



**AKME**  
FINTRADE (India) LTD.

LEADING WITH

*Responsibility*



25<sup>TH</sup>  
**ANNUAL  
REPORT** | **2021**

25<sup>th</sup>  
Year  
Anniversary



25<sup>TH</sup>

ANNIVERSARY

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Mr. Nirmal Kumar Jain

Chairman & Managing Director

### Mr. Bansilal Champalal Jain

Executive Director

### Mr. Rajendra Chittora

Executive Director

### Mr. Kailash Jain

Executive Director

### Mr. Ramesh Kumar Jain

Executive Director

### Ms. Ragini Pamecha

Non Executive Director

## INDEPENDENT BOARD

### Mr. Subhash Jain

Non Executive Independent Director

### Mr. Rajesh Jain

Non Executive Independent Director

### Mr. Amrit Singh Rajpurohit

Non Executive Independent Director

### Dr. Rekha Jain

Non Executive Independent Director

## KEY MANAGERIAL PERSONNEL

### Ms. Rajni Gehlot

Chief Financial Officer

### Ms. Anjali Pacholi

Company Secretary & Compliance Officer

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## REGISTERED OFFICE

### Akme Business Center

4-5 Subcity Center, Savina Circle, Udaipur 313002, Tel: 0294-2489501

Email: [cs@akmefintrade.com](mailto:cs@akmefintrade.com) | Web : [www.akmefintrade.com](http://www.akmefintrade.com)

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## MUMBAI OFFICE

11/C Kamgar Nagar, S.G. Barve Marg, Near Kamnagar

Bus Stand, Kurla, Mumbai- 400024

Tel: 022-25229132, +91-369-64740-45

E: [rameshjain@akmefintrade.com](mailto:rameshjain@akmefintrade.com)

## LEAD BANKERS

### **Bank of Baroda (BOB)**

Main Branch, Town hall, Udaipur -313001

### **State Bank of India**

SME Branch, 4-C, Riddhi Siddhi Complex,  
Madhuban Udaipur-313001

### **Au Small Finance Bank Limited**

19-A Dhuleshwar Garden Jaipur - 302001

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## 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

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## STATUTORY AUDITOR

### **Valawat & Associates**

432-433, 2nd Floor, S.M. Lodha Complex,  
Near Shastri Circle, Udaipur-313001  
Tel: +91 -9414161934  
Email: valawat@yahoo.co.in

## 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

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## DEBENTURE TRUSTEE

### **Beacon Trusteeship Limited**

4, C & D, Siddhi Vinayak Chambers, MIG Cricket  
Club, bandra East Mumbai - 400051

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## STOCK EXCHANGE

### **BOMBAY STOCK EXCHANGE (BSE)**

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai  
- 400001 Tel : +91-22-22721233/4

E: corp.commn@bseindia.com

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## 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

# OUR PARTNERS



बैंक ऑफ बरोडा  
Bank of Baroda



State Bank of India  
With you - all the way



बैंक ऑफ इंडिया  
Bank of India  
Relian sifer toward success



यूनियन बैंक  
Union Bank



AU  
AU SMALL  
FINANCE  
BANK  
ان اے یو



Bandhan  
Bank



FEDERAL BANK  
FEDERAL BANK OF INDIA



DCB BANK



fincare  
Small Finance Bank



IndusInd Bank



आरएमबी  
R M B



AXIS BANK



MAS  
FINANCIAL SERVICES LTD  
The Power of Distribution



MANAPPURAM  
FINANCE LIMITED



vivriti  
CAPITAL



NABKISAN FINANCE LIMITED  
NABKISAN FINANCE LIMITED



UGRO  
CAPITAL



MWFS  
MoneyWISE Financial Services



Muthoot Finance



SHRIRAM  
Finance Company Limited  
A WINNING RELATIONSHIP



Hinduja Leyland  
Finance



RELIANCE  
Capital



HFS  
Financial Services



RBL BANK

# OUR PARTNERS

**Maanaveeya Development  
& Finance Private Limited**

(Formerly known as Maanaveeya Holdings of Construction Private Limited)



**CAPRI GLOBAL  
CAPITAL LIMITED**

Unlocking potentials, Empowering people



BMW Financial Services





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# AKME HAIN TOH BHAROSA HAIN

It is a matter of great honor and utmost satisfaction that we got this amazing opportunity of being associated with you and being worthy of your trust over the past 25 years. During this period, we have been through seasons of growth, and challenges. However, it is our response to the adversity, not the adversity itself, that determines how our story develops. We, at Akme Fintrade (India) Limited (AFIL), are the outcome of the choices that we make in our journey and we have always focused on growing the right way to build a resilient financial institution."

We embarked on our journey 25 years back, to be a changemaker in Rajasthan's drive for financial inclusion. Opportunities were aplenty, challenges were no less. Today, as we look back and introspect, there is a humbling sense of accomplishment in building an organisation that has not only stood the test of time, but has also made a difference to the lives of millions.

Crises have come and gone, reshaping operating landscapes, and putting our resilience to test. We have emerged stronger out of every adversity on the strength of our character that we have built over the years, driven by the guiding principles of prudence (samajhdaari), sensibility (zimmedari), and honesty (imaandaari).

Our story, woven around the hinterlands of India, is now spreading into super metros and urban areas with customer centricity at the heart.

**When faced with the current challenges,  
we believe "This too shall pass."**

# HISTORY

## Decades of Resilient Growth



# MISSION

- To promote a work culture that fosters individual growth, team spirit and creativity to overcome challenges and attain goals.
- To encourage ideas, talents, and value systems.
- To uphold the guiding principle of trust, integrity and transparency in all aspects of interactions and dealings.

# VISION

To be a leading financial service provider in the semi urban and rural section, by being the most preferred and trusted financial institution, excelling in customer service delivery through commitment, caring and empowered employees to transform rural lives and drive positive change in the communities.

# CORE VALUE

We value professional and personal integrity above all else. We achieve our goals by being honest and straightforward with all our stakeholders. We earn trust with every action, every minute of every day.

**PASSION :** We play to win. We have a healthy desire to stretch, to achieve personal goals and accelerate business growth. We strive constantly to improve and be energetic in everything that we do.

**QUALITY :** We take ownership of our work. We unflinchingly meet high standards of quality in both what we do and the way we do it. We take pride in excellence.

**RESPECT :** We respect the dignity of every individual. We are open and transparent with each other. We inspire and enable people to achieve high standards and challenging goals. We provide everyone equal opportunities to progress and grow.

**RESPONSIBILITY :** We are responsible corporate citizens. We believe we can help make a difference to our environment and change lives for the better. We will do this in a manner that benefits our size and also reflects our humility.

**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 AFIL, 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.



## TEAMWORK & COLLABORATION

The AFIL 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 AFIL, we feel that positive, constructive and efficient collaboration can ensure success.



## PROFESSIONAL LEADERSHIP

The management team is led by qualified and experienced visionaries, who are supported by competent professionals. AFIL is chaired by Mr. Nirmal Kumar Jain, Chartered Accountant by Profession, an industry expert with more than 25 years of experience in the Finance industry,



## GEOGRAPHIC FOOTPRINT

The Company commenced its journey from Udaipur, Rajasthan, in 1995 and is now present in 5 states of India, covering Rajasthan, Maharashtra, Gujarat, Madhya Pradesh & Odisha. During the journey AFIL added 69 branches till March 31, 2021.



## DIFFERENTIATED MODEL

AFIL is selected to serve the needs of finance customers in the low and middle income segments of sub-urban and rural India, contrary to the industry preference of servicing customers in metro cities and urban clusters. AFIL could have addressed large, visible and conventionally credit worthy loan seekers instead the company chose to focus on customers excluded from the country's formal banking system on account of their inadequate documents for income validation.



## HUMAN CAPITAL

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



## ACCOUNTABILITY & OWNERSHIP

Accountability is all about answerability; the willingness to accept a task and be responsible for completing it to the best of one's abilities. Ownership, on the other hand, requires not only taking onus of the task at hand, but responsibility for the outcome of it, whatever that may be while workload and responsibilities are often shared at AFIL, 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.

# OUR OFFERINGS



LOAN TO PRIORITY SECTOR



PERSONAL LOAN



BUSINESS LOAN



EQUIPMENT FINANCE



WORKING CAPITAL LOAN



CORPORATE LOAN



EDUCATION LOAN



COMMERCIAL LOAN



RETAIL LOAN



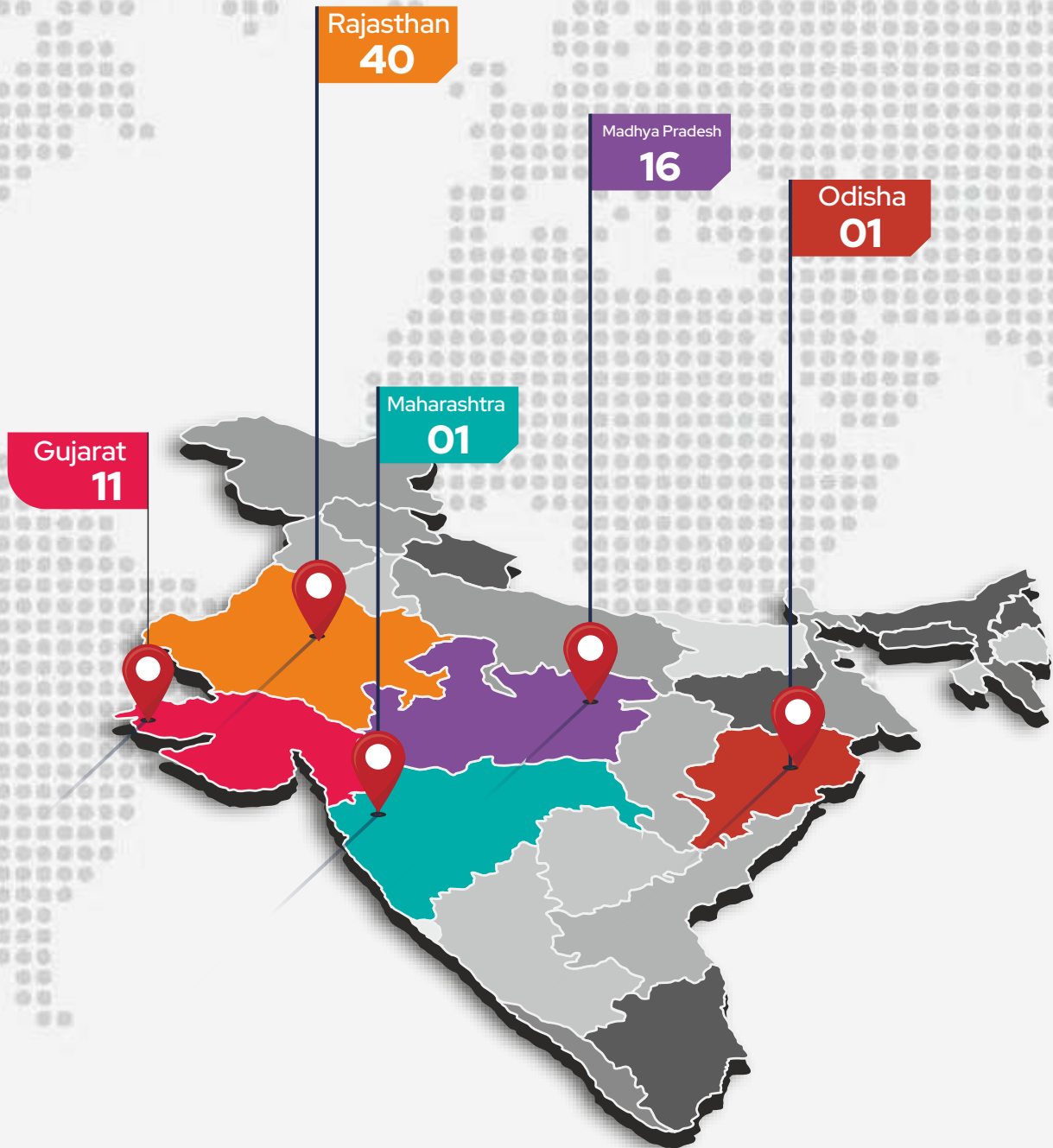
COMMERCIAL/  
NON-COMMERCIAL  
VEHICLE LOAN (2/3/4 WHEELER)



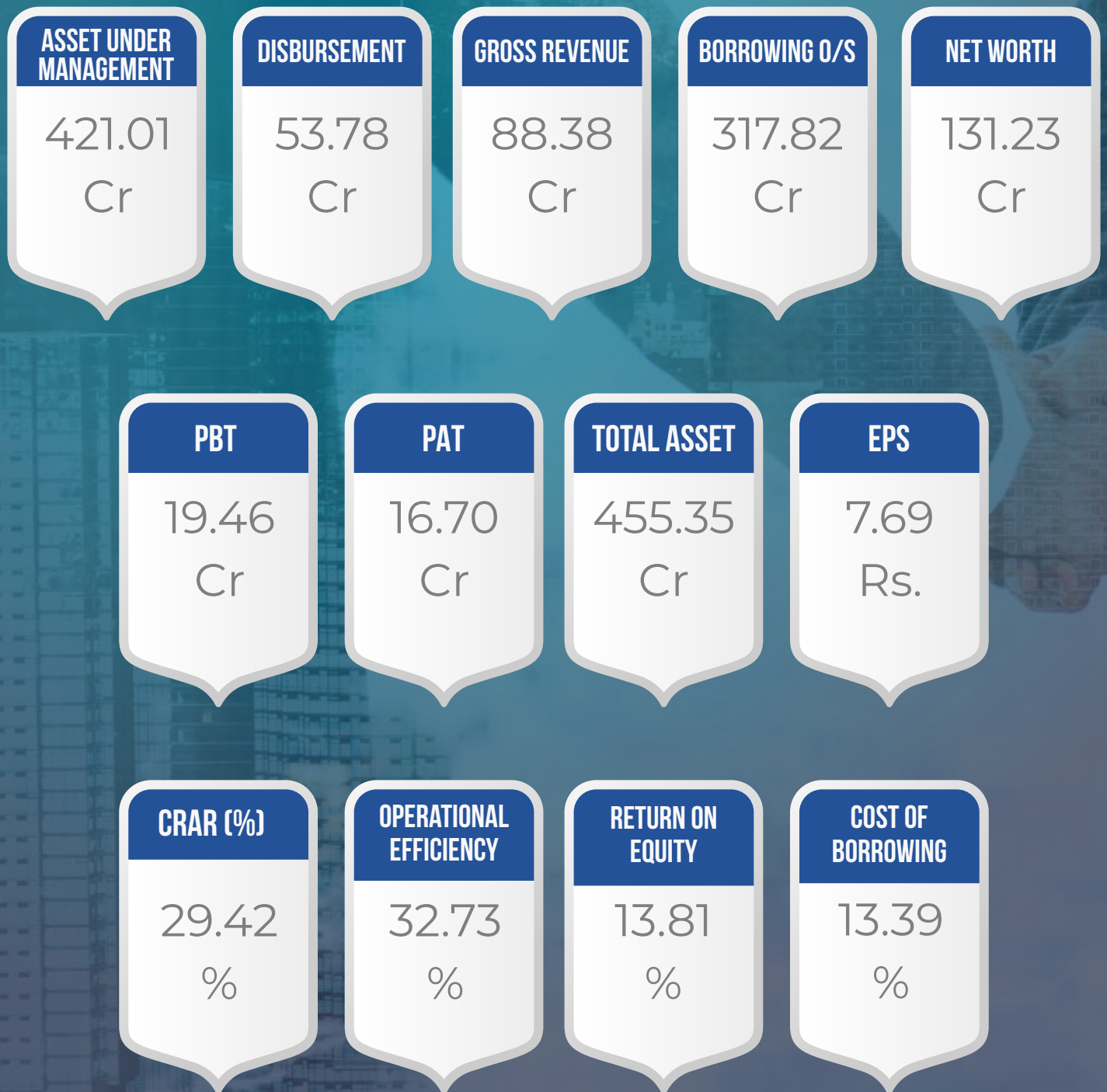
WOMEN EMPOWERMENT  
LOAN

# EXTENSIVE BUSINESS NETWORK

Extensive 69 Business Network with Presence in 5 States (Rural, Semi-Urban & Urban Locations).



# KEY HIGHLIGHTS





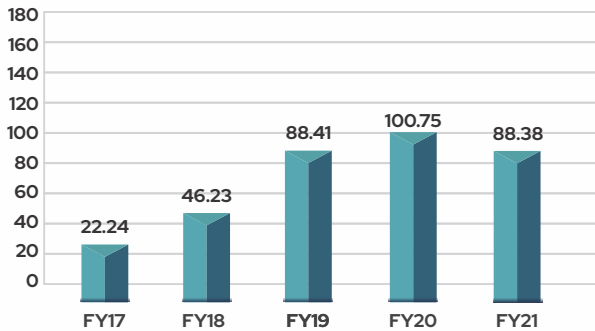
# FINANCIAL INDICATOR



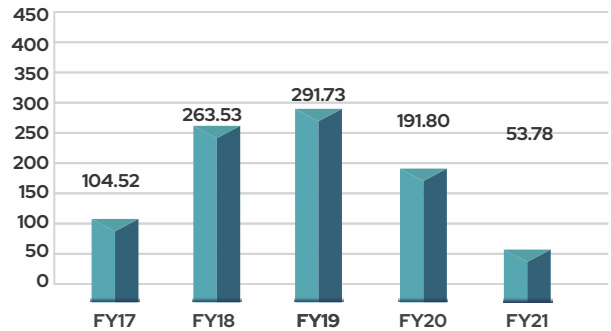
# A CONSISTENT PERFORMANCE TRAJECTORY

Total Orders  
13,678  
Total Sales  
11,892

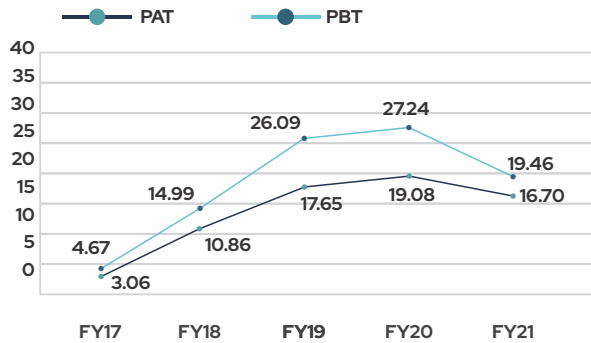
## GROSS REVENUE (Rs. In Crore)



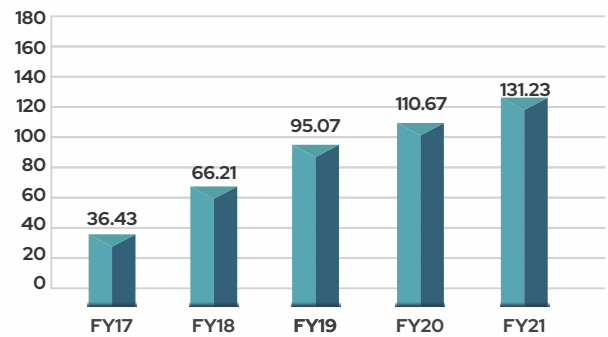
## DISBURSEMENT (Rs. In Crore)



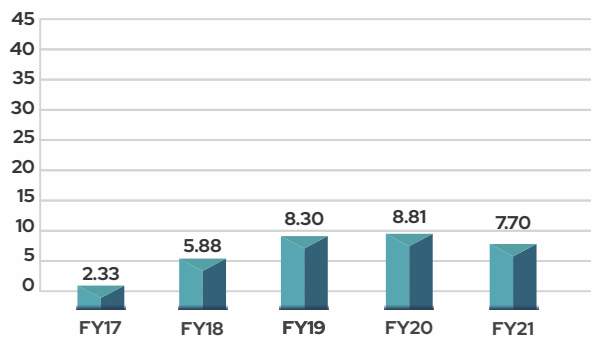
## PAT-PBT (Rs. In Crore)



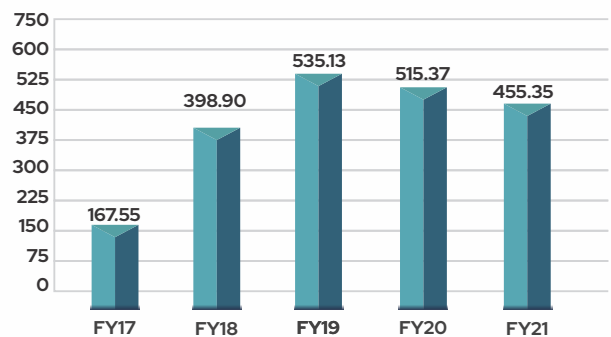
## Shareholder's Fund (Rs. In Crore)



## Earning Per Share (In Rs.)

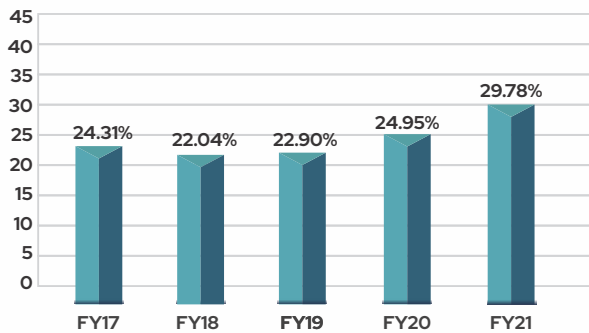


## TOTAL ASSETS (Rs. In Crore)

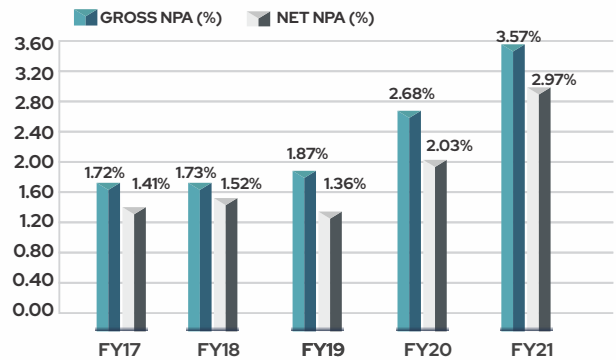


# A CONSISTENT PERFORMANCE TRAJECTORY

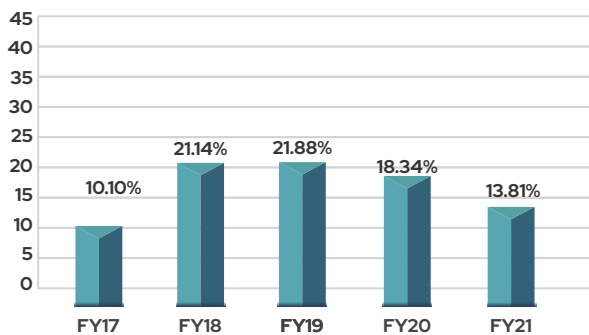
## CRAR (%)



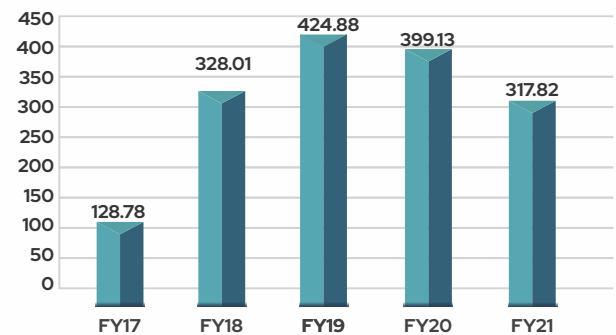
## NPA (%)



## RETURN ON EQUITY (%)

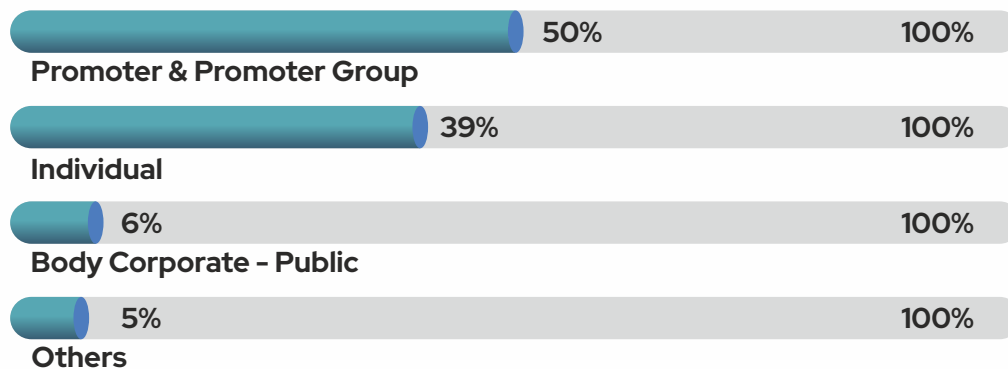


## Borrowings O/s (Rs. In Crore)



## Shareholding as on March, 2021

Holding (In %)



# BOARD OF DIRECTORS

**MR. NIRMAL KUMAR JAIN**  
CHAIRMAN & MANAGING DIRECTOR  
(DIN: 00240441)

Mr. Nirmal Kumar Jain has been one of the foremost proponents of asset finance in India. He has more than 25 years of experience in the finance and development terrain. He with his close associates founded Akme Fintrade (India) Limited in 1995. He is a Qualified Chartered Accountant. Company under his leadership, commenced its transformational journey, reaching out to customers across the length and breadth of the Country. With his focus on business excellence and industry development, he has played a significant role in shaping policy guidelines on matters relating to the mortgage finance industry. His dynamic initiatives at AFIL have been pioneering for the industry.



## BOARD OF DIRECTORS

### **MR. RAJENDRA CHITTORA**

**EXECUTIVE DIRECTOR**

**(DIN: 08211508 )**

Mr. Rajendra Chittora is a qualified Executive Manager with more than two decades of experience in the auto/CV/CD/TW finance companies. He also has ample experience of fund raising and equity participation in current organization. He has done Msc in Electronics and MBA in Business Development from University of Udaipur.



### **MR. BANSILAL CHAMPALAL JAIN**

**EXECUTIVE DIRECTOR**

**(DIN: 00274366)**

Mr. Bansi Lal Jain, promoter and director is associated with the Company since its foundation and is having vast experience in the Business of trading in Metals (Export-Import). He is a very seasoned businessperson.



## BOARD OF DIRECTORS

**MR. KAILASH JAIN**  
**EXECUTIVE DIRECTOR**  
(DIN: 02030996 )

Mr. Kailash Jain Executive Director, he is having good experience of vehicle business. Sale business operations of the company as well looking. He is having a Masters in Business Administration.



**MR. RAMESH KUMAR JAIN**  
**EXECUTIVE DIRECTOR**  
(DIN: 07441707)

Mr. Ramesh Kumar Jain did his Masters in Marketing & Finance from University College of Udaipur. He is appointed as an Executive Director of the Company in Year 2016. Currently he is handling Maharashtra Region Business and looking after all the activities of Mumbai Office.



**MS. RAGINI PAMECHA**  
**NON-EXECUTIVE DIRECTOR**  
(DIN: 07953539)

Mrs. Ragini Pamecha, holds degree in P.hd (Gold Medalist), M.Com, B. Com and is currently working as a Teacher Consulting. She is having a vast 7 year experience in education field. She is appointed as Non-Executive Director.



## BOARD OF DIRECTORS

### MR. RAJESH JAIN

**NON-EXECUTIVE INDEPENDENT DIRECTOR**  
(DIN: 02021972)

Mr. Rajesh Jain is Post Graduate and Doctorate from University of Udaipur. Mr. Jain joined as Non-Executive Independent Director on the board in the Year 2009. He is having experience in the marketing sector. He has provided with ideas for promotion of products and guided company in field of marketing.



### MR. SUBHASH JAIN

**NON- EXECUTIVE INDEPENDENT DIRECTOR**  
(DIN: 07951661)

Mr. Subhash Jain is a Chartered Accountant from ICAI. Currently he is a owner of a Marble Indsutry. He is having more than 20 Years of experience in this industry. Mr. Jain's vast knowledge in Finance & Accounts is guiding the company from last 2 years.



### DR. REKHA JAIN

**NON-EXECUTIVE INDEPENDENT DIRECTOR**  
(DIN: 07703994)

Dr. Rekha Jain, is the Non-Executive Independent Director of our Company. She is Phd holder from University of Udaipur. Currently she is working as a social activist and having more than 15 years of experience.



## BOARD OF DIRECTORS

**MR. AMRIT SINGH RAJPUROHIT**  
**NON-EXECUTIVE INDEPENDENT DIRECTOR**  
**(DIN: 02173432)**

Mr. Amrit Singh Rajpurohit, 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.



## KEY MANAGERIAL PERSONNEL



**MS. RAJNI GEHLOT**  
**CHIEF FINANCIAL OFFICER**

Ms. Rajni Gehlot, is a qualified Chartered Accountant and CFO of the Company. Having 9 years of financial leadership experience and knowledge of all aspects to explore opportunities in Finance. Experience in policy & process development and plan execution. Further deeply involved in software planning and its implementation and handled all legal aspects and compliances of RBI and Treasury Management.



**MS. ANJALI PACHOLI**  
**COMPANY SECRETARY & COMPLIANCE OFFICER**

Ms. Anjali Pacholi, is a qualified Company Secretary & holds degree in LLB & MBA . Having 5 Years of experience as Company Secretary and Compliance Officer. She is young & dynamic Company Secretary member of ICSI having a bright knowledge of relevant legislation, regulation, ensuring corporate conduct within an organization's regulatory environment, board and shareholders and overlooking that decisions of the board of directors are implemented in Company in well defined manner.

# CHAIRMAN'S FOREWORD

**When times got tough, we summoned the strength of our experience over the past 25 years."**

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**Mr. Nirmal Kumar Jain**  
Chairman & Managing Director

## **DEAR SHAREHOLDERS,**

I hope you and your family are safe and healthy in these difficult times.

It gives me immense pleasure to write to you as the Chairman & Managing Director of your Company, and present the 25th Annual Report and Financial Statements of Akme Fintrade (India) Limited for the financial year ended March 31, 2021. It's the Silver Jubilee of your Company.

The year 2020-21 has been challenging for each one of us. The Covid-19 pandemic has had a significant impact on lives, livelihoods, and the business. Operational challenges mounted due to restricted movement and disrupted supply lines during the first few months of the pandemic. As the second wave of the pandemic unfolds with predictions of a third wave in the offing, our focus continues to be on our people's health & safety, meeting

the demand arising out of evolving consumer needs, and finally, protecting our business model.

