fiscals 2013 to 2018), housing credit growth remained steady despite a tough operating environment, subdued real estate demand and low affordability, attributed to construction-linked housing loans (and thus disbursements being linked to construction stages), secondary sales and low mortgage penetration in India. The total housing credit outstanding stood at 18.2 lakh Crore as on December 31, 2018, with YoY growth of 16%. Housing loan portfolio growth for housing finance companies (HFCs) and NBFCs reduced to 13% YoY for the period ended December 31, 2018 owing to lower disbursements following the liquidity crisis faced by HFCs in Q3 FY2019 and the portfolio sales made by HFCs through securitization of the total loan disbursed by NBFCs, mortgage loans (housing loans and loans against property taken together) comprised more than 50% of the total volume of Rs 1.44 lakh crore witnessed in 9MFY2019.

SWOT analysis

• Strengths

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

9. Diversified shareholding base and listing on the stock exchanges.

• Weakness

1. Geographical concentration: The Company has a presence in 4 States with Rajasthan accounting for 73.68% of the AUM as on March 31, 2019. The concentration on Rajasthan has declined marginally over the last few years (51.03% as on March 31, 2016) and is likely to decline further as the Company plans to expand its operations in other areas. As of March 31, 2019, the Company was present in 4 States with 30 branches covering 30 districts.
2. Relatively vulnerable borrower profile: ASHFL operations are focused on low and middle income self-employed borrower (65% of the portfolio as on March 31, 2019), who are relatively more vulnerable to economic cycles and have limited income buffers to absorb income shocks. However, considering the secured nature of the portfolio with moderate loan to value ratios (51% as of March, 2019) and the assets being largely self-occupied residential properties along with the low ticket size (8.5 lacs as on March 31, 2019) its losses on default are expected to be limited. The Company has adequate risk management tools and portfolio monitoring systems.

• Opportunities

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

• Threat

1. Liquidity crunch could impact credit availability Rise in cost of fund could impact NIMs

Managing risks at AKME

• Economy risk

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

Mitigation

India has emerged as the fastest growing major economy (6.8% growth in FY2018-19). The per capita income for FY2018-19 stood at Rs. 10,534 a month with an annual rise of 10%. The Ministry of Commerce & Industry is creating an action-oriented plan highlighting specific sector level interventions to bolster India's march towards becoming a US\$ 5 trillion economy before 2025. Financial Services is

included as one of the champion sectors by Ministry.

- **Customer risk**

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

Mitigation

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

- **Financing risk**

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

Mitigation

The Company had a net worth of Rs 27.44 Crore and a total debt of Rs 41.96 Crore as on March 31, 2019. It reported a positive ALM.

Stronger fundamentals helped moderate the average cost of funds from 11.10% in FY2017-18 to an average 12.23% in FY2018-19.

Long-term rating upgrade will help in raising long-term funding.

- **Revenue risk**

The inability to accurately assess customers could impact revenues.

Mitigation

The Company does not finance any under-construction properties. It funds only properties that are 85%-90%

complete or ready-to move in properties. For Tier 2 and 3 cities, we check builder history, projects completed, customer reputation, loan from financial institutions on the current property for construction and seek

feedback from existing financiers. These realities helped moderate risks and achieve a GNPA that is the lowest in the industry.

- **Opex risk**

High operational expenditure could impact the bottom line.

Mitigation

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

- **Technology obsolescence risk**

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

Mitigation

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

DIRECTOR'S REPORT

To
The Members
Akme Star Housing Finance Limited
Udaipur

Your directors are pleased to present the Fourteenth Annual Report of your Company along with the audited accounts for the year ended March 31, 2019.

Key Financials

The Board's Report shall be prepared based on the stand alone financial statements of the company. The Company's financial performance for the financial year ended March 31st, 2019, is summarized below: -

PARTICULAR	(₹ In Lacs)	
	2018-19	2017-18
Gross Income	1180.01	705.82
Less : Finance Cost	441.87	170.89
Overhead	136.79	131.3
Depreciation	3.21	3.60
Profit Before Tax	598.14	400.04
Less : Provision for taxation	166.41	110.54
Profit After tax	431.73	289.50
Balance Brought Forward from last year	507.24	297.75
Appropriations	431.73	289.50
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	119.63	80.01
Transferred to general reserve	Nil	Nil
Balance Carried over to the Balance Sheet	823.99	507.24

BUSINESS PERFORMANCE:

KEY FACTORS	(₹ In Lacs)		
	2018-19	2017-18	GROWTH (%)
Portfolio (Outstanding Housing Loan/Other Loan)	6327.62	4915.55	28.73%
EPS (Basic) in ₹	3.57	2.43	46.91%
CRAR (%)	70.92%	68.40%	-

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

Prospects and Developments :

There is a very huge market to be served, which needs an efficient last mile delivery of credit, thus creating enormous opportunity for all the financial institutions and HFCs in special.

The Company continues to pursue the strategy of being multi product and multi locational, 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 is the key driver of our economy.

Housing Finance :

The Company aims at serving the middle income and the lower income sector of the economy, especially in the semi urban and rural areas, which are reckoned to be the key drivers of the sector in the coming decades. Fullfledged efforts are on to execute efficiently, as per the detail planning. Being aware of the challenges involved in serving this class of the society, a very cautious approach is adopted in building up volumes. Nevertheless, Company is quite confident of building substantial volumes in the near future.

The Company's rural initiative will also start yielding results shortly. . It is worth mentioning that despite of credit worthy customer class, ascertaining the title of the property remains a challenging job. The Company is actively involved with all the stake holders to smoothen the process and is assertive in getting the right set of documents.

We continue to endeavour relentlessly and are confident of creating a quality portfolio and add value to the ecosystem we work in.

Distribution Network:

In continuation of our last year's efforts the process of expanding its operations in the various region of Gujarat, Maharashtra, Madhya Pradesh, besides Rajasthan is in progress.

Human Resource Management

Human Resource Management plays a very important role in realizing the Company's objective. The Company is managed by the active involvement of the promoters along with strategic inputs from a well-diversified and competent board. In an environment that is rapidly becoming technology and Digital oriented, your Company continues to invest in long term people development, for organizational excellence. Constant endeavors are being made to offer professional growth opportunities and recognitions, apart from imparting training to employees. Training is an integral part of the skill development program initiated for the employees. The articulation and implementation of the strategies is carried on by the core team. Core team is dedicated and competent team of personnel associated with the company almost since its inception and have always extended unstinting support besides, having identified and aligned their career objective with the company.

The Company has a diverse workforce of 25+ employees as on 31st March, 2019. Going forward, the Company will continue to focus on nurturing the right talent to achieve the business goal.

I trust with all the above qualities accompanied by the

determination to excel, this team forms a formidable second line of management at ASHFL.

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 Endeavours" will strive to maximize the shareholders' value. The Company continues to pursue an efficient capital management policy, which aims at maximizing the return on capital employed and at the same time adhering to the prudential guidelines laid down by NHB from time to time.

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

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

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

Resource Mobilisation

Your Company's borrowing policy is under the control of the Board. The Company has vide special resolution passed by means of special Resolution on 28th July, 2018, under Section 180(1)(c) of the Companies Act, 2013, authorized the Board of Directors to borrow money upon such terms and conditions as the Board may think fit in excess of aggregate of paid up share capital, free reserves, security premium of the Company up to an amount of Rs. 200 crore and the total amount so borrowed shall be within the limits as prescribed under the Housing Finance Companies (NHB) Directions, 2010.

Your Company continued to use a variety of funding sources to optimize funding costs, protect interest margins and maintain a diverse funding portfolio which further strengthened its funding stability and liquidity needs. Your Company continued to keep tight control over the cost of borrowings through

negotiations with lenders and thus, raised resources at competitive rates from its lenders while ensuring proper asset liability match.

Term Loan From Banks and Financial Institutions

During the financial year 2018-19 your Company raised Rs. 10 Crore through term loan from Mas Financial Services Limited, Rs. 2.5 Crores through Term Loan From Mahindra & Mahindra Financial Services Limited, Rs. 3 Crores through term loan from Avanse Financial Services Limited, Rs. 6 Crores through term loan from Hinduja Housing Finance for meeting the working capital requirements. Presently Company is in line up with more proposals with banks and Financial Institutions for meeting the working capital requirement of the company in FY 2019-20.

The Outstanding Bank Borrowing as on 31.03.2019 stood at Rs. 4196.88. Lacs

Credit Rating Upgrades

The company has been assigned BBB- by Acuite Ratings & Research Limited for the facility obtained from the Bank as on 21.11.2018.

Particulars of Loans, Guarantees or Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013, apart from the loans made, guarantee given or security provided by the Company in the ordinary course of business are given in the Notes to accounts forming part of the Audited Financial Statements for the year ended March 31st, 2019.

Capital Adequacy

As required under National Housing Bank Directions 2010, your Company is presently required to maintain a minimum capital adequacy of 12% on a standalone basis.

Further, the NHB vide its note dated March 04, 2019 has proposed certain amendments which includes to raise the capital adequacy ratio for HFCs from 12% to 15% by March 2022. The capital adequacy ratio of HFCs is to be increased from 12% to 13% by March 2020, 14% by March 2021 and 15% by March 2022 as per the said proposal.

Your Company's Capital Adequacy Ratio as at March 31, 2019, was 70.92.% which provides an adequate cushion to withstand business risks and is above the minimum requirement of 12% as well as the proposed level of 15%.

Assets Under Management (AUM)

The AUM of your company stood at Rs. 63.28 Crore as at March, 31st 2019 as against Rs. 49.16 Crore in the previous financial year, with a growth of 28.70%.

Implementation of Indian Accounting Standards ("IND AS")

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

Accordingly, your Company has adopted Ind AS as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment /rules made thereafter from April 1, 2019. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued there under and guidelines issued by NHB (Collectively referred to as 'the Previous GAAP').

Transfer to Reserves

During the year under review, your Company having Rs. 119.63 Lacs to the Statutory Reserve under Section 36(1) (viii) of the Income Tax Act, 1961 read with Section 29C of National Housing Bank (NHB) Act, 1987 out of the amount available for appropriation and an amount of Rs. 431.73Lacs is proposed to be retained in the Profit and Loss Account.

Dividend

Your Directors have considered reinvesting the profits into the business of the Company in order to build a strong reserve base for the long-term growth aspects of the Company. Accordingly, no dividend has been recommended for the financial year ended March 31, 2019.

Share Capital

Authorized Share Capital

During the year under review the authorized share capital stood at Rs. 14,00,00,000 (divided into 1,40,00,000 Equity Share of Rs. 10/-each). No change was made in authorized Share Capital as compared to previous year.

However, Company Increased its Authorised Share Capital From Rs 14,00,00,000/- to Rs 17,00,00,000/- vide passing ordinary resolution in Extra Ordinary General Meeting held on 02.08.2019 after Close of the Financial Year.

- Issued and Paid-up Capital

Your Company's issued & paid up Share Capital is Rs. 12,07,90,000 (divided into 12079000 Equity Shares of Rs. 10/-each) as at March, 31st 2019 and no change was made in issued and Paid-up capital as compared to previous year.

- Share warrants

The Company has allotted and converted 225000 outstanding warrant into Equity in its Board meeting held on 22.05.2019.

Events Subsequent to the Date of Financial Statements

Resignation of Director

Resignation of Mrs. Rajni Gehlot (DIN: 06627287) from the post of Non Executive, Independent Director of the company w.e.f. 22nd May, 2019 due to her pre occupation in other company and her responsibilities.

Appointment of Independent Director

Mr. Suresh Chandra Gupta (DIN: 08527990) has been appointed as Independent Director on the Board w.e.f. 12.08.2019.

Preferential Issue of Equity Shares:

The Board has proposed to issue Equity Shares on preferential basis to Arkfin Investment Private limited of Rs 17,87,10,000/- vide its Board meeting held on 08th July 2019 and the same has been passed by the shareholders in EOGM held on 02nd August 2019.

Details Relating to Deposits

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

Investor Complaints and Compliance

During the year under review the Company did not receive any investor complaints and that as on the date no complaint is pending.

And also the Company has timely submitted all the reports relating to Investor Complaints pursuant to SEBI (LODR) Regulations, 2015 to BSE.

Non-performing Assets and Provisions For Contingency:

Your Company adhered to the prudential guidelines for Non performing Assets (NPAs), issued by the National Housing Bank (NHB) under its Directions of 2010, as amended from time to time. As per the prudential norms, the income on such NPAs is

not to be recognized if unrealized. As per the prudential norms prescribed by the NHB, the Company has made provision for contingencies on standard as well as non-performing housing loans and property loans. The details of NPA have been given in financial Statements.

Subsidiary, Joint Ventures and Associate Companies

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

Particulars of Employees

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, there is no employee of the Company covered under this section who is earning salary over and above specified limit.

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

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

A. Conservation of energy:

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

B. Technology absorption:

The Company is not involved in any technology absorption nor is there any R&D activity during the year

C. Foreign Exchange Earnings and Outgo:

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

Insurance

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

National Housing Bank (NHB) Guidelines

The Company has complied with the provisions of the Housing Finance Companies (NHB) Directions, 2010 as prescribed by NHB and has been in compliance with the various Circulars, Notifications and Guidelines issued by National Housing Bank

(NHB) from time to time. The Circulars and the Notifications issued by NHB are also placed before the Audit Committee / Board at regular intervals to update Committee / Board members on the same.

BSE Compliances

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

Risk Management Framework

Financing activity is the business of management of risks, which in turn is the function of the appropriate credit models and the robust systems and operations. Your Company continues to focus on the above two maxims, and is always eager to improve upon the same.

Your Company continues to give prime importance to the function of receivables management, as it considers this the ultimate reflection of the correctness of marketing strategy as well as appraisal techniques. The stage III assets Net of provisions of the company is 1.14% of total AUM as at the end of FY 2018-19

Pursuant to Regulation 21(5) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the regulations of Risk management committee is applicable to top 500 listed entities determined on the basis of market capitalization, as at the end of the immediate previous financial year.

As per the size of the provisions of risk management committee not applicable to the Company, however the Board of Directors has adopted a risk management policy for the Company which provides identification, assessment and control of risks which in the opinion of the Board may threaten the existence of the Company. The Management identifies and controls risks through a properly defined framework in terms of the aforesaid policy.

Asset Liability Management Committee (ALCO)

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

Vigil Mechanism/Whistle Blower Policy

Pursuant to the provisions of Section 177 (9) & (10) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings

of Board and its Powers) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has in place a Whistle Blower Policy, which provides for a framework to promote a responsible and secure whistle blowing. It protects Directors/ employees wishing to raise a concern about serious irregularities within the Company. It provides for a vigil mechanism to channelize reporting of such instances/ complaints/ grievances to ensure proper governance. The Audit Committee oversees the vigil mechanism. No employee has been denied access to the Chairperson of Audit Committee.

Codes and Standards

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

The key policies and codes as approved by the Board of Directors and the respective compliance there under are detailed herein below:

- Know Your Customer & Anti Money Laundering Measure Policy

Your Company has approved Know Your Customer & Anti Money Laundering Measure Policy (KYC & AML Policy) in place and adheres to the said Policy. The said Policy is in line with the National Housing Bank guidelines.

The Company has also adhered to the compliance requirement in terms of the said policy relating to the monitoring and reporting of cash / suspicious transactions. The Company furnishes to Financial Intelligence Unit (FIU), India, in the electronic medium, information of all cash transactions of the value of more than Rupees ten lakh or its equivalent in foreign currency and suspicious transactions whether or not made in cash, in terms of the said Policy.

- Fair Practice Code

Your Company has in place a Fair Practice Code (FPC), which includes guidelines on appropriate staff conduct when dealing with the customers and on the organization's policies vis-à-vis client protection. The FPC captures the spirit of the National Housing Bank guidelines on fair practices for Housing Finance

Companies.

During the year under review, FPC was modified by the Board and the grievance redressal mechanism within the Company was further strengthened.

- *Policy on Disclosure of material events and information*
During the year under review, your Company has adopted the Policy on Disclosure of Material Events and Information, in accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to determine the events and information which are material in nature and are required to be disclosed to the Stock Exchanges.
- *Code of Conduct for Board Members and the senior management*
Your Company has in place Code of Conduct for the Board of Directors and the Senior Management Personnel to set forth the guiding principles on which the Company and its Board and Senior Management Personnel shall operate and conduct themselves with multitudinous stakeholders, government and regulatory agencies, media and anyone else with whom it is connected. A declaration by Chief Financial Officer and Managing Director, with regard to the Compliance with the said code, forms part of this Annual Report.
- *Code for Prevention of Insider Trading Practices*
Your Company has formulated and adopted a Code for Prevention of Insider Trading Practices in accordance with the model code of conduct as prescribed under the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018, as amended. The code lays down guidelines, which includes procedures to be followed and disclosures to be made while dealing in the shares of the Company.

