IKF Finance Limited
Annual Report 2021-22

"LEGACY THAT INSPIRES, TECHNOLOGY THAT DELIVERS"

Accelerating Transformation, Driven by Technology.

What's Inside

To view this report online, please visit:
www.ikffinance.com

Despite two years of significant volatility and business disruptions, we made steady progress in our growth journey. In over three decades of experience in asset financing, we have built a robust base in terms of our geographic presence, diversified product portfolio and customer segments, strong credit and risk assessment framework, well-established systems and processes, and integrated technology platform.

We have now been setting up the building blocks of a massive transformation and sustainable growth. We are actively leveraging advanced technology for driving customer-friendly experience, launching customized products, enabling risk management, creating an agile and scalable business, and expanding further into underserved markets.

As we drive digital transformation across our business, we will be well placed to deliver customized fintech solutions and reinforce our role in the democratization of financial services.

About Us

Legacy that Inspires, Technology that Delivers

IKF Finance is amongst India's prominent Non-Banking Finance Companies (NBFCs) with 31 years outstanding expertise in asset financing. We have pioneered the financing needs of small road transport operators. Since inception, we have expanded our offerings to serve diverse financial aspirations including housing loans.

We have an extensive distribution network in over 99 locations spread across 9 states with a solid presence in Southern India and entrenching presence in Western and Central India. We actively leverage technology to enhance operational efficiencies, drive customer satisfaction, and achieve superior asset quality. We are led by a dynamic and outstanding management team constantly striving to achieve unparalleled progress.

SNAPSHOT

31
Years of operations

4,600+
Active women borrowers

9
States where we are present

₹ 1,740+ Cr.
Assets under management

99
Branches

690+
Employees

53,491
Active borrowers

Rated A (Stable)
For Bank Loans and NCD

OUR VISION

To be one among the premier league of asset financing NBFCs

OUR MISSION

To build strong, profitable relationships with a broad spectrum of stakeholders

OUR VALUES

Ethical business practices, business prudence, dedication, transparency, and excellence in customer service

OUR PRINCIPLES

- Committed customer service
- Secure financial policies
- Transparent business practices
- Retention of trusted customers

OUR JOURNEY

1991
Incorporated as a private company
Commenced operations with MCV & HCV financing

1994
Converted into a public limited company

1995
Public issue of ₹ 2.1 Cr.

1998
Rights Issue of ₹ 1.52 Cr.
Started Construction Equipment (CE) financing in 1998

2003
Preferential Issue of ₹ 2.3 Cr.

2004
Entered into channel business arrangement with HDFC Bank

2007
Preferential Issue of ₹ 8 Cr.

2010
Focus shifted to growth of on book AUM

2012
On-books AUM crossed ₹ 100 Cr.
Entry into Gujarat

2015
Maiden PE investments from MOPE Investment Advisors Pvt. Ltd.
AUM crossed ₹ 500 Cr.
Started SME financing
Expanded operations to Maharashtra and Madhya Pradesh

2017
Received housing finance license
Started IKF Home Finance as an independent entity
Expanded operations in Rajasthan
Credit Rating upgraded to "A-" in 2016

2018-2020
Second round equity infusion
Consolidated AUM crossed ₹ 1,500 Cr.
Diversified portfolio into financing for cars and Multi Utility Vehicles (MUVs), Small Commercial Vehicles (SCVs) and Light Commercial Vehicles (LCVs), Housing and LAP
Credit Rating upgraded to "A"

2021
Consolidated AUM as on Mar-21 (₹ 1,743 Cr.)

2022
Consolidated AUM crossed ₹ 2,143 Cr., Equity infusion of ₹ 7.14 Cr. by Promoters.
Started Co-lending with Bank of India

OUR OFFERINGS

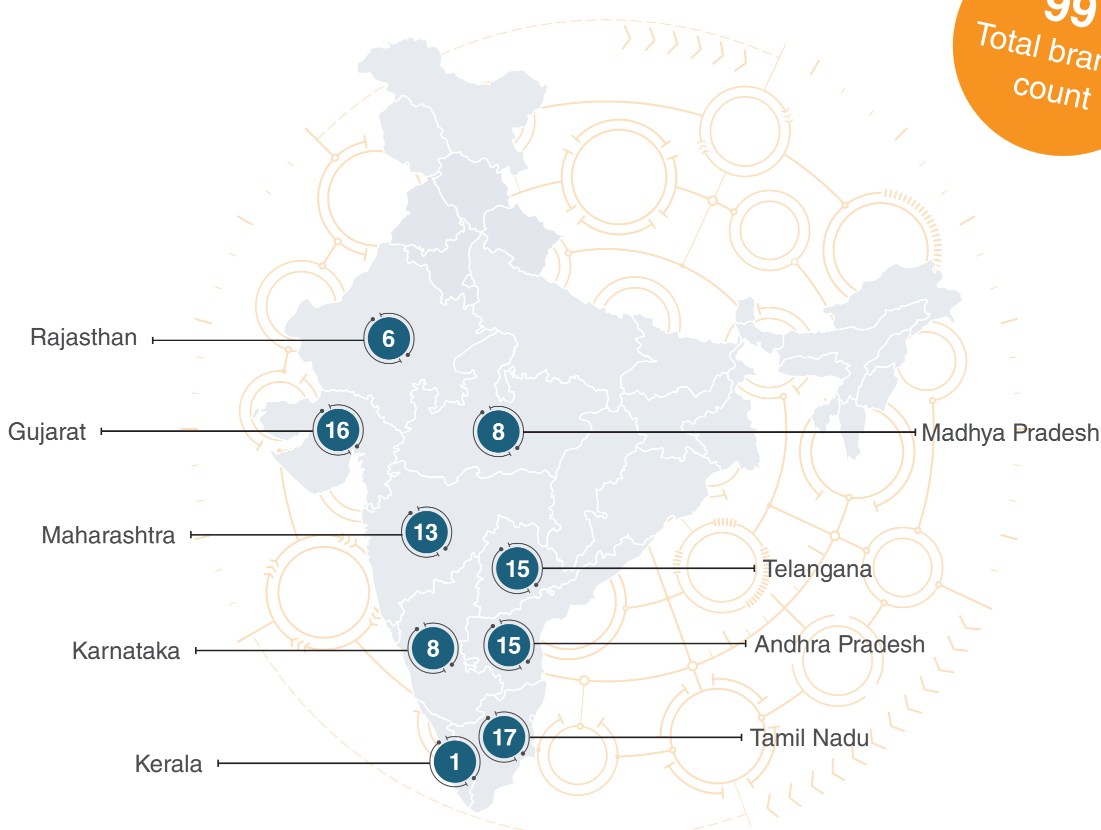
Commercial Vehicle Loans	Tractor Loans	Two-wheeler Loans	Three-wheeler Loans	Cars & Multi Utility Vehicle (MUV) Loans
Construction Equipment Loans	Home Loans	Secured MSME Loans	Loan Against Property (LAP)	

CUSTOMER EXCELLENCE

Customers are pivotal to our business. Through suitable products and processes, we provide affordable, best-in-class asset financing solutions to our customers. We also deploy world-class technology to drive business scalability and enhance customer service.

BRANCH NETWORK

99
Total branch count



KEY LENDERS MARQUEE RELATIONSHIPS

Our transparent operations, solid liquidity mechanism, robust risk management, and business growth have enabled us to forge long-standing relationships with diverse groups of lenders. Over 50% of our lender relationships are of more than 10 years, with a few marquee affiliations going past 20 years.

Relationship with
30+ lenders

Key Public Sector Banks

- State Bank of India
- Union Bank of India
- Central Bank of India
- Indian Overseas Bank
- punjab national bank
- Bank of Baroda
- Bank of India
- Bank of Maharashtra
- Indian Bank
- Canara Bank

Key Private Sector Banks

- HDFC BANK
- FEDERAL BANK
- YES BANK
- DCB BANK
- SOUTH INDIAN Bank
- AU SMALL FINANCE BANK
- ujjivan SMALL FINANCE BANK
- IndusInd Bank
- WOORI BANK
- Utkarsh Small Finance Bank
- SBM bank
- IDBI BANK
- SURYODAY A BANK OF SMILES
- DBS
- DhanlaxmiBank
- Jana Small Finance Bank

Key NBFC's

- SUNDARAM FINANCE Enduring values. New age thinking.
- SUNDARAM HOME
- NABKISAN FINANCE LIMITED
- NORTHERN ARC

Financial Institutions

- NATIONAL HOUSING BANK
- sidbi
- mudra
- UNIFI Capital

About IKF Home Finance

We have strategically built our product portfolio from offering financing solutions for commercial vehicles to including loans for SMEs. We further expanded into the home loans segment to fulfill the housing aspirations of millions of customers through our subsidiary IKF Home Finance.

IKF Home Finance was started as an independent establishment in FY 2015-16 to offer housing loans to the low and middle-income sections. IKF Finance acquired the company in FY 2018-19. Our home finance business encompasses a network of 46 branches across 6 states as of March 31, 2022.

MAJOR MILESTONES

2016

Commenced operations at Vijayawada, Andhra Pradesh

2017

On-books AUM of ₹ 1.57 Cr.

Commenced operations at Hyderabad, Telangana

Commenced operations in Maharashtra, Karnataka

2018

On-books AUM of ₹ 59.97 Cr.

Commenced operations in Tamil Nadu

2019

Loan disbursements crossed ₹ 100 Cr. Became a subsidiary of IKF Finance

2020

Received funding from National Housing Bank (NHB)
Crossed AUM of ₹ 200 Cr.

2021

Operations commenced in Gujarat
Access to SARFAESI Act
Crossed AUM of Mar-21
AUM is ₹ 288 Cr.

2022

Crossed AUM of ₹ 429 Cr. Capital Infusion of ₹ 17.28 Cr. by the Parent

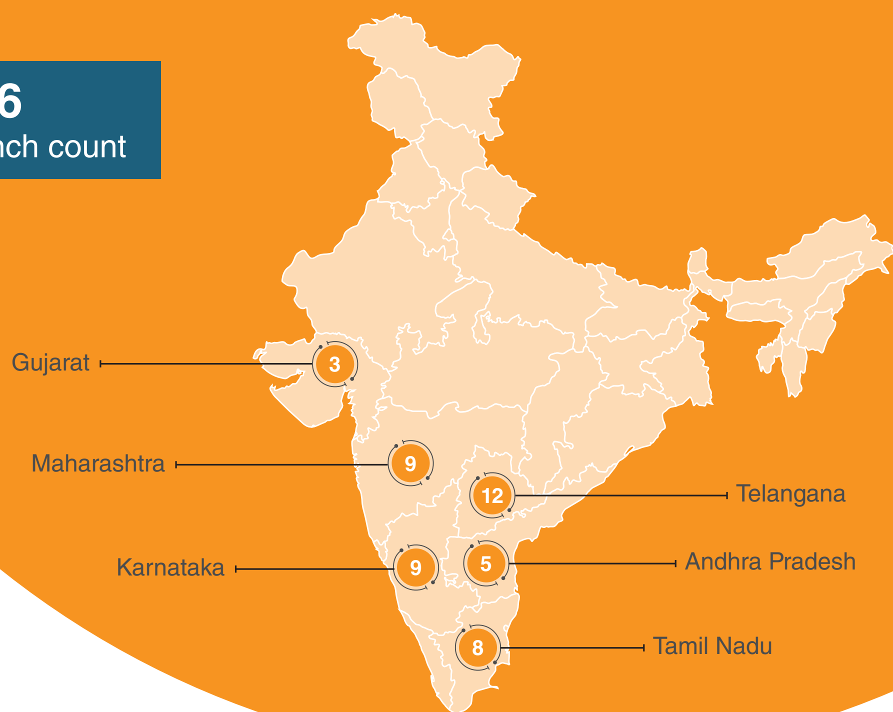
PRODUCT PORTFOLIO

- Home Purchase Loans
- Home Construction Loans
- Home Improvement Loans
- Loan Against Property

BRANCH FOOTPRINT STRATEGY

We intend to expand our home financing business in cities where our asset financing business has gained a strong footing. In doing so, we will be supported by our profound market understanding and high customer trust.

46
Total branch count



KEY PERFORMANCE HIGHLIGHTS

DISBURSEMENT (₹ in Cr.)

2021-22	**208.04**
2020-21	95.22
2019-20	114.01

AUM (₹ in Cr.)

2021-22	**429.40**
2020-21	288.20
2019-20	228.32

NET WORTH (₹ in Cr.)

2021-22	**85.58**
2020-21	58.83
2019-20	49.76

PAT (₹ in Cr.)

2021-22	**10.02**
2020-21	9.05
2019-20	7.95

ROA (on avg. AUM) (%)

2021-22	**2.87%**
2020-21	3.50%
2019-20	4.19%

ROE (on avg. Net Worth) (%)

2021-22	**15.71%**
2020-21	16.67%
2019-20	17.76%

AUM (Net Worth)

2021-22	**3.8x**
2020-21	3.3x
2019-20	2.9x

Technology-led Transformation

We have always been a digital-driven organization. We actively leverage innovative digital technologies to make lives easier for our customers and our people. Our digital efforts have been driving unmatched operational excellence, thereby positioning us for consistent transformation and long-term growth.

Our steadfast focus is on making every service and facility available at customers' fingertips aimed at customer convenience and comfort. Our field staff has been provided with digital devices for connecting with customers in a seamless manner. Digital access also enables our teams to multi-task and handle various loan products in a cost-effective manner.

The use of technology in our operations provides us a better understanding of our target customers. This enables us to introduce customized and relevant products, tailored to customer requirements.

We have strategically used technology to streamline processes, reduce turnaround time, and strengthen risk management practices.

We have a robust loan processing system enabled by multiple checks to ensure flagging and preventing frauds and errors. Advanced technologies are also being leveraged for verifying and capturing KYC details and geo-tagging of locations as enhanced security measures. Technology implementation reduces the cost-to-serve and facilitates business operations and expansion.

LBIT: Loan Built on Technology

To minimize the manual intervention and ensure efficiency in HR operations and deliverables, the management has decided to automate the HR department with custom mobile-based HRMS application. We have launched the Phase-I of “LBIT HRMS” in September 2021 by going Live on Attendance management, Probation process, Separation, Policies docket, Holiday list, and Pay slip generation modules. The team is working in full swing by launching Phase-II modules like payroll, settlement process, by December 2022. The captioned application is completely developed by LBIT labs based on the customized requirements.

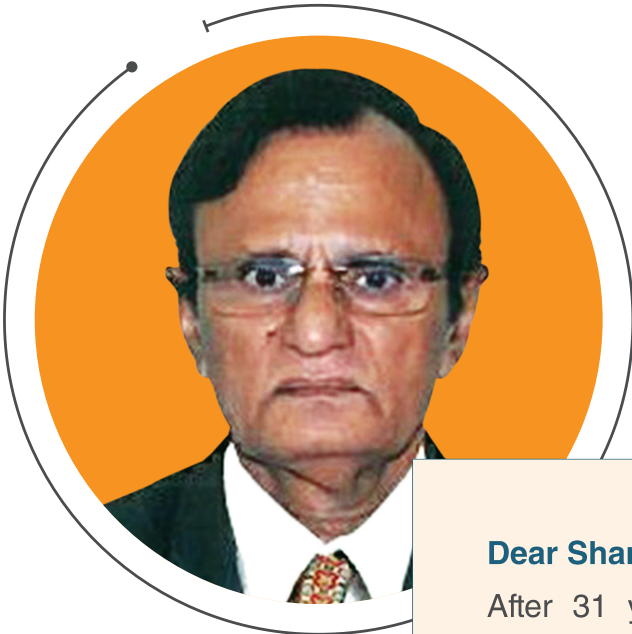
Highlights of HRMS Application

- Employee Self Service – 24*7 access to pay slips, leave balances, holiday lists, etc.
- Policy docket – Ready Reference of all HR policies
- Attendance – Punching attendance anywhere (geotagging activated)
- Contact Directory of all employees for quick reference
- Quick HR reports generation
- Paperless confirmation process

Projects in Pipeline

- IT Policy Framework Automation for Risk and Compliance Management
- Mobile application access to all franchises and partners to enable seamless deal flow
- Rule-based retail score card for all products
- Digital Documentation eKYC & Video KYC
- Digital Training platform and Certification for employees
- Seamless communication network by private chat and/or task management tool to reduce email and phone conversations for improvement of operations management

Message from Chairman's Desk



Dear Shareholders,

After 31 years of service, I have superannuated from the position of Managing Director. In the last 31 years, our Company has grown tremendously serving diverse financial needs of customers.

We have created a resilient organization and strategically invested in building a strong corporate governance culture with superior IT and digital platforms.

It gives me immense pleasure to state that I passed the baton to our Executive Director Ms. K Vasumathi Devi who has been associated with us for the past 15 years and has a vast experience and expertise in the asset financing business.

Do join me in wishing her good luck.

VGK Prasad

Founder & Chairman

Managing Director's Message

I am pleased to share that our Company navigated through the severe disruptions and delivered a steady performance in FY 2021-22 while charting a roadmap for higher growth.

Dear Shareholders,

FY 2021-22 was a year of unprecedented crisis as the world learned to cope with the economic and social crisis triggered by the COVID-19 pandemic. The year began with the severe second wave of the pandemic which took a toll on lives and livelihoods. However, by the second half of the year, the economy started showing signs of recovery.

A better understanding of the virus, rapid vaccination drives covering majority of the country's population, and sustained fiscal and policy support have improved sentiments. The impact of the third wave of the pandemic was relatively less adverse both in terms of the impact on health and the economy.

Though a few of the challenges that remain are rising inflationary pressures and geopolitical tensions caused by the Russia-Ukraine war, governments and central banks across the world have been tightening monetary policies to combat surging inflation while maintaining growth.

I am pleased to share that our Company navigated through the severe disruptions and delivered a steady performance in FY 2021-22 while charting a roadmap for higher growth.

Our disbursements for FY 2021-22 stood at ₹ 979 Cr. as against ₹ 595 Cr. in FY 2020-21, a growth of 65%. Total Assets Under Management (AUM) stood at ₹ 1,742 Cr., an increase of 17% over ₹ 1,489 Cr. in FY 2020-21. We have steadily increased our collections, indicating that we have bounced back strongly post the second wave of the pandemic. Our strong credit and risk assessment, coupled with our well-regulated and data-driven loan collection and recovery system enabled us to keep our NPAs within limits. More notably, we educated our customers and worked with them throughout the year to manage and protect their credit track record.

We have been deriving strength from our rich legacy, well-established processes, geographic and product diversification along with our robust asset quality. These factors have helped us deliver strong growth in our loan portfolio, even during difficult times. Our strategic initiatives have resulted in healthy asset quality, robust systems and processes, and diverse product portfolio – all of which have further accelerated our growth.

The disruptions caused by the pandemic triggered a dynamic landscape of innovation and have accelerated the use of technology. We are constantly expanding our innovation quotient by leveraging new-age digital technologies to drive business scalability and future readiness. Process automation, data analytics, and artificial intelligence are among the tools being deployed to help in better customer credit profiling, reduce costs, launch newer products, improve customer experience, and provide a platform to support innovation.

A combination of factors such as a wide array of products and superior customer service supported by a robust technology backbone have provided us with a platform to grow the business profitably and sustainably.

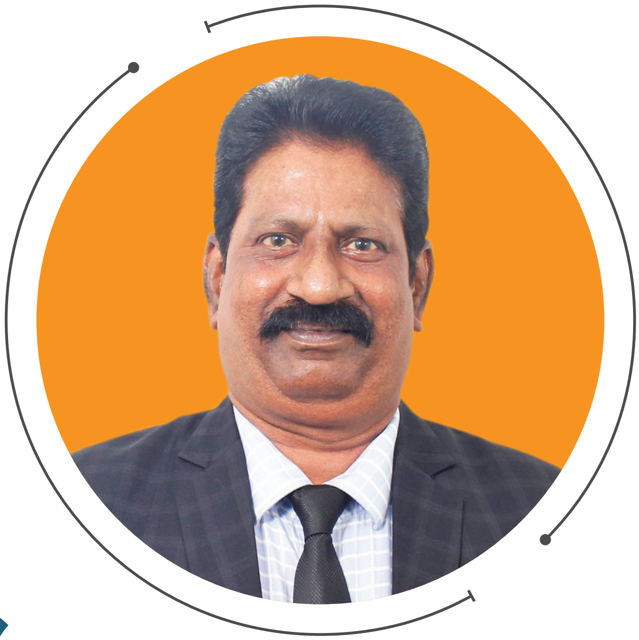
Looking ahead, I feel confident in continuing to serve the financial aspirations of underserved masses as well as enhance our offerings and customer base to drive high growth and deliver value to all stakeholders.

I would like to take this opportunity to thank our financing partners and stakeholders for their unwavering trust and support. I would also like to thank each and every employee for the role they have played in enabling IKF Finance to achieve what we have during the year and support us as we gear up for the future.

Warm Regards,

K Vasumathi Devi
Managing Director

Chief Executive Officer's Message



Our Gross Non-Performing Assets (NPA) stood at 2.72% as compared to 2.98% in the previous year. Our strong credit and risk assessment, coupled with our well-regulated and data-driven loan collection and recovery systems enabled us to keep our NPAs within limits.

Dear Shareholders,

I am delighted to state that amidst a tough operating environment, our performance in FY 2021-22 has been commendable. The agility and resilience displayed by our employees during this challenging period and the continued trust of our customers have helped us withstand the negative shocks and achieve profitable growth.

Our Profit after Tax (PAT) in FY 2021-22 stood at ₹ 40 Cr. as against ₹ 32 Cr. in FY 2020-21, marking a growth of 26%. Our Gross Non-Performing Assets (NPA) stood at 2.72% as compared to 2.98% in the previous year. Our strong credit and risk assessment, coupled with our well-regulated and data-driven loan collection and recovery systems enabled us to keep our NPAs within limits.

Backed by our strong track record in the asset financing business, increased geographic and product diversification, and rich industry experience, along with our robust asset quality, our external credit rating was retained at CARE A with a stable outlook. This reaffirmation of our financial health along with our strong liquidity profile enables us to secure funds at competitive costs. Our capital adequacy ratio stood strong at 24.11%, well above the statutory requirement of 15%, reflecting our strong capital base.

The industry is at a pivotal moment. Even as the pandemic altered the fabric of the asset financing industry, the sector is slated to enjoy multidecadal growth. Increased awareness, higher disposable income, and favorable government reforms will support growth. An enabling digital ecosystem will also drive the credit growth story.

Growth in private consumption and e-commerce will drive demand for commercial vehicles which will augur well for the vehicle financing segment. Strong impetus on infrastructure development, higher rural incomes, and the implementation of the vehicle scrappage policy will also boost the demand for vehicles. Further, a confluence of positive developments including positive economic outlook, rising incomes and aspirations, and low home loan rates is unfolding a growth story in affordable housing.

Our proven capabilities make us particularly well positioned to capitalize on the thriving opportunities and accelerate growth momentum. We also intend to intensify our technology roadmap to realize our growth ambitions and further democratize financial services.

We continue to build a stronger tomorrow and advance the agenda to deliver on our promises and customer expectations.

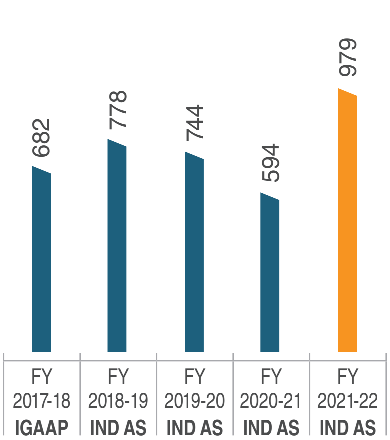
Before I conclude, I take this opportunity to thank our Board and all stakeholders for their continued support.

Regards,

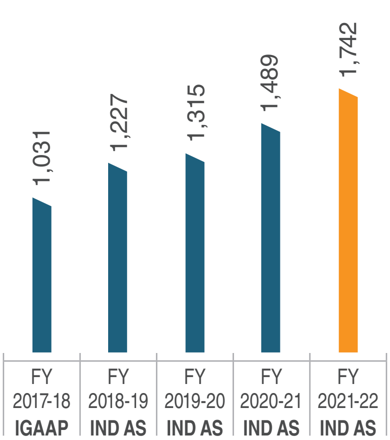
Rama Raju
Chief Executive Officer

Performance Scorecard

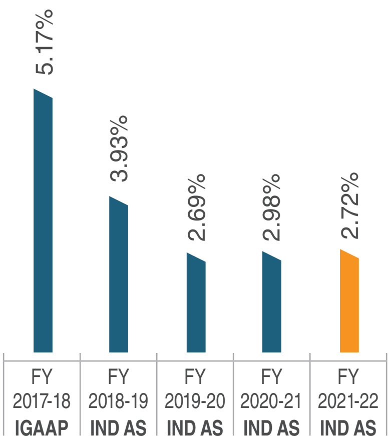
DISBURSEMENT (₹ in Cr.)



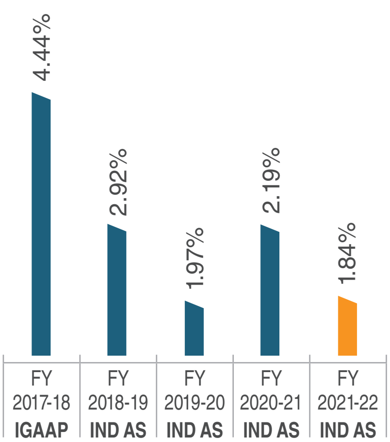
AUM (₹ in Cr.)



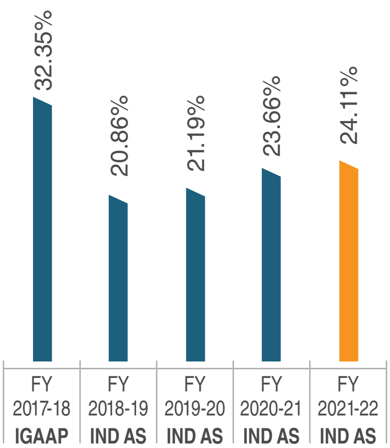
GROSS NPA (%)



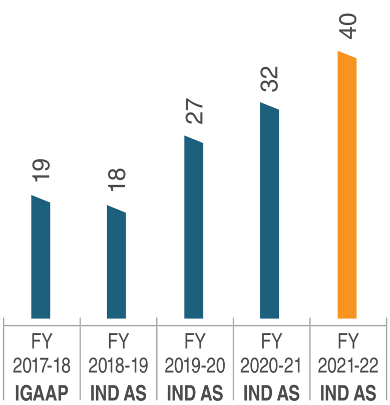
NET NPA (%)



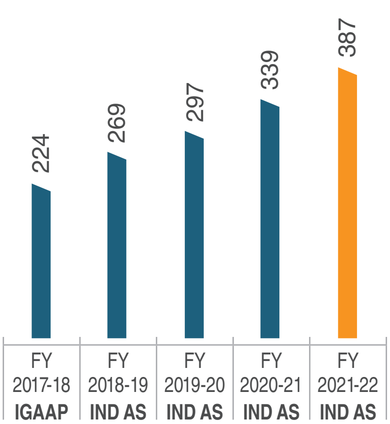
CRAR (%)



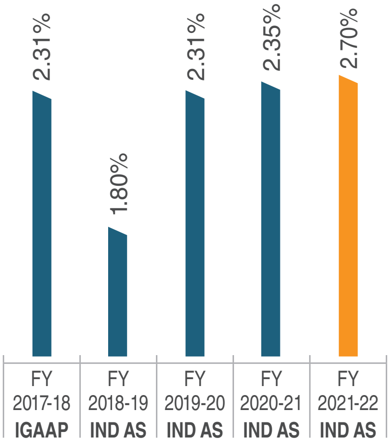
PAT (₹ in Cr.)



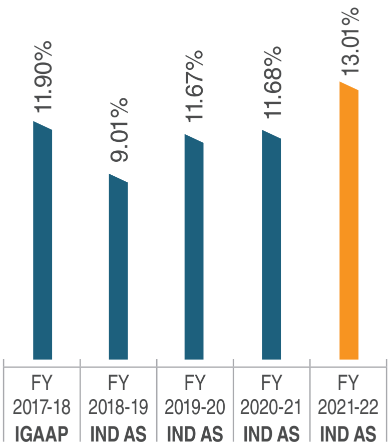
NET WORTH (₹ in Cr.)



ROA* (%)



ROE* (%)



* Based on Monthly Avg AUM

** Core ROE (Excluding investment in subsidiary)

Building a Talented Workforce

We believe our employees are the most important asset of the Company. We periodically conduct employee-centric programs to facilitate their overall well-being and development and create a conducive work environment.

During the year, we organized the following activities:

Rewards & Recognition Program

To boost employee morale and talent, we rewarded 40 Top performers across various functions during our annual business meet held in Goa. Performers have been awarded certificates and IKF logo-engraved silver coins by our top leadership team, Chairman, and the Managing Director.

Long Service Award

To honor the longest serving employees, the management awarded certificates and IKF logo-engraved silver coins to 76 members who completed 5+ years of tenure. We also broadcasted the entire event across all major IKF offices across eight states.

EMPLOYEE EVENTS

Ugadi Festival

Our employees celebrated Ugadi festival at Andhra Pradesh and Tamil Nadu offices with ethnic dress codes. Special lunch was organized for corporate office employees on this day.

Holi Festival

The Holi festival was celebrated in the northern and western regional offices. Employees adhered to traditional dress codes and celebrated Holi to enlighten the festive celebrations at their workplaces.

Women's Day Celebration

We also celebrated Women's Day across all the branches in eight states. Special gifts along with greeting cards were distributed to all women employees by our leadership team, Chairman, and the Managing Director.

Health Check-up Camps

During the year, we organized various health checkup camps for our employees in association with Medicover Hospitals and SBI General Insurance to ensure their health and well-being. A total of 75 employees participated in these medical camps.

Empowering Communities

As a responsible corporate, we believe in giving back to the communities and society in which we operate. We strive to achieve holistic development of the marginalized and impoverished sections of the society through our wide-ranging interventions.

We provided relief (rice packets) to the needy in April-May 2021 during the second wave of COVID-19. We also provided support to our employees and their families during the pandemic.

Board of Directors

Mr. VGK Prasad

Founder & Chairman

Mr. VGK Prasad is a veteran in Vehicle Finance business, Mr. Prasad founded IKF in 1991. He has partnered with industry giants such as TELCO, HDFC Bank, Vysya Bank, etc. He has served as the President of Federation of Indian Hire Purchase Associations (FIHPA), the apex body of Asset Financing Companies. Apart from IKF Finance, he has promoted IKF Home Finance, the subsidiary of IKF Finance and IKF Infratech (P) Limited.

Ms. Indira Devi

Whole Time Director

Ms. Indira Devi, one of the core promoters of the Company, has been in the vehicle finance space for over three and a half decades and has been instrumental in the growth of the Company. Previously, Ms. Devi has promoted IKF Home Finance Limited which got CoR from NHB in April 2016, and IKF Infratech (P) Limited.

Ms. K Vasumathi Devi

Managing Director

Ms. K Vasumathi has been associated with the Company for the past 15 years. She leads the overall business with focus on Credit & Risk, systems, and technology. She expanded IKF Finance to western and central India and has undertaken upgradation of IT infrastructure and automation of various processes. She has a prior experience of over 11 years in IT and Telecommunications in USA.

Ms. Vasantha Lakshmi

Director & Managing Director of IKF Home Finance

Ms. Vasantha Lakshmi has been associated with the Company for the past 13 years. Previously, she has overseen operations of select states for IKF Finance. Presently, she is the Managing Director of IKF Home Finance. She has vast experience in coordination and administration roles at a US pharmacy chain.

Mr. Sinha S Chunduri

Director

Mr. Sinha S Chunduri is a specialist in Diagnostic Gastroenterology and is engaged in the medical profession for over four decades in the USA. Besides being engaged in the medical profession, he is also associated with several medical institutions in USA as a consultant and director.

Mr. S. Veerabhadra Rao

Independent Director

Mr. S. Veerabhadra Rao is a post-graduate in science and a veteran in the finance business with three decades of rich experience in the field of Vehicle Finance and Management. Currently, he is the Managing Director of SVR Finance & Leasing (P) Limited. He has served as the President of Krishna District Auto Financiers Association and is the Member of the Governing Council of Federation of Indian Hire Purchase Associations for two consecutive terms.

Mr. K Satyanarayana Prasad

Independent Director

Mr. K Satyanarayana Prasad is a qualified BE (Civil), MIGS. He has more than three decades of experience in the field of Civil Engineering. He has served the Government of Andhra Pradesh for over two and half decades in various capacities and has been instrumental in planning, designing, and executing various prestigious projects in Andhra Pradesh.

Mr. Nageswara Rao Y

Independent Director

Mr. Nageswara Rao Y holds a bachelor's degree in Commerce and is a Certified Associate Institute of Bankers (CAIIB). He has over 36 years of experience in banking and financial services with specialization in Information Technology, Credit, Treasury, and Forex Management. His previous employments include Executive Director of Vijaya Bank, Executive Director of Syndicate Bank, Executive Director of Bank of Maharashtra and Director of Vishweshwariah Grameena Bank.

Mr. Vinit Mukesh Mehta

Nominee Director

Mr. Vinit Mukesh Mehta is a Chartered Accountant and holds a bachelor's degree in Commerce from Mumbai University. He has over 15 years of experience in investment banking (Kotak, KPMG), private equity and Corporate Banking (HDFC Bank). Before joining MOPE, he was associated with Kotak Investment Bank where he led and executed over 40 transactions and successfully helped raise more than USD 25 bn across M&A, Private Equity and Capital Markets.

Senior Management Team - IKF Finance

Mr. Rama Raju

Chief Executive Officer (MBA Post Graduate)

Mr. Rama Raju is the ex CEO of AML Finance (wholly-owned subsidiary of Automotive Manufactures Ltd) and has overall 3 decades of Industry experience in the Retail Asset Financing business specializing in Auto loans, Commercial vehicles, Construction equipment, and SME financing business. His expertise is designing and implementing business plans & strategy, driving profitability & top line, and mentoring the teams to achieve overall organizational goals. He has handled larger teams and portfolios of Retail Asset Financing business while working with large private sector banks and NBFCs.

Mr. Sreepal Gulabchand Jain

Chief Financial Officer (FCA and MCOM)

Mr. Sreepal Jain is a Chartered Accountant and a post-graduate in Commerce with more than 13 years of experience in accounting & financial management, controllership & decision support, business planning & analysis, fundraising & Treasury management, MA & Integration. He has been associated with IIFL group for more than 6 years and has varied experience in managing real estate company finance & accounts function, Micro Finance Industry in the capacity of CFO. He has also been associated with KPMG in Audit and consultancy practice for over three years and with IL&FS as part of Accounts & Finance domain for two years.

Mr. Chapalamadugu Sreenivasa Rao

Company Secretary (CS, CMA)

Mr. Chapalamadugu Sreenivasa Rao is a Qualified Cost Accountant & Company Secretary and has 18+ years of experience in Cost Accounting & Company Secretarial Matters. Previously, he has worked with BBM Bommidalla Group, Bubhaneshwar Power Limited, NATCO Pharma Limited, Coastal Local Area Bank Limited.

Mr. Raghuram K

National Sales Manager (Masters)

Mr. Raghuram K holds a MBA degree in business administration (Finance Specialization) and has over 26 years of experience in asset financing business. His expertise includes formulating and implementing sales enhancement strategies, accomplishing the given targets in budgeted parameters, sales, administration, and recovery. Previously, he has worked with ICICI Bank, GE Capital, HDFC Bank etc. He is highly proficient in tapping new markets and clients and generating business to enhance the profitability of the Company.

Mr. Chakrapani Gollamudi
National Credit Head (B.Sc)

Mr. Chakrapani Gollamudi is a Bachelor of Sciences, Risk Management Executive program from IIM Bangalore. He has over 28 years of experience in Credit, Sales, and Recovery. He has also worked with Kotak Mahindra Bank, HDFC Bank, Citicorp Finance India Limited, and Ashok Leyland Finance. His last assignment was with Kotak Mahindra Bank for 14 years. He handled the Zonal Position for West and South regions for all Commercial vehicle-related products and the National Credit Head position for Used Vehicle loans. He has also had a handful of experience relating to Siebel CRM and was instrumental in building various customized functionalities like Marketing, Sales, and Service modules and its successful implementation Pan-India. He was instrumental in building up a Credit Score Card-based approval system for retail CV loans. He has also actively been involved in identifying untapped markets and products with good potential, thereby contributing to the overall growth and profitability.

Mr. H Srinivas
National Collections Head (Post Graduate)

Mr. H Srinivas has over 30 years of experience in Collections, Credit Appraisal, and Team Management in the Banking / Financial Services industry. He is proficient in handling the collection operations to minimize delinquency and accomplish the assigned targets. With proven abilities in designing plans for augmenting collections; and maintaining relations with third-party collection agencies, he has demonstrated business acumen in leading and managing the operations and achieved a higher rate of organic growth. Previously, he has worked with Apple Credit Corporation Limited, CITI Group, REI Finance, and Midwest Leasing & Finance Ltd.

Mr. Raman Chidambarasubramanian
Head HR (Post Graduate)

Mr. Raman is a post-graduate and comes with 18+ years of experience in BFSI & IT sectors. His previous roles include association with Equitas Small Finance Bank Ltd, BNP Paribas, ABC Consultants, Randstad India Ltd, Inforide Technologies, and RK IT Solutions.

IKF FINANCE
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Senior Management Team - IKF Home Finance

Mr. S. Aryendra Kumar

Executive Director & CEO

Mr. S. Aryendra Kumar holds a master's degree in Business Administration, bachelor's degree in Civil Engineering and is a Fellow of Institute of Valuers (FIV). Mr. Aryendra has more than two decades of multinational experience in retail asset business with Banks, Housing Finance Institutions, Micro Finance Institutions, NBFC, and IT Service Providers of Repute. He has served as the MD & CEO – NCML Finance Pvt Ltd, a Fairfax company. His other assignments include Head – MSE & Housing Finance at Ujjivan Small Finance Bank. He was also the founding member for the overall setup of the Company in articulating the Vision & Mission of IKF Home Finance Limited.

Mr. Anand Srinivasan

Business Head

Mr. Anand Srinivasan holds an MBA from the International Business School of Hyderabad and has 15+ years' experience in administrative leadership and management in retail and commercial banking for home loans and mortgage loans. He has worked with several leading banks and financial services companies, including HSBC, IndusInd, Federal, IIHFL, and GE.

Mr. Lakshmi Kanth

Ch - Head - Risk, Credit Compliance, Credit & Strategy

Mr. Lakshmi Kanth holds an MBA in Finance from Nagarjuna University and CFA from ICFAI University. He is a multi-faceted professional with outstanding record of performance in a quantitative environment and strong business background with 15+ years of proven experience in credit underwriting & risk management of Home Loans, Mortgage Loans, Gold Loans, Commercial Vehicle Loans & Health Care Equipment Loans. He has worked with several banks and financial services companies, including Ujjivan Small Finance Bank, Karvy, Deutsche Postbank Home Finance Ltd & Reliance Capital.

Giridhar Vellore

National Collections Manager

Giridhar Vellore is the National Collections Manager of IKF Home Finance. He is responsible for managing the collections vertical of the Company. Giridhar comes with over 20 years of experience in Risk Management and Collections. He has been previously associated with reputed companies like Fullerton India, American Express and SBI Cards. He comes with a vast experience within the finance industry and specialises in leveraging technology, usage of innovative collection model and scorecards to suit organisation goals. He is a MBA – Finance Graduate from Madras University.

Corporate Information

BOARD OF DIRECTORS

Shri V.G.K. Prasad
Chairman & Executive Director

Smt. V. Indira Devi
Whole Time Director

Smt. K Vasumathi Devi
Managing Director

Dr. Sinha S Chunduri
Director

Shri S Veerabhadra Rao
Independent Director

Shri K Satyanarayana Prasad
Independent Director

Shri Vinit Mukesh Mehta
Nominee Director

Smt. D. Vasantha Lakshmi
Alternate Director

Shri Y. Nageswara Rao
Additional Director (Non Executive & Independent)

KEY MANAGEMENT PERSONS

Shri Sreepal Gulabchand Jain
Chief Financial Officer

Shri Ch. Sreenivasa Rao
Company Secretary

BOARD COMMITTEES

Audit Committee

Shri S Veerabhadra Rao
Shri Vinit Mukesh Mehta
Shri K Satyanarayana Prasad

Stakeholders Relationship Committee

Shri S Veerabhadra Rao
Shri K Satyanarayana Prasad

Independent Directors Committee

Shri K Satyanarayana Prasad
Shri S Veerabhadra Rao

Management Committee

Shri V.G.K. Prasad
Shri S Veerabhadra Rao
Smt. K Vasumathi Devi

Corporate Social Responsibility Committee

Shri S Veerabhadra Rao
Shri V.G.K. Prasad
Shri Vinit Mukesh Mehta

Nomination & Remuneration Committee

Shri K Satyanarayana Prasad
Shri S Veerabhadra Rao
Shri Vinit Mukesh Mehta

Asset Liability Management Committee

Shri V.G.K. Prasad
Shri S Veerabhadra Rao
Smt. K Vasumathi Devi
Shri Vinit Mukesh Mehta

Risk Management Committee

Shri V.G.K. Prasad
Shri S Veerabhadra Rao
Smt. K Vasumathi Devi
Shri Vinit Mukesh Mehta

REGISTRAR & SHARE TRANSFER AGENTS

M/s. Bigshare Services Private Limited
306, 3rd Floor, Right Wing,
Amrutha Ville, Opp. Yashoda Hospital,
Rajbhavan Road, Somajiguda,
Hyderabad - 500 082

STATUTORY AUDITORS

M/s. SGCO & Co., L.L.P.,
Chartered Accountants
4A, Kaledonia, 2nd Floor,
Sahar Road, Near Andheri Station,
Andheri (East), Mumbai - 400 069

SECRETARIAL AUDITORS

B S S & Associates, Company Secretaries
Office: Parameswara Apartments
6-3-626, 5th Floor, 5-A
Anand Nagar, Khairatabad
Hyderabad - 500 004

INTERNAL AUDITORS

M/s Brahmayya & Co
Chartered Accountants
No. 33-25-33/3,
Govinda Rajulu Naidu Street,
Surya Rao Pet, Vijayawada - 520 010
Andhra Pradesh

DEBENTURE TRUSTEE

1. Catalyst Trusteeship Limited
   GDA House, Plot No. 85,
   Bhusari Colony (Right), Paud Road
   Pune - 411 038
2. IDBI Capital Trusteeship Services Limited
   Asian Building, Ground Floor,
   17, R. Kamani Marg, Ballard Estate,
   Mumbai - 400 001

REGISTERED OFFICE

40-1-144, Corporate Centre,
M G Road, Vijayawada - 520 010
Andhra Pradesh

CORPORATE OFFICE

Up to 30.05.2022
6-3-902/A, 4th Floor
Central Plaza, Near Yashoda Hospital
Raj Bhavan Road, Somajiguda,
Hyderabad - 500 082,Telangana

From: 31.05.2022
Plot Nos: 30/A, Survey No: 83/1,
11th Floor Myhome Twitza,
APIIC Hyderabad Knowledge City
Raidurg (Panmaqtha) Village
Serilingampally Mandal, Rangareddy
District, Hyderabad-500081, Telangana

BANKERS

Central Bank of India (Lead Bank)
Union Bank of India (Erstwhile Andhra Bank)
Indian Overseas Bank
IDBI Bank Limited
The Federal Bank Limited
Bank of India
Punjab National Bank
State Bank of India
HDFC Bank Limited
DCB Bank Ltd
AU Small Finance Bank
Bank of Baroda
Small Industries Development Bank of India
Bank of Maharashtra
Woori Bank Limited
IndusInd Bank Limited
Yes Bank Limited
Ujjivan Small Finance Bank
Utkarsh Small Finance Bank
State Bank of Mauritius
Suryoday Small Finance Bank
CSB Bank Limited
Jana Small Finance Bank
IDFC First Bank Limited
Dhanalakshmi Bank Limited
DBS Bank
Karnataka Bank

31st Annual General Meeting

Date : 30-Sep-22

Time : 11:00 A.M.

Venue : Registered Office of the Company, # 40-1-144, Corporate Centre, M G Road, Vijayawada - 520 010, Krishna District, Andhra Pradesh

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Notice

NOTICE is hereby given that the 31st Annual General Meeting of **IKF Finance Limited** will be held on Friday, the 30th day of September, 2022, through Video Conference ("VC")/ Other Audio Visual Means ("OAVM") at 11.00 A.M., to transact the following business:

Ordinary Business:

1. To receive, consider, approve and adopt the audited Financial Statements (both Standalone and Consolidated) for the financial year ended 31st March, 2022 together with the Reports of the Directors and Auditors thereon

2. To appoint a Director in place of Mr. Satyananda Sinha Chunduri (DIN:03644504), who retires by rotation and, being eligible, offer himself for re-appointment and in this regard to pass the following resolution as an Ordinary Resolution.

   "**RESOLVED THAT** Mr. Satyananda Sinha Chunduri (DIN:03644504), who retires by rotation in accordance with Section 152 of the Companies, Act, 2013 be and is hereby re-appointed as a director liable to retire by rotation."

3. To appoint a Director in place of Mrs. Vasumathi Devi Koganti (DIN: 03161150), who retires by rotation and, being eligible, offer herself for re-appointment and in this regard to pass the following resolution as an Ordinary Resolution.

   "**RESOLVED THAT** Mrs. Vasumathi Devi Koganti (DIN: 03161150), who retires by rotation in accordance with Section 152 of the Companies, Act, 2013 be and is hereby re-appointed as a director liable to retire by rotation."

Special business:

4. To renew the Borrowing Powers of the Company of ₹ 5,000 Crores

To consider, and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, and the Companies Act, 2013 including any statutory modifications or re-enactments thereof and in supersession of all the earlier resolutions passed in this regard, the Board of Directors (hereinafter referred to as the Board, including any committee thereof for the time being exercising the powers conferred on them by this resolution), be and are hereby authorized to borrow money, as and when required, from, including without limitation, any Bank and/or Public Financial Institution as defined under Section 2(72) of the Companies Act, 2013 and/or eligible foreign lender and/or any entity/ entities and/or authority/ authorities and/ or through suppliers credit, any other securities or instruments, such as floating rate notes, fixed rate notes, syndicated loans, debentures, commercial papers, short term loans or any other instruments etc. and/or through credit from official agencies and/or by way of commercial borrowings from the private sector window of multilateral financial institution, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding ₹ 5,000 Crores (Rupees Five Thousand Crores Only), notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company, its free reserves and securities premium that is to say, reserves not set apart for any specified purpose."

"**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

5. To renew the power of Board of Directors of the Company to lease and mortgage of the property (ies) of the Company

To consider, and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, consent of the Company be and is hereby given to the Board of Directors of the company to create charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the company, on such assets and properties of the company, both present and future and in such manner as the Board may direct, in favour of all or any Banks, financial institutions, investments institutions and their subsidiaries, any other bodies corporate and any other lenders (hereinafter collectively referred to "the lending agencies") and/ or Trustees for the holders of debentures/ bonds/ other instruments to secure borrowing of the Company by way of loans/ issue of debentures/ bonds/ other instruments which may be issued for a sum not exceeding ₹ 5,000 Crore (Rupees Five Thousand Crore only) over and above the aggregate of the paid up capital of the company, its free reserves and securities premium which have been /or propose to be obtained from or privately placed with the lending agencies together with interest there on at agreed rates, further interest, liquidated damages, premium on prepayment or on redemption, costs, charges, expenses, and all other monies payable by the company to the trusties under the trust deeds and/or to the lending agencies under their respective agreements/loan agreements /debentures trust deeds entered into/to be entered by the company in respect of said borrowings."