We have all seen very turbulent and challenging times last year. I personally believe that rather than focusing on the problems, it is always prudent to focus on possibilities. I would like to share with you how we stayed resilient, refocused on the possibilities instead of the problems and reenergized ourselves to face the challenges head-on and overcome them. Rather than pursuing comparative figures of growth and profitability, we worked on staying financially robust. As always, we endeavored to maintain the strength of the balance sheet along with a high degree of fairness and transparency. This resulted in adopting a cautious approach, even while following prescribed practices.

We are driven by the vision of creating India's most trusted financial services brand. We seek to touch the lives of our customers by integrating into their ecosystems and



emerging as a full stack financial services provider. We desire to evolve into a consumer and MSME-driven company, two areas marked by a growing appetite for timely financing. We are focused on building a digital communication channel presence. We intend to stay relevant to transforming external realities through a culture of ongoing innovation resulting in best-in-class solutions to our customers.

### Performance – Financial & Business Overview

During FY 2020-21, the consolidated disbursements declined by 71.96%, i.e., from Rs. 191.80 Cr in FY 2019-20 to Rs. 53.78 Cr in FY 2020-21. The decline was mainly due to disruptions in business, induced by the pandemic. Within the Company, there was a focus on maintaining portfolio

quality in the light of adverse economic trends. Hence, the Company followed a cautious policy with respect to lending. Assets Under Management declined 12%, i.e., from Rs. 479.43 Cr in FY 2019-20 to Rs. 421.01 Cr in FY 2020-21. Given the hostile operating environment, we believe this was a steady performance. Your Company book a profit of Rs. 16.70 Crores For FY. 2020-21.

I would also like to thank our employees and our core team, in particular, for being the bedrock of strength on which we have been able to stay resilient throughout these difficult times. I sincerely acknowledge the support of all the stakeholders.

Warm Regards,

**Nirmal Kumar Jain**

*“ I would like to take this opportunity to thank our stakeholders for the confidence that they have placed in us and look forward to rewarding this trust with sterling and sustainable results. ”*

# MANAGEMENT DISCUSSION AND ANALYSIS

## ECONOMIC OVERVIEW

### Global Economy

Global economy is gradually recovering from the unprecedented downfall caused by COVID-19 pandemic in 2020. Aggressive and swift monetary, fiscal and financial policies all around the world led to a stronger-than-expected economic recovery across regions in the second half of 2020. The International Monetary Fund (IMF) has estimated global economic growth to have contracted by 3.3% in 2020.

Global economic activity is gaining firmer ground as vaccination drives started gathering momentum in the beginning of 2021. Accordingly, IMF has projected the world economy to grow by 6.0% in 2021 and 4.4% in 2022. The recovery is expected to remain uneven and largely varies across countries and sectors, reflecting variation in pandemic induced disruptions and the extent of policy support. The enhanced fiscal support announced by some economies in 2021 including the United States and Japan, together with the unlocking of Next Generation EU Fund will provide support to economic recovery. China, India and Turkey have progressed above pre-pandemic levels driven by strong fiscal measures and a recovery in manufacturing and construction. However, the second and third COVID-19 infection waves have necessitated renewed restrictions in many countries. The global outlook remains subject to significant downside risks, which include the possibility of renewed COVID-19 waves in the context of new virus variants, uneven access to vaccines across countries and financial stress amid high debt levels in emerging markets and developed economies.

### Indian Economy

A slowing Indian economy was hit hard by the COVID-19 outbreak, which brought economic activity to a near standstill in the April-June period of FY 2020-21 due to the nationwide lockdown imposed by the Government. This has significantly derailed the growth track for the Indian economy, however, the Reserve Bank of India (RBI) in its Monetary Policy Committee (MPC) estimated the Indian economy to grow by 9.5% in FY 2021-22 on the back of implementation of key structural reforms and the improved fiscal and monetary policies.

As the COVID-19 crisis unfolded, the Indian economy contracted by 22.4% in Q1 FY 2020-21 and 7.3% in Q2 FY 2020-21. RBI reduced the repo rate to 4% from 4.4%, and reverse repo rate to 3.35% from 3.75%, in May 2020. Calibrated fiscal and monetary support was provided, cushioning the vulnerable during the lockdown and boosting consumption, investments and injecting ample liquidity in the system. Consequently, GDP growth returned to positive territory in Q3 FY 2020-21 and continued even in the fourth quarter as reflected in improvement in certain key economic indicators. The massive vaccination drive by the Government provided boost to consumer sentiment during the fiscal end.

According to provisional estimates by National Statistical Office (NSO), Indian GDP is estimated to contract by 7.3% in FY 2020-21 as compared to growth of 4.0% in FY 2019-20. A sharp spike in COVID-19 infections during April-May 2021 and attendant lockdown restrictions re-imposed by several states are likely to temporarily delay the recovery.

## INDUSTRY OVERVIEW

### Financial Services Industry

Financial services form the backbone of a country's economic growth and development. India has a diversified financial sector and undergoing rapid expansion led by various factors including policy support, improving business fundamentals, product and services innovation and target to severely under penetrated areas. Credit off-take has been surging ahead over the past decade, supported by strong economic growth, rising disposable incomes, increasing consumerism and easier access to credit. Financial services in India is made up of commercial banks, insurance companies, non-banking financial corporations (NBFCs), cooperatives, pension funds, mutual funds and other smaller financial institutions. The banking regulator has recently allowed new entities to be formed, such as payment banks, small finance banks etc. thereby adding to the form of entities operating in the sector. However, the sector of financial services in India is primarily the banking sector, and non-banking financial companies, with commercial banks responsible for more than 64% of the total assets held by the financial system.

The bank deposits surged by 11.4% to Rs. 151.13 lakh crore in FY 2020-21, as against 7.9% growth in the previous year despite the decline in

interest rate by over a 100 basis points. However, due to sluggish corporate investments, bank credit grew 5.6% to Rs. 109.51 lakh crore in FY 2020-21 as against 6.1% growth registered in FY 2019-20. Among major sectors, credit to agricultural sector grew significantly - the highest since April 2017. Credit growth to the services sector also remained strong. Credit to the industrial sector, however, contracted marginally, mainly due to a decline in credit to large industries.

### **NBFCs in India**

NBFCs play a critical role in financial intermediation and promoting inclusive growth by providing last-mile access to financial services to meet the diversified financial needs of under-banked customers. NBFCs also provide credit to the micro, small and medium enterprises (MSME) segment and contribute to financial inclusion. There were 9,507 NBFCs registered with the Reserve Bank of India as on January 31, 2021.

During FY 2019-20, the NBFC sector faced headwinds in the aftermath of the payment default crisis in the form of erosion of confidence among investors, rating downgrades and liquidity stress compounded by the COVID-19 pandemic. RBI continued to take sequential regulatory measures to improve access of sufficient liquidity to the NBFC sector. On an overall basis, NBFCs were taking remedial actions including increasing provisions, correcting Asset Liability Management (ALM) profiles, decreasing leverage, etc. Consequently, the consolidated balance sheet of NBFCs gained traction in first half of FY 2020-21 after witnessing a deceleration in FY 2019-20 due to stagnant growth in loans and advances. After September 2020, collections inched closer to pre-COVID levels and growth gathered momentum. But the second wave of COVID-19 has pulled back some of the recovery gains with subsequent impact on asset quality.

Asset quality metrics across the sector will remain supported in FY 2020-21 by the RBI's restructuring schemes, moratorium announced from March'20 to August'20 and economy revival post September 2020. For FY 2021-22, CARE Ratings expects some level of stress, especially in the loan portfolio under restructuring and those which were under moratorium with the impact of these likely to be visible in the next one year. As such, delinquencies are estimated to rise moderately. Moreover, GDP growth is expected at 9.5% and this time around lockdown so far have been less stringent as compared to last year. Also, businesses in sectors such as construction, mining, infrastructure etc. continue to operate, which will aid growth in the credit off-take.

### **Growth Drivers for NBFCs:**

- Customized product offerings
- Leveraging Technology for improved efficiency and enhanced experience.
- NBFCs have been tying up with multiple alternative lenders with digital platforms and commercial banks as well, which has been adding to their targeted customer base.
- Ensuring enhanced governance through a proactive, robust and agile risk management model.
- Introduction of scale-based regulatory framework for NBFCs by RBI. Regulations for most large NBFCs (excluding HFCs) would now be similar to banks with some modifications factoring heterogeneity/target segment.
- Higher loan-to-value as NBFCs offer higher amounts of loan against security as compared to banks

### **MSME Sector**

The Micro, Small and Medium Enterprises (MSME) have emerged as an engine of the Indian economy growth. They contribute nearly 30% to India's GDP, 50% to exports and provide employment opportunities to more than 11.1 crore skilled and semi-skilled people. There are approximately 6.33 crore MSMEs in the country. MSMEs are widening their domain across sectors of the economy, producing a diverse range of products and services to meet demands of domestic as well as global markets.

While COVID-19 impacted business activities, a solid response from the Government and the RBI has provided relief to support growth. The year under review, saw new definition of MSME based on turnover, launch of Emergency Credit Line Guarantee Scheme (ECLGS), moratorium provided, restructuring, stressed MSME scheme and current account opening guidelines. Consequently, credit demand has resumed to pre-COVID levels. Keeping in mind the disruption caused by the second wave of COVID-19, the Government has extended the scope of the ECLGS Scheme till September 2021 with disbursements being allowed till December 2021. Credit growth to MSMEs accelerated at a CAGR of 16.3% during FY 2016-17 - FY 2019-20 period. COVID-19 pandemic has brought many behavioural changes in the MSME lending ecosystem. The customer behaviour, customer profile and lenders response to the evolving situation has

changed the dynamics of MSME Lending. Credit infusion to MSMEs declined sharply post the lockdowns due to COVID-19 pandemic. The ECLGS scheme implementation brought the much needed boost and significantly helped in reviving credit infusion to MSMEs post its announcement in May 2020. The Union Budget has doubled the allocation to MSMEs to Rs. 15,700 crore for the next financial year 2021-22.

As per the latest MSME Pulse report by TransUnion CIBIL, total on-balance sheet commercial lending in India stood at Rs. 71.25 lakh crore in September 2020. MSME segment's credit exposure was at Rs. 19.1 lakh crore as of September 2020 registering YoY growth of 5.7% with better trends witnessed in the Micro segment (8-9% YoY), aided by ECLGS disbursements. Public Sector Banks (PSUs) have taken a lead in MSME loan originations since April'20 and gained market share. However, recent inquiry trends suggest that Private Banks are inching back to pre-COVID levels, with 22% YoY growth in enquiries versus 9% growth for PSUs in December 2020.

### **Automobiles**

According to Society of Indian Automobile Manufacturers (SIAM), the automobile industry produced a total of 22,652,108 vehicles including passenger vehicles, commercial vehicles, three-wheelers, two-wheelers and quadricycles in FY 2020-21 as against 26,353,293 vehicles in FY 2019-20, registering a de-growth of 14.0% over the same period last year.

The automobile sector faced significant challenges during FY 2020-21, owing to the pandemic, which led to supply chain disruption, manufacturing slowdown and declining consumer demand. The sector witnessed uncertainty in the value chain, due to lockdown and issues relating to supply of semiconductors and higher prices of raw material. Further, safety and social distancing compulsions are forcing consumers to avoid showroom visits, leading to rapid adoption of digitalization and contact less vehicle buying experience. According to CARE Ratings, asset quality of Commercial Vehicle financiers which had moderated in FY 2019-20 has witnessed improvement during the nine months ended December 2020 (9M FY 2020-21) supported by extension of moratorium to borrowers during March 2020 to August 2020, tightening of collection processes and better growth in economic activity during second half of FY 2020-21.

The intensity of the second wave of COVID-19 pandemic is likely to take a toll on the country's domestic automobile sector which was poised for a strong double-digit growth in FY 2021-22 over the low base of FY 2020-21. The biggest headwind for the industry is the spread of the virus to smaller towns and villages this time in addition to the sustained impact on disposable income and rising cost of vehicles. ICRA expects two-wheeler segment growth will be in the range of 10%-12%, passenger vehicles growth would be 17%- 20% and for commercial vehicles it would be 21%-24%.

## **COMPANY OVERVIEW**

Akme Fintrade (India) Limited (hereinafter referred as "AFIL" the Company) is an Udaipur based diversified Non-Banking Finance Company (NBFC) registered with the Reserve Bank of India (RBI). Incorporated in 1995, the Company is engaged in providing specialized retail financing services to the lower income and middle-income groups of the society. Since over two decades, the Company primarily caters to the financially underserved masses spread across urban, semi-urban, and rural areas in the formal and informal sectors. The Company offers a wide range of retail finance products such as micro enterprise loans, SME loans, two-wheeler loans, used car loans and commercial vehicle loans to satisfy the varied needs of customers. A highly experienced management team, huge borrower base, diverse product mix, efficient liability management, and a well-spread branch network underpin the operations of the Company.

### **Distribution Network**

The Company has established a strong distribution network and believes in offering best-in-class services at the doorstep of its customers. The Company has presence across Gujarat, Maharashtra, Rajasthan, Madhya Pradesh, Odisha with around 69 branches. The well-entrenched network enables the Company to serve underserved masses and capture a significant share of the untapped demand in the hinterlands ensuring last-mile delivery of credit. AFIL is focused on catering to the borrowing needs of lower income and middle-income groups of the society spread across urban, semi-urban and rural areas, in the formal and informal financial sectors.

Till 31st March, 2021, AFIL has catered to more than 100,000 customers through its robust network of 69 business networks.

### **Financial Review**

The summary of our financial performance is as follows:

- **MSME Loans** – As on 31st March 2021, AFIL has Assets under Management under MSME Loans of Rs. 325.27 crores as compared to Rs 351.76 crores on 31st March 2020. This marked a decline of 7.40%
- **Commercial Vehicle and Two-wheeler Loans** –
- Commercial Vehicle and Two-Wheeler Loans touched Rs. 95.74 crores as on 31st March 2021 from Rs. 127.84 crores as on 31st March 2020, indicating a decline of 25%
- Our Interest Income stood at Rs. 85.75 crores.
- Profit after tax declined to Rs. 16.70 Crore in 31st March 2021 against Rs. 19.07 Crore in 31st March 2020.
- Earnings per share (EPS) stood at Rs. 7.70 in current year against Rs. 8.81 in 31st March 2020.

## 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 leadsto 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

**Cash Collections:** Currently only 20% of total collections are through NACH and remaining are collected through cash. However we are in the process of converting our cash collections to digital mode (NACH). We are creating awareness and personally reaching each and every customer and encouraging them to convert their EMI repayments mode from cash to NACH..

### Opportunity

Company has identified and grabbed various opportunities in the market. Performing in a unique way, by which the company can access creditworthiness of the people and provide them loans with less paperwork. Company has received funds from various schemes such as TLTRO 2.0, SLS etc. which would help it to grow and emerge.

Company has issued rated, listed, secured, Non-Convertible Debentures (NCDs) of Rs.10 Crores on a private placement basis to Union Bank of India. Which has opened up many more opportunities for the company.

### Threats

Even though there are many opportunities provided for growth and improvement, yet there are some challenges that are faced by the company in India. With the new credit customers, the risk remains higher as compared to those customers who have a credit history.

### Overall Summary

While the uncertainties around Covid continue to be a dampener, the Company is focused on staying the course while committing to the strategic initiatives to deliver the goals of the Company. The Company is continuing to improve its internal controls and mitigate risks through continuous improvements and investments in systems and processes. As the year progressed, its focus moved from handling immediate health and business continuity related challenges, preparing and adapting to a pandemic-appropriate operating model to driving performance. It owes this successful transformation to its investments in technology, robust processes and committed teams.

# DIRECTOR'S REPORT

Dear Members,

Your Directors take immense pleasure in presenting their 25th Annual Report together with the Audited Statement of Accounts and the Auditor's Report of your Company for the Financial Year ended March 31, 2021.

## 1. FINANCIAL HIGHLIGHTS OF THE COMPANY

The Financial performance of your company for the year ended 31st March, 2021 is summarized below:

	(Rs. in Lakhs)	
Particulars	2020-21	2019-20
Revenue from Operations	8575.26	9845.13
Other Income	262.51	229.89
<b>Total Income</b>	<b>8837.78</b>	<b>10075.03</b>
Less: Finance Cost	4798.51	5561.69
Employee Benefit Expenses	821.64	894.92
Impairment of Financial Instruments	771.47	346.90
Depreciation and Amortisation expenses	65.27	75.88
Overhead	435.35	471.39
<b>Total Expenses</b>	<b>6892.24</b>	<b>7350.77</b>
<b>Profit Before Tax</b>	<b>1945.54</b>	<b>2724.25</b>
- Current tax	434.09	808.96
- Deferred Tax	(158.23)	7.34
<b>Net Profit</b>	<b>1669.68</b>	<b>1907.95</b>
Net Profit attributable to the owners of the Holding Company	-	-
Profit Brought Forward	5590.85	4424.48
Effect of changes in Group's interest	-	-
Profit Available for Appropriation	1669.68	1907.95
<b>APPROPRIATIONS:</b>		
Transfer to reserve u/s 45-IA of RBI Act, 1934	1516.58	1182.64
Interim Dividend on Equity Shares	-	21.67
Dividend Distribution Tax on Equity Shares	-	4.46
Surplus carried to BS	4593.5	4593.5

## A. LENDING OPERATIONS:

The Loan disbursement of the Company as at the end of Financial Year 2021 was 5378.00 Lakhs as compared to Rs. 19180.00 Lakhs in the previous year.

## **B. NET OWNED FUNDS:**

The Net Owned Funds (NOF)/ Net worth of your Company is worth Rs. 13123.00 Lakhs as on March 31, 2021 as against Rs. 11067.25 Lakhs during the previous year.

## **C. EARNINGS PER SHARE (EPS):**

The Company's aim of maximizing Shareholders wealth is clearly reflected in the growth of Earnings per Share (EPS) viz 7.70 at March 31, 2021 as against Rs. 8.80 as at March 31, 2020.

## **D. ASSET UNDER MANAGEMENT (AUM)**

The AUM of the company stood at Rs. 42101.00 Lakhs as at March 31, 2021 as against Rs. 49656.00 Lakhs in the previous financial year.

## **2. DIVIDEND**

Your Directors feel that it is prudent to plough back the profit for future growth of the Company and do not recommend any dividend for the year ended 31st March, 2021.

## **3. SHARE CAPITAL**

### **• Authorized Share Capital**

During the year under review the authorized share capital of the company is Rs. 25,00,00,000/- (divided into 2,50,00,000 Equity Share of Rs. 10/- each).

### **• Issued and Paid-up Capital**

The Issued and Paid Up Equity Share Capital as on 31st March 2021 was Rs. 21,81,65,060 During the year under review, the Company has issued 1,42,200 Equity shares, which changed the capital structure, resulting in increase of paid up share capital to 21816506 equity shares as compare to 21674306 equity shares of previous year.

## **4. THE PROPOSED AMOUNTS TO CARRY TO ANY RESERVES**

During the year the Company has not transferred any amount to General Reserves and has transferred Rs.377.52 Lakhs to Special Reserve. The company have Rs. 8899.82 Lakhs in account of Reserves and surplus.

## **5. THE STATE OF THE COMPANY'S AFFAIRS**

The company has adopted the various business excellence models, quality management system (QMS), Environmental management system (EMS), The Company's committed efforts towards improving efficiency and service level in its operations.

## **6. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relate on the date of this report.

## **7. CHANGE OF NATURE OF BUSINESS**

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

## **8. SIGNIFICANT AND MATERIAL ORDERS**

There were no significant and material orders passed by the regulators or courts or tribunals impacting the Company's going concern status and future operations.

## **9. PARTICULARS OF LOANS, GUARANTEE OR INVESTMENT**

Pursuant to Section 186(11) of the Companies Act, 2013, the provisions of Section 186 of the Companies Act, 2013, except sub-section (1), do not apply to a loan made, guarantee given, security provided or investment made by company in the ordinary course of business.

**10. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The Board of Directors of the Company comprises of Twelve [12] Directors of which Six [6] are Executive Directors; One [1] is Managing Director & Five [5] are Independent & Non-Executive Director including one-woman director as on March 31, 2021 who bring in a wide range of skills and experience to the Board.

The composition of the Board of Directors of the Company as under:-

**Composition of the Board:**

Sr.No.	Name of the Director	Designation	DIN
1	Mr. Nirmal Kumar Jain	Chairman & Managing Director	00240441
2	Mr. Praveen Kumar Jain	Executive Director	00240525
3	Mr. Bansilal Champalal Jain	Executive Director	00274366
4	Mrs. Pushpa Nagda	Executive Director	00887067
5	Mr. Kailash Jain	Executive Director	02030996
6	Mr. Ramesh Kumar Jain	Executive Director	07441707
7	Mr. Rajendra Chittora	Executive Director	08211508
8	Ms. Ragini Pamecha	Non-Executive Director	07953539
9	Mr. Rajesh Jain	Non-Executive & Independent Director	02021972
10	Mr. Subhash Jain	Non-Executive & Independent Director	07951661
11	Mr. Amrit Singh Rajpurohit	Non-Executive & Independent Director	02173432
12	Dr. Rekha Jain	Non-Executive & Independent Director	07703994
<b>KMP'S:</b>			
1	Ms. Anjali Pacholi	Company Secretary	BCVPP1307B
2	Mr. Dipesh Jain	Chief Executive Officer	ATWRJ7914R
3	Ms. Rajni Gehlot	Chief Financial Officer	BGEPG8519D

**Change in the Board:**

During the year following changes took place in the Board of Directors.

Sr. No.	Name of the Director	Designation	Appointment/Resignation
1	Mr. Amrit Singh Rajpurohit	Non-Executive & Independent Director	Appointment
2	Dr. Rekha Jain	Non-Executive & Independent Director	Appointment
3	Mr. Rajendra Chittora	Executive Director	Appointment
4	Mrs. Pushpa Nagda	Executive Director	Resignation
5	Mr. Praveen Kumar Jain	Executive Director	Resignation
6	Mr. Dipesh Jain	Chief Executive Officer (CEO)	Resignation

**Retirement of Director by Rotation**

In accordance with the provisions of Section 152 (6) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), Mr. Ramesh Kumar



Jain (DIN: 07441707) Executive Director of the company is liable to retire by rotation at the ensuing 25th Annual General Meeting and being eligible offers himself for reappointment.

## 11. DECLARATION OF INDEPENDENT DIRECTORS

The Independent Directors have confirmed that they satisfy the criteria prescribed for Independent Directors as stipulated in the provisions of Section 149(6) of the Act. The names of all the Independent Directors of the Company have been included in the Independent Directors databank maintained by Indian Institute of Corporate Affairs (IICA). The Company has obtained declaration of independence from all the Independent Directors of the Company that they meet the criteria of independence as laid down under Section 149 of the Companies Act, 2013 and as amended by the Companies (Amendment) Act, 2017, which have been relied upon by the Company and were placed at the Board Meeting. None of the Directors has any pecuniary relationship or transactions with the Company. None of the Directors of the Company are related to each other. They have confirmed that they are not disqualified from being appointed as Directors in terms of Section 164 of the Act and are not debarred from holding the office of Director by virtue of any SEBI order or any other such authority.

In the opinion of the Board, the Independent Directors fulfil the necessary criteria for independence as stipulated under the statutes.

The Board has formed the opinion that the Independent Directors have requisite integrity, proficiency expertise and experience required by the Company based on their skills, knowledge and competencies in the terms of Rules 8 of the Companies (Accounts) Rules, 2014.

## 12. AUDITORS

### • Statutory Auditors

At 20th Annual General Meeting of the Company held on 26th September, 2016, the members had appointed M/S Valawat & Associates Chartered Accountants (FRN:003623C) as the Statutory Auditors of the Company for a period of 5 years i.e. up to the Conclusion of Annual General Meeting of the Company to be held in the year 2021.

Based on the recommendation of the Audit Committee, the Board of Directors in their Meeting held on Monday, 30th August, 2021 has re-appointed M/S Valawat & Associates, Chartered Accountants (FRN:003623C), as the Statutory Auditors of the Company for period of 5 years i.e up to the Conclusion of Annual General Meeting of the Company to be held in the year 2026 subject to the approval of members.

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.

### • Secretarial Auditors

In terms of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. Ronak Jhuthawat & Co., a firm of Practicing Company Secretaries was appointed as Secretarial Auditors of the Company. The secretarial auditors have submitted their report for fiscal 2021 and the report does not contain any qualification. The report of the Secretarial Auditors is enclosed as **Annexure -III** to this report.

## 13. COMMENTS ON AUDITOR REPORT

The Comments made by M/s Valawat & Associates, Auditors in their Auditors reports read with relevant notes thereon are self-explanatory in nature and hence do not call for any further comments under section 134 of Companies Act, 2013.

## 14. COMPLIANCE WITH SECRETARIAL STANDARDS

In terms of provisions of Section 118 of the Companies Act, 2013, the Company has duly complied with Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meeting (SS-2) issued by the Institute of Company Secretaries of India (ICSI).

## 15. PERSONNEL

The Company had 245 (including on contract) employees at March 31, 2021. The Company, during the COVID-19 pandemic lockdown, to safeguard employees' health and safety, enabled work from home (WFH) facility for all employees and ensured continuous employee engagements and awareness for tracking their health and safety. The Company also aided and support in case any employee or his/her family members tested positive for COVID-19 and home quarantine facility and medical assistance. The Company will bear the cost of vaccination of all its employees (including contract employees) and their dependent family members.

The disclosure as required in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for fiscal 2021 is given in Annexure 2.

#### 16. LOANS FROM BANKS

As part of its liability management, the Company endeavors to diversify its resource base in order to achieve an appropriate maturity structure and minimize the cost of borrowed funds. For requirement of more Working Capital, the company has approached various Bankers including Existing Bankers and Financial Institutions and the details of Loan sanctioned and disbursed by the Bank and Financial Institutions are more particularly given in Notes forming part of the Financial Statement.

#### 17. CAPITAL ADEQUACY

Your Company's stand-alone capital adequacy ratio was at 29.42% on 31st March, 2021, which we believe provides an adequate cushion to withstand business risks and is above the minimum requirement stipulated by the RBI.

#### 18. CREDIT RATING

The Company has been assigned Credit Rating from Acuite Rating & Research Limited.

SR.NO.	FACILITIES	LIMITES (IN CR)	TENURE	RATING	
				PREVIOUS	PRESENT
1	Fund Based  (Bank Facilities)	150	Long Term	ACUITE BBB(Triple B Plus)  Outlook- negative	ACUITE BB+  Outlook- Stable
2	Non-Convertible  Debentures	20	Long Term	ACUITE BBB (Acuite Triple B)  Outlook- negative	ACUITE BB+  Outlook- Stable

#### 19. INTERNAL CONTROL AND ITS ADEQUACY

The Company has adequate internal controls and processes in place with respect to its financial statements, which provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements. These controls and processes are implemented through various policies, procedures and certifications which commensurate with the size and nature of the Company's business. The processes and controls are reviewed periodically. The Company has a mechanism of testing the controls at regular intervals for their design and operating effectiveness to ascertain the reliability and authenticity of financial information.

These systems provide reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company, prevention and detection of frauds, accuracy and completeness of accounting records and ensuring compliance with Company's policies.

#### 20. RBI GUIDELINES AND CODES:

The Company has been following the various Circulars, Notifications and Guidelines issued by Reserve Bank of India (RBI) from time to time. The Circulars and the Notifications issued by RBI are also placed before the respective committees at regular

intervals along with the compliance of the same.

## **21. THE RBI NORMS AND ACCOUNTING STANDARDS**

To comply with RBI directions, your company has closed its Book of accounts for the full year ending March 2021, and your Company continues to comply with the directives issued as well as the norms prescribed by Reserve Bank of India for NBFCs.

## **22. BSE COMPLIANCES**

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

## **23. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

### **A) Conservation of energy:**

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

### **B) Technology absorption:**

Your company has implemented a next generation, core virtual solution, with the purpose of aligning itself with the fast-growing technology evolution and leveraging operational capabilities, while reducing the time taken for whole loan process.

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

For the aforesaid purpose, your company has signed-up with Jaguar Software India (Mobility Solutions) in 2019-2020 and customized it with the practical needs to area of operation of company, which results in following benefits:

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

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

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

### **C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

currency company has reported gain of Rs. 15840000

#### 24. 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 during the Financial Year 2020-21 were mainly in the ordinary course of business and on an arm's length basis.

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

#### 25. ARM'S LENGTH PRINCIPLES

The transactions between the Company and its group companies are to be undertaken on an arm's length basis. The following broad principles shall be adhered to at the time of undertaking such transactions:

- a) All transactions shall have the substantive characteristics of a transaction between independent parties
- b) The transactions shall be entered into in a need based manner and shall be based on principle of impartiality
- c) The pricing for specific transactions shall be at market related rates and would be benchmarked against comparable quotes for similar transactions in the market between independent parties
- d) The transactions shall comply with all statutory/regulatory guidelines, internal policy norms and procedures (including appropriate documentation) applicable to such transactions, if engaged with independent parties with similar background.

#### 26. WEblink OF ANNUAL RETURN AND/OR EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as "Annexure A" the same is also available on the website of the company at [www.akmefintrade.com](http://www.akmefintrade.com).

#### 27. A RISK MANAGEMENT POLICY OF THE COMPANY

The asset of the company are adequately insured against the loss of fire, riot, earthquake, terrorism, loss of profit, etc. and other risk are considered necessary by the management.