The code is applicable to the promoters, directors, senior designated employees and their dependents and the said persons are restricted from dealing in the securities of the Company during the 'restricted trading periods' notified by the Company, from time to time.
- *Code of Business Ethics (COBE)*
Your Company has adopted a Code of Business Ethics (COBE) which lays down the principles and standards that govern the activities of the Company and its employees to ensure and promote ethical behavior within the legal framework of the organization.
- *Sexual Harassment Policy*
Your Company has in place a Policy on Prevention,

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

- *Comprehensive Risk Management Policy*
Your Company is committed to manage its risk in a proactive manner and has adopted a structured and disciplined approach to risk management by developing and implementing risk management framework. With a view to manage its risk effectively your Company has in place a Comprehensive Risk Management Policy which covers a formalized Risk Management Structure, along with other aspects of risk management i.e. credit risk management, operational risk management, market risk management and enterprise risk management. The Risk Management Committee of the Board, on periodic basis, oversees the risk management systems, processes and minimization procedures of the Company.
- *Corporate Social Responsibility (CSR) Policy*
Your Company has voluntarily framed Corporate Social Responsibility Policy (CSR Policy), as per the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, which, inter-alia, lays down the guidelines and mechanism for undertaking socially useful projects for welfare and sustainable development of the community at large. As per the provisions of Section 135 of the Companies Act, 2013, the Company has constituted a Corporate Social Responsibility Committee. The Committee assists the Board in fulfilling its duty towards the community and society at large by identifying the activities and programmes that can be undertaken by the Company, in terms of the Company's CSR Policy. The composition of the CSR Committee and its terms of reference are given in the Corporate Governance Report forming part of this Annual Report.
- *Remuneration Policy*
The Board of Directors had on the recommendation of the Nomination & Remuneration Committee Appointed Mrs. Rajni Gehlot, Independent Director as chairperson, Mr. Amrit Singh Rajpurohit and Mrs. Rekha Jain, Independent Director as Member.

The Company follow a Policy on remuneration of Directors and senior management Employees, The Policy

is approved by the Nomination & Remuneration Committee and the Board and is marked as Annexure-I

- Related Party Transactions Policy

Your Company has in place Related Party Transaction Policy, intended to ensure requisite approval, reporting and disclosure of transactions between the Company and its related parties. The said policy also defines the materiality of related party transactions and lays down the procedures of dealing with related party transactions.

During the year under review, the Related Party Transaction Policy was amended to align the same with the requirements of Companies (Amendment) Act, 2015 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- Familiarization Programme for Independent Directors:

The objective of a familiarization programme is to ensure that the non-executive directors are updated on the business environment and overall operations of the

Company. This enables the non executive directors to make better informed decisions in the interest of the company and its stakeholders.

Listing of Shares of The Company

Your Company's equity shares continue to remain listed on BSE Limited. Your Company has paid the listing fees as payable to the BSE Limited for the financial year 2018-19 on time.

Directors and Key Managerial Personal

The Board of Directors of the Company comprises of Six [6] directors of which Two [2] are Executive Directors; One [1] is Managing Director & Three [3] are Independent & Non-Executive Director including one woman director as on March 31, 2019 who bring in a wide range of skills and experience to the Board.

The Board of Directors of the Company are :-

- Composition of the Board as on 31st March, 2019

Name of Director	Category of Directors
------------------	-----------------------

Mr. Ashish Jain*	Chairman & Managing Director	02041164
Mr. Nirmal Kumar Jain	Promoter & Executive Director	00240441
Mr. Kalu Lal Jain	Executive Director	00451442
Mr. Amrit Singh Rajpurohit	Non Executive & Independent Directors	02173432
Mrs. Rajni Gehlot*	Non Executive & Independent Directors	06627287
Dr. Rekha Jain	Non Executive & Independent Directors	07703994
Mr. Suresh Chandra Gupta	Non Executive & Independent Directors	08527990

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

- Changes in the Board*

During the year following changes took place in the board of Directors:

- Cessation of Dr. Mohan Lal Nagda as Chairman & Managing Director:

Dr. Mohan Lal Nagda, Chairman & Managing Director of the of the Company passed away on 19th May, 2018. The Board considered invaluable contributions made by Dr. Mohan Lal Nagda as a Chairman & Managing Director of the Company during his tenure of 11 years.

- Appointment of Mr. Ashish Jain as Chairman & Managing Director

During the year under review, the appointment of Mr. Ashish Jain (DIN: 02041164) as Chairman & Managing Director w.e.f. 1st June, 2018 for the term of 5 years whose period of office will not be liable to determination by

retirement of directors by rotation.

- Resignation of Mrs. Rajni Gehlot as Independent Director

Mrs. Rajni Gehlot, Non executive Independent Director of the company, resigned from the Board w.e.f. 22nd May, 2019 due to her pre occupation in other company and their responsibilities.

- Declaration from Independent directors on Annual basis:

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

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

- Retirement of Director by rotation
In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association, Mr. Kalu Lal Jain, Executive Director of the Company are liable to retire by rotation, at the ensuing 14th Annual General Meeting of the company and has offered himself for re-appointment. Resolutions for reappointment is being proposed at the 14th Annual General Meeting and Profile included in the Notice of the 14th Annual General Meeting.
- Stock Option
During the year under review, no stock options were issued to the Directors of the Company.

Formal Evaluation of the Performance of the Board, Committees of the Board and Individual Director :

Pursuant to the provisions of 134(3)(p) the Companies Act, 2013 the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its 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 specific duties, obligations and governance. In pursuant to Regulation 17(10) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the evaluation of independent directors were done by the entire board of directors which includes -

- (a) Performance of the directors; and
- (b) Fulfillment of the independence criteria as specified in the regulations and their independence from the management

Criteria adopted for evaluation:

The Board shall evaluate the roles, functions, duties of Independent Directors (ID's) of the Company. Each ID shall be evaluated by all other directors' not by the Director being evaluated. The board shall also review the manner in which ID's follow guidelines of professional conduct.

- (i) Performance review of all the Non-Independent Directors of the company on the basis of the activities undertaken by them, expectation of board and level of participation;

Performance review of the Chairman of the Company in terms of level of competence of chairman in steering the company;

- (iii) The review and assessment of the flow of information by the Company to the board and manner in which the deliberations take place, the manner of placing the agenda and the contents therein;
- (iv) The review of the performance of the directors individually, its own performance as well as evaluation of working of its committees shall be carried out by the board;
- (v) On the basis of performance evaluation, it shall be determined by the Nomination and Remuneration Committee and the Board whether to extend or continue the term of appointment of ID subject to all other applicable compliances.

Meetings

• Board

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

During the financial year 2018-19, Nine (9) Board Meetings were convened and held. The details related to Board Meetings are appended in Corporate Governance Report forming part of this Report.

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

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel. The Independent Directors of the Company met once during the year on March 02nd, 2019 to review the performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairperson of

the Company and access the quality, quantity and timeliness of flow of information between the company management and the Board.

Audit Committee & Other Board Committees

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

The Board of Directors has constituted four other committees namely -

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

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

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

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

Related Party Transactions

There were no materially significant related party transactions i.e. transactions of material nature, with its promoters, directors or senior management or their relatives etc., that may have potential conflict with the interest of company at large. Transactions entered with related parties, as defined under the Companies Act, 2013 and provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year 2018-19 were mainly in the ordinary course of business and on an arm's length basis.

During the year, your Company has not entered into any material contract, arrangement or transaction with related parties, 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 details with respect to the related party transactions are mentioned in the notes to the audited financial statements.

Details of RPT in Form AOC-2 attached to Board report may also be referred to and marked as Annexure-II

Significant and material orders passed by the regulator or court or tribunals

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

Internal Audit & Internal Control Systems and Their Adequacy

Your Company has appointed T.R. Dangi & Associates, Chartered Accountant Udaipur as an Internal Auditor of the Company, who reports to the Audit Committee and to the Board of Directors of the Company. The Internal Auditor conducts comprehensive audit of functional areas and operations of the Company to examine the adequacy of and compliance with policies, procedures, statutory and regulatory requirements. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations.

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

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

Secretarial Auditor & Secretarial Audit Report

- Secretarial Auditor
Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 and Pursuant to Reg. 24A of Securities Exchange Board of India (Listing Obligation & Disclosure Requirement) (Amendments) Regulations, 2018, the Board of Directors of the Company had appointed Mr. Ronak Jhuthawat Proprietor of M/s Ronak Jhuthawat & Co., Practicing Company Secretaries, Udaipur, to undertake the Secretarial Audit of the Company for the financial year 2018-19. The Secretarial Audit Report for the financial year ended March 31st, 2019, is annexed as "Annexure - III" to this report. The said report, does not contain any qualification, reservation or adverse

remark, however, contains certain observations of the Secretarial Auditor which are self explanatory, and thus do not call for any further comments.

- Qualifications in Secretarial Audit Reports:

There are no qualifications, reservations or adverse remarks or disclaimer made by the company secretary in practice in his secretarial audit report.

Auditors

- Statutory Auditors

At the Eleventh (11th) Annual General Meeting held on September 24th, 2016, the Members had appointed M/S. H.R. Jain & Co., Chartered Accountants, (FRN 000262C), as the Statutory Auditors of the Company, by way of ordinary resolution under section 139 of the Companies Act, 2013, to hold office until the conclusion of the Annual General Meeting of the Company to be held in the year 2021 of the Company.

The Company has received consent from the Statutory Auditors and confirmation to the effect that they are not disqualified to be appointed as the Statutory Auditors of the Company in terms of the provisions of Companies Act, 2013 and Rules framed there under.

- Notes to Accounts and Auditors Report

The notes to the accounts referred to in Auditors Report are self-explanatory and do not call for any further comments. The Statutory Auditors Report does not contain any qualification, reservation or adverse remark.

- Qualifications in Audit Reports:

There are no qualifications, reservations or adverse remarks or disclaimer made by the statutory auditor in his report.

Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3) (c) read with Section 134(5) of the Companies Act, 2013:

- that in the preparation of the annual financial statements for the year ended March 31st, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that such accounting policies as mentioned in Note of the Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to

give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date;

- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual financial statements have been prepared on a going concern basis;
- that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Report on Corporate Governance

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section titled 'Report on Corporate Governance' forms part of this Annual Report.

The Report on Corporate Governance also includes certain disclosures that are required, as per Companies Act, 2013. The certificate by the Statutory Auditors confirming Compliance with the conditions of Corporate Governance as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed as 'Annexure V' to this report. The said certificate for financial year 2018-19 does not contain any qualification, reservation or adverse remark.

In terms of Section 136 of the Act, the Reports and Accounts are being sent to the members and others entitled thereto.

Management Discussion and Analysis

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section titled 'Report on Corporate Governance' forms part of this Annual Report.

Extract of Annual Return

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as at March 31st, 2019, in the prescribed form MGT 9, forms part of this report and is annexed as "Annexure IV". The weblink of the same www.akmeststarhousing.com

Enhancing Shareholders Value

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

Outlook

During the year, Indian economy continued to consolidate the gains achieved through macroeconomic stability. The country remained on a stable growth path on the back of sharp reduction in crude oil prices and resilient domestic consumption. Besides, inflation remained under control and fiscal and current account deficits continued to be moderate.

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

Acknowledgements

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

maintain its consistent growth. The Directors would also like to thank the BSE Limited, National Securities Depository Limited, Central Depository Services (India) Limited and the Credit Rating Agencies for their continued co-operation.

Cautionary Statement

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

For, and on behalf of the Board

Sd/-

Ashish Jain

Managing Director

DIN: 02041164

Sd/-

Nirmal Kumar Jain

Director

DIN: 00240441

Registered office

AKME Business Center (ABC)

4-5 Subcity Center Savina Circle

Opp. Krishi Upaz Mandi Udaipur.313002

Date : 12.08.2019

Place : Udaipur

ANNEXURE-I

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

Companies Act 2013 under the provisions of Section 178 has mandated that "every listed public Company or such class or classes of companies, as may be prescribed, shall constitute the Nomination and Remuneration Committee, to guide the Board on various issues on appointment, evaluate performance, remuneration of Directors, and Senior Management.

Objective:

The Objective of the Policy is to ensure that:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Criteria for selection and Appointment of Executive and Non Executive Directors
- Remuneration to Directors and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

Appointment of Managerial Personnel, Director, KMP And Senior Management:

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Managerial Personnel, Director or KMP or Senior Management and recommend to the Board his /her appointment or re-appointment.
- A person should possess adequate qualification, expertise and experience for the position he /she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient /satisfactory for the concerned position.
- Appointment of Independent Directors is also subject to compliance of provisions of section 149 of the Companies Act, 2013, read with Schedule IV and rules there under.

Criteria of "Selection of Non-Executive Director":

- The Non Executive Director shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of marketing, finance, taxation, law, governance and general

Management.

- In case of appointment the committee shall satisfy itself regarding to the independent nature of directors and shall ensure that candidate is not disqualified for appointment under Section 164 of companies Act, 2013.
- The committee shall ensure that proper familiarization programmes is carried out for such director in case of his appointment.

Remuneration of Managerial Personnel, KMP And Senior Management:

- The Remuneration / Compensation / Profit linked Incentive etc. to Managerial Personnel, will be determined by the Committee and recommended to the Board for approval. The Remuneration / Compensation / Profit Linked Incentive etc. to be paid for Managerial Personnel shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- The remuneration and commission to be paid to Managerial Personnel shall be as per the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.
- If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Personnel in accordance with the provisions of Schedule V of the Companies Act, 2013.
- Increments if declared to the existing remuneration / compensation structure shall be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managerial Personnel.
- The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy. The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time. The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial

Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

- Where any insurance is taken by the Company on behalf of its Managerial Personnel, KMP and Senior Management for indemnifying them against any official liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

Remuneration to Non-executive / Independent Directors:

- Remuneration / Profit Linked Commission:
The remuneration / profit linked commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.
- Sitting Fees:
The Non- Executive Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
- Limit of Remuneration / Profit Linked Commission:
Remuneration / profit linked Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1%/3% of the net profits of the Company respectively.

Stock Options:

- Pursuant to the provisions of the Companies Act 2013, Managerial Personnel, KMP, Senior Management and an employee, except Independent Directors, shall be entitled to any Employee Stock Options (ESOPs) of the Company.

Policy on Board Diversity:

- The Board of Directors shall have the optimum combination of Directors from the different areas / fields like production, Management, Quality Assurance, Finance, Sales and Marketing, Supply chain etc or as may be considered appropriate.
- The Board shall have at least one Board member who has accounting or related financial management expertise and at least three members who are financially literate.

Monitoring, Evaluation and Removal:

- Evaluation:
The Committee shall carry out evaluation of performance of every Managerial Personnel, Director, KMP and Senior

Management on yearly basis.

- Removal:
The Committee may recommend, to the Board with reasons recorded in writing, removal of a Managerial Personnel, Director, KMP or Senior Management subject to the provisions of Companies Act, 2013, and all other applicable Acts, Rules and Regulations, if any.

Minutes of Committee Meeting:

- Proceedings of all meetings minitised and signed by the Chairperson of the said meeting or the Chairperson of the next succeeding meeting. Minutes of the Committee meeting will be circulated at the subsequent Board meeting for noting.

Amendment to The Policy:

- The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.
- In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), Clarification, circular(s) etc.

Disclosure:

The details of this Policy and the evaluation criteria as applicable shall be disclosed in the Annual Report as part of Board's Report therein or alternatively the same may be put up on the Company's website and reference drawn thereto in the Annual Report.

ANNEXURE-II

FORM NO.AOC.2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL

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

2. Details of material contracts or arrangement or transactions at arm's length basis as on 31.03.2019

Name of Related Party	Nature of Relationship	Nature of Contracts	Term/ Duration of Contracts	Outstanding Value (31.03.2019)	Date Of Approval By Board/ Member	Amount As Advances/ Security Deposit
Ashish Jain	Managing Director	Remuneration	5 Years	Nil	-	-
Nirmal Kumar Jain	Director	Remuneration	-	Nil	-	-
Manju Jain	Wife of Director	Remuneration	-	Nil	-	-
Kavish Jain	Brother of Managing Director	Remuneration	-	Nil	-	-
Dipesh Jain	Son of Director	Remuneration	-	Nil	-	-

Registered office

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

Date : 12.08.2019

For, and on behalf of the Board

Sd/-

Ashish Jain
Managing Director
DIN: 02041164

Sd/-

Nirmal Kumar Jain
Director
DIN: 00240441

ANNEXURE-III

FORM MR-3

SECRETARIAL AUDIT REPORT

(For the Financial Year Ended March 31st, 2019)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period 01.04.2018 to 31.03.2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Akme Star Housing Finance Limited ("The Company") for the period ended on 31.03.2019 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
 - d. Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October 2014) - Not applicable as the Company has not issued any shares/options to directors/employees under the said guidelines / regulations during the year under review;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the Company has not issued any debt securities which were listed during the year under review;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;- Not applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the year under review;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not

applicable as the Company has not delisted / propose to delist its equity shares from any Stock Exchange during the year under review; and

- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018- No applicable as the Company has not bought back or propose to buy-back any of its securities during the year under review.
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2018-Complied with.
5. I have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS- 2) issued by The Institute of Company Secretaries of India.
 - (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018
6. As confirmed, following other laws are specifically applicable to the Company for which the Management has confirmed that the Company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively:
- a. The Housing Finance Companies (NHB) Directions, 2010.
 - b. Housing Finance Companies - Corporate Governance (NHB) Directions, 2016;
7. During the period under review, the Company has complied with provisions of the Act, Rules, applicable Regulations, Guidelines, Standards, etc. mentioned above.
8. I further report that:
- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act
 - b. Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed

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

- c. All decision at Board Meetings and Committee Meetings are carried unanimously as recorded in the minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.
9. I further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), I am of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.
10. I further report that during the review period the Company has taken following major action having a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. have taken place.