"**RESOLVED FURTHER THAT** the Board be and is hereby authorized to finalize with the Lending Agencies / Trustees, the documents for creating the aforesaid mortgages, charges and/or hypothecations and to accept any modifications to, or to modify, alter or vary, the terms and conditions of the aforesaid documents and to do all such acts and things and to execute all such documents as may be necessary for giving effect to this Resolution."

6. Authorization to issue of Non Convertible Debentures (NCD)/Tier II Debt(s)/Commercial Papers/Bonds on Private Placement Basis.

To consider, and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 42, 71 and other applicable provisions of the Companies Act, 2013, read with Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions of the Companies Act, 2013, as amended and in force, in accordance with the memorandum and Articles of Association, the Board of Directors of the Company be and is hereby authorized to issue, offer or invitation and allot secured/unsecured, redeemable, non-convertible, listed / unlisted, senior/subordinated bonds/debentures/Commercial Paper/ Tier II Debt/ Other debt securities ("Bonds") of value aggregating upto ₹ 2,000 Cr (Rupees Two Thousand Crores Only) through private placement offer letter(s) in one or more tranches in conformity and in compliance with the all applicable rules, regulation, directions made in this regard, as amended from time to time to such person or persons, including one or more companies, bodies corporate(s), statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, alternative investment funds, pension/ provident funds and individuals, as the case may be or such other person/persons as the board of directors may decide so."

"**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things as may be deemed necessary in respect of issue of Bonds/ Debenture including but not limited to number of issues/ tranches, face value, issue price, issue size, timing, amount, security, coupon/interest rate(s), yield, listing, allotment and other terms and conditions of issue Bonds as they may, in their absolute discretion, deemed necessary to take all necessary steps."

7. To approve re-appointment of Sri.V.G.K.Prasad as Chairman and Executive Director of the Company

To consider, and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 196 and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and such other consents and permission as may be required, Sri. V.G.K.Prasad (DIN-01817992) be and is hereby re-appointed as the Chairman and Executive Director of the Company for a further period of 5 years commencing from October 01, 2022 till September 30, 2027 and remuneration payable for a period of 3 years on following terms and conditions:

Salary	₹ 7,00,000/- per month Further the Board of Directors may increase the remuneration from time to time subject to ceiling of limits specified in the Companies Act, 2013. Further the salary to be increased by 20% for every two years. Last renewal of salary was on 01.11.2021.
Commission	0.94% of the Profit Before Tax - In case Profit Before Tax of the Financial Year, is more than corresponding previous Financial Year Profit Before Tax. 0.47% of the Profit Before Tax - In case Profit Before Tax of the Financial Year is equal or less than corresponding Profit Before Tax of previous year.
Perquisites subject to a maximum of 100% of Annual Salary	• Reimbursement of medical, surgical and hospitalization expenses for the Executive Director and family as per the rules of the Company. • Personal Accident Insurance as per the rules of the Company • Leave Travel Assistance for self and family once in a year in accordance with the rules of the Company. • Contribution to Provident Fund / Superannuation Fund / Pension Fund / Gratuity Fund and encashment of leave (at the end of the tenure) as per the rules of the Company. These shall not be considered or included in the computation of remuneration. • Provision for Telephone(s) at residence. • Provision for Chauffeur driven Company's car(s). • The Board may revise the existing or allow any other facilities, from time to time, within the overall ceiling. • Such other allowances, perquisites, benefits and amenities as may be provided by the company to other senior executives from time to time. • Employee Stock Option – as may be decided by the Nomination & Remuneration Committee / Board of Directors from time to time according Employees Stock Options Scheme of the Company. • The Executive Director shall be liable to retire by rotation.
Minimum Remuneration	Where in any financial year, during the currency of tenure of the Executive Director, the company has no profits or its profits are inadequate, it may pay his remuneration by way of salary, allowances, commission and perquisites not exceeding the limits specified Schedule V of the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

"**RESOLVED FURTHER THAT** the Board be and is hereby authorized to increase the remuneration from time to time subject to ceiling of limits specified in the Companies Act, 2013 from time to time."

"**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take such steps as may be necessary or expedient to give effect to this resolution and is further authorized to settle any doubt, question and difficulty, if any, that may arise with respect to this resolution."

8. To approve re-appointment of Sri. V.Indira Devi as Whole-time Director of the Company

To consider, and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to Section 196 and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and such other consents and permission as may be required, Smt. V.Indira Devi (DIN: 03161174) be and is hereby re-appointed as the Whole-time Director of the Company for a further period of 5 years commencing from October 01, 2022 till September 30, 2027 and remuneration payable for a period of 3 years on following terms and conditions:

Salary	₹ 3,00,000/- per month Further the Board of Directors may increase the remuneration from time to time subject to ceiling of limits specified in the Companies Act, 2013. Further the salary to be increased by 20% for every two years. (Last renewal of salary was on 01.11.2021)
Commission	• 0.40% of the Profit Before Tax - In case Profit Before Tax of the Financial Year, is more than corresponding previous Financial Year Profit Before Tax • 0.20% of the Profit Before Tax - In case Profit Before Tax of the Financial Year is equal or less than corresponding Profit Before Tax of previous year
Perquisites subject to a maximum of 100% of Annual Salary	• Reimbursement of medical, surgical and hospitalization expenses for the Whole-time Director and family as per the rules of the Company. • Personal Accident Insurance as per the rules of the Company • Leave Travel Assistance for self and family once in a year in accordance with the rules of the Company. • Contribution to Provident Fund / Superannuation Fund / Pension Fund / Gratuity Fund and encashment of leave (at the end of the tenure) as per the rules of the Company. These shall not be considered or included in the computation of remuneration. • Provision for Telephone(s) at residence • Provision for Chauffeur driven Company's car(s) • The Board may revise the existing or allow any other facilities, from time to time, within the overall ceiling. • Such other allowances, perquisites, benefits and amenities as may be provided by the company to other senior executives from time to time. • Employee Stock Option – as may be decided by remuneration, compensation and nomination Committee / Board of Directors from time to time according Employees Stock Options Scheme of the Company • The Whole-time Director shall be liable to retire by rotation
Minimum Remuneration	Where in any financial year, during the currency of tenure of the Whole-time Director, the company has no profits or its profits are inadequate, it may pay his remuneration by way of salary, allowances, commission and perquisites not exceeding the limits specified Schedule V of the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

"**RESOLVED FURTHER THAT** the Board be and is hereby authorized to increase the remuneration from time to time subject to ceiling of limits specified in the Companies Act from time to time."

"**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take such steps as may be necessary or expedient to give effect to this resolution and is further authorized to settle any doubt, question and difficulty, if any, that may arise with respect to this resolution."

9. To approve re-appointment of Smt. K.Vasumathi Devi as Managing Director of the Company

To consider, and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to Section 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and such other consents and permission as may be required, Smt. K.Vasumathi Devi (DIN: 03161150) be and is hereby re-appointed as the Managing Director of the Company for a further period of 5 years commencing from October 01, 2022 to till September 30, 2027 and remuneration payable for a period of 3 years on following terms and conditions:

Salary	₹ 5,00,000/- per month Further the Board of Directors may increase the remuneration from time to time subject to ceiling of limits specified in the Companies Act, 2013. Further the salary to be increased by 20% for every two years. (Last renewal of salary was on 01.11.2021)
Commission	0.66% of the Profit Before Tax - In case Profit Before Tax of the Financial Year, is more than corresponding previous Financial Year Profit Before Tax. 0.33% of the Profit Before Tax - In case Profit Before Tax of the Financial Year is equal or less than corresponding Profit Before Tax of previous year.
Perquisites subject to a maximum of 100% of Annual Salary	• Reimbursement of medical, surgical and hospitalization expenses for the Managing Director and family as per the rules of the Company. • Personal Accident Insurance as per the rules of the Company • Leave Travel Assistance for self and family once in a year in accordance with the rules of the Company. • Contribution to Provident Fund / Superannuation Fund / Pension Fund / Gratuity Fund and encashment of leave (at the end of the tenure) as per the rules of the Company. These shall not be considered or included in the computation of remuneration. • Provision for Telephone(s) at residence • Provision for Chauffeur driven Company's car(s) • The Board may revise the existing or allow any other facilities, from time to time, within the overall ceiling. • Such other allowances, perquisites, benefits and amenities as may be provided by the company to other senior executives from time to time. • Employee Stock Option – as may be decided by remuneration, compensation and nomination Committee / Board of Directors from time to time according Employees Stock Options Scheme of the Company • The Managing Director shall be liable to retire by rotation
Minimum Remuneration	Where in any financial year, during the currency of tenure of the Managing Director, the company has no profits or its profits are inadequate, it may pay his remuneration by way of salary, allowances, commission and perquisites not exceeding the limits specified Schedule V of the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

"**RESOLVED FURTHER THAT** the Board be and is hereby authorized to increase the remuneration from time to time subject to ceiling of limits specified in the Companies Act, 2013 from time to time."

"**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take such steps as may be necessary or expedient to give effect to this resolution and is further authorized to settle any doubt, question and difficulty, if any, that may arise with respect to this resolution."

10. Appointment of Shri Nageswara Rao Yalamanchili as an Independent Director of the Company

To consider, and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution.

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Shri Nageswara Rao Yalamanchili (DIN 06651230), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, for five consecutive years with effect from December 01, 2021 and whose office shall not be liable to determination by retirement of directors by rotation."

"**RESOLVED FURTHER THAT** pursuant to the provisions of Section 149 and 197 of the Companies Act, 2013 read with Schedule IV of thereof (including any statutory modification(s) or re-enactment thereof, for the time being in force), Shri Nageswara Rao Yalamanchili (DIN 06651230), Independent Director of the Company be paid, sitting fees, within the limits prescribed under the Act and Rules thereunder and as approved by the Board of Directors of the Company, for attending the meeting(s) of the Board or any Committee thereof and reimbursement of any expenses for participation in the board and other meetings."

"**RESOLVED FURTHER THAT** any of the Directors of the Company and Key Managerial Personnel of the Company, be and are hereby severally authorized to do all such acts, deeds and things, including signing and issuing letter of appointment and to complete all other formalities as may be required in this regard."

For and on Behalf of the Board
IKF Finance Limited

(Ch Sreenivasa Rao)
Company Secretary
M.No: ACS14723

Place: Vijayawada
Date : 11.08.2022

NOTES

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, ('the Act') relating to the Special Business to be transacted at the Annual General Meeting ('AGM') is annexed hereto. The Board of Directors have considered and decided to include the Item No.4 to 10 given above as Special Businesses in the forthcoming AGM, as it is unavoidable in nature.

2. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No.02/2021 dated 13th January, 2021, Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and MCA Circulars dated January 13, 2021,, April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the 31st AGM and facility for those Members participating in the AGM to cast vote through e-Voting system during the AGM.

4. Pursuant to the provisions of the Act, normally, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf who may or may not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Further as per the MCA Circulars, the facility for appointment of proxies by the Members will not be available for the e-AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.

5. In accordance with, the General Circular No. 20/2020 dated 5th May, 2020 issued by MCA, owing to the difficulties involved in dispatching of physical copies of

the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).

6. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

8. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

9. Voting during the AGM: Members who are present at the e-AGM through VC and have not cast their vote on resolutions through remote e-voting, may cast their vote during the e-AGM through the e-voting system provided by CDSL in the Video Conferencing platform during the e-AGM. Kindly refer below for instruction for e-voting during the AGM.

10. The Company has fixed 22nd September, 2022 as the cut-off date for identifying the Members who shall be eligible to vote through remote e-voting facility or for participation and voting in the e-AGM. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to vote on the resolutions through the facility of Remote e-Voting or participate and vote in the e-AGM.

11. The Register of Members and Transfer Book of the Company will be closed from 23rd September 2022, to 30th September, 2022 (both days inclusive).

12. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at **www.ikffinance.com**. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.

13. The relevant details required to be given under Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of directors seeking appointment/ re-appointment at this AGM are given in the Annexure.

14. In terms of Section 152 of the Act, Mr Satyanand Sinha Chunduri and Mrs Vasumathi Devi Koganti are liable to retire by rotation at this Annual General Meeting and being eligible, offers themselves for re-appointment.

15. Pursuant to the provisions of Section 72 of the Companies Act, 2013, the member(s) holding shares in physical form may nominate, in the prescribed manner, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. Member(s) holding shares in demat form may contact their respective Depository Participant for availing this facility.

16. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to sreenivas@ikffinance.com.

17. Members whose shareholding is in electronic mode are requested to update the change of address, With a view to using natural resources responsibly, we request the shareholders to update respective email addresses with your Depository Participants, if not already done, to enable the Company to send communications electronically.

18. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

19. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the e- AGM.

THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

(i) The voting period begins on Tuesday, 27st day of September, 2022 at 9.00 a.m. IST and ends on Thursday, 29th day of September, 2022 at 5.00 p.m. IST. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Thursday, the 22nd day of September, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com.

Pursuant to SEBI Circular **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020,** Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL Depository**	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with **NSDL Depository**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants (DP)**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(iv) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

1) The shareholders should log on to the e-voting website www.evotingindia.com.

2) Click on "Shareholders" module.

3) Now enter your User ID

   a. For CDSL: 16 digits beneficiary ID,

   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4) Next enter the Image Verification as displayed and Click on Login.

5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

(v) After entering these details appropriately, click on "SUBMIT" tab.

(vi) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(viii) Click on the EVSN **220829002** for the relevant IKF FINANCE LIMITED on which you choose to vote.

(ix) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(x) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xi) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xiv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xv) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xvi) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.

- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; sreenivas@ikffinance.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to bsshyd@bigshareonline.com,.

2. For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to bsshyd@bigshareonline.com,.

3. The RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 72 Hours prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at agmparticipant@bigshareonline.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 2 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at sreenivas@ikffinance.com. These queries will be replied to by the company suitably by email.

6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

7. Voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

8. All grievances connected with the facility for voting by electronic means may be addressed to Shri Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk evoting@cdslindia.com or call 1800225533.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the GM.

(xvii) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address sreenivas@ikffinance.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Shri Rakesh Dalvi, Manager, (CDSL), Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

GENERAL INSTRUCTIONS AND INFORMATION FOR SHAREHOLDERS

1. Details of Scrutinizer: B S S & Associates, Practicing Company Secretaries (Unique Code of Partnership Firm: P2012AP02600) has been appointed as the Scrutinizers to scrutinize the e-voting process in a fair and transparent manner.
2. The Scrutinizer's decision on the validity of the vote shall be final.
3. The Scrutinizer after scrutinizing the votes cast by remote e-voting and e-voting during the e-AGM will make a consolidated Scrutinizer's Report and submit the same forthwith not later than not later than three days of conclusion of the e-AGM to the Chairman of the Company/meeting or a person authorised by him in writing, who shall countersign the same.
4. The Results declared along with the consolidated Scrutinizer's Report shall be hosted on the website of the Company i.e. www.ikffinance.com and on the website of CDSL at www.evoting.india.com immediately after the declaration of results by the Chairman or a person authorized by him. The result shall also be displayed on the Notice Board at the Registered Office of the Company.
5. The Resolutions shall be deemed to be passed at the registered office of the Company on the date of the e-AGM, subject to receipt of the requisite number of votes in favour of the Resolutions.

By Order of the Board of Directors of
IKF Finance Limited

Ch Sreenivasa Rao
Company Secretary
M No. A14723

Place: Vijayawada
Date : 11.08.2022

IKF FINANCE
"LEGACY THAT INSPIRES, TECHNOLOGY THAT DELIVERS"

STATEMENT SETTING OUT THE MATERIAL FACTS CONCERNING AND RELATING TO THE SPECIAL BUSINESS TO BE TRANSACTED AT THE MEETING PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("THE ACT")

Special Business

Item No: 4

As per Section 180(1)(c) of the Companies Act, 2013, borrowings together with the monies already borrowed (apart from temporary loans obtained from the Company's bankers in ordinary course of business) by the Company beyond the aggregate of the paid up capital of the company, its free reserve and securities premium requires approval from the shareholders of the Company.

With a view to meet the funds requirements of the Company for both short term as well as long term, the Company may require to borrow from time to time by way of loans and/or issue of Bonds, Debentures or other securities and the existing approved limit of ₹ 5,000 Crores (Rupees Five Thousand Crores Only) be renewed. Directors recommend the resolution for members' approval as a Special Resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No.5 of the Notice.

Item No. 5

As mentioned in Item No 4, it is proposed to renew the existing borrowing powers of ₹ 5,000 crore (Rupees Five Thousand Crore only). To secure such borrowings, the Company would be required to mortgage and/or charge its moveable and/or immoveable properties, the whole or substantially the whole of the undertaking(s) or any other assets of the Company (both present and future) in favour of the financial institutions/banks/ other lender(s)/ trustees. The approval of the shareholders in the AGM is required as per Section 180(1)(a) of the Companies Act, 2013. In the circumstances, the board recommends this resolution for acceptance by a Special Resolution

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No. 6 of the Notice.

Item No.6

As mentioned in Item No.6, and the rules of the Companies (Prospectus and Allotment of Securities) Rules, 2014 prescribed under Section 42 and other applicable provisions, if any, of the Companies Act, 2013 of the Act deals with private placement of securities by a company. Sub-rule (1) of the said Rule 14 states that in case of an offer or invitation to subscribe for non-convertible debentures, on private placement, the company shall obtain previous approval of its members by means of a special resolution only once in a year for all the offers or invitations for such debentures during the year. Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014 deals with issue of secured debentures. In order to augment long term resources for financing, inter alia, for the strategic business expansion in future and for general corporate purposes, the Board, which term shall include any Committee constituted by the Board, may at an appropriate time, offer or invite subscriptions for NCDs, Bonds, Tier II Debt, Commercial Paper or any other debt securities on a private placement basis, in one or more tranches, upto an amount not exceeding ₹ 2,000 Crore, within the overall borrowing limits of the Company, as approved by the Members from time to time, with authority to the Board to determine the terms and conditions, including the issue price, of the NCDs, Tier II Debt, Commercial Paper or any other Debt Instruments.

Accordingly, consent of the members is sought for passing the Special Resolution as set out at Item No. 7 of the Notice. This resolution is an enabling resolution and authorizes the Board of Directors of the Company to offer or invite subscription for non-convertible debentures, Tier II Debt, Commercial Paper or any other Debt Instruments as may be required by the Company, from time to time for a year from the date of passing this resolution.

The proposed borrowings, along with the existing borrowings of the Company, would not exceed the aggregate outstanding borrowings of the Company approved by the Members, from time to time.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

The Board commends the Special Resolution set out at Item No. 6 of the Notice for approval by the members.

Item No.7

As per recommendations of the Nomination and Remuneration Committee, the Board of Directors at their Meeting held on 11.08.2022 approved to re-appointment of Shri Vupputuri Gopala Kishan Prasad as Chairman & Executive Director of the Company for a period of five years effective from 01st October 2022 and remuneration for a period of 3 years as specified in the resolution, subject to your approval.

Sri.V.G.K.Prasad, who was re appointed as Managing Director to hold office upto September 30, 2027 attained the age of 70 years and hence continuation of his employment as Chairman & Executive Director requires the approval of members by way of a special resolution. Section 196(3) of the Companies Act, 2013, inter alia, provides that no company shall continue the employment of a person who has attained the age of 70 years, as Managing Director, Whole time director or Manager unless it is approved by the members by passing a special resolution. Part 1 of Schedule V to the Act contains a similar relaxation. Keeping in view that Sri.V.G.K.Prasad has rich and varied experience in the Industry and has been involved in the operations of the Company since incorporation of the Company, it would be in the interest of the Company to continue the employment of Sri.V.G.K.Prasad as Executive Director.

Sri. V.G.K.Prasad is a science graduate with rich experience in the finance business, and has been at the helm of IKF Finance Limited since incorporation. Hence the Company seeks consent of the members by way of special resolution for continuation of their holding of existing office after the age of 70 years during the currency of their term of appointment under the provisions of Section 196 (3) (a) of the Companies Act, 2013.

Statement as required under Schedule V of the Companies Act, 2013

I. General Information		
1	Nature of industry	Non Banking Financial Services
2	Date or expected date of commencement of commercial production	Not Applicable
3	In case of new companies, expected date of commencement activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
4	Financial performance based on given indicators	(₹ in Crores)
5	Export Performance and net foreign exchange	Nil
6	Foreign investments or collaborators, if any	Nil

Description	2021-2022	2020-2021
Total Revenue	221.23	204.23
Total Expenditure	166.96	160.03
Profit/(loss) before Tax	54.27	44.20
Net current tax expense	13.97	12.30
Net Profit/(loss)	40.30	31.90

II. Information on about the appointee		
1	Background details	Mr.Prasad has contributed a lot in institutionalizing the Automobile finance business operated by individuals in Andhra Pradesh. Mr. Prasad has presided over the Krishna District Auto Financiers Association, considered to be one of the strongest and most organized Financiers Association in India, for quite a considerable period. Mr.Prasad has occupied various positions in the Federation of Indian Hire Purchase Associations (FIHPA), the Apex body of Asset Financing Companies, and has acted as the Secretary General till 2010 and as President till 2012. Mr.Prasad has always been a strong advocate for Retail lending since times, which caught the fancy of the Banks and favored retail automobile loans later on, which kept IKF Finance it ahead of its contemporaries.
2	Past Remuneration	₹ 7,00,000/- Per Month
3	Recognition or awards	Nil

II. Information on about the appointee		
4	Job profile and his suitability	Chairman and Executive Director Rich and varied experience in the Industry and has been involved in the operations of the Company since incorporation of the Company
5	Remuneration proposed	₹ 7,00,000/- Per Month
6	Comparative remuneration Profile with respect to Industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t the country of his origin)	The remuneration proposed is reasonable as compared with the industry standards for a Managing/Executive/Whole-time Director of similar profile.
7	Pecuniary relationship directly or indirectly with company or relationship with the managerial personnel, if any	Promoter and Shareholder of the Company. Husband of Smt.V.Indira Devi, Wholetime Director, Father of Smt.K.Vasumathi Devi, Managing Director, and Smt.V.Vasantha Lakshmi, Alternate Director. Brother in law of Sri Satyanad Sinha Chunduri, Director

III. Other Information		
1	Reasons of loss or inadequate profits	Not Applicable
2	Steps taken of proposed to be taken for improvement	Not Applicable
3	Expected increase in productivity and profits in measurable terms	Not Applicable

The Board therefore recommends the special resolutions for your approval.

Except Sri.V.G.K.Prasad (the appointee), Executive Director, Smt V.Indira Devi, Wholetime Director, Smt.K.Vasumathi Devi, Managing Director, Sri Sinha S Chunduri, Director and Smt V.Vasantha Lakshmi, Alternate Director (being relatives of the appointee) none of the other Directors or key managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise in Resolution No. 7.

Item No.8

As per recommendations of the Nomination and Remuneration Committee, the Board of Directors at their Meeting held on 11.08.2022 approved the re-appointment of Smt Vupputuri Indira Devi as Whole-time Director for a period of five years effective from 01st October 2022 and remuneration for a period of 3 years as specified in the resolution, subject to your approval.

Statement as required under Schedule V of the Companies Act, 2013

I. General Information		
1	Nature of industry	Non Banking Financial Services
2	Date or expected date of commencement of commercial production	Not Applicable
3	In case of new companies, expected date of commencement activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
4	Financial performance based on given indicators	(₹ in Crores)

Description	2021-2022	2020-2021
Total Revenue	221.23	204.23
Total Expenditure	166.96	160.03
Profit/(loss) before Tax	54.27	44.20
Net current tax expense	13.97	12.30
Net Profit/(loss)	40.30	31.90

5	Export Performance and net foreign exchange	Nil
6	Foreign investments or collaborators, if any	Nil

II. Information on about the appointee		
1	Background details	Mrs. Indira Devi, being one of the Core Promoter of the Company, has been in to the Vehicle finance space for over the last three decades and has been instrumental in the growth of the Company since its inception.
2	Past Remuneration	₹ 3,00,000/- Per Month
3	Recognition or awards	Nil
4	Job profile and his suitability	Whole-time director Rich and varied experience in the Industry and has been involved in the operations of the Company since incorporation of the Company
5	Remuneration proposed	₹ 3,00,000/- Per Month
6	Comparative remuneration Profile with respect to Industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t the country of his origin)	The remuneration proposed is reasonable as compared with the industry standards for a Managing/Executive/Whole-time Director of similar profile.
7	Pecuniary relationship directly or indirectly with company or relationship with the managerial personnel, if any	Promoter and Shareholder Wife of Sri.V.G.K.Prasad, Chairman and Mother of Smt.K.Vasumathi Devi Managing Director & Smt.V.Vasantha Lakshmi, Alternate Director

III. Other Information		
1	Reasons of loss or inadequate profits	Not Applicable
2	Steps taken of proposed to be taken for improvement	Not Applicable
3	Expected increase in productivity and profits in measurable terms	Not Applicable

The Board therefore recommends the special resolutions for your approval.

Except Smt V.Indira Devi (the appointee), Whole-time Director, Sri.V.G.K.Prasad, Executive Director, Smt.K.Vasumathi Devi, Managing Director, Sri Sinha S Chunduri, Director, and Smt V.Vasantha Lakshmi, Alternate Director (being relatives of the appointee) none of the other Directors or key managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise in Resolution No. 8.

Item No.9

As per recommendations of the Nomination and Remuneration Committee, the Board of Directors at their Meeting held on 11.08.2022 approved to re-appointment of Smt.K.Vasumathi Devi, Managing Director for a period of five years effective from 01st October 2022 and remuneration for a period of 3 years as specified in the resolution, subject to your approval.

Statement as required under Schedule V of the Companies Act, 2013

I. General Information		
1	Nature of industry	Non Banking Financial Services
2	Date or expected date of commencement of commercial production	Not Applicable
3	In case of new companies, expected date of commencement activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
4	Financial performance based on given indicators	(₹ in Crores)
5	Export Performance and net foreign exchange	Nil
6	Foreign investments or collaborators, if any	Nil

(₹ in Crores)

Description	2021-2022	2020-2021
Total Revenue	221.23	204.23
Total Expenditure	166.96	160.03
Profit/(loss) before Tax	54.27	44.20
Net current tax expense	13.97	12.30
Net Profit/(loss)	40.30	31.90

II. Information on about the appointee		
1	Background details	Having eleven (11) years of working experience in IT and Telecommunications in several US Companies. Associated with IKF Finance Limited as Executive Director since 2007
2	Past Remuneration	₹ 5,00,000/- Per Month
3	Recognition or awards	Nil
4	Job profile and his suitability	Managing Director Rich and varied experience in the Industry and has been involved in the operations of the Company for the last 15(Fifteen) Years
5	Remuneration proposed	₹ 5,00,000/- Per Month
6	Comparative remuneration Profile with respect to Industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t the country of his origin)	The remuneration proposed is reasonable as compared with the industry standards for a Managing/Executive/Whole-time Director of similar profile.
7	Pecuniary relationship directly or indirectly with company or relationship with the managerial personnel, if any	Managing Director and shareholder. Daughter of Sri.V.G.K.Prasad, Chairman and Executive Director, Daughter of Smt.V.Indira Devi, Whole-time Director and Sister of Mrs.V.Vasantha Lakshmi, Alternate Director

III. Other Information		
1	Reasons of loss or inadequate profits	Not Applicable
2	Steps taken of proposed to be taken for improvement	Not Applicable
3	Expected increase in productivity and profits in measurable terms	Not Applicable

The Board therefore recommends the special resolutions for your approval.

Except Smt.K.Vasumathi Devi (the appointee), Managing Director, Sri.V.G.K.Prasad, Executive Director, Smt V.Indira Devi, Wholetime Director,Sri Sinha S Chunduri, Director, and Smt V.Vasantha Lakshmi, Alternate Director (being relatives of the appointee) none of the other Directors or key managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise in Resolution No. 9

Item No.10

As per recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company had appointed Shri Nageswara Rao Yalamanchili as an Additional Director with effect from December 01, 2022 pursuant to provisions of Section 161 of the Companies Act, 2013, who shall hold the office of Director up to the date of the ensuing Annual General Meeting.

The Company has received from Shri Nageswara Rao Yalamanchili, a consent in writing to act as Director in form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014 and intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that she is not disqualified under sub-section 2 of Section 164 of the Companies Act, 2013.

Further, the provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors have come into force with effect from April 1, 2014 which requires every Public Company fulfilling the prescribed criteria as laid down in Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014 to appoint an Independent Director on its Board and the Independent Director shall not be included in the total number of directors for retirement by rotation. Accordingly, in terms of provisions of Sections 149, 150, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, the Board of Directors of the Company had appointed (subject to the approval of the members at the ensuing Annual General Meeting), Shri Nageswara Rao Yalamanchili as an Independent Director of the Company within the meaning of Section 2(47) read with Section 149(6) of the Companies Act, 2013 for a term of 5 consecutive years commencing from December 01, 2021.

Shri Nageswara Rao Yalamanchili holds a degree in Commerce and a Certified Associate Institute of Bankers (CAIIB) and domain Expert in Banking and Financial Services with specialization in Information Technology, Credit. Treasury And Forex Management, with over 36 years of Managerial/Executive/Board level experience from 1985 till Jan 2021 in Public Sector Banks like Vijaya Bank, Bank of Maharastra, Syndicate Bank, Visweswaraya Grameen Bank. Headed various departments namely, the Planning & Development Dept., Merchant Banking Division, Card Division, Marketing & Public Relations, IT, MIS, Risk Management, Alternative Delivery Channels.

The Company has received a notice in writing from shareholder pursuant to Section 160 of the Act, proposing the candidature of Shri Nageswara Rao Yalamanchili for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Act.

Further, as stipulated under Secretarial Standard-2, brief profile of Shri Nageswara Rao Yalamanchili is provided below in Table A:

Table A - Brief Profile

Name	Nageswara Rao Yalamanchili
Age	61 Years
Qualifications	Bachelor of Commerce (B. Com) Certified Associate Institute of Bankers (CAIIB)
Experience	Vijaya Bank, as Probationary Officer in 1985 and became the Executive Director of the Bank in the year 2016 till 31st March 2019. Syndicate Bank, Executive Director from 1st April 2019 till 30th March 2020. Bank of Maharashtra, Executive Director, from 31st March 2020 till 21st January 2021.
Terms and Conditions of appointment	As detailed in the resolution No. 10 and explanatory statement.
Details of remuneration	No remuneration except the sitting fee as permitted under the Companies Act, 2013
Details of remuneration last drawn	No remuneration except the sitting fee for attending the meetings of the Board
Date of first appointment	01.12.2021
Shareholding in the Company	Nil
Relationship with other director/Manager and other KMP	Nil
Number of meetings attended from the date of appointment till the date of Notice of this AGM	4
Directorships of other Board	i) Capital Small Finance Bank Limited ii) Imfast Finfotech Private Limited iii) I25 Outreach Private Limited
Membership/Chairmanship of Committees of other Board	Nil

Except Nageswara Rao Yalamanchili, the appointee, none of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the proposed resolution. The resolutions as set out in Item No. 10 of this Notice are accordingly recommended for your approval.

For and on Behalf of the Board
IKF Finance Limited

(Ch Sreenivasa Rao)
Company Secretary
M.No: ACS14723

Place: Vijayawada
Date : 11.08.2022

Annexure to the Notice

Additional information on directors recommended for appointment / re-appointment as required under Secretarial Standard-2 notified under Section 118 (10) of the Companies Act, 2013

Name of the Director	Vupputuri Gopala Kishan Prasad	Vupputuri Indira Devi
DIN	01817992	03161174
Date of Birth	02.09.1947	01.12.1959
Date of first Appointment on the Board	30.05.1991	30.05.1991
Age	75 Years	63 Years
Qualification	B.Sc	Under Graduate
Experience	Mr.Prasad has contributed a lot in institutionalizing the Automobile finance business operated by individuals in Andhra Pradesh. Mr. Prasad has presided over the Krishna District Auto Financiers Association, considered to be one of the strongest and most organized Financiers Association in India, for quite a considerable period. Mr.Prasad has occupied various positions in the Federation of Indian Hire Purchase Associations (FIHPA), the Apex body of Asset Financing Companies, and has acted as the Secretary General till 2010 and as President till 2012. Mr.Prasad has always been a strong advocate for Retail lending since times, which caught the fancy of the Banks and favored retail automobile loans later on, which kept IKF Finance it ahead of its contemporaries.	Mrs. Indira Devi, being one of the Core Promoter of the Company, has been in to the Vehicle finance space for over the last three decades and has been instrumental in the growth of the Company since its inception.
Terms and conditions of appointment	As detailed in the resolution No. 7 and explanatory statement.	As detailed in the resolution No. 8 and explanatory statement.
Remuneration sought to be paid	₹ 7,00,000 Per Month	₹ 3,00,000 Per Month
Remuneration last drawn	₹ 7,00,000 Per Month	₹ 3,00,000 Per Month
Relationship with other director/ Manager and other KMP	i) Husband of Smt.V.Indira Devi, Wholetime Director ii) Father of Smt.K.Vasumathi Devi, Executive Director iii) Father of Smt.V.Vasantha Lakshmi, Alternate Director iv. Brother in law of Sri Satyanad Sinha Chunduri, Director	i) Wife of Sri.V.G.K.Prasad, Chairman ii) Mother of Smt.K.Vasumathi Devi Managing Director & Smt.V.Vasantha Lakshmi, Alternate Director
No of Meeting of the Board Attended during the FY- 2020-21	6	4
No of Shares held in the Company	1,98,53,581 Fully Paid up (₹ 10/-Paid up) Shares of the Company equivalent to 37.70% of the paid up capital of the Company	16,48,142 Fully Paid up (₹ 10/-Paid up) Shares of the Company equivalent to 3.13% of the paid up capital of the Company
Directorships of other Board	Director of IKF Home Finance Limited Director of IKF Infratech Private Limited	Director of IKF Home Finance Limited Director of IKF Infratech Private Limited
Membership/Chairmanship of Committees of other Board	4	Nil

Name of the Director	Satyanand Sinha Chunduri	Vasumathi Devi Koganti
DIN	03644504	03161150
Date of Birth	02.02.1945	09.05.1975
Date of first Appointment on the Board	01.02.199	31.10.2006
Age	77 Years	47 Years
Qualification	M.B.B.S., M.D.,	BE (Electronics & Communications) MBA (Global Management, USA)
Experience	Management & Administration more than two decades	Having eleven (11) years of working experience in IT and Telecommunications in several US Companies. Associated with IKF Finance Limited as Executive Director since 2007
Terms and conditions of appointment	Retires by rotation and being eligible offers himself for re-appointment	As detailed in the resolution No. 9 and explanatory statement.
Remuneration sought to be paid	Nil	₹ 5,00,000/- Per Month
Remuneration last drawn	Nil	₹ 5,00,000/- Per Month
Relationship with other director/ Manager and other KMP	1. Brother-in-law of Mr. V. G. K. Prasad, Managing Director	1. Daughter of Sri. V. G. K. Prasad, Managing Director 2. Daughter of Smt. V. Indira Devi, Whole-time Director 3. Sister of Mrs. V. Vasantha Lakshmi, Alternate Director
No of Meeting of the Board Attended during the FY- 2021-2022	Nil	6
No of Shares held in the Company	1,17,700 No of Shares Fully Paid up of ₹ 10/-.	26,47,266 Fully Paid up of ₹ 10/- each amounting to 5.03% Paid up share capital of the Company
Directorships of other Board	Nil	Director of IKF Infratech Private Limited Director of IKF Home Finance Limited
Membership/Chairmanship of Committees of other Board	Nil	Nil

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Board's Report

To,
The Members,
IKF FINANCIAL (INDIA) LIMITED

Your Directors have pleasure in presenting the 31st Annual Report together with the Audited Accounts for the financial period ended 31st March, 2022.

Financial Results:

The summarized financial results of the Company are as given hereunder:

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Revenue from Operations	22,059.51	20,406.63	26,961.75	23751.57
Other Income	63.31	16.29	207.95	57.33
Profit (loss) before depreciation, interest, tax and exceptional items	20462.97	16,173.41	20646.59	18370.08
Depreciation/amortization	128.96	144.14	190.23	193.18
Finance cost	11,787.65	11,609.00	13,617.93	12865.82
Impairment expense on loans	-224.16	-429.52	-222.93	-295.10
Portfolio Loans & other balances written off	735.94	1,076.67	735.94	1076.67
Profit (loss)before tax	5,427.29	4,420.27	6,838.43	5311.09
Provision for tax/deferred tax	1,396.85	1,229.76	1725.42	1520.93
Profit (loss) after tax before exception item	4,038.72	3,200.57	5,122.59	3802.28
Less: Other comprehensive income / (loss)	8.28	10.06	9.58	12.12
Net profit (loss) after exceptional items	4,030.44	3190.51	5,113.01	3790.16
Balance brought forward from previous year	13,591.31	11,188.37	14,440.00	11845.59
Dividend on Equity Shares	0.00	0.00	0.00	0.00
Tax on dividend	0.00	0.00	0.00	0.00
Transfer to Statutory Reserve as required by Section 45-IC of Reserve Bank of India Act, 1934	806.09	638.10	1056.19	971.97
Transfer to General reserve	201.52	159.53	201.52	159.53
Transferred to Share Based payment reserve	6.03	13.09	6.03	13.09
Surplus carried to Balance sheet	3031.11	2,402.94	3743.90	2594.41

Review of Operations

Standalone:

Amidst widespread unprecedented disruptions in the economic activities across the country due to the COVID Pandemic, your Company has sailed smoothly with minimum impact and it's performance for the year ended March 31, 2022 has improved and the Revenue from operations has grown by 8% to ₹ 220.59 Cr from ₹ 204.07 Cr for financial year 2020-21 and Net Profit increased to ₹ 40.30 Cr as against ₹ 31.91 Cr registering a growth of 26% for the corresponding previous year. During the year, the Loan Book has grown by 11% from ₹ 1434 Cr to 1593 Cr (before Impairment loss allowance). The total assets managed by the Company, including receivables assigned / securitized stood at around ₹ 1742 Cr as at March 31, 2022 as against ₹ 1489 Cr in the previous year thereby registering a growth of 17%.

Consolidated:

Your Company's performance for the year ended March 31, 2022 is satisfactory. The Revenue from operations has increased to ₹ 269.62 Cr from ₹ 237.52 Cr and Net Profit increased to ₹ 51.13 Cr from ₹ 37.90 Cr registering a growth of 35 % for the corresponding previous year.

Future Outlook:

The current financial year has started with a positive note after overcoming the challenges posed by COVID which has brought-in various changes to the social and economic environment in the country. The outlook for the current financial year appears to be encouraging as India Meteorological Department has forecasted timely and evenly distributed monsoons. Inspite of geo political tensions, the GDP growth forecast is expected to be at around 7% for FY 2023 as all the sectors have started performing better when compared with last year backed by increased GST collections. The Government's proactive initiatives are expected to boost the economic activities to certain extent even on the backdrop of Repo rate hikes by RBI. However, high fuel prices are a cause for concern as it will have a cascading effect on every sphere of the economic activity.

In Q1FY23, the overall automobile domestic sales volumes grew 52% primarily due to the low base of Q1FY22. The healthy demand trend and growth in sales volumes across segments has been driven by economic recovery, ease in availability of semiconductors and also led by the government's push towards the agricultural and infrastructure sectors backed by improvement in rural as well as urban sentiments, decent monsoons across the country and new launches mostly in the Passenger Vehicle (PV) segment.

On a sequential basis, the domestic volumes in Q1 FY 23 grew around 40% for passenger vehicles, 50% for two-wheelers, tripled for three-wheelers, doubled for commercial vehicles when compared with corresponding quarter. However, it is still around 17% lower than that of Q1 FY 20.

Your Company continues to focus on Retail segment with focus on providing superior service to customers by continuously striving to lower the cost of borrowings, maintaining the asset quality with enhanced operating efficiencies to sustain the growth and profitability. Your Company is confident of sustaining the growth and profitability as it has built strong relationship with the customers over the last three decades.

Risk Management & Credit Monitoring:

As risk is inevitable fallout of the lending business, your Company has to manage various risks like credit risk. Liquidity risk, interest rate risk, operational risk, market risk etc. The Audit Committee, Risk management Committee and the Asset Liability Management Committee review and monitor these risks at periodic intervals. Liquidity risk and interest rate risk arising out of maturity mismatch of assets and liabilities are managed through regular monitoring of the maturity profiles. The Company monitors ALM periodically to mitigate the liquidity risk. The Company also measures the interest rate risk by the duration gap method. Operational risks arising from inadequate or failed internal processes, people and systems or from external events are adequately addressed by the internal control systems and are continuously reviewed and monitored at regular intervals. Your Company is proactive in assessing the risk associated with its various loan products and has evolved a variety of Risk management and monitoring tools while dealing with a wide spectrum of retail customers. The Risk Management Policy of the Company encompasses various risk tools related to Credit, Operational, Market, Liquidity and Interest Rate Risk and has put in place appropriate mechanism to effectively mitigate the risk factors.

Corporate Governance

As specified under regulation 15(2) of the SEBI (LODR) Regulations, 2015, the requirement of furnishing report on corporate governance is not applicable to your company as none of it's equity shares is listed. As on 31-03-2022, your Company's Non-convertible debt securities got listed with Bombay Stock Exchange is less than ₹ 500 Cr. A report on the Corporate Governance to be presented to the members of the Company as such a report on Corporate Governance Report are attached as part of this report.

Management's Discussion and Analysis

Economic Environment:

The Indian economy successfully faced the challenges posed by the second and third waves of the pandemic and has come out of the adverse impacts of COVID-19 owing to successful implementation of vaccination program, fiscal and monetary policies, stimulus measures of Government & RBI.

India's GDP growth in Financial Year 2021-22 is estimated at 8.9%, compared to a contraction of 7.3% in Financial Year 2020-21 and the Index of Industrial Production stood at 11.3% as against an 8.4% contraction in Financial Year 2020-21. The consumer and business confidence has been resilient with improvement in general economic situation. The macro-economic indicators suggest that the Indian economy is well on its way to achieve its pre-pandemic growth levels in the current Financial Year 2023.

Automotive Sector:

During FY 21-22, the automobile domestic sales volumes fell 6% year-on-year (y-o-y). This was largely on account of the adverse effects of the ongoing geopolitical tensions around Ukraine, increasing oil prices and continued impact of the pandemic. The fuel prices in India have also undergone frequent increases. However, the industry has made efforts to ease up the supply chain issues, minimise costs, improve exports and make investments in new technologies to improve the overall demand sentiments.

The commercial vehicles (CV) segment has fared well, given its close linkages to overall economic growth by registering a 43% Y-o-Y growth in MHCV volumes and a 19% Y-o-Y growth in LCV volumes. The sale of Two Wheelers declined by 11% Y-o-Y on account of concerns around job losses and weakness in urban demand. The increased need for personal mobility led to an increase in passenger vehicle (PV) volumes by 13% Y-o-Y. The Tractor segment is declined by 6% compared on a Y-o-Y basis due to the high base effect of last year. Three Wheeler sales grew by 19% Y-o-Y basis led by an increase in the demand for goods carriers as well as public transport.

Resource Mobilization:

Deposits:

The Company has not accepted any deposits during the year under review and it continues to be a Non-deposit taking Non Banking Financial Company in conformity the guidelines of the Reserve Bank of India and Companies (Acceptance of Deposits) Rules, 2014

Working Capital Limits:

During the year your company has reduced its dependence, in terms of utilization, on Cash Credit Limits by raising term resources to effectively manage the ALM. However, your company intends to increase the same, if necessary, in line with increase in the term resources going forward.

During the year your company has mobilized additional Cash Credit Limits of ₹ 20 Cr from HDFC Bank Limited.

Term Loans:

During the year your Company has mobilized Term Loan(s) of ₹ 465 Cr from the following banks HDFC Bank, Suryodaya Small Finance Bank, Bank of Maharasthra, SIDBI, Dhanalakshmi Bank, DBS Bank, AU Small Finance Bank, Federal Bank, Ujjivan Small Finance Bank, YES Bank, DCB Bank and Bank of Baroda.

Commercial Paper:

During the year under review, your Company has not issued any Commercial Paper.

Non-Convertible Debentures:

During the year under review, your Company has mobilized ₹ 50 Cr from Bank of India and ₹ 30 Cr from Unifi AIF.

Particulars		Bank of India- ₹ 50 Cr	Unifi AIF
(a)	Date of issue and allotment of the securities;	06.12.2021	30.09.2021
(b)	Number of securities	500	300
(c)	Whether the issue of the securities was by way of preferential allotment, private placement or public issue;	Private Placement	Private Placement
(d)	Brief details of the debt restructuring pursuant to which the securities are issued;	Nil	Nil
(e)	Issue price	₹ 10,00,000	₹ 10,00,000
(f)	Coupon rate	9.00%	Market Linked
(g)	Maturity date;	06.12.2023	Series I – 30.03.2023 Series II-30.09.2023
(h)	amount raised	₹ 50 Cr	₹ 30 Cr

Credit Rating of Securities

Name of the Credit Rating Agency	Borrowing Instrument	Amount Rated (in crs)	Date of Rating	Rating Assigned	Rating Valid Till	Whether New/ Renewal/ Reassigned/ Withdrawn
CARE	Term Loans	800	28-09-2021	CARE A	27-09-2022	Renewal
CARE	Term Loans	400	28-09-2021	CARE A	27-09-2022	Renewal
CARE	NCDs	336	28-09-2021	CARE A	27-09-2022	Renewal
CARE	PP MLDs	30	28-09-2021	CARE A	27-09-2022	Renewal
Brickwork Ratings	Term Loans	426.52	04-08-2021	BWR A	03-08-2022	Renewal
Brickwork Ratings	Term Loans	287.2	04-08-2021	BWR A	03-08-2022	Renewal
Brickwork Ratings	NCDs	58.75	04-08-2021	BWR A	03-08-2022	Renewal

Securitization / Assignment of Loan Receivables:

During the year, your Company has Assigned Vehicle Loan Receivables to the tune of ₹ 151.44 Cr.

Borrowing Profile:

Total borrowings of the Company for the year under review (at amortized cost) stood at ₹ 1307 Cr, of which borrowings from Banks constituted 70.61%, borrowings from NBFCs & FIs 12.50%, Non-Convertible Debentures 11.62%, associated liabilities in respect of Securitized transactions 0.67% and Tier II Capital / Sub-Debt 4.59%. Your Company is continuously exploring all options to access low cost funds, mostly by way of Term Loans and Cash Credit in the current financial year, to further expand the operations.

Capital Adequacy:

The Capital to Risk Assets Ratio of your company is 24.11% as on 31.03.2022, well above the minimum of 15% prescribed by the Reserve Bank of India, of which Tier I Capital constituted 21.55% and Tier II constituted 2.56%.

Credit Rating:

During the year under review, Credit Analysis and Research Limited (CARE) has retained the long term bank loan facilities and Non Convertible Debentures at "A" signifying adequate degree of safety regarding timely payment of interest and principle and Brickwork Ratings India (P) Ltd. has retained the Long Term Bank Loan rating "BWR A", "BWR A" rating for Subordinated Non Convertible Debentures and has assigned A1 rating for Standalone Commercial Paper, signifying adequate degree of safety regarding timely servicing of financial obligations with low credit risk.