#### 28. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company is committed to provide a safe and conducive work environment to its employees. During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### 29. NUMBER OF MEETINGS

##### A. Board meeting

A total of 13 (Thirteen) Board Meetings were held during the Financial Year ended 31st March 2021. The maximum gap between any two Board Meetings was less than one 120 days:

S. No.	Date of Board meeting	Total No. of Directors associated as on the date of meeting	No. of Directors Attended
1	27.04.2020	10	5
2	25.06.2020	10	6
3	30.06.2020	10	7
4	01.07.2020	10	7
5	30.07.2020	10	7

S. No.	Date of Board meeting	Total No. of Directors associated as on the date of meeting	No. of Directors Attended
6	26.08.2020	10	7
7	18.09.2020	10	8
8	26.10.2020	9	4
9	16.11.2020	9	4
10	14.12.2020	9	9
11	29.12.2020	9	6
12	17.02.2021	12	7
13	31.03.2021	12	7

#### B. General Meeting

S. No.	Date of meeting	Total No. of Members associated entitled to attend meeting	No. of Members Attended
1	26.05.2020	157	34
2	15.12.2020	156	32

#### C. Committee Meetings

No. of Committees 4

Name of the Committee			
	Date of meeting	Total No. of Directors associated as on the date of meeting	No. of Directors Attended
<b>Audit Committee</b>	27.04.2020	3	3
	17.09.2020	3	3
	09.11.2020	3	3
	14.12.2020	3	3
	17.02.2020	3	3
<b>Nomination &amp; Remuneration Committee</b>	26.10.2020	3	3
	29.12.2020	3	3
	29.03.2021	3	3
<b>Stakeholder's Relationship Committee</b>	30.06.2020	3	3
	10.08.2020	3	3
	18.09.2021	3	3
	17.02.2021	3	3
<b>Corporate Social Responsibility Committee</b>	25.03.2021	3	3

**30. SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANY**

The Company does not have any subsidiary, associate and joint venture company within the meaning of Section 2(87) and 2(6) of the Companies Act, 2013 and no new subsidiary, associate and joint venture company was formed during the year under review.

**31. DETAILS OF DEBENTURE TRUSTEES**

As per SEBI circular no. CIR/IMD/DF/18/2013 dated October 29, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of Debenture Trustees are as under.

Name	Beacon Trusteeship Limited
Address	4C & D Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Cricket Club, Bandra (East) Mumbai Ma400051IN
Contact details	9324724943

**32. 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(5) of the Companies Act, 2013:

- a. that in the preparation of the Annual Financial Statements for the year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies as mentioned in 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, 2021 and of the profit of the Company for the year ended on that date;
- c. 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;
- d. that the Annual Financial Statements have been prepared on a going concern basis;
- e. that proper Internal Financial Controls were in place and that the financial controls were adequate and were operating effectively.
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

**33. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

In accordance with the applicable provisions of the Master Direction issued by the Reserve Bank of India a detailed analysis of the Company's performance is discussed in the Management Discussion and Analysis Report, which forms part of this Annual Report.

**34. HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

Many initiatives have been taken to support business through organizational efficiency, process change support and various employee engagement programmes which has helped the organization achieve higher productivity levels. A significant effort has also been undertaken to develop leadership as well as technical/ functional capabilities in order to meet future talent requirement.

**A. TRAINING & DEVELOPMENT**

In the field of Human Resource Development, your company stresses on the need to continuously upgrade the competencies of its employees and equip them to keep abreast of latest developments in the sector. The Company operates in a knowledge intensive business and is committed to enhancing these skills of its employees. In order to achieve this, the Company has an annual training plan to assess the various training needs. Necessary professional skills are also imparted across all levels of employees through customized training interventions.

**B. HUMAN RESOURCE MANAGEMENT**

Your Company lays great emphasis on upgrading the skills of its Human Resource. It benchmarks its practices with the best

practices being followed in the corporate world. This, apart from other strategic interventions, leads to effective management of Human Resource thereby ensuring high level of productivity. Your Company enjoys a very cordial and harmonious relationship with its employees.

### **C. WELFARE MEASURES**

Your Company follows good management practices to ensure welfare of its employees through a process of inclusive growth & development. The Company follows an open door policy whereby the employees can access the top management thereby contributing in the management and growth of the company. Commitment of the workforce is ensured through an effective package of welfare measures which include comprehensive insurance, medical facilities and other amenities which in turn lead to a healthy workforce.

### **35. OPPORTUNITIES & THREATS**

Most of the NBFCs Customer profile is concentrated either in unorganized sector or on the self-employed segment, NBFCs have also ventured into riskier segments such as real estate, unsecured loans, purchase finance for used commercial vehicles, etc. These factors increase their risk profile which could have adverse impact on the financial health of NBFCs and have immense business potential from the segment untapped by commercial banks. The changes in the regulatory frame work have made them NBFCs. Very competitive and responsible. The Reserve Bank of India (RBI) has introduced guidelines under which bank loans to NBFCs are not considered priority-sector loans, which reduces incentives from banks to lend directly to NBFCs and will increase the latter's funding costs. Access to stable funding from banks, institutional investors and capital markets is a key factor in the stable outlook on the sector, and any disruption in funding access could lead to negative growth as well as rating action.

### **36. ACKNOWLEDGEMENTS**

Your Directors thank the various departments like MCA, Registrar of Companies, various Organizations and Agencies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

### **BY ORDER OF THE BOARD OF DIRECTORS**

Sd/-  
**NIRMAL KUMAR JAIN**  
**CHAIRMAN & MANAGING DIRECTOR**  
**DIN: 00240441**

Sd/-  
**RAJENDRA CHITTORA**  
**DIRECTOR**  
**DIN: 08211508**

**PLACE: UDAIPUR**  
**DATE: 30.08.2021**

# ANNEXURE II

## FORM NO. AOC.2

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

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

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

NAME OF RELATED PARTY	NATURE OF RELATIONSHIP	NATURE OF CONTRACTS	TERM/ DURATION OF CONTRACTS	OUTSTANDING VALUE (31.03.2021)	DATE OF APPROVAL BY BOARD/ MEMBER	AMOUNT AS ADVANCES/ SECURITY DEPOSIT
Hiraman Onstruction - Heera Lal Jain	KMP's Relative is a member	Term Loan	3 Years 5 Months	20,00,000/-	17-05-2019	NIL
Laxmi Marble And Steel Corportion	KMP's Relative is a member	Term Loan	3 Years	1064958 /-	26-05-2018	Nil
Laxmi Marble And Steel Corportion	KMP's Relative is a member	Term Loan	3 Years	1064958/-	26-05-2018	Nil
Laxmi Marble And Steel Corportion	KMP's Relative is a member	Term Loan	3 Years	1064958/-	26-05-2018	Nil
Heera Lal Malvi	KMP's Relative is a member	Term Loan	3 Years	1064958/-	17-05-2019	Nil
Manju Jain	KMP's Relative of MD	Term Loan	NA	7603543/-	17-05-2019	Nil



NAME OF RELATED PARTY	NATURE OF RELATIONSHIP	NATURE OF CONTRACTS	TERM/ DURATION OF CONTRACTS	OUTSTANDING VALUE (31.03.2021)	DATE OF APPROVAL BY BOARD/ MEMBER	AMOUNT AS ADVANCES/ SECURITY DEPOSIT
Akme Automobiles Pvt Ltd.	KMP is Director	Term Loan	NA	3730277 /-	17-05-2019	Nil
Akme Buildmart Pvt Ltd.	Director Relative is a member	Term Loan	NA	5007585.67/-	17-05-2019	Nil
The Coronation Castles Pvt.ltd.	Director Relative is a member	Term Loan	NA	297545/-	17-05-2019	Nil

**BY ORDER OF THE BOARD OF DIRECTORS**

Sd/-  
**NIRMAL KUMAR JAIN**  
**MANAGING DIRECTOR**  
**DIN: 00240441**

Sd/-  
**RAJENDRA CHITTORA**  
**DIRECTOR**  
**DIN: 08211508**

**PLACE: UDAIPUR**  
**DATE: 30.08.2021**

# ANNEXURE -III

## FORM MR-3 SECRETARIAL AUDIT REPORT

(For The Financial Year Ended March 31ST, 2021)

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

To,

The Members

### **Akme Fintrade (India) Limited**

Akme Business Centre (ABC), 4-5 Subcity Centre Savina

Circle, Opp. Krishi Upaz Mandi, Udaipur -313002

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period **01.04.2020 to 31.03.2021**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Akme Fintrade (India) Limited** for the period ended on 31.03.2021 according to the provisions of:

1. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made thereunder; (**Not Applicable to the Company during the Audit Period**)
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; (**Not Applicable to the Company during the Audit Period**)
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (**Not Applicable to the Company during the Audit Period**)
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (**Not Applicable to the Company during the Audit Period**)
  - d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - (**Not Applicable to the Company during the Audit Period**)
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
  - 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 to the Company during the Audit Period**)
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - (**Not Applicable to the Company during the Audit Period**)
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - (**Not Applicable to the Company during the Audit Period**); and
  - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable to the company.
5. I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS- 2) issued by The Institute of Company Secretaries of India.
- 6. The Company is RBI registered NBFC based in Udaipur, Rajasthan. It is engaged in Asset Finance Business, the following Major Industry specific Acts and Rules are applicable to the Company, in the view of the Management:
  - A. The Reserve Bank of India (Department of Non-Banking Supervision) Non-Banking Financial (ND SI) Companies Prudential Norms (Reserve Bank) Directions and Master Circulars issued from time to time.
  - B. Prevention of Money Laundering Act, 2002;
- 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, Non-Executive Directors and Independent 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 were sent in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting;
  - C. All decision at Board Meetings and Committee Meetings are carried unanimously as recorded in the minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be;
- 9. I further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), I am of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.
- 10. I further report that during the review period there were specific events/action in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. having a major bearing on the Company affairs:
  - A. Allotment of 100 (One Hundred) Nos. of Rated, Unsubordinated, senior, redeemable, taxable, transferable, Listed, non convertible debentures denominated in Indian Rupees each having a face value of INR 10,00,000 (Rupees Ten Lakh only) and aggregating to a face value of Rs. 10,00,00,000 (Rupees Ten Crores Only) on 30 th June, 2020.

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

**Sd/-**

**Ronak Jhuthawat  
Proprietor  
FCS: 9738, CP: 12094  
Peer Review No: S2013RJ222900  
UDIN- F009738C000842341**

**Place: Udaipur  
Date: 27.08.2021**

# "ANNEXURE A"

To,

The Members

**Akme Fintrade (India) Limited**

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

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

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

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

Sd/-

**Ronak Jhuthawat**

**Proprietor**

**FCS: 9738, CP: 12094**

**Peer Review No: S2013RJ222900**

**UDIN- F009738C000842341**

**Place: Udaipur**

**Date: 27.08.2021**

# "ANNEXURE A"

## FORM NO. MGT-9

### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2021

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

I. REGISTRATION AND OTHER DETAILS		
(i)	CIN:	U67120RJ1996PLC011509
(ii)	Registration Date	Monday, 05th February 1996
(iii)	Name of the Company	Akme Fintrade (India) Limited
(iv)	Category/Sub-Category of the Company	Company Limited By Shares , Indian Non Government Co.
(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, E: cs@akmefintrade.com W.: www.akmefintrade.com
(vi)	Whether Listed Company Yes/ No	Yes
(vii)	Name, Address and Contact Details of Registrar and Transfer Agent, if any-	Yes
	Name:	Bigshare Services Private Limited
	Address:	302, Kushal Bazar, 32-33, Nehru Place, New Delhi-110019
	Contact Details:	Tel: 011-42425004, 47565852, E. : bss@bigshareonline.com W. : www.bigshareonline.com

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products/ services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Asset Finance	65921	100

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

The Company does not have any Holding, Subsidiary and Associate Companies as on 31st March, 2021

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
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 2020)				No. of Shares held at the end of the year (as on 31st March 2021)					% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	*CA Pending	Total	% of Total Shares	
<b>A. Promoters</b>										
<b>(1) Indian</b>										
a) Individual/ HUF	6100095	-	6100095	28.15	5350755	-	-	5350755	24.53	(3.62)
b) Promoter Group	10161380	-	10161380	46.88	9253230	-	55000	9308230	42.67	(4.21)
c) Central Govt.	-	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-	-
e) Bodies Corp.	743080	-	743080	3.43	659560	-	-	659560	3.02	(0.41)
f) Banks/FI	-	-	-	-	-	-	-	-	-	-
g) Any other (Trust)	150000	-	150000	0.69	150000	-	-	150000	0.69	0.00
<b>Sub-Total (A) (1):-</b>	<b>17154555</b>	<b>0</b>	<b>17154555</b>	<b>79.15</b>	<b>15413545</b>	<b>0</b>	<b>55000</b>	<b>15468545</b>	<b>70.90</b>	<b>(8.25)</b>
<b>(2) Foreign</b>										
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Share holding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>17154555</b>	<b>0</b>	<b>17154555</b>	<b>79.15</b>	<b>15413545</b>	<b>-</b>	<b>55000</b>	<b>15468545</b>	<b>70.90</b>	<b>(8.25)</b>
<b>B. Public Share holding</b>										
<b>1. Institutions</b>										
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) Others	-	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2. Non-Institutions</b>										
a) Bodies Corp.	626240	-	626240	2.89	719135	-	-	719135	3.30	0.41

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1st April 2020)				No. of Shares held at the end of the year (as on 31st March 2021)					% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	*CA Pending	Total	% of Total Shares	
i) Indian	-	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-	-
b) Individuals	2581650	152271	2733921	12.61	4485036	19177	109908	4614121	21.15	8.54
i) Individual Shareholders holding nominal share capital upto ` 1 lakh	311615	39771	351386	1.62	342951	6677	12708	362336	1.66	0.04
ii) Individual Shareholders holding nominal share capital in excess of ` 1 lakh	2270035	112500	2382535	10.99	4142085	12500	97200	4251785	19.49	8.50
c) Others (specify)	-	-	-	-	-	-	-	-	-	-
i) Clearing members	-	-	-	-	-	-	-	-	-	-
ii) Directors	1159590	-	1159590	5.35	1014705	-	-	1014705	4.65	(0.7)
iii) Non-Resident Indians	-	-	-	-	-	-	-	-	-	-
iv) Trust	-	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(2):-</b>	<b>4367480</b>	<b>152271</b>	<b>4519751</b>	<b>20.85</b>	<b>5499741</b>	<b>19177</b>	<b>109908</b>	<b>5628826</b>	<b>25.80</b>	<b>7.84</b>
<b>Total Public shareholding (B)= (B)(1)+(B)(2)</b>	<b>4367480</b>	<b>152271</b>	<b>4519751</b>	<b>20.85</b>	<b>6218876</b>	<b>19177</b>	<b>109908</b>	<b>6347961</b>	<b>29.10</b>	<b>8.25</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>21522035</b>	<b>152271</b>	<b>21674306</b>	<b>100.00</b>	<b>21632421</b>	<b>19177</b>	<b>164908</b>	<b>21816506</b>	<b>100.00</b>	<b>0.00</b>

\*164908 Equity Share is pending for Corporate Action

## (ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1st April 2020)			Shareholding at the end of the year (as on 31st March 2021)			
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	% change in shareholding during the year
1	Mr. Nirmal Kumar Jain	4786905	22.09	-	4786905	21.94	1.43	0.15
2	Mr. Bansilal Champalal Jain	563850	2.60	-	563850	2.58	-	0.02
	<b>Total</b>	<b>5350755</b>	<b>24.69</b>	<b>-</b>	<b>5350755</b>	<b>24.52</b>	<b>-</b>	<b>0.17</b>

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

Particulars	No. of Shares	% of total shares of the Company
At the beginning of the year (01.04.2020)	5350755	24.52
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	
At the end of the year (or on the date of separation, if separated during the year) (31.03.2021)	5350755	24.52

**Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

SR.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	ANIL KUMAR JAIN	749340	3.43	01.04.2020	0	No change	749340	3.43
		749340	3.43	31.03.2021	0		749340	3.43
2	KANTA JAIN	503880	2.31	01.04.2020	0	No change	503880	2.31
		503880	2.31	31.03.2021	0		503880	2.31
3	MANAK CHAND JAIN	362540	1.66	01.04.2020	0	No change	362540	1.66
		362540	1.66	31.03.2021	0		362540	1.66
4	YASHPAL VELCHAND JAIN	292825	1.34	01.04.2020	0	No change	292825	1.34
		292825	1.34	31.03.2021	0		292825	1.34
5	SANJAY JAIN	235860	1.08	01.04.2020	0	No change	235860	1.08
		235860	1.08	31.03.2021	0		235860	1.08
6	ASHOK KUMAR JAIN	172760	0.79	01.04.2020	0	No change	172760	0.79
		172760	0.79	31.03.2021	0		172760	0.79
7	RAVINDRA JAIN	157620	0.72	01.04.2020	0	No change	157620	0.72
		157620	0.72	31.03.2021	0		157620	0.72
8	PRIYA YASHPAL JAIN	130700	0.60	01.04.2020	0	No change	130700	0.60
		130700	0.60	31.03.2021	0		130700	0.60
9	SHILPA JAIN	128640	0.59	01.04.2020	0	No change	128640	0.59
		128640	0.59	31.03.2021	0		128640	0.59
10	AMIT GUNCHANDRA MEHTA	100000	0.46	01.04.2020	0	No change	100000	0.46
		100000	0.46	31.03.2021	0		100000	0.46
11.	SS SEEMA	100000	0.46	31.03.2021	0	No change	100000	0.46
		100000	0.46	31.03.2021	0		100000	0.46



**(v) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

For each of the top ten Shareholders	No. of Shares	% of total shares of the Company
At the beginning of the year (01.04.2020)	1575850	7.27
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc.)	Due to change in Members	
At the end of the year (or on the date of separation, if separated during the year) (31.03.2021)	2934165	13.45

**(vi) 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 2020)		Date of Change	Increase / Decrease	Reason	Cumulative shareholding during the year (as on 31st March 2021)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
<b>DIRECTORS</b>								
1	Mr. Nirmal Kumar Jain	4786905	22.09	-	-	-	4786905	21.94
2	Mr. Praveen Kumar Jain	140615	0.65	-	-	-	140615	0.64
3	Mr. Bansilal Champalal Jain	563850	2.60	-	-	-	563850	2.59
4	Mrs. Pushpa Nagda	669950	3.09	-	-	-	669950	3.07
5	Mr. Kailash Jain	146640	0.68	-	-	-	146640	0.67
6	Mr. Ramesh kumar Jain	-	-	-	-	-	-	-
7	Mr. Rajesh Jain	-	-	-	-	-	-	-
8	*Mr. Prasad Kuchibhatla	-	-	-	-	Resignation	-	-
9	**Mr. Rajendra Chittora	-	-	-	-	Appointment	50000	0.23
10	***Mr. Amrit Singh Rajpurohit	-	-	-	-	Appointment	100000	0.05
11	***Dr. Rekha Jain	-	-	-	-	Appointment	-	-
12	Ms. Ragini Pamecha	49500	0.23	-	Due to transfer	-	-	-
13	Mr. Subhash Jain	7500	0.04	-	-	-	7500	0.03
<b>KMP'S</b>								
1	Ms. Anjali Pacholi	-	-	-	-	-	-	-
2	Mr. Dipesh Jain	697880	3.22	-	-	-	697880	3.19
3	Ms. Rajni Gehlot	2500	0.01	-	-	-	2500	0.01
	<b>Total</b>	<b>7065340</b>	<b>32.61</b>				<b>7015840</b>	<b>32.14</b>

- \* Resignation of Mr. Prasad Kuchibhatla from the post of Non-Executive Independent Director of the Company w.e.f. 21.10.2020  
 \*\* Appointment of Mr. Rajendra Chittora for the post of Executive Director of company w.e.f. 29.12.2020  
 \*\*\* Appointment of Mr. Amrit Singh Rajpurohit & Mrs. Rekha Jain for the post of Non- Executive Independent Directors of company w.e.f. 29.12.2020

**V. INDEBTEDNESS-2020-21**

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

Particular	Secured Loans excluding deposits	Unsecured Loans	Debenture Issue	Deposit	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>					
(i) Principal Amount	3791284426	200000000	Nil	Nil	3991284.426
(ii) Interest due but not paid	Nil	Nil	Nil	Nil	Nil
(iii) Interest accrued but not due	Nil	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>3791284426</b>	<b>200000000</b>	<b>Nil</b>	<b>Nil</b>	<b>3991284426</b>
<b>Change in indebtedness during the financial year</b>					
Addition	Nil	Nil	Nil	Nil	Nil
Reduction	913061496	Nil	Nil	Nil	913061496
<b>Net Change</b>	<b>913061496</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>913061496</b>
<b>Indebtedness at the end of the financial year</b>					
(i) Principal Amount	2878222930	200000000	100000000	Nil	3078222930
(ii) Interest due but not paid	Nil	Nil	Nil	Nil	Nil
(iii) Interest accrued but not due	711299	Nil	Nil	Nil	711299
<b>Total (i+ii+iii)</b>	<b>2878934229</b>	<b>200000000</b>	<b>100000000</b>	<b>Nil</b>	<b>3078934229</b>

**VI. 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	Total Amount in Rs.
1	Gross Salary <b>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</b> <b>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961</b> <b>(c) Profits in lieu of Salary under section 17(3) Income-tax Act, 1961</b>	<b>Mr. Nirmal Kumar Jain</b> 5700000	5700000

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount in Rs.
2	Stock Option		
3	Sweat Equity		
4	Commission - as % of profit - others, specify		
5	Others, please specify (Sitting Fees)		0
	Total (A)	5700000	5700000
	Ceiling as per the Act		

**B. Remuneration to other Directors:**

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount in Rs.
1	Independent Directors					
	Fee for attending Board Committee Meetings					0
	Commission					
	Others, please specify (remuneration)					0
	Total (1)					0
2	Other Non-Executive Directors					
	Fee for attending Board Committee Meetings					0
	Commission					
	Others, please specify					0
	Total (2)	0	0	0		0
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					
3	Executive Directors	Mr. Praveen Kumar Jain	Mrs. Pushpa Nagda	Mr. Ramesh kumar Jain	Mr. Rajendra Chittora	
	Fee for attending Board Committee Meetings					0

**B. Remuneration to other Directors:**

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount in Rs.
	<b>Commission</b>						
	<b>Others, please specify( Remuneration)</b>	1320000	3990000	500000	155012		5965012
	<b>Total (3)</b>	<b>1320000</b>	<b>3990000</b>	<b>500000</b>	<b>155012</b>		<b>5965012</b>
	<b>Total (B)=(1+2+3)</b>						<b>5985012</b>
	<b>Total Managerial Remuneration</b>						<b>11665012</b>
	<b>Overall Ceiling as per the Act</b>						

**C. Remuneration to managerial person other than MD/ Manager/WCB**

S. No.	Particulars of Remuneration	Key Managerial Personnel					Total (Rs.)
		CEO		Company Secretary		CFO	
1	Gross Salary	2300000		339112		1013087	3652199
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961						
	(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						
	<b>Total</b>	<b>2300000</b>		<b>339112</b>		<b>1013087</b>	<b>3652199</b>

**VII. 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)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

**BY ORDER OF BOARD OF DIRECTORS  
AKME FINTRADE (INDIA) LIMITED**

**Sd/-  
NIRMAL KUMAR JAIN  
MANAGING DIRECTOR  
DIN: 00240441**

**Sd/-  
RAJENDRA CHITTORA  
DIRECTOR  
DIN: 00240525**

**Place : Udaipur  
Date : 30.08.2021**

# "ANNEXURE B"

## REPORT ON CORPORATE SOCIAL RESPONSIBILITY

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

### 1. A brief outline on CSR policy of the Company

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

The Company may also undertake such CSR projects or programs proposed to be undertaken and The Company's CSR Policy is available at [www.starhfl.com](http://www.starhfl.com)

### 2. The Composition of CSR Committee: The Company's CSR Committee consists of one Executive Directors, One Independent Director and One Non Executive Directors of the Company. The composition of the Committee is set out below:

S. No.	DIN	Name of Director	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the Year
1	00240441	Mr. Nirmal Kumar Jain	Executive Director	1	1
2	02021972	Mr. Rajesh Jain	Non-Executive Independent Director	1	1
3	00240525	Mr. Praveen Kumar Jain	Executive Director	1	1

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

Not applicable

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

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

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

### 5. Average net profit of the Company for last three financial years: Rs. 227112435.45/-

### 6. (a) Two percent of average net profit of the company as per Section 135(5): Rs. 4542248.71/-

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c):Rs. 4542248.71/-

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

Total Amount Spent for the Financial Year (in lakh)	Amount Unspent (in lakh)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs. 4600000	Nil	-	-	Nil	-

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

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

(1)	(2)	(3)	(4)	(5)		(6)			
S. no	Name of project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent on the projects (in Rs.).	Mode of Implementation -Direct (Yes/No)	Mode of Implementation through implementing Agency	
				State	District			Name	CSR Registration number
1	Shri Jagtbharti Education & Charitable Trust	Promoting education	Yes	Gujarat	Surendra Nagar	46,00,000/-	Direct	-	-

(d) Amount spent in Administrative Overheads: Nil

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

(f) Total amount spent for the Financial Year: of Rs. 4600000

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

S.no.	Particulars	Amount (in RS.)
1	Two percent of average net profit of the Company as per Section 135(5)	4542248.71
2	Total amount spent for the Financial Year	4600000
3	Excess amount spent for the financial year [(ii)-(i)]	57752
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
5	Amount available for set off in succeeding financial years [(iii)-(iv)]	57752

**8. (a) Details of Unspent CSR amount for the preceding three financial years**

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

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

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

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

- (a) Date of creation or acquisition of the capital asset(s): Not Applicable
- (b) Amount of CSR spent for creation or acquisition of capital asset: Not Applicable
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: Not Applicable
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable
10. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5): Not Applicable

**For, and on behalf of the Board**

Sd/-

**Nirmal Kumar Jain**  
Chairman, CSR committee

Date: 30.08.2021

Place: Udaipur



## ANEXURE VI

# DETAILS OF MANAGERIAL REMUNERATION

Information under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The statement of disclosure of Remuneration under sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Ratio of remuneration of each Director of median remuneration of employee of the company For the FY-2020-21

S.No	Requirements	Remuneration																								
1	Ratio of remuneration of each Director of median remuneration of employee of the company For the FY-20-21	<table border="0"> <tr><td>1</td><td>Nirmal Kumar Jain</td><td>30.652</td></tr> <tr><td>2</td><td>Dipesh Jain</td><td>12.373</td></tr> <tr><td>3</td><td>Pushpa Nagda</td><td>21.454</td></tr> <tr><td>4</td><td>Praveen Kumar Jain</td><td>7.105</td></tr> <tr><td>5</td><td>Ramesh Jain</td><td>2.806</td></tr> <tr><td>6</td><td>Rajendra Chittora</td><td>0.837</td></tr> <tr><td>7</td><td>Rajni Gehlot</td><td>5.458</td></tr> <tr><td>8</td><td>Anjali Pacholi</td><td>1.82</td></tr> </table>	1	Nirmal Kumar Jain	30.652	2	Dipesh Jain	12.373	3	Pushpa Nagda	21.454	4	Praveen Kumar Jain	7.105	5	Ramesh Jain	2.806	6	Rajendra Chittora	0.837	7	Rajni Gehlot	5.458	8	Anjali Pacholi	1.82
1	Nirmal Kumar Jain	30.652																								
2	Dipesh Jain	12.373																								
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5	Ramesh Jain	2.806																								
6	Rajendra Chittora	0.837																								
7	Rajni Gehlot	5.458																								
8	Anjali Pacholi	1.82																								
2	Percentage Increase/ (Decrease) in Remuneration of each director, CFO, CEO, CS, if any, in the Financial Year	<table border="0"> <tr><td>1</td><td>Nirmal Kumar Jain</td><td>-5.00%</td></tr> <tr><td>2</td><td>Dipesh Jain</td><td>-4.17%</td></tr> <tr><td>3</td><td>Pushpa Nagda</td><td>5.00%</td></tr> <tr><td>4</td><td>Praveen Kumar Jain</td><td>22.22%</td></tr> <tr><td>5</td><td>Ramesh Jain</td><td>46.48%</td></tr> <tr><td>6</td><td>Rajni Gehlot</td><td>12.57%</td></tr> <tr><td>7</td><td>Anjali Pacholi</td><td>13.19%</td></tr> </table>	1	Nirmal Kumar Jain	-5.00%	2	Dipesh Jain	-4.17%	3	Pushpa Nagda	5.00%	4	Praveen Kumar Jain	22.22%	5	Ramesh Jain	46.48%	6	Rajni Gehlot	12.57%	7	Anjali Pacholi	13.19%			
1	Nirmal Kumar Jain	-5.00%																								
2	Dipesh Jain	-4.17%																								
3	Pushpa Nagda	5.00%																								
4	Praveen Kumar Jain	22.22%																								
5	Ramesh Jain	46.48%																								
6	Rajni Gehlot	12.57%																								
7	Anjali Pacholi	13.19%																								
3	The Percentage Increase in the median Remuneration of Employees in Financial Year	-10.14%																								
4	No. of Permanent Employee on the roll of Company	233																								
5	Average percentile already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in managerial remuneration.	<p>The average percentage decrease in remuneration of all employees ( other than Key managerial personnel's (KMP's) For the FY-2020-21 ) stood at 1.36% % where as the average Percentage decrease in the remuneration of KMP'S was at 2.37%</p> <p>Further there was no exceptional circumstance which warranted an increase in managerial remuneration which was not justified by the overall performance of the Company</p>																								
6	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, it is affirmed that the remuneration is as per the remuneration policy of the company																								

Note:

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

**For, and on behalf of the Board**

**Sd/-**

**Nirmal Kumar Jain**  
**Managing Director**  
**DIN 00240441**

**Sd/-**

**Rajendra Chittora**  
**Director**  
**DIN 00240525**

**Registered office**

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

**Date: 30.08.2021**

**Place: Udaipur**

# REPORT ON CORPORATE GOVERNANCE

**The report on Corporate Governance pursuant to the Companies Act, 2013 ("the Act") and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") and forming part of the Directors' Report for Financial year 2020-21 is presented below:**

## **Company's philosophy on Code of Governance**

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

The COVID-19 pandemic has caused an unprecedented health and economic crisis across the globe. The severity of its impact on the economy and day-to-day life is still evolving. Companies have to be nimble-footed and continuously evolve their strategies to deal with the emergent challenges. The Board has played a critical role helping the Company navigate the issues brought on by the COVID-19 pandemic. The Board is responsive and their depth of experience helps the management team evolve measured responses to issues that come up. The board guided the management in implementing cost rationalization measures at every level and across every function of the Company.

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, shares factual and accurate information. Given below is the report of the Directors on Corporate Governance in accordance with the provisions of the SEBI LODR Regulations.

**BOARD OF DIRECTORS**

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

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

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

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

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

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

**A. Composition of the Board**

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

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

The Board of Directors of the Company comprises of Twelve [12] Directors of which Six [6] are Executive Directors; One [1] is Managing Director & Five [5] are Independent & Non-Executive Director including one-woman director as on March 31, 2021 The Company is in compliance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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/she is a Director.