Place: Udaipur
Date: 30.06.2019

For Ronak Jhuthawat & Co.

Sd/-
Ronak Jhuthawat
Company Secretaries
M NO 9738 CP No 12094

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

ANNEXURE-A

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

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

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

Place: Udaipur
Date: 30.06.2019

For Ronak Jhuthawat & Co.

Sd/-
Ronak Jhuthawat
Company Secretaries
M NO 9738 CP No 12094

Form No. MGT-9

Extract of Annual Return

as on the financial year ended on 31st March 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and Other Details

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

ii Principal Business Activities of The Company

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

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

III. Particulars Of Holding, Subsidiary and Associate Companies-

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

IV. Share Holding Pattern (Equity Share Capital Break-up as percentage of Total Equity)**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1st April 2018)				No. of Shares held at the end of the year (as on 31st March 2019)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	5226110	-	5226110	43.27	5274100	-	5274100	43.66	0.40
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	1085000	-	1085000	8.98	1088000	-	1088000	9.01	0.02
e) Banks/FI-	-	-	-	-	-	-	-	-	-
f) Any other...	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1):-	6311110	-	6311110	52.25	6362100	-	6362100	52.67	0.42

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1st April 2018)				No. of Shares held at the end of the year (as on 31st March 2019)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2):-	0	-	0	0	0	-	0	0	0
Total Share holding of Promoter (A)= (A)(1)+(A)(2)	6311110		6311110	52.25	6362100	-	6362100	52.67	0.42
B. Public Share holding	-	-	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI-	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs - -	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Market maker	48350	0	48350	0.40	38567	0	38567	0.32	-0.08
Sub-Total (B)(1):-	48350	0	48350	0.40	38567	0	38567	0.32	-0.08
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	220857	1.83	220857	1.83	210642	0	210642	1.74	-0.09
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	1195201	10680	1205881	9.98	1163470	-	1163470	0.61	-9.37
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	3008973	1100840	4109813	34.01	4101512	-	4101512	42.97	8.96
c) Others (specify)									
i) Clearing members	16970	-	16970	0.14	22272	-	22272	0.18	0.04
ii) Directors & Relatives (other than Promoters)	-	-	-	-	-	-	-	-	-
iii) Non-Resident Indians	166019	-	166019	1.37	180437	-	180437	1.49	0.12
iv) Trust	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2):-	4608020	1111520	5719540	47.35	5678333	-	5678333	47.01	-0.34
Total Public shareholding (B)= (B)(1)+(B)(2)	4656370	1111520	5767890	47.75	5716900	-	5716900	47.33	-0.42
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	10967480	1111520	12079000	100	12079000	-	12079000	100	0.00

(i)(a) Statement Showing Diluted Share Capital As On 31.03.2019

S.No.	Category of shareholder	Nos. Of shareholders	No. of fully paid up equity shares held	Shareholding as a % of total no. of shares	No. of Shares Underlying Outstanding Warrants	Total Diluted Shares (assuming full conversion of Warrants into Equity Shares)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)
(A)	Promoter & Promoter Group	32	6362100	52.67	225000	6587100	53.54
(B)	Public	701	5716900	47.33	0	5716900	46.46
	Total	733	12079000	100	225000	12304000	100

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1st April 2018)			Shareholding at the end of the year (as on 31st March 2019)			% change in shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Nirmal Kumar Jain	854000	7.07	-	854000	7.07	-	0.00
2	Mohan Lal Nagda	702600	5.82	-	-	-	-	5.82
3	Kalu Lal Jain	633400	5.24	-	633400	5.24	-	0.00
4	Abhilasha Jain	352680	2.92	-	352680	2.92	-	0.00
5	Anil Kumar Jain	442080	3.66	-	442080	3.66	-	0.00
	Total	2984760	24.84		2282160	18.89		-5.82

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

	Shareholding at the beginning of the year (as on 1st April 2018)		Cumulative Shareholding during the year (as on 31st March 2019)	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	2984760	24.84%	2282160	18.89%
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc.)	No Change		Transmission of share due to demise of Dr. Mohan Lal Nagda	
At the end of the year (or on the date of separation, if separated during the year)	2984760	24.84%	2282160	18.89%

(iv) Top Ten Non Promoters Movement

S.No.	Name	No. of Shares at the beginning/ End of the year	Date	Increase/ Decrease in share-holding	Reason	Number of Shares	Percentage of total shares of the company
1	ANITA ARORA	48,200	31-Mar-18	0	Transfer	48,200	0.40
			8-Jun-18	1555	Transfer	49,755	0.41
			15-Jun-18	500	Transfer	50,255	0.42
			13-Jul-18	450	Transfer	50,705	0.42
			20-Jul-18	150	Transfer	50,855	0.42
			27-Jul-18	-250	Transfer	50,605	0.42
			3-Aug-18	-11	Transfer	50,594	0.42
			10-Aug-18	-39	Transfer	50,555	0.42
			17-Aug-18	-49	Transfer	50,506	0.42
			7-Sep-18	-151	Transfer	50,355	0.42
			28-Sep-18	-1000	Transfer	49,355	0.41
			19-Oct-18	2750	Transfer	52,105	0.43
			26-Oct-18	-100	Transfer	52,005	0.43
			2-Nov-18	1400	Transfer	53,405	0.44
			9-Nov-18	1400	Transfer	54,805	0.45
2	AMIT ARORA	307541	23-Nov-18	29	Transfer	54,834	0.45
			21-Dec-18	247696	Transfer	302,530	2.50
			28-Dec-18	-1000	Transfer	301,530	2.50
			8-Feb-19	1386	Transfer	302,916	2.51
			22-Feb-19	614	Transfer	303,530	2.51
			30-Mar-19	0	Transfer	303,530	2.51
			31-Mar-18	0	Transfer	307,541	2.55
			1-Jun-18	5000	Transfer	312,541	2.59
			8-Jun-18	1200	Transfer	313,741	2.60
			22-Jun-18	500	Transfer	314,241	2.60
29-Jun-18	150	Transfer	314,391	2.60			
6-Jul-18	300	Transfer	314,691	2.61			

		13-Jul-18	400	Transfer	315,091	2.61	
		20-Jul-18	500	Transfer	315,591	2.61	
		27-Jul-18	1205	Transfer	316,796	2.62	
		28-Sep-18	12250	Transfer	329,046	2.72	
		19-Oct-18	1900	Transfer	330,946	2.74	
		26-Oct-18	4800	Transfer	335,746	2.78	
		2-Nov-18	300	Transfer	336,046	2.78	
		23-Nov-18	10	Transfer	336,056	2.78	
		21-Dec-18	-247696	Transfer	88,360	0.73	
		88360	30-Mar-19	0	Transfer	88,360	0.73
3	PANNA LAL JAIN	8000	31-Mar-18	0	Transfer	8,000	0.07
		13-Apr-18	158312	Transfer	166,312	1.38	
		6-Jul-18	-8000	Transfer	158,312	1.31	
		31-Aug-18	52770	Transfer	211,082	1.75	
		30-Nov-18	-2	Transfer	211,080	1.75	
		211,080	30-Mar-19	0	Transfer	211,080	1.75
4	PANNA LAL JAIN	211,080	31-Mar-18	0	Transfer	211,080	1.75
		13-Apr-18	-158310	Transfer	52,770	0.44	
		31-Aug-18	-52770	Transfer	0	0.00	
		30-Mar-19	0	Transfer	0	0.00	
5	ANCHOR METAL PRIVATE LIMITED	177480	31-Mar-18	0	Transfer	177,480	1.47
		177480	30-Mar-19	0	Transfer	177,480	1.47
6	ASHOK KUMAR JAIN	166,800	31-Mar-18	0	Transfer	166,800	1.38
		14-Dec-18	-166800		Transfer	0	0.00
		30-Mar-19	0		Transfer	0	0.00
7	RAMESH KUMAR JAIN	166,000	31-Mar-18	0	Transfer		166,000
		166,000	30-Mar-19	0	Transfer		166,000
8	PRAVEEN KUMAR JAIN	52,001	31-Mar-18	0	Transfer		52,001
			14-Dec-18	83400	Transfer		135,401
		135,401	30-Mar-19	0	Transfer		135,401
9	PANKAJ RAYBHAN PANDEKAR	120,000	31-Mar-18	0	Transfer		120,000
			1-Jun-18	12	Transfer		120,012
			24-Aug-18	6	Transfer		120,018
		120,018	30-Mar-19	0	Transfer		120,018
10	NARENDRA KUMAR PAMECHA	118,333	31-Mar-18	0	Transfer		118,333
			31-Aug-18	4000	Transfer		122,333
			5-Oct-18	38	Transfer		122,371
			26-Oct-18	100	Transfer		122,471
			2-Nov-18	100	Transfer		122,571
			16-Nov-18	12	Transfer		122,583
			14-Dec-18	47800	Transfer		170,383
			28-Dec-18	-200	Transfer		170,183
			22-Mar-19	75	Transfer		170,258
			29-Mar-19	-100	Transfer		170,158
		170,158	30-Mar-19	0	Transfer		170,158
11	BANSILAL CHAMPALALJI JAIN	104,000	31-Mar-18	0	Transfer		104,000
		104,000	30-Mar-19	0	Transfer		104,000
12	PAVAN KUMAR JAIN	103,600	31-Mar-18	0	Transfer		103,600
		103,600	30-Mar-19	0	Transfer		103,600
13	BANSILAL CHAMPALAL JAIN	100,000	31-Mar-18	0	Transfer		100,000
		100,000	30-Mar-19	0	Transfer		100,000

(v) Shareholding of Directors and Key Managerial Personnel:

S.No	For each of the Directors and KMP	Shareholding at the beginning of the year (as on 1st April 2018)		Date of Change	Increase / Decrease	Reason	Cumulative shareholding during the year (as on 31st March 2019)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
	Directors							
1	Nirmal Kumar Jain	854000	7.07	No Change			854000	7.07
2	Mohan Lal Nagda	702600	5.82	Demise of Mr. Mohan Lal Nagda on 19.05.2018				
3	Kalu Lal Jain	633400	5.24	No Change			633400	5.24
4	Amrit Singh Rajpurohit	24000	0.20	No Change			24000	0.20
5	Rajni Gehlot	2	0.00	No Change			2	0.00
6	Rekha Jain	Nil	Nil	No Change			3	0.00
	KMP's							
7	Ashish Jain	32370	0.27	Appointment as Managing Director.w.e.f.28.05.2018			32370	0.27
8	Paritosh Kothari	Nil	Nil	Nil Holding During the year			Nil	Nil
9	Bhanwar Singh Kachhawaha	Nil	Nil	Nil Holding During the year			Nil	Nil

(vi) Indebtedness

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	295,564,585.00	Nil	Nil	295,564,585.00
(ii) Interest due but not paid	Nil	Nil	Nil	Nil
(iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	295,564,585.00	Nil	Nil	295,564,585.00
Change in indebtedness during the financial year				
• Addition	124,124,148.00	Nil	Nil	124,124,148.00
• Reduction	0	Nil	Nil	0
Net Change	124,124,148.00	Nil	Nil	124,124,148.00
Indebtedness at the end of the financial year				
(i) Principal Amount	419,688,733.00	Nil	Nil	419,688,733.00
(ii) Interest due but not paid	Nil	Nil	Nil	Nil
(iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	419,688,733.00	Nil	Nil	419,688,733.00

VII Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Director and/or Manager								
S.No.	Particulars of Remuneration	Name of MD/WTD/Manager/Director						Total Amount
		Mohan Lal Nagda	Nirmal Kumar Jain	Ashish Jain				
1	Gross Salary							
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	100000	1000000	1350000				2450000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-				-
	(c) Profits in lieu of Salary under section 17(3) Income-tax Act, 1961	-	-	-				-
2	Stock Option	-	-	-				-
3	Sweat Equity	-	-	-				-
4	Commission							
	- as % of profit	-	-	-				-
	- others, specify	-	-	-				-

5	Others, please specify(SITTING FEES)	-	-	-				-
	Total (A)	100000	1000000	1350000				2450000
	Ceiling as per the Act	In terms of the provisions of the Companies Act, 2013 ("Act") the remuneration payable to the Managing Directors shall not exceed 5% of the net profit of the Company as calculated as per the Act. Company has Complied with the Act and the remuneration approved accorded by the members of the Company.						

B. Remuneration to other Directors:								
S. No.	Particulars of Remuneration	Name of Directors						Total Amount
1	Independent Directors							
	? Fee for attending Board / Committee Meetings							
	? Commission							
	? Others,							
	Total (1)							
2	Executive Directors							
	? Fee for attending Board/ Committee Meetings	-					-	
	? Commission							
	? Others, please specify							
	Total (2)	-					-	
	Total (B)=(1+2)						-	
	Total Managerial Remuneration							
	Overall Ceiling as per the Act	The remuneration not paid to the Directors of the Company under the Companies Act, 2013.						

C. Remuneration to Key Managerial Personnel Other than MD/Manager/ WTD:					
S. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	345000	120000	465000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of Salary under section 17(3) Income-tax Act, 1961				
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify(sitting fees)	-			
	Total	-	345000	120000	465000

VIII Penalties / Punishment / Compounding of Offences:

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

REPORT ON CORPORATE GOVERNANCE 2018-19



Report on Corporate Governance

The report on Corporate Governance pursuant to the Companies Act, 2013 ("the Act") and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") and forming part of the Directors' Report for Financial year 2018-19 is presented below:

Company's philosophy on Corporate Governance

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

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

Company's philosophy on Corporate Governance encompasses simple tenets of integrity, transparency, accountability and fairness in whatever the Company does and what it basically aims at achieving is a complete adherence to the applicable laws while at the same time ensuring complete commitment to values and the highest ethical standards in every facet of its operations and in each of its functional areas. This together with meaningful social activities has enabled your Company to earn the trust and goodwill of its investors, business partners, employees and the communities, in which it operates. In line with the nature and size of operations, the Corporate Governance framework of the Company, is based on the following main principles:

- Constitution of a Board of Directors of appropriate composition, size, varied experience and commitment to discharge their responsibilities and duties.
- Transparency and independence in the functions of the Board.

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

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

CORPORATE GOVERNANCE AT ASHFL

ASHFL's Corporate Governance practices outlays ethical business conduct. It encompasses not only regulatory and legal requirements, including the SEBI Regulations in respect of Corporate Governance but also other practices aimed to achieve accountability and enhancement of value for all stakeholders. ASHFL's Corporate Governance policies recognizes the importance of transparency and a committed approach of disclosure level to all its constituents, including employees, customers, investors and the regulatory authorities. ASHFL is committed to function such corporate governance norms and practices that primates the long term interests of the members, strengthens the accountability of its management and Board of Directors and that entrusts other stakeholders' trust in the Company. The Report of the Company on Corporate Governance in accordance with the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

BOARD OF DIRECTORS

The Board of Directors of the Company plays a key role, as they oversee the functioning of the organization and ensures that it

continues to operate in the best interest of all the stakeholders. Thus, the Company strives to keep its Board well-informed, independent and actively involved in the important decision making process pertaining to the Company.

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

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

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

The Company has a broad based Board of Directors, constituted in compliance with the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018 and in accordance with highest standards of Corporate Governance in its management, which ensures an appropriate mix of Executive/Non Executive and Independent Directors with demonstrated skill sets and relevant experience.

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

A. Independent Directors

Independent directors play a vital role in deliberations at the board meetings and bring to the Company their wide experience and knowledge in the fields of finance, housing,

accountancy, law and public policy. This wide knowledge of both, their field of expertise and boardroom practices helps foster varied, unbiased, independent and experienced perspectives. The Company benefits immensely from their inputs in achieving its strategic direction.