Dividend

Your Directors have not recommended payment of dividend for the financial year ended 31st March 2022 since it is proposed to retain the same in the business.

Transfer of unclaimed dividend to Investor Education and Protection Fund

During the period under review, no such case was raised to credit / to pay any amount to the Investor Education and Protection Fund.

Share Capital

a. Authorized Share Capital

During the year there was no change in the Authorised Share Capital of the Company. As on 31.03.2022, the Authorized Share Capital was ₹ 85,00,00,000/- (Rupees Eighty Five Crores only) divided into 6,00,00,000 (Six Crore only) Equity Shares of ₹ 10/- (Rupees Ten only) each and 25,00,000 (Twenty Five Lac only) Preference Shares of ₹ 100/- (Rupees One Hundred only) each.

b. Paid up Share Capital

The total Paid up Share Capital of the Company as on 31.03.2022 was ₹ 52,65,90,670 consisting 5,26,59,067 fully paid shares of ₹ 10/- each. Final call of ₹ 1.90 per share was received on 51,79,688 partly paid equity shares, with this the paid-up capital was increased from ₹ 516,749,262.80 to ₹ 52,65,90,670.00.

Compulsorily Convertible Preference Shares.

There are no Compulsorily Convertible Preference Shares outstanding as on 31.03.2022

c. Issue of Shares with differential voting rights

The Company has not issued any Shares with differential voting rights during the period under review.

d. Buy Back of Securities

The Company has not bought back any of its securities during the year under review.

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e. Sweat Equity

The Company has not issued any Sweat Equity Shares during the year under review.

f. Bonus Shares

The Company has not issued any bonus shares during the year under review.

g. Employees Stock Option

The Board of Directors has granted total 5,62,860 stock options to the eligible employees at a price of ₹ 120/- (Rupees One Hundred and Twenty only) per share.

Disclosure as required under Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014 during the financial year are as below:

(a)	Options granted		5,62,860
(b)	Options vested		1,95,595
(c)	Options exercised		Nil
(d)	The total number of shares arising as a result of exercise of option		Nil
(e)	Options lapsed		3,16,210
(f)	The exercise price		₹ 120/-
(g)	Variation of terms of options		NA
(h)	Money realized by exercise of options		NA
(i)	Total number of options in force		92,700
(j)	Employee wise details of options granted to:		
	(i)	Key managerial personnel	Ch Sreenivasa Rao, Company Secretary- 15,180 Options
	(ii)	Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year	1. D Nagaraj Goud, National Business Head, 80,140 Options-14.24% 2. G Chakrapani, National Credit Manager-51,500 Options-9.07% 3. M Girish Kumar, National Head-Collections-51,500 Options-9.07% 4. Hardik Harish Joshi-Zonal Manager-34,000 Options-6.04%
	(iii)	identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil

Transfer to Reserves

The Directors of the Company propose to transfer 201.82 Lacs to General Reserves out of the current year profits for the year as against ₹ 159.53 Lacs during the Financial Year 2020-21. Further your Directors also propose to transfer ₹ 806.09 Lacs as against ₹ 638.10 Lacs during the Financial Year 2020-21 to Statutory Reserve @ 20% profit after tax as required under Section 45-IC of Reserve Bank of India Act, 1934. Further ₹ 6.03 Lacs was transferred to Share Based payment reserve as against ₹ 13.09 Lacs during the Financial Year 2020-21. Further the Company has transferred ₹ 615.97 Lacs to share premium account out of the final call money proceeds of 51,79,688 Partly paid up shares allotted to the promoters during the year 2017-18.

Details of Subsidiary, Associate and Joint Venture Companies

The Company is not having any Associate and Joint Venture Companies as on date by virtue of Section 2 (6) of the Companies Act, 2013. As on 31.03.2022, IKF Home Finance Limited is the Subsidiary Company in which the Company holds diluted stake of 92.49%. Policy for determining 'material' subsidiaries is available on the company's website and can be accessed at www.ikffinance.com.

No Company has become or ceased to be the Company's Subsidiaries, joint ventures or associate companies during the year.

Salient features of the financials of the above mentioned subsidiary have been given in Form AOC-1 as **Annexure-I** to this report

Auditors

Statutory Auditors

In due compliance of the Reserve Bank of India(RBI) vide Notification Ref. No. DOS.CO.ARG/SEC.01/08.91.001/2021-22 dated 27th April, 2021 guidelines for appointment statutory auditors of NBFCs your Company has appointed M/s SGCO & Co., LLP., Chartered Accountants (Firm Regn No 112081W/W100184) as Statutory Auditors for a further period 3 (three) years at the 30th Annual General Meeting to hold the office of Statutory Auditors from the conclusion of 30th Annual General Meeting to till the conclusion of 33rd Annual General Meeting of the Company.

Qualification by the Statutory Auditor

The Audit Report does not contain any qualification, reservation or adverse remarks.

Secretarial Auditor

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed M/s. B S S & Associates, Company Secretaries as Secretarial Auditors of the Company. Secretarial Audit Report is enclosed as **Annexure-II** to this Report.

Qualification by Secretarial Auditor

The Secretarial Audit Report does not contain any qualification, reservation or adverse remarks

Cost Audit

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 3 & 4 of the Companies (Cost Record and Audit) Rules, 2014 and all other applicable provisions of the Companies Act, 2013, the Cost Audit is not applicable to the Company.

Internal Audit and Auditor:

As part of the effort to evaluate the effectiveness of the internal control systems, and to maintain its objectivity and independence and on recommendations of the Audit Committee your directors have re-appointed M/s. Brahmaiah & Co, Chartered Accountant as internal auditor of the Company for the year ended 31st March, 2022 who shall report to the Audit Committee / Board. Based on the report of internal auditor, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon were presented to the Audit Committee / Board.

Internal Financial Controls

The Company has a well-established internal financial control and risk management framework, with appropriate policies and procedures, to ensure the highest standards of integrity and transparency in its operations and a strong corporate governance structure, while maintaining excellence in services to all its stakeholders. Appropriate controls are in place to ensure: (a) the orderly and efficient conduct of business, including adherence to policies, (b) safeguarding of assets, (c) prevention and detection of frauds / errors, (d) accuracy and completeness of the accounting records and (e) timely preparation of reliable financial information.

Vigil Mechanism / Whistle Blower Policy

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Board has adopted Whistle Blower Policy. This policy aims for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior.

A mechanism has been established for employees to report concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct and Ethics. The policy also provided adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the Chairman of the Audit Committee in exceptional cases.

Your Company hereby affirms that during the year no Director / employee have been denied access to the Chairman of the Audit Committee and that no complaints were received.

Corporate Social Responsibility Committee:

During the year under review the Company has spent an amount of ₹ 245.06 Lacs under the CSR activity. The report on CSR activities for FY 2021-22 is enclosed as Annexure-III. This Corporate Social Responsibility policy is available on the website of the company, www.ikffinance.com

Annual Return

As required under Section 92(3) of the Companies Act, 2013, Annual return in Form MGT-7 is available on the company's website and can be accessed at www.ikffinance.com.

Material Changes and Commitments, if any

There are no material Changes and Commitments affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

Details of significant and material orders passed by the regulators/ courts/ tribunals impacting the going concern status and the Company's operations in future

There are no material Changes and Commitments affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

Directors & KMP:

Shri V.G.K.Prasad (DIN: 01817992) and Smt.V.indira Devi (DIN: 03161174) retired and re-elected at the last Annual General Meeting of the Company held on 30.11.2021. In terms of Section 152 of the Companies Act, 2013.

During the year there was a change in the composition of Board of Directors, on 13.11.2021. Shri Nageswara Rao Yalamanchili was appointed as an additional director (Non-Executive & Independent), w.e.f., 01.12.2021.

Shri,V. G. K. Prasad, Managing Director was re designated as Chairman and Executive Director and Smt. K. Vasumathi Devi, Executive Director was redesigned as Managing Director, w.e.f., 21.01.2022. Except this there was no other changes in the composition of Board. There was no change in Company Secretary & CFO.

Based on the confirmations received from Directors, none of the Directors are disqualified from appointment under Section 164 of the Companies Act 2013.

Key Managerial personnel:

During the financial year, there was no changes in the appointment of Key Managerial Personnel.

Declaration by Independent Directors

The Independent Directors of the Company have submitted their declarations as required under Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as per sub-section (6) of Section 149 of the Act.

Familiarization programme for Independent Directors

The Company proactively keeps its Directors informed of the activities of the Company, its management and operations and provides an overall industry perspective as well as issues being faced by the industry.

Independent Directors' Meeting

The Independent Directors met on 05.02.2022, without the attendance of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole; the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the independent directors appointed during the year:

During the year, the Company has not appointed any Independent Director.

Board Evaluation:

The Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Board functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, contribution at the meetings and otherwise, independent judgment, governance issues etc.

Change in the nature of business:

There was no change in the nature of business of the Company during the financial year 2021-2022.

Number of meetings of the Board of Directors:

During the financial year 2021-22 the Board of Directors has met Six times viz 26/06/2021, 21/07/2021, 20/10/2021, 13/11/2021, 21/01/2022, and 14/02/2022. The details of which are given in the Corporate Governance Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013 and Secretarial Standard-1.

Audit Committee

The Composition of the Audit Committee is provided in the Corporate Governance Report forming part of this report. All the recommendations made by the Audit Committee were accepted by the Board.

Nomination and Remuneration Policy

The Nomination and Remuneration Policy containing guiding principles for payment of remuneration to Directors, Senior Management, Key Managerial Personnel and other employees including Non-executive Directors along with Board Evaluation criteria are provided in the Corporate Governance Report. The terms of reference are placed on Company's website www.ikffinance.com.

Criteria of making payments to non-executive directors is provided in the Corporate Governance Report.

Particulars of loans, guarantees or investments under Section 186:

The Company, being a non-banking finance company registered with the Reserve Bank of India and engaged in the business of giving loans, is exempt from complying with the provisions of Section 186 of the Companies Act, 2013. Accordingly, the disclosures of the loans given as required under the aforesaid section have not been given in this Report.

Remuneration ratio of the Directors / Key Managerial Personnel (KMP)

The provisions of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company.

During the financial year 2021-2022, there were no employees in the Company whose details are to be given pursuant to Rule 5(2) The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Particulars of contracts or arrangements with related parties:

All transactions entered by the Company with Related Parties were in the Ordinary course of Business and are at Arm's Length pricing basis. The Audit Committee granted approvals for the transactions and the same were reviewed by the Committee and the Board of Directors.

There were no materially significant transactions with Related Parties during the financial year 2021-22 which were in conflict with the interest of the Company. The details of contracts and arrangements with related parties as referred to in Section 188(1) of the Companies Act, 2013 were given as Annexure-IV to the Board's Report in form No: AOC-2 pursuant to Section 134 (3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules 2014.

Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, Directors of your Company hereby state and confirm that:

(a) In the preparation of the annual accounts for the period ended 31st March, 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The directors had prepared the annual accounts on a going concern basis;

(e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

(f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Company's Policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace

The Company prohibits any form of sexual harassment and any such incidence is immediately investigated and appropriate action taken in the matter against the offending employee(s) based on the nature and the seriousness of the offence. The Company has a policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace (the Policy) and matters connected therewith or incidental thereto covering all the aspects as contained under the "The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013" notified by the Government of India vide Gazette Notification dated 23rd April, 2013.

The Company has complied with provisions relating to the constitution of Internal Complaints Committee. There was no case of sexual harassment reported during the year under review.

Details in respect of frauds reported by auditors under Section 143 (12) other than those which are reportable to the central government

There were no frauds as reported by the Statutory Auditors under Sub-section 12 of Section 143 of the Companies Act, 2013 along with Rules made there-under other than those which are reportable to the Central Government.

Disclosure under Regulation 53(e) of SEBI LODR

Name of the debenture trustees with full contact details

1. Catalyst Trusteeship Limited,
   GDA House, Plot No. 85,
   Bhusari Colony (Right), Paud Road
   Pune - 411 038

2. IDBI Capital Trusteeship Services Limited
   Asian Building, Ground Floor,
   17, R. Kamani Marg, Ballard Estate,
   Mumbai – 400 001

Details of revision of financial statement- Nil

Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Listing Regulations:

During the year under review, the Company had raised ₹ 80,00,00,000 (Rupees Eighty Crores) through preferential issue/private placement Non-Convertible Debentures ('NCDs'). The funds were utilised by the Company for its general corporate purposes. There has been no deviation in the utilisation of issue proceeds of Private Placement of Non-Convertible Debentures ('NCDs'), Commercial papers and Tier II Debt, from the Objects stated in the Private Placement Offer Letter.

Auction:

The Company has not conducted any auctions during the financial year.

Secretarial Standards

The Company complies with all applicable Secretarial Standards.

Other Disclosures

Reasons for delay, if any, in holding the annual general meeting- Nil

Disclosures by NBFC Systemically Important Non-Deposit Taking Company and Deposit taking Company

Auction: Nil

Pecuniary relationship/transaction with non-executive directors:

During the year under review, there were no pecuniary relationship/transactions of any non–executive directors with the Company, apart from remuneration as directors.

Customer Complaints

	Particulars	As at March 31, 2022	As at March 31, 2021
(a)	No. of complaints pending at the beginning of the year	2	-
(b)	No. of complaints received during the year	13	12
(c)	No. of complaints redressed during the year	15	10
(d)	No. of complaints pending at the end of the year	-	2

Perpetual Debt Instruments (PDI):

During the financial year, the Company has not issued any Perpetual Debt Instruments (PDI).

Registrar and Share Transfer Agency

The Company has appointed M/s. Bigshare Services Private Limited situated at Plot No-306, 3rd Floor, Right Wing, Amrutha Ville Opp. Yashoda Hospital, Rajbhavan Road Somajiguda, Hyderabad-500 082, as its Registrar and Share transfer agency for handling both physical and electronic transfers.

Human Resources

Your Company treats its "human resources" as one of its most important assets. Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

Awards and recognition

The Company has not received any award during the Financial Year.

Cautionary Statement

Statements in these reports describing company's projections statements, expectations and hopes are forward looking. Though, these expectations are based on reasonable assumption, the actual results might differ.

Conservation of Energy, Technology Absorption and

The Company, being a non–banking finance company (NBFC), does not have any manufacturing activity. The directors, therefore, have nothing to report on conservation of energy and technology absorption'.

Foreign Exchange Earnings and Outgo

Total foreign exchange earned	Nil
Total foreign exchange used	USD 840

Code of conduct

The Company has adopted Code of Conduct for the Board and for the senior level employees of the Company and they are complying with the said code.

Industrial Relations

Industrial relations continued to be cordial throughout the year under review.

Acknowledgments

Your Company will always keep interest of its customers, employees and the stakeholders as a priority and shall reciprocate their confidence reposed in the Company. It has been a mutually beneficial relationship and looks forward to their continued support.

For and on behalf of the Board
IKF FINANCE LIMITED

	(V G K Prasad)	**(V. Indira Devi)**
Place: Vijayawada	Chairman	Whole-time Director
Date : 11.08.2022	DIN: 01817992	DIN: 03161174

Report on Corporate Governance

This section on Corporate Governance forms part of the Report of the Directors to the Members.

1. Company's Philosophy on Code of Governance:

Our Corporate Governance policies recognise the accountability of the Board and the importance of its decisions to all our constituents, including Customers, Investors and the Regulatory Authorities. The strong foundation of the Company is supported by the pillars of Customer faith, Debenture holders Confidence, Bankers Trust, Investor Steadfastness and Employee Loyalty. The Company has been growing over the past thirty years on the principles of dedicated customer service, fair business practices, efficient and trusted financial policies. It continues to maintain high standards of integrity through excellence in service to all its stakeholders.

The Board is fully aware of its fiduciary responsibilities and recognises its responsibilities to shareholders and other stakeholders to uphold the highest standards in economic, social and ethical matters by ensuring that the company conducts its activities in accordance with corporate governance best practices.

2. Board of Directors:

Directors possess the highest personal and professional ethics, integrity and values, and are committed to representing the long-term interests of the stakeholders. The basic responsibility of the Board is to provide effective governance over the company's' affairs exercising its reasonable business judgement on behalf of the Company.

The Board has been constituted in a manner, which will result in an appropriate mix of executive/non-executive and independent Directors to ensure proper governance and management. As on 31.03.2022, the Board comprises eight members who have experience in diverse fields like Finance, Accounts and Management. Non-Executive Directors bring independent judgement in the Board's deliberations and decisions. During the year there was a change in the composition of Board of Directors, Shri Nageswara Rao Yalamanchili was appointed as an additional director (Non-Executive & Independent), w.e.f., 01.12.2021. Shri,V.G.K.Prasad, Managing Director was designated as Chairman and Executive Director and Smt. K. Vasumathi Devi, Executive Director was designated as Managing Director, w.e.f., 21.01.2022. The Executive Directors as on 31.03.2022 were Sri V. G. K. Prasad – Chairman & Executive Director, Smt. V.Indira Devi - Whole Time Director and Smt. K. Vasumathi Devi – Managing Director.

As on 31.03.2022, the Independent Directors were S. Veerabhadra Rao, Sri K. Satyanarayana Prasad and Shri Nageswara Rao Yalamanchili. Sri. Satyanand Sinha Chunduri was the Non-Executive Non-Independent Director and Smt. Vupputuri Vasantha Lakshmi is the alternate director to Sri Satyanand Sinha Chunduri. Mr. Vinit Mukeshmehta is a Nominee Director.

Relationships between Directors:

Sri.V.G.K.Prasad, Chairman & Executive Director is husband of Smt V.Indira Devi, whole time Director. Sri.V.G.K.Prasad and Smt.V.Indira Devi are parents of Smt.K.Vasumathi Devi, Managing Director and Smt.V.Vasnahta Lakshmi, Alternate Director. Sri Satyanand Sinha Chunduri. is brother-in-law of Sri.V.G.K.Prasad.

3. Board Meetings:

The Board of Directors meets at regular intervals with a formal schedule of matters specifically reserved for its attention to ensure that it exercises full control over significant strategic, financial, operational and compliance matters. The Board is regularly briefed and updated on the key activities of the business and is provided with briefings on other matters concerning the company on a need basis. The Board of Directors generally meets every quarter to review the business performance. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas.

During the year under review, six meetings of the Board of Directors were held on the following dates.

26-06-2021	21-07-2021	20-10-2021
13-11-2021	21-01-2022	14-02-2022

The details of attendance at Board Meetings and details of other Directorships, Committee Chairmanships / Memberships held by the Directors during the period from 1stApril, 2021 to 31stMarch, 2022are as follows:

Name of the Director	Category of Board Directorship	No. of Board Meetings attended	% of total meetings attended	Attendance at the last AGM	No of other Directorships	No of Committee Memberships
V G K Prasad	Executive Director	6	100%	Yes	2	4
V Indira Devi	Whole Time Director	4	75%	Yes	1	0
K Vasumathi Devi	Managing Director	6	100%	Yes	1	3
K Satyanarayana Prasad	Independent Director	6	100%	Yes	1	4
Sinha S Chunduri	Director	-	-	No	-	-
V Vasantha Lakshmi	Alternate Director	6	100%	Yes	1	-
S Veerabhadra Rao	Independent Director	4	75%	Yes	2	7
Vinit Mukesh Mehta (From 01.10.2020)	Nominee Director	6	100%	Yes	-	5
Y Nageswara Rao	Additional Director (Non Executive & Independent) w.e.f., 01.12.2021	2	100%	No	3	-

None of the Directors holds any directorship in other listed entities.

During the financial year, the Board has accepted all the recommendation of all the Committees of the board.

4. Audit Committee:

The terms of reference of the Audit Committee are broadly inter alia as follows:

a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

b. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

c. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

d. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval;

e. Review of compliances and review of systems and controls;

f. approval or any subsequent modification of transactions with related parties

The Audit Committee provides direction to the Audit function and monitors the quality of internal controls and systems. The responsibilities of the Audit Committee include the overseeing of financial reporting process to ensure fairness, sufficiency and credibility of financial statements, review of the quarterly and annual financial statements before submission to the Board, review of adequacy of internal control systems and the internal audit functions. The Audit Committee comprises three Non-Executive Directors with two Independent Directors and one Nominee Director. The Committee comprises of Sri S.Veerabhadra Rao as Chairman of the Committee and Vinit Mukesh Mehta, Sri K Satyanarayana Prasad as Members. The Executive Directors, Statutory Auditors, Internal Auditors and other Functional Heads are invitees to the Committee Meetings. During the year there was no change in the composition of Audit Committee.

During the year the committee met 6 times on 26.06.2021, 21.07.2021, 20.10.2021, 13.11.2021, 21.01.2022 and 14.02.2022. The details of members and their attendance at the committee meetings are given below:

Name of the Director	No.of Audit Committee Meetings attended	% of total Meetings attended
Sri. S.Veerabhadra Rao	4	100%
Sri.K.Satyanarayana Prasad	4	100%
Sri Vinit Mukesh Mehta	4	100%

The previous Annual General Meeting ("AGM") of the Company was held on November 30, 2021 and was attended by Sri. S.Veerabhadra Rao, Chairman of the audit committee.

5. Nomination, Remuneration & Compensation Committee:

The Nomination, Remuneration & Compensation Committee was constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 comprises of Sri S.Veerabhadra Rao as the Chairman and Sri.K.Satyanrayana Prasad and Sri Vinit Mukesh Mehta as Members. The Committee determines the remuneration package of Executive Directors (Whole Time Directors) of the Company and to grant Stock Options to eligible employees from time to time. During the year there was no change in the composition of the Committee During the year the committee met two times on 13.11.2021 and 21.01.2022.

The terms of reference of the Committee, inter alia, includes formulation of criteria for determining qualifications, positive attributes and independence of a director, recommendation of persons to be appointed to the Board and senior management and specifying the manner for effective evaluation of performance of Board, its Committees, Chairperson and individual directors, recommendation of remuneration policy for directors, key managerial personnel and other employees, formulation of criteria for evaluation of performance of independent directors and the Board. The Committee also reviews the remuneration of the senior management team.

During the year 2021-22, your Company has granted 5,62,860 [Five Lac Sixty Two Thousand Eight Hundred and Sixty only] employee stock options to the eligible employees of the Company, determined in terms of ESOP 2019, at a price of ₹ 120/- (Rupees One Hundred and Twenty only) per share.

Attendance of each Director at Nomination &Compensation Committee Meeting

Name of the Director	Category	Number of committee meetings Held	Number of committee meetings Attended
Vinit Mukesh Mehta	Nominee Director	2	2
S.Veerabhadra Rao	Independent Director	2	2
K Satyanarayana Prasad	Independent Director	2	2

Criteria for Performance evaluation:

(I) Remuneration Policy:

The Policy inter alia provides for the following:

(a) Attract, recruit, and retain good and exceptional talent;

(b) List down the criteria for determining the qualifications, positive attributes, and independence of the directors of the Company;

(c) Ensure that the remuneration of the directors, key managerial personnel and other employees is performance driven, motivates them, recognises their merits and achievements and promotes excellence in their performance;

(d) Motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;

(e) Ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and

(f) Fulfill the Company's objectives and goals, including in relation to good corporate governance, transparency, and sustained long-term value creation for its stakeholders.

(II) Remuneration paid to Directors

Remuneration to Executive Directors:

The Managing Director, Whole Time Director and Executive Director of the company have been appointed on contractual terms, based on the approval of the shareholders. The remuneration package comprises of salary, allowances and perquisites. The details of remuneration paid to Whole Time Directors during the year 2021-2022 are given below:

Name of the Director	Remuneration	Allowances	Commission
V G K Prasad	₹ 75,83,000	NIL	₹ 51,02,000
V Indira Devi	₹ 32,50,000	NIL	₹ 21,71,000
K Vasumathi Devi	₹ 54,17,000	NIL	₹ 35,82,000

The remuneration is within the limits prescribed under Schedule V to the Companies Act, 2013.

Remuneration to Non-Executive Directors

Presently, sitting fee is being paid to Shri.Nageswara Rao Yalamanchili, Additional Director (Non-Executive & Independent) for attending the meetings of the Board. Except this no sitting fee was paid for any other director for attending Board or Committee meetings thereof.

a) Details of Sitting Fees paid to Non-Executive Directors during the financial year 2021-2022

The details of sitting fees paid/payable to Non-Executive Directors during the financial year 2021-2022 was.

Name of the Director	Sitting Fee					Total
	Board Meetings	Audit Committee Meetings	N & R Committee Meetings	Risk Management Committee Meeting	Stakeholders Relationship Committee Meetings	
Shri.Nageswara Rao Yalamanchili	₹ 1,00,000	-	-	-	-	₹ 1,00,000

The remuneration is within the limits prescribed under Schedule V to the Companies Act, 2013.

b) Number of Shares and Convertible Instruments held by Non-executive Directors:

Name of the Non-Executive Director	No. of Equity Shares	No. of Convertible Instruments
Shri. S.Veerabhadra Rao	Nil	Nil
Shri. K.Satyanarayana Prasad	Nil	Nil
Shri. Satyanand Sinha Chunduri	1,17,700	Nil
Smt. Vupputuri Vasantha Lakshmi	24,91,794	Nil

c) Familiarisation Programme:

The Company has Familiarisation Programme for the Independent Directors with respect to the Company, their roles, rights, responsibilities and details of such Familiarisation Programme is available in the Company's website at this web address: www.ikffinance.com.

d) The list of core skills/ expertise/competencies as identified by the Board of Directors as required in the context of business and sector for it to function effectively and those actually available with the Board of Directors:

Industry, Accounts & Finance, Taxes, Legal, Marketing, Branding, Risks, Administration and Governance.

List of Directors possessing the skills/expertise and competencies:

Name of the Director	Skills/Expertise and Competencies
V G K Prasad	Industry, Marketing, Branding, Risks, Administration
V Indira Devi	Industry, Marketing, Branding, Risks, Administration
K Vasumathi Devi	Industry, Marketing, Branding, Risks, Administration
K Satyanarayana Prasad	Risks, Administration and Governance
Sinha S Chunduri	Accounts & Finance
S Veerabhadra Rao	Risks, Administration and Governance
Vinit Mukesh Mehta	Accounts & Finance, Taxes, Legal & Governance
Nageswara Rao Yalamanchili	Risks, Administration and Governance

e) Confirmation by the Board:

The Board hereby confirms that the independent directors fulfill the conditions specified in these regulations and are independent of the management.

f) Resignation of Independent Director:

During the year none of the Independent Directors has resigned.

6. Stakeholder Relationship Committee:

The Share Transfer and Investor Grievance Committee comprises of Sri. K. Satyanarayana Prasad as Chairman and Sri. S. Veerabhadra Rao as Member. The Stakeholder Relationship Committee was constituted in accordance with the provisions Section 178 of the Companies Act, 2013 and Rules made thereunder. During the year there was no complaints received by the Company.

7. Asset Liability Management Committee:

The Asset Liability Management Committee comprises of Sri V G K Prasad as Chairman, Sri S.Veerabhadra Rao, Sri Vinit Mukesh Mehta and Smt. K.Vasumathi Devi as Members. During the year there was no changes in the composition of the Committee. The Asset Liability Management Committee was formed to review and monitor liquidity and interest rate risk arising out of maturity mismatch of assets and liabilities and to address the mismatches, if any, from time to time. During the year 2021-2022 the committee met 4 times on 26.06.2021, 21.07.2021, 20.10.2021 and 14.02.2022.

Attendance of each Director at Asset Liability Management Committee Meeting

Name of the Director	Category	Number of committee meetings	
		Held	Attended
V G K Prasad	Executive Director	4	4
S.Veerabhadra Rao	Independent Director	4	4
K.Vasumathi Devi	Whole Time Director	4	4
Sri Vinit Mukesh Mehta	Nominee Director	4	4

8. Risk Management Committee:

The Risk Management Committee comprises of Sri V.G.K.Prasad as Chairman, Sri. S Veerabhadra, Sri Vinit Mukesh Mehta, Smt K.Vasumathi Devi as Members. During the year there was no change in the composition of Committee. The Risk Management Committee was formed to review and monitor Risk Management policies and systems from time to time. During the year 2021-2022 the committee met 4 times on 26.06.2021, 21.07.2021, 20.10.2021 and 14.02.2022.

The terms of reference of the Committee to include, review of operational, reputational and market risks. The other terms inter alia, include, managing the integrated risk, laying down procedures to inform the Board about risk assessment and minimisation procedures in the Company, and framing, implementing, monitoring the risk management plan for the Company.

Attendance of each Director at Risk Management Committee Meetings

Name of the Director	Category	Number of committee meetings	
		Held	Attended
V G K Prasad	Executive Director	4	4
S.Veerabhadra Rao	Independent Director	4	4
K.Vasumathi Devi	Whole Time Director	4	4
Vinit Mukesh Mehta	Nominee Director	4	4

9. Management Committee:

The Management Committee comprises of Sri. VG.K.Prasad as Chairman, Sri. S Veerabhadra Rao and Smt K.Vasumathi Devi as Members. During the year there was no change in the composition of Committee. The management Committee was formed to review and monitor borrowings, assignment and securitization transactions, day to day management activities etc from time to time. During the year 2021-2022 the committee met 27 times 17.05.2021, 12.07.2021, 30.07.2021, 09.08.2021, 04.09.2021, 23.09.2021, 27.09.2021, 30.09.2021, 18.10.2021, 20.11.2021, 24.11.2021, 25.11.2021, 30.11.2021, 06.12.2021, 15.12.2021, 31.12.2021, 11.01.2022, 25.01.2022, 28.01.2022, 04.02.2022, 16.02.2022, 23.02.2022, 04.03.2022, 15.03.2022, 21.03.2022, 30.03.2022 and 31.03.2022.

Name of the Director	Category	Number of committee meetings	
		Held	Attended
V G K Prasad	Executive Director	27	27
S.Veerabhadra Rao	Independent Director	27	27
K.Vasumathi Devi	Whole Time Director	27	27

1. Remuneration of directors

Pecuniary relationship/transaction with non-executive directors

During FY 2021-22, there were no pecuniary relationship/transactions of any non–executive directors with the Company. During FY 2021-22, the Company did not advance any loans to any of its directors.

Criteria of making payments to non-executive directors

Non-executive directors of the Company play a crucial role in the independent functioning of the Board. They bring in an external perspective to decision-making and provide leadership and strategic guidance while maintaining objective judgment. They also oversee the corporate governance framework of the Company.

Details of Remuneration of directors

Non-Executive Directors do not receive any remuneration from the company and except sitting fee of ₹ 50,000/- per meeting to Sri. Y. Nageswara Rao, Additional Director (Non-Executive and Independent) the Company has not any sitting fees also for attending the meetings of the Board and Committees thereof.

Details of remuneration, sitting fees and commission paid to the Directors are provided in the Form MGT-7 (annual return) which is hosted on the website of the Company and can be accessed at www.ikffinance.com.

11. General Body Meetings:

a) Time and location of last three Annual General Meetings and Special Resolutions passed by the members during the past 3 years AGMs.

AGM	Day	Date	Time	Venue	Special Resolutions passed
30th AGM	Tuesday	30.11.2021	11.00 AM	Audio Visual	• Renew the Borrowing Powers of the Company of ₹ 5000 crores • Renew the power of Board of Directors of the Company to lease and mortgage of the property (ies) of the Company • Issue of Non Convertible Debentures (NCD)/ Tier II Debt(s)/ Commercial Papers/Bonds on Private Placement Basis
29th AGM	Thursday	24.12.2020	11.00 AM	Audio Visual	• Enhance the Borrowing Powers of the Company from ₹ 4000 crores to ₹ 5000 crores • Enhance the power of Board of Directors of the Company to lease and mortgage of the property (ies) of the Company • Issue of Non Convertible Debentures (NCD)/ Tier II Debt(s)/ Commercial Papers/Bonds on Private Placement Basis
28th AGM	Wednesday	04.12.2019	4.30 PM	Registered Office of the Company. 40-1-144, Corporate Centre, M.G.Road Vijayawada-520010, Andhra Pradesh	• Re-Appointment of ShriSatyanarayana Prasad Kanaparthi (DIN 03598603), as Independent Director. • Re-Appointment of Shri Veerabhadra Rao Sunkara (DIN 01180981), as Independent Director • Enhance the Borrowing Powers of the Company from ₹ 3000 crores to ₹ 4000 crores • Enhance the power of Board of Directors of the Company to lease and mortgage of the property (ies) of the Company • Issue of Non Convertible Debentures (NCD)/ Tier II Debt(s)/ Commercial Papers/Bonds on Private Placement Basis

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b) No special resolution was proposed to be passed through postal ballot.

c) No special resolution is proposed to be passed through postal ballot

12. Means of Communication:

The half yearly financial results are published in "Business Line" (English) and "Praja Shakthi" (Telugu) and website of the Company www.ikffinance.com.

The Company has not made any presentations to institutional investors or to the analysts.

13. General Information to Shareholder:

General Body Meeting, Day, Date, Time &Location

31st Annual General Meeting will be held on Friday, 30th September, 2022 at 11.00 A,M., at the Registered Office situated at # 40-1-144, Corporate Centre, M.G. Road, Vijayawada - 520 010.

Pursuant to Ministry of Corporate Affairs ('MCA') circulars dated 8 April 2020, 13 April 2020, 5 May 2020 and 13 January 2021, the ensuing 31st Annual General Meeting ('AGM') is being conducted through VC or OAVM.

Financial Calendar

Financial Year - 1st April 2021 to 31st March 2022.

Dividend Payment

Your Directors have not recommended payment of dividend for the financial year ended 31st March 2022 since it is proposed to retain the same in the business.

Stock Exchange(s) at which the securities are listed

None of the equity shares and convertible securities are listed on any Stock Exchange.

The Non-convertible Debentures are listed on the debt market of BSE.

Annual listing fees, as prescribed, have been paid to the said stock exchange.

Stock Code:

959773

Market price data- high, low during each month in last financial year

Not Applicable as the Securities of the Company are not traded on the Stock Exchange.

Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc

Not Applicable as the Securities of the Company are not traded on the Stock Exchange.

Book Closure dates

September 23, 2022 to September 30, 2022

Share Transfers

There was no physical transfer of shares.

The company's shares are being compulsorily traded in dematerialized form with effect from 1st April, 2003. M/s. Bigshare Services Private Limited, who have been appointed as the Registrar and Share Transfer Agents of the company for both physical and electronic segments have attended to the share transfer formalities regularly. The Registrars and Share Transfer Agents can be contacted by the investors at the following address

M/s.Bigshare Services Private Limited, 306, 3rd Floor, Right Wing, Amrutha Ville, Opp.: Yashoda Hospital, Rajbhavan Road, Somajiguda, Hyderabad – 500 082, Tel.No.: 040-23374967, Fax No.: 040-23374295, Email : bsshyd@bigshareonline.com.

Outstanding GDRs or ADRs or Warrants or any Convertible Instruments, conversion date and likely impact on equity

Not Applicable as the Company hasn't issued any GDRs or ADRs or Warrants or any Convertible Instruments.

Commodity price risk or foreign exchange risk and hedging activities

The Company does not have exposure to commodity price risks. The Company has no foreign exchange exposures.

Plant location

Not Applicable

14. Distribution of Shareholding as on 31st March, 2022:

Fully Paid up Shares

Shareholdings		Shareholders		Share Amount	
₹	₹	No	% of total	₹	% of total
Upto	5,000	1068	1985450	1985450	0.38%
5,001	10,000	187	1647880	1647880	0.31%
10,001	20,000	97	1542990	1542990	0.29%
20,001	30,000	31	821770	821770	0.16%
30,001	40,000	22	808340	808340	0.15%
40,001	50,000	12	584820	584820	0.11%
50,001	1,00,000	15	1183990	1183990	0.22%
1,00,001	& above	27	518015430	518015430	98.37%
Total		**1459**	**100.00%**	**526590670**	**100.00%**

15. Shareholding Pattern as on 31.03.2022:

Category	Total Shareholders	% of Shareholders	Total Shares	%
Clearing Member	3	0.21%	526	0.00%
Corporate Bodies	22	1.51%	48436	0.09%
Foreign Company	1	0.07%	13051546	24.78%
Foreign Promoters	2	0.14%	1611800	3.06%
Non Resident Indians	8	0.55%	5206	0.01%
Promoters	5	0.34%	28331028	53.80%
Public	1416	97.05%	1746507	3.32%
Trusts	2	0.14%	7864018	14.93%
Total	**1459**	**100.00%**	**52659067**	**100%**

Dematerialization of Shares & Liquidity

Total Shares held in electronic mode as on 31st March, 2022– 88.97%. (Inclusive of 51,79,688 Partly Paid up shares Converted into fully paid up on 31.03.2022- otherwise 98.67%)

Address for correspondence and any assistance/ clarification

16. Compliance Officer:

Shri Ch.Sreenivasa Rao, Company Secretary, IKF Finance Limited, D.No.: 40-1-144, Corporate Centre, M.G.Road, Vijayawada – 520010.

17. Other Disclosures:

Materially significant related party transactions

There are no materially significant transactions with related parties i.e. Associate Companies, Promoters, Directors or the key management personnel and their relatives conflicting with the Company's interest that may have potential conflict with the interests of listed entity at large.

Details of non-compliance by the listed entity –Nil

Total fees for all services paid by to the statutory auditor

(in Lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Auditor's remuneration		
- Audit fees	22.00	31.50
In other capacity	-	-
- Certification services	10.91	8.75
Other of pocket expenses	0.06	1.00
Total	**32.97**	**41.25**

Annexure-I

Statement containing the salient features of the financial statements of subsidiaries / associate companies / joint ventures

[Pursuant to first proviso to Sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014 – AOC-1]

Part "A": Subsidiaries

(₹ in Rupees)

Name of the subsidiary	IKF Home Finance Limited
Financial period ended	31.03.2022
Exchange rate	Not Applicable
Share capital	46,59,64,251
Reserves & surplus	38,97,62,697
Total assets	4,12,57,43,118
Total liabilities (excluding share capital and reserves & surplus)	3,27,00,16,170
Investments	Nil
Turnover	52,59,53,585
Profit/(Loss) before taxation	13,29,00,514
Provision for taxation	3,28,57,431
Profit / (Loss) after taxation	10,00,43,083
% of shareholding	92.49% (Fully Diluted Basis)

1. Names of subsidiaries which are yet to commence operations: Nil
2. Names of subsidiaries which have been liquidated or sold during the year: Nil

Part "B": Associate Company

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Company.

As on 31.03.2022, the Company did not have any associate or joint venture company.

1. Names of associates or joint ventures which are yet to commence operations: Nil
2. Names of associates or joint ventures which have been liquidated or sold during the year: Nil

For and on behalf of the Board of Directors
IKF Finance Limited

	(V G K Prasad)	**(V. Indira Devi)**
Place: Vijayawada	Chairman	Whole-time Director
Date: 11.08.2022	DIN: 01817992	DIN: 03161174

Annexure II

Form No. MR-3
Secretarial Audit Report
For the Financial Year ended on March 31, 2022

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

To,
The Members,
M/s. IKF Finance Limited,
40-1-144,3rd Floor, Corporate Centre,
M.G.Road, Vijayawada - 520010.

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

Based on our 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, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company, during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

(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;

(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) The Securities Exchange Board of India (Share Based Employee Benefit) 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)** and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the audit period)**

(vi) The Employees Provident Fund and Miscellaneous Provisions Act, 1952;

(vii) Employees State Insurance Act, 1948;

(viii) Employers Liability Act, 1938;

(ix) Equal Remuneration Act, 1976;

(x) Maternity Benefits Act, 1961;

(xi) Minimum Wages Act, 1948;

(xii) Negotiable Instruments Act, 1881;

(xiii) Payment of Bonus Act, 1965;

(xiv) Payment of Gratuity Act, 1972;

(xv) Payment of Wages Act, 1936 and other applicable labour laws;

(xvi) Laws specially applicable to the industry to which the Company belongs, as identified by the Management:

- NBFC – The Reserve Bank of India Act, 1934 and all applicable Laws, Rules, Regulations, Guidelines, Circulars, Notifications, etc

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India;

(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that on examination of the relevant documents and records and based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of compliance reports by respective department heads / Company Secretary of the Company, in our opinion, there exist adequate systems and processes and control mechanism in the Company to monitor and ensure compliance with applicable general laws.

We further report that that the compliances by the Company of applicable financial laws, like direct and indirect tax laws, have not been reviewed in this audit since the same is not within the scope of our audit.

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

We further report that adequate notice was given to all directors to schedule the Board Meetings and agenda with detailed notes thereon were sent to all the directors at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications as may be required on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, all the decisions of the Board were without any dissent.

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

We further report that, during the audit period, the following material events / actions have taken place:

1. The Company has taken approval from the shareholders for following:

   i. To enhance the Borrowing Powers of the Company for an aggregate amount not exceeding ` 5000 Crores.

   ii. Enhance the power of Board of Directors of the Company to lease and mortgage of the property (ies) of the Company up to an amount of ₹ 5000 Crores.

   iii. Authorization to issue of Non Convertible Debentures (NCD)/Tier II Debt(s)/Commercial Papers/Bonds on Private Placement Basis up to an amount of ₹ 2000 Crores.

for **B S S & Associates**
Company Secretaries

B. Sathish
Partner
ACS No.: 27885
C P No.: 10089
UDIN: A027885D000778019

Place: Hyderabad
Date: 11.08.2022

This Report is to be read with our letter of even date which is annexed as **'Annexure A'** and Forms an integral part of this report.

Annexure-A

To,
The Members,
M/s. IKF Finance Limited,
40-1-144,3rd Floor, Corporate Centre,
M.G.Road, Vijayawada - 520010.

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

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

1. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, that we followed provide a reasonable basis for our opinion.

2. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

3. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

5. The Secretarial Audit report is not an assurance as to the future viability of the Company or of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

for **B S S & Associates**
Company Secretaries

B. Sathish
Partner
ACS No.: 27885
C P No.: 10089
UDIN: A027885D000778019

Place: Hyderabad
Date: 11.08.2022

Annexure-III

Annual Report on CSR Activities

[Pursuant to Clause (o) of sub section (3) of Section 134 of the Act and Rule 8 of the Companies (Corporate Social Responsibility) Rules 2014]

1. Brief outline on CSR Policy of the Company.

Brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken:

a. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;

b. Promoting education, including special education and employment enhancing vocation skills and livelihood enhancement projects;

c. Promoting gender equality, empowering women;

d. Ensuring environmental sustainability, ecological balance;

e. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central / State Government for socio-economic development and relief;

f. Rural Development projects;

g. Any other measures with the approval of Board of Directors on the recommendation of CSR Committee subject to the provisions of Section 135 of Companies Act, 2013 and rules made there-under.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Sri S.Veerabhadra Rao	Chairman	4	4
2	Sri V.G.K.Prasad	Member	4	4
4	Sri.VinitMukesh Mehta	Member	4	0

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company www.ikffinance.com.

4. 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:

As the Company is not having average CSR obligation of ₹ 10 Crores or more in pursuance of subsection (5) of section 135 of the Act and hence impact assessment is not applicable to the Company.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year:

The Company has spent an amount of ₹ ₹ 7,67,396 in excess of requirement provided under sub section (5) of section 135 of the Companies Act, 2013, therefore no amount is required to be set-off against the requirement to spend under sub section (5) of section 135 of the Companies Act, 2013 up to immediate succeeding three financial years.

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

₹ 44,42,62,229

7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 88,85,245

(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: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 88,85,245

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	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
96,52,641	Nil	Not Applicable	Not Applicable	Not Applicable	Not Applicable

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	NA	NA	NA	NA		NA	NA	NA	NA	NA	NA	NA

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Disaster Relief, Sanitation and Hygiene	(i)	Yes	Andhra Pradesh	Krishna	96,52,641	Yes	NA	NA
	Total					**96,52,641**			

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable : Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) ₹ 96,52,641

(g) Excess amount for set off, if any : ₹ 7,67,396

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	88,85,245
(ii)	Total amount spent for the Financial Year	96,52,641
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1,66,11,378
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	7,67,396
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	7,67,396

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	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 ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2020-21	Nil	2,45,06,400	NA	NA	NA	Nil
2.	2019-20	Nil	19,92,467	NA	NA	NA	Nil
3.	2018-19	Nil	49,15,947	NA	NA	NA	Nil
	Total		3,14,14,784	NA	NA	NA	Nil

(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)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
1	NA	NA	NA	NA	NA	NA	NA	NA
	Total							

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

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s): Nil

(b) Amount of CSR spent for creation or acquisition of capital asset: Nil

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Nil

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).: Nil

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

For and on behalf of the Board of Directors
IKF Finance Limited

(V G K Prasad)
Chairman
DIN: 01817992

(S Veerabhadra Rao)
Chairman of CSR Committee
DIN: 01180981

Place: Vijayawada
Date: 11.08.2022

Annexure-IV

Particulars of contracts / arrangements made with related parties

[Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014 – AOC-2]

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

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

   There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2022, which were not at arm's length basis.

2. **Details of material contracts or arrangement or transactions at arm's length basis**

   There were no material contracts or arrangements or transactions entered in to during the year ended March 31, 2022.

For and on behalf of the Board of Directors
IKF Finance Limited

	(V G K Prasad)	**(V. Indira Devi)**
Place: Vijayawada	Chairman	Whole-time Director
Date: 11.08.2022	DIN: 01817992	DIN: 03161174

FINANCIAL STATEMENTS

Independent Auditor's Report

To the Members of
IKF Finance Limited

Report on the audit of standalone financial statements

We have audited the accompanying standalone financial statements of **IKF Finance Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SA), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the standalone 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 standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of matter

We draw attention to note no. 57 of standalone financial statement, which describes the uncertainty caused by the continuing COVID-19 pandemic and the related probable events which could impact the Group's estimates of impairment of loans to customers. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone 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 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 standalone 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 standalone 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 standalone financial statements.

Key audit Matters	How our audit addressed the key audit matter
Impairment of Financial Instruments (expected credit Losses) has been described in Note 2.4.c, 2.6.f and 6 of the financial statements.	
Management estimates impairment provision using Expected Credit loss model for the loan exposure as per the Board approved policy which is in line with Ind AS and the Regulations. Measurement of loan impairment involves application of significant judgement by the management. The most significant judgements are:	• We evaluated the design and operating effectiveness of controls across the processes relevant to ECL, including the judgements and estimates. • We tested the completeness of loans and advances included in the Expected Credit Loss calculations as of March 31, 2022 by reconciling it with the balances as per loan balance register and loan commitment report as on that date.

Key audit Matters	How our audit addressed the key audit matter
• Timely identification and classification of the impaired loans, including classification of assets to stage 1, 2, or 3 using criteria in accordance with Ind AS 109 which also include considering the impact of RBI's regulatory circulars, • The segmentation of financial assets when their ECL is assessed on a collective basis, • Determination of probability of defaults (PD) and loss given defaults (LGD) based on the default history of loans, subsequent recoveries made and other relevant factors and • Assessment of qualitative factors having an impact on the credit risk.	• We tested assets in stage 1, 2 and 3 on sample basis to verify that they were allocated to the appropriate stage. • Tested samples to ascertain the completeness and accuracy of the input data used for determining the PD and LGD rates and agreed the data with underlying books of accounts and records. • For samples of exposure, we tested the appropriateness of determining EAD, PD and LGD. • For exposure determined to be individually impaired, we tested samples of loans and advances and examined management's estimate of future cash flows, assessed their reasonableness and checked the resultant provision calculations. • We performed an overall assessment of the ECL provision levels at each stage including management's assessment and provision on account of Company's portfolio, risk profile, credit risk management practices. • We assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 in relation to ECL especially in relation to judgements used in estimation of ECL provision.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the standalone financial statements and our auditors' report thereon, which we obtained prior to the date of this auditors report, and the Annual report which is expected to be made available to us after that date.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual 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 (Revised) 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Those Charged with Governance for the standalone financial statements

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone financial statement that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statement, the Management and the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so, the Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statement 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 standalone financial statement.