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

NAME OF DIRECTOR	CATEGORY OF DIRECTORS	DIN	NO. OF SHARES	Qualification/ Experience
Mr. Nirmal Kumar Jain	Chairman & Managing Director	00240441	4786905	CA, ICWA
Mr. Praveen Kumar Jain	Executive Director	00240525	140615	Master

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

NAME OF DIRECTOR	CATEGORY OF DIRECTORS	DIN	NO. OF SHARES	QUALIFICATION/ EXPERIENCE
Mr. Bansilal Champalal Jain	Executive Director	00274366	563850	Graduate
Mrs. Pushpa Nagda	Executive Director	00887067	669950	Graduate
Mr. Kailash Jain	Executive Director	20030996	146640	MBA
Mr. Ramesh Kumar Jain	Executive Director	07441707	0	MBA
Mr. Rajendra Chittora	Executive Director	08211508	50000	MSc (Electronic)
Ms. Ragini Pamecha	Non-Executive Director	07953539	0	M. CHIL, M.Com
Mr. Rajesh Jain	Non-Executive & Independent Director	02021972	0	Doctorate(P.hd)
Mr. Subhash Jain	Non-Executive & Independent Director	07951661	7500	CA
Mr. Amrit Singh Rajpurohit	Non-Executive & Independent Director	02173432	10000	Graduate
Dr. Rekha Jain	Non-Executive & Independent Director	07703994	0	Doctorate (Phd)

Appointment of Mr. Amrit Singh Rajpurohit, Mrs. Rekha Jain for the post of Non- Executive Independent Directors of company w.e.f. 29.12.2020

\*\* Appointment of Mr. Rajendra Chittora for the post of Executive Director of company w.e.f. 29.12.2020

\*\*\*Resignation of Mr. Prasad Kuchibhatla from the post of Non- Executive Independent Director of company w.e.f. 21.10.2020.

\*\*\*\*Resignation of Mr. Praveen Kumar Jain and Mrs. Pushpa Nagda from the post of Executive Director of the company w.e.f. 30.08.2021

**B. Directors' Profile**

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

The details of the Directors, as at March 31, 2021, including the details of their board directorship reckoned in line with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, committee membership and their shareholding in the Company, are given below:

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

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

NAME OF THE DIRECTOR	DIN	*NUMBER OF DIRECTORSHIPS	MEMBER/CHAIRPERSON OF THE COMMITTEE	
			MEMBER	CHAIRPERSON
Mr. Nirmal Kumar Jain	00240441	3	2	0
Mr. Praveen Kumar Jain	00240525	3	1	0
Mr. Bansilal Champalal Jain	00274366	2	0	0
Mrs. Pushpa Nagda	00887067	1	0	0
Mr. Kailash Jain	02030996	3	0	0
Mr. Ramesh Kumar Jain	07441707	1	0	0

NAME OF THE DIRECTOR	DIN	*NUMBER OF DIRECTORSHIPS	MEMBER/CHAIRPERSON OF THE COMMITTEE	
			MEMBER	CHAIRPERSON
Mr. Rajendra Chittora	08211508	1	0	0
Ms. Ragini Pamecha	07953539	1	0	1
Mr. Rajesh Jain	02021972	1	2	1
Mr. Subhash Jain	07951661	1	1	1
Mr. Amrit Singh Rajpurohit	02173432	3	2	0
Ms. Rekha Jain	07703994	2	2	2

\*\*\* Inclusive of directorships held in Private Limited Companies.

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

#### D. Evaluation of Directors and Board

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

#### E. Board Meetings

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

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

- Minutes of various committees of the Board
- Annual operating plans, budgets and business strategies and performance.
- Information on the exits and recruitments including the remuneration of senior officials just below the Board level
- Significant transactions, related party transactions and arrangements
- Update on non-fulfillment or defaults by the Company of any financial liability/obligations of material nature
- Update on shareholders' grievance redressal process, significant regulatory matters.
- Risk evaluation and control mechanism.
- Details of investments and deployment of capital issue proceeds.

During the financial year 2020-21, 13 (Thirteen) Board Meetings were held on 27.04.2020, 25.06.2020, 30.06.2020, 01.07.2020, 30.07.2020, 26.08.2020, 18.09.2020, 26.10.2020, 16.11.2020, 14.12.2020, 29.12.2020, 17.02.2021 & 31.03.2021 respectively. The details of the attendance of the Directors at the Board Meeting, No Sitting fees has been paid to any of the director. Attendance at the Annual

S. NO.	NAME OF THE DIRECTOR	NO. OF MEETING BOARD OF MEETINGS		SITTING FEES PAID	WHETHER ATTENDED LAST AGM HELD ON 15.12.2020
		HELD	ATTENDED		(Y/N)
1	Mr. Nirmal Kumar Jain	13	12	0	Yes
2	Mr. Praveen Kumar Jain	13	13	0	Yes
3	Mr. Bansilal Champalal Jain	13	4	0	No
4	Mrs. Pushpa Nagda	13	6	0	Yes
5	Mr. Kailash Jain	13	8	0	Yes
6	Mr. Ramesh Kumar Jain	13	7	0	Yes
7	Mr. Rajendra Chittora	2	2	0	NA
8	Ms. Ragini Pamecha	13	10	0	Yes
9	Mr. Rajesh Jain	13	11	0	Yes
10	Mr. Subhash Jain	13	8	0	Yes
11	Mr. Prasad Kuchibhatla	7	2	0	NA
12	Mr. Amrit Singh Rajpurohit	2	1	0	NA
13	Dr.. Rekha Jain	2	1	0	NA

\*Appointment of Mr. Amrit Singh Rajpurohit & Mrs. Rekha Jain for the post of Non- Executive Independent Directors of company w.e.f. 29.12.2020

\*\* Appointment of Mr. Rajendra Chittora for the post of Executive Professional Director of company w.e.f. 29.12.2020

\*\*\*Resignation of Mr. Prasad Kuchibhatla from the post of Non- Executive Independent Director of company w.e.f. 21.10.2020.

\*\*\*\*Regination of Mr. Praveen Kumar Jain and Mrs. Pushpa Nagda from the post of Executive Director of the compnay w.e.f. 30.08.2021

#### F. Independent Directors

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

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

All Independent Directors of the Company, at the time of their first appointment to the Board and thereafter at the first Board meeting of the Board in every Financial Year, give a declaration that they meet the criteria of independence as provided under the provisions of Section 149 of the Companies Act, 2013. In the opinion of the Board, each Independent Director possesses the

appropriate balance of skills, experience and knowledge as required.

- **Separate Meeting of the Independent Directors**

During the year, as per the requirement of Schedule IV of the Companies Act, 2013 and SEBI (LODR) Regulations, 2018, a separate meeting of the Independent Directors of the Company was held on March 30th, 2021 without the attendance of Non-Independent Directors and members of the management. All 4 Independent Directors were present at the meeting, wherein they had inter alia; reviewed the performance of Non-Independent Directors and the Board as a whole; reviewed the performance of the Chairman of the Company and assessed the quality, quantity and timeliness of flow of information between the company management and the Board.

## **G. Remuneration to Directors**

- **Non-Executive Directors**

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

There was no pecuniary relationship or transactions of the non-executive director's vis-à-vis the company during the Financial Year ended March 31, 2021.

- **Executive Director**

The Executive Directors of the Company have been appointed, in terms of the resolutions passed by the shareholders at the Annual General Meetings. Elements of the remuneration package comprise of salary, perquisites and other benefits are as approved by the members at the Annual General Meeting. Details of the remuneration paid to the Executive Directors during the year under review are provided in Form MGT 9 given elsewhere in the Annual Report.

## **COMMITTEES OF THE BOARD**

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

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

### **A. Audit Committee**

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

At present the Audit Committee comprises of Three (3) Directors as its members, out of them two are Independent Directors. The composition of the Committee is in adherence to provisions of the Act, SEBI LODR Regulations. All the Members of the Committee are financially literate and majority members including the Chairperson possess financial management expertise. The Company Secretary of the Company acts as Secretary to the Committee.

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

### **The functions of Audit Committee are:**

The Board of Directors has formed and approved a charter for the Audit Committee setting out the roles, responsibilities and



functioning of the Committee. In adherence to the provisions of the Act, and SEBI LODR Regulations and all other applicable regulatory requirements, the terms of reference of the Audit Committee are covered by its charter. Its functioning inter alia broadly includes the following:

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

**Powers of the Audit Committee:**

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

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

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

Name of Members	Category	Status	Attendance at the Audit Committee Meetings				
			27.04.2020	17.09.2020	09.11.2020	14.12.2001	17.02.2021
Mr. Subhash Jain	Non-Executive Independent Director	Chairmann /Member	Yes	Yes	Yes	Yes	Yes
Mr. Rajesh Jain	Non-Executive Independent Director	Member	Yes	Yes	Yes	Yes	Yes
Mr. Nirmal Kumar Jain	Executive Director	Member	Yes	Yes	Yes	Yes	Yes

- Mr. Subhash Jain is the Chairman 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/stakeholder's grievances;
- All other matters incidental or related to shares, debentures and other securities of the Company.
- any other function as may be stipulated by the Companies Act, 2013, SEBI, Stock Exchange or any other regulatory authorities from time to time.

The composition of the Stakeholders' Relationship Committee as at March 31, 2021 and details of the Members participation at the Meetings of the Committee are as under

Name of Members	Category	Status	Attendance at the Stakeholders' Relationship Committee Meetings			
			02.05.2020	10.08.2020	18.09.2020	17.02.2021
Ms. Ragini Pamecha	Non-Executive Director	Chairperson	YES	YES	NA	NA
Mr. Rajesh Jain	Non-Executive Independent Director	Member	YES	YES	YES	YES
Mr. Praveen Kumar Jain	Executive Director	Member	YES	YES	YES	YES

- Ms. Ragini Pamecha the Chairperson the Committee.

Most of the 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, 2021 and the details of Members participation at the Meetings of the Committee are as under:

Name of Members	Category	Status	Attendance at the Nomination and Remuneration Committee Meetings		
			26.10.2020	29.12.2020	29.03.2021
Mr. Subhash Jain	Non-Executive Independent Director	Chairman	YES	NA	NA
Ms. Ragini Pamecha	Non-Executive Director	Member	YES	YES	YES
Mr. Rajesh Jain	Non-Executive Independent Director	Member	YES	YES	YES

- Mrs. Subhash Jain is the Chairman of the Committee.

#### D. Corporate Social Responsibility (CSR) Committee

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

The following terms of reference:

- To formulate and recommend to the Board, Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII.
- To monitor the Corporate Social Responsibility Policy of the Company from time to time.
- To recommend the amount of expenditure to be incurred on the CSR activities to be undertaken.
- The composition of the Corporate Social Responsibility Committee as at March 31, 2020 and the details of Members' participation at the Meetings of the Committee are as under:

Name of Members	Category	Status	Attendance at the CSR Meeting
			<b>25.03.2021</b>
Mr. Nirmal Kumar Jain	Executive Director	Chairman	Yes
Mr. Praveen Kumar Jain	Executive Director	Member	Yes
Mr. Rajesh Jain	Non-Executive Independent Director	Member	Yes

- Mr. Nirmal Kumar Jain is the Chairman of the Committee.

#### E. Risk Management Committee

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

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

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

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

The composition of the Risk Management Committee as at March 31, 2021 and the details of Members' participation at the Meetings of the Committee are as under:

Name of Members	Category	Status	Attendance at the Risk Management Committee Meeting			
			10.06.2020	25.09.2020	03.12.2020	22.03.2021
Mr. Praveen Kumar Jain	Executive Director	Chairman	Yes	Yes	Yes	Yes
Ms. Ragini Pamecha	Non-Executive Director	Member	Yes	Yes	Yes	Yes
Mr. Subhash Jain	Non-Executive Independent Director	Member	Yes	Yes	Yes	Yes

- Mr. Praveen Kumar Jain is the Chairman of the Committee.

#### GENERAL BODY MEETINGS

##### A. Annual General Meeting

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

FINANCIAL YEAR	LOCATION	MEETING DATE & TIME	SPECIAL RESOLUTION PASSED AT THE AGM
2019-20	Akme Business Centre (ABC), 4-5 Subcity Savina Circle, Opp. Krishi Upaz Mandi Udaipur - 313002, - (RAJ) AT 12:30 p.m. (Indian Standard Time) Through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM")	15.12.2020 AT 12.30 P.M.	<ul style="list-style-type: none"> <li>Alteration in the Articles of Association of the Company</li> </ul>
2018-19	Kaya Valley Resort, National Highway 8, behind Kaya Jain temple, Udaipur (Raj)	21.09.2019 AT 12.30 P.M.	<ul style="list-style-type: none"> <li>Appointment of Mr. Prasad Kuchibhatla (DIN: 02255028) as an Independent Director of the company for a term of 5 years.</li> <li>Reappointment of Mr. Rajesh Jain (DIN: 02021972) as an independent director of the company for a second term of 5 years.</li> <li>Revision in remuneration of Mr. Nirmal Kumar Jain (DIN: 00240441) Managing Director &amp; Chairman of the Company.</li> <li>Revision in Remuneration of Mrs. Pushpa Nagda (DIN: 00887067) Executive Director of the company</li> <li>Revision in remuneration of Mr. Praveen Kumar Jain (DIN 00240525) Executive Director of the company</li> <li>Revision in remuneration of Mr. Ramesh Kumar Jain (DIN 07441707) Executive Director of the company</li> <li>Revision in remuneration of Mr. Dipesh Jain, Chief Executive Officer of the company.</li> <li>To approve proposed the related party Transactions.</li> </ul>
2017-18	Kaya Valley Resort, National Highway 8, behind Kaya Jain temple, Udaipur (Raj)	28.07.2018 AT 12.30 P.M.	<ul style="list-style-type: none"> <li>Approval of re-appointment of Mr. Nirmal Kumar Jain (DIN:00240441) as Managing Director of the company</li> <li>To approve borrowing limits of the company</li> <li>Approval for creation of charges, mortgages, hypothecation on the immovable and movable properties of the company under section 180(1)(a) of the companies act, 2013:</li> <li>Regularization of additional director, Mr. Kailash Jain, by appointing him as director of the company:</li> <li>Regularization of additional director, Ms Ragini Pamecha, by appointing her as director of the company:</li> <li>Regularization of additional director, Mr. Subhash Jain, by appointing him as independent director of the company:</li> </ul>

**B. Extra Ordinary General Meeting**

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

FINANCIAL YEAR	LOCATION	MEETING DATE & TIME	SPECIAL RESOLUTION PASSED AT THE AGM
2020-21	Akme Business Centre (ABC), 4-5 Subcity Savina Circle, Opp. Krishi Upaz Mandi Udaipur - 313002, - (RAJ) AT 12:30 p.m. (Indian Standard Time) Through Video Conferencing ("VC")	26.05.2021 at 11.00 A.M.	Approval for Issuance of unsecured rated unlisted, Non-Convertible Redeemable Debenture.

## SHAREHOLDERS RELATION:

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

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

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

## DISCLOSURES

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

During the financial year under review, your company had entered into material related party transactions with M/s Arkfin Investments Private Limited ("AIFL") for availing services including but not limited to Business management services, Asset management Services, advisory and consulting services for an estimated amount up to Rs. 15 Crore (Rupees Fifteen Crores) for five years on such terms and conditions as may be mutually agreed between company and AIFL as defined under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Related Party Transaction Policy of the Company. 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.

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

### C. Details of compliance with mandatory requirements

During the year 2020-21, the Company has complied with all mandatory requirements in conformity with SEBI (LODR) guidelines, 2015 has been detailed hereunder:

#### • Chairman of the Board

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

#### • Nomination and Remuneration Committee

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

- **Shareholder's Rights**

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

- **Audit Qualification**

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

- **Training of Board Members**

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

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

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

#### D. Other Disclosure

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

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

- **Risk Management**

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

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

In compliance with the SEBI (Prohibition of Insider Trading) Regulations 2015, the Company has adopted 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.akmefintrade.com](http://www.akmefintrade.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.

- **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.akmefintrade.com](http://www.akmefintrade.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, 2021. 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 (SCRA) 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, 2018, 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, 2015.

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

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

- **Accounting Standards**

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

- **Prevention of Sexual Harassment of Women at Workplace:**

Prevention of Sexual Harassment of Women at Workplace:

Your Company is sensitive to women employees at workplace. As required under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has a formal policy to ensure safety of women and prevention of sexual harassment and has set up Internal Complaints Committee (ICC) at its work place(s) to redress the complaints of women employees. During the year, no complaint was filed with ICC and no complaint pending as on the end of the Financial Year 31 March 2021

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

The Board of Directors of the Company at its meeting held on 25 July 2014 has established a Policy on Vigil Mechanism for the Directors and Employees of the Company to report their genuine concerns or grievances relating to actual or suspected fraud, unethical behaviour, violation of the Company's Code of Conduct or Ethics Policy, and any other event which would adversely affect the interests of the business of the Company. Whistle Blowers may send their concerns/complaints to the Chairman of Audit Committee in a sealed envelope marked confidential, for appropriate action. The details of establishment of such mechanism have been also disclosed on the website of the Company. It is affirmed that no personnel has been denied access to the Audit Committee. **Compliance with Mandatory Requirements and adoption of the Non-Mandatory Requirements of Corporate Governance:**

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

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

- **Means of Communication**

Pursuant to the applicable regulations of SEBI LODR Regulations, your Company publishes financial results on annually, quarterly and half yearly results basis which are duly reviewed by the Audit Committee before submission to the Board. The Annual Report, Financial Results, shareholding pattern and material events, are regularly submitted to stock exchanges in accordance with the Listing Agreement and uploaded on the Company's website [www. akmefintrade.com](http://www.akmefintrade.com) . The financial results of the Company are generally published in the English and Hindi newspapers such as Financial Express and Jai Rajasthan.

Presentations made to institutional investors or to the analysts are uploaded on the stock exchanges and the company's website [www. akmefintrade.com](http://www. akmefintrade.com) .

**Shareholding Pattern of the Company as at March, 31 2021 :-**  
**Equity Shares:**

CATEGORY	NO OF SHARES	% OF SHAREHOLDING
A. Promoters' Holding		
a) Individual	5350755	24.53%
b) Promoter Group	5527005	25.33%
<b>Total (A)</b>	<b>10877760</b>	<b>49.86%</b>
B. Public Share Holding		
a) Bodies Corp.	1378695	6.32%
b) Individuals	8545346	39.17%
c) Others		
i) Directors	1014705	4.65
<b>Total B</b>	<b>10938746</b>	<b>50.14</b>
<b>Total A+B</b>	<b>21816506</b>	<b>100.00%</b>

**Address for Correspondence: -**

**Registrar and Transfer Agents**

Big Share Services Private Limited  
302, Kushal Bazar, 32-33, Nehru Place,  
New Delhi-110019

**Tele**-011-42425004 , 011-47565852

Email: [bss@bigshareonline.com](mailto:bss@bigshareonline.com)

**AFIL Secretarial Department**

Anjali Pacholi

Compliance Officer & Company Secretary

Akme Business Centre, 4-5 Subcity Centre

Savina Circle, Udaipur 313002

Tel: 0294-2489501

Email: [cs@akmefintrade.com](mailto:cs@akmefintrade.com)

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

Shareholders are requested to visit [www.akmefintrade.com](http://www.akmefintrade.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 [cs@akmefintrade.com](mailto:cs@akmefintrade.com) which would enable the shareholders to post their grievances and monitor its redressal. Any shareholder having any grievance or query may send the same to the said email address for its quick redressal.

- **Share Transfer system**

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

- **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:**

AFIL Debt shares are listed on the BSE Ltd.

The Stock Code:

The Company has arranged for the payment of the listing fees for the year 2020-21 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 [cs@akmefintrade.com](mailto:cs@akmefintrade.com), with a subject "Registration of email id".

- **Financial year:**

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

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

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

- SEBI toll-free helpline service for investors: 1800227575 or 18002667575 (available on all days from 10:00 a.m. to 6:00 p.m. excluding declared holidays).
- SEBI investors' contact for feedback and assistance: tel. 022-26449188, e-mail: [sebi@sebi.gov.in](mailto:sebi@sebi.gov.in)

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

We, hereby, confirm and declare that in terms of Regulation 26(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Board members and Senior Management Personnel of the Company have affirmed compliance with the "Code of Conduct for the Board of Directors and the Senior Management Personnel", for the Financial Year 2020-21.

Sd/-

**Nirmal Kumar Jain**  
**Chairman & Managing Director**  
**DIN- 00240441**

Sd/-

**Anjali Pacholi**  
**Company Secretary**  
**M.No.A45401**

Place: Udaipur

Date: 30.08.2021

**VALAWAT & ASSOCIATES  
CHARTERED ACCOUNTANTS**

432-433, 2nd Floor, S. M. Lodha Complex, Udaipur-313001 (Raj.)  
Ph.: 2413482, 2414213, Fax: 0294-2414213, M.: 9414161934/9829044214  
E.: jj24163@gmail.com/valawat@yahoo.co.in

# INDEPENDENT AUDITOR'S REPORT

To,  
**The Members of  
Akme Fintrade (India) Limited**

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying Financial Statements of Akme Fintrade (India) Limited ("the Company") which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, Cash Flow Statement and Statement of Changes in Equity for the year then ended, and the notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information ("hereinafter referred to as the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and the accounting principles generally accepted in India,

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2021.
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
- d) In the case of Statement of Changes in Equity, change in equity for the year ended on that date.

### Basis for Opinion

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

### Emphasis of Matter

We draw your attention to Notes to accounts of the Financial Statement which describes to the extent to which the COVID-19 pandemic will impact the Company's results will depend on future developments, which are highly uncertain. Further, such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID 19 pandemic.

Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended 31 March 2021. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter

below, our description of how our audit addressed the matter is provided in that context.

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

Key Audit Matter	How our audit addressed the key audit matter
<b>(a) Transition to Ind AS accounting framework</b> (as described in note 51 of the Ind AS financial statements)	
<p>The Company has adopted Ind AS from 1 April 2020 with an effective date of 1 April 2019 for such transition. For periods up to and including the year ended 31 March 2020, the Company had prepared and presented its financial statements in accordance with the erstwhile generally accepted accounting principles in India (Indian GAAP). To give effect of the transition to Ind AS, these financial statements for the year ended 31 March 2021, together with the comparative financial information for the previous year ended 31 March 2020 and the transition date Balance Sheet as at 1 April 2019 have been prepared under Ind AS.</p> <p>The transition has involved significant change in the Company's policies and processes for financial reporting, including generation of supportable information and applying estimates to inter alia determine impact of Ind AS on accounting and disclosure requirements prescribed under extant Reserve Bank of India (RBI) directions.</p> <p>In view of the complexity involved, Ind AS transition and the preparation of financial statements subsequent to the transition date have been areas of key focus in our audit.</p>	<ul style="list-style-type: none"> <li>• Read the Ind AS impact assessment performed by the Management and the resultant changes made to the accounting policies considering the requirements of the new framework.</li> <li>• Evaluated the exemptions and exceptions allowed by Ind AS and applied by the Management in applying the first-time adoption principles of Ind AS 101 in respect of fair valuation of assets and liabilities existing as at transition date.</li> <li>• Tested the accounting adjustments posted as at the transition date and in respect of the previous year to convert the financial information reported under erstwhile Indian GAAP to Ind AS.</li> <li>• Tested the disclosures prescribed under Ind AS.</li> </ul>
<b>b) Impairment of financial assets (expected credit losses)</b> (as described in note 6 of the Ind AS financial statements)	
<p>Ind AS 109 requires the Company to recognize impairment loss allowance towards its financial assets (designated at amortized cost and fair value through other comprehensive income) using the expected credit loss (ECL) approach. Such ECL allowance is required to be measured considering the guiding principles of Ind AS 109 including:</p> <ul style="list-style-type: none"> <li>• unbiased, probability weighted outcome under various scenarios;</li> <li>• time value of money;</li> <li>• impact arising from forward looking macro-economic factors and;</li> <li>• Availability of reasonable and supportable information without undue costs.</li> </ul> <p>Applying these principles involves significant estimation in various aspects, such as:</p> <ul style="list-style-type: none"> <li>• grouping of borrowers based on homogeneity by using appropriate statistical techniques;</li> <li>• Staging of loans and estimation of behavioral life;</li> <li>• determining macro-economic factors impacting credit quality of receivables;</li> </ul>	<ul style="list-style-type: none"> <li>• We read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109.</li> <li>• We tested the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3 and vice versa.</li> <li>• We evaluated the reasonableness of the Management estimates by understanding the process of ECL estimation and tested the controls around data extraction and validation.</li> <li>• Tested the ECL model, including assumptions and underlying computation.</li> <li>• Assessed the floor/minimum rates of provisioning applied by the Company for loan products with inadequate historical defaults.</li> <li>• Audited disclosures included in the Ind AS financial statements in respect of expected credit losses</li> </ul>

<b>b) Impairment of financial assets (expected credit losses)</b> (as described in note 6 of the Ind AS financial statements)	
<ul style="list-style-type: none"> <li>• Estimation of losses for loan products with no/minimal historical defaults.</li> </ul> <p>Considering the significance of such allowance to the overall financial statements and the degree of estimation involved in computation of expected credit losses, this area is considered as a key audit matter</p>	

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are 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 the Annexures to Board's 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.

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

### Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of the Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of The Companies (Accounts) Rules, 2014. 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 the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are 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 is also responsible for overseeing the Company's financial reporting process.**

### Auditor's Responsibility

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material Misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an 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 communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

### **Report on other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as issued by Central Government of India in terms of Sub Section (11) of Section 143 of the Act, we hereby give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the financial statements;
  - b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with



by this Report are in agreement with the books of accounts maintained for the purpose or preparation of the financial statements;

- d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards referred to in Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of 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, 2021, from being appointed as a Director In terms of Section 164(2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of The Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
  - iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
- h. 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 to the Managing Director of the Company is in accordance with the provisions of Section 197 along with Schedule V of Companies Act, 2013 and the remuneration limit is in accordance with the first proviso of Section 197(1) and Schedule V of Companies Act, 2013.

**For Valawat & Associates**  
**Chartered Accountants**  
**FRN: 003623C**

**Sd/-**  
**N.K. Valawat**  
**Partner**  
**Membership No. 072637**

**Place: Udaipur**  
**Date: 14-08-2021**

# "ANNEXURE-A"

## TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in para 1 under "Report on other Legal and Regulatory Requirement" of our report of even date on the accounts for the year ended 31st March 2021).

1. According to the information and explanations given to us, in respect of the property, plant and equipment:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
  - (b) Property, plant and equipment have been physically verified by the management during the year and no discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
  - (c) We report that the title deed of the immovable property is held in the name of the Company as at the balance sheet date. Immovable property of land whose title deed has been pledged as security for non-convertible debentures is held in the name of the Company.
2. The Company does not have any inventory and hence reporting under clause (ii) of paragraph 3 of the Order is not applicable.
3. According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of The Companies Act, 2013 and therefore clause (iii) of paragraph 3 of the Order is not applicable.
4. The Company has not advanced any loan or given any guarantee or provided securities to the parties covered under section 185 of the Act. The Company has complied with the provisions of section 186 of the Act in respect of investments made or loans or guarantee or security provided to the parties covered under section 186.
5. As per the Ministry of Corporate Affairs notification dated March 31, 2014 the provisions of Sections 73 to 76 or any other relevant provisions of The Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted are not applicable to the Company. According to information and explanations given to us, the Company has not accepted any deposits during the year.
6. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Sub-Section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.
7. According to the information and explanations given to us:
  - a) The Company is generally been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Cess, Goods and Service Tax and any other statutory dues as applicable with the appropriate authorities.
  - b) There are no undisputed statutory dues payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Value Added Tax, Cess, GST and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
  - c) There were no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Value Added Tax, GST as at March 31, 2021, which has not been deposited on account of dispute.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to Financial Institutions, Banks and dues to Debenture Holders. The Company has not taken loans or borrowings from Government.
9. According to the information and explanations given to us the Company has not raised moneys by way of Public Offer during the

year. The money raised by way of Non-Convertible Debenture and term loans have been applied by the Company during the year for the purposes for which they were raised.

10. According to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
11. According to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to The Companies Act, 2013.
12. The Company is not a Nidhi Company; hence reporting under clause (xii) of paragraph 3 of the Order is not applicable to the Company.
13. According to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of The Companies Act, 2013, wherever applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the notes on Financial Statements as required by the applicable Indian Accounting Standards.
14. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement but raised 142,200 numbers of shares by way of right issue. The company has issued 100 non-convertible debentures during the year.
15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with Directors or persons connected with him under provisions of Section 192 of The Companies Act, 2013. Therefore, provision of clause (xv) of paragraph 3 of the Order is not applicable to the Company.
16. As per Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008, we report that:
  - i. The Company has been allotted registration from RBI, Jaipur as per section 45IA of the Reserve Bank of India Act, 1934.
  - ii. The Company is entitled to hold COR in terms of its Assets/Income pattern as on March 31, 2021
  - iii. The Company is Non-deposit taking company and the Company have complied with prudential norms Relating to the Income recognition, accounting standards, assets classification and provisioning for bad and doubtful debts as applicable it in terms of NBFC

**For Valawat & Associates**  
**Chartered Accountants**  
**FRN: 003623C**

**Sd/-**  
**N.K. Valawat**  
**Partner**  
**Membership No. 072637**

**Place: Udaipur**  
**Date: 14-08-2021**

# ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in para 2(f) under "Report on other Legal and Regulatory Requirement" of our report of even date on the accounts for the year ended 31st March 2021)

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

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.

## 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 (the "Guidance Note") 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.

## Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and prescribed under Section 143(10) of the Act, 2013 to the extent applicable, to an audit of internal financial controls 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 authorizations of management and Directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

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

**For Valawat & Associates**

**Chartered Accountants**

**FRN: 003623C**

**Sd/-**

**N.K. Valawat**

**Partner**

**Membership No. 072637**

**Place: Udaipur**

**Date: 14-08-2021**

**VALAWAT & ASSOCIATES  
CHARTERED ACCOUNTANTS**

432-433, 2nd Floor, S. M. Lodha Complex, Udaipur-313001 (Raj.)  
Ph.: 2413482, 2414213, Fax: 0294-2414213, M.: 9414161934/9829044214  
E.: jj24163@gmail.com/valawat@yahoo.co.in

**Date: 27.08.2021**

**The Board of Directors**

**Akme Fintrade (India) Limited.**

**Udaipur-313001**

**Reg: Creation of UDIN for Signing of Audit report for the Year 2020-21**

Dear Sir,

With reference to the above, we would like to state that we have signed the Financial Statement and Audit Report for the Financial year ended on 31.03.2021 on 14.08.2021 and created UDIN on 27.08.2021 as **21072637AAAACG8761**

**For Valawat & Associates**

**Chartered Accountants**

**FRN: 003623C**

Sd/-

**N.K. Valawat**

**Partner**

**Membership No. 072637**

# STATEMENT OF ASSETS AND LIABILITIES

As at 31st March, 2021

Particulars	Note No.	INR in Lakhs		
		As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
<b>ASSETS</b>				
<b>Financial Assets</b>				
- Cash and cash equivalents	4	1,060.03	699.61	2,139.56
- Bank Balance other than (a) above	5	-	0.89	57.99
- Loans	6	41,283.87	47,285.84	46,888.35
- Investments	7	20.34	239.87	240.92
- Other Financial assets	8	2,265.53	2,495.31	2,649.84
<b>Total Financial Assets</b>		<b>44,629.77</b>	<b>50,721.53</b>	<b>51,976.67</b>
<b>Non- financial Assets</b>				
- Deferred tax assets (net)	9	193.84	35.61	42.95
- Property, plant and Equipment	10A	606.96	647.66	627.49
- Intangible Assets	10B	34.99	12.68	3.21
- Right to use Assets	10C	53.06	66.90	-
- Other non-financial assets	11	16.15	53.04	62.64
<b>Total Non-Financial Assets</b>		<b>904.99</b>	<b>815.90</b>	<b>736.28</b>
<b>Total Assets</b>		<b>45,534.76</b>	<b>51,537.43</b>	<b>52,712.95</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>Financial Liabilities</b>				
- Debt Securities	12	1,000.00	-	-
- Borrowings	13	28,782.23	37,912.84	39,931.71
- Subordinated Liabilities	14	2,000.00	2,000.00	2,000.00
- Deposits		-	-	212.20
- Other Financial liabilities	15	210.79	252.94	634.57
<b>Total Financial Liability</b>		<b>31,993.02</b>	<b>40,165.78</b>	<b>42,778.48</b>
<b>Non-Financial Liabilities</b>				
- Provisions	16	1.75	0.10	19.49
- other non-financial liabilities	17	416.52	304.75	421.94

Particulars	Note No.	INR in Lakhs		
		As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
<b>Total Non-Financial Liability</b>		<b>418.27</b>	<b>304.84</b>	<b>441.42</b>
<b>Equity</b>				
- Equity Share capital	18	2,181.65	2,167.43	432.32
- Other Equity	19	10,941.82	8,899.37	9,060.74
<b>Total Equity</b>		<b>13,123.47</b>	<b>11,066.80</b>	<b>9,493.05</b>
<b>Total Liabilities and Equity</b>		<b>45,534.76</b>	<b>51,537.43</b>	<b>52,712.95</b>

Overview and significant accounting policies

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

In terms of our report of even date attached

**For Valawat & Associates**

Chartered Accountants

FRN : 003623C

**For and on behalf of the Board of Directors**

Sd/-

**N.K. Valawat**

**Partner**

Membership No. 072637

Sd/-

**Nirmal Kumar Jain**

**Managing Director / Chairman**

DIN: 00240441

Sd/-

**Rajendra Chittora**

**Director**

DIN: 08211508

**Place : Udaipur**

**Date : 14-08-2021**

Sd/-

**Dipesh Jain**

**Chief Executive Officer**

PAN: ATWPJ7914R

Sd/-

**Rajni Gehlot**

**Chief Financial Officer**

PAN: BGEPG8519D

Sd/-

**Anjali Pacholi**

**Company Secretary**

M.No. A45401



# STATEMENT OF PROFIT AND LOSS

Particulars	Note No.	INR in Lakhs	
		For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
<b>Revenue From Operations</b>	20		
Interest Income		8,575.26	9,845.13
Fees and commission income		262.51	227.41
Gain / Loss on Derecognised financial assets		-	2.48
<b>I Total Income</b>		<b>8,837.78</b>	<b>10,075.03</b>
<b>Expenses</b>			
Finance Cost	21	4,798.51	5,561.69
Impairment of Financial Instruments (expected credit loss)	22	771.47	346.9
Employee Benefits expenses	23	821.64	894.92
Depreciation and Amortisation expenses	24	65.27	75.88
Other Expenses	25	435.35	471.39
<b>II TOTAL EXPENSES</b>		<b>6,892.24</b>	<b>7,350.77</b>
<b>III Profit Before Tax (I-II)</b>		<b>1,945.54</b>	<b>2,724.25</b>
<b>IV - Current Tax</b>	26	434.09	808.96
- Deferred Tax		(158.23)	7.34
<b>V Profit For the period (III-IV)</b>		<b>1,669.68</b>	<b>1,907.95</b>
<b>- Other comprehensive Income</b>			
(i) Item that will not be reclassified to profit & loss			
(ii) Item that will be reclassified to profit & loss		-	(0.55)
(iii) Fair Value Gain on equity investments			
(iv) Income tax relating to item that cannot be reclassified to profit & loss account			
<b>VI Total Other Comprehensive Income</b>		<b>-</b>	<b>(0.55)</b>
<b>VII Total Comprehensive Income (V+VI)</b>		<b>1,669.68</b>	<b>1,907.40</b>
Earning Per Share (of Rs. 10/- each)			
Basic		7.70	8.81
Diluted		7.70	8.81

Particulars	Note No.	INR in Lakhs	
		For the Year Ended March 31, 2021	For the Year Ended March 31, 2020

significant accounting policies

2&3

In terms of our report of even date attached

**For Valawat & Associates**

Chartered Accountants

FRN : 003623C

**For and on behalf of the Board of Directors**

Sd/-

**N.K. Valawat**

**Partner**

Membership No. 072637

Sd/-

**Nirmal Kumar Jain**

**Managing Director / Chairman**

DIN: 00240441

Sd/-

**Rajendra Chittora**

**Director**

DIN: 08211508

**Place : Udaipur**

**Date : 14-08-2021**

Sd/-

**Dipesh Jain**

**Chief Executive Officer**

PAN: ATWPJ7914R

Sd/-

**Rajni Gehlot**

**Chief Financial Officer**

PAN: BGEPG8519D

Sd/-

**Anjali Pacholi**

**Company Secretary**

M.No. A45401

# PART-III STATEMENT OF CHANGE IN EQUITY

For The Year Ended 31st March, 2021

## A) Equity Share capital

INR in Lakhs

Particulars	As at March 31, 2021	As at March, 31 2020
<b>Authorised Share Capital</b>		
2,50,00,000 equity shares of Rs. 10/- each	2500.00	2,500.00
(Previous Year 2,50,00,000 equity shares of Rs. 10/- each)		
<b>Issued, Subscribed, Called Up &amp; Paid Up Share Capital</b>		
2,18,16,506 Equity shares of Rs. 10/- each	2181.65	2,167.43
(Previous Year 2,16,74,306 Equity shares of Rs. 10/- each)		
<b>Total</b>	<b>2181.65</b>	<b>2,167.43</b>

## B) Other Equity

Particular	Other Equity*						Total other equity attributable to equity holders of the parent
	Reserves and surplus				Other comprehensive income	Impairment Reserve	
	Share premium reserve	Special reserve	Foreign Currency Monetary Item Translation Difference Account	Retained earnings	Equity Instruments through other comprehensive income		
<b>Balances as at March 31, 2019</b>	5,204.89	801.05	-	2,889.71	165.08	-	9,060.74
Equity shares issued during the year	92.95	-	-	-	-	-	92.95
Less: Bonus Shares Issued during the year	(1,733.63)	-	-	-	-	-	(1,733.63)
Transfer to special reserve#	-	381.59	-	(381.59)	-	-	-
Profit for the year	-	-	-	1,907.95	-	-	1,907.95
Transfer to Impairment reserve	-	-	-	-	-	-	-
Foreign Currency Monetary Item Translation Difference Account created during the year	-	-	(436.49)	-	-	-	(436.49)
Others	-	-	-	8.4	(0.55)	-	7.85
<b>Balances as at March 31, 2020</b>	3,564.21	1,182.64	(436.49)	4,424.48	164.53	-	8,899.37
Equity shares issued during the year	270.18	-	-	-	-	-	270.18
Foreign Currency Monetary Item Translation Difference Account created during the year	-	-	*	-	-	-	-

Particular	Other equity*						
	Reserves and surplus				Other comprehensive income	Impairment Reserve	Total other equity attributable to equity holders of the parent
	Share premium reserve	Special reserve	Foreign Currency Monetary Item Translation Difference Account	Retained earnings	Equity Instruments through other comprehensive income		
Less: Bonus Shares Issued during the year	-	-	-	-	-	-	-
Transfer to special reserve#	-	333.94	-	(333.94)	-	-	-
Profit for the year	-	-	-	1,669.68	-	-	1,669.68
Share Application Money Pending Allotment	-	-	-	-	-	-	-
Transfer to Impairment Reserves	-	-	-	(830.84)	-	830.84	-
Others	-	-	436.49	(169.37)	(164.53)	-	102.59
<b>Balances as at 31 March 2021</b>	<b>3,834.39</b>	<b>1,516.58</b>	<b>-</b>	<b>4760.01</b>	<b>-</b>	<b>830.84</b>	<b>10,941.82</b>

In terms of our report of even date attached

**For Valawat & Associates**

Chartered Accountants  
FRN : 003623C

**For and on behalf of the Board of Directors**

Sd/-  
**N.K. Valawat**  
Partner  
Membership No. 072637

Sd/-  
**Nirmal Kumar Jain**  
Managing Director / Chairman  
DIN: 00240441

Sd/-  
**Rajendra Chittora**  
Director  
DIN: 08211508

Place : Udaipur  
Date : 14-08-2021

Sd/-  
**Dipesh Jain**  
Chief Executive Officer  
PAN: ATWPJ7914R

Sd/-  
**Rajni Gehlot**  
Chief Financial Officer  
PAN: BGEPG8519D

Sd/-  
**Anjali Pacholi**  
Company Secretary  
M.No. A45401

# PART-IV

## STATEMENT OF CASH FLOW

INR in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Cash flow from operating activities</b>		
<b>Net profit Before Tax and exceptional items</b>	<b>1,945.54</b>	<b>2,724.25</b>
<b>Adjustment For :</b>		
Depreciation and Amortisation Expenses	65.27	75.88
Provision for ECL	159.44	140.76
Bad debts Written-off	612.03	206.14
<b>Operating cash flow before working capital changes</b>	<b>2,782.27</b>	<b>3,147.03</b>
Decrease/(Increase) in other financial assets	229.78	154.53
Decrease/(Increase) in other Non- financial assets	36.89	9.60
Increase/(Decrease) in Other financial liabilities	(42.15)	(381.64)
Increase/(Decrease) in Other non-financial liabilities	111.77	(117.19)
Increase/(Decrease) in Provision	1.65	(19.39)
Increase/(Decrease) in cash credit	670.76	756.86
<b>Cash From/(Used) for Operations</b>	<b>3,790.98</b>	<b>3,549.80</b>
(Increase)/Decrease in loans	5,230.51	(744.39)
Less: Taxes Paid	(434.09)	(808.96)
<b>Net Cash Generated From Operating Activities (A)</b>	<b>8,587.40</b>	<b>1,996.44</b>
<b>Cash Flow from Investing Activities</b>		
Investment in Fixed Deposits	0.89	57.10
Purchase of Fixed Assets	(55.58)	(224.16)
Sale of Fixed Assets	22.56	51.74
Deposits	-	(212.2)
(Increase)/decrease in investment	219.53	1.05
<b>Net Cash flow from Investing Activities (B)</b>	<b>187.40</b>	<b>(326.48)</b>
<b>Cash Flow from Financing Activities</b>		
Cash flow from issue of Shares	14.22	1,735.12
Share premium received/(issue)	270.18	(1,640.68)
Foreign Currency Monetary	436.49	(436.49)

Particulars	INR in Lakhs	
	As at March 31, 2021	As at March 31, 2020
Issue of Debentures	1,000.00	-
OCI	(164.53)	(0.55)
Other	(169.37)	8.40
Repayment of Borrowings	(9,801.37)	(2,775.72)
<b>Net Cash flow from Financing Activities (C)</b>	<b>(8,414.38)</b>	<b>(3,109.92)</b>
Net Increase in cash and cash equivalents (A+B+C)	360.42	(1,439.96)
Cash and Cash Equivalents as at beginning of the year	699.61	2,139.56
<b>Cash and Cash Equivalents</b>	<b>1,060.03</b>	<b>699.61</b>

In terms of our report of even date attached

**For Valawat & Associates**

Chartered Accountants  
FRN : 003623C

**For and on behalf of the Board of Directors**

Sd/-  
**N.K. Valawat**  
Partner  
Membership No. 072637

Sd/-  
**Nirmal Kumar Jain**  
Managing Director / Chairman  
DIN: 00240441

Sd/-  
**Rajendra Chittora**  
Director  
DIN: 08211508

Place : Udaipur  
Date : 14-08-2021

Sd/-  
**Dipesh Jain**  
Chief Executive Officer  
PAN: ATWPJ7914R

Sd/-  
**Rajni Gehlot**  
Chief Financial Officer  
PAN: BGEPG8519D

Sd/-  
**Anjali Pacholi**  
Company Secretary  
M.No. A45401

# NOTES TO STANDALONE FINANCIAL STATEMENT

For The Year Ended 31st March, 2021

## 1. Corporate information

Akme Fintrade (India) Ltd. (the 'Company') is a public Company domiciled in India and incorporated on February 5, 1996 under the provisions of the Companies Act, 1956. The Company has received a Certificate of Registration from the Reserve Bank of India ('RBI') on April 7, 1999 to commence / carry on the business of Non-Banking Financial Institution ('NBFC'). The company has surrendered Deposit taking license and RBI has issued new certificate as on 5th Sept, 2019 as Non Deposit Taking Systemically Important NBFC.

As per RBI, vide the circular - 'Harmonisation of different categories of NBFCs' issued on 22 February 2019 the Company has been reclassified as "NBFC-Investment and Credit Company (NBFC-ICC)"

## 2. Basis of preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act and the Master Direction - Non-Banking Financial Company Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI. The financial statements have been prepared on a going concern basis. The Company uses accrual basis of accounting except in case of significant uncertainties.

For all periods up to and including the year ended 31 March 2020, the Company had prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 and the NBFC Master Directions (hereinafter referred as 'Previous GAAP'). These financial statements for the year ended 31 March 2021 are the first the Company has prepared in accordance with Ind AS. The Company has applied Ind AS 101 'First-time Adoption of Indian Accounting Standards', for transition from previous GAAP to Ind AS. An explanation of how transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in note no. 36.

### 2.1 Presentation of financial statements

The Company presents its Balance Sheet in order of liquidity.

The Company generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Company offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically unless they are material in nature.

### Critical accounting estimates and judgments

The preparation of the Company's financial statements requires Management to make use of estimates and judgments. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from those on which the Management's estimates are based. Accounting estimates and judgments are used in various line items in the financial statements for e.g.

- Business model assessment [Refer note no. 3.4(l)]
- Fair value of financial instruments [Refer note no. 3.14 and 34]
- Effective Interest Rate (EIR) [Refer note no. 3.1(l)]
- Impairment on financial assets [Refer note no. 3.4(l), 6 and 35]
- Provisions and other contingent liabilities [Refer note no. 3.10 and 30]
- Provision for tax expenses [Refer note no. 3.6(l)]
- Residual value and useful life of property, plant and equipment [Refer note no. 3.7(g)]

### 3. Summary of Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 3.1 Income

##### (i) Interest Income

The Company recognises interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortised cost or fair value through other comprehensive income (FVOCI). EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset/financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

The Company recognises interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets [as set out in note no. 3.4(i)] regarded as 'stage 3', the Company recognises interest income on the amortised cost net of impairment loss of the financial asset at EIR. If the financial asset is no longer credit-impaired [as outlined in note no. 3.4(i)], the Company reverts to calculating interest income on a gross basis.

Delayed payment interest (penal interest) levied on customers for delay in repayments/non-payment of contractual cashflows is recognised on realisation.

Interest on financial assets subsequently measured at fair value through profit or loss (FVTPL) is recognised at the contractual rate of interest.

##### (ii) Dividend Income

Dividend income on equity shares is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

##### (iii) Other Revenue from Operation

The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

##### (a) Fees and Commission

The Company recognises service and administration charges towards rendering of additional services to its loan customers on satisfactory completion of service delivery.

Fees on value added services and products are recognised on rendering of services and products to the customer.

Distribution income is earned by selling of services and products of other entities under distribution arrangements. The income so earned is recognised on successful sales on behalf of other entities subject to there being no significant uncertainty of its recovery.

Foreclosure charges are collected from loan customers for early payment/closure of loan and are recognised on realisation.

##### (b) Net Gain on Fair Value Changes

Financial assets are subsequently measured at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI), as applicable. The Company recognises gains/losses on fair value change of financial assets measured as FVTPL and realised gains/losses on derecognition of financial asset measured at FVTPL and FVOCI.

##### (c) Sale of Services

The Company, on de-recognition of financial assets where a right to service the derecognised financial assets for a fee is retained, recognises the fair value of future service fee income over service obligations cost on net basis as service fee income in the



statement of profit or loss and, correspondingly creates a service asset in Balance Sheet. Any subsequent increase in the fair value of service assets is recognised as service income and any decrease is recognised as an expense in the period in which it occurs. The embedded interest component in the service asset is recognised as interest income in line with Ind AS 109 'Financial instruments'.

Other revenues on sale of services are recognised as per Ind AS 115 'Revenue from Contracts with Customers' as articulated above in 'other revenue from operations'.

**(d) Recoveries of financial assets written off**

The Company recognises income on recoveries of financial assets written off on realisation or when the right to receive the same without any uncertainties of recovery is established.

**(iv) Taxes**

Incomes are recognised net of the Goods and Services Tax/Service Tax, wherever applicable.

**3.2 Expenditures**

**(i) Finance Costs**

Borrowing costs on financial liabilities are recognised using the EIR [refer note no. 3.1(I)].

**(ii) Fees and Commission Expenses**

Fees and commission expenses which are not directly linked to the sourcing of financial assets, such as commission/incentive incurred on value added services and products distribution, recovery charges and fees payable for management of portfolio etc., are recognised in the Statement of Profit and Loss on an accrual basis.

**(iii) Taxes**

Expenses are recognised net of the Goods and Services Tax/Service Tax, except where credit for the input tax is not statutorily permitted.

**3.3 Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**3.4 Financial Instruments**

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables and payables, loan receivables, investments in securities and subsidiaries, debt securities and other borrowings, preferential and equity capital etc. are some examples of financial instruments.

All the financial instruments are recognised on the date when the Company becomes party to the contractual provisions of the financial instruments. For tradable securities, the Company recognises the financial instruments on settlement date.

**(i) Financial Assets**

Financial assets include cash, or an equity instrument of another entity, or a contractual right to receive cash or another financial asset from another entity. Few examples of financial assets are loan receivables, investment in equity and debt instruments, trade receivables and cash and cash equivalents.

**Initial measurement**

All financial assets are recognised initially at fair value including transaction costs that are attributable to the acquisition of financial assets except in the case of financial assets recorded at FVTPL where the transaction costs are charged to profit or loss.

**Subsequent measurement**

For the purpose of subsequent measurement, financial assets are classified into four categories:

- (a) Debt instruments at amortised cost

- (b) Debt instruments at FVOCI
- (c) Debt instruments at FVTPL
- (d) Equity instruments designated at FVOCI

**(a) Debt instruments at amortised cost**

The Company measures its financial assets at amortised cost if both the following conditions are met

- The asset is held within a business model of collecting contractual cash flows; and
- Contractual terms of the asset give rise on specified dates to cash flows that are sole Payments of Principal and Interest (SPPI) on the principal amount outstanding.

To make the SPPI assessment, the Company applies judgment and considers relevant factors such as the nature of portfolio and the period for which the interest rate is set.

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated financial assets going forward.

The business model of the Company for assets subsequently measured at amortised cost category is to hold and collect contractual cash flows. However, considering the economic viability of carrying the delinquent portfolios in the books of the Company, it may sell these portfolios to banks and/or asset reconstruction companies.

After initial measurement, such financial assets are subsequently measured at amortised cost on effective interest rate (EIR). For further details, refer note no. 3.1(i). The expected credit loss (ECL) calculation for debt instruments at amortised cost is explained in subsequent notes in this section.

**(b) Debt instruments at FVOCI**

The Company subsequently classifies its financial assets as FVOCI, only if both of the following criteria are met

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; a
- Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Debt instruments included within the FVOCI category are measured at each reporting date at fair value with such changes being recognised in other comprehensive income (OCI). The interest income on these assets is recognised in profit or loss. The ECL calculation for debt instruments at FVOCI is explained in subsequent notes in this section.

Debt instruments such as long-term investments in Government securities to meet regulatory liquid asset requirement of the Company's deposit program and mortgage loans portfolio where the Company periodically resorts to partially selling the loans by way of assignment to willing buyers are classified as FVOCI.

On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to profit or loss.

**(c) Debt instruments at FVTPL**

Company classifies financial assets which are held for trading under FVTPL category. Held for trading assets are recorded and measured in the Balance Sheet at fair value. Interest and dividend incomes are recorded in interest income and dividend income, respectively according to the terms of the contract, or when the right to receive the same has been established. Gain and losses on changes in fair value of debt instruments are recognised on net basis through profit or loss.

The Company's investments into mutual funds, Government securities (trading portfolio) and certificate of deposits for trading and short term cash flow management have been classified under this category.

**(d) Equity investment designated under FVOCI**

All equity investments in scope of Ind AS 109 'Financial Instruments' are measured at fair value. The Company has strategic

investments in equity for which it has elected to present subsequent changes in the fair value in other comprehensive income. The classification is made on initial recognition and is irrevocable.

All fair value changes of the equity instruments, excluding dividends, are recognised in OCI and are available for reclassification to profit or loss on derecognition of investments. Equity instruments at FVOCI are not subject to an impairment assessment.

### **Derecognition of Financial Assets**

The Company derecognises a financial asset (or, where applicable, a part of a financial asset) when:

- The right to receive cash flows from the asset have expired; or
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under an assignment arrangement and the Company has transferred substantially all the risks and rewards of the asset. Once the asset is derecognised, the Company does not have any continuing involvement in the same.

The Company transfers its financial assets through the partial assignment route and accordingly derecognises the transferred portion as it neither has any continuing involvement in the same nor does it retain any control. If the Company retains the right to service the financial asset for a fee, it recognises either a servicing asset or a servicing liability for that servicing contract. A service liability in respect of a service is recognised at fair value if the fee to be received is not expected to compensate the Company adequately for performing the service. If the fees to be received is expected to be more than adequate compensation for the servicing, a service asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

On derecognition of a financial asset in its entirety, the difference between:

- the carrying amount (measured at the date of derecognition) and
- the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

### **Impairment of Financial Assets**

ECL are recognised for financial assets held under amortised cost, debt instruments measured at FVOCI, and certain loan commitments.

Financial assets where no significant increase in credit risk has been observed are considered to be in 'stage 1' and for which a 12 month ECL is recognised. Financial assets that are considered to have significant increase in credit risk are considered to be in 'stage 2' and those which are in default or for which there is an objective evidence of impairment are considered to be in 'stage 3'. Lifetime ECL is recognised for stage 2 and stage 3 financial assets.

At initial recognition, allowance (or provision in the case of loan commitments) is required for ECL towards default events that are possible in the next 12 months, or less, where the remaining life is less than 12 months.

In the event of a significant increase in credit risk, allowance (or provision) is required for ECL towards all possible default events over the expected life of the financial instrument ('lifetime ECL').

Financial assets (and the related impairment loss allowances) are written off in full, when there is no realistic prospect of recovery.

### **Treatment of the different stages of financial assets and the methodology of determination of ECL**

#### **(a) Credit Impaired (Stage 3)**

The Company recognises a financial asset to be credit impaired and in stage 3 by considering relevant objective evidence, primarily whether:

- Contractual payments of either principal or interest are past due for more than 90 days;
- The loan is otherwise considered to be in default.

Restructured loans, where repayment terms are renegotiated as compared to the original contracted terms due to significant credit distress of the borrower, are classified as credit impaired. Such loans continue to be in stage 3 until they exhibit regular payment of

renegotiated principal and interest over a minimum observation period, typically 12 months- post renegotiation, and there are no other indicators of impairment. Having satisfied the conditions of timely payment over the observation period these loans could be transferred to stage 1 or 2 and a fresh assessment of the risk of default be done for such loans.

Interest income is recognised by applying the EIR to the net amortised cost amount i.e. gross carrying amount less ECL allowance.

#### **(b) Significant Increase in Credit Risk (Stage 2)**

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of default of the loan exposure. Considering the market in which company is primarily operating and the class of customers which primarily comes from rural background where financial literacy is very poor and banking and collection facilities are not present at all places, management considers that unless identified at an earlier stage, 60 days past due is considered as an indication of financial assets to have suffered a significant increase in credit risk. Based on other indications such as borrower's frequently delaying payments beyond due dates though not 60 days past due are included in stage 2 for mortgage loans.

The measurement of risk of defaults under stage 2 is computed on homogenous portfolios, generally by nature of loans, tenors, underlying collateral, geographies and borrower profiles. The default risk is assessed using PD (probability of default) derived from past behavioral trends of default across the identified homogenous portfolios. These past trends factor in the past customer behavioral trends, credit transition probabilities and macroeconomic conditions. The assessed PDs are then aligned considering future economic conditions that are determined to have a bearing on ECL.

#### **(c) Without Significant Increase in Credit Risk since Initial Recognition (Stage 1)**

ECL resulting from default events that are possible in the next 12 months are recognised for financial instruments in stage 1. The Company has ascertained default possibilities on past behavioral trends witnessed for each homogenous portfolio using application/behavioral score cards and other performance indicators, determined statistically.

#### **(d) Measurement of ECL**

The assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL takes into account the time value of money. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of our portfolios over a period of time have been applied to determine impact of macro-economic factors.

The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money using a rate which is a reasonable approximation of EIR.

- Determination of PD is covered above for each stages of ECL.
- EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.
- LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

A more detailed description of the methodology used for ECL is covered in the 'credit risk' section of note no. 35.

#### **(ii) Financial Liabilities**

Financial liabilities include liabilities that represent a contractual obligation to deliver cash or another financial assets to another entity, or a contract that may or will be settled in the entities own equity instruments. Few examples of financial liabilities are trade payables, debt securities and other borrowings and subordinated debts.

##### **Initial measurement**

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade payables, other payables, debt securities and other borrowings.

### **Subsequent measurement**

After initial recognition, all financial liabilities are subsequently measured at amortised cost using the EIR [Refer note no. 3.1(l)]. Any gains or losses arising on derecognition of liabilities are recognised in the Statement of Profit and Loss.

### **Derecognition measurement**

The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

### **(iii) Offsetting of Financial Instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet only if there is an enforceable legal right to offset the recognised amounts with an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

## **3.5 Investment in Subsidiaries**

Investment in subsidiaries is recognised at cost and are not adjusted to fair value at the end of each reporting period. Cost of investment represents amount paid for acquisition of the said investment.

The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

## **3.6 Taxes**

### **(i) Current Tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax relating to items recognised outside profit or loss is recognised in correlation to the underlying transaction either in OCI or directly in other equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### **(ii) Deferred Tax**

Deferred tax is provided using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized deferred tax assets, if any, are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised either in OCI or in other equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## **3.7 Property, Plant and Equipment**

Property, plant and equipment are carried at historical cost of acquisition less accumulated depreciation and impairment losses, consistent with the criteria specified in Ind AS 16 'Property, Plant and Equipment'.

### Depreciation on property, plant and equipment

- (a) Depreciation is provided on a pro-rata basis for all tangible assets on straight line method over the useful life of assets.
- (b) Useful lives of assets are determined by the Management by an internal technical assessment except where such assessment suggests a life significantly different from those prescribed by Schedule II - Part C of the Companies Act, 2013 where the useful life is as assessed and certified by a technical expert.
- (c) Depreciation on leasehold improvements is provided on straight line method over the primary period of lease of premises or 5 years whichever is less.
- (d) Depreciation on addition to assets and assets sold during the year is being provided for on a pro rata basis with reference to the month in which such asset is added or sold as the case may be.
- (e) Assets having unit value up to Rs. 5,000 is depreciated fully in the financial year of purchase of asset.
- (f) An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included under other income in the Statement of Profit and Loss when the asset is derecognised.
- (g) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### 3.8 Intangible assets and amortization thereof

Intangible assets, representing softwares are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment. The intangible assets are amortised using the straight line method over a period of five years, which is the Management's estimate of its useful life. The useful lives of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

### 3.9 Impairment of non-financial assets

An assessment is done at each Balance Sheet date to ascertain whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of asset is determined. If the carrying value of relevant asset is higher than the recoverable amount, the carrying value is written down accordingly.

### 3.10 Provisions and Contingent Liabilities

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. The Company also discloses present obligations for which a reliable estimate cannot be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

### 3.11 Foreign Currency Translation

The Company's financial statements are presented in Indian Rupee, which is also the Company's functional currency.

#### Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### Conversion

Foreign currency monetary items are re-translated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

### **Exchange differences**

All exchange differences are accounted in the Statement of Profit and Loss.

### **3.12 Retirement and other employee benefits**

#### **(I) Gratuity**

Company has not made any provision for gratuity payment to employees.

#### **(ii) Provident Fund**

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

### **3.13 Lease**

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

#### **Measurement of Lease Liability**

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

- i) Increase by interest on lease liability
- ii) Reduce by lease payments made

#### **Measurement of Right-of-Use asset**

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

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

### **3.14 Fair Value Measurement**

The Company measures its qualifying financial instruments at fair value on each Balance Sheet date.

Fair value is the price that would be received against sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the accessible principal market or the most advantageous accessible market as applicable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into Level I, Level II and Level III based on the lowest level input that is significant to the fair value measurement as a whole. For a detailed information on the fair value hierarchy, refer note no. 34.

For assets and liabilities that are fair valued in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

Particulars	INR in Lakhs		
	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
<b>Note 4: Cash and Cash Equivalents</b>			
Balances with Banks in Current Accounts	512.78	174.26	1,878.09
Cash-in-hand	-	-	-
Bank deposit with maturity of less than 3 months (Refer Note 3.1)	-	-	-
Cash on hand	547.24	525.35	261.48
<b>Total</b>	<b>1,060.03</b>	<b>699.61</b>	<b>2,139.56</b>

**Note 4A: Bank balance other than cash and cash equivalents**

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

Note 4.1: Since bank overdrafts availed by the company forms part of bank borrowings and are majorly sourced for company's financing activities hence bank overdrafts are not part of Cash and Cash equivalents.