The Audit Committee, the Nomination & Remuneration Committee, the Stakeholders Relationship Committee and the CSR Committee have a majority of independent directors. These committees function within the defined terms of reference in accordance with the Companies Act, 2013, the SEBI (LODR) Regulations, 2018 and as approved by the board, from time to time. Board members ensure that their work in other capacities do not impinge on their fiduciary responsibilities as directors of the Company.

All Independent directors of the Company, at the time of their first appointment to the Board and thereafter at the first Board meeting of the Board in every Financial Year, give a declaration that they meet the criteria of independence as provided under the provisions of Section 149 of the companies Act, 2013. In the opinion of the Board, each independent director possesses the appropriate balance of skills, experience and knowledge as required.

Separate Meeting of the Independent Directors

During the year, as per the requirement of Schedule IV of the Companies Act, 2013 and SEBI (LODR) Regulations, 2018, a separate meeting of the independent directors of the Company was held on March 02nd, 2019 without the attendance of non-independent directors and members of the management. All 3 independent directors were present at the meeting, wherein they had inter alia; reviewed the performance of non-independent directors and the Board as a whole; reviewed the performance of the Chairman of the Company and assessed the quality, quantity and timeliness of flow of information between the company management and the Board.

B. Composition of the Board

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

The Board is expertise in making informed decisions, expediently with the bouquet of variety of perspectives and

skills that work together in the best interest of the Company.

The Board of Directors as on 31.03.2019 comprises of Six [6] directors of which Two [2] are Executive Directors; One [1] is Managing Director & Three [3] are Independent & Non-Executive Director including one woman director. The Company is in compliance with Securities and Exchange Board

of India (Listing Obligations and Disclosure Requirements) Regulations, 2018 and other applicable provisions of the Companies Act, 2013, with regard to composition of Board of Directors. None of the Director on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees, across all the companies in which he is a Director.

The Composition of the Board as on 31st March, 2019 is given below:

Name Of Director	Category of Directors	DIN	No. of Shares	Qualification/ Experience
Mr. Ashish Jain	Chairman & Managing Director	02041164	32,370	
Mr. Nirmal Kumar Jain	Promoter & Executive Director	00240441	8,54,000	
Mr. Kalu Lal Jain	Executive Director	00451442	6,33,400	
Mr. Amrit Singh Rajpurohit	Non Executive & Independent Directors	02173432	24000	
Mrs. Rajni Gehlot	Non Executive & Independent Directors	06627287	2	
Dr. Rekha Jain	Non Executive & Independent Directors	07703994	3	

C. Directors' Profile

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

The details of the Directors, as at March 31, 2019, including the details of their board directorship reckoned in line with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, committee membership (including ASHFL) and their shareholding in the Company, are given below:

D. Directorships and Membership of the Directors in other Companies/Committees

All the Directors of the Company are compliant with the applicable provisions of Companies Act, 2013 and SEBI Listing Regulations with respect to their number of Directorship in other Companies and chairmanship/membership on various Committees.

The details of the directorship of each Director on the Board of various Companies as on 31st March, 2019 along with their Chairmanship and Membership on the Board Committees (including ASHFL) are tabled below:

Name of The Director	DIN	*Number of Directorships	Member/chairperson of The Committee	
			Member	Chairman
Mr. Nirmal Kumar Jain	00240441	3	2	0
Mr. Kalu Lal Jain	00451442	4	0	0
Mr. Ashish Jain	02041164	2	1	0
Mrs. Rajni Gehlot	06627287	1	2	1
Mr. Amrit Singh Rajpurohit	02173432	2	0	0
Dr. Rekha Jain	07703994	1	2	1

* Inclusive of directorships held in Private Limited Companies.

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

E. Evaluation of Directors and Board

With the objective of enhancing the effectiveness of the board, the Nomination & Remuneration Committee formulated the methodology and criteria to evaluate the performance of the board and each director. The evaluation of the performance of

the board is based on the approved criteria such as the board composition, strategic planning, role of the Chairman, non-executive directors and other senior management, assessment of the timeliness and quality of the flow of information by the company to the board and adherence to compliance and other regulatory issues.

F. Board Meetings

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

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

- Minutes of various committees of the Board

- Annual operating plans, budgets and business strategies and performance.
- Information on the exits and recruitments including the remuneration of senior officials just below the Board level
- Significant transactions, related party transactions and arrangements
- Compliance reports pertaining to all the laws applicable to the Company
- Regulatory notices/judgement/order being material in nature
- Update on non-fulfillment or defaults by the Company of any financial liability / obligations of material nature
- Update on shareholders' grievance redressal process
- Significant regulatory matters.
- Risk evaluation and control mechanism.
- Details of investments and deployment of capital issue proceeds.

During the financial year **2018-19**, 09 Board Meetings were held on 28.05.2018, 16.06.2018, 11.07.2018, 30.07.2018, 14.08.2018, 24.09.2018, 14.11.2018, 10.12.2018, and 13.02.2019 respectively. The details of the attendance of the Directors at the Board Meeting, Sitting fees paid and attendance at the Annual General Meeting held during the year 2018-19 are as follows:

S.No.	Name of The Director	No of Meeting Board of Meetings		Sitting Fees Paid	Whether Attended Last AGM Held On 28.07.2018 (Y/N)
		Held	Attended		
1	Nirmal Kumar Jain	9	8	0	Yes
2	Kalu Lal Jain	9	9	0	Yes
3	Ashish Jain	9	7	0	Yes
4	Rajni Gehlot	9	8	0	Yes
5	Amrit Singh Rajpurohit	9	8	0	No
6	Rekha Jain	9	6	0	No

G. Remuneration to Directors

- Non-Executive Directors

The Non-Executive Directors of the Company do not have any pecuniary relationship except as mentioned herein. The Non-Executive Directors are not paid sitting fees and other expenses incurred for attending the Board / Committee meetings. The Company has not paid sitting fees of per meeting to the Non-Executive Directors for attending meetings of the Board during Financial Year 2018-19.

The compensation not paid by the Company to the Non-Executive Directors as at March 31, 2019.

- Executive Director

The executive directors of the Company have been appointed, in terms of the resolutions passed by the shareholders at the annual general meetings. Elements of the remuneration package comprise of salary, perquisites and other benefits are as approved by the members at the annual general meeting. Details of the remuneration paid to the executive directors

during the year under review are provided in Form MGT 9 given elsewhere in the Annual Report.

- Managing Director:

Based upon the recommendation of Nomination & Remuneration Committee in their meeting dated 16th May, 2018 has approved the appointment of Mr. Ashish Jain as Managing Director for a term not exceeding five year from 1 June 2018 to 31 May 2023.

COMMITTEES OF THE BOARD

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

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

A. Audit Committee

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

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

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

The functions of Audit Committee are:

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

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

- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors on any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the

payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.

- To review the functioning of the Whistle Blower mechanism, in case the same is exist.
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- To overview the Vigil Mechanism of the Company and took appropriate actions in case of repeated frivolous complaints against any Director or Employee.

Powers of the Audit Committee:

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

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

The composition of the Audit Committee as at March 31, 2019 and details of the Members participation at the Meetings of the Committee are as under:

Name of Members	Category	Status	Attendance at the Audit Committee Meetings			
			28.05.2018	14.08.2018	14.11.2018	13.02.2019
Rajni Gehlot	Independent and Non executive	Chairperson/ Member	Yes	Yes	Yes	Yes
Nirmal Kumar Jain	Executive	Member	Yes	Yes	Yes	Yes
Rekha Jain	Independent and Non executive	Member	Yes	Yes	Yes	Yes

- CA Rajni Gehlot is the Chairperson of the Audit Committee.

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

Self Assessment by the Audit Committee

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

B. Stakeholders' Relationship Committee

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

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

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

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

debentures / other securities and all matters incidental or related thereto; to authorize the Company Secretary and Head Compliance / other Officers of the Share Department to attend to matters relating to non receipt of annual reports, notices, non receipt of declared dividend / interest, change of address for correspondence etc. and to monitor action taken;

- To redress the complaints of the members and investors, related to transfer and transmission of securities, non receipt of annual reports and other securities related matters
- To review the request/Complaints received by the Registrar and Share Transfer Agent from the members relating to transfer, transmission, consolidation, replacement of share certificates, issue of duplicate share certificates and dematerialization of securities certificates
- To recommend the measures for overall improvement in the quality of investor services
- monitoring expeditious redressed of investors / stakeholders grievances;
- All other matters incidental or related to shares, debentures and other securities of the Company.
- Any other function as may be stipulated by the Companies Act, 2013, SEBI, Stock Exchange or any other regulatory authorities from time to time.
- The composition of the Stakeholders' Relationship Committee as at March 31, 2019 and details of the Members participation at the Meetings of the Committee are as under:

Name of	Category	Attendance at the Stakeholders' Relationship Committee Meetings				
		14.05.2018	31.08.2018	06.11.2018	10.12.2018	05.03.2019
Rajni Gehlot	Independent and Non executive	Yes	Yes	Yes	Yes	Yes
Rekha Jain	Independent and Non executive	Yes	Yes	Yes	Yes	Yes
Ashish Jain	Executive	Yes	Yes	Yes	Yes	Yes

- *Mrs. Rekha Jain is the Chairman of the Committee*

All shares of the Company are in dematerialized form. Big share services private limited has been appointed and it has been acting as the Registrar and Share Transfer Agent of the Company for carrying out transfer and other ancillary work related thereto. Big share services private limited has

appropriate systems to ensure that requisite service is provided to investors of the Company in accordance with the applicable corporate and securities laws and within the adopted service standards.

During the period under review, The Company has not received any investor's and also no complaint is pending.

C. Nomination and Remuneration Committee

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

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

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

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

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

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

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

The composition of the Nomination and Remuneration Committee as at March 31, 2019 and the details of Members participation at the Meetings of the Committee are as under:

Name of Members	Category	Attendance at the Nomination And Remuneration Committee Meetings			
		16.05.2018	30.08.2018	01.12.2018	04.03.2019
Rajni Gehlot	Independent & Non Executive	Yes	Yes	Yes	Yes
Amrit Singh Rajpurohit	Independent & Non Executive	Yes	Yes	Yes	Yes
Rekha Jain	Independent & Non Executive	Yes	Yes	Yes	Yes

- *Mrs. Rajni Gehlot is the Chairperson of the Committee*

D. Corporate Social Responsibility (CSR) Committee

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

The following Terms of reference:

- To formulate and recommend to the Board, Corporate

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

- To monitor the Corporate Social Responsibility Policy of the Company from time to time.
- To recommend the amount of expenditure to be incurred on the CSR activities to be undertaken.

The composition of the Corporate Social Responsibility Committee as at March 31, 2019 and the details of Members' participation at the Meetings of the Committee are as under:

Name of Members	Category	Attendance at the CSR Meeting
		16.03.2019
Ashish Jain	Executive Director	Yes
Nirmal Kumar Jain	Executive Director	Yes
Amrit Singh Rajpurohit	Independent Non Executive Director	Yes

- The Committee has been re-constituted on 19.05.2018 due to the cessation of Dr. Mohan Lal Nagda
- Mr. Ashish Jain is the Chairman of the Committee.

E. Risk Management Committee

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

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

- Oversight of risk management performed by the executive management;
- Reviewing the BRM policy and framework in line with local

legal requirements and SEBI guidelines;

- Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
- Defining framework for identification, assessment, monitoring, mitigation, and reporting of risks.
- Reviewing and identifying risk in the area of cyber security and Management.
- reviewing and monitoring the effectiveness and application of credit risk management policies, related standards and procedures and to control the environment with respect to credit decisions;

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

The composition of the Risk Management Committee as at March 31, 2019 and the details of Members' participation at the Meetings of the Committee are as under:

Name of Members	Category	Attendance at The Risk Management Committee Meetings		
		12.06.2018	03.09.2018	06.12.2018
Nirmal Kumar Jain	Executive	Yes	Yes	Yes
Rekha Jain	Independent & Non Executive	Yes	Yes	Yes
Ashish Jain	Executive	Yes	Yes	Yes
Amrit Singh Rajpurohit	Independent & Non Executive	Yes	Yes	Yes

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

GENERAL BODY MEETINGS

A. Annual General Meeting

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

Financial Year	Location	Meeting Date & Time	Special Resolution Passed at The AGM
2017-18	Kaya Valley Resort, National Highway 8, behind Kaya Jain temple, Udaipur (Raj)	28.07.2018 AT 11.30 A.M.	<ul style="list-style-type: none"> • Appointment of Mr. Ashish Jain as Managing Director & Chairman of the company • To approve borrowing limits of the company

			<ul style="list-style-type: none"> To approval for creation charges, mortgages, hypothecation on the immovable and movable properties of the company under section 180(1)(a) of the companies act
2016-17	Kaya Valley Resort, National Highway 8, behind Kaya Jain temple, Udaipur (Raj)	29.07.2017 AT 11.30 A.M.	<ul style="list-style-type: none"> Appointment of Dr. Rekha Jain as Independent Director Appointment of Mr. Ashish Jain as Executive Director
2015-16	Kaya Valley Resort, National Highway 8, behind Kaya Jain temple, Udaipur (Raj)	24.09.2016 AT 12:30 P.M.	NIL

B. Extra Ordinary General Meeting

The Extra Ordinary General Meeting of the Company was not held during the year

ISSUE OF WARRANTS

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

The Board allotted 4,35,000 Warrants to prospective Public & Private Investors vide meeting dated 30th November, 2017.

Thereafter upon request received from the prospective Investors the Board vide meeting dated 09th January, 2018 approved the Conversion of Warrants into Equity upon allotment of 2,10,000 Warrants.

The 225000 warrant converted into Equity shares vide Board meeting held on 22.05.2019.

MATERIAL EVENT SUBSEQUENT TO THE END OF FINANCIAL YEAR

Change in Independent Director

We regret to inform regarding resignation of Independent Director of the Company Mrs. Rajni Gehlot (DIN: 06627287) and accordingly her resignation due to pre occupation in other company.

Board of directors vide meeting dated 22nd May, 2019 has approved the resignation of Mrs. Rajni Gehlot as Independent Director of the Company.

Appointment of Independent Director

Mr Suresh Chandra Gupta (DIN: 08527990) has been appointed as Independent Director on the Board w.e.f. 12.08.2019.

Preferential Issue of Equity Shares:

The Board has proposed to issue Equity Shares on preferential basis to Arkfin Investment Private limited of Rs 17,87,10,000/- vide its Board meeting held on 08th July 2019 and the same has been passed by the shareholders in EOGM held on 02nd August 2019.

Composition of the Board after considering material changes

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

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 2018-19, notice for AGM etc., are being sent in electronic mode to shareholders who have registered their e-mail addresses with the Company/ depository participants.

DISCLOSURES

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

There were no materially significant related party transactions i.e. transactions of material nature, with its promoters, directors or senior management or their relatives etc. that may have potential conflict with the interest of Company at large. Transactions with related parties as per the requirements of Accounting Standard 18 are disclosed in the Notes forming part of the Accounts in the Annual Report annexed herewith.

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

The Company has duly paid the amount due on account of filing of Corporate Governance Report for the Quarter ending September, 2018

C. Details of compliance with mandatory requirements

During the year 2018 -19, the Company has complied with all mandatory requirements in conformity with SEBI (LODR)

guidelines, 2015 has been detailed hereunder:

• Chairman of the Board

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

• Nomination and Remuneration Committee

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

• Shareholder's Rights

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

• Audit Qualification

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

• Training of Board Members

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

• Mechanism of evaluation of non-executive Board Members

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

D. OTHER DISCLOSURE

• Reconciliation of Share Capital Audit

As stipulated by SEBI, a qualified Company Secretary-in-Practice will carry out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited ("Depositories") and the total issued and listed capital with the stock exchanges. The audit confirms that the total

issued / paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with Depositories). The audit report is being submitted on quarterly basis to the Stock Exchanges.

- **Risk Management**

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

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

In compliance with the SEBI (Prohibition of Insider Trading) Regulations 2018, the Company has adopted a Code of Conduct for Prevention of Insider Trading Practices for its Directors and designated employees. The code lays down guidelines, which include procedures to be followed, and disclosures to be made while dealing in the shares of the Company.

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

- **Code of Conduct for the Board of Directors & Senior Management Personnel**

The Company has adopted a code of conduct for its Board of Directors & Senior Management personnel, which is applicable to the Board of Directors & Senior Management Team (one level below the Board of Directors) of the Company. The Board of Directors and members of the senior management personnel have provided their affirmation to the compliance with this code. The code requires the Directors and employees to act honestly, ethically and with integrity and in a professional and respectful manner. The said code has been posted on the website of the Company i.e. www.akmeststarhousing.com

- **Secretarial Audit**

M/s. Ronak Jhuthawat & Co, a Practicing Company Secretary, Udaipur, was appointed, to conduct Secretarial Audit of the Company for the financial year ended March 31, 2019. The

Secretarial Audit Report addressed to the Members of the Company is attached to this Annual Report. The Secretarial Audit Report confirms that the Company has complied with all the applicable provisions of the Companies Act, 2013 and the Rules made under that Act to the extent applicable, Depositories Act, 1996, and the Regulations and Bye-laws framed under that Act, Equity Listing Agreement with Stock Exchanges, Securities Contract (Regulation) Act, 1956 and all the Regulations of SEBI, as applicable to the Company including The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009, The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, and Guidelines issued by National Housing Bank.