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 standalone financial statement, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements 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 in the standalone financial statement made by the Management and Board of Directors

- Conclude on the appropriateness of the Management and Board of Directors 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 appropriateness of this assumption. 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 standalone financial statement 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 standalone financial statement, including the disclosures, and whether the standalone financial statement represent the underlying transactions and events in a manner that achieves fair presentation.

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 standalone financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The standalone financial statements as at and for the year ended March 31, 2021, have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative standalone financial statements dated June 26, 2021 expressed an unmodified opinion.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2020 ("the Order"} issued by the Central Government of India in terms of sub-section (11} of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (b) In our opinion, proper books of account as required by law have been Kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of written representations received from the directors as on March 31, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

      i. The Company does not have any pending litigations which would impact its financial position;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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

      iv. (a) The Management has represented that to the best of it's knowledge and belief, as disclosed in note no. 49, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or other wise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      (b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in note no. 49, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

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

For **SGCO & CO. LLP**
Chartered Accountants
Firm Reg. No.:- 112081W/W100184

Suresh Murarka
Partner
Membership No. :- 044739
UDIN :- 22044739AJYANJ4717

Place :- Mumbai
Date :- May 30, 2022

Annexure A

REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

Re: IKF Finance Limited ("the Company")

(i) (a) (1) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(2) The Company has maintained proper records showing full particulars of intangible assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in investment property are held in the name of the Company.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 201 6) and rules made thereunder.

(ii) (a) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii)(a) of the Order are not applicable to the Company.

(b) The Company has been sanctioned working capital limits in excess of 5 crore, in aggregate, from banks or financial institutions on the basis of security of current assets. Quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) During the year, in the ordinary course of its business, the Company has made investments in, provided guarantee / security to and granted loans and advances in the nature of loans, secured and unsecured, to companies, firms, limited liability partnerships and other parties. With respect to such investments, guarantees / security and loans and advances:

(a) The Company's principal business is to give loans and, accordingly, the requirements under paragraph 3(iii)(a) of the Order are not applicable to the Company.

(b) The investments made and the terms and conditions of the grant of all the loans and advances in the nature of loans, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans and advances in the nature of loans (together referred to as "loan assets"), the schedule of repayment of principal and payment of interest has been stipulated. Note 2.6 (f) to the Financial Statements explains the Company's accounting policy relating to impairment of financial assets which include loans assets. In accordance with that policy, loan assets with balances as at March 31, 2022, aggregating ₹ 4,338.15 lakhs were categorised as credit impaired ("Stage 3") and ₹ 25,161.20 lakhs were categorised as those where the credit risk has increased significantly since initial recognition ("Stage 2"). Disclosures in respect of such loans have been provided in Note 6.2 to the Financial Statements. Additionally, out of loans and advances in the nature of loans with balances as at the year-end aggregating ₹ 129,844.46 lakhs, where credit risk has not significantly increased since initial recognition (categorised as "Stage 1"), overdues in the repayment interest and/ or principal aggregating ₹ 1,299.24 Lakhs were also identified. In all other cases, the repayment of principal and interest is regular. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemised list of loan assets where delinquencies in the repayment of principal and interest have been identified.

(d) The total amount overdue for more than ninety days, in respect of loans and advances in the nature of loans, as at the year-end is ₹ 2,804.16 Lakhs. Reasonable steps are been taken by the Company for recovery of the principal and interest as stated in the applicable Regulations and Loan agreements.

(e) The Company's principal business is to give loans and, accordingly, the requirements under paragraph 3(iii)(e) of the Order are not applicable to the Company.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investment made and guarantees, and securities given have been complied with by the Company.

(v) The Company has not accepted any deposits from the public. Hence, reporting under clause 3(v) of the Order is not applicable.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the services of the Company. Hence, reporting under clause 3 (vi) of the Order is not applicable to the Company

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there have been slight delays in payment of tax deducted at source and profession tax in few cases. As informed, the provisions relating to service tax, wealth tax, sales tax, value added tax, excise duty and customs duty are currently not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees! state insurance, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. As informed, the provisions relating to service tax, wealth tax, sales tax, value added tax, excise duty and customs duty are currently not applicable to the Company.

(c) According to the information and explanations given to us, there are no dues of income tax, goods and service tax and cess which have not been deposited on account of any dispute. As informed, the provisions of service tax, wealth tax, sales tax, value added tax, excise duty and customs duty are not applicable to the Company.

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) In our opinion and according to the information and explanations given by the management, the company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has applied term loans for the purpose for which the loans were obtained.

(d) The Company has not utilised fund raised on short term basis for long term purposes.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable.

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

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) There were no whistle blower complaint received during the year and hence reporting under clause 3(xi)(c) of the Order is not applicable.

(xii) The Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable.

(xiij) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) (a) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

(b) The company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) In our opinion, the Company is not a core investment company (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi) (c) and (d) of the Order is not applicable.

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

(xviii) During the year, consequent to the issuance of the Circular No. DoS.COARG/SEC.01/08.91.001 12021-22 dated April 27, 2021 by the RBI, the predecessor auditors resigned, as they had completed three continuous years as statutory auditors of the Company. The predecessor statutory auditors have confirmed to us that they were not aware of reasons as to why we should not accept the statutory audit engagements of the Company.

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

(xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) There are no unspent amounts towards CSR on ongoing projects under sub-section (5) of Section 135 requiring transfer to special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause of the Order is not applicable for the year.

For **SGCO & CO. LLP**
Chartered Accountants
Firm Reg. No.:- 112081W/W100184

Suresh Murarka
Partner
Membership No. :- 044739
UDIN :- 22044739AJYANJ4717

Place :- Mumbai
Date :- May 30, 2022

Annexure B

REFERRED TO IN PARAGRAPH 2 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY RE-OUIREMENTS" OF OUR REPORT OF EVEN DATE

Report on the Internal Financial Controls under Clause (i) of 5ub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of IKF Finance Limited ("the Company") as of March 31, 2022, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the " Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements 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 over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, 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 judgement, including the assessment of the risks of material misstatement of the standalone 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 internal financial controls over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with Reference to these standalone financial statements

A Company's Internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purpose in accordance with generally accepted accounting principles. A company's Internal financial control over financial reporting with reference to these standalone financial statements 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 transaction are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting Principles, and that receipts and expenditure of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisitions, use or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these standalone financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, 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 with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements 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 with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2022, based on the internal 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 **SGCO & CO. LLP**
Chartered Accountants
Firm Reg. No.:- 112081W/W100184

Suresh Murarka
Partner
Membership No. :- 044739
UDIN :- 22044739AJYANJ4717

Place :- Mumbai
Date :- May 30, 2022

IKF FINANCE
"LEGACY THAT INSPIRES. TECHNOLOGY THAT DELIVERS"

Standalone Balance Sheet

as at March 31, 2022

(Currency : ₹ in lakhs)

Particulars	Note No	As at March 31, 2022	As at March 31, 2021
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	3	3,377.21	11,793.28
(b) Bank Balance other than included in (a) above	4	2,208.65	3,964.82
(c) Receivables			
(I) Trade receivables	5	-	-
(d) Loans	6	1,56,325.40	1,40,161.15
(e) Investments	8	6,252.92	4,525.10
(f) Other financial assets	7	1,800.96	1,018.54
		1,69,965.14	**1,61,462.89**
(2) Non-financial assets			
(a) Current Tax Assets (Net)		183.04	217.94
(b) Deferred Tax Assets (Net)	29	70.34	-
(c) Investment Property	11	114.31	6.47
(d) Property, Plant and Equipment	10	260.11	240.52
(e) Right of use asset	10	10.75	24.77
(f) Intangible assets	12	154.42	170.57
(g) Other non-financial assets	9	1,067.42	382.01
		1,860.39	**1,042.28**
Total assets		**1,71,825.53**	**1,62,505.17**
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial liabilities			
(a) Payables			
(i) Trade payables and other payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(II) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(b) Debt securities	13	15,186.47	33,687.94
(c) Borrowings (other than debt securities)	14	1,09,462.84	85,755.89
(d) Subordinated Liabilities	15	6,003.45	5,986.79
(e) Other financial liabilities	16	2,030.13	2,670.12
		1,32,682.89	**1,28,100.74**
(2) Non-financial liabilities			
(a) Provisions	17	306.37	275.54
(b) Deferred tax liabilities (Net)	29	-	27.12
(c) Other non-financial liabilities	18	99.50	112.08
		405.87	**414.74**
EQUITY			
(a) Equity share capital	19	5,265.91	5,167.49
(b) Other equity	20	33,470.86	28,822.20
		38,736.77	**33,989.69**
Total liabilities and equity		**1,71,825.53**	**1,62,505.17**
Significant accounting policies and key accounting estimates and judgments	2		

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date

For S G C O & Co. LLP
Chartered Accountants
ICAI Firm registration number: 112081W/W100184

per Suresh Murarka
Partner
Membership No. 044739

Place: Mumbai
Date: May 30, 2022

For and on behalf of the Board of Directors of
IKF Finance Limited
CIN: U65992AP1991PLC012736

V.G.K Prasad
Chairman
DIN: 01817992

Vasumathi Devi Koganti
Managing Director
DIN: 03161150

Sreepal Jain
Chief Financial Officer

Ch.Sreenivasa Rao
Company Secretary
M.No. ACS14723

Place: Vijayawada
Date: May 30, 2022

Standalone Statement of Profit and Loss

for the year ended March 31, 2022

(Currency : ₹ in lakhs)

Particulars		Note No	Year ended March 31, 2022	Year ended March 31, 2021
Revenue From operations				
(i)	Interest income	21	21,899.30	20,295.71
(ii)	Fees and commission income	22	160.21	110.92
(I)	**Total revenue from operations**		**22,059.51**	**20,406.63**
(II)	Other income	23	63.31	16.29
(III)	**Total income (I + II)**		**22,122.82**	**20,422.92**
Expenses				
(i)	Finance costs	24	11,787.65	11,609.00
(ii)	Impairment on financial instruments	25	511.78	647.15
(iii)	Employee benefits expenses	26	3,248.03	2,621.34
(iv)	Depreciation, amortization and impairment	27	128.96	144.14
(v)	Others expenses	28	1,019.11	981.02
(IV)	**Total expenses**		**16,695.53**	**16,002.65**
(V)	**Profit before tax (III - IV)**		**5,427.29**	**4,420.27**
(VI)	**Tax Expense:**			
	(1) Current Tax	29	1,487.04	795.96
	(2) Deferred Tax	29	(100.25)	368.34
	(3) Adjustment of tax relating to earlier periods	29	10.06	65.46
			1,396.85	**1,229.76**
(VII)	**Profit for the period (V-VI)**		**4,030.44**	**3,190.51**
(VIII)	**Other comprehensive income**			
	(A) Items that will not be reclassified to profit or loss (specify items and amounts)			
	(a) Remeasurements of the defined benefit plans	30	11.07	13.44
	Income tax relating to items that will not be reclassified to profit or loss		(2.79)	(3.38)
	Other comprehensive income / (loss)		**8.28**	**10.06**
(IX)	**Total comprehensive income for the period (VII + VIII)**		**4,038.72**	**3,200.57**
(X)	**Earnings per share (equity share, par value of ₹ 10 each)**			
	Basic	31	7.80	6.35
	Diluted	31	7.80	6.34
Significant accounting policies and key accounting estimates and judgments		2		

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date

For and on behalf of the Board of Directors of
IKF Finance Limited
CIN: U65992AP1991PLC012736

For S G C O & Co. LLP
Chartered Accountants
ICAI Firm registration number: 112081W/W100184

V.G.K Prasad
Chairman
DIN: 01817992

Vasumathi Devi Koganti
Managing Director
DIN: 03161150

per Suresh Murarka
Partner
Membership No. 044739

Sreepal Jain
Chief Financial Officer

Ch.Sreenivasa Rao
Company Secretary
M.No. ACS14723

Place: Mumbai
Date: May 30, 2022

Place: Vijayawada
Date: May 30, 2022

IKF FINANCE
"LEGACY THAT INSPIRES. TECHNOLOGY THAT DELIVERS"

Standalone Cash Flow Statement

for the year ended March 31, 2022

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	5,427.28	4,420.27
Adjustments for:		
Depreciation, amortisation and impairment	128.96	144.14
Interest Income	(21,899.30)	(20,295.71)
Interest expenses	11,787.65	11,609.00
Impairment on financial instrument	511.78	647.15
Share based payment expense	(6.03)	13.09
Provision for expenses	6.60	4.83
Employee benefit expenses	81.57	98.26
Rental income on Investment property	(7.63)	(6.36)
(Profit)/ Loss on sale of property, plant and equipment	(0.07)	(0.14)
(Profit)/ Loss on sale of immovable Property	6.10	
Cash generated from / (used in) operations before working capital changes and adjustments for interest received and interest paid	**(3,963.08)**	**(3,365.47)**
Adjustments for changes in Working Capital :		
Decrease / (Increase) in trade receivable	26.21	20.87
Decrease / (Increase) in loans	(24,454.76)	(21,661.13)
Decrease / (Increase) in bank balances other than cash and cash equivalents	1,756.18	(189.89)
Decrease / (Increase) in other financial assets	126.85	(330.53)
Decrease / (Increase) in other non-financial assets	(685.42)	(53.83)
(Decrease) / Increase in other financial liabilities	(631.52)	(32.01)
(Decrease) / Increase in provisions	(39.67)	(17.76)
(Decrease) / Increase in other non-financial liabilities	(12.59)	(6.61)
Interest received	22,327.41	17,250.35
Interest paid	(11,836.88)	(10,176.00)
	(17,387.28)	**(18,562.00)**
Income tax paid (net of refunds)	(1,462.20)	(922.80)
Deferred tax adjustment	0.00	0.00
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	**(18,849.48)**	**(19,484.80)**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(86.52)	(33.46)
Purchase of Investment property	(224.11)	-
Rental income on Investment property	7.63	6.36
Proceeds from sale of property, plant and equipment	0.08	0.54
Proceeds from sale of Investment property	110.00	-
Purchase of intangible assets	(27.55)	(31.99)
Purchase of investments measured at cost	(1,727.82)	-
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	**(1,948.29)**	**(58.53)**

Standalone Cash Flow Statement

for the year ended March 31, 2022

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
CASH FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares (including securities premium)	714.39	1,015.18
Amount received from debt securities	8,000.00	30,500.00
Repayment of debt securities	(25,950.00)	(3,300.00)
Amount received from borrowings other than debt securities	56,500.00	33,730.08
Repayment of borrowings other than debt securities	(26,861.44)	(32,548.05)
Amount received from subordinated Liabilities	-	2,500.00
Repayment of subordinated debt	-	(3,000.00)
Payment of principal portion of lease liabilities	(19.13)	(41.45)
Payment of interest on lease liabilities	(2.12)	(4.77)
NET CASH GENERATED FROM / (USED IN) FROM FINANCING ACTIVITIES	**12,381.70**	**28,850.99**
Net Increase / (Decrease) in Cash and Cash Equivalents	**(8,416.07)**	**9,307.66**
Cash and Cash Equivalents at the beginning of Year	11,793.28	2,485.62
Cash and Cash Equivalents at the end of the Year	3,377.21	11,793.28

The above Cash Flow Statement has been prepared under the 'Indirect method' as set out in Ind AS 7 on 'Statement of Cash Flows'.

The above Cash Flow Statement has been prepared under the 'Indirect method' as set out in Ind AS 7 on 'Statement of Cash Flows'.

As per our report of even date

For S G C O & Co. LLP
Chartered Accountants
ICAI Firm registration number: 112081W/W100184

per Suresh Murarka
Partner
Membership No. 044739

Place: Mumbai
Date: May 30, 2022

For and on behalf of the Board of Directors of
IKF Finance Limited
CIN: U65992AP1991PLC012736

V.G.K Prasad
Chairman
DIN: 01817992

Vasumathi Devi Koganti
Managing Director
DIN: 03161150

Sreepal Jain
Chief Financial Officer

Ch.Sreenivasa Rao
Company Secretary
M.No. ACS14723

Place: Vijayawada
Date: May 30, 2022

Standalone Statement of Changes in Equity

for the year ended March 31, 2022

A. Equity share capital

Current Reporting Period

Particulars	Balance at the beginning of the current reporting period As at March 31, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the beginning of the current reporting period As at March 31, 2022
Issued, Subscribed and paid up - fully paid (Equity shares of ₹ 10 each, Fully paid-up)	4,747.94	-	4,747.94	517.97	5,265.91
Issued, Subscribed and paid up - partly paid (Equity shares of ₹ 10 each, partly paid-up of 8.10 per share in March 2021	419.55	-	419.55	(419.55)	0.00

Previous Reporting Period

Particulars	Balance at the beginning of the current reporting period As at March 31, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the beginning of the current reporting period As at March 31, 2022
Issued, Subscribed and paid up - fully paid (Equity shares of ₹ 10 each, Fully paid-up)	4,747.94	-	4,747.94	-	4,747.94
Issued, Subscribed and paid up - partly paid (Equity shares of ₹ 10 each, partly paid-up of 8.10 per share in March 2021	279.70	-	279.70	139.85	419.55

B. Other equity

(Currency : ₹ in lakhs)

Particulars	Reserves and Surplus							Total
	Statutory Reserve	Capital Reserve	Securities Premium	General Reserve	Share based payment Reserve	Retained Earnings	Impairment Reserve	
Balance at April 01, 2020	**3,549.31**	**32.50**	**9,085.06**	**860.41**	**17.56**	**11,188.37**	**-**	**24,733.21**
Changes in Accounting Policies / Prior Period Errors	-	-	-	-	-	-	-	-
Restated balance as at April 01, 2020	3,549.31	32.50	9,085.06	860.41	17.56	11,188.37	-	24,733.20
Profit for the year	-	-	-	-	-	3,190.51	-	3,190.51
Other comprehensive income for the year	-	-	-	-	-	10.06	-	10.06
Total comprehensive income for the year (net of tax)	-	-	-	-	-	3,200.57	-	3,200.57
Transfer to Statutory Reserve	638.10	-	-	-	-	(638.10)	-	-
Transfer to General Reserve	-	-	-	159.53	-	(159.53)	-	-
Issue of equity shares	-	-	875.33	-	-	-	-	875.33
Share based payment expense	-	-	-	-	13.09	-	-	13.09
Balance at March 31, 2021	**4,187.41**	**32.50**	**9,960.39**	**1,019.93**	**30.65**	**13,591.31**	**-**	**28,822.20**

Standalone Statement of Changes in Equity

for the year ended March 31, 2022

(Currency : ₹ in lakhs)

Particulars	Reserves and Surplus							Total
	Statutory Reserve	Capital Reserve	Securities Premium	General Reserve	Share based payment Reserve	Retained Earnings	Impairment Reserve	
Changes in Accounting Policies / Prior Period Errors	-	-	-	-	-	-	-	-
Restated balance as at April 01, 2021	4,187.41	32.50	9,960.39	1,019.93	30.65	13,591.31	-	28,822.20
Profit for the year	-	-	-	-	-	4,030.44	-	4,030.44
Other comprehensive income for the year	-	-	-	-	-	8.28	-	8.28
Total comprehensive income for the year (net of tax)	-	-	-	-	-	4,038.72	-	4,038.72
Transfer to Statutory Reserve	806.09	-	-	-	-	(806.09)	-	-
Transfer to General Reserve	-	-	-	201.52	-	(201.52)	-	-
Issue of equity shares	-	-	615.97	-	-	-	-	615.97
Share based payment expense	-	-	-	-	(6.03)	-	-	(6.03)
Balance at March 31, 2022	4,993.50	32.50	10,576.37	1,221.45	24.62	16,622.42	-	33,470.87

As per our report of even date

For S G C O & Co. LLP
Chartered Accountants
ICAI Firm registration number: 112081W/W100184

per Suresh Murarka
Partner
Membership No. 044739

Place: Mumbai
Date: May 30, 2022

For and on behalf of the Board of Directors of
IKF Finance Limited
CIN: U65992AP1991PLC012736

V.G.K Prasad
Chairman
DIN: 01817992

Vasumathi Devi Koganti
Managing Director
DIN: 03161150

Sreepal Jain
Chief Financial Officer

Ch.Sreenivasa Rao
Company Secretary
M.No. ACS14723

Place: Vijayawada
Date: May 30, 2022

Notes

on Standalone Financial Statements for the year ended March 31, 2022

1 Company Overview

IKF Finance Limited ('the Company') is a public company domiciled in India and incorporated under the provision of the Companies Act, 1956. The Company was registered as a non-deposit accepting Non-Banking Financial Company ('NBFC-ND') with the Reserve Bank of India ('RBI') and classified as a Non-Banking Financial Company- Asset Finance Company ('NBFC-AFC') with effect from May 12, 2014. The Company provides finance for commercial vehicles, construction equipment and other loans

2 Significant Accounting Policies

2.1 Basis of preparation

The financial statements for the year ended March 31, 2022 have been prepared by the Company in accordance with Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs, Government of India under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016, as amended from time to time, in this regard. Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

2.2 Presentation of Financial Statements

The financial statement of the company are presented as per Division III of the Schedule III to the Companies Act 2013 as amended from time to time, for Non-Banking Financial Companies ('NBFCs') that are required to comply with Ind-AS. The Statement of Cash Flows has been presented as per the requirements of Ind-AS 7 Statement of Cash Flows. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 34 – Maturity analysis of assets and liabilities.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Company and/or its counterparties

2.3 Basis of Measurement

The financial statements have been prepared under the historical cost convention on the accrual basis except for certain financial instruments, plan assets of defined benefit plans and share based payment plans, which are measured at fair values at the end of each reporting period as explained in the accounting policies below. All amounts disclosed in the financial statements and notes have been rounded off to the nearest ₹ Lakhs in compliance with Schedule III of the Act, unless otherwise stated.

2.4 Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) at the date of the financial statements and the reported amounts of revenues and expenses for the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements. Actual results could differ from these estimates. Any revisions to accounting estimates are recognized prospectively in the current and future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Key sources of estimation of uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amount of assets and liabilities within the next financial year are included in the following notes:

a. Business model assessment

Classification and measurement of financial assets depends on the results of the solely payments of principal and interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the

Notes

on Standalone Financial Statements for the year ended March 31, 2022

risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

b. Effective Interest Rate (EIR) method

The Company recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken.

This estimation, by nature, requires an element of judgement regarding the expected behaviour and lifecycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

c. Impairment of loans portfolio

The measurement of impairment losses on loan assets requires judgement, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk.

The Company's Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include:

- PD calculation includes historical data, benchmarking, assumptions and expectations of future conditions.
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life-time expected credit loss and the qualitative assessment.
- The segmentation of financial assets when their ECL is assessed on a collective basis.
- Development of ECL models, including the various formulas and the choice of inputs.

It is the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The impairment loss on loans and advances is disclosed in more detail in Note 6-Loans and Note 42- Risk Management.

d. Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

e. Fair value measurement:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

f. Operating leases

Company as a lessee:

The Company has applied Ind AS 116 using the partial retrospective approach.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right of use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short term lease

The Company has elected not to recognise right of use asset and lease liabilities for short term leases of property that has lease term of 12 months or less. The Company recognises lease payment associated with these leases as an expense on a straight line basis over lease term.

g. Share based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

2.5 Revenue recognition

a. Interest Income on loans

Interest income is recorded using effective interest rate (EIR) method for all financial assets measured at amortised cost.

EIR is the rate that exactly discounts the estimated future cash flows through the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset except for credit impaired asset.

The calculation of the effective interest rate includes transaction costs and fees (loan processing fees, commission paid to direct selling agents and other premiums or discounts) that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

b. Rental Income

Rental income arising from operating leases is recognised on a straight-line basis over the lease term. In cases where the increase is in line with expected general inflation rental income is recognised as per the contractual terms.

Notes

on Standalone Financial Statements for the year ended March 31, 2022

Operating leases are leases where the Company does not transfer substantially all of the risk and benefits of ownership of the asset.

c. Interest income on fixed deposits

Interest on fixed deposits is recognised on a time proportion basis taking into account the amount outstanding and the applicable rate.

d. Other income

Other charges including application fees (penal interest, cheque bouncing charges, etc.) are recognised on realization basis.

2.6 Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Recognised financial assets and financial liabilities are initially measured at transaction price, which equates fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

A financial asset and a financial liability are offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

a. Classification and measurement of Financial assets

Based on the business model, the contractual characteristics of the financial assets and specific elections where appropriate, the Company classifies and measures financial assets in the following categories:

- Amortised cost
- Fair value through other comprehensive income ('FVOCI')
- Fair value through profit and loss ('FVTPL')

Financial assets at amortised cost

Financial assets are measured at amortised cost using the effective interest rate (EIR) if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement and based on the assessment of the business model as asset held to collect contractual cash flows and SPPI, such financial assets are subsequently measured at amortised cost using effective interest rate ('EIR') method. Interest income and impairment expenses are recognised in statement of profit and loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

The EIR method is a method of calculating the amortised cost of a financial instrument and of allocating interest over the relevant period. The EIR is the rate that exactly discounts estimated future cash flows (including all fees paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Company records loans at amortised cost.

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

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to sole payments of principal and interest on the principal amount outstanding and by selling financial assets.

Movements in the carrying amount of such financial assets are recognised in Other Comprehensive Income ('OCI'), except dividend income and interest income which is recognised in statement of profit and loss. Equity instruments at FVOCI are not subject to an impairment assessment.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

b. Financial Liabilities

Financial liabilities are measured at amortised cost. The carrying amounts are determined based on the EIR method. Interest expense is recognised in statement of profit and loss. Any gain or loss on de-recognition of financial liabilities is also recognised in statement of profit and loss.

c. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

d. Reclassification

Financial assets and liabilities are not reclassified subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line or in the period the Company changes its business model for managing financial assets.

e. De-recognition of financial assets and financial liabilities

i. Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

i. The Company has transferred its contractual rights to receive cash flows from the financial asset, or

ii. It retains the rights to the cash flows but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

i. The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.

ii. The Company cannot sell or pledge the original asset other than as security to the eventual recipients.

iii. The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

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A transfer only qualifies for derecognition if either:

i. The Company has transferred substantially all the risks and rewards of the asset, or

ii. The Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

ii. Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying value of the original financial liability and the new financial liability with modified terms is recognised in statement of profit and loss.

f. Impairment of Financial Assets

The Company recognises impairment allowances for Expected Credit Loss (ECL) on all the financial assets that are not measured at FVTPL:

The ECL provision is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on financial assets that are possible within the 12 months after the reporting date.

The Company performs an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company categorises its loans into three stages as described below:

For non-impaired financial instruments

- Stage 1 is comprised of all non-impaired financial instruments which have not experienced a significant increase in credit risk (SICR) since initial recognition. A 12-month ECL provision is made for stage 1 financial instruments. In assessing whether credit risk has increased significantly, the Company compares the risk of a default occurring on the financial instrument as at the reporting date, with the risk of a default occurring on the financial instrument as at the date of initial recognition.

- Stage 2 is comprised of all non-impaired financial instruments which have experienced a SICR since initial recognition. The Company recognises lifetime ECL for stage 2 financial instruments. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a SICR since initial recognition, then entities shall revert to recognizing 12 months of ECL.

For impaired financial instruments:

Financial instruments are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The Company recognises lifetime ECL for impaired financial instruments.

The calculation of ECLs

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

Probability of Default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognized and is still in the portfolio. The concept of PD is further explained in Note 42- Risk Management.

Exposure at Default – The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

Loss Given Default – The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive.

Collateral Valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as movable and immovable assets, guarantees, etc. However, the fair value of collateral affects the calculation of ECLs. To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using other methodologies. Non-financial collateral, such as vehicles, is valued based on data provided by third parties or management judgements.

Collateral repossessed

In its normal course of business whenever default occurs, the Company may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

Write-offs

Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when it is determined that the customer does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

g. Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Company measures certain categories of financial instruments (as explained in Note 41- Fair Value Measurement) at fair value on each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments - Those that include one or more unobservable input that is significant to the measurement as whole.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. No such instances of transfers between levels of the fair value hierarchy were recorded during the reporting period.

2.7 Property, plant and equipment

Property, plant and equipment are carried at cost of acquisition less accumulated depreciation and accumulated impairment loss (if any). The total cost of the asset comprises the purchase price, taxes, duties, freight (net of rebates and discounts) and any other directly attributable costs of bringing the assets to their working condition for their intended use. Borrowing costs directly attributable to acquisition of those assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Advances paid towards the acquisition of assets outstanding at each balance sheet date are disclosed as other non-financial assets. The cost of assets not ready for their intended use at each balance sheet date is disclosed as capital work-in-progress.

Depreciation is provided on a straight-line method, over the estimated useful life of each asset as prescribed in Schedule II of the Companies Act, 2013 as follows:

Asset	Useful Life
Building (Investment Property)	60 years
Office Equipment	5 years
Furniture and Fixture	10 years
Computers	3 years
Vehicles (Car, Lorry, Bus)	8 years
Vehicles (Bike, Moped, Cycle)	10 years
Servers	6 years

An item of property, plant and equipment, is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment, is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.8 Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Cost comprise the purchase price and any attributable cost of bringing the asset to its working condition for its intended use

Intangible assets are amortised on a straight line basis over their estimated useful life.

The estimated useful life of intangible assets are as follows:

Asset	Useful Life
Software	6 years

2.9 Investment in Subsidiaries

Ind AS 101 permits a first time adopter to measure its investment, at the date of transition, at cost determined in accordance with Ind AS 27, or deemed cost. The deemed cost of such investment shall be its fair value at the Company's date of transition to Ind AS, or Previous GAAP carrying amount at that date. The Company has elected to measure its investment in subsidiary at the Previous GAAP carrying amount as its deemed cost on the transition date.

2.10 Impairment of non-financial assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, the recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit (CGU). An asset or CGU whose carrying value exceeds its recoverable amount is considered impaired and is written down to its recoverable amount. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting years may no longer exist or may have decreased.

2.11 Employee benefits

Defined Contribution Plan:

The Company has a defined contribution plan for post-employment benefits in the form of Provident Fund. Under the Provident Fund Plan, the Company contributes to a Government administered provident fund / recognized provident fund on behalf of the employees. The Company has no further obligation beyond making the contributions.

The Company's contributions to the above Plan are charged to the Statement of Profit and Loss.

Defined Benefit Plan:

The Company provides for gratuity to all employees. The benefit is in the form of lump sum payments to vested employees on resignation, retirement, or death while in employment or on termination of employment of an amount equivalent to 15 days basic salary payable for each completed year of service as required under 'The Payment of Gratuity Act, 1972'. Vesting occurs upon completion of five years of service.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non- routine settlements; and

- Net interest expense or income

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An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Other Employee Benefits:

The employees of the Company are entitled to compensated absence and deferred compensation as per the policy of the Company, the liability in respect of which is provided, based on an actuarial valuation carried out by an independent actuary as at the year end. The actuarial valuation method used by the independent actuary for measuring the liability is the Projected Unit Credit Method.

Actuarial gains and losses comprise experience adjustments and the effects of changes in the actuarial assumptions are recognized immediately in the Statement of Profit and Loss in the year in which they arise.

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. Unutilised leave balance that accrues to employees as at the year end is charged to the Statement of Profit and Loss on an undiscounted basis.

2.12 Income Taxes

Income-tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income-tax expense is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in equity or in OCI.

(a) Current tax

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961, enacted in India. 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 assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are reviewed at each reporting date and based on management's judgement, are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if the Company:

- has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

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2.13 Provision and contingencies

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.

A contract is considered as onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

2.14 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Indian Accounting Standard 33 – "Earnings Per Share". Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

2.15 Cash and cash equivalent

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes 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, and bank overdrafts.

2.16 Statement of cash flows

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of non-cash future, any deferrals or accruals of past or future operating cash receipts or payments and item of expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.17 Share based payments

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting year, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payments Reserve.

2.18 Statutory Reserve

In accordance with section 45-IC of the RBI Act, 1934, the Company creates a reserve fund and transfers therein a sum not less than twenty per cent of its net profit every year as disclosed in the Statement of Profit and loss before any dividend is declared.

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3 Cash and cash equivalents

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	96.00	93.49
Balances with banks in current accounts	3,281.21	11,699.79
Total	**3,377.21**	**11,793.28**

4 Bank balance other than cash and cash equivalents

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks to the extent held as margin money*	2,208.65	3,964.82
Total	**2,208.65**	**3,964.82**

*Represent margin money deposits placed to avail term loans from banks, financial institutions and as cash collateral in connection with securitisation transactions.

5 Receivables

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(I) Trade receivables		
Receivables considered good - Unsecured	-	-
	-	**-**
Less: Provision for impairment	-	-
Total	**-**	**-**

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person, or from firms or private companies respectively in which any director is a partner, a director or a member.

6 Loans (at Amortised Cost)

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Term loans	1,59,308.77	1,43,354.04
(ii) Term loans - related parties	-	-
(iii) Staff loans	35.04	49.69
Total	**1,59,343.81**	**1,43,403.73**
Less: Impairment loss allowance	3,018.42	3,242.58
Total - Net of impairment loss allowance	**1,56,325.40**	**1,40,161.15**
(i) Secured by tangible assets*	1,59,343.81	1,43,403.73
(i) Secured by intangible assets	-	-
(ii) Covered by Bank/ Government Guarantees	-	-
(iii) Unsecured	-	-
Total	**1,59,343.81**	**1,43,403.73**
Less: Impairment loss allowance	3,018.42	3,242.58
Total - Net of impairment loss allowance	**1,56,325.40**	**1,40,161.15**

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(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Public sectors	-	-
(ii) Others	1,59,343.81	1,43,403.73
Total	**1,59,343.81**	**1,43,403.73**
Less: Impairment loss allowance	3,018.42	3,242.58
Total - Net of impairment loss allowance	**1,56,325.40**	**1,40,161.15**
(i) Loans in India	1,59,343.81	1,43,403.73
(ii) Loans outside India	-	-
Total	**1,59,343.81**	**1,43,403.73**
Less: Impairment loss allowance	3,018.42	3,242.58
Total - Net of impairment loss allowance	**1,56,325.40**	**1,40,161.15**

*Secured against hypothecation of automobiles, book debts, equitable mortgage of immovable property etc.

6.1 The table below discloses credit quality and the maximum exposure to credit risk based on the company's year end stage classification. The numbers presented are gross of impairment loss allowance:

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Term loans		
Stage I	1,29,809.42	82,084.22
Stage II	25,161.20	56,993.86
Stage III	4,338.15	4,275.96
Total	**1,59,308.77**	**1,43,354.04**

6.2 Gross movement of loans for the year ended March 31, 2022:

(Currency : ₹ in lakhs)

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount as at April 1, 2021				
Term loans	**82,084.22**	**56,993.86**	**4,275.96**	**1,43,354.04**
Staff loans	**49.69**	**-**	**-**	**49.69**
New loans originated during the year				-
Term loans	80,082.60	2,782.07	104.43	82,969.10
Staff loans	6.35			-
Inter-stage movements:				
-Term loans				
Transfers to Stage 1	17,315.85	(17,251.52)	(64.34)	-
Transfers to Stage 2	(8,774.35)	8,849.51	(75.16)	-
Transfers to Stage 3	(527.83)	(1,672.81)	2,200.63	-
Interest on stage 3 loans	-	-	84.13	84.13
Amounts written off				
Term loans	(48.00)	(103.66)	(584.28)	(735.95)
Staff loans	-	-	-	-
Assets derecognised or repaid (excluding write offs)				
Term loans	(40,323.07)	(24,436.26)	(1,603.23)	(66,362.56)
Staff loans	(21.00)	-	-	(21.00)
Gross carrying amount as at March 31, 2022				
Term loans	**1,29,809.42**	**25,161.20**	**4,338.15**	**1,59,308.77**
Staff loans	**35.04**	**-**	**-**	**35.04**

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6.3 Gross movement of loans for the year ended March 31, 2021:

(Currency : ₹ in lakhs)

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount as at April 1, 2020				
Term loans	**81,348.86**	**44,851.14**	**3,490.59**	**1,29,690.59**
Staff loans	**18.95**	**-**	**-**	**18.95**
New loans originated during the year				-
Term loans	42,798.30	9,123.74	114.71	52,036.75
Staff loans	-	-	-	-
Inter-stage movements:				
-Term loans				
Transfers to Stage 1	10,524.93	(10,059.58)	(465.36)	-
Transfers to Stage 2	(26,750.05)	27,027.07	(277.02)	-
Transfers to Stage 3	(1,332.89)	(1,995.48)	3,328.37	-
Interest on stage 3 loans	-	-	98.96	98.96
Amounts written off				
Term loans	(158.19)	(320.80)	(594.59)	(1,073.58)
Staff loans	-	-	-	-
Assets derecognised or repaid (excluding write offs)				
Term loans	(24,346.74)	(11,632.23)	(1,419.70)	(37,398.67)
Staff loans	30.75	-	-	30.75
Gross carrying amount as at March 31, 2021				
Term loans	**82,084.22**	**56,993.86**	**4,275.96**	**1,43,354.04**
Staff loans	**49.69**	**-**	**-**	**49.69**

6.4 ECL movement of term loans during the year ended March 31, 2022:

(Currency : ₹ in lakhs)

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount as at April 1, 2021	**678.70**	**1,355.87**	**1,208.00**	**3,242.57**
New loans originated during the year	648.57	68.49	39.11	756.16
Inter-stage movements:				
Transfers to Stage 1	654.22	(623.13)	(31.09)	-
Transfers to Stage 2	(100.45)	140.51	(40.06)	-
Transfers to Stage 3	(5.99)	(50.47)	56.46	-
Amounts written off	(1.49)	(14.10)	(395.79)	(411.37)
Assets derecognised or repaid (excluding write offs)	(883.92)	(313.70)	628.68	(568.94)
Gross carrying amount as at March 31, 2022	**989.64**	**563.47**	**1,465.31**	**3,018.42**

6.5 ECL movement of term loans during the year ended March 31, 2021:

(Currency : ₹ in lakhs)

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount as at April 1, 2020	**905.92**	**1,761.54**	**1,004.64**	**3,672.10**
New loans originated during the year	**358.85**	**217.76**	**28.90**	**605.51**
Inter-stage movements:				
Transfers to Stage 1	598.95	(383.94)	(215.01)	-
Transfers to Stage 2	(301.98)	369.41	(67.43)	-
Transfers to Stage 3	(15.05)	(77.17)	92.22	-
Amounts written off	(6.65)	(35.05)	(365.38)	(407.08)
Assets derecognised or repaid (excluding write offs)	(861.34)	(496.68)	730.06	(627.96)
Gross carrying amount as at March 31, 2021	**678.70**	**1,355.87**	**1,208.00**	**3,242.57**

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7 Other Financial Assets

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Rent and utility deposit	217.70	145.70
Excess Interest Spread (EIS) Receivables	1,450.27	541.71
Other -unsecured, considered good	132.99	331.13
Total	**1,800.96**	**1,018.54**

8 Investments

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Investment in Equity instruments		
- Subsidiary (at cost)		
IKF Home finance limited*	6,252.92	4,525.10
(March 31, 2022: 3,76,14,747 Equity shares of ₹ 10 each, fully paid & 1,97,89,430 Equity shares of ₹ 2.77, partly paid; March 31, 2021: 3,76,14,747 Equity shares of ₹ 10 each, fully paid)		
Total (A)	**6,252.92**	**4,525.10**
(i) Investments in India	6,252.92	4,525.10
(ii) Investments outside India	-	-
Total (B)	**6,252.92**	**4,525.10**

In accordance with the Amendment to the Share Purchase Agreement dated March 23, 2018 executed on October 20, 2018, the company has subscribed to the 2,91,14,747 Equity shares of ₹ 10 each (fully paid) at a premium of ₹ 2.6228 per share in IKF Home Finance Limited during the year ended March 31, 2019.

Further, the company subscribed to the 85,00,000 Equity shares of ₹10 each (fully paid) at par on preferential allotment basis in IKF Home Finance Limited during the year ended March 31, 2019.

Further, the company subscribed to the 1,97,89,430 Equity shares of ₹ 10 each with a premium of ₹ 21.52 per Share (Party paid of ₹ 2.77) at par on preferential allotment basis in IKF Home Finance Limited during the year ended March 31, 2022.

9 Other Non-Financial Assets

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	161.05	20.07
Advances to employees	2.39	0.92
GST input credit	403.98	345.10
Other -unsecured, considered good	500.00	15.92
Total	**1,067.42**	**382.01**

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10 Property, Plant and Equipment

(Currency : ₹ in lakhs)

Particulars	Furniture and Fixtures	Computer & Printer	Office equipment	Vehicles	Total	Right to Use Assets
Gross carrying amount						
As at March 31, 2020	**245.17**	**74.55**	**11.16**	**75.51**	**406.39**	**139.78**
Additions	25.35	8.09	-	-	33.45	8.58
Disposals	-	(0.68)	-	-	(0.68)	(18.21)
As at March 31, 2021	**270.52**	**81.96**	**11.16**	**75.51**	**439.16**	**130.15**
Additions	28.52	58.05	-	-	86.57	4.92
Disposals		(0.25)	-	-	(0.25)	(1.67)
As at March 31, 2022	**299.04**	**139.76**	**11.16**	**75.51**	**525.48**	**133.39**
Accumulated depreciation and impairment:						
As at March 31, 2020	**62.87**	**44.11**	**3.26**	**23.75**	**133.99**	**76.23**
Depreciation for the year	33.58	17.36	2.18	11.81	64.93	39.22
Disposals	-	(0.28)	-	-	(0.28)	(10.06)
As at March 31, 2021	**96.45**	**61.20**	**5.44**	**35.56**	**198.64**	**105.39**
Depreciation for the year	36.50	17.68	1.76	11.00	66.93	18.17
Disposals	-	(0.20)	-	-	(0.20)	(0.93)
As at March 31, 2022	**132.93**	**78.68**	**7.20**	**46.55**	**265.37**	**122.64**
Net book value						
As at March 31, 2020	182.30	30.44	7.90	51.76	272.40	63.55
As at March 31, 2021	174.07	20.76	5.72	39.95	240.52	24.77
As at March 31, 2022	166.11	61.09	3.97	28.95	260.11	10.75

Note: The Company has not revalued any of its property, plant and equipment during the years ended March 31, 2022 and March 31, 2021. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil.

11 Investment Property

(Currency : ₹ in lakhs

Particulars	Buildings	Vacant Site	Total
Gross carrying amount			
As at March 31, 2020	**6.98**		**6.98**
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2021	**6.98**		**6.98**
Additions	-	224.11	224.11
Disposals	-	(116.10)	(116.10)
As at March 31, 2022	**6.98**	**108.01**	**114.99**
As at March 31, 2020	**0.34**	**-**	**0.34**
Depreciation for the year	0.17	-	0.17
Disposals	-	-	-
As at March 31, 2021	**0.51**	**-**	**0.51**
Depreciation for the year	0.17	-	0.17
Disposals	-	-	-
As at March 31, 2022	**0.68**	**-**	**0.68**
Net book value			
As at March 31, 2020	6.64	-	6.64
As at March 31, 2021	6.47	-	6.47
As at March 31, 2022	6.30	108.01	114.31

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(i) Amounts recognised in Statement of Profit and Loss for Investment Property

(Currency : ₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Rental Income	7.63	6.36
Direct operating expense from property that generated rental income		-
Profit from investment properties before depreciation	7.63	6.36
Depreciation	0.17	0.17
Profit from investment properties	**7.46**	**6.19**

(ii) Contractual obligations

The Company has no contractual obligations to purchase, construct or develop investment property. However, the responsibility for its repairs, maintenance or enhancements is with the Company.

(iii) Pledged details

Investment property pledged in favor of consortium leader central bank for cash credit facility.

(iv) Estimation of fair value

The fair values of investment property is determined by guidance value given by the local government of the area where the investment properties are located.

(v) Revaluation

The Company has not revalued any of its investment property during the years ended March 31, 2022 and March 31, 2021. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil.

12 Intangible assets

(Currency : ₹ in lakhs

Particulars	Computer software
Gross carrying amount	
As at March 31, 2020	**238.24**
Additions	32.00
Disposal	-
As at March 31, 2021	**270.24**
Additions	27.54
Disposal	-
As at March 31, 2022	**297.78**
Accumulated amortisation and impairment	
As at March 31, 2020	**59.85**
Amortisation for the year	39.82
Disposal	-
As at March 31, 2021	**99.67**
Amortisation for the year	43.70
Disposal	-
As at March 31, 2022	**143.37**
Net book value	
As at March 31, 2020	178.39
As at March 31, 2021	170.57
As at March 31, 2022	154.42

Note: The Company has not revalued any of its intangible assets during the years ended March 31, 2022 and March 31, 2021. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil.

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13 Debt Securities

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Secured		
Non convertible debentures	11,369.58	31,926.12
Unsecured		
Other non convertible debentures	3,816.89	1,761.82
Commercial Paper	-	-
Total	**15,186.47**	**33,687.94**
Debt Securities:		
Within India	15,186.47	33,687.94
Outside India	-	-
Total	**15,186.47**	**33,687.94**

Nature of security

Non convertible debentures (secured)

Non convertible debentures are secured by an exclusive charge by way of hypothecation of specific loan receivable created out of the loan proceeds and mortgage of personal properties of directors in addition to their personal guarantees.

The Company has utilised the funds raised from banks and financial institutions for the specific purpose for which they were borrowed.

The Company has borrowed funds from banks and financial institutions on the basis of security of current assets. It has filed quarterly returns or statements of current assets with banks and financial institutions and the said returns/statements are in agreement with books of accounts.

Terms of repayment of Debt securities as on March 31, 2022

Original maturity loan	Interest rate	Due within 1 year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	
Monthly repayment schedule								
1-7 Years	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Quarterly repayment schedule								
1-5 Years	9.01%-10.00%	-	-	-	-	-	-	-
	10.01%-11.00%	-	-	-	-	-	-	-
	11.01%-12.00%	-	-	-	-	-	-	-
	12.01%-12.50%	5	650.00	-	-	-	-	650.00
Bullet repayment schedule								
1-7 Years	8.51%-9.50%	1	1,250.00	1	5,000.00	-	-	6,250.00
	9.51%-10.50%	1.00	1,500.00	2	6,500.00	-	-	8,000.00
	10.51%-11.50%	-	-	-	-	-	-	-
	11.51%-12.50%	-	-	-	-	-	-	-
Total			**3,400.00**	**-**	**11,500.00**	**-**	**-**	**14,900.00**
Add : Interest accrued but not due								299.41
Less : Unamortized Finance Cost								(12.95)
Total Amortized Cost			**3,400.00**		**11,500.00**		**-**	**15,186.47**

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Terms of repayment of Debt securities as on March 31, 2021

Original maturity loan	Interest rate	Due within 1 year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	
Monthly repayment schedule								
1-7 Years	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Quarterly repayment schedule								
1-5 Years	9.01%-10.00%	3	3,750.00	1	1,250.00	-	-	5,000.00
	10.01%-11.00%	-	-	-	-	-	-	-
	11.01%-12.00%	-	-	-	-	-	-	-
	12.01%-12.50%	8	1,100.00	5	650.00			1,750.00
Bullet repayment schedule								
1-7 Years	8.51%-9.50%	3	15,500.00	-	-	-	-	15,500.00
	9.51%-10.50%	-	-	1	5,000.00	-	-	5,000.00
	10.51%-11.50%	2	600.00	-	-	-	-	600.00
	11.51%-12.50%	-	-	1	5,000.00	-	-	5,000.00
Total			**20,950.00**	**-**	**11,900.00**	**-**	**-**	**32,850.00**
Add : Interest accrued but not due								907.60
Less : Unamortized Finance Cost								(69.66)
Total Amortized Cost			**20,950.00**		**11,900.00**		**-**	**33,687.94**

14 Borrowings (other than debt securities)

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Term loans (Secured)		
from banks	59,562.30	42,976.76
from non banking financial companies	10,993.61	8,632.55
from financial institutions	5,344.18	862.58
Loans repayable on demand (Secured):		
Cash credit from Bank	32,691.04	26,472.34
Associated liabilities in respect of securitisation transactions	871.72	6,811.66
Total	**1,09,462.84**	**85,755.89**
Borrowings:		
Within India	1,09,462.84	85,755.89
Outside India		
Total	**1,09,462.84**	**85,755.89**

Nature of security

Term loans (secured)

Term Loans from bank, financial institutions and NBFCs are secured by an exclusive charge by way of hypothecation of specific loan receivable created out of the loan proceeds and cash collateral by way of fixed deposits and mortgage of personal properties of directors in addition to their personal guarantees.