Particulars	INR in Lakhs		
	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
<b>Note 5: Other Balance with banks</b>			
Balance with banks in deposits accounts	-	0.89	57.99
<b>Total</b>	<b>-</b>	<b>0.89</b>	<b>57.99</b>

Particulars	INR in Lakhs		
	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
<b>Note 6: Loans (at Amortised Cost)</b>			
Term Loans	42,100.78	47,943.31	47,405.06
Less: Impairment loss allowance	(816.91)	(657.47)	(516.71)
<b>Total Net</b>	<b>41,283.87</b>	<b>47,285.84</b>	<b>46,888.35</b>
Others (ICD)	-	-	-
<b>Total Loans</b>	<b>41,283.87</b>	<b>47,285.84</b>	<b>46,888.35</b>
Secured by tangible assets	42,100.78	47,943.31	47,405.06
Covered by Bank/Government Guarantees	-	-	-
Unsecured	-	-	-
<b>Total Gross</b>	<b>42,100.78</b>	<b>47,943.31</b>	<b>47,405.06</b>



INR in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Less: Impairment loss allowance	(816.91)	(657.47)	(516.71)
<b>Total Net</b>	<b>41,283.87</b>	<b>47,285.84</b>	<b>46,888.35</b>
Others (ICD)	-	-	-
<b>Total Loans</b>	<b>41,283.87</b>	<b>47,285.84</b>	<b>46,888.35</b>
Public Sector	-	-	-
Others	42,100.78	47,943.31	47,405.06
<b>Total Gross</b>	<b>42,100.78</b>	<b>47,943.31</b>	<b>47,405.06</b>
Less: Impairment loss allowance	(816.91)	(657.47)	(516.71)
<b>Total Net</b>	<b>41,283.87</b>	<b>47,285.84</b>	<b>46,888.35</b>
Others (ICD)	-	-	-
<b>Total Loans</b>	<b>41,283.87</b>	<b>47,285.84</b>	<b>46,888.35</b>

- i. Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.
- ii. Loans granted by the Company are secured by equitable mortgage/registered mortgage of the property and/or undertaking to create a security and/or personal guarantees and/or hypothecation of assets and/or assignments of life insurance policies.
- iii. COVID-19 pandemic had led to a significant impact on global & local economic activities, which may persist. The company has used the principle of prudence to provide for the impact of pandemic on the financial statements specifically while assessing the expected credit loss on financial assets by applying management overlays, approved by its Board of Directors. This has resulted in an additional provision of Rs. 215.79 Lacs (PY Rs 135.88 Lacs) against financial assets during the year. The extent to which COVID-19 pandemic, including the current "second wave" that has significantly increased the number of cases in India will continue to impact the Company's operations and financial metrics will depend on future developments, which are highly uncertain.

In accordance with the COVID-19 regulatory packages announced by RBI on March 27, 2020, April 17, 2020 and May 23, 2020, the company has offered moratorium on payment of all the installments and/or interest, as applicable, falling due between March 01, 2020 and August 31, 2020 to all eligible borrowers. For all such accounts that were granted moratorium, the prudential assets classification remain standstill during the moratorium period (i.e., the number of days past due shall exclude the moratorium period for the purposes of asset classification under Income Recognition, Asset classification and provisioning norms).

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

INR in Lakhs

Particulars	31-03-2021				31-03-2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross Carrying amount opening balance	27,559.66	19,093.38	1,290.27	47,943.31	34,682.33	11,793.47	929.26	47,405.06
Less: Assets repaid (excluding write offs)*	(8,759.81)	(1,791.60)	(64.20)	(10,615.61)	(15,456.95)	(2,935.96)	(43.11)	(18,436.03)
Transfers from Stage 1**	(4,161.99)	4,009.98	152.02	-	(8,967.32)	8,738.41	228.91	-
Transfers from Stage 2**	6,231.47	(7,047.13)	815.66	-	1,116.84	(1,377.40)	260.56	-

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

Particulars	31-03-2021				31-03-2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Transfers from Stage 3**	38.03	402.87	(440.90)	-	0.88	1.10	(1.98)	-
Less: Amounts written off	(198.79)	(156.92)	(248.81)	(604.53)	(6.88)	(115.37)	(83.85)	(206.11)
New assets originated	4,923.48	454.12	-	5,377.60	16,190.77	2,989.14	0.49	19,180.39
<b>Gross carrying amount closing balance</b>	<b>25,632.05</b>	<b>14,964.69</b>	<b>1,504.04</b>	<b>42,100.78</b>	<b>27,559.66</b>	<b>19,093.38</b>	<b>1,290.27</b>	<b>47,943.31</b>

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

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

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

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

**6.2) Reconciliation of ECL balance is given below:** INR in Lakhs

Particulars	31-03-2021				31-03-2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>ECL allowance - opening balance</b>	187.38	255.76	214.32	657.47	196.92	185.38	134.41	516.71
Addition during the year	61.99	58.06	54.03	174.08	50.11	71.03	84.52	205.66
Reversal during the year	(0.39)	(0.72)	(13.53)	(14.64)	(59.64)	(0.65)	(4.61)	(64.91)
<b>ECL allowance - closing balance</b>	<b>248.99</b>	<b>313.10</b>	<b>254.82</b>	<b>816.91</b>	<b>187.38</b>	<b>255.76</b>	<b>214.32</b>	<b>657.47</b>

INR in Lakhs

Particulars	As at	As at	As at
	March 31, 2021	March 31, 2020	April 1, 2019

**Note 7: Investments**

**(A) At Amortised Cost**

In Pass Through Certificates (PTC) representing securitisation of loan receivable	-	-	-
<b>Total (A)</b>	-	-	-

**(B) At fair value through other comprehensive income**

(i) In Government Securities			
(ii) In Equity Instruments			
Equity Shares (Quoted)	-	219.53	220.08
Equity Shares (Unquoted)	1.20	1.20	1.20
<b>Total (B) = (i + ii)</b>	<b>1.20</b>	<b>220.73</b>	<b>221.28</b>

**(C) At fair value through profit or loss**

Particulars	INR in Lakhs		
	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
(i) In Mutual Funds	-	-	-
(ii) In Government Securities	19.14	19.14	19.64
(iii) In Certificates of Deposit	-	-	-
<b>Total (C) = (i + ii + iii)</b>	19.14	19.14	19.64
<b>(D) Cost</b>			
Investment	-	-	-
Total (D)	-	-	-
<b>Total (A + B + C + D)</b>	<b>20.34</b>	<b>239.87</b>	<b>240.92</b>

Particulars	INR in Lakhs		
	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
<b>Note 8: Other Financial Assets</b>			
Interest accrued but not due on Loans	327.11	362.53	382.07
Other Deposits	-	-	0.16
Other Receivables	116.05	65.5	18.27
Security deposit	612.12	734.21	814.46
Other Advances-current	1,210.25	1,333.08	1,434.88
<b>Total</b>	<b>2,265.53</b>	<b>2,495.31</b>	<b>2,649.84</b>

Particulars	INR in Lakhs	
	As at March 31, 2021	As at March 31, 2020
<b>Note 9: Deferred Tax</b>		
<b>The components of Deferred Tax assets and Liabilities as on 31.03.2021 and 31.03.2020 are as follows:</b>		
Opening Balance (Deferred Tax Assets)	35.61	42.95
Deferred Tax Assets:		
Unamortised Processing Fee	0.00	5.15
Impairment of Financial Assets	238.29	39.09
Difference between tax depreciation and depreciation/amortization charged for the financial reporting	-	-
Others	156.76	219.7
Gross deferred Tax Asset (A)	430.66	306.89
Deferred Tax Liabilities:		
Unamortised Processing Fee	12.02	-
Difference Between WDV of fixed Assets and as per Co. Act, 2013 and Income tax Act, 1961	36.99	40.10
Unamortised Borrowing Cost	152.21	188.24

INR in Lakhs

Particulars	As at		As at
	March 31, 2021	March 31, 2020	April 1, 2019
Gross Deferred Tax Liabilities (B)			201.22
<b>Net Deferred Tax Asset/ (Liability)</b>			<b>193.84</b>
<b>Amount (debited)/ Credited in Profit and Loss account</b>			<b>158.23</b>
			<b>(7.34)</b>

**Note 10A: Property plant and equipment**

Particulars	Gross carrying value				Depreciation				Net carrying value	
	As at March 31, 2020	Addition during the year	Adjustments/ Deductions during the year	As at March 31, 2021	As at April 01, 2020	For the year	Adjustments/ Deductions during the year	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Land & Building	412.37	0.73	18.29	394.82	2.04	1.83	-	3.87	390.95	410.33
Godown	40.82	-	-	40.82	-	-	-	-	40.82	40.82
Furniture & Fixtures	141.29	0.78	0.23	141.84	55.08	13.42	-	68.50	73.34	86.21
Vehicles	113.35	23.27	4.05	132.57	32.75	13.87	-	46.63	85.95	80.60
Computers & printer	110.12	0.66	-	110.78	103.95	6.35	-	110.30	0.49	6.17
Office Equipment	61.81	0.45	-	62.26	40.84	9.61	-	50.44	11.82	20.98
Mobile	3.33	1.51	-	4.84	0.77	0.47	-	1.24	3.60	2.56
<b>Total</b>	<b>883.09</b>	<b>27.41</b>	<b>22.56</b>	<b>887.94</b>	<b>235.43</b>	<b>45.55</b>	<b>-</b>	<b>280.99</b>	<b>606.96</b>	<b>647.66</b>

Company choose to continue with the carrying value of all of its property, plant and equipment recognized as at April 1, 2019, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

Particulars	Gross carrying value				Depreciation				Net carrying value	
	As at March 31, 2019	Addition during the year	Adjustments/ Deductions during the year	As at March 31, 2020	As at April 01, 2019	For the year	Adjustments/ Deductions during the year	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Land & Building	379.65	82.28	49.56	412.37	0.22	1.83	-	2.04	410.33	379.43
Godown	40.82	-	-	40.82	-	-	-	-	40.82	40.82
Furniture & Fixtures	135.81	5.59	0.11	141.29	42.00	13.08	-	55.08	86.21	93.82
Vehicles	84.98	32.76	4.39	113.35	24.56	10.86	2.67	32.75	80.6	60.42
Computers & printer	98.77	11.35	-	110.12	70.37	33.58	-	103.95	6.17	28.40
Office Equipment	53.18	8.98	0.34	61.81	30.14	10.7	-	40.84	20.98	23.040
Mobile	1.87	1.46	-	3.33	0.30	0.47	-	0.77	2.56	1.57
<b>Total</b>	<b>795.08</b>	<b>142.42</b>	<b>54.4</b>	<b>883.09</b>	<b>167.58</b>	<b>70.51</b>	<b>2.67</b>	<b>235.43</b>	<b>647.66</b>	<b>627.49</b>

**Note 10B: Other intangible assets**

Particulars	Gross carrying value				Amortisation				Net carrying value	
	As at March 31, 2020	Addition during the year	Adjustments/Deductions during the year	As at March 31, 2021	As at April 01, 2020	For the year	Adjustments/Deductions during the year	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Jaguar Software	-	27.51	-	27.51	-	4.10	-	4.10	23.41	-
SOFTWARE DEVELOPMENT	18.93	0.66	-	19.59	6.67	1.35	-	8.01	11.58	12.26
Windows Licence Fees	3.57	-	-	3.57	3.14	0.42	-	3.57	-	0.42
<b>Total</b>	<b>22.5</b>	<b>28.17</b>	<b>-</b>	<b>50.67</b>	<b>9.81</b>	<b>5.87</b>	<b>-</b>	<b>15.68</b>	<b>34.99</b>	<b>12.68</b>

Particulars	Gross carrying value				Amortisation				Net carrying value	
	As at March 31, 2019	Addition during the year	Adjustments/Deductions during the year	As at March 31, 2020	As at April 01, 2019	For the year	Adjustments/Deductions during the year	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
SOFTWARE DEVELOPMENT	6.39	12.54	-	18.93	4.32	2.35	-	6.67	12.26	2.07
Windows Licence Fees	3.57	-	-	3.57	2.43	0.71	-	3.14	0.42	1.140
<b>Total</b>	<b>9.96</b>	<b>12.54</b>	<b>-</b>	<b>22.5</b>	<b>6.75</b>	<b>3.06</b>	<b>-</b>	<b>9.81</b>	<b>12.68</b>	<b>3.21</b>

**Note 10C: Right to use Assets**

Particulars	Gross carrying value				Amortisation				Net carrying value	
	Opening	Addition during the year	Adjustments/Deductions during the year	As at March 31, 2021	As at April 01, 2020	For the year	Adjustments/Deductions during the year	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
INDAS-Lease Assets	69.21	-	-	69.21	2.31	13.84	-	16.15	53.06	66.09

Particulars	INR in Lakhs		
	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
<b>Note 11: Other Non-Financial Assets</b>			
Prepaid Expenses	5.3	-	4.92
Prepaid Rent	-	-	40.45
Other Advances	0.05	0.28	0.50
Duties and taxes	10.8	52.76	16.76
<b>Total</b>	<b>16.15</b>	<b>53.04</b>	<b>62.64</b>

Particulars	INR in Lakhs		
	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
<b>Note 12: Debt Securities</b>			
<b>Debt Securities in India</b>			
<b>At Amortised Cost</b>			
Secured	-	-	-
Privately Placed Non-Convertible Debentures	1,000.00	-	-
<b>Total</b>	<b>1,000.00</b>	<b>-</b>	<b>-</b>

The secured redeemable non-convertible debentures issued by the company are secured by exclusive charge on hypothecation of specific loan receivables aggregating to a security cover of up to 110% as per the terms of issue. The coupon rate for secured redeemable non-convertible debentures is 12% payable quarterly. These secured redeemable non-convertible debentures are to be repaid as bullet payment on 30th June 2023

Particulars	INR in Lakhs		
	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
<b>Note 13: Borrowings (other than debt securities)</b>			
<b>At Amortised Cost</b>			
<b>(a) Term Loan</b>			
Secured	-	-	-
From banks and FL's (Refer Note 14A)	22,860.78	32,662.15	35,437.88
<b>(b) Loan repayable on demand</b>			
<b>Secured</b>			
Cash Credit and working capital demand loans from banks	5,921.45	5,250.69	4,493.83
<b>Total</b>	<b>28,782.23</b>	<b>37,912.84</b>	<b>39,931.71</b>
Borrowings in India	28,782.23	37,912.84	39,931.71
Borrowings outside India	5488.59	6032.00	-
<b>Total</b>	<b>28,782.23</b>	<b>37,912.84</b>	<b>39,931.71</b>

Name of the Lender	Balance as on 31-03-2021	Tenure (Months)	EMI Frequency	EMI (Nos.)	EMI/Instalment	Security	ROI %
Andhra Bank	243.33	54	Quarterly	16	62,50,000	Hypothecation of specific book debts, collateral and Personal guarantee of director/s	11.95%
AU Small Finance Bank Limited	54.08	36	Monthly	36	27,77,778	Hypothecation of specific book debts and Personal guarantee of director/s	12.00%
AU Small Finance Bank Limited	55.15	36	Monthly	36	13,88,889		12.00%
AU Small Finance Bank Limited	217.72	36	Monthly	36	27,77,778		12.75%
AU Small Finance Bank Limited	353.99	30	Monthly	30	40,00,000		13.75%
AU Small Finance Bank Limited	197.18	24	Monthly	24	Instalment of 833,333 and actual interest applied		13.50%
Bandhan Bank Limited	581.58	36	Quarterly	12	83,33,333	Hypothecation of specific book debts and Personal guarantee of director/s and collateral.	11.25%
Bandhan Bank Limited	77.25	36	Monthly	36	27,77,778	Hypothecation of specific book debts and Personal guarantee of director/s and collateral.	12.75%
Bank of India	394.20	60	Quarterly	20	50,00,000	Hypothecation of specific book debts, collateral and Personal guarantee of director/s	11.50%
Development corporation Bank	1.71	36	Monthly	33	9,09,091	Hypothecation of specific book debts and Personal guarantee of director/s and cash collateral.	11.00%
Development corporation Bank	83.82	36	Quarterly	33	15,15,152	Hypothecation of specific book debts and Personal guarantee of director/s and cash collateral.	10.89%
Federal Bank Limited	138.30	36	Monthly	12	62,50,000	Hypothecation of specific book debts and Personal guarantee of director/s	11.10%
Fincare small Bank Limited	5.41	24	Monthly	24	47,30,731	Hypothecation of specific book debts and Personal guarantee of director/s	12.50%
Fincare small Bank Limited	4.95	24	Monthly	24	38,41,031	Hypothecation of specific book debts and Personal guarantee of director/s	14.00%
Indusind Bank Limited	163.98	36	Monthly	36	16,48,800	Hypothecation of specific book debts and Personal guarantee of director/s	11.50%
Indusind Bank Limited	393.50	36	Monthly	36	32,97,601	Hypothecation of specific book debts and Personal guarantee of director/s	11.50%
Indusind Bank Limited	359.33	36	Monthly	36	16,48,800	Hypothecation of specific book debts and Personal guarantee of director/s	11.50%
State Bank of India (SBBJ)	549.07	66	Quarterly	20	75,00,000	Hypothecation of specific book debts, collateral and Personal guarantee of director/s	10.50%
State Bank of India	373.78	60	Quarterly	20	50,00,000	Hypothecation of specific book debts, collateral and Personal guarantee of director/s	10.50%

Name of the Lender	Balance as on 31-03-2021	Tenure (Months)	EMI Frequency	EMI (Nos.)	EMI/Instalment	Security	ROI %
State Bank of India	468.63	48	Quarterly	20	75,00,000	Hypothecation of specific book debts, collateral and Personal guarantee of director/s	10.50%
State Bank of India	1,187.10	36	Quarterly	8	Instalment of 1,500,000 and actual interest applied	Hypothecation of specific book debts, collateral and Personal guarantee of director/s	11.75%
State Bank of India	41.60	24	Quarterly	18	Instalment of 277,000 and actual interest applied	Hypothecation of specific book debts, collateral and Personal guarantee of director/s	8.10%
S.I.D.B.I.	239.15	9	Monthly	9	Instalment of 2,200,000 and actual interest applied	Hypothecation of specific book debts and Personal guarantee of director/s	6.85%
R.M.G.B.	223.28						
Bank of Baroda (Vijaya Bank)	100.06	48	Quarterly	14	42,85,714	Hypothecation of specific book debts, collateral and Personal guarantee of director/s	11.00%
Northern Arc Capital Limited	126.08	36	Monthly	36	50,54,000	Hypothecation of specific book debts and Personal guarantee of director/s	13.00%
Northern Arc Capital Limited	359.17	39	Monthly	39	31,57,000	Hypothecation of specific book debts and Personal guarantee of director/s	13.00%
Northern Arc Capital Limited	448.07	36	Monthly	36	25,71,000	Hypothecation of specific book debts and Personal guarantee of director/s	14.25%
MAS Financial Services Limited	-	36	Monthly	36	13,88,889	Hypothecation of specific book debts and Personal guarantee of director/s	13.00%
MAS Financial Services Limited	27.56	36	Monthly	36	13,88,889	Hypothecation of specific book debts and Personal guarantee of director/s	13.00%
MAS Financial Services Limited	221.13	36	Monthly	36	27,77,778	Hypothecation of specific book debts and Personal guarantee of director/s	13.00%
MAS Financial Services Limited	303.44	36	Monthly	36	27,77,778	Hypothecation of specific book debts and Personal guarantee of director/s	13.65%
MAS Financial Services Limited	132.17	36	Monthly	36	8,33,333	Hypothecation of specific book debts and Personal guarantee of director/s	14.20%
MAS Financial Services Limited	132.18	36	Monthly	36	8,33,333	Hypothecation of specific book debts and Personal guarantee of director/s	14.20%
MAS Financial Services Limited	154.24	36	Monthly	36	11,11,111	Hypothecation of specific book debts and Personal guarantee of director/s	14.20%
MAS Financial Services Limited	123.81	36	Monthly	36	8,33,333	Hypothecation of specific book debts and Personal guarantee of director/s	14.10%



Name of the Lender	Balance as on 31-03-2021	Tenure (Months)	EMI Frequency	EMI (Nos.)	EMI/Instalment	Security	ROI %
MAS Financial Services Limited	124.04	36	Monthly	36	8,33,333	Hypothecation of specific book debts and Personal guarantee of director/s	14.10%
MAS Financial Services Limited	164.78	36	Monthly	36	11,11,111	Hypothecation of specific book debts and Personal guarantee of director/s	14.10%
Maanaveeya Development & Finance Private Limited	329.92	36	Quarterly	12	1,66,66,000	Hypothecation of specific book debts and Personal guarantee of director/s	12.75%
Maanaveeya Development & Finance Private Limited	777.82	36	Monthly	36	42 00 000 for 35 inst 3 00 000 for 1 inst	Hypothecation of specific book debts and Personal guarantee of director/s	14.35%
Maanaveeya Development & Finance Private Limited	595.41	12	Monthly	9	1,10,00,000	Hypothecation of specific book debts and Personal guarantee of director/s	14.00%
Mahindra and Mahindra Financial Services Limited	0.09	36	Monthly	36	33,68,908	Hypothecation of specific book debts and Personal guarantee of director/s	13.00%
Hinduja Leyland Finance Limited	221.84	36	Monthly	36	50,00,076	Hypothecation of specific book debts and Personal guarantee of director/s	12.25%
Hinduja Leyland Finance Limited	389.54	36	Monthly	36	33,81,449	Hypothecation of specific book debts and Personal guarantee of director/s	13.25%
Hinduja Leyland Finance Limited	868.71	36	Monthly	36	33,81,449	Hypothecation of specific book debts and Personal guarantee of director/s	14.00%
Hinduja Leyland Finance Limited	708.59	36	Monthly	36	34,66,532	Hypothecation of specific book debts and Personal guarantee of director/s	15.00%
Avanse Financial Services Limited	521.3	36	Monthly	36	23,45,113	Hypothecation of specific book debts and Personal guarantee of director/s	12.60%
Avanse Financial Services Limited	231.93	36	Monthly	36	23,45,113	Hypothecation of specific book debts and Personal guarantee of director/s	13.00%
Moneywise Financial services Pvt ltd	88.81	36	Quarterly	12	83,33,333	Hypothecation of specific book debts and Personal guarantee of director/s	13.00%
Moneywise Financial services Pvt ltd	416.16	36	Quarterly	12	83,33,333	Hypothecation of specific book debts and Personal guarantee of director/s	13.90%
Muthoot Capital Service Ltd	123.78	24	Monthly	36	20,83,333	Hypothecation of specific book debts and Personal guarantee of director/s	13.00%
Nabsamruddhi Finance Limited	257.05	36	Quarterly	12	83,33,333	Hypothecation of specific book debts and Personal guarantee of director/s	12.25%

Name of the Lender	Balance as on 31-03-2021	Tenure (Months)	EMI Frequency	EMI (Nos.)	EMI/Instalment	Security	ROI %
Capri Global Capital Limited	438.72	36	Monthly	36	41,66,667	Hypothecation of specific book debts and Personal guarantee of director/s	13.50%
Shriram Transport Finance Company Limited	171.81	36	Monthly	36	17,08,881	Hypothecation of specific book debts and Personal guarantee of director/s	14.00%
Shriram Transport Finance Company Limited	655.30	36	Monthly	36	34,66,579	Hypothecation of specific book debts and Personal guarantee of director/s	15.00%
Nabkisan Finance Limited	228.65	36	Half Yearly	6	2,16,66,667	Hypothecation of specific book debts and Personal guarantee of director/s	12.50%
Profectus Capital Private Limited	167	24	Monthly	24	9,60,320	Hypothecation of specific book debts and Personal guarantee of director/s	14.00%
Manappuram Finance Limited	270.39	36	Monthly	36	23,92,434	Hypothecation of specific book debts and Personal guarantee of director/s	14.00%
Vivriti Capital Private Limited	201.75	36	Monthly	36	17,14,959	Hypothecation of specific book debts and Personal guarantee of director/s	14.25%
Vivriti Capital Private Limited	216.99	36	Monthly	36	17,14,959	Hypothecation of specific book debts and Personal guarantee of director/s	14.25%
Vivriti Capital Private Limited	230.72	36	Monthly	36	17,14,959	Hypothecation of specific book debts and Personal guarantee of director/s	14.25%
UGRO Capital Limited	140.14	24	Monthly	24	23,94,743	Hypothecation of specific book debts and Personal guarantee of director/s	13.75%
Hiranandani Financial Services Pvt Ltd	394.43	36	Monthly	36	23,92,434	Hypothecation of specific book debts and Personal guarantee of director/s	14.00%
Eclear Leasing and Finance Private Limited	154.17	36	Monthly	36	8,72,767	Hypothecation of specific book debts and Personal guarantee of director/s	15.50%
Eclear Leasing and Finance Private Limited	61.15	18	Monthly	18	15,62,562	Hypothecation of specific book debts and Personal guarantee of director/s	15.25%
UC Inclusive Credit Pvt. Ltd.	268.60	30	Monthly	30	20,20,994	Hypothecation of specific book debts and Personal guarantee of director/s	15.50%
World Business Capital - ECB	5,488.59	120	Quarterly	32	\$ 2 50 000	Hypothecation of specific book debts and Personal guarantee of director/s	L+3.83% (current) y L=1.89)
Car Loans - (BMW, Toyota, Axis & SBI)	51.12		Monthly			Secured against Car	
<b>TOTAL</b>	<b>22,860.78</b>						

INR in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
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**Note 14: Subordinates-Debts**

**Subordinates-Debts in India**

**At Amortised Cost**

Secured	-	-	-
Unsecured	2,000.00	2,000.00	2,000.00
<b>Total</b>	<b>2,000.00</b>	<b>2,000.00</b>	<b>2,000.00</b>

Details of Subordinates-Debts in India	Balance as on 31-03-2021	Tenure (Months)	Repayment	ROI %
Mas Financial Services Limited	1,000.00	72	Bullet payment of principal in 72nd month	15.30%
Maanaveeya Development & Finance Pvt Ltd	1,000.00	72	To be repaid in equal installment of Rs. 500.00 Lakhs in 66th & 72nd month	16.00%
<b>Total</b>	<b>2,000.00</b>			

INR in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
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**Note 15: Other financial liabilities**

Interest accrued but not due on borrowings	7.11	40.59	64.22
Security Deposit	119.67	149.09	58.96
Other liabilities	84.01	63.26	511.39
<b>Total</b>	<b>210.79</b>	<b>252.94</b>	<b>634.57</b>

INR in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
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**Note 16: Provisions**

Provision for Expenses	1.75	0.1	19.49
<b>Total</b>	<b>1.75</b>	<b>0.1</b>	<b>19.49</b>

INR in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
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**Note 17: Other Non-Financial Liabilities**

Current Tax Liabilities	363.49	301.15	419.78
Statutory Dues Payable	53.03	3.60	2.15
<b>Total</b>	<b>416.52</b>	<b>304.75</b>	<b>421.94</b>

INR in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
<b>Note 18 : Equity Share capital</b>			
<b>Authorised Share Capital</b>			
2,50,00,000 equity shares of Rs. 10/- each (Previous Year 2,50,00,000 equity shares of Rs. 10/- each)		2,500.00	2,500.00
<b>Issued, Subscribed, Called Up &amp; Paid Up Share Capital</b>			
2,18,16,506 Equity shares of Rs. 10/- each (Previous Year 2,16,74,306 Equity shares of Rs. 10/- each)		2,181.65	2,167.43
<b>Total</b>		<b>2,181.65</b>	<b>2,167.43</b>

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

Particulars	As at 31st March 2021		As at 31st March 2020	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning of the year	2,16,74,306	21,67,43,060	43,23,154	4,32,31,540
Add: Share issued during the year	1,42,200	14,22,000	14,816	1,48,160
Add: Bonus shares allotted during the year			1,73,36,336	17,33,63,360
<b>Outstanding at the end of the year</b>	<b>2,18,16,506</b>	<b>21,81,65,060</b>	<b>2,16,74,306</b>	<b>21,67,43,060</b>
	March 31, 2021		March 31, 2020	
Details of the shareholders holding more than 5% equity shares in the Company	No. of Shares	% holding	No. of Shares	% holding
Nirmal Kumar Jain	47,86,905	21.94	47,86,905	22.09
Kavish Jain	12,09,430	5.54	12,09,430	5.58
Ashish Jain	12,65,110	5.8		
Nirmal Kumar Jain H.U.F.	12,77,470	5.86	12,77,470	5.89
Manju Devi Jain	11,61,480	5.32	11,06,480	5.11

## Note 19 : Other Equity

### B) Other Equity

Particular	Other equity*						
	Reserves and surplus				Other comprehensive income	Impairment Reserve	Total other equity attributable to equity holders of the parent
	Share premium reserve	Special reserve	Foreign Currency Monetary Item Translation Difference Account	Retained earnings	Equity Instruments through other comprehensive income		
<b>Balances as at March 31, 2019</b>	5,204.89	801.05	-	2,889.71	165.08	-	9,060.74
Equity shares issued during the year	92.95	-	-	-	-	-	92.95
Less: Bonus Shares Issued during the year	(1,733.63)	-	-	-	-	-	(1,733.63)
Transfer to special reserve#	-	381.59	-	(381.59)	-	-	-
Profit for the year	-	-	-	1,907.95	-	-	1,907.95
Transfer to Impairment reserve	-	-	-	-	-	-	-
Foreign Currency Monetary Item Translation Difference Account created during the year	-	-	(436.49)	-	-	-	(436.49)
Others	-	-	-	8.4	(0.55)	-	7.85
<b>Balances as at March 31, 2020</b>	3,564.21	1,182.64	(436.49)	4,424.48	164.53	-	8,899.37
Equity shares issued during the year	270.18	-	-	-	-	-	270.18
Foreign Currency Monetary Item Translation Difference Account created during the year	-	-	*	-	-	-	-
Less: Bonus Shares Issued during the year	-	-	-	-	-	-	-
Transfer to special reserve#	-	333.94	-	(333.94)	-	-	-
Profit for the year	-	-	-	1,669.68	-	-	1,669.68
Share Application Money Pending Allotment	-	-	-	-	-	-	-
Transfer to Impairment Reserves	-	-	-	(830.84)	-	830.84	-
Others	-	-	436.49	(169.37)	(164.53)	-	102.59
<b>Balances as at 31 March 2021</b>	<b>3,834.39</b>	<b>1,516.58</b>	<b>-</b>	<b>4760.01</b>	<b>-</b>	<b>830.84</b>	<b>10,941.82</b>