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

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

- **Accounting Standards**

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

- **Auditors Certificate on Corporate Governance**

As required under the SEBI LODR Regulations, The Company has complied with all mandatory requirements of corporate governance norms as enumerated in Chapter IV of SEBI (LODR) Regulations, 2018. M/s. H.R. Jain & Co. Chartered Accountants, Udaipur, Statutory Auditors of the Company have certified that the Company has complied with the conditions of corporate governance which is part of this Annual Report.

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

In accordance with Regulation 18(3) of SEBI (LODR) Regulations, 2018, Mr. Ashish Jain, the Managing Director and Mr. Bhanwer Singh Kachhawaha, the CFO of the Company, have inter alia, certified and confirmed to the Board about the correctness of the financial statements, adequacy of internal control measures and matters to be reported to the Audit Committee.

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

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

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

reports to the Audit Committee of the Company.

• **Means of Communication**

The primary source of information to the shareholders, customers, analysts and other stakeholders of your Company and to public at large is through the website of your Company i.e. www.akmeststarhousing.com. The Annual Report, annually / half yearly results, shareholding pattern and material events, are regularly submitted to stock exchanges in accordance with the Listing Agreement and uploaded on the Company's website.

All price sensitive information and matters which are material and relevant to shareholders are intimated to all the Stock Exchanges where the securities of the Company are listed.

• **General Shareholders Information 14th Annual General Meeting:**

1. Day & Date	21st September, 2019
2. Time	11:30 A.M.
3. Venue	Kaya Valley Resort, National Highway 8, Behind Jain Temple, Udaipur (Raj)
4. Financial Reporting Calendar	Financial Year April to March
5. Dates of Book Closure	14.9.2019 to 21.09.2019
6. Listing on Stock Exchanges	BSE Limited (BSE) Phiroze Jeejebhoy Towers, Dalal Street, Fort, Mumbai 400 001 Stock Code - 539017
7. ISIN Number for NSDL & CDSL	INE526R01010
8. Corporate Identification Number (CIN)	L45201RJ2005PLC020463

• **Shareholding Pattern of the Company as at March 31, 2019:-**

• **Equity Shares**

Category	No. of Shares	% of Shareholding
A. Shareholding of Promoter and Promoter Group		
1. Indian		
(i) Individuals/ Hindu Undivided Family	52,74,100	43.66
(ii) Bodies Corporate	10,88,000	9.01
2. Foreign		
Total A	6362100	52.67
B. Public Shareholding		
1. Market Maker	38567	0.32
2. Individual		
a.) Indian National	5265131	43.59
b.) Foreign National	180437	1.49
	5591990	45.4
3. Clearing Members	23100	0.19
4. Body Corporate	209665	1.74
Total B	5824902	47.33
Total A+B	12079000	100.00%

- Outstanding Warrants as on 31.03.2019**

Category	No. of Shares Underlying Outstanding convertible securities (including Warrants)	% of Shareholding on diluted basis
Promoter	2,25,000	1.87%
Public	0	0
Total	2,25,000	1.87%

*The warrant has been converted into Equity Shares on 22.05.2019.

- Shareholding Pattern, as a % assuming Full Conversion of Convertible Securities i.e. Warrants (as a Percentage of Diluted Share Capital) as on 31st March, 2019**

Category	No. of Shares Underlying Outstanding Warrants	Amount Underlying Outstanding Warrants	% of Shareholding
Promoter	6536110	65361100	53.12%
Public	5767890	57678900	46.88%
Paid up Equity Capital on fully Diluted Basis	12034000	120340000	100.00%

*The warrant has been converted into Equity Shares on 22.05.2019.

- Distribution of Shareholding as at March 31, 2019:-**

Shareholding of Nominal		No. of Shareholders	% of Total Shareholders	Share Amount (in Rs)	% of Total Capital
Rs	Rs				
1	5000	367	49.06	442700	0.37
5001	10000	47	6.28	364390	0.30
10001	20000	37	4.94	568100	0.47
20001	30000	20	2.67	515820	0.43
30001	40000	19	2.54	719120	0.60
40001	50000	9	1.20	415160	0.34
50001	100000	118	15.77	9186580	7.61
100001	999999999	131	17.51	108578130	89.81
Total		748	100	12,07,90,000	100

- Address for Correspondence:-**

Registrar and Transfer Agents

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

ASHFL Secretarial Department

Paritosh Kothari
Compliance Officer & Company Secretary
Akme Business Centre, 4-5 Subcity Centre
Savina Circle, Udaipur 313002
Tel: 0294-2489501

Email: akmeststarhousing@yahoo.com.

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

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

- Designated Exclusive Email-Id**

The Company has designated an exclusive email id

compliance@akmeststarhfc.in, which would enable the shareholders to post their grievances and monitor its redressal. Any shareholder having any grievance or query may send the same to the said email address for its quick redressal.

- **Share Transfer system**

All the applications regarding physical transfer, transmission, splitting of share certificates, dematerialization and rematerialisation are processed periodically by the Registrar and Share Transfer Agents, and the same are approved by Stakeholder Relationship Committee periodically depending on the volume of transfers. In case of shares held in electronic form, the transfers are processed by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through their respective Depository

Participants. Share Certificates are dispatched back / credited to the respective Depository Accounts of the allottees within the time prescribed under the Listing Agreement / SEBI Guidelines. The Committee meets as and when required to approve share transfer received in physical form. The Company obtains from a Company Secretary in practice, certificate of compliance with the share transfer formalities as required under SEBI (LODR) Guidelines, 2015

- **Dematerialization of Shares and Liquidity**

The Company's equity shares are in the list of compulsory dematerialization settlement by all investors. As at March 31, 2019, 100% of the share capital of the Company representing 12079000 equity shares were held in dematerialized form.

Market Information

Month	High ASHFL	Low ASHFL	Sensex Closing	Share Closing	ASHFL Average
Apr-18	116.80	92.00	35,160.36	98.95	104.40
May-18	109.00	81.20	35,322.38	95.55	95.10
Jun-18	99.55	73.00	35,423.48	76.30	86.28
Jul-18	100.00	65.00	37,606.58	88.50	82.50
Aug-18	98.95	85.10	38,645.07	87.35	92.03
Sep-18	93.00	71.05	36,227.14	79.05	82.03
Oct-18	83.00	46.00	34,442.05	53.00	64.50
Nov-18	64.40	49.00	36,194.30	56.05	56.70
Dec-18	69.95	54.00	36,068.33	64.40	61.97
Jan-19	82.95	61.30	36,256.69	69.75	72.13
Feb-19	75.00	54.10	35,867.44	60.00	64.55
Mar-19	73.45	55.05	38,672.91	60.00	64.25

- **Accounting Standards**

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

- **Listing of Equity Shares:**

ASHFL'S shares are listed on the BSE Ltd.

The Stock Code: 539017

The Company has arranged for the payment of the listing fees for the year 2019-20 as per the listing agreement with the respective stock exchanges.

- **Going Concern:**

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

- **Other useful information for Shareholders**

- **Electronic filing of compliances on BSE**

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

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

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

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

- **Shares held in Electronic Form**

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

- **Shares held in Physical Form**

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

- **Service of documents through electronic mode**

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

- **Financial year:**

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

- **Outstanding GDRs / ADRs / warrants:**

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

- SEBI toll-free helpline service for investors: 1800 22 7575 or 1800 266 7575 (available on all days from 9:00 a.m. to 6:00 p.m. excluding declared holidays).
- SEBI investors' contact for feedback and assistance: tel. 022-26449188, e-mail: sebi@sebi.gov.in

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

We, hereby, confirm and declare that in terms of Regulation 26(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Board members and Senior Management Personnel of the Company have affirmed compliance with the "Code of Conduct for the Board of Directors and the Senior Management Personnel", for the Financial Year 2018-19.

Sd/-

Ashish Jain

Chairman & Managing Director
DIN- 02041164

Place: Udaipur

Date: 12.08.2019

Sd/-

Paritosh Kothari

Company Secretary
M.No.A36550

CORPORATE GOVERNANCE CERTIFICATE

2018-19

ANNEXURE-I

AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members,
AKME Star Housing Finance Limited

We have examined the compliance of conditions of Corporate Governance by AKME Star Housing Finance Limited, for the year ended on March 31, 2019, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2018 of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to review the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2018

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

Place: Udaipur
Date: 12.08.2019

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

Sd/-
CA Manoj Jain
Partner
Membership No. 400459

ANNEXURE-II

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

The Members

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

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

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr.No.	Name of Director	DIN	Date of Appointment
1	Nirmal Kumar Jain	00240441	21.03.2005
2	Kalu Lal Jain	00451442	14.05.2011
3	Ashish Jain	02041164	29.07.2017
4	Amrit Singh Rajpurohit	02173432	15.07.2013
5	Rajni Gehlot	06627287	15.07.2013
6	Rekha Jain	07703994	29.07.2017
7.	Suresh Chandra Gupta	08527990	12.08.2019

Note:

- Mrs. Rajni Gehlot has been resigned from the post of Director on 17.05.2019
- Mr. Suresh Chandra Gupta has been appointed as Additional Independent Director of the company W.e.f 12.08.2019.

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

Place: Udaipur
Date: 12.08.2019

For Ronak Jhuthawat & Co.

Sd/-

Ronak Jhuthawat
Company Secretaries
M NO 9738 CP No 12094

CEO /CFO CERTIFICATE 2018-19

To,
The Board of Directors
AKME Star Housing Finance Limited

1. We have reviewed financial statements and the cash flow statement of AKME Star Housing Finance Limited for the year ended 31st March, 2019 and to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee:
 - (i) that there are no significant changes in internal control over financial reporting during the year;
 - (ii) that there are no significant changes in accounting policies during the year; and
 - (iii) that there are no instances of significant fraud of which we have become aware

Sd/-
Bhanwar Singh Kachhawaha
Chief Financial Officer

Sd/-
Ashish Jain
Managing Director
DIN: 02041164

Date: 12.08.2019
Place: Udaipur



INDEPENDENT AUDITOR'S REPORT

To,
The Members of,
AKME STAR HOUSING FINANCE LIMITED,

We have audited the accompanying financial statements of Akme Star Housing Finance Limited ('the Company'), which comprises the Balance Sheet as at 31st March 2019, the statement of Profit and Loss Account, the Cash Flow Statement and the statement of changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information incorporated in the Schedules and Notes to Accounts.

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 Accounting Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2019, the profit and loss account, changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of the most significance in our audit of the financial statements of the current period. These matters were

addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter: Prudential Norms prescribed by the National Housing Bank: We assessed the company's process to follow the prudential norms and guidelines prescribed by the National Housing Bank.

Information other than the Financial Statements and Auditor's Report thereon

The company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management discussion and analysis, Board's Report including annexure to Board's Report, business Responsibility Report, Corporate Governance and Shareholder's information, but does not include the financial statements and our Auditor's Report thereon.

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

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

If based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report the fact. We have nothing to report in this regard.

Management's Responsibility 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 and presentation of these financial statements that give a true & fair view of the financial position, financial performance and cash flows and changes in Equity of the company in accordance with the accounting principles

generally accepted in India including the Accounting Standards prescribed under section 133 of the Act, read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, 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.

The Board of Directors are responsible for overseeing the company's financial reporting process.

Auditor's 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 interim condensed financial statements.

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

- o 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.

- o Obtain an understanding of internal financial controls 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.
- o Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- o 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.
- o Evaluate the overall presentation, structure and content of the financial statements including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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

We also provide those charged with governance with a

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

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

Report on other Legal and Regulatory Requirements

- 1 As required by Section 143(3) of the Act, based on our audit we report that
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of accounts as required by the law have been kept by the company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Profit and Loss Statement, the Cash flow Statement and the statement of changes in Equity dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the accounting standards specified under Section 133 of the Companies Act 2013, read with relevant rules issued there under;
 - e. On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, 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 B; and
 - g. with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company does not have any pending litigations which would impact its financial position.
 - ii. The company does not have any such long term contracts including derivative contracts which can arise any material foreseeable losses.
 - iii. There has not been any occasion in case of the company during the year under report to transfer any sum to the Investor Education and Protection Fund
- 2 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

For H.R. JAIN & COMPANY

Chartered Accountants
Firm Registration No. 000262C

Sd/-
Manoj Jain
Partner
M.No.400459

Udaipur
22nd May, 2019

ANNEXURE - A

to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2019, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The Company is Housing and other Finance company and the company's business does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) As per the information and records made available, the Company has granted unsecured loans to companies covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). In our opinion, the rate of interest and other terms and conditions on which the short term advance had been granted to the said parties were not, prima facie, prejudicial to the interest of the Company. Further the borrowers have been regular in the payment of the principal and interest as stipulated and there were no overdue amount in respect of such loans advance granted.
- (iv) In our opinion and according to the information and explanations given to us, the company has not provided/made any loans, investments, guarantees and securities under the provisions of section 185 and 186 of the Act.
- (v) The company has not accepted any deposits from the public and hence the provisions of section 73 to 76 and any other relevant provisions of the Act or any other directives of RBI are not applicable to the company.
- (vi) The Central government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the business activity or services by the company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, goods and service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.
- (viii) 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 not defaulted in repayment of loans and borrowings to any financial institution, Bank, government, or dues to debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer during the year. The company has raised term loans and cash credit limit from the banks, financial institutions and the said funds were applied for the purpose for which those funds were raised.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the

Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) The Company had issued on preferential basis warrants entitling the holder to equity shares in the last financial year year in accordance with the in principle approval to that effect from BSE Limited wide its approval letter no. DCS/PREF/SD/PRE/2363/2017-18 DATED 21ST November, 2017 for issue of 4,35,000 warrants of Rs. 10/- each at an offer price of not less than Rs. 84/- per share to promoters and non-promoters, with a condition that those shall be converted into equity shares within a time period of 18 months from the date of allotment. The company received Rs.91,35,000/- towards issue of warrants as partial payment upto 30 November'2017.

Further, the company received remaining payment of Rs. 1,32,30,000 towards 2,10,000 share warrants upon its conversion into Equity Shares as at 9th January, 2018 for

which requisite trading approval is received from BSE vide letter No. DCS/PREF/TP/AC/6261/2017-18 dated February 14th, 2018 and is treated under the head "Share Capital" and "Reserves & Surplus" and as on 31st March, 2019 the partial payment of Rs. 47,25,000 against the outstanding 2,25,000 share warrants is treated as "Money received against Share warrants".

- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is a housing Finance company governed by NHB Act. And the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For H.R. JAIN & COMPANY

Chartered Accountants
Firm Registration No. 000262C

Sd/-

Manoj Jain
Partner
M.No.400459

Udaipur
22nd May, 2019

ANNEXURE - B

to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Akme Star Housing Finance Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, 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 31 March 2019, based on the internal control over financial reporting criteria

established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For H.R. JAIN & COMPANY

Chartered Accountants
Firm Registration No. 000262C

sd/-

Manoj Jain

Partner
M.No.400459

Udaipur
22nd May, 2019

BALANCE SHEET

As at 31st March, 2019

PARTICULARS	Note No.	Amount in ₹	
		As at 31.03.2019	As at 31.03.2018
A. EQUITIES AND LIABILITIES			
1 SHAREHOLDERS FUND:			
a Share Capital	2	120,790,000	120,790,000
b Reserves & Surplus	3	148,889,086	105,250,735
c Money Received against Share Warrant		4,725,000	4,725,000
		274,404,086	230,765,735
2 SHARE APPLICATION MONEY PENDING FOR ALLOTTMENT		-	-
3 NON CURRENT LIABILITIES			
a Long Term Borrowings	4	298,164,647	190,785,458
b Deferred Tax Liability		1,745,340	765,818
c Long Term Provisions	5	5,101,610	3,680,128
d Other Long Term Liability	6	211,243	-
Total Non Current Liabilities		305,222,840	195,231,404
4 CURRENT LIABILITIES			
a Short Term Borrowings	7	20,545,473	54,882,881
b Other Current liabilities	8	101,558,478	59,930,650
c Short Term provisions	9	2,583,700	1,929,003
Total Current Liabilities		124,687,651	116,742,534
Total		704,314,577	542,739,673
B. ASSETS			
1 NON CURRENT ASSETS			
a Fixed Assets			
Tangible Asset	10	4,280,446	4,538,135
Non Tangible Asset	10	141,522	89,888
b Deferred Tax Assets (net)		-	-
c Long Term Portion of Loans	11	487,808,531	395,255,391
d Long Term Loans & Advances	12	12,720,699	11,676,910
e Long Term Investment	13	9,867,321	8,800,100
Total of Non Current Assets		514,818,519	420,360,424
2 CURRENT ASSETS			
a Short Term Investment	14	342,664	-
b Short term portion of Loans	15	144,953,148	96,299,635
c Trade Receivables	16	9,434,224	12,511,204
d Cash & Cash Equivalents	17	30,667,004	10,932,148
e Short-Term Loans & Advances	18	654,894	-
f Other Current Assets	19	3,444,124	2,636,262
Total of Current Assets		189,496,058	122,379,249
Total		704,314,577	542,739,673
Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements
As per our report of even date

For HR JAIN & CO.