Loans repayable on demand (Secured)

These loans are secured against the first pari passu charge on current assets, book debts and receivables including loans & advances of the Company as per the agreement. Further, the loan has been guaranteed by personal guarantee of director/ promoter to the extent of ₹ 342.20 Cr (March 31, 2021: ₹ 312.20 Cr).

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The Company has utilised the funds raised from banks and financial institutions for the specific purpose for which they were borrowed.

The Company has borrowed funds from banks and financial institutions on the basis of security of current assets. It has filed quarterly returns or statements of current assets with banks and financial institutions and the said returns/statements are in agreement with books of accounts.

Terms of repayment of Debt securities as on March 31, 2022

Original maturity loan	Interest rate	Due within 1 year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	
Monthly repayment schedule								
1-7 Years	6.00%-7.00%	4	5,335.00	-	-	-	-	5,335.00
	7.01%-8.00%	12	930.71	11	869.33	-	-	1,800.04
	8.01%-9.00%	150	7,993.59	270	15,973.10	-	-	23,966.69
	9.01%-10.50%	35	1,250.32	21	1,175.66	-	-	2,425.98
	10.51%-11.50%	14	698.81	-	-	-	-	698.81
	11.51%-12.50%	28	1,692.40	-	-	-	-	1,692.40
Quarterly repayment schedule								
1-5 Years	6.00%-7.00%	-	-	-	-	-	-	-
	7.01%-8.00%	-	-	-	-	-	-	-
	8.01%-9.00%	47	9,853.33	93	19,850.83	-	-	29,704.16
	9.01%-10.50%	12	3,566.67	18	6,155.76	-	-	9,722.43
	10.51%-11.50%	5	832.98	-	-	-	-	832.98
	11.51%-12.50%	-	-	-	-	-	-	-
Total			**32,153.80**		**44,024.68**		-	**76,178.48**
Add : Interest accrued but not due								153.74
Less : Unamortized Finance Cost								(432.14)
Total Amortized Cost			**32,153.80**	-	**44,024.68**	-	-	**75,900.08**

Terms of repayment of Debt securities as on March 31, 2021

Original maturity loan	Interest rate	Due within 1 year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	
Monthly repayment schedule								
1-7 Years	6.00%-7.00%	1	860.00	-	-	-	-	860.00
	7.01%-8.00%	17	1,542.66	23	1,821.75	-	-	3,364.41
	8.01%-9.00%	46	1,535.41	84	3,079.74	-	-	4,615.15
	9.01%-10.50%	36	1,009.21	17	422.45	-	-	1,431.66
	10.51%-11.50%	24	1,504.83	14	698.81	-	-	2,203.64
	11.51%-12.50%	84	4,619.98	74	3,551.32	-	-	8,171.30
Quarterly repayment schedule								
1-5 Years	6.00%-7.00%	-	-	-	-	-	-	-
	7.01%-8.00%	-	-	-	-	-	-	-
	8.01%-9.00%	23	3,850.00	74	12,796.70	1.00	239.88	16,886.58
	9.01%-10.50%	15	4,610.33	26	9,115.89	-	-	13,726.22
	10.51%-11.50%	4	666.67	5	832.99	-	-	1,499.66
	11.51%-12.50%	-	-	-	-	-	-	-
Total			20,199.09		32,319.65		239.88	52,758.62
Add : Interest accrued but not due								65.52
Less : Unamortized Finance Cost								(352.25)
Total Amortized Cost			**20,199.09**	-	**32,319.65**	-	**239.88**	**52,471.89**

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15 Subordinated Liabilities

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured - At amortised cost		
Non convertible debentures (Tier-II)	4,505.22	4,500.44
Indian rupee loan from banks (Tier-II)	1,498.23	1,486.35
Total	**6,003.45**	**5,986.79**
Subordinated Liabilities:		
Within India	6,003.45	5,986.79
Outside India	-	-
Total	**6,003.45**	**5,986.79**

Terms of repayment of subordinated liabilities as on March 31, 2022

Original maturity loan	Interest rate	Due within 1 year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	
Monthly repayment schedule								
1-7 Years	11.51%-12.50%	1.00	1,500.00	2	4,500.00	-	-	6,000.00
	>13.50%	-	-	-	-	-	-	-
Total					**-**	**6,000.00**	**-**	**76,178.48**
Add : Interest accrued but not due								37.37
Less : Unamortized Finance Cost								(33.92)
Total Amortized Cost					**4,500.00**	**-**	**-**	**6,003.45**

Terms of repayment of subordinated liabilities as on March 31, 2021

Original maturity loan	Interest rate	Due within 1 year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	
Monthly repayment schedule								
1-7 Years	11.51%-12.50%	-	-	1	1,500.00	-	-	1,500.00
	>13.50%	-	-	1	2,000.00	1	2,500.00	4,500.00
Total					3,500.00		2,500.00	6,000.00
Add : Interest accrued but not due								37.71
Less : Unamortized Finance Cost								(50.92)
Total Amortized Cost					**3,500.00**	**-**	**2,500.00**	**5,986.79**

16 Other financial liabilities

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Lease Liabilities	11.61	26.68
Employee benefits payable	216.76	109.74
Expenses payable	4.45	7.66
Other Payables	204.17	191.17
Deposit from franchisees	341.41	501.93
Payable towards securitisation / assignment transactions	1,251.73	1,832.94
Total	**2,030.13**	**2,670.12**

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17 Provisions

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for gratuity	122.20	110.45
Provision for leave benefits	184.17	165.09
Total	**306.37**	**275.54**

18 Other non-financial liabilities

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues payable	99.50	112.08
Total	**99.50**	**112.08**

19. Equity share capital

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Authorised Capital				
Equity shares of ₹ 10 each	6,00,00,000	6,000.00	6,00,00,000	6,000.00
Preference shares of ₹ 100 each	25,00,000	2,500.00	25,00,000	2,500.00
	6,25,00,000	**8,500.00**	**6,25,00,000**	**8,500.00**
Issued, subscribed and fully paid-up shares				
Equity Shares of ₹ 10 each fully paid up	4,74,79,379	4,747.94	4,74,79,379	4,747.94
Coverted from Partly Paid to Fully Paid Equity Shares	51,79,688	517.97		
	5,26,59,067	**5,265.91**	**4,74,79,379**	**4,747.94**
Issued, subscribed and fully paid-up shares				
Equity Shares of ₹ 10 each, Fully paid up ₹ 10 per share (Partly paid up ₹ 8.10 per share in March 2021)	51,79,688	517.97	51,79,688	419.55
Converted to Fully Paid Equity Shares	(51,79,688)	(517.97)	-	-
	-	**-**	**51,79,688**	**419.55**
Total	**5,26,59,067**	**5,265.91**	**5,26,59,067**	**5,167.49**

A. Reconciliation of number of shares

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Fully paid equity share of ₹ 10 each				
At the beginning of the year	4,74,79,379	4,747.94	4,74,79,379	4,747.94
Shares issued during the year	-	-	-	-
Coverted from Partly Paid to Fully Paid Equity Shares	51,79,688	517.97		
Outstanding at the end of the year	**5,26,59,067**	**5,265.91**	**4,74,79,379**	**4,747.94**
Partly paid up equity share of ₹ 10 each, partly paid up ₹ 10 per share				
(Partly paid up ₹ 8.10 per share in March 2021)				
At the beginning of the year	51,79,688	419.55	51,79,688	279.70
Amount called/Issued during the year	-	98.41	-	139.85
Converted to Fully Paid Equity Shares	(51,79,688)	(517.97)		
Outstanding at the end of the year	**-**	**-**	**51,79,688**	**419.55**

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Notes:

B. Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share fully paid up. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend if and when proposed by the Board of Directors will be subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholder.

C. Details of shareholder(s) holding more than 5% of equity shares in the Company:

(Currency : ₹ in lakhs)

Name of shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of shares held	% Holding	No. of shares held	% Holding
Equity shares of ₹ 10 each fully paid up				
Vupputuri Gopala Kishan Prasad	1,97,43,156	37.49%	1,58,75,616	33.44%
India Business Excellence Fund-IIA	1,30,51,546	24.78%	1,30,51,546	27.49%
Vistra ITCL (India) Limited (formerly known as IL and FS Trust Company Limited) (Trustee of Business Excellence Trust-II - India Business Excellence Fund II)	78,04,018	14.82%	78,04,018	16.44%
Koganti Vasumathi Devi	26,47,266	5.03%	21,31,286	4.49%
Equity Shares of ₹ 10 each, partly paid up ₹ 8.10 per share in March 2021				
Vupputuri Gopala Kishan Prasad	-	-	35,05,821	67.68%
Koganti Vasumathi Devi	-	-	5,15,980	9.96%
Devineni Vasantha Lakshmi	-	-	4,85,677	9.38%
Vupputuri Raghu Ram	-	-	3,50,970	6.78%
Vupputuri Indira Devi	-	-	3,21,240	6.20%

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

D. Shareholding of Promotors

(Currency : ₹ in lakhs)

Name of shareholder	As at March 31, 2022			As at March 31, 2021		
	No. of Shares	% of Total Shares	% Change during the year	No. of Shares	% of Total Shares	% Change during the year
a. Equity shares of ₹ 10 each fully paid up*						
Vupputuri Gopala Kishan Prasad	1,97,43,156	37.49%	24.36%	1,58,75,616	33.44%	0.05%
Vupputuri Indira Devi	16,48,142	3.13%	24.21%	13,26,902	2.79%	0.00%
Koganti Vasumathi Devi	26,47,266	5.03%	24.21%	21,31,286	4.49%	0.00%
Devineni Vasantha Lakshmi	24,91,794	4.73%	24.21%	20,06,117	4.23%	0.00%
Vupputuri Raghu Ram	18,00,670	3.42%	24.21%	14,49,700	3.05%	0.00%
Durga Rani Chunduri	14,94,100	2.84%	0.00%	14,94,100	3.15%	0.00%
Sinha Satyanand Chunduri	1,17,700	0.22%	0.00%	1,17,700	0.25%	0.00%

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(Currency : ₹ in lakhs)

Name of shareholder	As at March 31, 2022			As at March 31, 2021		
	No. of Shares	% of Total Shares	% Change during the year	No. of Shares	% of Total Shares	% Change during the year
b. Equity shares of ₹ 10 each partly paid up ₹ 8.10 per share in March 2021*						
Vupputuri Gopala Kishan Prasad	-	0.00%	-100%	35,05,821	67.68%	0%
Vupputuri Indira Devi	-	0.00%	-100%	3,21,240	6.20%	0%
Koganti Vasumathi Devi	-	0.00%	-100%	5,15,980	9.96%	0%
Devineni Vasantha Lakshmi	-	0.00%	-100%	4,85,677	9.38%	0%
Vupputuri Raghu Ram	-	0.00%	-100%	3,50,970	6.78%	0%

* Partly paid shares are full paid and converted to fully paid equity shares

E. Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Equity shares of ₹ 10 each, fully paid up, allotted on conversion of 19,53,125/- 0.01% Compulsorily convertible preference share of ₹ 100 each, Fully paid-up	-	-	-	195.31	-

20. Other equity

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital reserve	32.50	32.50
Securities premium reserve	10,576.37	9,960.39
Share Based Payment reserve	24.62	30.65
Statutory Reserve under section 45-IC of the Reserve Bank of India Act, 1934	4,993.50	4,187.41
General reserve	1,221.46	1,019.94
Retained earnings	16,622.42	13,591.31
Total	**33,470.86**	**28,822.20**

A. Nature and purpose of reserve

a. Capital reserve

This reserve was created to record the excess carrying value of optionally convertible debentures provided through securities premium. The excess value is recorded by reversing the capital reserve with corresponding debit to debentures.

b. Securities premium reserve

The securities premium reserve is used to record the premium received on issue of shares. The reserve cab be utilised only for limited purpose such as issuance of bonus shares in accordance with provision of the Companies Act, 2013.

c. Statutory reserve

Reserves created under Section 45IC of The Reserve Bank of India Act, 1934

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d. Share based payment reserve

The share based payment reserve is used to recognise the grant date fair value of options issued to employees of the Company and its subsidiaries under stock option schemes of the Company.

e. Retained earnings

Retained earnings represents surplus / accumulated earnings of the Company and are available for distribution to shareholders.

B. Movement in Other equity

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
I. Capital Reserve		
Opening balance	32.50	32.50
Add : Share issued during the year	-	-
	32.50	**32.50**
II. Securities premium reserve		
Opening balance	9,960.39	9,085.06
Add : Premium received on issue of securities	615.97	875.33
	10,576.37	**9,960.39**
III. Share Based Payment reserve		
Opening balance	30.65	17.56
Add : During the year	(6.03)	13.09
	24.62	**30.65**
IV. Statutory Reserve under section 45-IC of the Reserve Bank of India Act, 1934		
Opening balance	4,187.41	3,549.31
Add : Transfer from retained earnings	806.09	638.10
	4,993.50	**4,187.41**
V. General Reserve		
Opening balance	1,019.94	860.41
Add : Transfer from retained earnings	201.52	159.53
	1,221.46	**1,019.94**
VI. Retained earnings		
Opening balance	13,591.31	11,188.37
Add : Profit for the year	4,030.44	3,190.51
Add : Other comprehensive income	8.28	10.06
Appropriations:		
Transfer to Statutory Reserve u/s 45-IC of the Reserve Bank of India Act, 1934	(806.09)	(638.10)
Transfer to General reserve	(201.52)	(159.53)
Total	**16,622.42**	**13,591.31**

21 Interest income

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
On financial assets measured at amortised cost		
Interest on loans	21,757.50	20,081.82
Interest on deposits with banks	141.80	213.89
Total	**21,899.30**	**20,295.71**

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22 Fees and commission income

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Other fees and charges	160.21	110.92
Total	**160.21**	**110.92**

23 Other income

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest on income tax refund	-	7.68
Rental income	7.63	6.36
Miscellaneous Income	55.68	2.25
Total	**63.31**	**16.29**

24 Finance costs

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
On financial liabilities measured at amortised cost		
Interest on deposits	70.16	84.87
Interest on borrowings	6,879.65	6,661.38
Interest on commercial paper and bonds	-	-
Interest on debentures	2,720.03	2,237.52
Interest on subordinated liabilities	800.06	843.17
Interest on ICD	265.90	261.37
Interest on lease liabilities	2.12	4.77
Interest on securitisation	475.13	1,025.83
Bank Charges	9.57	9.35
Other finance cost	565.04	480.74
Total	**11,787.65**	**11,609.00**

25 Impairment on financial instruments

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
On financial instruments measured at amortised cost		
Loans	(224.16)	(429.52)
Trade receivables	(26.21)	3.08
Bad debts and write offs	762.15	1,073.59
Total	**511.78**	**647.15**

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26 Employee benefits expenses

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and wages	2,964.03	2,337.96
Contribution to provident and other funds	165.42	130.81
Share based payment to employees	(6.03)	13.09
Staff welfare expenses	43.05	41.21
Gratuity	34.49	31.28
Leave encashment	47.07	66.99
Total	**3,248.03**	**2,621.34**

27 Depreciation, amortization and impairment

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on property, plant and equipment	85.10	104.15
Depreciation on investment property	0.17	0.17
Amortization of intangible assets	43.70	39.82
Total	**128.96**	**144.14**

28 Other expenses

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Rent	200.31	164.38
Communication cost	49.06	42.60
Travelling and conveyance	113.57	74.02
Rates and taxes	224.80	159.19
Insurance	3.83	4.41
Commission and Brokerage	17.20	14.30
Repairs and maintenance	66.61	58.37
Printing and stationary	28.68	25.94
Payment to auditors (Refer Note 28.1)	32.97	41.25
Advertisement, publicity and sales promotion expenses	3.36	4.19
Operation Cost	29.84	27.16
Legal and professional fees	128.29	107.93
Corporate social responsibility (Refer Note 28.2)	96.53	245.06
Director sitting fees	1.00	-
Loss on sale of Investment Property	6.10	-
Miscellaneous expenses	16.97	12.22
Total	**1,019.11**	**981.02**

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28.1 Payment to the auditors:

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Auditor's remuneration		
- Audit fees	22.00	31.50
In other capacity		-
- Certification services	10.91	8.75
Other of pocket expenses	0.06	1.00
Total	**32.97**	**41.25**

28.2Corporate social responsibility:

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a) Amount required to be spent by the company during the year	88.85	78.95
b) Amount of expenditure incurred		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	96.53	245.06
c) Shortfall at the end of the year	-	-
d) Total of previous years shortfall	-	162.23
e) Net Shortfall	-	-
f) Reason for shortfall	NA	NA
g) Natuure of CSR activities	Disaster relief, Sanitation and Hygiene.	Disaster relief, Sanitation and Hygiene.
h) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	-	-
i) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	-	-

29 Income tax

(a) Income tax expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	₹	₹
Current tax		
Current tax on profits for the year	1,487.04	795.96
Adjustment for current tax of the prior periods	10.06	65.46
Subtotal (A)	**1,497.10**	**861.42**
Deferred tax		
Decrease/(Increase) in deferred tax assets	52.59	68.44
(Decrease)/Increase in deferred tax liabilities	(155.62)	296.52
Subtotal (B)	**(103.03)**	**364.95**
Deferred tax asset/ (liability) relating to items recognised in other Comprehensive Income (C)	(2.79)	(3.38)
Income tax expense for the year (A+B+C)	**1,396.85**	**1,229.75**

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(b) Deferred tax

The major components of deferred tax (liabilities) arising on account of timing differences for the year ended March 31, 2022:

(Currency : ₹ in lakhs)

Particulars	Net balance March 31, 2021	Recognised in profit or loss	Recognised in OCI	Net balance March 31, 2022
Deferred tax assets				
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	69.35	10.55	(2.79)	77.11
Impact of provision for expected credit loss on loans	680.46	(63.01)		617.45
Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	2.58	2.40		4.98
Impact of leases under Ind AS 116	6.71	(3.79)		2.92
Share based payment	7.72	(1.52)		6.21
Others	-			-
(A)	**766.82**	**(55.38)**	**(2.79)**	**708.66**
Deferred tax liabilities				
Impact of amortisation of ancillary borrowing cost	119.00	1.56		120.56
EIR impact of financial asssets and liabilities	86.49	(46.51)		39.98
Impact of direct assignment and securitisaton transactions	507.77	(128.31)		379.46
Interest income recognised on stage 3 loans	74.43	21.17		95.60
Others	6.24	(3.53)		2.71
(B)	**793.94**	**(155.62)**	**-**	**638.31**
Deferred tax assets (net) (A-B)	**(27.12)**	**100.25**	**(2.79)**	**70.34**

The major components of deferred tax (liabilities) arising on account of timing differences for the year ended March 31, 2021:

(Currency : ₹ in lakhs)

Particulars	Net balance March 31, 2020	Recognised in profit or loss	Recognised in OCI	Net balance March 31, 2021
Deferred tax assets				
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	52.47	20.26	(3.38)	69.35
Impact of provision for expected credit loss on loans	781.32	(100.86)	-	680.46
Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	1.96	0.62	-	2.58
Impact of leases under Ind AS 116	1.60	5.11	-	6.71
Share based payment	4.42	3.30	-	7.72
Others	0.25	(0.25)	-	-
(A)	**842.02**	**(71.82)**	**(3.38)**	766.82
Deferred tax liabilities				
Impact of amortisation of ancillary borrowing cost	130.25	(11.25)	-	119.00
EIR impact of financial asssets and liabilities	40.49	46.00	-	86.49
Impact of direct assignment and securitisaton transactions	277.15	230.62	-	507.77
Interest income recognised on stage 3 loans	49.52	24.91	-	74.43
Others	-	6.24	-	6.24
(B)	**497.41**	**296.52**	**-**	**793.94**
Deferred tax assets (net) (A-B)	**344.61**	**(368.34)**	**(3.38)**	**(27.12)**

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(c) Reconciliation of effective tax rate

Particulars	Year ended March 31, 2022 ₹	Year ended March 31, 2021 ₹
Profit before tax as per Statement of profit and loss (A)	5,427.29	4,420.27
Applicable income tax rate	25.17%	25.17%
Expected Income Tax Expense (B)	**1,365.94**	**1,112.49**
Tax effect of:		
Effect of income exempt from tax	(0.55)	(0.45)
Effect of expenses/provisions not deductible in determining taxable profit	24.31	61.95
Effect of differential tax rate	-	-
Adjustment related to tax of prior years	10.06	65.46
Others	(2.92)	(9.69)
Income tax expense	**1,396.85**	**1,229.76**

30 Employee Benefits

a. Defined contribution plan - provident funds

In accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952, employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which, both the employee and the Company contribute monthly at a determined rate. These contributions are made to a recognized provident fund administered by Regional Provident Fund Commissioner. The employees contribute 12% of their basic salary and the Company contributes an equal amount.

The Company recognised ₹ 165.42 lakhs (PY: ₹ 130.81 lakhs) for year ended March 31, 2022, for provident fund and other contributions in the Statement of profit and loss.

b. Defined Benefit Plan - Gratuity

The Company has a defined benefit gratuity plan (unfunded). Every employee who has completed five years or more of service is eligible for gratuity on cessation of employment and it is computed at 15 days salary (last drawn salary) for each completed year of service subject to limit of ₹ 20 lakhs as per The Payment of Gratuity Act. 1972.

The following tables summarizes the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the Balance Sheet for the gratuity plan.

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of obligation (A)	122.20	110.45
Fair Value of plan assets (B)	-	-
Present value of obligation (A-B)	**122.20**	**110.45**

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Obligation expected to be settled in the next 12 months	9.62	7.86
Obligation expected to be settled beyond next 12 months	112.58	102.59

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(Currency : ₹ in lakhs)

Particulars	Defined Benefit Obligation		Fair Value of plan assets		Net defined benefit (asset) liability	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Opening balance	110.45	96.40	-	-	110.45	96.40
Current service cost	27.26	24.83	-	-	27.26	24.83
Past service cost	-	-	-	-	-	-
Interest cost (income)	7.23	6.45	-	-	7.23	6.45
Defined benefit cost included in P&L	**34.49**	**31.28**	**-**	**-**	**34.49**	**31.28**
Other comprehensive income						
Remeasurement loss (gain) due to:						
Demographic assumptions	-	-	-	-	-	-
Financial assumption	(3.69)	(0.70)	-	-	(3.69)	(0.70)
Experience adjustments	(7.38)	(12.74)	-	-	(7.38)	(12.74)
Total remeasurements in OCI	**(11.07)**	**(13.44)**	**-**	**-**	**(11.07)**	**(13.44)**
Others						
Benefits paid	(11.67)	(3.79)	-	-	(11.67)	(3.79)
Closing balance	**122.20**	**110.45**	**-**	**-**	**122.20**	**110.45**

Actuarial assumptions:

The following were the principal actuarial assumptions at the reporting date:

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate	7.33%	6.91%
Salary escalation rate	6.00%	6.00%
Withdrawal/attrition rate (based on categories)	9.00%	9.00%
Mortality rate (as % of IALM (2012-14) Ult. Mortality Table)	100.00%	100.00%
Disability rate	0.00%	0.00%
Expected weighted average remaining working lives of employees	24.90 years	23.08 years

Notes:

a) The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

b) The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

c) Attrition rate indicated above represents the Company's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

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Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	Increase	Decrease	Increase	Decrease
Salary escalation Rate (+/- 1%)	130.98	114.20	118.63	103.05
	7.20%	-6.50%	7.40%	-6.70%
Discount Rate (+/- 1%)	114.15	131.33	103.18	118.67
	-6.60%	7.50%	-6.60%	7.40%
Withdrawal Rate (+/- 1%)	122.42	121.90	110.23	110.62
	0.20%	-0.20%	-0.20%	0.20%

The Sensitivity is performed on the defined benefit obligation at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous year to the methods and assumptions underlying the sensitivity analyses.

Expected future contributions

The Best Estimate Contribution for the Company during the next year would be ₹ Nil

Expected cash flow for following years:

Maturity Profile of Defined Benefit Obligations

(Currency : ₹ in lakhs)

Year 1	9.62
Year 2	11.78
Year 3	11.23
Year 4	22.10
Year 5	13.12
Year 6	12.27
Year 7	10.03
Year 8	9.13
Year 9	9.12
Year 10	10.91

The weighted average duration of the defined benefit obligation is 8.03

c. Compensated absences :

The Company provides for accumulated compensated absences as at the balance sheet date using projected unit credit method based on actuarial valuation.

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of unfunded obligation	184.17	165.09
Expenses recognised in the Statement of Profit and Loss	47.07	66.99

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31 Earnings per share

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Profit for the year	**4,030.44**	**3,190.51**
Weighted average number of equity shares used in calculating basic earnings per share	516.78	502.80
Effect of potential dilutive Equity Shares on account of unexercised employee stock options	0.23	0.33
Weighted average number of equity shares and potential equity shares used in calculating diluted earnings per share	517.01	503.13
Basic earnings per share	**7.80**	**6.35**
Diluted earnings per share	**7.80**	**6.34**

32 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Promoters of the Company. The Company operates only in one Business Segment i.e. lending, since the nature of the loans are exposed to similar risks and return profiles, hence they are collectively operating under a single segment. Accordingly the Company does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments".

33 Transfer of financial assets

Transfer of financial assets that are not derecognised in their entirety

(i) Securitisations:

The Company uses securitisations as a source of finance. Such transactions generally result in the transfer of contractual cash flows from portfolios of financial assets to holders of issued debt securities. Securitisation has resulted in the continued recognition of the securitised assets.

The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Carrying amount of EIS receivable	1,450.27	541.71

34 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	3,377.21		3,377.21	11,793.28	-	11,793.28
Bank Balance other than cash and cash equivalents	1274.79	933.86	2,208.65	2,813.43	1,151.39	3,964.82
Receivables						
(I) Trade receivables	-		-	-	-	-
Loans	65514.88	90810.52	1,56,325.40	59,994.63	80,166.52	1,40,161.15

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Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Investments	-	6,252.92	6,252.92	-	4,525.10	4,525.10
Other Financial assets	1,173.95	627.01	1,800.96	731.67	286.87	1,018.54
Sub total	**71,340.83**	**98,624.31**	**1,69,965.14**	**75,333.01**	**86,129.88**	**1,61,462.89**
Non-financial assets						
Current Tax assets (Net)	183.04		183.04	217.94	-	217.94
Deferred Tax assets (Net)		70.34	70.34	-	-	-
Investment Property		114.31	114.31	-	6.47	6.47
Property, plant and equipment		260.11	260.11	-	240.52	240.52
Right to Use Assets		10.75	10.75	-	24.77	24.77
Other intangible assets		154.42	154.42	-	170.57	170.57
Other non-financial assets	2.39	1,065.03	1,067.42	36.91	345.10	382.01
Sub total	**185.43**	**1,674.96**	**1,860.39**	**254.85**	**787.43**	**1,042.28**
Total assets	**71,526.27**	**1,00,299.26**	**1,71,825.53**	**75,587.85**	**86,917.30**	**1,62,505.17**
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
Payables						
(I) Trade payables and Other payables						
(i) total outstanding dues of creditors of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Debt Securities	3,699.42	11,487.05	15,186.47	21,857.60	11,830.34	33,687.94
Borrowings (Other than Debt Securities)	65,827.60	43,635.24	1,09,462.84	52,285.89	33,470.00	85,755.89
Subordinated Liabilities	1,537.37	4,466.08	6,003.45	37.70	5,949.09	5,986.79
Other Financial liabilities	1,808.65	221.48	2,030.13	2,387.06	283.06	2,670.12
Sub total	**72,873.04**	**59,809.85**	**1,32,682.89**	**76,568.25**	**51,532.49**	**1,28,100.74**
Non-Financial liabilities						
Current tax liabilities (Net)			-	-	-	-
Provisions	31.70	274.67	306.37	27.14	248.40	275.54
Deferred tax liabilities (Net)			-	-	27.12	27.12
Other non-financial liabilities	99.50		99.50	112.08	-	112.08
Sub total	**131.20**	**274.67**	**405.87**	**139.22**	**275.52**	**414.74**
Total liabilities	**73,004.24**	**60,084.52**	**1,33,088.76**	**76,707.47**	**51,808.01**	**1,28,515.48**

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35 Changes in liabilities arising from financing activities

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2021	Cash Flows (net)	Others (net)*	As at March 31, 2022
Subordinated liabilities	5,986.80	-	16.65	6,003.45
Debt securities	33,687.94	(17,950.00)	(551.48)	15,186.47
Borrowing other than debt securities	85,755.90	29,638.55	(5,931.61)	1,09,462.84
	1,25,430.64	**11,688.55**	**(6,466.44)**	**1,30,652.75**

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2020	Cash Flows (net)	Others (net)*	As at March 31, 2021
Subordinated liabilities	6,450.76	(500.00)	36.04	5,986.80
Debt securities	6,109.77	27,200.00	378.17	33,687.94
Borrowing other than debt securities	93,150.87	1,182.04	(8,577.01)	85,755.90
	1,05,711.40	**27,882.04**	**(8,162.80)**	**1,25,430.64**

*Others column includes the effect of accrued but not paid interest on borrowing, amortisation of processing fees and cash flows from securitisation etc.

36 Employee Stock Option Plan (ESOP)

The Company had granted 5,62,860 Equity shares (face value of ₹ 10/- each) under Employee Stock Option Plan 2019 on June 11, 2019 to the employees of IKF Finance Limited. The shares will vest gradually and vesting of these shares is dependent on continued employment with the company.

A. Expenses arising from share-based payment transactions

Total expenses arising from equity - settled share-based payment transaction recognised in profit or loss as part of employee benefit expense for the year ended March 31, 2022 is ₹ (6.03) lakhs (March 31, 2021 - ₹ 13.09 lakhs).

B. Movement during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2021
	Number	WAEP	Number	WAEP
Outstanding at 1 April	3,56,930.00	120.00	4,75,550.00	120.00
Granted during the year	-		-	
Forfeited during the year	1,50,930.00	120.00	1,18,620.00	120.00
Exercised during the year	-		-	
Expired during the year	-		-	
Outstanding at 31 March	2,06,000.00	120.00	3,56,930.00	120.00
Exercisable at 31 March	92,700.00	120.00	71,386.00	120.00

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No Share options granted during the year. No options were vested or exercised during the year.

The weighted average remaining contractual life for the share options outstanding as at March 31, 2022 is 0.58 years (March 31, 2021: 1.25 years).

The weighted average fair value of options granted during the year ending March 31, 2020 was 14.79.

C. Fair value of options granted

The weighted average fair value of options granted during the year ending March 31, 2020 was 14.79. The fair value of options was determined using the Black Scholes Model using the following inputs as follows :

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Weighted average fair values at the measurement date	14.79	14.79
Expected volatility (%)	0.36%	0.36%
Risk–free interest rate (%)	4.50%	4.50%
Expected life of share options/SARs (years)	1.30 years to 4.30 years	1.30 years to 4.30 years
Weighted average share price (₹)	120.00	120.00

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

37 Contingent liabilities and commitments

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The Company believes that the outcome of these proceedings will not have a materially adverse effect on the Company's financial position and results of operations.

37.1 Contingent Liability

There are no Contingent Liabilities as on March 31, 2022 (March 31, 2021: ₹ 0.)

37.2 Commitment

There are no commitment as on March 31, 2022 (March 31, 2021: ₹ 0.)

38 Leases

Company as a Lessee

The Company's lease asset classes primarily consist of leases for office spaces. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

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At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases). For these short-term leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Following are the changes in the carrying value of right of use assets:

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening	24.77	63.55
Additions	4.92	8.58
Deletion	(0.74)	(8.14)
Depreciation	(18.17)	(39.22)
Closing Balance	**10.78**	**24.77**

The following is the movement in lease liabilities:

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning	26.68	68.23
Additions	4.80	7.91
Finance cost accrued during the period	2.12	4.77
Payment of lease liabilities	(21.99)	(54.23)
Balance at the end	**11.61**	**26.68**

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The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Less than 3 months	2.61	8.79
Over 3 months & upto 6 months	2.76	8.74
Over 6 months & upto 1 year	3.18	17.15
Over 1 year & upto 3 years	9.81	46.49
Over 3 years	6.41	20.40

The following are the amounts recognised in statement of profit or loss:

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Depreciation expense of right-of-use assets	18.17	39.22
Interest expense on lease liabilities	2.12	4.77
Expense relating to short-term leases	200.31	164.38
Total amount recognised in profit or loss	**220.60**	**208.37**

Future Commitments:

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022
Future undiscounted lease payments for which the leases have not yet commenced	-

Extension / Termination Options:

Some of the leases contain extension and termination options. Such options are taken into account in the determination of the lease term only if extension or non-termination can be assumed with reasonable certainty. On this basis, there were no such amounts included in the measurement of lease liabilities as at March 31, 2022.

39 Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements iron its regulators and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders 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.

No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

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40 Analytical Ratios

Particulars	As at March 31, 2022			As at March 31, 2021	% Variance	Reasons for Variance (if above 25%)
	Numerator	Denominator	Ratio	Ratio		
Capital to Risk Weighted Assets Ratio (CRAR)	39,477.07	163744.91	24.11%	23.66%	1.88%	NA
Tier I CRAR	35,287.42	163744.91	21.55%	21.50%	0.26%	NA
Tier II CRAR	4,189.64	163744.91	2.56%	2.17%	17.99%	NA
Liquidity Coverage Ratio			NA	NA		

Note: As per the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, liquidity coverage ratio is not applicable on the company.

41 Fair Value Measurement:

A. Valuation Principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques:

Level 1 - Valuation technique using quoted market price: financial instruments with quoted prices for identical instruments in active markets that Company can access at the measurement date.

Level 2 - Valuation technique using observable inputs: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

Level 3 - Valuation technique with significant unobservable inputs: Those that include one or more unobservable input that is significant to the measurement as whole.

B. Fair value of financial instrument not measured at fair value:

The table below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

(Currency : ₹ in lakhs)

Particulars	Level	Carrying value		Fair value	
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Financial Assets					
Cash and cash equivalents	1	3,377.21	11,793.28	3,377.21	11,793.28
Bank Balance other than cash and cash equivalents	1	2,208.65	3,964.82	2,208.65	3,964.82
Trade receivables	3	-	-	-	-

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(Currency : ₹ in lakhs)

Particulars	Level	Carrying value		Fair value	
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Loans	3	1,56,325.40	1,40,161.15	1,61,025.03	1,44,747.52
Rent and utility deposits	3	217.70	145.70	217.70	145.70
EIS receivable	3	1,450.27	541.71	1,450.27	541.71
Other financial assets	3	132.99	331.14	132.99	331.14
		1,63,712.21	**1,56,937.80**	**1,68,411.85**	**1,61,524.17**
Financial Liabilities					
Debt securities	3	15,186.47	33,687.94	15,506.33	34,718.59
Borrowings (other than debt securities)	3	1,09,462.84	85,755.89	1,09,459.96	85,821.94
Subordinated Liabilities	3	6,003.45	5,986.79	6,099.99	6,045.49
Other financial liabilities	3	2,030.13	2,670.12	2,030.13	2,670.12
Total Financial liabilities		**1,32,682.89**	**1,28,100.74**	**1,33,096.40**	**1,29,256.14**

Investment in subsidiary is measured at cost in accordance with Ind AS 27.

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 Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions explained in notes.

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 are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalents, bank balance other than cash and cash equivalents, trade receivables, rent and utility deposits and other financial liabilities.

Loans and advances to customers

The fair values of loans are estimated by discounted cash flow models based on contractual cash flows using actual or estimated yields.

Borrowings other than debt securities, Debt securities and Subordinated liabilities

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Company's own credit risk.

EIS receivable

EIS receivable is calculated by discounting the contractual future cash flows. The carrying value closely approximates its fair value.

42 Risk management

Risk is an integral part of the Company's business and sound risk management is critical to the success. As a financial intermediary, the Company is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes credit, liquidity and market risks. The Board of Directors of the Company are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Company has a risk management policy which covers all the risk associated with its assets and liabilities.

42.1 Introduction and Risk Profile

Risk management and mitigation

The Company's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment, as necessary.

The Company's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to that they decide to take on. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits.

The Company is generally exposed to credit risk, liquidity risk, market risk, prepayment risk and operational risk.

42.2 Credit Risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical concentrations, and by monitoring exposures in relation to such limits. Credit risk is monitored by the credit department of the Company. It is their responsibility to review and manage credit risk. Credit risk consists of line credit managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit manager, as well as the business with tools like credit risk systems, policies, models and reporting. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions."

Impairment assessment

The references below show where the Company's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the summary of significant accounting policies.

Definition of default and cure

The Company considers a financial instrument as defaulted and therefore Stage 3 (credit-impaired) for Expected Credit Loss (ECL) calculations in all cases when the borrower becomes more than 3 months past due on its contractual payments.

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The staging criteria used by the Company is as below:

Loans months past due	Stage
Upto 1 month	Stage 1
Between 1 month to 3 months	Stage 2
More than 3 months	Stage 3

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes past due for more than 3 months on its contractual payments. It is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when the due amount have been paid. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

Exposure at default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 months ECL.

For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

Probability of default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. To calculate the ECL for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments. The Company uses historical information wherever available to determine PD

Loss given Default (LGD)

LGD is the estimated loss that the Company might bear if the borrower defaults. The Company determines its recovery (net present value) by analysing the recovery trends, borrower rating, collateral value and expected proceeds from sale of asset.

LGD Rates have been computed internally based on the discounted recoveries in defaulted accounts that are closed/ written off/ repossessed and upgraded during the year.

When estimating ECLs on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Significant increase in credit risk

The Company continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or lifetime ECL. The Company assesses whether there has been an event which could cause a significantly increase in the credit risk of the underlying asset or the customers ability to pay and accordingly change the 12 month ECL to a lifetime ECL.

If contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

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Concentration of Credit Risk

Company's loan portfolio is predominantly to finance commercial vehicle loans. The Company manages concentration of risk primarily by geographical region. The following tables show the region-wise concentrations of net terms loans.

(Currency : ₹ in lakhs)

Geography	As at March 31, 2022	As at March 31, 2021
West	37,808.22	38,272.29
Central	5,531.19	6,492.54
South	1,15,969.36	98,589.21
	1,59,308.77	**1,43,354.04**

Quantitative Information of Collateral

Net value of total term loans to value of collateral is as follows:

As at March 31, 2022	Loan to value			
	Upto 50%	51%-70%	More than 70%	Total
Cars & Muvs	1,224.12	19,288.11	10,382.32	30,894.55
Commercial Vehicles	2,350.49	28,154.20	14,292.21	44,796.91
Construction Equipment	3,477.80	14,367.04	12,146.46	29,991.30
Three Wheeler	48.26	9,201.86	1,808.16	11,058.28
Tractor	203.45	2,018.47	381.49	2,603.41
Two Wheeler	1,139.12	1,041.94	772.97	2,954.04
SME	6,491.94	4,304.85	26,213.51	37,010.29
Total	**14,935.19**	**78,376.46**	**65,997.12**	**1,59,308.77**

As at March 31, 2021	Loan to value			
	Upto 50%	51%-70%	More than 70%	Total
Cars & Muvs	1,224.12	19,288.11	10,382.32	30,894.55
Commercial Vehicles	2,350.49	28,154.20	14,292.21	44,796.91
Construction Equipment	3,477.80	14,367.04	12,146.46	29,991.30
Three Wheeler	48.26	9,201.86	1,808.16	11,058.28
Tractor	203.45	2,018.47	381.49	2,603.41
Two Wheeler	1,139.12	1,041.94	772.97	2,954.04
SME	6,491.94	4,304.85	26,213.51	37,010.29
Total	**14,935.19**	**78,376.46**	**65,997.12**	**1,59,308.77**

42.3 Liquidity Risk

In assessing the Company's liquidity position, consideration shall be given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds. The Company maintains a portfolio of marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. The Company also enters into securitization deals (direct assignment as well as pass through certificates) of their loan portfolio, the funding from which can be accessed to meet liquidity needs. Net liquid assets consist of cash and short–term bank deposits. Borrowings from banks and financial institutions and issue of Non convertible debentures are considered as important sources of funds to finance lending to customers.

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Analysis of financial assets and liabilities by remaining contractual maturities:

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31, 2022.

(Currency : ₹ in lakhs)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years	Total
Financial assets						
Cash and cash equivalents	3,377.21	-	-	-	-	3,377.21
Bank Balance other than included in (a) above	267.49	906.32	122.85	999.25	-	2,295.91
Trade receivables	-	-	-	-	-	-
Loans	32,748.04	19,308.14	33,438.99	96,340.47	16,332.84	1,98,168.48
Investments	-	-	-	-	6,252.92	6,252.92
Other financial assets	493.84	292.83	440.36	480.51	221.30	1,928.84
Total undiscounted financial assets	**36,886.58**	**20,507.29**	**34,002.20**	**97,820.23**	**22,807.06**	**2,12,023.36**
Financial liabilities						
Trade payables	-	-	-	-	-	-
Other payables	-	-	-	-	-	-
Subordinated Liabilities	198.70	1,696.45	304.02	1,221.46	5,084.17	8,504.80
Debt securities	1,949.37	377.48	2,640.40	12,296.95	-	17,264.20
Borrowings (other than debt securities)	13,263.27	10,566.57	49,799.03	44,216.10	4,158.98	1,22,003.95
Deposits	-	-	-	-	-	-
Other financial liabilities	1,723.42	18.60	77.09	275.92	-	2,095.03
Total undiscounted financial liabilities	**17,134.76**	**12,659.10**	**52,820.54**	**58,010.43**	**9,243.15**	**1,49,867.98**
Net undiscounted financial assets / (liabilities)	**19,751.82**	**7,848.19**	**(18,818.34)**	**39,809.80**	**13,563.91**	**62,155.38**

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31, 2021.

(Currency : ₹ in lakhs)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years	Total
Financial assets						
Cash and cash equivalents	11,793.28	-	-	-	-	11,793.28
Bank Balance other than included in (a) above	271.56	1,935.22	743.51	1,192.56	-	4,142.85
Trade receivables	-	-	-	-	-	-
Loans	29,462.88	18,308.32	33,152.96	83,990.23	19,975.91	1,84,890.30
Investments	-	-	-	-	4,525.10	4,525.10
Other financial assets	498.89	100.40	149.38	164.06	147.92	1,060.65
Total undiscounted financial assets	**42,026.60**	**20,343.94**	**34,045.85**	**85,346.85**	**24,648.93**	**2,06,412.17**

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(Currency : ₹ in lakhs)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years	Total
Financial liabilities						
Trade payables	-	-	-	-	-	-
Other payables	-	-	-	-	-	-
Subordinated Liabilities	201.19	203.52	395.54	2,820.05	5,693.40	9,313.70
Debt securities	1,625.02	1,827.57	21,283.72	13,376.58	-	38,112.89
Borrowings (other than debt securities)	12,291.50	9,611.61	36,989.50	29,768.40	8,285.65	96,946.66
Deposits	-	-	-	-	-	-
Other financial liabilities	2,254.43	38.07	109.12	361.53	-	2,763.15
Total undiscounted financial liabilities	**16,372.14**	**11,680.77**	**58,777.88**	**46,326.56**	**13,979.05**	**1,47,136.40**
Net undiscounted financial assets / (liabilities)	**25,654.47**	**8,663.17**	**(24,732.03)**	**39,020.29**	**10,669.88**	**59,275.78**

The table below shows the contractual expiry by maturity of the Company's contingent liabilities and commitments. Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

Particulars	On demand	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years
As at March 31, 2022						
Guarantees and counter guarantees	-	-	-	-	-	-
Estimated amount of contracts remaining to be executed on capital account, net of advances	-	-	-	-	-	-
Total commitments	**-**	**-**	**-**	**-**	**-**	**-**
As at March 31, 2021						
Guarantees and counter guarantees	-	-	-	-	-	-
Estimated amount of contracts remaining to be executed on capital account, net of advances	-	-	-	-	-	-
Total commitments	**-**	**-**	**-**	**-**	**-**	**-**

42.4Market Risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The objective of market risk management is to avoid excessive exposure of our earnings and equity to loss and reduce our exposure to the volatility inherent in financial instruments. There are broadly two types of market risks: (1) Interest rate risk, and (2) Price risk. The Company has not made investments in quoted equity instruments or other quoted investments and hence is not exposed to Equity price risk. Interest rate risk is discussed below:

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is subject to interest rate risk, primarily since it lends to customers at fixed rates and for maturity periods shorter than the funding sources.

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The Company has taken borrowings at floating rates gives rise to interest rate risk. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the Company seek to optimize borrowing profile between short-term and long-term loans. The Company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities. The Interest Rate Risk is mitigated by availing funds at very competitive rates through diversified borrowings and for different tenors.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before taxes affected through the impact on floating rate borrowings are as follows:

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
On Floating Rate Borrowings:		
1% increase in interest rates	(523.75)	(351.75)
1% decrease in interest rates	523.75	351.75

42.5 Prepayment risk

Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected, such as fixed rate loans like ours when interest rates fall.