Particulars	INR in Lakhs	
	As at March 31, 2021	As at March 31, 2020
<b>Note 20: Revenue from Operations</b>		
<b>Interest income on financial assets measured at amortised cost</b>		
- Interest Income on loans to customers	8,368.06	9,783.04
- Interest income from investments	0.73	0.76
- Interest income on investment in pass through certificates	-	-
- Other interest income	48.07	61.33
- Foreign Currency Gain/Loss	158.40	-
<b>Total (A)</b>	<b>8,575.26</b>	<b>9,845.13</b>
<b>Fees and commission income</b>		
Profit on sale of Investment	52.56	-
-Service charges	0.10	-
-Commission Income	0.78	16.02
-Bad Debts Recovered	52.33	26.30
-Other charges	147.64	166.05
- Profit on Sale of Asset	7.89	19.04
-Dividend Income	1.22	-
<b>Total (B)</b>	<b>262.51</b>	<b>227.41</b>
Gain / Loss on Derecognised financial assets	-	2.48
<b>Total (C)</b>	<b>-</b>	<b>2.48</b>
<b>Total (A+B+C)</b>	<b>8,837.78</b>	<b>10,075.03</b>

Particulars	INR in Lakhs	
	As at March 31, 2021	As at March 31, 2020
<b>Note 21: Finance Cost</b>		
Finance costs on financial liabilities measured at amortised cost		
Interest on borrowings		
- Interest on term loans	4081.88	4911.63
- Interest on cash credit and working capital demand loan	634.41	494.01
Other borrowing cost (incl. Bank Charges)	32.16	130.85
Interest on Others	16.02	8.06
Interest on ICD	34.04	17.15
<b>Total</b>	<b>4798.51</b>	<b>5561.69</b>

INR in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Note 22: Impairment on financial instruments</b>		
<b>On financial assets measured at amortised cost</b>		
-Loans Assets	159.44	140.76
-Bad Debts written off	612.03	206.14
<b>Total</b>	<b>771.47</b>	<b>346.9</b>

INR in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Note 23: Employee benefits expenses</b>		
Salaries, allowances and benefits	803.96	875.08
Contribution to provident and other funds	17.68	19.83
<b>Total</b>	<b>821.64</b>	<b>894.92</b>

INR in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Note 24 Depreciation and Amortization</b>		
Depreciation of property, plant and equipment	45.55	70.51
Amortisation of intangible assets	5.87	3.06
Amortisation of Right to use Assets	13.84	2.31
<b>Total</b>	<b>65.27</b>	<b>75.88</b>

INR in Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Note 25: Other Expenses</b>		
Advertisement & Business Promotion	15.34	11.49
Annual Maintenance Charges	3.68	0.90
Audit Remuneration	1.75	1.75
Books & Periodicals Expenses	0.04	0.05
Commission	21.2	67.54
Computer & Software maintenance	8.04	8.85
Conveyance	6.87	8.37
Credit Rating Charges	9.00	8.34
CIBIL Expense	4.02	8.93
CSR Expenditure	46.00	33.00
Director's Sitting Fees	-	-

Particulars	INR in Lakhs	
	As at March 31, 2021	As at March 31, 2020
Donation	1.08	0.91
Electricity & Water	7.93	9.39
Fees & Subscription	1.19	0.24
Franking/ Stamping Expenses	22.83	26.81
Foreign Exchange (Gain)/Loss	-	13.11
Godown Rent for seized vehicles	3.93	2.36
Income tax/ Interest	42.48	44.64
Hedging Expense	9.17	4.93
Interest on PF & GST	-	0.18
Insurance Expenses	5.73	5.91
Legal Expenses	15.61	30.7
Mandate processing charges (NACH)	3.79	4.74
Misc. Expenses	0.42	1.64
Office Expenses	19.51	17.59
Office Rent	21.6	20.17
Postage & Courier	2.03	2.71
Printing & Stationery	5.75	12.67
Professional Consultancy Fee	51.30	5.89
Provision for MSME Interest	-	0.10
Repairs & Maintenance	4.51	5.85
ROC fees	0.60	18.45
Seizing exp	48.88	25.74
Recovery Expenses	21.20	32.80
Telephone and Internet Charges	4.32	4.92
Travelling Expenses	13.09	14.57
Vehicle Insurance & RTO Expenses	12.34	2.64
Field Investigation Charges	-	4.49
Demat Expenses	0.14	0.09
Security Deposit Rent	-	7.93
<b>Total</b>	<b>435.35</b>	<b>471.39</b>

Particulars	INR in Lakhs	
	As at March 31, 2021	As at March 31, 2020
<b>Note 26: Tax Expenses</b>		
<b>The Components of Income Tax are:</b>		
Current tax	434.09	808.96
Deferred tax	(158.23)	7.34
<b>Total Tax charge</b>	<b>275.86</b>	<b>816.3</b>



INR in Lakhs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Note 26.1: Reconciliation of tax expense and the accounting profit multiplied by statutory income tax rate for the year ended March 31, 2021 and March 31, 2020 is as follows:</b>		
Accounting profit before tax	1945.54	2724.25
Statutory Income tax rate (%)		
Tax at statutory Income Tax rate	489.65	685.69
Tax Impact of:		
Income not subject to tax	(71.01)	(24.72)
Non-deductible expenses	78.41	99.27
IND-AS impact on Deductible Expenses	(25.9)	(22.75)
Deduction under section 36 (1) (vii)	(26.3)	(35.94)
Other Deduction	(11.06)	(10.31)
Incremental Deferred Tax Liabilities/(Assets) on account of Financial Assets and other items	0.31	111.55
Tax at effective Income Tax rate of 22.31% (P.Y 29.47%)	434.09	802.8
Tax on Other Comprehensive income		
Total Tax expense at effective tax rate of 22.31% (P.Y 29.47%)	434.09	802.8

**Note 27: Earning per share**

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

PARTICULAR	Unit	Year ended March 31, 2021	Year ended March 31, 2020
a) Amount used as the numerator for basic EPS profit after tax	(in Rs.)	166967738	190795319
b) Weighted average number of equity shares for basic EPS	Number	21686059	21664733
c) Weighted average number of equity shares for diluted EPS	Number	21686059	21664733
d) Nominal value per share	(in Rs.)	10	10
e) Earnings per share:			
- Basic (a/b)	(in Rs.)	7.699	8.807
- Diluted (a/c)	(in Rs.)	7.699	8.807

**Note 28: Related Party Transactions / Disclosures**

Key Managerial Person	Nirmal Kumar Jain (Managing Director) Rajni Gehlot (CFO) Dipesh Jain (CEO) Anjali Pacholi (Company Secretary)
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Relatives of Key Management Personnel	<p>Manju Devi Jain (wife of Managing Director)                  Jenisha Jain (Daughter of Managing Director)                  Kartika Jain (wife of CEO)</p>
Other Directors and Related parties	<p>Praveen Kumar Jain                  Pushpa Nagda                  Ramesh Kumar Jain                  Abhilasha jain                  Sheetal Jain                  Vinita jain                  Surbhi Jain                  Indu Jain                  Heera Lal Jain                  Pankaj Jain                  Divyansh Jain                  Rajendra Chittora                  Kiran Jain                  Dhruv Chittora                  Kanta M. Jain                  Chanda Bhupendra Jain                  Geeta S. Jain                  Archana Chittora                  Megha Chittora                  Akme Buildmart Private Limited                  Akme Star Housing Finance Limited                  Akme Sarvodaya Dream Venture LLP                  Akme Fincone Limited                  The Coronation Castles Private Limited                  Akme Automobiles Pvt Ltd                  Akme Mineral Exim Pvt.Ltd                  Arham Greens Pvt Ltd.                  Hiran Developers Private Limited                  Hiran Builders And Developers Private Limited                  Arvind Multi Industries Private Limited                  Laxmi Marble And Steel Corporation</p>

INR in Lakhs

Name of the Related Party	Nature of Transactions	March 31, 2021 Amount Paid	March 31, 2020 Amount Paid
Nirmal Kumar Jain	Salary	57.00	60.00
Manju Devi Jain	Salary	39.90	38.00
Dipesh Jain	Salary	23.00	24.00
Jenisha Jain	Salary	12.00	12.00
Kartika Jain	Salary	4.80	4.40
Pushpa Nagda	Salary	39.90	38.00
Abhilasha Jain	Salary	2.00	6.00
Surbhi Jain	Salary	9.60	9.60
Vinita Jain	Salary	9.60	9.60
Pankaj Jain	Salary	7.65	5.50
Praveen Kumar Jain	Salary	13.20	10.80
Indu Jain	Salary	-	3.60
Sheetal Jain	Salary	4.20	4.20
Divyansh Jain	Salary	4.80	3.60
Ramesh Jain-Mumbai	Salary	5.20	3.55
Kiran Jain-Mumbai	Salary	3.35	2.90
Rajendra Chittora	Salary	1.55	-
Archana Chittora	Salary	1.20	-
Dhruv Chittora	Salary	0.58	-
Megha Chittora	Salary	1.05	-
Chanda W/o Bhupendra Jain	Salary	3.60	3.60
Geeta S. Jain	Salary	3.00	3.00
Kanta M. Jain	Salary	3.00	3.00
Rajni Gehlot	Salary	10.13	9.00
Anjali Pacholi	Salary	3.39	3.00

INR in Lakhs

Sr. No.	Name	Nature of Transactions	Amount Received	Amount Paid	Outstanding	Amount Received	Amount Paid	Outstanding
1	Akme Automobiles Pvt Ltd.	Loan & Advances	111.00	28.05	50.08	326.04	193.01	133.02
2	Akme Buildmart Pvt Ltd.	Loan & Advances	105.93	62.02	2.98	150.93	110.00	40.93
3	Akme Mineral Exim Pvt.Ltd	Loan & Advances	-	1.63	4.57	2.91	-	2.94
4	Akme Star housing Finance Ltd.	Loan & Advances	854.81	718.94	1.81	2,284.45	2,146.76	137.69
5	Arham Greens Pvt. Ltd.	Loan & Advances	-	-	-	0.06	0.08	-

INR in Lakhs

Sr. No.	Name	Nature of Transactions	Amount Received	Amount Paid	Outstanding	Amount Received	Amount Paid	Outstanding
6	The Coronation Castles Pvt.Ltd.	Loan & Advances	281.02	150.00	-	172.29	41.27	131.02
7	Akme Fincon Ltd.	Loan & Advances	49.53	23.05	17.55	-	-	-
8	Akme Sarvodaya Dreamventure LLP	Loan & Advances	141.78	229.12	87.34	-	-	-
9	Hiraman Builders And Developers Private Limited	Loan & Advances	-	-	-	75.05	431.55	-
10	Hiraman Developers Private Limited	Loan & Advances	-	-	-	123.36	654.30	-
11	Arvind Multi Industries Pvt. Ltd.	Loan & Advances	9.31	5.64	19.79	45.00	-	-
12	Hiraman Construction Heera Lal Jain	Loan & Advances	2.70	3.55	20.85	20.00	-	-
13	Laxmi Marble And Steel Corportion	Loan & Advances	31.90	23.14	42.60	11.97	35.14	59.20
14	Hira Lal Jain	Loan & Advances	-	9.92	76.04	15.10	6.47	66.12
15	Manju Devi Jain	Loan & Advances	66.13	34.59	37.30	32.89	-	68.84
16	Jenisha Jain	Loan & Advances	25.00	45.90	20.90	-	-	-
	<b>TOTAL</b>		<b>1679.11</b>	<b>1335.55</b>	<b>381.80</b>	<b>3260.05</b>	<b>3618.59</b>	<b>639.77</b>

## 29. Segment reporting

An operating segment is a component of the company that emerges in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the company's management to make decisions about resources to be allocated to the segments and assess their performance. The MD is considered to be the chief operating decision maker ('CODM') within the purview of Ind AS108 operating segments.

The CODM considers the entire business of the company on a holistic basis to making operating decisions and thus there are no segregated operating segments. The company is engaged into the business of providing housing loans and property loans. The CODM of the company reviews the operating results of the company as a whole and therefore not more than one reportable segment is required to be disclosed by the company as envisaged by Ind AS 108 operating segments. Accordingly, amounts appearing in these financial statements relates to the business of providing housing loans and property loans.

The company does not have any separate geographic segment other than India. As such there are no separate reportable segments as per IND AS108 operating segments.

## 30. Contingent liabilities and commitments

INR in Lakhs

PARTICULARS	As at		
	31-03-2021	31-03-2020	31-03-2019
<b>(A) Contingent Liabilities</b>			
Corporate Guarantee to Financial Institution	399	437	-
<b>(B) Commitments</b>	-	-	-

### 31. Retirement benefits

#### (a) Defined contribution plans:

The company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund, which is defined contribution plan. The company has no obligation other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognized as an expense towards contribution to provident fund for the year aggregated to INR 17.68 Lacs (PY 19.38 Lacs).

#### (b) Defined benefit plan:

##### Gratuity

Company has not made any provision of Gratuity liability payable to employees during the financial year.

#### (c) Other long term employee benefits

There was no other liability.

### 32. Dues to Micro, Small and Medium enterprises as per MSMED Act 2006

There is no amount that need to be disclosed in accordance with the Micro Small and Medium Enterprises Development Act, 2006 (the MSMED) pertaining to Micro or Small enterprises, as no supplier has intimated the company about its status as micro or small enterprises or its registration with the appropriate authority under MSMED.

### 33. Maturity analysis of assets and liabilities

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

INR in Crore

Particulars	As at 31.03.2021			As at 31.03.2020			As at 01.04.2019		
	Within 12 Months	After 12 Month	Total	Within 12 Months	After 12 Month	Total	Within 12 Months	After 12 Months	Total
<b>ASSETS</b>									
Financial assets									
Cash and cash equivalents	10.60		10.60	7.00		7.00	21.98		21.98
Loans	199.81	213.03	412.84	158.25	314.60	472.85	223.30	245.58	468.88
Investments	-	0.20	0.20	-	2.40	2.40	-	2.41	2.41
Other financial assets	18.38	4.28	22.66	21.64	3.84	25.48	18.17	8.33	26.50
Deferred tax assets		1.94	1.94		0.36	0.36		0.43	0.43
Property, plant and equipment		6.60	6.60		7.15	7.15		6.90	6.90
Intangible assets		0.34	0.34		0.13	0.13		0.03	0.03
Other non financial assets		0.16	0.16						-
<b>TOTAL ASSETS</b>	<b>228.79</b>	<b>226.55</b>	<b>455.34</b>	<b>186.89</b>	<b>328.48</b>	<b>515.37</b>	<b>263.45</b>	<b>263.68</b>	<b>527.13</b>
<b>LIABILITIES</b>									
Financial liabilities:									
Borrowings	164.74	153.07	317.81	161.99	237.14	399.13	209.90	209.40	419.30

INR in Crore

Particulars	As at 31.03.2021			As at 31.03.2020			As at 01.04.2019		
	Within 12 Months	After 12 Month	Total	Within 12 Months	After 12 Month	Total	Within 12 Months	After 12 Months	Total
Other financial liabilities		2.11	2.11	0.89	1.64	2.53	6.35	2.14	8.49
Non-financial liabilities:			-						-
Provisions		0.02	0.02		0.01	0.01		0.19	0.19
Other non-financial liabilities		135.40	135.40		113.70	113.70		99.15	99.15
<b>TOTAL LIABILITIES</b>	<b>164.74</b>	<b>290.60</b>	<b>455.34</b>	<b>162.88</b>	<b>352.49</b>	<b>515.37</b>	<b>216.25</b>	<b>310.88</b>	<b>527.13</b>
<b>NET</b>	<b>64.05</b>	<b>(64.05)</b>		<b>24.01</b>	<b>(24.01)</b>		<b>47.20</b>	<b>(47.20)</b>	

### 34. FINANCIAL INSTRUMENT FAIR VALUE MEASUREMENT

#### a). Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31.03.2021 were as follows: INR in Lakhs

Particulars	Carrying Amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value*					
Cash and cash equivalents	1060.03	1060.03			1060.03
Loans	41283.87			41283.87	41283.87
Investments	20.24		19.14	1.20	20.34
Other financial assets	2265.53			2265.53	2265.53
<b>Total</b>	<b>44629.67</b>	<b>1060.03</b>	<b>19.14</b>	<b>44610.53</b>	<b>44629.67</b>
Financial liabilities not measured at fair value*					
Debt Securities	1000.00			1000.00	1000.00
Borrowings	28782.23			28782.23	28782.23
Subordinated Debts	2000.00			2000.00	2000.00
Other financial liabilities	210.79			210.79	210.79
<b>Total</b>	<b>31993.02</b>			<b>31993.02</b>	<b>31993.02</b>

The carrying value and fair value of financial instruments by categories as at 31.03.2020 were as follows:

Financial assets not measured at fair value*					
Cash and cash equivalents	699.61	699.61			699.61
Bank Balances other than Cash & Cash Equivalents	0.89	0.89			0.89
Loans	47285.84			47285.84	47285.84
Investments	239.87		238.67	1.20	239.87
Other financial assets	2495.31			2495.31	2495.31
<b>Total</b>	<b>50721.53</b>	<b>700.50</b>	<b>238.67</b>	<b>49782.36</b>	<b>50721.53</b>

The carrying value and fair value of financial instruments by categories as at 31.03.2020 were as follows:

Financial liabilities not measured at fair value*					
Debt Securities	0.00			0.00	0.00
Borrowings	37912.84			37912.84	37912.84
Subordinated Debts	2000.00			2000.00	2000.00
Other financial liabilities	252.94			252.94	252.94
<b>Total</b>	<b>40165.78</b>			<b>40165.78</b>	<b>40165.78</b>

The carrying value and fair value of financial instruments by categories as at 01.04.2019 were as follows:

<b>Financial assets not measured at fair value*</b>					
Cash and cash equivalents	2139.56	2139.56			2139.56
Bank Balances other than Cash & Cash Equivalents	57.99	57.99			57.99
Loans	46888.35			46888.35	46888.35
Investments	240.92		239.72	1.20	240.92
Other financial assets	2649.84			2649.84	2649.84
<b>Total</b>	<b>51976.67</b>	<b>2197.55</b>	<b>239.72</b>	<b>49539.40</b>	<b>51976.67</b>
<b>Financial liabilities not measured at fair value*</b>					
Borrowings	39931.71			39931.71	39931.71
Deposits	212.20			212.20	212.20
Subordinated Debts	2000.00			2000.00	2000.00
Other financial liabilities	634.57			634.57	634.57
<b>Total</b>	<b>42778.48</b>			<b>42778.48</b>	<b>42778.48</b>

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

#### b. Measurement of Fair Value

Valuation methodologies of financial instruments not measured at fair value

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

##### Short Term financial assets and liabilities

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

##### Loans and advances to customers

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

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

**Investments**

The fair values estimated by discounted cash flow model that incorporates assumptions for credit risk, probability of default and loss given default estimates.

**Borrowings**

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

**Transfer between Levels I and II**

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

**Capital**

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

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

**Capital Management**

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

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

**35. FINANCIAL RISK MANGEMENT OBJECTIVES AND POLICIES**

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

The Company is exposed to credit risk; liquidity risk and market risk. The Company's board of directors has an overall responsibility for the establishment and the oversight of the company's risk management framework. The board of directors has established the risk management for developing and monitoring the Company's risk management committee, which is responsible for developing and monitoring Company's risk management. The committee reports regularly to the boards of directors on its activities.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risk and adherence to limit. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's risk management committee oversees how management monitors compliance with the Company's risk management policies and the procedures, and reviews the adequacy of the risk management framework in the relation to the risk faced by the Company.

**(i) Credit Risk**

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

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



## A. Loans and Advances

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

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

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

Carrying Amounts Particulars	INR in Lakhs		
	As at 31 Mar 2021	As at 31 Mar 2020	As at 1 Apr 2019
Vehicle Loans	9,574.29	12,020.83	13,851.75
Business/LAP Loans	32,526.49	35,922.48	33,553.31
Total (A)	42,100.78	47,943.31	47,405.06
Investments (B)	20.34	239.87	240.92
<b>Total (A +B)</b>	<b>42,121.12</b>	<b>48,183.19</b>	<b>47,645.98</b>

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

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

### Staging

As per the provisions of Ind AS 109 general approach all financial instruments are allocated to stage 1 on initial recognition. However, if a significant increase to credit risk is identified at the reporting date as compared with the initial recognition, then an instrument is transferred to stage 2. If there is objective evidence of impairment, then the asset is credit impaired and transferred to stage 3.

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

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

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

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

**Grouping**

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

- Vehicle Loans
- Business/SME/LAP

**Impairment-Expected Credit Loss ("ECL"):**

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

- a. Probability of default. (PD)
- b. Loss given default(LGD).
- c. Exposure at default (EAD).

**Probability of default (PD):**

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

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

**Loss Given default (LGD):**

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

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

The following steps are performed to calculate the LGD.

- 1.) Haircut was applied on the value of the collateral (asset cost) as of reporting date.
- 2.) The outstanding amount was adjusted with the haircut adjusted collateral value.
- 3.) LGD has been computed using the outstanding amount in step 2.

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

**Exposure at default ("EAD")**

As per Ind AS 109, EAD is estimation of the extent to which the financial entity may be exposed to counterparty in the event of default and at the time of counterparty's default. Company has modeled EAD based on the contractual and behavioral cash flows till the lifetime of the loan and considering the expected prepayments.

Company has considered expected cash flows for all loans at DPD bucket level for each of the segments which were used for computation for ECL. Moreover, the EAD comprised of principal component, accrued interest on the outstanding exposure for the ensuring 12 months. So discounting was done for computation of expected credit loss.

**ECL Computation:**

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

INR in Lakhs

Particulars	As at March 2021	As at March 2020	As at 1 April 2019
Stage 1	248.99	187.38	196.92
Stage 2	313.10	255.76	185.38
Stage 3	254.82	214.32	134.41
<b>Amount of expected Credit loss provided for</b>	<b>816.91</b>	<b>657.47</b>	<b>516.71</b>

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

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

#### Movement of ECL

INR in Lakhs

Particulars	31-03-2021	31-03-2020
ECL allowance - opening balance	657.47	516.71
Addition during the year	174.08	205.66
Reversal During the year	(14.64 )	(64.91 )
<b>ECL allowance - closing balance</b>	<b>816.91</b>	<b>657.47</b>

#### Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral. The main types of collateral obtained are mortgaged properties based on the nature of loans. Management monitors the market value of collateral in accordance with underlying agreement. The Company advances loan to maximum extent of 65% of the value of the mortgaged properties.

#### (ii) Liquidity Risk

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

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

The composition of the Company's liability mix ensures healthy asset liability maturity pattern and well diverse resource mix.

The total cash credit and working capital limit available to the Company is INR 6000.00 Lakh spread across 3 banks. The utilization level is maintained in such a way that ensures sufficient liquidity on hand.

Majority of the Company's portfolio is individual vehicle loans, Business Loans, SME Loans and Loan against property. The company is also managing off book assets to the tune of Rs 1501.50 lakhs as on March 31st 2021

The table below summarizes the maturity profile of the Company's non-derivative financial liabilities based on contractual

INR in Crores

Particulars	As at 31 March 2021		As at 31 March 2020		As at 01 April 2019	
	Borrowing	Trade payable	Borrowing	Trade Payable	Borrowing	Trade payable
1 day to 30/31 days (one month)	14.05	-	1.79	-	11.43	-
Over 1 month to 2 months	10.49	-	1.46	-	11.48	-
Over 2 months to 3 months	13.78	-	1.42	-	17.32	-
Over 3 months to 6 months	37.05	-	34.63	-	65.47	-
Over 6 months to 1 year	89.38	-	122.70	-	104.20	-
Over 1 year to 3 years	103.42	-	152.28	-	187.29	-
Over 3 years to 5 years	25.15	-	52.48	-	12.27	-
Over 5 years	24.50	-	32.37	-	9.84	-
<b>Total</b>	<b>317.82</b>	<b>-</b>	<b>399.13</b>	<b>-</b>	<b>419.30</b>	<b>-</b>

discounted payments along with its carrying value as at the balance sheet date.

### iii) Market Risk

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

### (iv) Interest rate risk

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

### (v) Foreign currency risk

The Company is exposed to foreign currency fluctuation risk for its foreign currency borrowing (FCB). The Company's borrowings in foreign currency are governed by RBI guidelines (RBI master direction RBI/FED/2018-19/67 dated 26 March 2019 and updated from time to time) which does not requires entities raising ECB for an average maturity of more than 5 years to hedge its ECB exposure (Principal and Coupon). The Company however hedging its foreign currency payment obligations against ECB for the next one year as per Board approved Interest Rate risk, Currency risk and Hedging policy.

The Company's exposure of foreign currency risk at the end of the reporting period expressed in INR are as follows:

INR in Lakhs

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Hedged</b>		
ECB	183.55	0.00
<b>Unhedged</b>		
ECB	5690.05	6032.00

## 36. Explanation of transition to IND AS

As stated in note 2.1 these are the company's first financial statement prepared in accordance with IND AS. For the year ended 31st March, 2020 the company had prepared its financial statements in accordance with companies (Accounting standards) rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act (previous GAAP').

The accounting policies set out in note 3 have been applied in preparing these financial statement for the year ended 31st March 2021 including the comparative information for the year ended 31st March 2020 and the opening IND AS balance sheet on the date of transition i.e. 1st April 2019.

In preparing its Ind AS balance sheet as at 1st April 2019 and in presenting the comparative information for the year ended 31st March 2020, the company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind- AS has affected the company's financial position, financial performance and cash flows.

### Optional exemption availed and mandatory exceptions

In preparing these financial statements, the company has applied the below mentioned optional exemptions and mandatory exceptions.

#### 36.1 Optional exemptions availed

##### As per Ind AS 101 an entity may elect to:

- (i) Measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date
- (ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provide the revaluation was, at the date of the revaluation, broadly comparable to:
  - Fair value
  - Or cost or depreciated cost under Ind AS adjusted to reflected for example, changes in a general or specific price index
  - The elections under (i) and (ii) above are also available for intangible, assets that meets the recognition criteria in Ind AS 38, intangible Assets,
- (iii) use carrying values of property, plant and equipment and intangible assets that meets the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustment relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the company has elected to use the carrying value of the property, plant and equipment and intangible assets. The carrying value of property, plant and equipment as aforesaid are after making adjustment relating to impairment, if any.

#### 36.2 Mandatory exceptions

##### (i) Accounting Estimates

As per Ind AS 101 an entity's estimates are in accordance with Ind AS at the date transition to Ind AS at the end comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimate were in error. However, the estimate should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect condition that existed at the date of transition (for presenting comparative information as per Ind AS.)

The company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statement that were not required under the previous GAAP are listed below:

- Impairment of financial assets based on the expected credit loss model
- Determination of discount value for financial instruments carried at amortized cost
- EIR on borrowing and Loans and advances

**(ii) Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification of financial assets on the basis of fact and circumstances existing as on the date of transition. Further the standard permits measurement of financial assets accounting at amortized cost based on fact and circumstance existing at the date of transition if retrospective application is impracticable.

Accordingly, the company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortized cost has been done retrospectively except where the same is impracticable.

**(iii) Impairment of financial assets**

The company being NBFC is required to assess the impairment of financial assets based upon the new model i.e. ECL instead of rule based guidance (NHB/RBI Prudential Norms) as prevailed under previous GAAP. Accordingly, the company has applied the impairment requirement of Ind-AS 109 on all financial assets recognized as per Ind-AS 109 retrospectively except.

1. The company has sought to approximate the credit risk on initial recognition by considering all reasonable and supportable information that is available without undue cost or effort.
2. The company has determined whether the financial asset is having low credit risk, as specified in Ind-AS 109, and whether there is a significant increase in credit risk since initial recognition of financial assets by applying rebuttable presumption of 30 days past due.
3. If the company is unable to determine whether there is a significant increase in credit risk since initial recognition of a financial asset, without involving undue cost or effort, the company shall recognize a loss amount equal to life time expected losses at each reporting date till the financial asset is derecognized.

Accordingly, the company has developed ECL model for testing of impairment of loans and advances.