Chartered Accountants
ICAI FRN-000262C

Sd/-

CA MANOJ JAIN

Partner
Membership No.400459

PLACE:UDAIPUR
Date: 22.05.2019

FOR AND ON BEHALF OF THE BOARD

Sd/-

Nirmal Kumar Jain

Director
DIN: 00240441

Sd/-

B.S. Kachhawaha

Chief Financial
Officer

Sd/-

Ashish Jain

Managing Director
DIN: 02041164

Sd/-

Paritosh Kothari

Company Secretary
M.No: A36550

STATEMENT OF PROFIT AND LOSS

For the Period Ended 31st March 2019

PARTICULARS	Note No.	Amount in ₹	
		As at 31.03.2019	As at 31.03.2018
INCOME			
Revenue from operations	20	111,751,501	65,947,310
Other Income	21	6,250,279	4,635,014
Total of Revenue		118,001,780	70,582,324
EXPENDITURE			
Interest & Finance Charges	22	44,187,082	17,088,731
Employees Remuneration & Benefits	23	7,465,083	7,005,290
Adminstration & other Expenses	24	4,793,581	4,588,581
Depreciation and Amortization Expenses	10	320,860	359,714
Provision for Contingencies	25	1,421,482	1,536,134
Total Expenditure		58,188,088	30,578,450
Profit before Exceptional Items and Tax		59,813,692	40,003,875
Exceptional Items	-	-	-
Profit before Tax		59,813,692	40,003,875
Provision for taxation		15,661,000	10,697,000
Deferred tax Liability (Asset)		979,522	356,648
PROFIT FOR THE YEAR		43,173,170	28,950,227
Earning per Equity Shares			
Basic	29	3.57	2.43
Diluted	29	3.51	2.38
Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements
As per our report of even date

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

Sd/-
CA MANOJ JAIN
Partner
Membership No.400459

PLACE:UDAIPUR
Date: 22.05.2019

FOR AND ON BEHALF OF THE BOARD

Sd/-
Nirmal Kumar Jain
Director
DIN: 00240441

Sd/-
B.S. Kachhawaha
Chief Financial
Officer

Sd/-
Ashish Jain
Managing Director
DIN: 02041164

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

CASH FLOW FOR THE YEAR ENDED

31st March, 2019

Particulars	Amount in ₹	
	Year Ended 31.03.2019	Year Ended 31.03.2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax as per Profit and Loss Statement	59,813,692	40,003,875
Adjusted for:		
Depreciation/ Amortization	320,860	359,714
Provision for Contingencies	1,421,482	1,536,134
Interest Received	(2,734,712)	(2,248,219)
Operating Profit before Working Capital changes	58,821,322	39,651,504
Adjusted for:		
Decrease/(Increase) in Trade Receivables	3,076,980	(9,732,465)
Decrease/(Increase) in Long Term Loans and Advances (other than Housing & other loans)	(1,043,789)	(608,910)
Decrease/(Increase) in Short Term Loans and Advances (other than Housing & other loans)	(654,894)	(918,000)
Decrease/(Increase) in Short Term Housing Loans to borrowers	(48,653,513)	43,830,607
Decrease/(Increase) in Long Term Housing Loans to borrowers	(92,553,140)	(332,652,941)
Decrease/(Increase) in Other Current Assets	(807,862)	(2,541,928)
Increase/ (Decrease) in Short Term Provisions	654,697	957,029
Increase/ (Decrease) in Long Term Liabilities	211,243	
Increase/ (Decrease) in Other Current Liabilities	41,627,828	51,767,634
Cash Generated from Operations	(39,321,128)	(210,247,470)
Less: Taxes Paid	15,661,000	10,697,000
Add: Income tax Refund Recd.	465,181	
Net Cash Generated from Operations (A)	(54,516,947)	(220,944,470)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(114,805)	(258,250)
Sale/(Purchase/redemption) of Investments	(1,409,885)	-
Interest Received	2,734,712	2,248,219
NET CASH USED IN INVESTING ACTIVITIES (B)	1,210,022	1,989,969
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of share Capital	-	17,640,000
Money Received against share Warrants	-	4,725,000
Long Term Borrowing Received/ (Paid)	107,379,189	157,936,248
Short Term Borrowing Received/ (Paid)	(34,337,408)	29,122,275
NET CASH FROM FINANCING ACTIVITIES ©	73,041,781	209,423,523
NET INCREASE/ (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	19,734,856	(9,530,978)
Cash & Cash Equivalents at the beginning of the year	10,932,148	20,463,126
Cash & Cash Equivalents at the end of the year	30,667,004	10,932,148

Note: The Cash Flow statement has been prepared under the "Indirect Method" as set out in AS -3 "CASH FLOW STATEMENT"

The accompanying notes are an integral part of the financial statements
As per our report of even date

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

Sd/-
CA MANOJ JAIN
Partner
Membership No.400459

PLACE:UDAIPUR
Date: 22.05.2019

FOR AND ON BEHALF OF THE BOARD

Sd/-
Nirmal Kumar Jain
Director
DIN: 00240441

Sd/-
B.S. Kachhawaha
Chief Financial
Officer

Sd/-
Ashish Jain
Managing Director
DIN: 02041164

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

NOTES FORMING PART OF THE FINANCIAL STATEMENT

for the year ended 31st March 2019.

1. SIGNIFICANT ACCOUNTING POLICIES:-

1.1 Basis of preparation of Financial Statements:

The Financial Statements are prepared and presented under the historical cost convention in accordance with the Generally Accepted Accounting Principles (GAAP), and provisions referred to in Section 133 of The Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of The Companies Act, 2013 and accounting standards issued by The Institute of Chartered Accountants of India (ICAI) as applicable. The Company also follows the directions prescribed by the National Housing Bank (NHB) to the extent applicable

1.2 Interest on Housing Loan:

Repayment of housing loans is by way of Equated Monthly Installments (EMI) comprising principal and interest. Interest is calculated each year on the outstanding balance at the beginning of the Company's financial year or on monthly reducing balance in terms of financing scheme opted by the borrower.

1.3 Interest & other related Financial Charges:

Interest and other related financial charges are recognized as an expense for the period for which they are incurred as specified in Accounting Standard (AS 16) on "Borrowing Costs".

1.4. Revenue Recognition:

Interest on performing assets is recognized on accrual basis and on non-performing assets on realization basis as per the guidelines prescribed by the National Housing Bank.

1.5. Provision for Contingencies:

Provision for Contingencies has been made on non-performing housing loans and other assets as per the Prudential Norms prescribed by the National Housing Bank. Company has also made provision on standard assets as prescribed by the directions of National Housing Bank.

1.6. Fixed Assets:

Fixed Assets are stated at cost inclusive of expenses incidental thereto. All cost, including financing cost till the asset is put to use are capitalized. Depreciation on fixed assets is provided on written down value method at the

rates calculated as prescribed under Schedule II to the Companies Act, 2013.

1.7. Special Reserve:

The Company creates Special Reserve every year out of its profits in terms of Section 29C of the National Housing Bank Act, 1987 which includes the transfer of Reserve amount as per Section 36(1) (viii) of the Income Tax Act, 1961.

1.8 Prepaid Expenses:

Financial Expenses incurred during the year which provides benefit in several accounting years has been treated as revenue expense only for the period relating to the current year and balance is treated as prepaid expense to be adjusted on pro-rata time basis in the future accounting years.

1.9. Income Tax:

Income Tax provision based on the present tax laws in respect of taxable income for the year and the deferred tax is treated in the accounts based on the Accounting Standard (AS 22) on "Accounting for Taxes on Income".

The Deferred Tax assets and liabilities for the year, arising out of timing difference, are reflected in the Profit and Loss account. The cumulative effect thereof is shown in the Balance Sheet. Deferred Tax assets, if any, are recognized only if there is a reasonable certainty that the assets will be realized in future.

1.10 Housing and Other Loans:

Housing Loans include outstanding amount of Housing Loan disbursed directly or indirectly to individual and other borrowers in accordance with directions of National Housing Bank (NHB).

1.11 Earnings Per Share:

Basic Earnings per share are determined by dividing the net profit / (loss) after income tax by the weighted number of ordinary shares outstanding during the financial year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

NOTES TO ACCOUNTS

Particulars	31.03.2019	31.03.2018
Notes to the Accounts		
Note 2: Share Capital		
Authorised Share Capital 140,00,000 Equity Shares @ 10 Each (prev. Year 1,40,00,000 Equity Shares)	140,000,000	140,000,000
Issued, Subscribed, Called Up & Paid Up Share Capital 12079000 Equity Shares @ 10 Each	120,790,000	120,790,000
Total	120,790,000	120,790,000

The company has at present one class of issued, subscribed and paid up share referred to as equity share having a par value of RS.10/- each Each holder of equity share is entitled to one vote per share.

The Company has issued 435000 share warrants during FY 2017-18 at an offer price of not less than Rs. 84/- per share out of which 210000 share warrants have been fully subscribed and converted into equity shares during fy 2017-18. For remaining 225000 share warrants the company has received 25% of offer price which is treated as "Money received against share warrants"

Reconciliation of the number of shares outstanding and amount of share share capital as at the beginning and at the end of the reporting period:

Particulars	31.03.2019		31.03.2018	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares outstanding at beginning of the year	12,079,000	120,790,000	11,869,000	118,690,000
Add: Shares issued during the year	-	-	210,000	2,100,000
Equity shares outstanding at year end	12,079,000	120,790,000	12,079,000	120,790,000

Details of share holders holding more than 5% equity shares in the company are as under:-

Particulars	31.03.2019		31.03.2018	
	No. of Shares	Amount	No. of Shares	Amount
Nirmal Kumar Jain	854,000	7.07%	854,000	7.07%
KaluLal Jain	633,400	5.24%	633,400	5.24%
Pushpa Nagda	1,081,560	8.95%	378,960	3.13%

Aggregate number of shares allotted as full paid-up by way of Bonus Shares (During 5 Years immediately preceding

March 31,2019

During FY 2016-17 ,the company allotted 5934500 Bonus Equity Shares of Rs. 10/- each in proportion of 1:1

Note 3: Reserves & Surplus	31.03.2019	31.03.2018
Share premium		
Op Balance	34,889,103	19,349,103
Add: Addition during the Year	-	15,540,000
Share Premium Closing Balance	34,889,103	34,889,103
Special Statutory Reserve U/s 29C of NHB Act, 1987 including reserve under Income Tax Act U/s 36(1)(viii)		
Balance as per last Balance Sheet	19,637,328	11,636,553
Add: Transferred from Profit & Loss Account	11,962,739	8,000,775
Special Reserve Closing Balance	31,600,067	19,637,328
Surplus in Statement of Profit and Loss		
Balance as per last Balance Sheet	50,724,304	29,774,852
Add: Profit Available for Appropriation	43,173,170	28,950,227
Add: Income Tax refund of AY 2017-18	465,181	-
Less: Transferred to Special Reserve	11,962,739	8,000,775
Closing Surplus Balance of profit & Loss	82,399,916	50,724,304
Total of Reserve & Surplus	148,889,086	105,250,735

Note 4 : Long Term Borrowings	31.03.2019	31.03.2018
From Banks		
Bank of Baroda Car Loan	472,522	666,288
Bank of Baroda (Term loan)	29,440,000	44,160,000
AU Small Finance Bank (Term loan)	25,000,010	35,000,006
SBI Term Loan	94,986,645	110,959,164
From Financial Institutions		
Mahindra & Mahindra Financial Services	12,268,657	-
MAS FINANCIAL SERVICES LTD. TL-1	31,249,994	-
MAS FINANCIAL SERVICES LTD. TL-2	31,249,994	-
Avanse Financial Services Ltd.	20,125,765	-
Hinduja Housing Finance Ltd.	53,371,060	-
Total Long Term Borrowings	298,164,647	190,785,458

Term Loan From Bank of Baroda (Car Loan)

Term Loan of Rs. 12.42 Lacs carry interest @ 9.65% p.a..This term loan is repayable in 84 monthly installments of Rs. 20780/- each The loan is secured by hypothecation of Vehicle Make and model Toyota, Innova) and personal guarantee of Mr. Nirmal Kumar Jain.

Term Loan From Bank of Baroda

Term Loan of Rs. 7.36 Crore carry interest @ 11.90% p.a..This term loan is repayable in 20 quarterly installments(principle) of Rs. 36.80 Lacs each.The loan is secured by hypothecation of specific book debts with security coverage of 1.33 times .It is also collaterally secured by mortgage of commercial plot and personal guarantee of director Mr. Nirmal Kumar Jain ,Mohan Lal Nagda(proposed to be replaced), Kalu Lal Jain and corporate guarantee of Akme Build Mart Pvt. Ltd.

Term Loan From AU Small Finance Bank

Term Loan of Rs. 5.00 Crore carry interest @ 12.15% p.a..This term loan is repayable in 60 monthly installments(principle) of Rs. 8.33 Lacs each. Loan is secured by hypothecation of specific book debts with security coverage of 1.10 times .and personal guarantee of director Mr. Nirmal Kumar Jain and Mohan Lal Nagda(proposed to be replaced).

Term Loan From State Bank of India

Term Loan of Rs. 15.00 Crore carry interest @ 11.10% p.a..This term loan is repayable in 60 monthly installments(principle) of Rs. 25.00 Lacs each. Loan is secured by hypothecation of specific book debts with security coverage of 1.30 times .It is also collaterally secured by mortgage of residential plot and personal guarantee of director Mr. Nirmal Kumar Jain, Dipesh Jain, Ashish Jain and Kavish Jain

Term Loan From Mahindra & Mahindra Financial Services

Term Loan of Rs. 2.50 Crore carry interest @ 12.50% p.a..This term loan is repayable in 36 monthly installments of Rs. 8.36 Lacs each. Loan is secured by hypothecation of specific book debts with security coverage of 1.10 times .It is also secured by 5% cash collateral of Rs. 12.50 Lacs .and personal guarantee of Mr. Ashish Jain.

Term Loan From MAS Financial Services Ltd.-1

Term Loan of Rs. 5.00 Crore carry interest @ 13.55% p.a..This term loan is repayable in 48 monthly installments(principle) of Rs. 10.41 Lacs .Loan is secured by hypothecation of specific book debts with security coverage of 1.00 times and personal guarantee of Mr. Nirmal Kumar Jain.

Term Loan From MAS Financial Services Ltd.-2

Term Loan of Rs. 5.00 Crore carry interest @ 13.55% p.a..This term loan is repayable in 48 monthly installments(principle) of Rs. 10.41 Lacs each.Loan is secured by hypothecation of specific book debts with security coverage of 1.00 times and personal guarantee of Mr. Nirmal Kumar Jain.

Term Loan From Avanse Financial Services Ltd.

Term Loan of Rs. 3.00 Crore carry interest @ 13.00% p.a..This term loan is repayable in 48 monthly installments of Rs. 7.93 Lacs each. Loan is secured by hypothecation of specific book debts with security coverage of 1.10 times and 5% cash collateral of Rs.15.00 Lacs in form of Fixed deposit with Fincare Small Finance Bank and personal guarantee of Mr. Nirmal Kumar Jain and Ashish Jain

Term Loan From Hinduja Housing Finance Ltd.

Term Loan of Rs. 6.00 Crore carry interest @ 12.75% p.a..This term loan is repayable in 54 monthly installments(principle) of Rs.11.12 Lacs each.Loan is secured by hypothecation of specific book debts with security coverage of 1.10 times .and personal guarantee of Mr. Nirmal Kumar Jain.

Note 5: Long Term Provisions	31.03.2019	31.03.2018
Provision for Contingencies		
Provision ag. Advances as per NHB guidelines		
- on Standard Assets	2,852,987	2,477,445
- on Non Performing Assets	2,248,623	1,202,683
Total Long Term Provisions	5,101,610	3,680,128

Note 6: Other Long Term Liability	31.03.2019	31.03.2018
Security Deposit From Navneet Financial Services	211,243	-
Total Other Long Term Liability	211,243	-
Note 7 : Short Term Borrowings	31.03.2019	31.03.2018
From Banks		
Bank of Baroda CC limit	19,886,359	25,336,303
AU small Finance Bank CC limit	659,114	29,546,578
Total Short Term Borrowing	20,545,473	54,882,881
From Other Parties	-	-
Total Short Term Borrowings	20,545,473	54,882,881

Cash credit From Bank of Baroda

Cash Credit of Rs.3.00 Crore carry interest @ 11.90% p.a. .The loan is secured by hypothication of specific book debts with security cover of 1.33 times.It is also collaterally secured by mortgage of commercial plot and personal guarantee of director Mr. Nirmal Kumar Jain, Mohal Lal Nagda (proposed to be replaced),Kalu Lal Jain and corporate guarantee of Akme Build Mart Pvt. Ltd.