42.6 Operational and business risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

43 Related Party Disclosure

a. Name of related party and nature of relationship:

Enterprises having a significant influence	India Business Excellence Fund -IIA Vistra ITCL (india) Limied (formerly known as IL and FS trust Company Limited) (Trustee of Business Excellence Trust -II - India Business Excellence Fund - II)
Subsidiary	IKF Home Finance Limited (formerly known as IKF Housing Finance Private Limited)
Enterprises in which directors are interested	SVR Finance & Leasing Private Limited
Enterprises significantly influenced by Key Management Personnel and their relatives	IKF Infratech Private Limited
Relative of Key Management Personnel	Mrs. D. Vasantha Lakshmi Mr. V. Raghu Ram Mr. Sinha Satyanand Chunduri Mrs. Durga Rani Chunduri
Key Management Personnel (KMP)	Mr V.G.K.Prasad — Chairman Mrs. V. Indira Devi — Whole time Director Mrs. K Vasumathi Devi — Managing Director Mr.Sreepal Gulabchand Jain-Chief Financial Officer Mr. Ch.Sreenivasa Rao - Company Secretary

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b. Transaction with related parties:

Name of related party	Nature of transaction	For the FY 2021					For the FY 2022			
		As at March 31, 2020	Transaction value for the year ended March 31, 2021	Received During the year	Paid During the year	As at March 31, 2021	Transaction value for the year ended March 31, 2022	Received During the year	Paid During the Year	As at March 31, 2022
Key management personnel										
Mr. V G K Prasad	Rent paid	-	20.33	-	-	-	21.60	-	-	-
	Director's remuneration	-	70.00	-	-	-	75.83	-	-	-
	Director Commission Payable	35.66	41.55	-	35.66	41.55	51.02	-	41.55	51.02
	Rent deposit given	50.00	-	-	-	50.00	-	-	-	50.00
	Advance Received	-	-	(344.85)	344.85	-	-	-	-	-
	Interest paid on advance	-	0.64	-	-	-	-	-	-	-
	Share Capital (₹ 10/- Paid up)	1586.79 *	-	-	-	1587.56*	-	-	-	1974.32*
	Partly paid up shares (₹ 10 Paid Up) **	189.31	-	94.66	-	283.97	-	66.61	-	-
	Premium Received on Allotment of Partly Paid up Shares **	1,184.92	-	592.46	-	1,777.38	-	416.92	-	-
Mrs. V Indira Devi	Rent paid	-	43.56	-	-	-	48.00	-	-	-
	Director's remuneration	-	30.00	-	-	-	32.50	-	-	-
	Director Commission Payable	15.18	17.68	-	15.18	17.68	21.71	-	17.68	21.71
	Rent deposit given	38.50	-	-	-	38.50	-	-	-	38.50
	Share Capital (₹ 10/- Paid up)	132.69	-	-	-	132.69	-	-	-	164.81
	Partly paid up shares (₹ 10 Paid Up) **	17.35	-	8.67	-	26.02	-	6.10	-	-
	Premium Received on Allotment of Partly Paid up Shares **	108.57	-	54.29	-	162.86	-	38.20	-	-
Mrs.K.Vasumathi Devi	Director's remuneration	-	50.00	-	-	-	54.17	-	-	-
	Director Commission Payable	25.04	29.17	-	25.04	29.17	35.82	-	-	64.99
	Share Capital (₹ 10/- Paid up)	213.13	-	-	-	213.13	-	-	-	264.73
	Partly paid up shares (₹ 10 Paid Up) **	27.86	-	13.93	-	41.79	-	9.80	-	-
	Premium Received on Allotment of Partly Paid up Shares **	174.39	-	87.20	-	261.59	-	61.36	-	-
Mr.Sreepal Gulabchand Jain	Salary Paid	-	47.71	-	-	-	51.05	-	-	-
Mr.Ch.Sreenivasa Rao	Salary Paid	-	21.00	-	-	-	23.10	-	-	-
	Staff Loan	-	-	-	-	-	-	(10.00)	10.00	-
	Interest Received						0.04			
	ESOP Compensation	-	0.56	-	-	-		-	-	-
Relatives of key management personnel										
Mrs. D Vasantha Lakshmi	Share Capital (₹ 10/- Paid up)	200.61	-		-	200.61				249.18
	Partly paid up shares (₹ 10 Paid Up) **	26.23	-	13.11		39.34		9.23		
	Premium Received on Allotment of Partly Paid up Shares **	164.15		82.08		246.23		57.76		
	Purchase of IKF Home Finance Limited Shares	-	-		-	-	-		-	-

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Name of related party	Nature of transaction	For the FY 2021					For the FY 2022			
		As at March 31, 2020	Transaction value for the year ended March 31, 2021	Received During the year	Paid During the year	As at March 31, 2021	Transaction value for the year ended March 31, 2022	Received During the year	Paid During the Year	As at March 31, 2022
Mr. V Raghu Ram	Share Capital (₹ 10/- Paid up)	144.97	-		-	144.97	-		-	180.07
	Partly paid up shares (₹ 10 Paid Up) **	18.95	-	9.48	-	28.43	-	6.67	-	-
	Premium Received on Allotment of Partly Paid up Shares **	118.62	-	59.31	-	177.93	-	41.74	-	
Mr. Sinha Satyanand Chunduri	Share Capital (₹ 10/- Paid up)	11.77	-	-	-	11.77	-	-	-	11.77
Mrs. Durga Rani Chunduri	Share Capital (₹ 10/- Paid up)	149.41	-	-	-	149.41	-	-	-	149.41
IKF Home Finance Limited	Loan given	1,912.22	-	(2,362.22)	450.00	-	-	-	-	-
	Interest Received	-	54.20	-	-	-	-	-	-	-
	Inter Corporate deposits taken ***	-	-	(26,600.00)	26,600.00	-	-	(48,200.00)	48,200.00	-
	Interest Paid	-	261.37	-	-	-	265.90	-	-	-
	Direct Assignment	2,316.22	-	(352.88)	1,523.88	3,487.22	-	(704.24)	-	2,782.98
	Interest Receivable on Direct Assignment	26.55	247.12	(250.82)	-	22.85	441.76	(430.15)	-	34.46
	Investments in equity shares by IKF Finance Ltd.,	4,525.10	-	-	-	4,525.10	-	-	1,727.82	6,252.92
	Investments in equity shares Refundable								1.75	1.75
	Service Fee Collected	-	40.05	-	-	-	28.89	-	-	
	Service Fee Paid	-	-	-	-	-	-	-	-	
	Purchase of IKF Home Finance Limited Shares	-	-	-	-	-		-	-	
Enterprises significantly influenced by key management personnel or their relatives										
IKF Infratech Private Limited	Non Convertible Debentures	63.20*	-	-	-	58.20*		-	58.20	-
	Interest Paid	-	6.80	-	5.42	1.38	0.76	-	2.14	-
Enterprises in which Directors are interested										
SVR Finance & Leasing Private Limited	Trade Advance	50.00	-	(50.00)	-	-	-	-	-	-
	Interest Paid	-	-		-	-	-	-	-	-
Enterprises having a significant influence										
India Business Excellence Fund-IIA	Share Capital (₹ 10/- Paid up)	1,305.16	-	-	-	1,305.16	-	-	-	1,305.16
	Share Premium	-	-	-	-	-	-	-	-	
	Compulsorily Convertible Preference Shares of ₹ 100/- Each (Converted into equity shares during the FY 2018-19)			-						
	Share premium on preference shares		-	-	-	-				

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Name of related party	Nature of transaction	For the FY 2021					For the FY 2022			
		As at March 31, 2020	Transaction value for the year ended March 31, 2021	Received During the year	Paid During the year	As at March 31, 2021	Transaction value for the year ended March 31, 2022	Received During the year	Paid During the Year	As at March 31, 2022
Vistra ITCL (India) Limited (formerly known as IL and FS Trust Company Limited) (Trustee of Business Excellence Trust-II - India Business Excellence Fund II)	Share Capital (₹ 10/- Paid up)	780.40	-	-	-	780.40	-	-	-	780.40
	Share premium on preference shares	-	-		-	-				

Particulars	As at March 31, 2022	As at March 31, 2021
Short-term employee benefits	345.20	331.12
Post-employment benefits#	-	-
Long-term employee benefits	-	-
Termination benefits	-	-
Employee-share based payment	-	1.27
Total compensation	**345.21**	**332.39**

#As the provision for gratuity is made for the Company as a whole, the amount pertaining to the Key Management Personnel is not specifically identified and hence is not included above.

* The Increased/Decreased value is relating to purchase of shares/debentures from the public.

** Partly paid shares are full paid and converted to fully paid equity shares.

*** Inter Corporate Deposits taken from IKF Home Finance Ltd are at Interest of 8% to10.00%.

Notes:

(i) Transaction values are excluding taxes and duties.

(ii) NameoftherelatedpartiesandnatureoftheirrelationshipswherecontrolexistshavebeendisclosedirrespectiveofwhetherornottherehavebeentransactionswiththeCompany.Inothercases, disclosures have been made only when there have been transactions with those parties.

(iii) Relatedpartiesasdefinedunderclause 9oftheIndAS24'Relatedpartydisclosures'havebeenidentifiedbasedonrepresentationsmadebykeymanagerialpersonnelandinformationavailablewiththe Company. All above transactions are in the ordinary course of business.

(iv) The Company has not granted loans or advances to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that is repayable on demand or without specifying any terms or period of repayment for the financial years ended March 31, 2022 and March 31, 2021.

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44 Disclosure pursuant to Reserve Bank of India notification DOR (NBFC).CC.PD.No.109 /22.10.106/2019-20 dated 13th March 2020 - Implementation of Indian Accounting Standards:

A comparison between provision required under IRACP and impairment allowances under Ind AS 109:

As at March 31, 2022

(Currency : ₹ in lakhs)

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provision required as per IRACP norms*	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	1,29,844.46	989.64	1,28,854.82	541.89	447.75
	Stage 2	25,161.20	563.47	24,597.73	108.95	454.52
Subtotal for Performing Assets		**1,55,005.66**	**1,553.11**	**1,53,452.55**	**650.84**	**902.27**
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,984.96	694.11	1,290.84	187.98	506.13
Doubtful - upto 1 year	Stage 3	2,353.19	771.20	1,582.00	622.18	149.02
Doubtful - 1 to 3 years	Stage 3	-	-	-	-	-
Doubtful - more than 3 years	Stage 3	-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**4,338.15**	**1,465.31**	**2,872.84**	**810.16**	**655.15**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal for other items		**-**	**-**	**-**	**-**	**-**
Total	**Stage 1**	**1,29,844.46**	**989.64**	**1,28,854.82**	**541.89**	**447.75**
	Stage 2	**25,161.20**	**563.47**	**24,597.73**	**108.95**	**454.52**
	Stage 3	**4,338.15**	**1,465.31**	**2,872.84**	**810.16**	**655.15**
	Total	**1,59,343.81**	**3,018.42**	**1,56,325.40**	**1,461.00**	**1,557.42**

* Provision required as per IRACP norms is excluding provision on interest income from Stage 3 loans.

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45 RBI Disclosures

The following additional information is disclosed in the terms of Master Direction - Non-Banking Financial Company - Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended.

45.01 Capital to Risk Asset Ratio (CRAR)

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Tier I Capital	35,287.42	29,749.42
Tier II Capital	4,189.64	3,001.33
Total Capital	39,477.07	32,750.75
Total Risk Weighted Assets	1,63,744.91	1,38,401.52
CRAR (%)	24.11%	23.66%
CRAR - Tier I Capital (%)	21.55%	21.50%
CRAR - Tier II Capital (%)	2.56%	2.17%
Amount of subordinated debt raised as Tier - II Capital	6,000.00	6,000.00
Amount raised by issue of perpetual debt Instruments	-	-

Tier I capital", "Tier II capital", "Owned fund" and Capital adequacy ratio are calculated as defined in Master Direction - Non-Banking Financial Company - Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and notification RBI/2019-20/170 DO R (NBFC).CC.PD.No.109/22.10.106/2019-20 "Implementation of Indian Accounting Standards" issued by RBI on March 13, 2020 as amended.

45.02 Investments

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Value of Investments		
(I) Gross value of investments		
(a) In India	6,252.92	4,525.10
(a) Outside India	-	-
(II) Provisions for Depreciation		
(a) In India	-	-
(a) Outside India	-	-
(III) Net value of investments		
(a) In India	6,252.92	4,525.10
(a) Outside India	-	-
(b) Movements of provisions held towards impairment on investments		
(I) Opening balance	-	-
(II) Add : Provisions made during the year	-	-
(III) Less : Write-off/ Written- back of excess provisions during the year	-	-
(IV) Closing balance	-	-

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45.03 Derivatives

The Company has not entered into any forward rate agreements, interest rate swaps, and exchange traded interest rate derivatives. Hence, no disclosure is made for the same

45.04 Disclosure Relating to Securitisation for STC Transactions as per Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 dated September 24, 2021

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(I) No of SPEs holding assets for securitisation transactions originated by the originator"	1.00	9
(II) Total amount of securitised assets as per books of the SPEs	1,104.05	11,654.96
(III) Total amount of exposure retained by the originator to comply with MRR as on date of balance sheet		
(a) Off-balance sheet exposure towards credit enhancements		
(i) First Loss	-	-
(ii) Others	-	-
(a) On-balance sheet exposure towards credit enhancements		
(i) First Loss	352.00	2,786.29
(ii) Others	-	-
(IV) Amount of exposures to securitisation transactions other than MRR		
(a) Off-balance sheet exposure		
(i) Exposure to own securitisations		
(1) First Loss	-	-
(2) Others	-	-
(i) Exposure to third party securitisations		
(1) First Loss	-	-
(2) Others	-	-
(b) On balance sheet exposure		
(i) Exposure to own securitisations		
(1) First Loss	232.33	4,843.30
(2) Others	-	-
(i) Exposure to third party securitisations		
(1) First Loss	-	-
(2) Others	-	-
(V) Sale consideration received for the securitised assets	2,749.59	30,004.25
Gain/loss on sale on account of securitisation	-	-
(VI) Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	Credit Enhancement, Servicing Agent	Credit Enhancement, Servicing Agent
(VII) Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided. (Credit Enhancement)		
(a) Amount paid	-	352.00
(b) Repayment received	2,349.16	85.12
(c) Outstanding amount	352.00	2,701.16
(VIII) Average default rate of portfolios observed in the past.		
(a) Vehicle Loans	1.97	1.95
(b) Others	-	-

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(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(IX) Amount and number of additional/top up loan given on same underlying asset.		
(a) Vehicle Loans	-	-
(b) Others	-	-
(X) Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	-	-

45.05 Details of financial assets sold to securitisation / reconstruction company for asset reconstruction.

The Company has not sold financial assets to Securitisation / Reconstruction companies for asset reconstruction in the current and previous year

45.06 Details of loans transferred / acquired during the quarter ended March 31, 2022 under RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021

(i) Details of loans not in default transferred / acquired through assignment during the Year ended March 31, 2022

Particulars	Transferred	Acquired
Aggregate amount of loans transferred / acquired (₹ in lakhs) *	16826.23	5779.37
Weighted average maturity (in years)	24.78	20.78
Weighted average holding period (in years)	9.55	12.72
Retention of beneficial economic interest by the originator	10.00%	86.54%
Tangible security Coverage	100.00%	100.00%
Rating-wise distribution of rated loans	Not Applicable	Not Applicable

* Represents the total Pool Value

(ii) The Company has not transferred any non-performing assets (NPAs)

(iii) The Company has not transferred any Special Mention Account (SMA) and loan not in default.

(iv) The Company has not acquired any loans not in default through assignment.

(v) The Company has not acquired any stressed loan.

45.07 Value of Imports calculated on CIF basis

The Company has not imported any goods therefore value of import on CIF basis is Nil

45.08 Expenditure in Foreign Currency

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Legal and professional fees	0.90	-
Total	**0.90**	**-**

45.09 Earnings in Foreign Currency

The Company does has not have any earnings in foreign currency

45.10 Details of credit impaired assets purchased / sold

The Company has not purchased / sold non-performing financial assets in the current and previous year

45.11 Exposure to Real estate sector

The Company has no exposure to the real estate sector directly or indirectly in the current and previous year.

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45.12 Exposure to Capital Market

The Company has no exposure to the capital market directly or indirectly in the current and previous year.

45.13 Financing of Parent Company Product

This disclosure is not applicable as the Company does not have any holding / parent company

45.14 Single Borrower Limit / Group Borrower Limit

The Company has not lent / invested / lent and invested in any borrower / group of borrower in excess of limits prescribed by the RBI.

45.15 Unsecured Advances

The Company has no unsecured advances given against rights, licenses, authorizations etc. during the year and for previous year.

45.16 Registration from Other Financial Sector Regulators

The Company is registered with following other financial sector regulators (Financial regulators as described by Ministry of Finance):

i. R.B.I. - B-09.00172

ii. Ministry of Corporate Affairs - U65992AP1991PLC012736

iii. Ministry of Finance (Financial Intelligence Unit) - FINBF13220"

45.17 Penalty

No penalties were imposed by RBI and other regulators during the current year

45.18 Credit Rating

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Nature of borrowing	**Rating / Outlook**	**Rating / Outlook**
	CARE	**CARE**
Long term bank facilities	A (Stable)	A (Stable)
Commercial Paper	-	-
Non - Convertible Debentures	A (Stable)	A (Stable)

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Nature of borrowing	**Rating / Outlook**	**Rating / Outlook**
	Brickwork Ratings	**Brickwork Ratings**
Long term bank facilities	A (Stable)	A (Stable)
Non - Convertible Debentures	A (Stable)	A (Stable)

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45.19 Provisions

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
1. Provisions towards income tax	1,487.04	795.96
2. Provisions towards loans	-224.16	-429.52
3. Provisions towards trade receivables	-26.21	3.08

45.20 Draw down from Reserves:

There has been no draw down from reserves during the year ended March 31, 2021 (previous year: Nil)

45.21 Concentration of Loans

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Total Loans to twenty largest borrowers	17,475.78	10,693.01
Percentage of Loans to twenty largest borrowers to total advances of the NBFC	10.97%	7.63%

45.22 Concentration of All Exposure (including off - balance sheet exposures)

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Total Exposure to twenty largest borrowers / customers	17,576.15	10,693.01
Percentage of exposure to twenty largest borrowers / customers to total exposure of the NBFC on borrowers / customers.	10.09%	7.18%

45.23 Concentration of credit impaired loans

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Total Exposure to top ten credit impaired accounts	674.31	616.24

45.24 Sector Wise Credit-Impaired Assets under Ind AS

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
1. Agriculture & allied activities	1.24%	1.60%
2. MSME	-	-
3. Corporate Borrowers	-	-
4. Services	-	-
5. Unsecured Personal Loans	-	-
6. Auto Loans	3.01%	3.23%
7. Others	1.76%	2.37%

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45.25 Movement of Credit-Impaired Loans under Ind AS

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(I) Net impaired loss allowance to Net loans (%)	1.84%	2.19%
(II) Movement of Credit impaired loans under Ind-AS (Gross)		
(a) Opening Balance	4,275.96	3,490.59
(b) (Deletion)/Addition during the year	62.19	785.37
(c) Closing balance	4,338.15	4,275.96
(III) Movement of Net Impaired loss		
(a) Opening Balance	3,067.95	2,485.95
(b) (Deletion)/Addition during the year	(195.10)	582.00
(c) Closing balance	2,872.84	3,067.95
(III) Movement of impairment loss allowance on credit impaired loans		
(a) Opening Balance	1,208.01	1,004.64
(b) (Deletion)/Addition during the year	257.30	203.37
(c) Closing balance	1,465.31	1,208.01

45.26 Overseas Assets

The Company does not have any joint venture or subsidiary abroad; hence this disclosure is not applicable.

45.27 Off Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

The Company has not sponsored any off-Balance Sheet SPV

45.28 Customer Complaints

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) No. of complaints pending at the beginning of the year	2	-
(b) No. of complaints received during the year	13	12
(c) No. of complaints redressed during the year	15	10
(d) No. of complaints pending at the end of the year	-	2

45.29 As required by the RBI Master Direction DNBS. PPD.01/66.15.001/2016-17 dated September 29, 2016 the details of frauds noticed / reported are as below:

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Amount Involved	-	-
Amount Recovered	-	-
Amount Written off/provided	-	-
Balance	-	-

Notes

on Standalone Financial Statements for the year ended March 31, 2022

45.30 Transactions with Non-Executive Directors

(Currency : ₹ in lakhs)

Name of Non-Executive Director	Transaction Type	Year ended March 31, 2022	Year ended March 31, 2021
Nageswara Rao Yalamanchili	Payment of Sitting Fees	1.00	-

45.31 Postponement of Revenue Recognition

Refer note 2.5 Revenue from operations for the circumstances in which revenue recognition has been postponed pending uncertainty of realisation.

45.32 Dues to micro, small and medium enterprises

There are no amounts that need to be disclosed in accordance with the Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED') pertaining to micro or small enterprises.

For the year ended March 31, 2022, no vendor / supplier has intimated the Company about its status as micro or small enterprises or its registration with the appropriate authority under MSMED.

45.33 Disclosure on Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses in terms of RBI circular RBI / 2021-22 / 31 DOR. STR. REC.11 /21.04.048 / 2021-22 dated May 5, 2021:

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year **
Personal Loans	-	-	-	-	-
Corporate Persons*	-	-	-	-	-
of which MSMEs	-	-	-	-	-
Others	83.21	-	-	-	84.71
Total	**83.21**	**-**	**-**	**-**	**84.71**

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

** Customer has paid scheduled installment and interest amount of ₹ 1.5 lakhs was added to outstanding amount

Disclosures for Reserve Bank of India circular on Resolution Framework for Covid-19 related stress dated August 6, 2020 are not applicable to the Company as none of the borrowers opted for the resolution plan.

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45.34 Asset liability management

Maturity pattern of certain items of asset and liabilities - As at March 31, 2022

Pattern	1 day to 7 days	8 day to 14 days	15 day to 30-31 days	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years	Total
Liabilities*											
Borrowings from banks	322.18	1,356.58	915.01	2,307.85	7,038.92	9,396.89	39,773.42	34,389.76	3,984.25	-	99,484.87
Other Borrowings	166.67	73.68	278.31	617.54	554.06	1,592.67	2,938.52	5,693.37	-	-	11,914.82
Market Borrowings	22.05	-	108.91	134.36	1,429.90	125.00	1,911.87	11,500.00	4,500.00	-	19,732.08
Assets											
Advances*	6,671.61	2,335.89	8,536.77	4,687.83	4,694.78	13,957.78	24,471.36	79,657.94	12,877.30	1,293.70	1,59,184.95
Investments	-	-	-	-	-	-	-	-	-	**6,252.92**	**6,252.92**

Maturity pattern of certain items of asset and liabilities - As at March 31, 2021

Pattern	1 day to 7 days	8 day to 14 days	15 day to 30-31 days	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years	Total
Liabilities*											
Borrowings from banks	365.73		511.08	589.57	4,745.55	5,162.01	29,653.93	22,542.70	7,469.56	239.88	71,280.01
Other Borrowings	-	909.25	1,098.33	1,157.72	991.75	2,710.79	4,395.35	5,070.11	-	-	16,333.30
Market Borrowings	21.29	-	252.60	857.35	172.00	786.92	19,800.00	11,900.00	2,000.00	2,500.00	38,290.16
Assets											
Advances*	2,069.52	840.82	11,204.18	4,621.12	4,649.03	12,829.15	23,780.82	66,158.28	15,168.46	1,738.70	1,43,060.08
Investments	-	-	-	-	-	-	-	-	-	4,525.10	4,525.10

*The amount appearing above for gross loans and borrowings excludes the impact of EIR.

Notes

on Standalone Financial Statements for the year ended March 31, 2022

45.35 Disclosure on liquidity risk under RBI circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No. 102/03.10.001/2019-20 dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies as on March 31, 2022.

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

Sr. No	No of Significant Counterparties	As at March 31, 2022			As at March 31, 2021		
		Amount #	% of total Deposits	% of Total Liabilities*	Amount #	% of total Deposits	% of Total Liabilities*
1	25	1,27,107.49	NA	95.51%	1,15,141.16	NA	89.59%

ii) Top 20 large deposits – Not Applicable

iii) Top 10 Borrowings

As at March 31, 2022		As at March 31, 2021	
Amount #	% of Total Liabilities*	Amount #	% of Total Liabilities*
83,507.47	62.75%	0.00%	91,311.79

iv) Funding Concentration based on significant instrument/product

(Currency : ₹ in lakhs)

Sr. No	Name of the instrument	As at March 31, 2022		As at March 31, 2021	
		Amount #	% of Total Liabilities*	Amount #	% of Total Liabilities*
1	Term Loan	76,193.48	57.25%	54,258.62	42.22%
2	Non Convertible Debentures	14,945.00	11.23%	37,350.00	29.06%
3	Working capital / short term facilities	32,691.04	24.56%	26,472.34	20.60%
	Total	**1,23,829.52**	**93.04%**	**1,18,080.94**	**91.88%**

v) Stock Ratios

(Currency : ₹ in lakhs)

Sr. No.	Particulars	31 March, 2022	31 March, 2021
1	Commercial Papers to Total Liabilities	0.00%	0.00%
2	Commercial Papers to Total Assets	0.00%	0.00%
3	NCDs (Original Maturity < 1 year) to Total Liabilities	0.00%	0.00%
4	NCDs (original Maturity < 1 year) to Total Assets	0.00%	0.00%
5	Other Short Term Liabilities # to Total Liabilities*	1.46%	1.97%
6	Other Short Term Liabilities # to Total Assets	1.13%	1.55%

vi) Institutional set-up for liquidity risk management:

The Company has an Asset Liability Management Committee (ALCO), a management level committee to handle liquidity risk management. The ALCO meetings are held at periodic intervals. At the apex level, the Risk Management Committee (RMC), a sub-committee of the Board of Directors of the Company, oversees the liquidity risk management. The RMC subsequently updates the Board of Directors on the same.

Amount does not include accrued but not paid interest on borrowing and amortisation of processing fees.

* Total Liabilities does not include Net Worth.

Notes

on Standalone Financial Statements for the year ended March 31, 2022

46 Registration of charges or satisfaction with Registrar of Companies (ROC)

All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2022. No charges or satisfactions are yet to be registered with ROC beyond the statutory period.

47 Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2022 and March 31, 2021.

48 Compliance with approved Scheme(s) of Arrangements

The Board of Directors of the Company did not approve any scheme of Arrangements during the financial year ended March 31, 2022 and March 31, 2021.

49 Utilisation of Borrowed funds and share premium

The Company, as part of its normal business, grants loans and advances, makes investment. These transactions are part of Company's normal non-banking finance business, which is conducted ensuring adherence to all regulatory requirements. Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has also not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

50 Undisclosed income

There are no transactions not recorded in the books of accounts.

51 Title deeds of Immovable Properties not held in name of the Company

The Company does not possess any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company during the financial year ended March 31, 2022 and March 31, 2021.

52 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2022 and March 31, 2021.

53 Details of Benami Property Held

No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2022 and March 31, 2021.

54 Wilful Defaulter

The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in the financial years ended March 31, 2022 and March 31, 2021.

IKF FINANCE
"LEGACY THAT INSPIRES, TECHNOLOGY THAT DELIVERS"

55 Relationship with Struck off Companies

The company does not have any transactions with companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 in the financial years ended March 31, 2022 and March 31, 2021.

56 Investment in Associates and Structured Entities

The Company does not have any Associates and Structured Entities.

57 Impact due to COVID-19

Consequent to the outbreak of the Covid-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government for certain activities in a phased manner outside specified containment zones, but regional lockdowns/restrictions continued to be implemented in areas with a significant number of Covid-19 cases.

The impact of Covid-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The slowdown during the year led to a decrease in loan originations, and collection efficiency. The extent to which the 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 estimates related to Impairment of assets including loans to customers, will depend on future developments, including, among other things, any new information concerning the severity of the Covid-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company.

In accordance with Reserve Bank of India guidelines relating to Covid-19 Regulatory package dated March 27, 2020 April 17, 2020 and May 23, 2020, the Company had offered moratorium on the payment of all instalments and/or interest, as applicable, falling due between March 1, 2020 to August 31, 2020 to all eligible borrowers. Further. the Company offered resolution plan to its customers pursuant to RBI's guideline 'Resolution framework for Covid-19 related stress' dated 6 August 2020.

Estimates and associated assumptions applied in preparing these financial statements, especially for determining the impairment allowance for the Company's financial assets (Loans), are based on historical experience and other emerging/forward looking factors on account of the pandemic. The Company believes that the factors considered are reasonable under the current circumstances. The Company has used estimation of potential stress on probability of default and exposure at default due to Covid-19 situation along with the second wave of Covid-19 in developing the estimates and assumptions to assess the impairment loss allowance on Loans. Given the dynamic nature of the pandemic situation, these estimates are subject to uncertainty and maybe affected by severity and duration of the pandemic. In the event the impacts are more severe or prolonged than anticipated, this will have a corresponding impact on the carrying value of financial assets, the financial position and performance of the Company. The Company holds adequate impairment allowances as at March 31,2022 including the potential impact of Covid-19 based on the information available at this point in time."

58 In accordance with the instructions in RBI circular number RBI/2021-22/17 dated April 7, 2021, all lending institutions shall refund / adjust interest on interest' to all borrowers including those who have availed working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed or not availed. Pursuant to these instructions, the Indian Banks' Association (IBA) in consultation with other industry participants / bodies published the methodology for calculation of the amount of such 'interest on interest/compound interest/penal interest'. Accordingly, the Company has estimated ₹ 160.55 lakhs and made provision for refund/ adjustment as at March 31, 2021.

Notes

on Standalone Financial Statements for the year ended March 31, 2022

59 Note on Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules thereunder. The Ministry of Labour and Employment has also released draft rules thereunder on November 13, 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any and account for the same once the rules are notified and become effective

60 Previous year's information have been regrouped/reclassified wherever necessary to correspond with current year's classification/disclosure.

For and on behalf of the Board of Directors of
IKF Finance Limited
CIN: U65992AP1991PLC012736

For S G C O & Co. LLP
Chartered Accountants
ICAI Firm registration number : 112081W/W100184

per Suresh Murarka
Partner
Membership No.044739

Place: Mumbai
Date: May 30, 2022

V.G.K Prasad
Chairman
DIN: 01817992

Vasumathi Devi Koganti
Managing Director
DIN: 03161150

Sreepal Jain
Chief Financial Officer

Ch.Sreenivasa Rao
Company Secretary
M.No. ACS14723

Place: Vijayawada
Date: May 30, 2022

Notes

on Standalone Financial Statements for the year ended March 31, 2022

Schedule to Balance Sheet

Particulars		As at March 31, 2022	
		Amount outstanding	Amount overdue
	Liabilities side		
(1)	**Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid :**		
	(a) Debentures : Secured	11,369.58	-
	: Unsecured	3,816.89	-
	(other than falling within the meaning of public deposits*)		
	(b) Deferred Credits	-	-
	(c) Term Loans	75,900.08	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	-	-
	(f) Public Deposits*	-	-
	(g) Other Loans - Subordinate Debts	6,003.45	-
	- Cash Credit	32,691.04	-
	- Securitization Transaction	871.72	-
	* Please see Note 1 below		
(2)	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :**		
	(a) In the form of Unsecured debentures	-	-
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
	(c) Other public deposits	-	-
	* Please see Note 1 below		
Assets side		Amount outstanding	
(3)	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :**		
	(a) Secured		1,59,343.81
	(b) Unsecured		-
(4)	**Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities**		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease		-
	(b) Operating lease		-
	(ii) Stock on hire including hire charges under sundry debtors :		
	(a) Assets on hire		-
	(b) Repossessed Assets		-
	(iii) Other loans counting towards asset financing activities		
	(a) Loans where assets have been repossessed		-
	(b) Loans other than (a) above		-
(5)	**Break-up of Investments**		
	Current Investments		
	1. Quoted		
	(i) Shares		
	(a) Equity		-
	(b) Preference		-
	(ii) Debentures and Bonds		-
	(iii) Units of mutual funds		-
	(iv) Government Securities		-
	(v) Others (please specify)		-

Notes

on Standalone Financial Statements for the year ended March 31, 2022

Particulars	As at March 31, 2022	
	Amount outstanding	Amount overdue
2. Unquoted		
(i) Shares		
(a) Equity		-
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others (please specify)		-
Long Term investments		
1. Quoted		
(i) Share		
(a) Equity		-
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others (please specify)		-
2. Unquoted		
(i) Shares		
(a) Equity		6,252.92
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others (please specify)		-

(6) Borrower group-wise classification of assets financed as in (3) and (4) above : Please see Note 2 below

Category	Amount net of provisions	
	Secured	Unsecured
1. Related Parties **		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties	1,59,343.81	-
Total	**1,59,343.81**	**-**

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): Please see note 3 below

Category	Market Value / Break up or fair value or NAV
1. Related Parties **	
(a) Subsidiaries	6,252.92
(b) Companies in the same group	-
(c) Other related parties	-
2. Other than related parties	-
Total	**6,252.92**
** As per Accounting Standard of ICAI (Please see Note 3)	

Notes

on Standalone Financial Statements for the year ended March 31, 2022

Particulars		As at March 31, 2022	
		Amount outstanding	Amount overdue
(8)	**Other information**		
	Particulars		Amount
	(i) Gross Non-Performing Assets		
	(a) Related parties		-
	(b) Other than related parties		4,338.15
	(ii) Net Non-Performing Assets		
	(a) Related parties		-
	(b) Other than related parties		2,872.84
	(iii) Assets acquired in satisfaction of debt		108.01

Notes:

1. As defined in point xxvii of paragraph 3 of Chapter II of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank)Directions, 2016.
2. Provisioning norms shall be applicable as prescribed in Indian Accounting Standards by MCA.
3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.

Independent Auditor's Report

To the Members of
IKF Finance Limited

Report on the audit of Consolidated financial statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of IKF Finance Limited (hereinafter referred to as " the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as " the Group"), which comprise the consolidated Balance Sheet as at March 31, 2022, the consolidated Statement of Profit and Loss, including other comprehensive Income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as " the consolidated financial statements")

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on separate financial statements of such subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended (" the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, its consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SA), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the consolidated financial statements' section of our report. We are independent of the Group 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 consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained along with consideration of audit report of other auditor referred to in the "other matters" paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of matter

We draw attention to Note 62 to the consolidated financial statement in which the Group describes the continuing uncertainties arising from the COVID 19 pandemic. Our report is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated 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 how our audit addressed the matter is provided in that context.

Key audit Matters	How our audit addressed the key audit matter
Impairment of Financial Instruments (expected credit Losses) has been described in Note 2.4.c, 2.6.f and 6 of the financial statements.	
Management estimates impairment provision using Expected Credit loss model for the loan exposure as per the Board approved policy which is in line with Ind AS and the Regulations. Measurement of loan impairment involves application of significant judgement by the management. The most significant judgements are:	• We evaluated the design and operating effectiveness of controls across the processes relevant to ECL, including the judgements and estimates. • We tested the completeness of loans and advances included in the Expected Credit Loss calculations as of March 31, 2022 by reconciling it with the balances as per loan balance register and loan commitment report as on that date.

Key audit Matters	How our audit addressed the key audit matter
• Timely identification and classification of the impaired loans, including classification of assets to stage 1, 2, or 3 using criteria in accordance with Ind AS 109 which also include considering the impact of RBI's regulatory circulars, • The segmentation of financial assets when their ECL is assessed on a collective basis, • Determination of probability of defaults (PD) and loss given defaults (LGD) based on the default history of loans, subsequent recoveries made and other relevant factors and • Assessment of qualitative factors having an impact on the credit risk.	• We tested assets in stage 1, 2 and 3 on sample basis to verify that they were allocated to the appropriate stage. • Tested samples to ascertain the completeness and accuracy of the input data used for determining the PD and LGD rates and agreed the data with underlying books of accounts and records. • For samples of exposure, we tested the appropriateness of determining EAD, PD and LGD. • For exposure determined to be individually impaired, we tested samples of loans and advances and examined management's estimate of future cash flows, assessed their reasonableness and checked the resultant provision calculations. • We performed an overall assessment of the ECL provision levels at each stage including management's assessment and provision on account of Company's portfolio, risk profile, credit risk management practices. • We assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 in relation to ECL especially in relation to judgements used in estimation of ECL provision.

Other Information

The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the consolidated financial statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements, that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act. The respective management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group or to cease operations or has no realistic alternative but to do so.

The respective management and Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statement 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 consolidated financial statement.

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

- Identify and assess the risks of material misstatement of the consolidated financial statement, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements 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 in the consolidated financial statement made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors 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 appropriateness of this assumption. 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 consolidated financial statement 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statement, including the disclosures, and whether the consolidated financial statement represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial statement of the entities within the Group to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial statement of such entity included in the consolidated financial statement of which we are the independent auditor. For the other entities included in the consolidated financial statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated financial statements.

We communicate with those charged with governance of the Holding Company 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 consolidated financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The consolidated financial statement of the Group for the year ended March 31, 2021 were audited by the predecessor auditor. The predecessor auditor had expressed an unmodified opinion vide their report dated July 21, 2021.

The consolidated financial statement include the audited financial statement of one subsidiary, whose financial statement reflect Group's share of total assets (before consolidation adjustments) of ₹ 41,257.43 lakhs as at 31 March 2022, Group's share of total revenue (before consolidation adjustments) of ₹ 5,114.89 lakhs, Group's share of total net profit after tax (before consolidation adjustments) of ₹ 1,000.43 lakhs and Group's share of net cash inflows (before consolidation adjustments) of ₹ 3,605.96 lakhs for the year ended on that date, as considered in the consolidated financial statement, which have been audited by their other independent auditor. The independent auditor's reports on financial statement of the subsidiary have been furnished to us by the management. Our opinion on the consolidated financial statement, in so far as it relates to the amounts and disclosures included in respect of this entity, is based solely on the reports of such auditor and the procedures performed by us as stated in paragraph above.

Our opinion on the consolidated financial statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of the subsidiary as noted in the 'other matter ' paragraph we report, to the extent applicable, that :

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of financial statements have been kept so far as it appears from our examination of those books and reports of the other auditor;

    (c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

    (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

    (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor who is appointed under Section 139 of the Act, of its subsidiary company, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

    (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";

(g) In our opinion and according to the information and explanation given to us and based on reports of the statutory auditor of such subsidiary company incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary incorporated in India to its directors in accordance with the provisions of and the limits laid down under section 197 read with Schedule V of the Act;

(h) With respect to the other matters to be included in the Auditor 's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements as also the other financial information of the subsidiary as noted in the 'Other matter ' paragraph:

i. The Group does not have any pending litigations which would impact its consolidated financial position;

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2022;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary, incorporated in India during the year ended March 31, 2022.

iv. (a) The respective Managements of the Company and its subsidiary which are companies incorporated in India, have represented to us that to the best of their knowledge and belief, as disclosed in Note no. 54, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any such subsidiary company, to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any such subsidiary company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Company and its subsidiary which are companies incorporated in India, have represented to us to the best of their knowledge and belief, as disclosed in Note no. 54, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any such subsidiary company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on reasonable audit procedures adopted by us and those performed by the auditors of the subsidiaries, incorporated in India, nothing has come to our notice or other auditors notice that has caused us to believe that the representation under sub clause (i) and (ii) of the Rule 11(e), as provided under (a) and (b) above, contains any material misstatement.

v. The Holding Company and the subsidiary has not declared or paid any dividend during the year and has not proposed final dividend for the year.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and based on our consideration of CARO reports issued by the respective auditors of the company's such subsidiary as referred to in Other Matter paragraph above, we report that there are no qualifications or adverse remarks in these CARO reports.

For **SGCO & CO. LLP**
Chartered Accountants
Firm Reg. No.:- 112081W/W100184

Suresh Murarka
Partner
Membership No. :- 044739
UDIN :- 22044739AJYAXW7961

Place :- Mumbai
Date :- May 30, 2022

Annexure A

REFERRED TO IN PARAGRAPH 2(f) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

Report on the Internal Financial Controls under Clause (i) of 5ub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of IKF Finance Limited (hereinafter referred to as the " Holding Company") as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary (the Holding Company and its subsidiary together referred to as " the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the " Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor, in terms of his report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with Reference to Consolidated financial statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to these consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements 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 Group, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to one subsidiary, which is incorporated in India, is based on the corresponding report of the auditor of such subsidiary.

For **SGCO & CO. LLP**
Chartered Accountants
Firm Reg. No.:- 112081W/W100184

Suresh Murarka
Partner
Membership No. :- 044739
UDIN :- 22044739AJYAXW7961

Place :- Mumbai
Date :- May 30, 2022

Consolidated Balance Sheet

as at March 31, 2022

(Currency : ₹ in lakhs)

Particulars	Note No	As at March 31, 2022	As at March 31, 2021
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	3	9,664.31	14,474.42
(b) Bank Balance other than included in (a) above	4	2,533.65	4,164.82
(c) Receivables		-	
(I) Trade receivables	5	28.35	15.88
(d) Loans	6	1,89,210.12	1,58,784.68
(e) Investments	8	-	-
(f) Other financial assets	7	3,193.40	2,017.53
		2,04,629.83	**1,79,457.33**
(2) Non-financial assets			
(a) Current Tax Assets (Net)		200.95	217.94
(b) Deferred Tax Assets (Net)	29	70.34	-
(c) Investment Property	11	114.31	6.47
(d) Property, Plant and Equipment	10	343.00	319.40
(e) Right of use asset	10	19.67	45.71
(f) Intangible assets	12	175.97	207.32
(g) Goodwill		774.47	774.47
(h) Other non-financial assets	9	1,080.22	401.70
		2,778.93	**1,973.01**
Total assets		**2,07,408.76**	**1,81,430.34**
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial liabilities			
(a) Derivative financial instruments		58.68	-
(b) Payables			
(i) Trade payables and other payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(II) total outstanding dues of creditors other than micro enterprises and small enterprises		7.09	23.52
(c) Debt securities	13	23,807.91	43,210.76
(d) Borrowings (other than debt securities)	14	1,32,139.07	92,148.69
(e) Subordinated Liabilities	15	6,003.45	5,986.79
(f) Other financial liabilities	16	3,103.00	3,583.67
		1,65,119.20	**1,44,953.43**
(2) Non-financial liabilities			
(a) Current tax liabilities (Net)			
(b) Provisions	17	345.34	303.22
(c) Deferred tax liabilities (Net)	29	165.35	116.67
(d) Other non-financial liabilities	18	157.27	148.76
		667.96	**640.55**
EQUITY			
(a) Equity share capital	19	5,265.91	5,167.49
(b) Other equity	20	35,780.90	30,169.33
(c) Non-Controlling Interest		574.79	499.54
		41,621.60	**35,836.36**
Total liabilities and equity		**2,07,408.76**	**1,81,430.34**
Significant accounting policies and key accounting estimates and judgments	2		

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date

For S G C O & Co. LLP
Chartered Accountants
ICAI Firm registration number: 112081W/W100184

per Suresh Murarka
Partner
Membership No. 044739

Place: Mumbai
Date: May 30, 2022

For and on behalf of the Board of Directors of
IKF Finance Limited
CIN: U65992AP1991PLC012736

V.G.K Prasad
Chairman
DIN: 01817992

Vasumathi Devi Koganti
Managing Director
DIN: 03161150

Sreepal Jain
Chief Financial Officer

Ch.Sreenivasa Rao
Company Secretary
M.No. ACS14723

Place: Vijayawada
Date: May 30, 2022

Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

(Currency : ₹ in lakhs)

	Particulars	Note No	Year ended March 31, 2022	Year ended March 31, 2021
Revenue From operations				
(i)	Interest income	21	26,301.60	23,422.50
(ii)	Fees and commission income	22	660.15	329.07
(I)	**Total revenue from operations**		**26,961.75**	**23,751.57**
(II)	Other income	23	207.95	57.33
(III)	**Total income (I + II)**		**27,169.70**	**23,808.90**
Expenses				
(i)	Finance costs	24.1	13,617.93	12,865.82
(ii)	Net loss on fair value changes	24.2	3.35	-
(iii)	Impairment on financial instruments	25	513.01	781.57
(iv)	Employee benefits expenses	26	4,650.46	3,438.10
(v)	Depreciation, amortization and impairment	27	190.23	193.18
(vi)	Others expenses	28	1,356.29	1,219.14
(IV)	**Total expenses**		**20,331.27**	**18,497.81**
(V)	**Profit before tax (III - IV)**		**6,838.43**	**5,311.09**
(VI)	**Tax Expense:**			
	(1) Current Tax	29	1,740.28	1,044.15
	(2) Deferred Tax	29	(24.92)	411.32
	(3) Adjustment of tax relating to earlier periods	29	10.06	65.46
			1,725.42	**1,520.93**
(VII)	**Profit for the period (V-VI)**		**5,113.01**	**3,790.16**
(VIII)	**Other comprehensive income**			
	(A) Items that will not be reclassified to profit or loss (specify items and amounts)			
	(a) Remeasurements of the defined benefit plans	30	12.80	16.20
	Income tax relating to items that will not be reclassified to profit or loss		(3.22)	(4.08)
	Other comprehensive income / (loss)		**9.58**	**12.12**
(IX)	**Total comprehensive income for the period (VII + VIII)**		**5,122.59**	**3,802.28**
	Attributable to:			
	Owners of the Company		5,047.32	3,725.04
	Non-controlling interest		75.24	77.24
(X)	**Earnings per share (equity share, par value of ₹ 10 each)**			
	Basic	31	9.89	7.54
	Diluted	31	9.89	7.53
Significant accounting policies and key accounting estimates and judgments		2		

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date

For S G C O & Co. LLP
Chartered Accountants
ICAI Firm registration number: 112081W/W100184

per Suresh Murarka
Partner
Membership No. 044739

Place: Mumbai
Date: May 30, 2022

For and on behalf of the Board of Directors of
IKF Finance Limited
CIN: U65992AP1991PLC012736

V.G.K Prasad
Chairman
DIN: 01817992

Vasumathi Devi Koganti
Managing Director
DIN: 03161150

Sreepal Jain
Chief Financial Officer

Ch.Sreenivasa Rao
Company Secretary
M.No. ACS14723

Place: Vijayawada
Date: May 30, 2022

IKF FINANCE
"LEGACY THAT INSPIRES, TECHNOLOGY THAT DELIVERS"

Consolidated Cash Flow Statement

for the year ended March 31, 2022

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	6,838.43	5,311.09
Adjustments for:		
Depreciation, amortisation and impairment	190.23	193.18
Interest Income	(26,301.60)	(23,422.49)
Interest expenses	13,617.93	12,865.83
Impairment on financial instrument	513.01	781.57
Net loss on fair value changes	3.35	
Lease equalisation		-
Share based payment expense	(6.03)	13.09
Net gain/(loss) on financial instrument at fair value through profit and loss (FVTPL)		
Net gain/(loss) on financial instrument at amortised categiry		
Provision for expenses	6.60	4.83
Employee benefit expenses	94.59	106.26
Rental income on Investment property	(7.63)	(6.36)
(Profit)/ Loss on sale of property, plant and equipment	(0.07)	(0.14)
(Profit)/ Loss on sale of immovable Property	6.10	
Cash generated from / (used in) operations before working capital changes and adjustments for interest received and interest paid	**(5,045.09)**	**(4,153.14)**
Adjustments for changes in Working Capital :		
Decrease / (Increase) in trade receivable	(12.47)	4.99
Decrease / (Increase) in loans	(38,117.26)	(28,317.25)
Decrease / (Increase) in bank balances other than cash and cash equivalents	1,631.18	(389.89)
Decrease / (Increase) in other financial assets	(5,403.68)	(292.59)
Decrease / (Increase) in other non-financial assets	(678.52)	(77.57)
(Decrease) / Increase in trade payables	(16.43)	5.67
(Decrease) / Increase in other financial liabilities	(458.46)	(125.82)
(Decrease) / Increase in provisions	(30.08)	(17.77)
(Decrease) / Increase in other non-financial liabilities	8.51	(0.60)
Interest received	31,293.07	20,192.84
Interest paid	(13,450.44)	(10,940.08)
	(30,279.68)	**(24,111.21)**
Income tax paid (net of refunds)	(1,805.25)	(1,137.77)
Derivative financial instruments	-	
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	**(32,084.93)**	**(25,248.98)**

Consolidated Cash Flow Statement

for the year ended March 31, 2022

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(114.86)	(45.96)
Purchase of Investment property	(224.11)	-
Rental income on Investment property	7.63	6.36
Proceeds from sale of property, plant and equipment	0.08	0.54
Proceeds from sale of Investment property	110.00	
Purchase of intangible assets	(37.27)	(47.95)
ROU Adj	-	-
Purchase of investments measured at cost		
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	**(258.54)**	**(87.01)**
CASH FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares (including securities premium)	714.39	1,015.18
Amount received from debt securities	8,000.00	39,500.00
Repayment of debt securities	(26,783.33)	(3,300.00)
Amount received from borrowings other than debt securities	77,180.00	38,025.08
Repayment of borrowings other than debt securities	(31,541.19)	(38,101.19)
Amount received from subordinated Liabilities	-	2,500.00
Repayment of subordinated debt	-	(3,000.00)
Payment of principal portion of lease liabilities	(31.05)	(51.94)
Payment of interest on lease liabilities	(3.79)	(6.35)
NET CASH GENERATED FROM / (USED IN) FROM FINANCING ACTIVITIES	**27,535.03**	**36,580.78**
Net Increase / (Decrease) in Cash and Cash Equivalents	**(4,808.44)**	**11,244.79**
Cash and Cash Equivalents at the beginning of Year	14,474.42	3,229.63
Cash and Cash Equivalents at the end of the Year	9,664.31	14,474.42

The above Cash Flow Statement has been prepared under the ‘Indirect method’ as set out in Ind AS 7 on ‘Statement of Cash Flows’.