**36.3 Reconciliation of equity**

INR In Lakhs

Particular	As at transition 31-03-2020			As at transition 01-04-2019		
	Previous IGAAP*	INDAS IMPACT	INDAS	Previous IGAAP*	INDAS IMPACT	INDAS
<b>ASSETS</b>						
<b>Financial Assets</b>						
- Cash and cash equivalents	699.61	-	699.61	2,139.56	-	2,139.56
- Bank Balance other than (a) above	0.89	-	0.89	57.99	-	57.99
- Loans	47,437.51	(151.67)	47,285.84	47,067.60	(179.25)	46,888.35
- Investments	75.34	164.53	239.87	75.84	165.08	240.92
- Other Financial assets	2,562.71	(67.40)	2,495.31	2,691.81	(41.97)	2,649.84
<b>Total Financial Assets</b>	<b>50776.06</b>	<b>(54.53)</b>	<b>50721.53</b>	<b>52032.80</b>	<b>(56.13)</b>	<b>51976.67</b>
<b>Non- financial Assets</b>						
- Deferred tax assets (net)	7.96	27.65	35.61	1.80	41.15	42.95

Particulars	As at transition 31-03-2020			As at transition 01-04-2019		
	Previous IGAAP*	INDAS IMPACT	INDAS	Previous IGAAP*	INDAS IMPACT	INDAS
- Property, plant and Equipment	647.66	-	647.66	627.49	-	627.49
- Intangible Assets	12.68	-	12.68	3.21	-	3.21
- Right to use Assets	-	66.90	66.90	-	-	-
- Other non-financial assets	738.81	(685.77)	53.04	405.78	(343.15)	62.64
<b>Total Non-Financial Assets</b>	<b>1407.12</b>	<b>(591.22)</b>	<b>815.90</b>	<b>1038.28</b>	<b>(302.00)</b>	<b>736.28</b>
<b>Total Assets</b>	<b>52183.18</b>	<b>(645.75)</b>	<b>51537.43</b>	<b>53071.08</b>	<b>(358.13)</b>	<b>52712.95</b>
<b>LIABILITIES AND EQUITY</b>						
<b>LIABILITIES</b>						
<b>Financial Liabilities</b>						
- Borrowings	38,558.15	(645.31)	37,912.84	40,275.73	(344.03)	39,931.71
- Deposits	-	-	-	212.20	-	212.20
- Subordinated Liabilities	2,000.00	-	2,000.00	2,000.00	-	2,000.00
- Other Financial liabilities	252.94	-	252.94	634.57	-	634.57
<b>Total Financial Liability</b>	<b>40,811.09</b>	<b>(645.31)</b>	<b>40165.78</b>	<b>43122.51</b>	<b>(344.03)</b>	<b>42778.48</b>
<b>Non-Financial Liabilities</b>						
- Provisions	0.10	-	0.10	19.49	-	19.49
- other non-financial liabilities	304.75	-	304.75	421.94	-	421.94
<b>Total Non Financial Liability</b>	<b>304.84</b>	<b>0.00</b>	<b>304.84</b>	<b>441.42</b>	<b>0.00</b>	<b>441.42</b>
<b>Equity</b>						
- Equity Share capital	2,167.43	-	2,167.43	432.32	-	432.32
- Other Equity	8,899.82	(0.45)	8,899.37	9,074.84	(14.10)	9,060.74
<b>Total Equity</b>	<b>11067.25</b>	<b>(0.45)</b>	<b>11066.80</b>	<b>9507.16</b>	<b>(14.10)</b>	<b>9493.05</b>
<b>Total Liabilities and Equity</b>	<b>52183.18</b>	<b>(645.75)</b>	<b>51537.43</b>	<b>53071.08</b>	<b>(358.13)</b>	<b>52712.95</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Particulars	As at March 31, 2020 (Rs in Lacs)	As at April 1, 2019 (Rs in Lacs)
<b>Total Equity (as reported under previous GAAP)</b>	<b>11,067.25</b>	<b>9,507.16</b>
<b>Adjustment for:</b>		
Effective interest rate Adjustment on financial assets and liabilities recognised at amortized cost	<b>627.64</b>	<b>(144.19)</b>
ECL effect on Financial Assets on Amortized Cost	<b>(134.00)</b>	<b>(74.62)</b>
Other Impacts	<b>(686.26)</b>	<b>(1.52)</b>

Particulars	As at March 31, 2020 (Rs in Lacs)	As at April 1, 2019 (Rs in Lacs)
Tax Impact on above adjustments	27.65	41.15
<b>Total adjustment before OCI</b>	<b>10,902.27</b>	<b>9,327.97</b>
Other Comprehensive Income (net of tax)	164.53	165.08
<b>Total Equity (as per IND AS)</b>	<b>11,066.80</b>	<b>9,493.05</b>

**36.4 Reconciliation of total comprehensive income for the year ended 31.03..2020**

INR in Lakhs

Particulars	Balance as per IGAAP	INDAS IMPACT	31-03-2020
<b>Revenue From Operations</b>			
Interest Income	9658.61	186.52	9845.13
Fees and commission income	318.18	(90.77)	227.41
Gain / Loss on unrecognised financial assets	-	2.48	2.48
<b>Total Income</b>	<b>9976.80</b>	<b>98.23</b>	<b>10075.03</b>
<b>Expenses</b>			
Finance Cost	5462.49	99.21	5561.69
Impairment of Financial Instruments (expected credit loss)	287.51	59.38	346.90
Employee Benefits expenses	894.92	-	894.92
Depreciation and amortisation expenses	73.57	2.31	75.88
Other Expenses	561.77	(90.38)	471.39
<b>TOTAL EXPENSES</b>	<b>7280.26</b>	<b>70.52</b>	<b>7350.77</b>
<b>Profit Before Tax (I-II)</b>	<b>2696.54</b>	<b>27.71</b>	<b>2724.25</b>
- Tax Expenses			
- Current Tax	808.96	-	808.96
- Deferred Tax	(6.17)	13.50	7.34
<b>Profit For the period (III-IV)</b>	<b>1893.74</b>	<b>14.21</b>	<b>1907.95</b>
- Other comprehensive Income	-	(0.55)	(0.55)
<b>Total Other Comprehensive Income</b>	<b>-</b>	<b>(0.55)</b>	<b>(0.55)</b>
<b>Total Comprehensive Income (V+VI)</b>	<b>1893.74</b>	<b>13.66</b>	<b>1907.40</b>

As required by paragraph 32 of IND AS 101, the reconciliation between net profit as per IGAAP and as per IND AS is presented below

Particulars	Year Ended 31.03.2020
Net Profit after tax as per previous GAAP	1893.744



Particulars	Year Ended 31.03.2020
<b>Adjustment resulting in Increase/(decrease) in profit after tax as reported under previous GAAP :</b>	
Effective interest rate for financial assets and liabilities recognized at amortized cost/ net interest on credit impaired loans :	
On Financial Assets	177,737
On Other Income	(81,990)
On Gain / Loss on derecognized financial assets	2,484
on Financial liabilities	(197,513)
PF reversal on Liabilities	196,614
PF reversal on Assets	(7,931)
Other Adjustment	(2,307)
Impact of Application of Expected Credit Loss	(59,381)
Differed Tax Impact	(13,505)
<b>Net Profit after Tax Under IND AS</b>	<b>1,907,953</b>
Other Comprehensive Income (net of tax)	(0,550)
<b>Total Comprehensive Income (net of tax) as per IND AS</b>	<b>1,907,403</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

### 36.5 Notes to Ind AS first-time adoption

#### (i) Fair valuation of security deposits given towards rent of property

Under the previous GAAP, security deposits given towards rental property were presented at its transaction value. However as per Ind AS 109, security deposits given are measured at its fair value at the time of its initial recognition. The difference between the initial fair value and transaction value of such deposits are considered as additional rent payment made, and is amortized over the term of such deposit, these deposits are fair valued at the end of each period based upon applicable interest rates and an interest income is recognized in statement of profit and loss.

#### (ii) Impact of applying expected credit loss model on financial assets

On transition to Ind AS 109, the company has recognized impairment loss on financial assets based on the expected credit loss model as required by Ind AS 109. Consequently, financial assets primarily constituted by loans and investments have been provided for on the transition date with corresponding adjustment recognized in retained earnings.

#### (iii) EIR

Under previous GAAP, loan sourcing cost and sourcing income were recognized on amortization basis on straight line method, while under Ind AS, such costs are included in the initial recognition amount of financial asset and recognized as interest income using effective interest method.

#### (iv) Term Loan Processing Fees

Based on Ind AS 109, financial liabilities in the form of term loans have been accounted at amortized cost using effective interest rate method. Hence processing fee paid on loan have been amortized using effective interest rate method as against amortization over the tenor of loan under previous GAAP.

**(v) Deferred Tax**

“Previous GAAP required deferred tax accounting using the profit and loss approach, which focused on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences arising on account of transitional differences adjustments which were not required under previous GAAP. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the company has to account for such differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or a separate component equity”

**(vi) Other Comprehensive Income**

Under previous GAAP, the company did not present other comprehensive income (OCI) separately. Hence, it has reconciled previous GAAP profit to profit as per Ind AS. Further, previous GAAP profit is reconciled to total comprehensive income as Per Ind-AS.

**37. Subsequent event**

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

In terms of our report of even date attached

**For Valawat & Associates**

Chartered Accountants

FRN : 003623C

**For and on behalf of the Board of Directors**

Sd/-

**N.K. Valawat**

**Partner**

Membership No. 072637

Sd/-

**Nirmal Kumar Jain**

**Managing Director / Chairman**

DIN: 00240441

Sd/-

**Rajendra Chittora**

**Director**

DIN: 08211508

**Place : Udaipur**

**Date : 14-08-2021**

Sd/-

**Dipesh Jain**

**Chief Executive Officer**

PAN: ATWPJ7914R

Sd/-

**Rajni Gehlot**

**Chief Financial Officer**

PAN: BGEPG8519D

Sd/-

**Anjali Pacholi**

**Company Secretary**

M.No. A45401

**38 DISCLOSURES REQUIRED IN TERMS OF ANNEXURE XIV OF THE RBI MASTER DIRECTION DNBR. PD. 008 / 03.10.119 /2016-17 DATED 1 SEPTEMBER 2016 (UPDATED AS ON 17 FEBRUARY 2020) "MASTER DIRECTION- NON-BANKING FINANCIAL COMPANY - SYSTEMICALLY IMPORTANT NON-DEPOSIT TAKING COMPANY AND DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016 ARE MENTIONED AS BELOW:**

**38.1 Capital**

INR in Lakhs

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
CRAR %	29.42	28.49
CRAR – Tier I capital %	26.65	24.97
CRAR – Tier II Capital %	2.76	3.52
Amount of subordinated debt raised as Tier II capital	2000.00	2000.00
Amount raised by issue of perpetual debt instruments	-	-

**iii) Investments**

INR in Lakhs

Sr. No.	Particular	As at 31.03.2021	As at 31.03.2020
1.	Value of investment		
(i)	Gross value of investment		
(a)	In India	20.34	239.87
(b)	Outside India	-	-
(ii)	Provision for depreciation		
(a)	In India	-	-
(b)	Outside India	-	-
(iii)	Net value of investment		
(a)	In India	20.34	239.87
(b)	Outside India	-	-
2.	Movement of provisions held towards depreciation on investments		
(i)	Opening balance	-	-
(ii)	Add: Provisions made during the year	-	-
(iii)	Less: Write off/write back of excess provisions during the year	-	-
(iv)	Closing balance	-	-

**38.3 DERIVATIVES**

Company has hedged the forex payments due in next one year through Call Options.

**38.4 DISCLOSURES RELATING TO SECURITISATION**

The Company sells loans through direct assignment transactions.

The information of securitization / direct assignment by the Company as originator as required by RBI circular DNBS. PD. No. 301/ 3.10.01/ 2012-13 dated 21 August 2012 is as under:

**(a) For Securitization Transaction**

INR in Lakhs

Sr. No.	Particular	As at 31.03.2021	As at 31.03.2020
1	No. of SPVs sponsored by the Company for securitization transactions	-	-
2	Total amount of securitized assets as per books of the SPVs sponsored by the company	-	-
3	Total amount of exposures retained by the Company to comply with MRR as on date of balance sheet	-	-
4	Amount of exposures to securitization transactions other than MRR	-	-

**(b) For Assignment Transaction**

INR in Lakhs

Sr. No.	Particular	As at 31.03.2021	As at 31.03.2020
1	No. of SPVs sponsored by the Company for assignment transactions		
2	Total amount of assigned assets as per books of the Company (excluding accrued interest)	1,342.75	-
3	Total amount of exposures retained by the Company to comply with MRR as on date of balance sheet		
	a) Off-Balance Sheet exposures		
	- First Loss	-	-
	- Others	-	-
	b) On-Balance Sheet exposures		
	- First Loss	-	-
	- Others	134.28	-
4	Amount of exposures to assignment transactions other than MRR		
	a) Off-Balance Sheet exposures		
	i) Exposure to own assignments		
	- First loss	-	-
	- Others	-	-
	ii) Exposure to third party assignments		
	- First Loss	-	-
	- Others	-	-
	b) On-Balance Sheet exposures		
	i) Exposure to own assignments		
	- First loss	-	-
	- Others	-	-
	ii) Exposure to third party assignments		
	- First Loss	-	-
	- Others	-	-
	Dues to assignees towards collections from assigned receivables	1,208.48	-

### 38.5 DETAILS OF FINANCIAL ASSETS SOLD TO SECURITISATION / RECONSTRUCTION COMPANY FOR ASSET RECONSTRUCTION

The Company has not sold financial assets to securitisation / reconstruction company for asset reconstruction during the year (previous year Nil)

### 38.6 DETAILS OF ASSIGNMENT TRANSACTION UNDERTAKEN BY NBFCs

INR in Lakhs

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
(i) No. of accounts	3.92	-
(ii) Aggregate value (net of provisions) of accounts sold	1429.88	-
(iii) Aggregate consideration	1286.90	-
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value	-	-

### 38.7 DETAILS OF NON-PERFORMING FINANCIAL ASSETS PURCHASED / SOLD

The Company has not purchased or sold non-performing financial assets during the year (previous year Nil).

### 38.8 Asset liability management (ALM)

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

INR in Lakhs

Particulars	1day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month to 2 months	Over 2 month up to 3 months	Over 3 month up to 6 months	Over 6 month up to 1 year	Over 1 year up to 3 years	Over 3 years up to 5 years	Over 5 years	Total
<b>Liabilities</b>											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowing from banks	281	335	789	1049	1378	3705	8938	10342	2515	2450	<b>31782</b>
Borrowing from FI's	-	-	-	-	-	-	-	-	-	-	-
Market Borrowing	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
<b>Assets</b>											
Advances	195	600	977	1016	1019	3603	12571	15948	3239	2117	<b>41284</b>
Investments	-	-	-	-	-	-	-	-	-	2034	<b>2034</b>
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
Other Liquid Assets	547	-	513	-	-	-	-	-	-	-	<b>1060</b>

Maturity pattern of certain items assets and liabilities – as at 31 March 2020

INR in Crores

Particulars	1day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month to 2 months	Over 2 month up to 3 months	Over 3 month up to 6 months	Over 6 month up to 1 year	Over 1 year up to 3 years	Over 3 years up to 5 years	Over 5 years up to 10 years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowing from banks FI's	11	63	105	146	142	3462	12270	14998	5391	3325	39913
Marketing Borrowing	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Advances	9	79	87	271	656	3464	11259	18042	8931	4487	47285
Investments	-	-	-	-	-	-	-	-	-	75	75
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
Other Liquid Assets	525	-	175	-	-	-	-	-	-	-	700

38.9 Exposure to Real Estate Sector:

INR in Lakhs

Category	Year ended 31.03.2021	Year ended 31.03.2020
<b>Direct Exposure</b>		
<b>(I) Residential Mortgages:</b>		
-Lending fully secured by Mortgages on Residential property that is or will be occupied by borrower or that is rented;	3250	3064
<b>(ii) Commercial Real Estate</b>		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential, land etc.). Exposure would also include non-fund acquisition, development and construction, premises, industrial or warehouse space, hotels, buildings, multi-based limits tenanted commercial	-	677
(iii) Investment in Mortgage backed Securities (MBS) and other securitized exposures	-	-
a. Residential	-	-
b. Commercial Real Estate	-	-
<b>Total Exposure to Real Estate Sector</b>	<b>3250</b>	<b>3741</b>

**38.10 Exposure to Capital Market:**

INR in Lakhs

Sr. No.	Particular	As at 31.03.2021	As at 31.03.2020
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	1.20	56.20
(ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
(vi)	loans sanctioned to corporate against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	bridge loans to companies against expected equity flows / issues;	-	-
(viii)	all exposures to Venture Capital Funds (both registered and unregistered)	-	-
	<b>Total Exposure to Capital Market</b>	<b>1.20</b>	<b>56.20</b>

**38.11 DETAILS OF FINANCING OF PARENT COMPANY PRODUCTS:**

The Company has no parent company; therefore, this clause is not applicable

**38.12 DETAILS OF SINGLE BORROWER LIMIT ("SGL") / GROUP BORROWER LIMIT ("GBL") EXCEEDED BY THE NBFC**

- (i) Loans and advances, excluding advance funding but including off-balance sheet exposures to any single party in excess of 15 per cent of owned fund of the NBFC:

Nil

- (ii) Loans and advances to (excluding advance funding but including debentures/bonds and off-balance sheet exposures) and investment in the shares of single party in excess of 25 per cent of the owned fund of the NBFC:

Nil

**38.13 REGISTRATION NUMBER OBTAINED FROM RBI**

Registration No. - 10.00092

**38.14 DISCLOSURE OF PENALTIES IMPOSED BY RBI AND OTHER REGULATORS:**

No penalty was imposed by regulator.

**38.15 RELATED PARTY TRANSACTIONS**

Refer note 28 to the standalone financial statements

**38.16 RATINGS ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS DURING THE YEAR By Acuite Ratings & Research Limited**

INR in Lakhs

Particular	Amount	As at 31.03.2021	As at 31.03.2020
Long term bank facilities	24700.00	ACUITE BBB	ACUITE BBB+
Non-convertible debenture	10000.00	ACUITE BBB	ACUITE BBB+

**38.17 REMUNERATION OF DIRECTORS**

Refer note 28 to the standalone financial statements

**38.18 MANAGEMENT**

The annual report has a detailed chapter on Management Discussion and Analysis

**38.19 NET PROFIT OR LOSS FOR THE PERIOD, PRIOR PERIOD ITEMS AND CHANGE IN ACCOUNTING POLICIES**

Refer note 2, 3 & 36 for change in accounting policy.

**38.20 REVENUE RECOGNITION**

Refer note 3.1 to the standalone financial statements

**38.21 Provisions and Contingencies:**

INR in Lakhs

Particulars	As at 31.03.2021	As At 31.03.2020
Break Up of 'Provisions & Contingencies' shown under the head Expenditure in statement of Profit & Loss		
Provision for Depreciation on Investment	-	-
Provision towards standard asset & NPAT	816.91	657.41
Provision Made towards Income Tax (Net of Deferred Tax)	275.86	801.62
Other Provision & Contingencies	-	-

**38.22 DRAW DOWN FROM RESERVES**

INR in Lakhs

Particulars	As at 31.03.2021	As At 31.03.2020
Draw down from reserves	-	1759.76

**38.23 CONCENTRATION OF DEPOSITS (FOR DEPOSIT TAKING NBFCS)**

Not Applicable

**38.24 CONCENTRATION OF ADVANCES**

INR in Lakhs

Particulars	As at 31.03.2021	As At 31.03.2020
Total Advances to twenty largest borrowers	3609	3914
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	8.57%	8.16%



**38.25 CONCENTRATION OF EXPOSURES**

INR in Lakhs

Particulars	As at 31.03.2021	As At 31.03.2020
Total Exposure to twenty largest borrowers/customers	3609	3914
Percentage of Exposures to twenty largest borrowers to Total exposure of NBFC	8.57%	8.16%

**38.26 CONCENTRATION OF NPAS**

INR in Lakhs

Particulars	As at 31.03.2021	As At 31.03.2020
Total Exposure to top four NPA accounts	128	138

**38.27 Movement of NPAS**

Particular	As at 31.03.2021	As at 31.03.2020
(I) Net NPAs to Net Advances (%)		
(ii) Movement of NPA (Gross)		
(a) Opening Balance	1,290.27	929.26
(b) Additions during the year	967.68	489.96
(c) Reductions during the year	-753.91	-128.94
<b>(d) Closing Balance</b>	<b>1,504.04</b>	<b>1,290.27</b>
(iii) Movement of NPA (Net)		
(a) Opening Balance	1,075.95	794.85
(b) Additions during the year	913.65	405.43
(c) Reductions during the year	-740.38	-124.33
<b>(d) Closing Balance</b>	<b>1,249.22</b>	<b>1,075.95</b>
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening Balance	214.32	134.41
(b) Additions during the year	54.03	84.52
(c) Reductions during the year	-13.53	-4.61
<b>(d) Closing Balance</b>	<b>254.82</b>	<b>214.32</b>

**38.28 OVERSEAS ASSETS (FOR THOSE WITH JOINT VENTURES AND SUBSIDIARIES ABROAD)**

Nil

**38.29 OFF-BALANCE SHEET SPVS SPONSORED (WHICH ARE REQUIRED TO BE CONSOLIDATED AS PER ACCOUNTING NORMS)**

Nil

**38.30 DISCLOSURE OF CUSTOMERS COMPLAINTS**

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
(a) No. of complaints pending at the beginning of the year	Nil	Nil
(b) No. of complaints received during the year	9	Nil
(c) No. of complaints redressed during the year	8	Nil
(d) No. of complaints pending at the end of the year	1	Nil

\*as per the records for the company

**39 DISCLOSURE ON LIQUIDITY RISK PURSUANT TO RBI CIRCULAR DATED 4 NOVEMBER 2019 ON 'LIQUIDITY RISK MANAGEMENT FRAMEWORK FOR NON-BANKING FINANCIAL COMPANIES AND CORE INVESTMENT COMPANIES' IS AS FOLLOWS:**

**39.1 FUNDING CONCENTRATION BASED ON SIGNIFICANT COUNTERPARTY\* (BOTH DEPOSITS AND BORROWINGS)**

INR in Lakhs

Particulars	As at 31.03.2021	As At 31.03.2020
Number of significant counterparties	13	18
Amount	24774.09	33378.61
Percentage of funding concentration to total deposits	-	-
Percentage of funding concentration to total liabilities#	54.41%	64.77%

\*Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC. No. 102/ 03.10.001/ 2019-20 dated November 4, 2019 on 'Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies'.

#Total liabilities represent total liabilities as per balance sheet

**39.2 TOP 20 LARGE DEPOSITS**

Not Applicable to the Company as it does not accept public deposits.

**39.3 TOP 10 BORROWING**

INR in Lakhs

Particulars	As at 31.03.2021	As At 31.03.2020
Total amount of top 10 borrowings	16340.37	17463.06
Percentage of amount of top 10 borrowings to total borrowings	56.77%	45.35%

**39.4 FUNDING CONCENTRATION BASED ON SIGNIFICANT INSTRUMENT/PRODUCT :**

INR in Lakhs

Particulars	As at 31.03.2021	Percentage of total liabilities	As at 31.03.2020	Percentage of total liabilities
Term Loans	22860.78	50%	32662.15	63%
Cash credit/Working capital demand loan	5921.45	13%	5250.69	10%
Non-convertible debentures	1000.00	2%	-	-
Subordinate-debentures	2000.00	4%	2000.00	4%
Market linked Debenture	-	0%	-	0%A

**40 DISCLOSURE IN ACCORDANCE WITH RBI NOTIFICATION NO. RBI / 2020-21/17 DOR. NO. BP. BC / 4 / 21.04.048 / 2020-21 DATED 6 AUGUST 2020 IS AS FOLLOWS**

INR in Lakhs

Particulars	As At 31.03.2021
Amount Restructured	1385

**41 INFORMATION AS REQUIRED IN TERMS OF PARAGRAPH 19 OF THE RBI MASTER DIRECTION DNBR. PD. 008 / 03.10.119 / 2016-17 DATED 1 SEPTEMBER 2016 "MASTER DIRECTION-NON-BANKING FINANCIAL COMPANY-SYSTEMICALLY IMPORTANT NON-DEPOSIT TAKING COMPANY AND DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016 ARE MENTIONED AS BELOW:**

**(As required in terms of paragraph 9bb of non-banking financial companies prudential norms (reserve bank) directions, 1998)**

Particulars		INR in Lakh	
Liabilities side		Amount outstanding	Amount overdue
(1)	<b>Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:</b>		
	(a) Debentures : Secured	1000	Nil
	: Unsecured (other than falling within the meaning of public deposits*)	Nil	Nil
	(b) Deferred Credits	Nil	Nil
	(c) Term Loans	22860.78	Nil
	(d) Inter-corporate loans and borrowing	Nil	Nil
	(e) Commercial Paper	Nil	Nil
	(f) Public Deposits*	Nil	Nil
	(g) Other Loans –DLOF	5921.45	Nil
	* Please see Note 1 below		
(2)	<b>Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):</b>		
	(a) In the form of Unsecured debentures	Nil	Nil
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	Nil	Nil
	(c) Other public deposits	Nil	Nil
	* Please see Note 1 below		
Assets side		Amount outstanding	
(3)	<b>Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:</b>		
	(a) Secured	42100.78	
	(b) Unsecured	Nil	
(4)	<b>Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities</b>		
	(i) Lease assets including lease rentals under sundry debtors		
	(a) Financial lease	Nil	
	(b) Operating lease	Nil	
	(ii) Stock on hire including hire charges under sundry debtors		

Particulars			INR in Lakh
Assets side			Amount outstanding
	(a)	Assets on hire	Nil
	(b)	Reposessed Assets	Nil
	(iii)	Other Loan counting towards assets financing activty	
	(a)	Loans where assets have been reposessed	Nil
	(b)	Loans other than (a) above	42100.77
<b>(5)</b>	<b>Break-up of Investments</b>		
	<b>Current Investments</b>		
	1	Quoted	
	(i)	Shares	
		(a) Equity	Nil
		(b) Preference	Nil
	(ii)	Debentures and Bonds	Nil
	(iii)	Units of mutual funds	Nil
	(iv)	Government Securities	Nil
	(v)	Others (please specify)	Nil
	2	Unquoted	
	(i)	Shares	
		(a) Equity	1.20
		(b) Preference	Nil
	(ii)	Debentures and Bonds	Nil
	(iii)	Units of mutual funds	Nil
	(iv)	Government Securities	Nil
	(v)	Others (please specify)	Nil
	<b>Long Term investments</b>		
	1	Quoted	
	(i)	Share	
		(a) Equity	Nil
		(b) Preference	Nil
	(ii)	Debentures and Bonds	Nil
	(iii)	Units of mutual funds	Nil
	(iv)	Government Securities	19.14
	(v)	Others (please specify)	Nil
	2	Unquoted	

Particulars				INR in Lakh		
Assets side				Amount outstanding		
	(i)	Shares				
	(a)	Equity				Nil
	(b)	Preference				Nil
	(ii)	Debentures and Bonds				Nil
	(iii)	Units of mutual funds				0.00
	(iv)	Government Securities				0.00
	(v)	Others (please specify)				Nil
(6)	<b>Borrower group-wise classification of assets financed as in (3) and (4) above:</b>					
	(Please see Note 2 below)					
	<b>Category</b>			<b>Amount net of provisions</b>		
				<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
1	<b>Related Parties **</b>					
	(a)	Subsidiaries		Nil	Nil	Nil
	(b)	Companies in the same group		Nil	Nil	Nil
	(c)	Other related parties		381.80	Nil	381.80
2	Other than related parties			Nil	Nil	Nil
	<b>Total</b>			Nil	Nil	Nil
(7)	<b>Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :</b>					
	(Please see Note 3 below)					
	<b>Category</b>					<b>Amount net of provisions</b>
1	<b>Related Parties **</b>					
	(a)	Subsidiaries		-		Nil
	(b)	Companies in the same group		-		Nil
	(c)	Other related parties		-		Nil
2	Other than related parties					20.34
	<b>Total</b>					<b>Nil</b>
	** As per notified Accounting Standard (ICAI Please See)					
	*Cost or market value whichever is lower.					

**42 DISCLOSURES AS REQUIRED IN TERMS OF RBI NOTIFICATION NO. DOR (NBFC).CC.PD. NO.109/22.10.106/2019-20 DATED 13 MARCH 2020 ON IMPLEMENTATION OF IND AS ARE MENTIONED AS BELOW:**

As at 31 march 2021

INR in Lakhs						
Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS 109	Loss allowances (Provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5) = (3) - (4)	6	(7) = (4) - (6)
(a) Performing Assests Standard	Stage-1	25632.05	248.99	25383.05	102.53	146.46
	Stage-2	14964.69	313.10	14651.59	65.85	247.25
<b>Sub Total (a)</b>		<b>40596.74</b>	<b>562.09</b>	<b>40034.65</b>	<b>168.38</b>	<b>393.71</b>
(a) Non-Performing Assests (NPA)						
(I) Substandard	Stage-3	137.00	30.74	106.26	13.62	17.12
(ii) Doubtful upto:						
1 Year	Stage-3	491.09	102.59	388.50	97.97	4.63
1 to 3 Years	Stage-3	721.48	103.00	618.48	216.66	(113.66)
More than 3 Years	Stage-3	154.46	18.48	135.98	77.26	(58.71)
Sub Total (ii)		1367.04	224.08	1142.96	391.89	(167.81)
(iii) Loss		-	-	-	-	-
<b>Sub Total (b)</b>		<b>1504.04</b>	<b>254.82</b>	<b>1249.22</b>	<b>405.51</b>	<b>(150.69)</b>
<b>Grand Total</b>		<b>42100.78</b>	<b>816.91</b>	<b>41283.87</b>	<b>573.89</b>	<b>243.02</b>

\* Computed on the value as per the IRACP norms.

The disclosure requirement of the policy for sales out of amortised cost business model portfolios of the Company is not applicable to the Company as it has FVOCI business model.

**43 DISCLOSURES AS REQUIRED IN TERMS OF RBI NOTIFICATION NO. RBI / 2019-20 / 220 DOR.NO.BP. BC.63 21.04.048 /2019-20 DATED 17 APRIL 2020 ARE MENTIONED AS BELOW:**

The details of the accounts on which moratorium has been granted by the Company is as below:

INR in Lakhs

Particulars	As at 31.03.2021	As At 31.03.2020
(I) Amounts in SMA / overdue categories, where the moratorium / deferment was extended	8506.12	366.37
(ii) Amount where asset classification benefits is extended	-	-
(iii) Provisions made during the period	-	-
(iv) Provisions adjusted during the periods against slippages and the residual provisions	-	-

\*Outstanding as on 31 March 2021 and 31 March 2020 on account of all cases where moratorium benefit is extended by the Company up to 31 August 2020.

\*\*There are Nil accounts where asset classification benefit is extended till 31 March 2021. Post the moratorium period, the movement of aging has been at actual.

Note: The Company has complied with Ind-AS and guidelines duly approved by the Board for recognition of the impairments.

**44 PREVIOUS YEAR FIGURES HAVE BEEN REGROUPED / RECLASSIFIED, WHEREVER FOUND NECESSARY, TO CONFORM TO CURRENT YEAR CLASSIFICATION.**

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

In terms of our report of even date attached

**For Valawat & Associates**

Chartered Accountants

FRN : 003623C

**For and on behalf of the Board of Directors**

**Sd/-**

**N.K. Valawat**

**Partner**

Membership No. 072637

**Sd/-**

**Nirmal Kumar Jain**

**Managing Director / Chairman**

DIN: 00240441

**Sd/-**

**Rajendra Chittora**

**Director**

DIN: 08211508

**Place : Udaipur**

**Date : 14-08-2021**

**Sd/-**

**Dipesh Jain**

**Chief Executive Officer**

PAN: ATWPJ7914R

**Sd/-**

**Rajni Gehlot**

**Chief Financial Officer**

PAN: BGEPG8519D

**Sd/-**

**Anjali Pacholi**

**Company Secretary**

M.No. A45401









**REGISTERED OFFICE :**

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Tel. (0294) 2489501/02 | E. [compliance@akmestarhfc.in](mailto:compliance@akmestarhfc.in) | W. [www.akmestarhfc.in](http://www.akmestarhfc.in)

**CORPORATE OFFICE :**

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