Cash Credit From AU Small Finance Bank

Cash Credit of Rs.3.00 Crore carry interest @ 12.50% p.a. .The loan is secured by hypothication of specific book debts with security cover of 1.10 times and personal guarantee of director Mr. Nirmal Kumar Jain and Ashish Jain. Further it is secured by extension of charge over residential property of Mr. Mohan Lal Nagda.

Note 8: Other Current Liabilities	31.03.2019	31.03.2018
Current Maturities of Long term borrowings		
Bank of Baroda (Car Loan)	193,279	176,250
Bank of Baroda (Term Loan)	14,720,000	14,720,000
AU Bank (Term Loan)	9,999,996	9,999,996
SBI (Term Loan)	30,000,000	25,000,000
Mahindra & Mahindra Financial services	7,953,395	-
MAS FINANCIAL SERVICES LTD. TL-1	12,500,004	-
MAS FINANCIAL SERVICES LTD. TL-2	12,500,004	-
Avanse Financial Services Ltd.	6,445,269	-
Hinduja Housing Finance Ltd.	6,666,666	-
Insurance Payable	274,645	403,301
TDS Payable	239,663	94,308
Duties & taxes	(12,962)	(245,428)
PF & ESI payable	21,969	-
Sundry Creditors	6,237	9,782,223
Suspense Account	50,313	-
Total Other Current Liabilities	101,558,478	59,930,650

Note 9: Short Term Provisions	31.03.2019	31.03.2018
For Taxation (Net of Advance Tax and TDS of Current Year)	2,354,200	1,858,021
For Expenses	229,500	70,982
Total Short Term Provisions	2,583,700	1,929,003

Note 10: Fixed Assets						
Particulars	Rate of Depreciation	Opening Bal. as on 01.04.2018	Addition	Deduction	Depreciation For the Period	Closing Bal. as on 31.03.2019
Tangible Assest						
New Car	31.23%	537,779	-	-	167,947	369,832
HP Laptop	63.16%	843	-	-	532	311
Computers & printer	63.16%	83,033	23,555	-	60,921	45,667
Mobile	31.23%	12,860	9,500	-	5,539	16,821
Furniture & Fixtures	25.89%	215,550	-	-	55,805	159,745
Land	Nil	3,688,070	-	-	-	3,688,070
Subtotal		4,538,135	33,055	-	290,744	4,280,446
Intangible Assets						
Software	20%	89,888	81,750	-	30,116	141,522
Subtotal		89,888	81,750	-	30,116	141,522
TOTAL		4,628,023	114,805	-	320,860	4,421,968

Note 11: Long term Portion of Loans	31.03.2019	31.03.2018
Standard	476,927,765	389,300,898
Sub-Standard	6,245,830	4,716,458
Doubtful Assets	4,634,936	1,238,035
Loss Assets	-	-
Total	487,808,531	395,255,391

Note 12: Other Long Term Loans & Advances	31.03.2019	31.03.2018
Security Deposit for Udaipur Office	3,000,000	3,000,000
Security Deposit for Mumbai Office	563,910	908,910
Security Deposit with Mahindra & Mahindra Financial Services	1,309,409	-
Security Deposit for Kotak Mahindra Life Insurance Co. Ltd.	50,000	50,000
Security Deposit for Max Life Insurance	50,000	-
Advance against property	7,747,380	7,718,000
Total long Term Loans & Advances	12,720,699	11,676,910

Note 13: Long Term Investments	31.03.2019	31.03.2018
Investments-Shares of Akme Fintrade (I) Ltd	4,000,100	4,000,100
Investments-Shares of Akme Fincon Ltd	4,800,000	4,800,000
Fixed Deposit with Fincare Small Finance Bank	1,067,221	-
Total long Term Investment	9,867,321	8,800,100

Note 14: Short Term Investments	31.03.2019	31.03.2018
Fixed Deposit with Fincare Small Finance Bank	342,664	-
Total Short Term Investment	342,664	-

Note 15: Short term portion of Loans	31.03.2019	31.03.2018
Standard	144,953,148	96,299,635
Sub-Standard	-	-
Doubtful Assets	-	-
Loss Assets	-	-
Total	144,953,148	96,299,635

Note 16: Trade Receivables	31.03.2019	31.03.2018
Interest Receivables on Housing Loans	9,434,224	12,214,396
Interest Receivable on Banks	-	296,808
Total long Term Loans & Advances	9,434,224	12,511,204

Note 17: CASH & BANK BALANCES	31.03.2019	31.03.2018
Cash in Hand	234,971	518,699
Cash at collection point	390,753	-
Balance with Scheduled Banks	30,041,280	10,413,449
Total	30,667,004	10,932,148

Note 18: Other Short Term Loans & Advances	31.03.2019	31.03.2018
Software advance	590,000	-
Advance to DSA	64,894	-
Total	654,894	-

Note 19: Other Current Assets	31.03.2019	31.03.2018
Tax Refund due old	94,334	94,334
Prepaid Exp	3,349,790	2,541,928
Total	3,444,124	2,636,262

Note 20: Revenue from Operations	31.03.2019	31.03.2018
Interest on Housing and property Loans	105,737,677	59,279,276
Interest on Other Loans	6,013,824	6,668,034
Total	111,751,501	65,947,310
Note 21: Other Income	31.03.2019	31.03.2018
Other Interest Income	2,734,712	2,248,219
Bad Debts Recovered	408,080	881,010
Management Fees	2,379,772	1,487,600
Login & Other Charges	705,893	-
Dividend Income	21,822	18,185
Total	6,250,279	4,635,014
Note 22: Interest & Financial Charges	31.03.2019	31.03.2018
Interest Exp.	42,997,346	16,522,633
Processing & Inspection charges	960,201	204,983
Bank charges	229,535	361,115
Total	44,187,082	17,088,731
Note 23: Employee Remuneration & Benefits	31.03.2019	31.03.2018
Salary to Staff	4,777,964	4,323,813
Staff Welfare Exp.	-	72,000
Bonus	105,333	129,667
Director's Salary	2,450,000	2,370,000
PF & ESI Expenses	131,786	109,810
Total	7,465,083	7,005,290
Note 24: Administrative & Other Expenses	31.03.2019	31.03.2018
Advertising Exp.	67,366	124,880
Annual Listing expenses	272,500	476,363
Audit Fees	167,700	40,000
Bad Debts Written off	-	-
Business Promotion Exp.	304,671	163,500
Commission	855,084	6,650
Computer & Software Exp.	96,574	96,021
Conveyance	151,292	120,827
Credit Rating Exp.	49,050	246,700
Director's Sitting Fee	-	59,000
Donation	-	116,511
Electricity Exp	144,098	109,760
Insurance Expenses	240,815	192,199
Office Exp.	243,308	211,494
Office Rent Exp.	750,000	80,425
Penalty & Fine	-	1,480
Postage and courier	10,306	6,682
Printing & Stationery	134,813	195,708
Professional fee	798,901	1,525,096
Repair & Maintenance Expenses	235,016	224,496
ROC Filing Fees	9,600	204,570
Stamp & Franking Charges	3,730	49,138
T.A. and D.A.	-	2,000
Telephone Expenses	21,016	116,456
Travelling Expenses	237,741	218,625
Total	4,793,581	4,588,581
Note 25: Provisions for Contingencies	31.03.2019	31.03.2018
Provision on Standard Assets	375,542	1,352,111
Provision on NPA Assets	1,045,940	184,023
Total	1,421,482	1,536,134

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2019

(In Lakhs)

Particulars	Equity Share Capital	Share Premium	Retained Earnings	Special Statutory Reserve
Balance as of 1st April 2018	1,207.90	348.89	507.24	196.37
Changes in Equity for the year ended 31st March 2019:				
1 Shares issued during the year	-	-	-	-
2 Profit for the year	-	-	431.73	-
3 Transfer to Statutory Reserve	-	-	(119.63)	119.63
4 Income Tax Refund of AY 2017-18	-	-	4.65	-
Balance as at 31st March 2019	1,207.90	348.89	823.99	316.00

Note 26. Reserve Fund under Sec 29C of NHB Act, 1987

The Company has transferred a sum of Rs. 119.63 lacs (Rs. 80.00 lacs) during the year in the Special Reserve out of its profits in terms of Section 29C of the National Housing Bank Act, 1987. This amount includes a sum of Rs.50.04 lacs (Rs.29.22 lacs) toward the reserve created under Section 36(1) (viii) of the Income Tax Act, 1961. Breakups of transfer of funds in both the reserves are as under:-

Particulars	Amount (Rs.) 31.03.2019	Amount (Rs.) 31.03.2018
Balance at the beginning of the Year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	12,869,337	7,790,962
b) Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under section 29C of the NHB Act, 1987	6,767,991	3,845,591
c) Total	19,637,328	11,636,553
Addition / Appropriation/ Withdrawal during the year		
Add: a) Amount Transferred u/s 29C of the NHB act, 1987	6,958,291	5,078,375
b) Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under section 29C of the NHB Act, 1987	5,004,448	2,922,400
Less: a) Amount appropriated from statutory Reserve u/s 29C of the NHB Act, 1987	Nil	Nil
b) Amount Withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision under section 29C of the NHB Act, 1987	Nil	Nil
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	19,827,628	12,869,337
b) Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under section 29C of the NHB Act, 1987	11,772,439	6,767,991
c) Total	31,600,067	19,637,328

27. NPA details

- 27.1 As certified by the management, loans given by the company are secured by Equitable Mortgage/Registered Mortgage of the property and /or personal Guarantees and are considered good.
- 27.2 The Non-Performing Assets (NPA) as on March 31st 2019, consisting of principal loans outstanding where payments of EMI were in arrears for 90 days or more amounted to Rs. 10,880,766/- (Rs. 59,54,494/-). As per prudential norms prescribed by the NHB, the company is required to provide a contingency provision of Rs. 50,95,741/- (Rs. 36,80,128/-) in respect of Standard and Non Performing loans assets. During the year the company has made an additional provision of Rs. 14,21,482/- (Rs. 15,36,134/-) thereby increasing the total provision to Rs 51,01,610/- (Rs. 36,80,128/-) for contingencies as against the requirement of Rs. 50,95,741/- .Thus the company has sufficient provision as per the guidelines on prudential norms issued by the National Housing Bank (NHB).

NPA Details are as under:

(In ₹ Lacs)

Particulars	31.03.2019		31.03.2018	
	Amount	%	Amount	%
Gross NPA	108.81	1.72	59.54	1.21
Provision	22.48	-	12.03	-
Net NPA	86.33	1.36	47.51	0.97

28.1 Details of the Outstanding Loans and provisions thereon as on 31.03.2019 are as under:

A) As per Paragraph 28 of NHB directions 2010-

Provision for Standard/ Sub Standard/ Doubtful and Loss Assets as per NHB Directions (paragraph 28) as on 31.03.2019

S.No	Particulars	Amount in ₹		Amount in ₹	Amount in ₹
I	Standard Assets	Amount O/s	% of Provision Required as per norms	Amount of Provision required	Amount of Actual Provision
la	Standard Assets in respect of Housing Loans at TEASER/ Special rate i.e. Housing loans at comparative lower rate of interest in the first few year after which rates are reset at higher rates	0	2%	-	-
lb	Standard Assets In respect of house loans to Individuals	342265313	0.25%	855663	855740
lc	Standard Assets in respect of Mortgage Loans to individuals	2571291	0.40%	10285	10285
ld	Standard Assets In respect of CRE-RH i.e to builders for residential houses	246271324	0.75%	1847035	1852827
le	Standard Assets in respect of all other commercial real estate (CRE)	1840649	1.00%	18406	18406
lf	standard Assets in respect of all other non housing & Mortgage Loans	28932336	0.40%	115729	115729
A	Sub total Standard assets i.e (la to lf) Advances	621880913		2847118	2,852,987
II	Sub Standard Assets				
IIa	Sub-Standard Assets in respect of Housing Loans at TEASER/ Special rate i.e. Housing loans at comparative lower rate of interest in the first few year after which rates are reset at higher rates	0	2%	-	-
IIb	Sub-Standard Assets In respect of house loans to Individuals	5539753	15%	830,963	830,963
IIc	Sub-Standard Assets in respect of Mortgage Loans to individuals	706077	15%	105,912	105,912
II d	Sub-Standard Assets In respect of CRE-RH i.e to builders for residential houses	-	-	-	-
II e	Sub-Standard Assets in respect of all other commercial real estate (CRE)	-	-	-	-
II f	Sub- standard Assets in respect of all other non housing loan then above	-	-	-	-
B	Sub total - Sub standard assets II a to II f	6245830		936,875	936,875
III	Doubtful Assets				
IIIa	Doubtful Assets in respect of Housing Loans at TEASER/ Special rate i.e. Housing loans at comparative lower rate of interest in the first few year after which rates are reset at higher rates	0	-	-	-
IIIb	Doubtful Assets In respect of house loans to Individuals				
	up to one year duration	3530458	25%	882,615	882,615.00
	More then one year up to three year	676805	40%	270,722	270,722.00
	More then three year	0	100%	-	-
IIIc	Doubtful Assets in respect of Mortgage Loans to individuals less then one year	84385	25%	21,096	21,096.00
	Doubtful Assets in respect of Mortgage Loans to individuals More then one year - less then three year	343288	40%	137,315	137,315.00
IIId	Doubtful Assets In respect of CRE-RH i.e to builders for residential houses	0	-	-	-
IIIe	Doubtful Assets in respect of all other commercial real estate (CRE)	0	-	-	-
III f	Doubtful Assets in respect of all other non housing loan then above	0	-	-	-
C	Sub total - Doubtful assets III a to III f	4634936		1311748	1311748
IV D	Loss Assets	0	100%	-	-
D	Grand Total of Gross Advances (A+B+C+D)	632761679		5095741	5101610

B) As per paragraph 29 of NHB Directions 2010-

Provision of Loans & Advances (Housing & Non Housing) as on 31-03-2019 as per Paragraph 29 of NHB Directions 2010

Category of Loan on 31.03.2019	Out Standing as Required as per norms	% of Provision Required as per norms	Amount of Provision Made as per books	Actual Provision
1 Housing Loan				Amount In ₹
1. Standard Assets				
(i) Individual	342,265,313	0.25%	855,663	855,740
(ii) To Builder CRE-RH	246,271,324	0.75%	1,847,035	1,852,827
2. Sub Standard Assets	5,539,753	15.00%	830,963	830,963
3. Doubtful Assets (Upto 1 Yr)	3,530,458	25.00%	882,615	882,615
3. Doubtful Assets (1 Yr to 3 Yr)	676,805	40.00%	270,722	270,722
4. Loss Assets	-	100%	-	-
Total House Loans	598,283,653		4,686,998	4,692,867
Non Housing Loans				-

B) As per paragraph 29 of NHB Directions 2010-

Provision of Loans & Advances (Housing & Non Housing) as on 31-03-2019 as per Paragraph 29 of NHB Directions 2010

Category of Loan on 31.03.2019	Out Standing as Required as per norms	% of Provision Required as per norms	Amount of Provision Made as per books	Actual Provision
1 Housing Loan				Amount In ₹
1. Standard Assets				
(i) Individual	342,265,313	0.25%	855,663	855,740
(ii) To Builder CRE-RH	246,271,324	0.75%	1,847,035	1,852,827
2. Sub Standard Assets	5,539,753	15.00%	830,963	830,963
3. Doubtful Assets (Upto 1 Yr)	3,530,458	25.00%	882,615	882,615
3. Doubtful Assets (1 Yr to 3 Yr)	676,805	40.00%	270,722	270,722
4. Loss Assets	-	100%	-	-
Total House Loans	598,283,653		4,686,998	4,692,867
Non Housing Loans				-
2 Mortgage Loans				-
1. Standard Assets	2,571,291	0.40%	10,285	10,285
2. Sub Standard Assets	706,077	15.00%	105,912	105,912
3. Doubtful Assets (Upto 1 Yr)	84,385	25.00%	21,096	21,096
3. Doubtful Assets (1 Yr to 3 Yr)	343,288	40.00%	137,315	137,315
4. Loss Assets	-	100%	-	-
Total Mortgage Loans	3,705,041		274,608	274,608
3 Other Short Term Loans & Advance				
1. Standard Assets	28,932,336	0.40%	115,729	115,729
2. Sub Standard Assets	-	15.00%	-	-
3. Doubtful Assets	-	40.00%	-	-
4. Loss Assets	-	100%	-	-
Builder CRE	1,840,649	1.00%	18,406	18,406
Total Short Terms Loans	30,772,985		134,135	134,135
Grand Total Gross Advance	632,761,679		5,095,741	5,101,610