The above Cash Flow Statement has been prepared under the ‘Indirect method’ as set out in Ind AS 7 on ‘Statement of Cash Flows’.

As per our report of even date

For S G C O & Co. LLP
Chartered Accountants
ICAI Firm registration number: 112081W/W100184

per Suresh Murarka
Partner
Membership No. 044739

Place: Mumbai
Date: May 30, 2022

For and on behalf of the Board of Directors of
IKF Finance Limited
CIN: U65992AP1991PLC012736

V.G.K Prasad
Chairman
DIN: 01817992

Vasumathi Devi Koganti
Managing Director
DIN: 03161150

Sreepal Jain
Chief Financial Officer

Ch.Sreenivasa Rao
Company Secretary
M.No. ACS14723

Place: Vijayawada
Date: May 30, 2022

Consolidated Statement of Changes in Equity

for the year ended March 31, 2022

A. Equity share capital

Current Reporting Period

Particulars	Balance at the beginning of the current reporting period As at March 31, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the beginning of the current reporting period As at March 31, 2022
Issued, Subscribed and paid up - fully paid (Equity shares of ₹ 10 each, Fully paid-up)	4,747.94	-	4,747.94	517.97	5,265.91
Issued, Subscribed and paid up - partly paid (Equity shares of ₹ 10 each, partly paid-up of 8.10 per share in March 2021	419.55	-	419.55	(419.55)	-

Previous Reporting Period

Particulars	Balance at the beginning of the current reporting period As at March 31, 2020	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the beginning of the current reporting period As at March 31, 2021
Issued, Subscribed and paid up - fully paid (Equity shares of ₹ 10 each, Fully paid-up)	4,747.94	-	4,747.94	-	4,747.94
Issued, Subscribed and paid up - partly paid (Equity shares of ₹ 10 each, partly paid-up of 8.10 per share in March 2021	279.70	-	279.70	139.85	419.55

B. Other equity

(Currency : ₹ in lakhs)

Particulars	Reserves and Surplus						Total
	Statutory Reserve	Capital Reserve	Securities Premium	General Reserve	Share based payment Reserve	Retained Earnings	
Balance at April 01, 2020	**3,713.89**	**32.50**	**9,085.06**	**860.41**	**17.56**	**11,845.59**	**25,555.01**
Profit for the year	-	-	-	-	-	3,712.93	3,712.93
Other comprehensive income for the year	-	-	-	-	-	12.12	12.12
Prior Period items	-	-	-	-	-	0.85	
Total comprehensive income for the year (net of tax)	**-**	**-**	**-**	**-**	**-**	**3,725.89**	**3,725.89**
Transfer to Statutory Reserve	971.97	-	-	-	-	(971.97)	-
Transfer to General Reserve	-	-	-	159.53	-	(159.53)	-
Issue of equity shares	-	-	875.33	-	-	-	875.33
Share based payment expense	-	-	-	-	13.09	-	13.09
Balance at March 31, 2021	**4,685.86**	**32.50**	**9,960.39**	**1,019.94**	**30.65**	**14,440.00**	**30,169.33**

Consolidated Statement of Changes in Equity

for the year ended March 31, 2022

(Currency : ₹ in lakhs)

Particulars	Reserves and Surplus						Total
	Statutory Reserve	Capital Reserve	Securities Premium	General Reserve	Share based payment Reserve	Retained Earnings	
Profit for the year	-	-	-	-	-	5,037.79	5,037.79
Other comprehensive income for the year	-	-	-	-	-	9.58	9.58
Prior Period items	-	-	-	-	-	9.59	9.59
Total comprehensive income for the year (net of tax)	**-**	**-**	**-**	**-**	**-**	**5,056.96**	**5,056.96**
Transfer to Statutory Reserve	1,056.19	-	-	-	-	(1,056.19)	-
Transfer to General Reserve	-	-	-	201.52	-	(201.52)	-
Transfer to Hedge Reserve						(55.33)	(55.33)
Issue of equity shares	-	-	615.97	-	-	-	615.97
Share based payment expense	-	-	-	-	(6.03)	-	(6.03)
Balance at March 31, 2022	**5,742.05**	**32.50**	**10,576.36**	**1,221.46**	**24.62**	**18,183.90**	**35,780.90**

As per our report of even date

For S G C O & Co. LLP
Chartered Accountants
ICAI Firm registration number: 112081W/W100184

per Suresh Murarka
Partner
Membership No. 044739

Place: Mumbai
Date: May 30, 2022

For and on behalf of the Board of Directors of
IKF Finance Limited
CIN: U65992AP1991PLC012736

V.G.K Prasad
Chairman
DIN: 01817992

Vasumathi Devi Koganti
Managing Director
DIN: 03161150

Sreepal Jain
Chief Financial Officer

Ch.Sreenivasa Rao
Company Secretary
M.No. ACS14723

Place: Vijayawada
Date: May 30, 2022

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on Consolidated Financial Statements for the year ended March 31, 2022

1 Company Overview

IKF Finance Limited ('the Company' or 'the Holding Company') is a public company domiciled in India and incorporated under the provision of the Companies Act, 1956. The Company was registered as a non-deposit accepting Non-Banking Financial Company ('NBFC-ND') with the Reserve Bank of India ('RBI') and classified as a Non-Banking Financial Company-Asset Finance Company ('NBFC-AFC') with effect from May 12, 2014.The Company provides finance for commercial vehicles, construction equipment and other loans.

The consolidated financial statements relates to the Company and its subsidiary company IKF Home Finance Limited (IIKFHF) ("together hereinafter referred to as "Group").

1.1 Basis of Consolidation

i. The financial statements of the subsidiary company used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended March 31, 2022 and are prepared based on the accounting policies consistent with those used by the Company.

ii. Notes to these consolidated financial statements are intended to serve as a means of informative disclosure and a guide to better understanding of the consolidated position of the companies. Recognising this purpose, the Company has disclosed only such notes from the individual financial statements, which fairly present the needed disclosures. The accounting policies, notes and disclosures made by the parent are best viewed in its standalone financial statements.

The consolidated financial statements have been prepared on the following basis:

a. The financial statements of the Company and its subsidiary company has been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions have been fully eliminated except where losses are realized.

b. The excess of cost to the Company of its investments in the subsidiary company over its share of equity of the subsidiary company, at the dates on which the investments in the subsidiary company is made, is recognized as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary company as on the date of investment is in excess of cost of investment of the Company, it is recognized as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.

c. Minority interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group to arrive at the income attributable to shareholders of the Company.

d. Goodwill arising on consolidation is not amortized but tested for impairment.

Subsidiary Considered in preparation of these consolidated financial statements are as under:

Name of the subsidiary	Country of in corporation	Proportion of ownership
IKF Home Finance Limited	India	92.49%

2 Significant Accounting Policies

2.1 Basis of preparation

The financial statements for the year ended March 31, 2022 have been prepared by the Group in accordance with Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs, Government of India under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016, as amended from time to time, in this regard. Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

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on Consolidated Financial Statements for the year ended March 31, 2022

2.2 Presentation of Financial Statements

The financial statements are presented as per Division III of the Schedule III to the Companies Act 2013 as amended from time to time, for Non-Banking Financial Companies ('NBFCs') that are required to comply with Ind-AS. The Statement of Cash Flows has been presented as per the requirements of Ind-AS 7 Statement of Cash Flows. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in Note 34 – Maturity analysis of assets and liabilities.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Group and/or its counterparties

2.3 Basis of Measurement

The financial statements have been prepared under the historical cost convention on the accrual basis except for certain financial instruments, plan assets of defined benefit plans and share based payment plans, which are measured at fair values at the end of each reporting period as explained in the accounting policies below. All amounts disclosed in the financial statements and notes have been rounded off to the nearest ₹ Lakhs in compliance with Schedule III of the Act, unless otherwise stated.

2.4 Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) at the date of the financial statements and the reported amounts of revenues and expenses for the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements. Actual results could differ from these estimates. Any revisions to accounting estimates are recognized prospectively in the current and future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Key sources of estimation of uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amount of assets and liabilities within the next financial year are included in the following notes:

a. Business model assessment

Classification and measurement of financial assets depends on the results of the solely payments of principal and interest (SPPI) and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

b. Effective Interest Rate (EIR) method

The Group recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken.

This estimation, by nature, requires an element of judgement regarding the expected behaviour and lifecycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

c. Impairment of loans portfolio

The measurement of impairment losses on loan assets requires judgement, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk.

The Group's Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include:

- PD calculation includes historical data, benchmarking, assumptions and expectations of future conditions.
- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life-time expected credit loss and the qualitative assessment.
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs

It is the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The impairment loss on loans and advances is disclosed in more detail in Note 6-Loans and Note 41- Risk Management.

d. Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

e. Fair value measurement:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

f. Operating Leases

Group as a lessee:

The Group has applied Ind AS 116 using the partial retrospective approach.

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right to use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the

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present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short term lease

The Group has elected not to recognise right of use asset and lease liabilities for short term leases of property that has lease term of 12 months or less. The Group recognises lease payment associated with these leases as an expense on a straight line basis over lease term.

g. Share based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

2.5 Revenue recognition

a. Interest Income on loans

Interest income is recorded using effective interest rate (EIR) method for all financial assets measured at amortised cost and at fair value through other comprehensive (FVOCI) income.

EIR is the rate that exactly discounts the estimated future cash flows through the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset except for credit impaired asset.

The calculation of the effective interest rate includes transaction costs and fees (loan processing fees, commission paid to direct selling agents and other premiums or discounts) that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

When a financial asset becomes credit-impaired, the Group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit- impaired, the Group reverts to calculating interest income on a gross basis.

b. Rental Income

Rental income arising from operating leases is recognised on a straight-line basis over the lease term. In cases where the increase is in line with expected general inflation rental income is recognised as per the contractual terms.

Operating leases are leases where the Group does not transfer substantially all of the risk and benefits of ownership of the asset.

c. Interest income on fixed deposits

Interest on fixed deposits is recognised on a time proportion basis taking into account the amount outstanding and the applicable rate.

d. Other income

Other charges including application fees (penal interest, cheque bouncing charges, etc.) are recognised on realization basis.

2.6 Financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Recognised financial assets and financial liabilities are initially measured at transaction price, which equates fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

A financial asset and a financial liability are offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

a. Classification and measurement of Financial assets

Based on the business model, the contractual characteristics of the financial assets and specific elections where appropriate, the Group classifies and measures financial assets in the following categories:

- Amortised cost
- Fair value through other comprehensive income ('FVOCI')
- Fair value through profit and loss ('FVTPL')

Financial assets at amortised cost

Financial assets are measured at amortised cost using the effective interest rate (EIR) if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement and based on the assessment of the business model as asset held to collect contractual cash flows and SPPI, such financial assets are subsequently measured at amortised cost using effective interest rate ('EIR') method. Interest income and impairment expenses are recognised in statement of profit and loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

The EIR method is a method of calculating the amortised cost of a financial instrument and of allocating interest over the relevant period. The EIR is the rate that exactly discounts estimated future cash flows (including all fees paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Group records loans at amortised cost.

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

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to sole payments of principal and interest on the principal amount outstanding and by selling financial assets.

Movements in the carrying amount of such financial assets are recognised in Other Comprehensive Income ('OCI'), except dividend income and interest income which is recognised in statement of profit and loss. Equity instruments at FVOCI are not subject to an impairment assessment.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

b. Financial Liabilities

Financial liabilities are measured at amortised cost. The carrying amounts are determined based on the EIR method. Interest expense is recognised

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in statement of profit and loss. Any gain or loss on de-recognition of financial liabilities is also recognised in statement of profit and loss.

c. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group is recognised at the proceeds received, net of directly attributable transaction costs.

d. Reclassification

Financial assets are not reclassified subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line or in the period the Group changes its business model for managing financial assets. Financial liabilities are not reclassified.

e. De-recognition of financial assets and financial liabilities

i. Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Group has transferred the financial asset if, and only if, either:

i. The Group has transferred its contractual rights to receive cash flows from the financial asset, or

ii. It retains the rights to the cash flows but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement.

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

i. The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.

ii. The Group cannot sell or pledge the original asset other than as security to the eventual recipients

The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

i. The Group has transferred substantially all the risks and rewards of the asset, or

ii. The Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

ii. *Financial liabilities*

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying value of the original financial liability and the new financial liability with modified terms is recognised in statement of profit and loss.

f. Impairment of Financial Assets

The Group recognises impairment allowances for Expected Credit Loss (ECL) on all the financial assets that are not measured at FVTPL:

The ECL provision is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on financial assets that are possible within the 12 months after the reporting date.

The Group performs an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Group categorises its loans into three stages as described below:

For non-impaired financial instruments

- **Stage 1** is comprised of all non-impaired financial instruments which have not experienced a significant increase in credit risk (SICR) since initial recognition. A 12-month ECL provision is made for stage 1 financial instruments. In assessing whether credit risk has increased significantly, the Group compares the risk of a default occurring on the financial instrument as at the reporting date, with the risk of a default occurring on the financial instrument as at the date of initial recognition.

- **Stage 2** is comprised of all non-impaired financial instruments which have experienced a SICR since initial recognition. The Group recognises lifetime ECL for stage 2 financial instruments. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a SICR since initial recognition, then entities shall revert to recognizing 12 months of ECL.

For impaired financial instruments:

Financial instruments are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The Group recognises lifetime ECL for impaired financial instruments.

The calculation of ECLs

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

Probability of Default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognized and is still in the portfolio. The concept of PD is further explained in Note 41- Risk Management.

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Exposure at Default - The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

Loss Given Default – The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive.

Collateral Valuation

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as movable and immovable assets, guarantees, etc. However, the fair value of collateral affects the calculation of ECLs. To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using other methodologies. Non-financial collateral, such as vehicles, is valued based on data provided by third parties or management judgements.

Collateral repossessed

In its normal course of business whenever default occurs, the Group may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

Write-offs

Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when it is determined that the customer does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

g. Derivative Financial Instruments

A derivative is a financial instrument or other contract with all of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or, other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e. underlying)
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at future date.
- The Company enters into derivative transactions with various counterparties to hedge its foreign currency risks and interest rate risks. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Company undertakes derivative transactions for hedging on-balance sheet liabilities.

Hedge Accounting:

Initial Recognition and subsequent remeasurement:

The group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains and losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

h. Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Group measures certain categories of financial instruments (as explained in Note 40- Fair Value Measurement) at fair value on each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.

Level 3 financial instruments - Those that include one or more unobservable input that is significant to the measurement as whole.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. No such instances of transfers between levels of the fair value hierarchy were recorded during the reporting period.

2.7 Property, plant and equipment

Property, plant and equipment are carried at cost of acquisition less accumulated depreciation and accumulated impairment loss (if any). The total cost of the asset comprises the purchase price, taxes, duties, freight (net of rebates and discounts) and any other directly attributable costs of bringing the assets to their working condition for their intended use. Borrowing costs directly attributable to acquisition of those assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Advances paid towards the acquisition of assets outstanding at each balance sheet date are disclosed as other non-financial assets. The cost of assets not ready for their intended use at each balance sheet date is disclosed as capital work-in-progress.

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Depreciation is provided on a straight-line method, over the estimated useful life of each asset as prescribed in Schedule II of the Companies Act, 2013 as follows:

Asset	Useful Life
Building	60 years
Office Equipment	5 years
Furniture and Fixture*	10 years
Computers	3 years
Vehicles (Car, Lorry, Bus)	8 years
Vehicles (Bike, Moped, Cycle)	10 years
Servers	6 years

*Useful life for Furniture and Fixture for IKF Home Finance Limited is 5 Years. For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

An item of property, plant and equipment, is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment, is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.8 Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Cost comprise the purchase price and any attributable cost of bringing the asset to its working condition for its intended use

Intangible assets are amortised on a straight line basis over their estimated useful life.

The estimated useful life of intangible assets are as follows:

Asset	Useful Life
Software	6 years

2.9 Impairment of non-financial assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, the recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit (CGU). An asset or CGU whose carrying value exceeds its recoverable amount is considered impaired and is written down to its recoverable amount. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting years may no longer exist or may have decreased.

2.10 Employee benefits

Defined Contribution Plan:

The Group has a defined contribution plan for post-employment benefits in the form of Provident Fund. Under the Provident Fund Plan, the Group contributes to a Government administered provident fund / recognized provident fund on behalf of the employees. The Group has no further obligation beyond making the contributions.

The Group's contributions to the above Plan are charged to the Statement of Profit and Loss.

Defined Benefit Plan:

The Group provides for gratuity to all employees. The benefit is in the form of lump sum payments to vested employees on resignation, retirement, or death while in employment or on termination of employment of an amount equivalent to 15 days basic salary payable for each completed year of service as required under 'The Payment of Gratuity Act, 1972'. Vesting occurs upon completion of five years of service.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non- routine settlements; and
- Net interest expense or income

An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Other Employee Benefits:

The employees of the Group are entitled to compensated absence and deferred compensation as per the policy of the Group, the liability in respect of which is provided, based on an actuarial valuation carried out by an independent actuary as at the year end. The actuarial valuation method used by the independent actuary for measuring the liability is the Projected Unit Credit Method.

Actuarial gains and losses comprise experience adjustments and the effects of changes in the actuarial assumptions are recognized immediately in the Statement of Profit and Loss in the year in which they arise.

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. Unutilised leave balance that accrues to employees as at the year end is charged to the Statement of Profit and Loss on an undiscounted basis.

2.11 Income Taxes

Income-tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income-tax expense is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in equity or in OCI.

(a) Current tax

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961, enacted in India. 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 assets and liabilities are offset only if, the Group:

- has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are reviewed at each reporting date and based on management's judgement, are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

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The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if the Group:

- has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

2.12 Provision and contingencies

A provision is recognised when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.

A contract is considered as onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

2.13 Earnings per share

The Group reports basic and diluted earnings per share in accordance with Indian Accounting Standard 33 – "Earnings Per Share". Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

2.14 Cash and cash equivalent

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes 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, and bank overdrafts.

2.15 Statement of cash flows

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of non-cash future, any deferrals or accruals of past or future operating cash receipts or payments and item of expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

2.16 Share based payments

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting year, based on the Group₹s estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payments Reserve.

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3 Cash and cash equivalents

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	107.03	101.42
Balances with banks in current accounts	9,557.28	14,373.00
Total	**9,664.31**	**14,474.42**

4 Bank balance other than cash and cash equivalents

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks to the extent held as margin money*	2,533.65	4,164.82
Total	**2,533.65**	**4,164.82**

*Represent margin money deposits placed to avail term loans from banks, financial institutions and as cash collateral in connection with securitisation transactions.

5 Receivables

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(I) Trade receivables		
Receivables considered good - Unsecured	28.35	44.67
	28.35	**44.67**
Less: Provision for impairment	-	28.79
Total	**28.35**	**15.88**

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person, or from firms or private companies respectively in which any director is a partner, a director or a member.

Trade Receivables Ageing March - 22

Particulars	Less than 6 months	6 months - 1 year	1-2 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	28.35	-	-	-	28.35
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-

Trade Receivables Ageing March - 21

Particulars	Less than 6 months	6 months - 1 year	1-2 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	15.88	-	-	-	15.88
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	3.08	-	21.94	-	28.79
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-

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6 Loans

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Term loans	1,92,822.33	1,62,605.18
(ii) Term loans - related parties	-	-
(iii) Staff loans	35.04	49.69
Total	**1,92,857.37**	**1,62,654.87**
Less: Impairment loss allowance	3,647.25	3,870.19
Total - Net of impairment loss allowance	**1,89,210.12**	**1,58,784.68**
(i) Secured by tangible assets*	1,92,857.37	1,62,654.87
(i) Secured by intangible assets	-	-
(ii) Covered by Bank/ Government Guarantees	-	-
(iii) Unsecured	-	-
Total	**1,92,857.37**	**1,62,654.87**
Less: Impairment loss allowance	3,647.25	3,870.19
Total - Net of impairment loss allowance	**1,89,210.12**	**1,58,784.68**
(i) Public sectors	-	-
(ii) Others	1,92,857.37	1,62,654.87
Total	**1,92,857.37**	**1,62,654.87**
Less: Impairment loss allowance	3,647.25	3,870.19
Total - Net of impairment loss allowance	**1,89,210.12**	**1,58,784.68**
(i) Loans in India	1,92,857.37	1,62,654.87
(ii) Loans outside India	-	-
Total	**1,92,857.37**	**1,62,654.87**
Less: Impairment loss allowance	3,647.25	3,870.19
Total - Net of impairment loss allowance	**1,89,210.12**	**1,58,784.68**

*Secured against hypothecation of automobiles, book debts, equitable mortgage of immovable property etc.

6.1 The table below discloses credit quality and the maximum exposure to credit risk based on the company's year end stage classification. The numbers presented are gross of impairment loss allowance:

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Term loans		
Stage I	1,61,721.80	1,00,018.78
Stage II	26,443.87	58,131.52
Stage III	4,656.66	4,454.88
Total	**1,92,822.33**	**1,62,605.18**

IKF FINANCE
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6.2 Gross movement of loans for the year ended March 31, 2022:

(Currency : ₹ in lakhs)

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount as at April 1, 2021				
Term loans	**1,00,018.78**	**58,131.52**	**4,454.88**	**1,62,605.17**
Staff loans	**49.69**	**-**	**-**	**49.69**
New loans originated during the year				-
Term loans	99,110.41	2,811.58	104.45	1,02,026.44
Staff loans	6.35	-	-	6.35
Inter-stage movements:				
-Term loans				
Transfers to Stage 1	17,773.41	(17,658.73)	(114.68)	-
Transfers to Stage 2	(9,592.88)	9,668.04	(75.16)	-
Transfers to Stage 3	(637.07)	(1,753.03)	2,390.10	-
Interest on stage 3 loans	-	-	113.81	113.81
Amounts written off				
Term loans	(48.00)	(103.66)	(584.28)	(735.96)
Staff loans	-	-	-	-
Assets derecognised or repaid (excluding write offs)				
Term loans	(44,902.85)	(24,651.85)	(1,632.43)	(71,187.13)
Staff loans	(21.00)	-	-	(21.00)
Gross carrying amount as at March 31, 2022				
Term loans	**1,61,721.80**	**26,443.87**	**4,656.66**	**1,92,822.33**
Staff loans	**35.04**	**-**	**-**	**35.04**

6.3 Gross movement of loans for the year ended March 31, 2021:

(Currency : ₹ in lakhs)

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount as at April 1, 2020				
Term loans	**93,253.81**	**45,302.29**	**3,631.91**	**1,42,188.01**
Staff loans	**18.95**	**-**	**-**	**18.95**
New loans originated during the year				-
Term loans	51,712.08	9,162.23	114.71	60,989.02
Staff loans	-	-	-	-
Inter-stage movements:				
-Term loans				
Transfers to Stage 1	10,673.59	(10,208.24)	(465.35)	-
Transfers to Stage 2	(27,586.92)	27,874.85	(287.93)	-
Transfers to Stage 3	(1,351.59)	(2,042.57)	3,394.16	-
Interest on stage 3 loans	-	-	98.96	98.96
Amounts written off				
Term loans	(158.19)	(320.81)	(594.60)	(1,073.60)
Staff loans	-	-	-	-
Assets derecognised or repaid (excluding write offs)				
Term loans	(26,524.00)	(11,636.23)	(1,436.98)	(39,597.21)
Staff loans	30.74	-	-	30.74
Gross carrying amount as at March 31, 2021				
Term loans	**1,00,018.78**	**58,131.52**	**4,454.88**	**1,62,605.18**
Staff loans	**49.69**	**-**	**-**	**49.69**

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6.4 ECL movement of term loans during the year ended March 31, 2022:

(Currency : ₹ in lakhs)

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount as at April 1, 2021	**1,023.56**	**1,582.69**	**1,263.94**	**3,870.19**
New loans originated during the year	861.26	72.22	39.11	972.59
Inter-stage movements:				
Transfers to Stage 1	659.50	(627.85)	(31.64)	-
Transfers to Stage 2	(189.15)	229.21	(40.06)	-
Transfers to Stage 3	(46.96)	(80.56)	127.51	-
Amounts written off	(1.49)	(14.10)	(395.79)	(411.38)
Assets derecognised or repaid (excluding write offs)	(962.22)	(457.66)	635.73	(784.15)
Gross carrying amount as at March 31, 2022	**1,344.50**	**703.95**	**1,598.80**	**3,647.25**

6.5 ECL movement of term loans during the year ended March 31, 2021:

(Currency : ₹ in lakhs)

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount as at April 1, 2020	**1,235.11**	**1,868.77**	**1,061.41**	**4,165.29**
New loans originated during the year	**530.58**	**225.68**	**28.90**	**785.16**
Inter-stage movements:				
Transfers to Stage 1	643.76	(428.75)	(215.01)	-
Transfers to Stage 2	(323.13)	395.00	(71.87)	-
Transfers to Stage 3	(15.56)	(89.36)	104.92	-
Amounts written off	(6.65)	(35.05)	(365.37)	(407.07)
Assets derecognised or repaid (excluding write offs)	(1,040.55)	(353.60)	720.96	(673.19)
Gross carrying amount as at March 31, 2021	**1,023.56**	**1,582.69**	**1,263.94**	**3,870.19**

7 Other Financial Assets

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Rent and utility deposit	299.17	175.11
Excess Interest Spread (EIS) Receivables	2,719.59	1,508.93
Other -unsecured, considered good	174.64	333.49
Total	**3,193.40**	**2,017.53**

8 Investments

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Investment in Equity instruments		
Total (A)	**-**	**-**
(i) Investments in India	-	-
(ii) Investments outside India	-	-
Total (B)	**-**	**-**

*In accordance with the Amendment to the Share Purchase Agreement dated March 23, 2018 executed on October 20, 2018, the company has subscribed to the 2,91,14,747 Equity shares of ₹ 10 each (fully paid) at a premium of ₹ 2.6228 per share in IKF Home Finance Limited during the year ended March 31, 2019.

Further, the company subscribed to the 85,00,000 Equity shares of ₹ 10 each (fully paid) at par on preferential allotment basis in IKF Home Finance Limited during the year ended March 31, 2019.

Further, the company subscribed to the 1,97,89,430 Equity shares of ₹ 10 each with a premium of ₹ 21.52 per Share (Party paid of ₹ 2.77) at par on preferential allotment basis in IKF Home Finance Limited during the year ended March 31, 2022.

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9 Other Non-Financial Assets

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	168.34	34.26
Advances to employees	7.04	6.42
GST input credit	404.84	345.10
Other -unsecured, considered good	500.00	15.92
Total	**1,080.22**	**401.70**

10 Property, plant and equipment

(Currency : ₹ in lakhs)

Particulars	Leasehold Improvements	Furniture and Fixtures	Computer & Printer	Office equipment	Vehicles	Total	Right to Use Assets
Gross carrying amount							
As at March 31, 2020	**29.13**	**259.67**	**101.50**	**27.31**	**111.34**	**528.94**	**182.50**
Additions	-	28.57	16.26	1.13	-	45.97	23.21
Disposals	-	-	(0.34)	-	-	(0.34)	(18.21)
As at March 31, 2021	**29.13**	**288.24**	**117.42**	**28.44**	**111.34**	**574.57**	**187.50**
Additions	-	32.55	82.16	0.16	-	114.86	4.92
Disposals	-	-	(0.25)	-	-	(0.25)	(1.67)
As at March 31, 2022	**29.13**	**320.79**	**199.33**	**28.60**	**111.34**	**689.18**	**190.74**
Accumulated depreciation and impairment:							
As at March 31, 2020	**7.66**	**68.07**	**61.19**	**8.06**	**25.53**	**170.50**	**102.76**
Depreciation for the year	2.95	36.43	24.98	4.15	16.07	84.59	49.10
Disposals	-	-	0.06	-	-	0.06	(10.06)
As at March 31, 2021	**10.60**	**104.49**	**86.24**	**12.21**	**41.60**	**255.14**	**141.80**
Depreciation for the year	2.95	40.37	28.69	3.98	15.25	91.24	30.19
Disposals	-	-	(0.20)	-	-	(0.20)	(0.93)
As at March 31, 2022	**13.55**	**144.85**	**114.73**	**16.19**	**56.85**	**346.18**	**171.07**
Net book value							
As at March 31, 2020	21.47	191.60	40.31	19.25	85.81	358.43	79.73
As at March 31, 2021	18.53	183.75	31.18	16.23	69.74	319.40	45.71
As at March 31, 2022	15.58	175.94	84.60	12.41	54.49	343.00	19.67

Note: The Company has not revalued any of its property, plant and equipment during the years ended March 31, 2022 and March 31, 2021. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil.

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11 Investment Property

(Currency : ₹ in lakhs)

Particulars	Buildings	Vacant Site	Total
Gross carrying amount			
As at March 31, 2020	**6.98**	**6.98**	**13.96**
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2021	**6.98**	**-**	**6.98**
Additions	-	224.11	224.11
Disposals	-	(116.10)	(116.10)
As at March 31, 2022	**6.98**	**108.01**	**114.99**
As at March 31, 2020	**0.34**	**-**	**0.34**
Depreciation for the year	0.17	-	0.17
Disposals	-	-	-
As at March 31, 2021	**0.51**	**-**	**0.51**
Depreciation for the year	0.17	-	0.17
Disposals	-	-	-
As at March 31, 2022	**0.68**	**-**	**0.68**
Net book value			
As at March 31, 2020	6.64	6.98	13.62
As at March 31, 2021	6.47	-	6.47
As at March 31, 2022	6.30	108.01	114.31

(i) Amounts recognised in Statement of Profit and Loss for Investment Property

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Rental Income	7.63	6.36
Direct operating expense from property that generated rental income		-
Profit from investment properties before depreciation	**7.63**	**6.36**
Depreciation	0.17	0.17
Profit from investment properties	**7.46**	**6.19**

(ii) Contractual obligations

The Company has no contractual obligations to purchase, construct or develop investment property. However, the responsibility for its repairs, maintenance or enhancements is with the Company.

(iii) Pledged details

Investment property pledged in favor of consortium leader central bank for cash credit facility.

(iv) Estimation of fair value

The fair values of investment property is determined by guidance value given by the local government of the area where the investment properties are located.

(v) Revaluation

The Company has not revalued any of its investment property during the years ended March 31, 2022 and March 31, 2021. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil.

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12 Intangible assets

(Currency : ₹ in lakhs

Particulars	Computer software
Gross carrying amount	
As at March 31, 2020	**318.68**
Additions	47.95
Disposal	-
As at March 31, 2021	**366.63**
Additions	37.27
Disposal	-
As at March 31, 2022	**403.90**
Accumulated amortisation and impairment	
As at March 31, 2020	**99.99**
Amortisation for the year	59.31
Disposal	-
As at March 31, 2021	**159.30**
Amortisation for the year	68.64
Disposal	-
As at March 31, 2022	**227.93**
Net book value	
As at March 31, 2020	218.69
As at March 31, 2021	207.32
As at March 31, 2022	175.97

Note: The Company has not revalued any of its intangible assets during the years ended March 31, 2022 and March 31, 2021. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil.

13 Debt Securities

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Secured		
Non convertible debentures	19,991.02	41,448.94
Unsecured		
Other non convertible debentures	3,816.89	1,761.82
Commercial Paper	-	-
Total	**23,807.91**	**43,210.76**
Debt Securities:		
Within India	23,807.91	43,210.76
Outside India	-	-
Total	**23,807.91**	**43,210.76**

Nature of security

Non convertible debentures (secured)

Non convertible debentures are secured by an exclusive charge by way of hypothecation of specific loan receivable created out of the loan proceeds and mortgage of personal properties of directors in addition to their personal guarantees.

The Company has utilised the funds raised from banks and financial institutions for the specific purpose for which they were borrowed.

The Company has borrowed funds from banks and financial institutions on the basis of security of current assets. It has filed quarterly returns or statements of current assets with banks and financial institutions and the said returns/statements are in agreement with books of accounts.

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Terms of repayment of Debt securities as on March 31, 2022

Original maturity loan	Interest rate	Due within 1 Year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	
Monthly repayment schedule								
1-7 Years	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Quarterly repayment schedule								
1-5 Years	9.01%-10.00%	-	-	-	-	-	-	-
	10.01%-11.00%	-	-	-	-	-	-	-
	11.01%-12.00%	-	-	-	-	-	-	-
	12.01%-12.50%	5	650.00	-	-	-	-	650.00
Yearly repayment schedule								
1-5 Years	8.51%-9.50%	1	1,250.00	1	5,000.00	-	-	6,250.00
	9.51%-10.50%	1.00	1,500.00	2	6,500.00	-	-	8,000.00
	10.51%-11.50%	-	-	-	-	-	-	-
	11.51%-12.50%	-	-	-	-	-	-	-
Bullet repayment schedule								
1-7 Years	8.51%-9.50%	1	1,250	1	5,000	-	-	6,250.00
	9.51%-10.50%	1	1,500	5	7,500	-	-	9,000.00
	10.51%-11.50%	-	-	4	5,500	-	-	5,500.00
	11.51%-12.50%	-	-	-	-	-	-	-
Total			**4,233.33**	**-**	**18,833.33**	**-**	**-**	**23,066.67**
Add : Interest accrued but not due								832.59
Less : Unamortized Finance Cost								(91.35)
Total Amortized Cost			**4,233.33**		**18,833.33**		**-**	**23,807.91**

Terms of repayment of Debt securities as on March 31, 2021

Original maturity loan	Interest rate	Due within 1 Year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	
Monthly repayment schedule								
1-7 Years	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Quarterly repayment schedule								
1-5 Years	9.01%-10.00%	3	3,750.00	1	1,250.00	-	-	5,000.00
	10.01%-11.00%	-	-	-	-	-	-	-
	11.01%-12.00%	-	-	-	-	-	-	-
	12.01%-12.50%	8	1,100.00	5	650.00			1,750.00
Yearly repayment schedule								
1-5 Years	8.51%-9.50%	-	-	-	-	-	-	-
	9.51%-10.50%	1	833.33	2	1,666.67	-	-	2,500.00
	10.51%-11.50%	-	-	-	-	-	-	-
	11.51%-12.50%	-	-	-	-	-	-	-
Bullet repayment schedule								
1-7 Years	8.51%-9.50%	3	15,500.00	-	-	-	-	15,500.00
	9.51%-10.50%	-	-	3	6,000.00	-	-	6,000.00
	10.51%-11.50%	2	600.00	3	5,500.00	-	-	6,100.00
	11.51%-12.50%	-	-	1	5,000.00	-	-	5,000.00
Total			**21,783.33**	**-**	**20,066.67**	**-**	**-**	**41,850.00**
Add : Interest accrued but not due								1,496.87
Less : Unamortized Finance Cost								(136.11)
Total Amortized Cost			**21,783.33**		**20,066.67**		**-**	**43,210.76**

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14 Borrowings (other than debt securities)

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Term loans (Secured)		
from banks	74,327.96	43,940.41
from non banking financial companies	10,993.61	8,632.55
from financial institutions	9,426.44	3,825.83
From National Housing Bank (NHB)	3,088.86	2,195.84
Term loans (Un Secured)		
from other parties	-	176.00
Loans repayable on demand (Secured):		
Cash credit from Bank	33,430.48	26,566.40
Associated liabilities in respect of securitisation transactions	871.72	6,811.66
Total	**1,32,139.08**	**92,148.69**
Borrowings:		
Within India	1,32,139.08	92,148.69
Outside India		
Total	**1,32,139.08**	**92,148.69**

Nature of security

Term loans (secured)

Term Loans from bank, financial institutions and NBFCs are secured by an exclusive charge by way of hypothecation of specific loan receivable created out of the loan proceeds and cash collateral by way of fixed deposits and mortgage of personal properties of directors in addition to their personal guarantees.

Loans repayable on demand (Secured)

These loans are secured against the first pari passu charge on current assets, book debts and receivables including loans & advances of the Company as per the agreement. Further, the loan has been guaranteed by personal guarantee of director/promoter to the extent of ₹ 342.20 Cr (March 31, 2021: ₹ 312.20 Cr).

The Company has utilised the funds raised from banks and financial institutions for the specific purpose for which they were borrowed.

The Company has borrowed funds from banks and financial institutions on the basis of security of current assets. It has filed quarterly returns or statements of current assets with banks and financial institutions and the said returns/statements are in agreement with books of accounts.

Terms of repayment of Debt securities as on March 31, 2022

Original maturity loan	Interest rate	Due within 1 Year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	
Monthly repayment schedule								
	5.00%-6.00%	1	245.00	-	-	-	-	245.00
	6.01%-7.00%	4	5,335.00	-	-	-	-	5,335.00
	7.01%-8.00%	12	930.71	11	869.33	-	-	1,800.04
1-7 Years	8.01%-9.00%	195	9,083.68	422	19,554.25	-	-	28,637.92
	9.01%-10.50%	135	2,699.58	214	3,940.44	-	-	6,640.02
	10.51%-11.50%	23	1,098.13	28	1,166.67	-	-	2,264.80
	11.51%-12.50%	28	1,692.40	-	-	-	-	1,692.40

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Original maturity loan	Interest rate	Due within 1 Year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	
Quarterly repayment schedule								
1-5 Years	6.00%-7.00%	12	227.40	64	1,208.59	17	427.80	1,863.79
	7.01%-8.00%	6	216.00	25	770.95	-	-	986.95
	8.01%-9.00%	51	10,639.05	109	22,993.69	8	1,571.43	35,204.16
	9.01%-10.50%	19	3,916.72	44	7,314.36	11	366.35	11,597.43
	10.51%-11.50%	19	1,318.24	19	796.59	-	-	2,114.82
	11.51%-12.50%	-	-	-	-	-	-	-
Bullet repayment schedule								
1-14 Years	5.00%-6.00%							-
	9.51%-10.50%							-
	10.51%-11.50%							-
	11.51%-12.50%							-
	>13.50%							-
Repayable on Demand	9.01%-10.50%	-	-	-	-	-	-	-
Total			**37,401.90**		**58,614.86**		**2,365.58**	**98,382.34**
Add : Interest accrued but not due								166.92
Less : Unamortized Finance Cost								(712.39)
Total Amortized Cost			**37,401.90**	**-**	**58,614.86**	**-**	**2,365.58**	**97,836.87**

Terms of repayment of Debt securities as on March 31, 2021

Original maturity loan	Interest rate	Due within 1 year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	
Monthly repayment schedule								
1-7 Years	6.00%-7.00%	1	860.00	-	-	-	-	860.00
	7.01%-8.00%	20	1,692.66	23	1,821.75	-	-	3,514.41
	8.01%-9.00%	58	1,540.33	132	3,104.31	8.00	4.99	4,649.63
	9.01%-10.50%	92	1,438.38	186	1,543.28	-	-	2,981.66
	10.51%-11.50%	36	1,790.55	17	770.24	-	-	2,560.79
	11.51%-12.50%	84	4,619.98	74	3,551.32	-	-	8,171.30
Quarterly repayment schedule								
1-5 Years	6.00%-7.00%	6	57.00	32	304.00	16.00	139.00	500.00
	7.01%-8.00%	7	269.00	28	933.00	5.00	79.00	1,281.00
	8.01%-9.00%	23	3,850.00	74	12,796.70	1.00	239.88	16,886.58
	9.01%-10.50%	27	4,743.67	34	9,215.89	-	-	13,959.56
	10.51%-11.50%	4	666.67	5	832.99	-	-	1,499.66
	11.51%-12.50%	35	385.26	89	1,241.84	-	-	1,627.10
Bullet repayment schedule								
1-14 Years	5.00%-6.00%	1	420.00	-	-	-	-	420.00
	9.51%-10.50%	-	-	-	-	-	-	-
	10.51%-11.50%	-	-	-	-	-	-	-
	11.51%-12.50%	-	-	-	-	-	-	-
	>13.50%	-	-	-	-	-	-	-
Repayable on Demand	9.01%-10.50%	1	175.00	-	-	-	-	175.00
Total			**22,508.50**		**36,115.32**		**462.87**	**59,086.69**
Add : Interest accrued but not due								67.83
Less : Unamortized Finance Cost								(383.89)
Total Amortized Cost			**22,508.50**	**-**	**36,115.32**	**-**	**462.87**	**58,770.63**

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15 Subordinated Liabilities

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured - At amortised cost		
Non convertible debentures (Tier-II)	4,505.22	4,500.44
Indian rupee loan from banks (Tier-II)	1,498.23	1,486.35
Total	**6,003.45**	**5,986.79**
Subordinated Liabilities:		
Within India	6,003.45	5,986.79
Outside India	-	-
Total	**6,003.45**	**5,986.79**

Terms of repayment of subordinated liabilities as on March 31, 2022

Original maturity loan	Interest rate	Due within 1 year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	
Bullet repayment schedule								
1-7 Years	11.51%-12.50%	1.00	1,500.00	2	4,500.00			6,000.00
	>13.50%	-	-	-	-	-	-	-
Total					**4,500.00**	**-**	**-**	**6,000.00**
Add : Interest accrued but not due								37.37
Less : Unamortized Finance Cost								(33.92)
Total Amortized Cost					**4,500.00**	**-**	**-**	**6,003.45**

Terms of repayment of subordinated liabilities as on March 31, 2021

Original maturity loan	Interest rate	Due within 1 year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	
Bullet repayment schedule								
1-7 Years	11.51%-12.50%	-	-	1	1,500.00	-	-	1,500.00
	>13.50%	-	-	1	2,000.00	1	2,500.00	4,500.00
Total					3,500.00	-	2,500.00	6,000.00
Add : Interest accrued but not due								37.71
Less : Unamortized Finance Cost								(50.92)
Total Amortized Cost					**3,500.00**	**-**	**2,500.00**	**5,986.79**

16 Other financial liabilities

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Lease Liabilities	20.09	48.89
Employee benefits payable	237.92	153.10
Expenses payable	4.45	7.66
Other Payables	832.20	675.59
Deposit from franchisees	341.41	501.93
Payable towards securitisation / assignment transactions	1,666.93	2,196.50
Total	**3,103.00**	**3,583.67**

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17 Provisions

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for gratuity	150.63	127.59
Provision for leave benefits	194.71	175.63
Total	**345.34**	**303.22**

18 Other non-financial liabilities

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues payable	157.27	148.76
Total	**157.27**	**148.76**

19. Equity share capital

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Authorised Capital				
Equity shares of ₹ 10 each	6,00,00,000	6,000.00	6,00,00,000	6,000.00
Preference shares of ₹ 100 each	25,00,000	2,500.00	25,00,000	2,500.00
	6,25,00,000	**8,500.00**	**6,25,00,000**	**8,500.00**
Issued, subscribed and fully paid-up shares				
Equity Shares of ₹ 10 each fully paid up	4,74,79,379	4,747.94	4,74,79,379	4,747.94
Coverted from Partly Paid to Fully Paid Equity Shares	51,79,688	517.97	-	-
	5,26,59,067	**5,265.91**	**4,74,79,379**	**4,747.94**
Issued, subscribed and fully paid-up shares				
Equity Shares of ₹ 10 each, Fully paid up ₹ 10 per share (Partly paid up ₹ 8.10 per share in March 2021)	51,79,688	517.97	51,79,688	419.55
Converted to Fully Paid Equity Shares	(51,79,688)	(517.97)		
	-	**-**	**51,79,688**	**419.55**
Total	**5,26,59,067**	**5,265.91**	**5,26,59,067**	**5,167.49**

A. Reconciliation of number of shares

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Fully paid equity share of ₹ 10 each				
At the beginning of the year	4,74,79,379	4,747.94	4,74,79,379	4,747.94
Shares issued during the year	-	-	-	-
Coverted from Partly Paid to Fully Paid Equity Shares	51,79,688	517.97		
Outstanding at the end of the year	**5,26,59,067**	**5,265.91**	**4,74,79,379**	**4,747.94**
Partly paid up equity share of ₹ 10 each, partly paid up ₹ 8.10 per share				
(Partly paid up ₹ 5.40 per share in March 2020)				
At the beginning of the year	51,79,688	419.55	51,79,688	279.70
Amount called/Issued during the year	-	98.41	-	139.85
Converted to Fully Paid Equity Shares	(51,79,688)	(517.97)		
Outstanding at the end of the year	**-**	**-**	**51,79,688**	**419.55**

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Notes:

B. Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share fully paid up. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend if and when proposed by the Board of Directors will be subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholder.