Details of the Company Outstanding Loans and provisions thereon as on 31.03.2018 are as under:

A) As per Paragraph 28 of NHB Directions 2010-

Provision for Standard/ Sub Standard/ Doubtful and Loss Assets as per NHB Directions (paragraph 28) as on 31-03-2018

S.No	Particulars	Amount in ₹	% of Provision Required as per norms	Amount in ₹	Amount in ₹
I	Standard Assets	Amount O/s		Amount of Provision required	Amount of Actual Provision
la	Standard Assets in respect of Housing Loans at TEASER/ Special rate i.e. Housing loans at comparative lower rate of interest in the first few year after which rates are reset at higher rates	Nil	2%	Nil	Nil
lb	Standard Assets In respect of house loans to Individuals	202,702,747	0.25%	506,757	506,757
lc	Standard Assets in respect of Mortgage Loans to individuals	3,829,592	0.25%	9,574	9,574
ld	Standard Assets In respect of CRE-RH i.e to builders for residential houses	249,532,134	0.75%	1,871,491	1,871,491
le	Standard Assets in respect of all other commercial real estate (CRE)	2,104,367	1.00%	21,044	21,044
lf	standard Assets in respect of all other non housing & Mortgage Loans	27,431,694	0.25%	68,579	68,579
A	Sub total Standard assets i.e (la to lf) Advances	485,600,533		2,477,445	2,477,445
II	Sub Standard Assets				
IIa	Sub-Standard Assets in respect of Housing Loans at TEASER/ Special rate i.e. Housing loans at comparative lower rate of interest in the first few year after which rates are reset at higher rates	Nil	Nil	Nil	Nil
II b	Sub-Standard Assets In respect of house loans to Individuals	3,859,485	15%	578,923	578,923
IIc	Sub-Standard Assets in respect of Mortgage Loans to individuals	856,973	15%	128,546	128,546
II d	Sub-Standard Assets In respect of CRE-RH i.e to builders for residential houses	Nil	Nil	Nil	Nil

II e	Sub-Standard Assets in respect of all other commercial real estate (CRE)	Nil	Nil	Nil	Nil
II f	Sub- standard Assets in respect of all other non housing loan then above	Nil	Nil	Nil	Nil
B	Sub total - Sub standard assets II a to II f	4,716,458		707,469	707,469
III	Doubtful Assets				
IIIa	Doubtful Assets in respect of Housing Loans at TEASER/ Special rate i.e. Housing loans at comparative lower rate of interest in the first few year after which rates are reset at higher rates	Nil	Nil	Nil	Nil
IIIb	Doubtful Assets In respect of house loans to Individuals				
	up to one year duration	Nil	25%	Nil	Nil
	More than one year up to three year	831995	40%	332,798	332,798
	More than three year	Nil	100%	Nil	Nil
IIIc	Doubtful Assets in respect of Mortgage Loans to individuals	406041	40%	162,416	162,416
	More than one year - less than three year				
IIId	Doubtful Assets In respect of CRE-RH i.e to builders for residential houses	Nil	Nil	Nil	Nil
IIIe	Doubtful Assets in respect of all other commercial real estate (CRE)	Nil	Nil	Nil	Nil
III f	Doubtful Assets in respect of all other non housing loan then above	Nil	Nil	Nil	Nil
C	Sub total - Doubtful assets III a to III f	1238036	0.8	495214	495214
IV D	Loss Assets	Nil	100%	Nil	Nil
D	Grand Total of Gross Advnaces (A+B+C+D)	491555027		3680128	3680128

B) As per Paragraph 29 of NHB Directions 2010-

Provision of Loans & Advances (Housing & Non Housing) as on 31-03-2018 as per Paragraph 29 of NHB Directions 2010

Category of Loan	Out Standing as on 31-03-2018	% of Provision Required as per norms	Amount of Provision Required as per norms	Actual Provision Made as per books
1 Housing Loan				Amount In ₹
1. Standard Assets				
(i) Individual	202,702,747	0.25%	506,757	506,757
(ii) To Builder CRE-RH	249,532,134	0.75%	1,871,491	1,871,491
2. Sub Standard Assets	3,859,485	15.00%	578,923	578,923
3. Doubtful Assets	831,995	40.00%	332,798	332,798
4. Loss Assets	-	100%	-	-
Total House Loans	456,926,361		3,289,969	3,289,969
Non Housing Loans				
2 Mortgage Loans				
1. Standard Assets	3,829,592	0.25%	9,574	9,574
2. Sub Standard Assets	856,973	15.00%	128,546	128,546
3. Doubtful Assets	406,041	40.00%	162,416	162,416
4. Loss Assets	-	100%	-	-
Total Mortgage Loans	5,092,606		300,536	300,536
3 Other Short Term Loans & Advance				
1. Standard Assets	27,431,694	0.25%	68,579	68,579
2. Sub Standard Assets	-	15.00%	-	-
3. Doubtful Assets	-	40.00%	-	-
4. Loss Assets	-	100%	-	-
Builder CRE	2,104,367	1.00%	21,044	21,044
Total Short Terms Loans	29,536,061		89,623	89,623
Grand Total Gross Advance	491,555,028		3,680,128	3,680,128

28.2 The Company has not written off any loan amount during the year ended 31.03.2019.

28.3 In terms of the requirement of the National Housing Bank (NHB) Directions 2010, the company has met the said requirements by providing Provisions for contingencies on all standard assets in respect of all loans.

29. As per Accounting standard (AS-20) "Earnings per Share" is calculated for the Year ended 31.03.2019 is As under:

Calculation of earning per share	31.03.2019	31.03.2018
Net Profit attributable to equity share holders	43,173,170	28,950,227
Weighted Average No. of Shares	12,079,000	11,921,500
Diluted No. of shares	12,304,000	12,146,500
EPS	3.57	2.43
Diluted	3.51	2.38

30. As per Accounting standard (AS-18) on "Related Party Disclosures" details of transactions with related parties as defined therein are as given below:

30.1 List of related parties with whom transactions have taken place during the year and their nature of relationship is as follows:

Key Managerial personnel

- Nirmal Jain
- Ashish Jain
- B.S. Kachhawaha
- Paritosh Kothari
- Mohan Lal Nagda

Relative of Key Managerial Personnel

- Manju Devi Jain (Wife of Director- Nirmal Kumar Jain)
- Kavish Jain-(Brother of Managing Director - Ashish Jain)
- Dipesh Jain (Son of Director- Nirmal Kumar Jain)

30.2 Transactions by Company during the year with related parties

(₹ in lacs)

Details of Transactions	Associate Companies	Key Managerial Personals
Expenses		
Directors Remuneration	-	24.50
Salary to relative of Director & KMP	-	20.15

30.3 Details of Major transaction during the year with the above related parties:

(₹ in Lacs)

Details of Transactions	Associate Companies	Key Managerial personnel's
Expenditure		
Director Remuneration		
Nirmal Jain	-	10.00
Ashish Jain	-	13.50
Dr.M.L.Nagda	-	1.00
Salary to Relative of Director		
Manju Jain	-	6.00
Kavish Jain	-	4.00
Dipesh jain	-	5.50
Salary to KMP		
Paritosh Kothari	-	3.45
B.S. Kacchawaha	-	1.20

31. The Company has done the transactions during the year with the parties categories under the Related Parties as Normal Business of financing Transactions. As these transactions were done as normal business transactions, these have not been reported as per the disclosure under Related Party Transactions.

32. The main business of the company is to provide loans for the purchase or construction of residential houses and all other activities of the company revolve around the main business and as such there are no separate reportable segments as specified in Accounting Standard (AS-17) on "Segment Reporting", and under paragraph 29(2) of the Housing Finance Companies (NHB) Directions, 2010, which needs to be reported.

33. As required by the guidelines of NHB, the following additional Disclosures are as follows:

I. Capital to Risk Assets Ratio (CRAR)

Particulars	Year ended 31.03.2019	Year ended 31.3.2018
(i) CRAR %	70.92%	68.40%
(ii) CRAR - Tier I capital (%)	68.98%	66.29%
(iii) CRAR - Tier II Capital (%)	1.94%	2.11%
(iv) Amount of subordinated debt raised as Tier-II capital	-	-
(v) Amount raised by issue of Perpetual Debt instrument	-	-

II. Exposure to Real Estate Sector

(In ₹ Crore)

Category	Year ended 31.03.2019	Year ended 31.03.2018*
a) Direct Exposure		
(i) Residential Mortgages - (Loan above Rs. 15.00 lacs)	34.32	31.68
Lending fully secured by Mortgages on Residential property that is or will be occupied by borrower or that is rented; (Individual Housing Loans upto Rs. 15.00 lacs may be shown separately)	25.88	14.52

(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.	0.18	0.21
(iii)	Investment in Mortgage backed Securities (MBS) and other securitized exposures		
a.	Residential		
b.	Commercial Real Estate		
b)	Indirect Exposure		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and housing finance companies (HFC's)		
	Total (a) + (b)	60.38	46.41

III. Investments

(In ₹ Crore)

Particulars	Current Year	Previous Year
(A) Value of Investments		
(i) Gross value of Investments		
(a) In India	1.02	0.88
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of Investments		
(a) In India	1.02	0.88
(b) Outside India	-	-
3.5.2. Movement of provisions held towards depreciation on investments		
(i) Opening balance	-	-
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write-off / Written-bank of excess provisions during the year	-	-
(iv) Closing balance	-	-

IV. Asset Liability Management 31-03-2019.

(In ₹ Crore)

Particulars	1day to 30-31 days	Over 1 2 months month upto 3 months	Over 2 month upto 6 months	Over 3 month upto 1 year	Over 6 month upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years upto 10 years	Over 10 years	Total
Liabilities										
Deposits	-	-	-	-	-	-	-	-	-	-
Borrowing from banks	0.33	0.33	0.70	1.36	4.79	10.94	4.00	0	0	22.45
Borrowing from FI's	0.32	0.32	0.32	0.98	2.69	10.51	4.38	0	0	19.52
Market Borrowing	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-
Assets										
Advances	0.57	0.59	1.04	5.14	7.15	23.74	10.34	14.52	0.18	63.27
Investments	-	-	0.02	-	0.02	0.08	0.02	-	0.88	1.02
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	0.00
Other Liquid Assets	3.06									3.06

- V. During the year, Company has not entered into any (a) derivative transaction, (b) securitisation and assignment transaction, (c) financing of Parent Company product, and (e) finance of any unsecured advances against intangible securities such as rights, licenses, authority etc as collateral security.
- VI. The Company has not exceeded limit prescribed by National Housing Bank for Single Borrower Limit (SGL) and Group Borrower Limit (GBL).
- VII. The Company has not obtained registration from any other financial sector regulator.
- VIII. During the year, a) no prior period items occurred which has impact on profit and loss account, b) no change in any accounting policy, c) there were no circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties, d) there is no withdrawal from Reserve fund, e) Company has not accepted public deposits, f) Company does not consists of any Overseas Assets and g) Company does not have any Off-balance Sheet exposure and SPVs sponsored (which are required to be consolidated as per accounting Norms).
- IX. The Company has no subsidiary company. Hence, requirement of consolidated financial statements is not applicable to the company.
- X. The capital market exposure during the financial year is NIL.

IX) Provisions and Contingencies		(In ₹ Crore)	
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account and Reserves		Current Year	Previous Year
1. Provision for depreciation on Investment		-	-
2. Provision made towards income tax		0.24	0.18
3. Provision towards NPA		0.22	0.12
4. Provision for Standard assets (with details like teaser loan, CRE, CRE-Rh etc)		0.29	0.25
5. Other Provision and contingencies		0.02	0.01

X) Other Disclosures

Concentration of Loans & Advances		(In ₹ Crore)	
Particulars		Current Year	Previous Year
Total Loans & Advances to Twenty largest borrowers		25.54	25.87
Percentage of Loans & Advances to Twenty largest borrowers to Total Advances of the HFC		40.37	52.63

Concentration of All Exposure (Including Off-Balance Sheet Exposure)		(In ₹ Crore)	
Particulars		Current Year	Previous Year
Total Loans & Advances to Twenty largest borrowers/Customers		25.54	25.87
Percentage of Loans & Advances to Twenty largest borrowers to Total Advances of the HFC on Borrower/Customers		40.37	52.63

Concentration of NPAs		(In ₹ Crore)	
Particulars		Current Year	Previous Year
Total Exposure to Top Ten NPA Accounts		0.56	0.43

Sector-Wise NPAs		(In ₹ Crore)	
A. Housing Loans:		Percentage of NPAs to Total Advances in that Sector	
1. Individuals			1.62%
2. Builders/Project Loans			
3. Corporates			
4. Other (Specify)			
B. Non-Housing Loans:			
1. Individuals			3.47%
2. Builders/Project Loans			
3. Corporates			
4. Other (Specify)			

Movement of NPAs		(In ₹ Crore)	
Particulars		Current Year	Previous Year
(I) Net NPAs to Net Advances (%)		1.39	1.23
(II) Movement of NPAs (Gross)			
a) Opening Balance		0.60	0.31
b) Additions during the year		0.62	0.43
c) Reductions during the year		0.14	0.14
d) Closing Balance		1.08	0.60
(III) Movement of Net NPAs			
a) Opening Balance		0.48	0.22
b) Additions during the year		0.53	0.39
c) Reductions during the year		0.15	0.13
d) Closing Balance		0.86	0.48
(IV) Movement of Provisions for NPAs (excluding provisions on standard assets)			
a) Opening Balance		0.12	0.10
b) Provisions made during the year		0.10	0.03
c) Write-off/write-back of excess provisions		0.00	0.00
d) Closing Balance		0.22	0.12

Disclosure of Complaints (customers Complaints)

Particulars		Current Year	Previous Year
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		-	-

34. NHB, has not levied any penalty under HFC (NHB) Directions, 2010 on the company.
35. Provident Fund and ESIC.
In the current year, the company has paid all the statutory dues as per relevant law.
36. Investments in shares of Other companies:

S.No	Particulars	Amount (Rs.) 31.03.2019	Amount (Rs.) 31.03.2018
1	AkmeFintrade (India) Ltd		
	Opening Balance	4,000,100	4,000,100
	Purchased during the year	-	-
	Sold during the year	-	-
	Closing Balance	4,000,100	4,000,100
2	Akme Fincon Ltd		
	Opening Balance	4,800,000	4,800,000
	Purchased during the year	-	-
	Sold during the year	-	-
	Closing Balance	4,800,000	4,800,000

37. **Deferred Tax:** The components of Deferred Tax assets and Liabilities as on 31.03.2019 and 31.03.2018 are as follows :

Particulars	31.03.2019	31.03.2018
Opening Balance (Deferred Tax Liability)	765,818	409,170
Deferred Tax Assets:		
Provision for Non Performing Assets	395,456	(423,205)
Difference Between WDV of fixed Assets and as per Co. Act, 2013 and Income tax Act, 1961	17,260	-
Gross deferred Tax Asset (A)	412,716	(14,035)
Deferred Tax Liabilities:		
Difference Between WDV of fixed Assets as per Co. Act, 2013 and Income tax Act, 1961	-	(25,268)
Deduction Claimed u/s 36(1)(viii)	1,392,238	805,121
Gross Deferred Tax Liabilities (B)	1,392,238	779,853
Net Deferred Tax (Asset)/ Liability	1,745,340	765,818
Amount debited/ (Credited) in Profit and Loss account	979,522	356,648

38. There are no Micro, Small and Medium Enterprises (MSME) to whom the Company owes dues, which are outstanding for more than 45 days as at 31-03-2019. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis at information available with the Company.
39. Figures of the previous year have been regrouped, rearranged and reclassified wherever necessary.
40. Figures in brackets represent previous full year's figures i.e figures for Financial Year 2017-18.
41. Credit assigned by Credit Rating Agencies and Migration of Rating during the year

S.No.	Instrument	Rating Agency	Rating Assigned	Date of Assignment
1.	Long Term	Acuite Ratings & Research Limited	Acuite BBB-	21st November 2018

The accompanying notes are an integral part of the financial statements
As per our report of even date

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

Sd/-
CA MANOJ JAIN
Partner
Membership No.400459

PLACE:UDAIPUR
Date: 22.05.2019

FOR AND ON BEHALF OF THE BOARD

Sd/-
Nirmal Kumar Jain
Director
DIN: 00240441

Sd/-
B.S. Kachhawaha
Chief Financial
Officer

Sd/-
Ashish Jain
Managing Director
DIN: 02041164

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

NOTES

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AKME STAR HOUSING FINANCE LIMITED

Registered Office:

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