C. Details of shareholder(s) holding more than 5% of equity shares in the Company:

(Currency : ₹ in lakhs)

Name of shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of shares held	% Holding	No. of shares held	% Holding
Equity shares of ₹ 10 each fully paid up				
Vupputuri Gopala Kishan Prasad	1,97,43,156	37.49%	1,58,75,616	33.44%
India Business Excellence Fund-IIA	1,30,51,546	24.78%	1,30,51,546	27.49%
Vistra ITCL (India) Limited (formerly known as IL and FS Trust Company Limited) (Trustee of Business Excellence Trust-II - India Business Excellence Fund II)	78,04,018	14.82%	78,04,018	16.44%
Koganti Vasumathi Devi	26,47,266	5.03%	21,31,286	4.49%
Equity Shares of ₹ 10 each, partly paid up ₹ 8.10 per share in March 2021				
Vupputuri Gopala Kishan Prasad	-	0.00%	35,05,821	67.68%
Koganti Vasumathi Devi	-	0.00%	5,15,980	9.96%
Devineni Vasantha Lakshmi	-	0.00%	4,85,677	9.38%
Vupputuri Raghu Ram	-	0.00%	3,50,970	6.78%
Vupputuri Indira Devi	-	0.00%	3,21,240	6.20%

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

D. Shareholding of Promotors

(Currency : ₹ in lakhs)

Name of shareholder	As at March 31, 2022			As at March 31, 2021		
	No. of Shares	% of Total Shares	% Change during the year	No. of Shares	% of Total Shares	% Change during the year
a. Equity shares of ₹ 10 each fully paid up*						
Vupputuri Gopala Kishan Prasad	1,97,43,156	37.49%	24.36%	1,58,75,616	33.44%	0.05%
Vupputuri Indira Devi	16,48,142	3.13%	24.21%	13,26,902	2.79%	0.00%
Koganti Vasumathi Devi	26,47,266	5.03%	24.21%	21,31,286	4.49%	0.00%
Devineni Vasantha Lakshmi	24,91,794	4.73%	24.21%	20,06,117	4.23%	0.00%
Vupputuri Raghu Ram	18,00,670	3.42%	24.21%	14,49,700	3.05%	0.00%
Durga Rani Chunduri	14,94,100	2.84%	0.00%	14,94,100	3.15%	0.00%
Sinha Satyanand Chunduri	1,17,700	0.22%	0.00%	1,17,700	0.25%	0.00%

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(Currency : ₹ in lakhs)

Name of shareholder	As at March 31, 2022			As at March 31, 2021		
	No. of Shares	% of Total Shares	% Change during the year	No. of Shares	% of Total Shares	% Change during the year
b. Equity shares of ₹ 10 each partly paid up ₹ 8.10 per share in March 2021*						
Vupputuri Gopala Kishan Prasad	-	0.00%	-100%	35,05,821	67.68%	0%
Vupputuri Indira Devi	-	0.00%	-100%	3,21,240	6.20%	0%
Koganti Vasumathi Devi	-	0.00%	-100%	5,15,980	9.96%	0%
Devineni Vasantha Lakshmi	-	0.00%	-100%	4,85,677	9.38%	0%
Vupputuri Raghu Ram	-	0.00%	-100%	3,50,970	6.78%	0%

* Partly paid shares are full paid and converted to fully paid equity shares

E. Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Equity shares of ₹ 10 each, fully paid up, allotted on conversion of 19,53,125/- 0.01% Compulsorily convertible preference share of ₹ 100 each, Fully paid-up	-	-	-	195.31	-

20. Other equity

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital reserve	32.50	32.50
Securities premium reserve	10,576.37	9,960.39
Share Based Payment reserve	24.62	30.65
Statutory Reserve under section 45-IC of the Reserve Bank of India Act, 1934	4,993.50	4,187.41
Statutory Reserve U/s 29C of NHB Act	710.57	460.46
Provision U/s 36(viia) Income tax Act, 1961	37.98	37.98
General reserve	1,221.46	1,019.94
Retained earnings	18,183.90	14,440.00
Total	**35,780.90**	**30,169.33**

A. Nature and purpose of reserve

a. Capital reserve

This reserve was created to record the excess carrying value of optionally convertible debentures provided through securities premium. The excess value is recorded by reversing the capital reserve with corresponding debit to debentures.

b. Securities premium reserve

The securities premium reserve is used to record the premium received on issue of shares. The reserve cab be utilised only for limited purpose such as issuance of bonus shares in accordance with provision of the Companies Act, 2013.

c. Statutory reserve

Reserves created under Section 45IC of The Reserve Bank of India Act, 1934.

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d. Share based payment reserve

The share based payment reserve is used to recognise the grant date fair value of options issued to employees of the Company and its subsidiaries under stock option schemes of the Company.

e. Retained earnings

Retained earnings represents surplus / accumulated earnings of the Company and are available for distribution to shareholders.

B. Movement in Other equity

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
I. Capital Reserve		
Opening balance	32.50	32.50
Add : Share issued during the year	-	-
	32.50	**32.50**
II. Securities premium reserve		
Opening balance	9,960.39	9,085.06
Add : Premium received on issue of securities	615.97	875.33
	10,576.37	**9,960.39**
III. Share Based Payment reserve		
Opening balance	30.65	17.56
Add : During the year	(6.03)	13.09
	24.62	**30.65**
IV. Statutory Reserve under section 45-IC of the Reserve Bank of India Act, 1934		
Opening balance	4,187.41	3,549.31
Add : Transfer from retained earnings	806.09	638.10
	4,993.50	**4,187.41**
V. Statutory Reserve U/s 29C of NHB Act		
Opening balance	460.46	126.60
Add : Transfer from retained earnings	250.11	333.86
	710.57	**460.46**
VI. Provision U/s 36(viia) Income tax Act, 1961		
Opening balance	37.98	37.98
Add : Transfer from retained earnings	-	-
	37.98	**37.98**
VII. General Reserve		
Opening balance	1,019.94	860.41
Add : Transfer from retained earnings	201.52	159.53
	1,221.46	**1,019.94**
VIII. Retained earnings		
Opening balance	14,440.00	11,845.59
Add : Profit for the year	5,037.77	3,712.93
Add : Prior Period items	9.60	0.85
Add : Other comprehensive income	9.58	12.12
Appropriations:		
Transfer to Statutory Reserve u/s 45-IC of the Reserve Bank of India Act, 1934	(806.09)	(638.10)
Transfer to Statutory NHB Reserve	(250.11)	(333.86)
Transfer to Hedge Reserve	(55.33)	
Transfer to General reserve	(201.52)	(159.53)
Total	**18,183.90**	**14,439.99**

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21 Interest income

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
On financial assets measured at amortised cost		
Interest on loans	26,146.27	23,201.48
Interest on deposits with banks	155.33	221.02
Total	**26,301.60**	**23,422.50**

22 Fees and commission income

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Other fees and charges	660.15	329.07
Total	**660.15**	**329.07**

23 Other income

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest on income tax refund	-	7.68
Rental income	7.63	6.36
Miscellaneous Income	200.33	43.29
Total	**207.96**	**57.33**

24.1 Finance costs

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
On financial liabilities measured at amortised cost		
Interest on deposits	70.16	84.87
Interest on borrowings	8,919.18	8,127.92
Interest on commercial paper and bonds	-	-
Interest on debentures	2,788.96	2,237.52
Interest on subordinated liabilities	731.13	843.17
Interest on ICD	-	-
Interest on lease liabilities	3.79	4.77
Interest on securitisation	475.13	1,025.83
Interest on Income tax	-	8.73
Bank Charges	12.96	11.48
Other finance cost	616.61	521.53
Total	**13,617.92**	**12,865.82**

24.2 Net loss on fair value changes

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net loss on fair value changes	3.35	-
Total	**3.35**	**-**

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25 Impairment on financial instruments

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
On financial instruments measured at amortised cost		
Loans	(222.93)	(295.10)
Trade receivables	(26.21)	3.08
Bad debts and write offs	762.15	1,073.59
Total	**513.01**	**781.57**

26 Employee benefits expenses

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and wages	4,233.65	3,083.94
Contribution to provident and other funds	231.42	169.04
Share based payment to employees	(6.03)	13.09
Staff welfare expenses	96.83	65.77
Gratuity	47.52	39.27
Leave encashment	47.07	66.99
Total	**4,650.46**	**3,438.10**

27 Depreciation, amortization and impairment

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on property, plant and equipment	121.43	133.70
Depreciation on investment property	0.17	0.17
Amortization of intangible assets	68.63	59.31
Total	**190.23**	**193.18**

28 Other expenses

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Rent	241.29	183.12
Communication cost	70.79	55.57
Travelling and conveyance	142.23	82.69
Rates and taxes	274.65	228.20
Insurance	14.57	9.27
Commission and Brokerage	39.64	26.20
Repairs and maintenance	73.33	62.02
Printing and stationary	32.82	28.17
Payment to auditors (Refer Note 28.1)	35.57	43.50
Advertisement, publicity and sales promotion expenses	3.36	4.19
Operation Cost	69.18	56.29
Legal and professional fees	222.48	174.83
Corporate social responsibility (Refer Note 28.2)	111.78	252.52
Director sitting fees	1.00	-
Loss on sale of property, plant and equipment	-	-
Loss on sale of Investment Property	6.10	-
Miscellaneous expenses	17.51	12.57
Total	**1,356.30**	**1,219.14**

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28.1 Payment to the auditors:

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Auditor's remuneration		
- Audit fees	24.60	33.00
In other capacity	-	-
- Certification services	10.91	9.25
Other of pocket expenses	0.06	1.25
Total	**35.57**	**43.50**

28.2Corporate social responsibility:

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a) Amount required to be spent by the company during the year	104.07	86.40
b) Amount of expenditure incurred		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	111.78	252.52
c) Shortfall at the end of the year	-	-
d) Total of previous years shortfall	-	162.23
e) Net Shortfall	-	-
f) Reason for shortfall	NA	NA
g) Natuure of CSR activities	Disaster relief, Sanitation and Hygiene.	Disaster relief, Sanitation and Hygiene.
h) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard.	-	-
i) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	-	-

29 Income tax

(a) Income tax expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	₹	₹
Current tax		
Current tax on profits for the year	1,740.28	1,044.15
Adjustment for current tax of the prior periods	10.06	65.46
Subtotal (A)	**1,750.34**	**1,109.60**
Deferred tax		
Decrease/(Increase) in deferred tax assets	65.58	25.09
(Decrease)/Increase in deferred tax liabilities	(93.72)	382.14
Subtotal (B)	**(28.16)**	**407.23**
Deferred tax asset/ (liability) relating to items recognised in other Comprehensive Income (C)	(3.22)	(4.09)
Income tax expense for the year (A+B+C)	**1,725.41**	**1,520.93**

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(b) Deferred tax

The major components of deferred tax (liabilities) arising on account of timing differences for the year ended March 31, 2022:

(Currency : ₹ in lakhs)

Particulars	Net balance March 31, 2021	Recognised in profit or loss	Recognised in OCI	Net balance March 31, 2022
Deferred tax assets				
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	75.63	13.83	(3.22)	86.24
Impact of provision for expected credit loss on loans	838.42	(62.70)	-	775.72
Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	2.02	8.70	-	10.72
Impact of leases under Ind AS 116	7.04	(4.22)	-	2.82
EIR impact of financial asssets and liabilities	60.29	(22.89)	-	37.40
Share based payment	7.72	(1.52)	-	6.20
Others				
(A)	**991.12**	**(68.80)**	**(3.22)**	**919.10**
Deferred tax liabilities				
Impact of amortisation of anciallary borrowing cost	119.00	1.56	-	120.56
EIR impact of financial asssets and liabilities	86.49	(46.51)	-	39.98
Impact of direct assignment and securitisaton transactions	821.63	(73.88)	-	747.75
Interest income recognised on stage 3 loans	74.43	28.64	-	103.07
Others	6.24	(3.53)	-	2.71
(B)	**1,107.79**	**(93.72)**	**-**	**1,014.07**
Deferred tax assets (net) (A-B)	**(116.67)**	**24.92**	**(3.22)**	**(94.97)**

The major components of deferred tax (liabilities) arising on account of timing differences for the year ended March 31, 2021:

(Currency : ₹ in lakhs)

Particulars	Net balance March 31, 2020	Recognised in profit or loss	Recognised in OCI	Net balance March 31, 2021
Deferred tax assets				
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	52.47	20.26	(3.38)	69.35
Impact of provision for expected credit loss on loans	781.32	(100.86)	-	680.46
Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	1.96	0.62	-	2.58
Impact of leases under Ind AS 116	1.60	5.11	-	6.71
Share based payment	4.42	3.30	-	7.72
Others	0.25	(0.25)	-	-
(A)	**842.02**	**(71.82)**	**(3.38)**	766.82
Deferred tax liabilities				
Impact of amortisation of anciallary borrowing cost	130.25	(11.25)	-	119.00
Remeasurement of defined benefit plan	0.57	(0.57)		-
EIR impact of financial asssets and liabilities	40.49	46.00	-	86.49
Impact of direct assignment and securitisaton transactions	498.77	322.86	-	821.63
Interest income recognised on stage 3 loans	49.52	24.91	-	74.43
Others	6.05	0.19	-	6.24
(B)	**725.65**	**382.14**	**-**	**1,107.79**
Deferred tax assets (net) (A-B)	**298.70**	**(411.30)**	**(4.07)**	**(116.67)**

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(c) Reconciliation of effective tax rate

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	₹	₹
Profit before tax as per Statement of profit and loss (A)	6,838.43	5,311.09
Applicable income tax rate	25.17%	25.17%
Expected Income Tax Expense (B)	**1,721.10**	**1,336.70**
Tax effect of:		
Effect of income exempt from tax	(0.55)	(0.45)
Effect of expenses/provisions not deductible in determining taxable profit	39.56	64.15
Effect of differential tax rate	-	-
Adjustment related to tax of prior years	10.06	65.46
Others	(44.77)	55.07
Income tax expense	**1,725.42**	**1,520.93**

30 Employee Benefits

a. Defined contribution plan - provident funds

In accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952, employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which, both the employee and the Company contribute monthly at a determined rate. These contributions are made to a recognized provident fund administered by Regional Provident Fund Commissioner. The employees contribute 12% of their basic salary and the Company contributes an equal amount.

The Company recognised ₹ 165.42 lakhs (PY: ₹ 130.81 lakhs) for year ended March 31, 2022, for provident fund and other contributions in the Statement of profit and loss.

b. Defined Benefit Plan - Gratuity

The Company has a defined benefit gratuity plan (unfunded). Every employee who has completed five years or more of service is eligible for gratuity on cessation of employment and it is computed at 15 days salary (last drawn salary) for each completed year of service subject to limit of ₹ 20 lakhs as per The Payment of Gratuity Act. 1972.

The following tables summarizes the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the Balance Sheet for the gratuity plan.

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of obligation (A)	152.37	127.59
Fair Value of plan assets (B)	-	-
Present value of obligation (A-B)	**152.37**	**127.59**

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Obligation expected to be settled in the next 12 months	10.64	7.95
Obligation expected to be settled beyond next 12 months	141.73	119.64

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(Currency : ₹ in lakhs)

Particulars	Defined Benefit Obligation		Fair Value of plan assets		Net defined benefit (asset) liability	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Opening balance	127.59	108.30	-	-	127.59	108.30
Current service cost	40.84	32.01	-	-	40.84	32.01
Past service cost	-	-	-	-	-	-
Interest cost (income)	8.42	7.26	-	-	8.42	7.26
Defined benefit cost included in P&L	**49.26**	**39.27**	**-**	**-**	**49.27**	**39.27**
Other comprehensive income						
Remeasurement loss (gain) due to:						
Demographic assumptions	-	-	-	-	-	-
Financial assumption	(3.69)	(0.70)	-	-	(3.69)	(0.70)
Experience adjustments	(9.11)	(15.50)	-	-	(9.11)	(15.50)
Total remeasurements in OCI	**(12.80)**	**(16.20)**	**-**	**-**	**(12.80)**	**(16.20)**
Others						
Benefits paid	(11.67)	(3.79)	-	-	(11.67)	(3.79)
Closing balance	**152.38**	**127.59**	**-**	**-**	**152.38**	**127.59**

Actuarial assumptions:

The following were the principal actuarial assumptions at the reporting date:

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
IKF FINANCE LIMITED		
Discount rate	7.33%	6.91%
Salary escalation rate	6.00%	6.00%
Withdrawal/attrition rate (based on categories)	9.00%	9.00%
Mortality rate (as % of IALM (2012-14) Ult. Mortality Table)	100.00%	100.00%
Disability rate	0.00%	0.00%
Expected weighted average remaining working lives of employees	24.90 years	23.08 years
IKF HOME FINANCE LIMITED		
Discount rate	7.47%	6.91%
Salary escalation rate	5.00%	5.00%
Withdrawal/attrition rate (based on categories)	5.95%	5.95%
Mortality rate (as % of IALM (2012-14) Ult. Mortality Table)	100.00%	100.00%
Disability rate	0.00%	0.00%
Expected weighted average remaining working lives of employees	25.08 years	24.64 years

Notes:

a) The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

b) The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

c) Attrition rate indicated above represents the Company's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

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Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	Increase	Decrease	Increase	Decrease
Salary escalation Rate (+/- 1%)	164.50	141.45	137.83	118.41
IKF Finance	7.20%	-6.50%	7.40%	-6.70%
IKF Home Finance	11.10%	-9.70%	12.00%	-10.40%
Discount Rate (+/- 1%)	141.61	164.64	118.65	137.76
IKF Finance	-6.60%	7.50%	-6.60%	7.40%
IKF Home Finance	-9.00%	10.40%	-9.80%	11.40%
Withdrawal Rate (+/- 1%)	152.67	151.93	127.30	127.81
IKF Finance	0.20%	-0.20%	-0.20%	0.20%
IKF Home Finance	0.20%	-0.50%	0.20%	-0.40%

The Sensitivity is performed on the defined benefit obligation at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous year to the methods and assumptions underlying the sensitivity analyses.

Expected future contributions

The Best Estimate Contribution for the Company during the next year would be ₹ Nil

Expected cash flow for following years:

Maturity Profile of Defined Benefit Obligations

(Currency : ₹ in lakhs)

Year 1	10.64
Year 2	13.25
Year 3	12.98
Year 4	25.49
Year 5	15.54
Year 6	14.78
Year 7	14.07
Year 8	11.36
Year 9	11.37
Year 10	13.10

The weighted average duration of the defined benefit obligation for IKF Finance is 8.03 (for IKF Home Finance is 10.89)

c. Compensated absences :

The Company provides for accumulated compensated absences as at the balance sheet date using projected unit credit method based on actuarial valuation.

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of unfunded obligation	194.71	175.63
Expenses recognised in the Statement of Profit and Loss	47.07	66.99

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31 Earnings per share

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Profit for the year	**5,113.01**	**3,790.16**
Weighted average number of equity shares used in calculating basic earnings per share	516.78	502.80
Effect of potential dilutive Equity Shares on account of unexercised employee stock options	0.23	0.33
Weighted average number of equity shares and potential equity shares used in calculating diluted earnings per share	517.01	503.13
Basic earnings per share	**9.89**	**7.54**
Diluted earnings per share	**9.89**	**7.53**

32 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Promoters of the Company. The Company operates only in one Business Segment i.e. lending, since the nature of the loans are exposed to similar risks and return profiles, hence they are collectively operating under a single segment. Accordingly the Company does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments".

33 Transfer of financial assets

Transfer of financial assets that are not derecognised in their entirety

(i) Securitisations:

The Company uses securitisations as a source of finance. Such transactions generally result in the transfer of contractual cash flows from portfolios of financial assets to holders of issued debt securities. Securitisation has resulted in the continued recognition of the securitised assets.

The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Carrying amount of transferred assets measured at amortised cost	1,195.10	13,444.97
Carrying amount of associated liabilities	871.72	6,811.66

The carrying amount of above assets and liabilities is a reasonable approximation of their fair values.

Transfer of financial assets which qualify for derecognition in their entirety

(i) Assignment transaction

The Company has sold loans and advances measured at amortised cost under assignment deals, as a source of finance. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been derecognised from the Company's balance sheet. The gain arising on said transactions are recorded upfront by discounting the future cash flows accruing in the form of differential interest on such assigned loan to their present values.

The table below summarises the carrying amount of the Excess Interest Spread (EIS) receivable on above transaction which are derecognised.

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Carrying amount of EIS receivable	2,719.59	1,508.93

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34 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	9,664.31	-	9,664.31	14,474.42	-	14,474.42
Bank Balance other than cash and cash equivalents	1,274.79	1,258.86	2,533.65	2,813.43	1,351.39	4,164.82
Receivables	-	-	-	-	-	-
(I) Trade receivables	28.35	-	28.35	15.88	-	15.88
(II) Other receivables	-	-	-	-	-	-
Loans	66,607.85	1,22,602.27	1,89,210.12	60,587.70	98,196.97	1,58,784.68
Investments	-	-	-	-	-	-
Other Financial assets	1,026.82	2,166.56	3,193.40	740.37	1,277.16	2,017.53
Sub total	**78,602.13**	**1,26,027.69**	**2,04,629.83**	**78,631.80**	**1,00,825.51**	**1,79,457.33**
Non-financial assets						
Current Tax assets (Net)	183.04	17.91	200.95	217.94	-	217.94
Deferred Tax assets (Net)	-	70.34	70.34	-	-	-
Investment Property	-	114.31	114.31	-	6.47	6.47
Property, plant and equipment	-	343.00	343.00	-	319.43	319.43
Right to Use Assets	-	19.67	19.67	-	45.70	45.70
Other intangible assets	-	175.97	175.97	-	207.32	207.32
Other non-financial assets	10.55	1,069.67	1,080.22	43.62	364.01	407.63
Sub total	**193.59**	**1,810.86**	**2,004.46**	**261.56**	**942.94**	**1,204.50**
Total assets	**78,795.72**	**1,27,838.55**	**2,06,634.28**	**78,893.36**	**1,01,768.45**	**1,80,661.82**
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
Derivative Financial Instruments	58.68	-	58.68	-	-	-
Payables						
(I) Trade payables and Other payables						
(i) total outstanding dues of creditors of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	7.09	-	7.09	23.52	-	23.52
Debt Securities	4,532.76	19,275.16	23,807.92	21,857.60	21,353.16	43,210.76
Borrowings (Other than Debt Securities)	72,002.86	60,136.21	1,32,139.08	54,503.45	37,645.24	92,148.70
Subordinated Liabilities	1,537.37	4,466.08	6,003.45	37.70	5,949.09	5,986.79
Other Financial liabilities	2,873.04	229.96	3,103.00	3,290.91	292.76	3,583.67
Sub total	**81,011.80**	**84,107.42**	**1,65,119.22**	**79,713.18**	**65,240.25**	**1,44,953.43**

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Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Non-Financial liabilities						
Current tax liabilities (Net)	-	-	-	71.90	-	71.90
Provisions	31.80	313.55	345.34	27.24	275.99	303.23
Deferred tax liabilities (Net)	-	165.35	165.35	-	116.69	116.69
Other non-financial liabilities	157.27	-	157.27	148.76	-	148.76
Sub total	**189.07**	**478.89**	**667.96**	**247.90**	**392.68**	**640.58**
Total liabilities	**81,200.87**	**84,586.31**	**1,65,787.18**	**79,961.08**	**65,632.93**	**1,45,594.01**

35 Changes in liabilities arising from financing activities

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2021	Cash Flows (net)	Others (net)*	As at March 31, 2022
Subordinated liabilities	5,986.81	-	16.65	6,003.46
Debt securities	43,210.76	(17,950.00)	(1,452.85)	23,807.91
Borrowing other than debt securities	92,148.70	50,018.55	(10,028.18)	1,32,139.07
	1,41,346.26	**32,068.55**	**(11,464.38)**	**1,61,950.44**

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2020	Cash Flows (net)	Others (net)*	As at March 31, 2021
Subordinated liabilities	6,450.76	(500.00)	36.04	5,986.81
Debt securities	6,109.77	36,200.00	900.98	43,210.76
Borrowing other than debt securities	1,02,752.13	(1,551.28)	(9,052.15)	92,148.70
	1,15,312.66	**34,148.72**	**(8,115.13)**	**1,41,346.26**

*Others column includes the effect of accrued but not paid interest on borrowing, amortisation of processing fees and cash flows from securitisation etc.

36 Employee Stock Option Plan (ESOP)

The Company had granted 5,62,860 Equity shares (face value of ₹ 10/- each) under Employee Stock Option Plan 2019 on June 11, 2019 to the employees of IKF Finance Limited. The shares will vest gradually and vesting of these shares is dependent on continued employment with the company.

A. Expenses arising from share-based payment transactions

Total expenses arising from equity - settled share-based payment transaction recognised in profit or loss as part of employee benefit expense for the year ended March 31, 2022 is ₹ (6.03) lakhs (March 31, 2021 - ₹ 13.09 lakhs).

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B. Movement during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022 Number	As at March 31, 2022 WAEP	As at March 31, 2021 Number	As at March 31, 2021 WAEP
Outstanding at 1 April	3,56,930.00	120.00	4,75,550.00	120.00
Granted during the year	-	-	-	-
Forfeited during the year	1,50,930.00	120.00	1,18,620.00	120.00
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at 31 March	2,06,000.00	120.00	3,56,930.00	120.00
Exercisable at 31 March	92,700.00	120.00	71,386.00	120.00

No Share options granted during the year. No options were vested or exercised during the year.

The weighted average remaining contractual life for the share options outstanding as at March 31, 2022 is 0.58 years (March 31, 2021: 1.25 years).

The weighted average fair value of options granted during the year ending March 31, 2020 was 14.79.

C. Fair value of options granted

The weighted average fair value of options granted during the year ending March 31, 2020 was 14.79. The fair value of options was determined using the Black Scholes Model using the following inputs as follows:

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Weighted average fair values at the measurement date	14.79	14.79
Expected volatility (%)	0.36%	0.36%
Risk–free interest rate (%)	4.50%	4.50%
Expected life of share options/SARs (years)	1.30 years to 4.30 years	1.30 years to 4.30 years
Weighted average share price (₹)	120.00	120.00

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information..

37 Contingent liabilities and commitments

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The Company believes that the outcome of these proceedings will not have a materially adverse effect on the Company's financial position and results of operations.

37.1 Contingent Liability

There are no Contingent Liabilities as on March 31, 2022 (March 31, 2021: ₹ 0.)

37.2 Commitment

There are no commitment as on March 31, 2022 (March 31, 2021: ₹ 0.)

38 Leases

Company as a Lessee

The Company's lease asset classes primarily consist of leases for office spaces. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:(i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases). For these short-term leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Following are the changes in the carrying value of right of use assets:

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening	45.71	79.73
Additions	4.92	23.22
Deletion	(0.78)	(8.14)
Depreciation	(30.18)	(49.10)
Closing Balance	**19.67**	**45.71**

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The following is the movement in lease liabilities:

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning	48.89	86.30
Additions	4.80	22.54
Finance cost accrued during the period	3.79	6.35
Payment of lease liabilities	(36.39)	(66.30)
Balance at the end	**21.09**	**48.89**

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Less than 3 months	3.74	11.77
Over 3 months & upto 6 months	3.93	11.81
Over 6 months & upto 1 year	5.68	23.61
Over 1 year & upto 3 years	14.72	56.20
Over 3 years	6.41	20.40

The following are the amounts recognised in statement of profit or loss:

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Depreciation expense of right-of-use assets	30.19	49.10
Interest expense on lease liabilities	3.79	6.35
Expense relating to short-term leases	241.29	183.12
Total amount recognised in profit or loss	**275.27**	**238.57**

Future Commitments:

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022
Future undiscounted lease payments for which the leases have not yet commenced	-

Extension / Termination Options:

Some of the leases contain extension and termination options. Such options are taken into account in the determination of the lease term only if extension or non-termination can be assumed with reasonable certainty. On this basis, there were no such amounts included in the measurement of lease liabilities as at March 31, 2021.

39 Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value. The Group monitors capital in accordance with the capital adequacy ratio prescribed by the Reserve Bank of India ("RBI")/ National Housing Bank ("NHB") as applicable.

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40 Fair Value Measurement:

A. Valuation Principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques:

Level 1 - Valuation technique using quoted market price: financial instruments with quoted prices for identical instruments in active markets that Company can access at the measurement date.

Level 2 - Valuation technique using observable inputs: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

Level 3 - Valuation technique with significant unobservable inputs: Those that include one or more unobservable input that is significant to the measurement as whole.

B. Fair value of financial instrument not measured at fair value:

The table below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

(Currency : ₹ in lakhs)

Particulars	Level	Carrying value		Fair value	
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Financial Assets					
Cash and cash equivalents	1	9,664.31	14,474.42	9,664.31	14,474.42
Bank Balance other than cash and cash equivalents	1	2,533.65	4,164.82	2,533.65	4,164.82
Trade receivables	3	28.35	15.87	28.35	15.87
Loans	3	1,89,210.12	1,58,784.68	1,93,909.76	1,63,371.04
Rent and utility deposits	3	299.17	175.11	299.17	175.11
EIS receivable	3	2,719.59	1,508.93	2,719.59	1,508.93
Other financial assets	3	174.64	333.50	174.64	333.50
		2,04,629.83	**1,79,457.33**	**2,09,329.47**	**1,84,043.69**
Financial Liabilities					
Derivative financial instruments	3	58.68	-	58.68	-
Trade Payables	3	7.09	23.52	7.09	23.52
Debt securities	3	23,807.91	43,210.76	24,127.77	44,241.40
Borrowings (other than debt securities)	3	1,32,139.07	92,148.69	1,32,136.20	92,214.74
Subordinated Liabilities	3	6,003.45	5,986.79	6,099.99	6,045.49
Other financial liabilities	3	3,103.00	3,583.67	3,103.00	3,583.67
Total Financial liabilities		**1,65,119.19**	**1,44,953.43**	**1,65,532.73**	**1,46,108.81**

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 Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions explained in notes.

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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 are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalents, bank balance other than cash and cash equivalents, trade receivables, rent and utility deposits and other financial liabilities.

Loans and advances to customers

The fair values of loans are estimated by discounted cash flow models based on contractual cash flows using actual or estimated yields.

Borrowings other than debt securities, Debt securities and Subordinated liabilities

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Company's own credit risk.

EIS receivable

EIS receivable is calculated by discounting the contractual future cash flows. The carrying value closely approximates its fair value.

c. The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy

(Currency : ₹ in lakhs)

Particulars	Level	As at March 31, 2022	As at March 31, 2021
Assets measured at fair value on recurring basis			
Assets measured at fair value through profit or loss		-	-
Investments			
Debt securities		-	-
Certificate of deposits		-	-
Total assets measured at fair value on a recurring basis (a)		-	-
Assets measured at fair value on a non recurring basis			
Assets held for sale		-	-
Total assets measured at fair value on a non recurring basis (b)		-	-
Total assets measured at fair value (a)+(b)		-	-
Liabilities measured at fair value through profit or loss			
Derivative financial instruments			
Forward contracts and currency swaps	3	3.35	-
Interest rate swaps		-	-
Total liabilities measured at fair value through profit or loss		3.35	-

41 Risk management

Risk is an integral part of the Company's business and sound risk management is critical to the success. As a financial intermediary, the Company is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes credit, liquidity and market risks. The Board of Directors of the Company are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Company has a risk management policy which covers all the risk associated with its assets and liabilities.

41.1 Introduction and Risk Profile

Risk management and mitigation

The Company's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment, as necessary.

The Company's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to that they decide to take on. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits.

The Company is generally exposed to credit risk, liquidity risk, market risk, prepayment risk and operational risk.

41.2 Credit Risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical concentrations, and by monitoring exposures in relation to such limits.

Credit risk is monitored by the credit department of the Company. It is their responsibility to review and manage credit risk. Credit risk consists of line credit managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

Impairment assessment

The references below show where the Company's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the summary of significant accounting policies.

Definition of default and cure

The Company considers a financial instrument as defaulted and therefore Stage 3 (credit-impaired) for Expected Credit Loss (ECL) calculations in all cases when the borrower becomes more than 3 months past due on its contractual payments.

The staging criteria used by the Company is as below:

Loans months past due	Stage
Upto 1 month	Stage 1
Between 1 month to 3 months	Stage 2
More than 3 months	Stage 3

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes past due for more than 3 months on its contractual payments.

It is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when the due amount have been paid. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

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Exposure at default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 months ECL.

For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

Probability of default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. To calculate the ECL for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments. The Company uses historical information wherever available to determine PD.

Loss given Default (LGD)

LGD is the estimated loss that the Company might bear if the borrower defaults. The Company determines its recovery (net present value) by analysing the recovery trends, borrower rating, collateral value and expected proceeds from sale of asset.

LGD Rates have been computed internally based on the discounted recoveries in defaulted accounts that are closed/ written off/ repossessed and upgraded during the year.

When estimating ECLs on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Significant increase in credit risk

The Company continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or lifetime ECL. The Company assesses whether there has been an event which could cause a significantly increase in the credit risk of the underlying asset or the customers ability to pay and accordingly change the 12 month ECL to a lifetime ECL.

If contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition..

Concentration of Credit Risk

Company's loan portfolio is predominantly to finance commercial vehicle loans. The Company manages concentration of risk primarily by geographical region. The following tables show the region-wise concentrations of net terms loans.

(Currency : ₹ in lakhs)

Geography	As at March 31, 2022	As at March 31, 2021
West	45,578.55	42,322.24
Central	5,531.19	6,492.54
South	1,41,712.59	1,13,790.40
	1,92,822.33	**1,62,605.18**

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Quantitative Information of Collateral

Net value of total term loans to value of collateral is as follows:

As at March 31, 2022	Loan to value			
	Upto 50%	51%-70%	More than 70%	Total
Cars & Muvs	1,224.12	19,288.11	10,382.32	30,894.55
Commercial Vehicles	2,350.49	28,154.20	14,292.21	44,796.91
Construction Equipment	3,477.80	14,367.04	12,146.46	29,991.30
Three Wheeler	48.26	9,201.86	1,808.16	11,058.28
Tractor	203.45	2,018.47	381.49	2,603.41
Two Wheeler	1,139.12	1,041.94	772.97	2,954.04
SME	6,491.94	4,304.85	26,213.51	37,010.29
Home Loans	13,260.55	7,638.59	5,661.21	26,560.34
Loans Against Property	5,066.76	1,886.45	-	6,953.21
Total	**33,262.49**	**87,901.51**	**71,658.33**	**1,92,822.33**

As at March 31, 2021	Loan to value			
	Upto 50%	51%-70%	More than 70%	Total
Cars & Muvs	1,475.04	17,088.34	10,415.64	28,979.02
Commercial Vehicles	2,846.46	26,384.55	17,298.21	46,529.22
Construction Equipment	2,629.76	12,684.50	9,532.23	24,846.49
Three Wheeler	198.06	3,845.42	3,522.54	7,566.02
Tractor	249.65	1,830.33	452.67	2,532.65
Two Wheeler	2,546.55	1,141.39	5,484.31	9,172.25
SME	5,558.32	4,831.23	13,338.84	23,728.39
Home Loans	7,423.24	5,308.61	1,648.45	14,380.31
Loans Against Property	3,423.64	1,447.19	-	4,870.83
Total	**26,350.71**	**74,561.58**	**61,692.88**	**1,62,605.18**

41.3 Liquidity Risk

In assessing the Company's liquidity position, consideration shall be given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds. The Company maintains a portfolio of marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. The Company also enters into securitization deals (direct assignment as well as pass through certificates) of their loan portfolio, the funding from which can be accessed to meet liquidity needs. Net liquid assets consist of cash and short–term bank deposits. Borrowings from banks and financial institutions and issue of Non convertible debentures are considered as important sources of funds to finance lending to customers.

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Analysis of financial assets and liabilities by remaining contractual maturities:

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31, 2022.

(Currency : ₹ in lakhs)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years	Total
Financial assets						
Cash and cash equivalents	9,664.31	-	-	-	-	9,664.31
Bank Balance other than included in (a) above	267.49	906.32	122.85	999.25	325.00	2,620.91
Trade receivables	28.35	-	-	-	-	28.35
Loans	33,001.98	19,577.19	34,008.99	99,087.66	45,377.40	2,31,053.21
Investments	-	-	-	-	6,252.92	6,252.92
Other financial assets	548.52	304.80	465.72	507.25	1,690.74	3,517.03
Total undiscounted financial assets	**43,510.65**	**20,788.31**	**34,597.56**	**1,00,594.16**	**53,646.06**	**2,53,136.73**
Financial liabilities						
Derivative Financial Instruments	58.68	-	-	-	-	58.68
Trade payables	8.84	-	-	-	-	8.84
Other payables	-	-	-	-	-	-
Subordinated Liabilities	198.70	1,696.45	304.02	1,221.46	5,084.17	8,504.80
Debt securities	1,949.37	1,210.81	2,640.40	20,085.06	-	25,885.64
Borrowings (other than debt securities)	14,925.73	11,994.62	52,883.78	54,335.51	10,540.54	1,44,680.17
Deposits	-	-	-	-	-	-
Other financial liabilities	2,787.82	18.60	77.09	275.92	8.48	3,167.90
Total undiscounted financial liabilities	**19,929.14**	**14,920.48**	**55,905.29**	**75,917.95**	**15,633.19**	**1,82,306.03**
Net undiscounted financial assets / (liabilities)	**23,581.51**	**5,867.83**	**(21,307.73)**	**24,676.21**	**38,012.87**	**70,830.70**

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31, 2021.

(Currency : ₹ in lakhs)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years	Total
Financial assets						
Cash and cash equivalents	11,793.28	-	-	-	-	11,793.28
Bank Balance other than included in (a) above	271.56	1,935.22	743.51	1,192.56	-	4,142.85
Trade receivables	49.39	-	-	-	-	49.39
Loans	29,462.88	18,308.32	33,152.96	83,990.23	19,975.91	1,84,890.30
Investments	-	-	-	-	4,525.10	4,525.10
Other financial assets	449.50	100.40	149.38	164.06	147.92	1,011.26
Total undiscounted financial assets	**42,026.61**	**20,343.94**	**34,045.85**	**85,346.85**	**24,648.93**	**2,06,412.18**

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(Currency : ₹ in lakhs)

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years	Total
Financial liabilities						
Trade payables	-	-	-	-	-	-
Other payables	-	-	-	-	-	-
Subordinated Liabilities	201.19	203.52	395.54	2,820.05	5,693.40	9,313.70
Debt securities	1,625.02	1,827.57	21,283.72	13,376.58	-	38,112.89
Borrowings (other than debt securities)	12,291.50	9,611.61	36,989.50	29,768.40	8,285.65	96,946.66
Deposits	-	-	-	-	-	-
Other financial liabilities	2,254.43	38.07	109.12	361.53	-	2,763.15
Total undiscounted financial liabilities	**16,372.14**	**11,680.77**	**58,777.88**	**46,326.56**	**13,979.05**	**1,47,136.40**
Net undiscounted financial assets / (liabilities)	**25,654.47**	**8,663.17**	**(24,732.03)**	**39,020.29**	**10,669.88**	**59,275.78**

The table below shows the contractual expiry by maturity of the Company's contingent liabilities and commitments. Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

Particulars	On demand	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years
As at March 31, 2022						
Guarantees and counter guarantees	-	-	-	-	-	-
Estimated amount of contracts remaining to be executed on capital account, net of advances	-	-	-	-	-	-
Total commitments	**-**	**-**	**-**	**-**	**-**	**-**
As at March 31, 2021						
Guarantees and counter guarantees	-	-	-	-	-	-
Estimated amount of contracts remaining to be executed on capital account, net of advances	-	-	-	-	-	-
Total commitments	**-**	**-**	**-**	**-**	**-**	**-**

41.4 Market Risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The objective of market risk management is to avoid excessive exposure of our earnings and equity to loss and reduce our exposure to the volatility inherent in financial instruments. There are broadly two types of market risks: (1) Interest rate risk, and (2) Price risk. The Company has not made investments in quoted equity instruments or other quoted investments and hence is not exposed to Equity price risk. Interest rate risk is discussed below:

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is subject to interest rate risk, primarily since it lends to customers at fixed rates and for maturity periods shorter than the funding sources.

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The Company has taken borrowings at floating rates gives rise to interest rate risk. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the Company seek to optimize borrowing profile between short-term and long-term loans. The Company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities. The Interest Rate Risk is mitigated by availing funds at very competitive rates through diversified borrowings and for different tenors.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before taxes affected through the impact on floating rate borrowings are as follows:

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
On Floating Rate Borrowings:		
1% increase in interest rates	(550.43)	(377.29)
1% decrease in interest rates	550.22	377.26

41.5 Prepayment risk

Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected, such as fixed rate loans like ours when interest rates fall.

41.6 Operational and business risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

41.7 Currency Risk

The Company is exposed to currency risk on account of its borrowings in foreign currency. The fluctuation currency of the Company is Indian Rupee. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

The Company does not use derivative financial instruments for trading or speculative purposes.

Following are the forward contracts to hedge the foreign exchange rate as March 31, 2022 and March 31, 2021.

Particulars	purpose	Currency	Cross Currency	As at March 31, 2022	As at March 31, 2021
Forward Conracts	Term Loan	USD	₹	3	NA

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42 Related Party Disclosure

a. Name of related party and nature of relationship:

Enterprises having a significant influence	India Business Excellence Fund - IIA Vistra ITCL (india) Limied (formerly known as IL and FS trust Company Limited) (Trustee of Business Excellence Trust - II - India Business Excellence Fund - II)
Subsidiary	IKF Home Finance Limited (formerly known as IKF Housing Finance Private Limited)
Enterprises in which directors are interested	SVR Finance & Leasing Private Limited
Enterprises significantly influenced by Key Management Personnel and their relatives	IKF Infratech Private Limited
Relative of Key Management Personnel	Mrs. D. Vasantha Lakshmi - Managing Director (IKF Home Finance Limited) Mr. V. Raghu Ram Mr. Sinha Satyanand Chunduri Mrs. Durga Rani Chunduri
Key Management Personnel (KMP)	Mr V.G.K.Prasad – Chairman Mrs. V. Indira Devi – Whole time Director Mrs. K Vasumathi Devi – Managing Director Mr.Sreepal Gulabchand Jain – Chief Financial Officer Mr. Ch.Sreenivasa Rao – Company Secretary Mr. Vishal Kumar Joshi – Company Secretary (IKF Home Finance Limited)

Notes

on Consolidated Financial Statements for the year ended March 31, 2022

b. Transaction with related parties:

Name of related party	Nature of transaction	For the FY 2021					For the FY 2022			
		As at March 31, 2020	Transaction value for the year ended March 31, 2021	Received During the year	Paid During the year	As at March 31, 2021	Transaction value for the year ended March 31, 2022	Received During the year	Paid During the Year	As at March 31, 2022
Key management personnel										
Mr. V G K Prasad	Rent paid	-	20.33	-	-	-	21.60	-	-	-
	Director's remuneration	-	70.00	-	-	-	75.83	-	-	-
	Director Commission Payable	35.66	41.55	-	35.66	41.55	51.02	-	41.55	51.02
	Rent deposit given	50.00	-	-	-	50.00	-	-	-	50.00
	Advance Received	-	-	(344.85)	344.85	-	-	-	-	-
	Interest paid on advance	-	0.64	-	-	-	-	-	-	-
	Share Capital (₹ 10/- Paid up)	1586.79 *	-	-	-	1587.56*	-	-	-	1974.32*
	Partly paid up shares (₹ 10 Paid Up) **	189.31	-	94.66	-	283.97	-	66.61	-	-
	Premium on partly paid up shares **	1,184.92	-	592.46	-	1,777.38	-	416.92	-	-
	Partly paid up shares (₹ 5.00 Paid Up) in IKF Home Finance	236.89	-	-	-	236.89	-	-	-	236.89
	Unsecured Loan in IKF Home Finance	-	0.74	118.45	-	119.19	-	-	119.19	-
Mrs. V Indira Devi	Rent paid	-	43.56	-	-	-	48.00	-	-	-
	Director's remuneration	-	30.00	-	-	-	32.50	-	-	-
	Director Commission Payable	15.18	17.68	-	15.18	17.68	21.71	-	17.68	21.71
	Rent deposit given	38.50	-	-	-	38.50	-	-	-	38.50
	Share Capital (₹ 10/- Paid up)	132.69	-	-	-	132.69	-	-	-	164.81
	Partly paid up shares (₹ 10 Paid Up) **	17.35	-	8.67	-	26.02	-	6.10	-	-
	Premium Received on Allotment of Partly Paid up Shares **	108.57	-	54.29	-	162.86	-	38.20	-	-
	Partly paid up shares (₹ 5.00 Paid Up) in IKF Home Finance	21.71	-	-	-	21.71	-	-	-	21.71
	Unsecured Loan in IKF Home Finance	-	0.07	10.85	-	10.92	-	-	10.92	-
Mrs.K.Vasumathi Devi	Director's remuneration	-	50.00	-	-	-	54.17	-	-	-
	Director Commission Payable	25.04	29.17	-	25.04	29.17	35.82	-	-	64.99
	Share Capital (₹ 10/- Paid up)	213.13	-	-	-	213.13	-	-	-	264.73
	Partly paid up shares (₹ 10 Paid Up) **	27.86	-	13.93	-	41.79	-	9.80	-	-
	Premium Received on Allotment of Partly Paid up Shares **	174.39	-	87.20	-	261.59	-	61.36	-	-
	Partly paid up shares (₹ 5.00 Paid Up) in IKF Home Finance	34.87	-	-	-	34.87	-	-	-	34.87
	Unsecured Loan in IKF Home Finance	-	0.11	17.43	-	17.55	-	-	17.55	-
Mr.Sreepal Gulabchand Jain	Salary Paid	-	47.71	-	-	-	51.05	-	-	-

Notes
on Consolidated Financial Statements for the year ended March 31, 2022

Name of related party	Nature of transaction	For the FY 2021					For the FY 2022			
		As at March 31, 2020	Transaction value for the year ended March 31, 2021	Received During the year	Paid During the year	As at March 31, 2021	Transaction value for the year ended March 31, 2022	Received During the year	Paid During the Year	As at March 31, 2022
Mr.Ch.Sreenivasa Rao	Salary Paid	-	21.00	-	-	-	23.10	-	-	-
	Staff Loan	-	-	-	-	-	-	(10.00)	10.00	-
	Interest Received						0.04			
	ESOP Compensation	-	0.56	-	-	-		-	-	-
	ESOP Compensation	-	0.56	-	-	-		-	-	-
Relatives of key management personnel										
Mrs. D Vasantha Lakshmi	Share Capital (₹ 10/- Paid up)	200.61	-	-	-	200.61	-	-	-	249.18
	Partly paid up shares (₹ 10 Paid Up) **	26.23	-	13.11	-	39.34	-	9.23	-	-
	Premium Received on Allotment of Partly Paid up Shares **	164.15	-	82.08	-	246.23	-	57.76	-	-
	Partly paid up shares (₹ 5.00 Paid Up) in IKF Home Finance	32.82	-	-	-	32.82	-	-	-	32.82
	Director's remuneration in IKF Home Finance	-	70.07	-	-	-	78.93	-	-	-
	Unsecured Loan in IKF Home Finance	-	0.09	16.41	-	16.41		-	16.41	-
Mr. V Raghu Ram	Share Capital (₹ 10/- Paid up)	144.97	-		-	144.97	-		-	180.07
	Partly paid up shares (₹ 10 Paid Up) **	18.95	-	9.48	-	28.43	-	6.67	-	-
	Premium Received on Allotment of Partly Paid up Shares **	118.62	-	59.31	-	177.93	-	41.74	-	-
	Partly paid up shares (₹ 5.00 Paid Up) in IKF Home Finance	23.72	-	-	-	23.72	-	-	-	23.72
	Unsecured Loan in IKF Home Finance	-	0.07	11.86	-	11.93	-	-	11.93	-
Mr. Sinha Satyanand Chunduri	Share Capital (₹ 10/- Paid up)	11.77	-	-	-	11.77	-	-	-	11.77
Mrs. Durga Rani Chunduri	Share Capital (₹ 10/- Paid up)	149.41	-	-	-	149.41	-	-	-	149.41
Enterprises significantly influenced by key management personnel or their relatives										
IKF Infratech Private Limited	Non Convertible Debentures	63.20*	-	-	-	58.20*		-	58.20	-
	Interest Paid	-	6.80	-	5.42	1.38	0.76	-	2.14	-
Enterprises in which Directors are interested										
SVR Finance & Leasing Private Limited	Trade Advance	50.00	-	(50.00)	-	-	-	-	-	-
	Interest Paid	-	-		-	-	-	-	-	-
Enterprises having a significant influence										
India Business Excellence Fund-IIA	Share Capital (₹ 10/- Paid up)	1,305.16	-	-	-	1,305.16	-	-	-	1,305.16
	Share Premium	-	-	-	-	-	-	-	-	-
	Compulsorily Convertible Preference Shares of ₹ 100/- Each (Converted into equity shares during the FY 2018-19)			-						
	Share premium on preference shares		-	-	-	-				

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Name of related party	Nature of transaction	For the FY 2021					For the FY 2022			
		As at March 31, 2020	Transaction value for the year ended March 31, 2021	Received During the year	Paid During the year	As at March 31, 2021	Transaction value for the year ended March 31, 2022	Received During the year	Paid During the Year	As at March 31, 2022
Vistra ITCL (India) Limited (formerly known as IL and FS Trust Company Limited) (Trustee of Business Excellence Trust-II - India Business Excellence Fund II)	Share Capital (₹ 10/- Paid up)	780.40	-	-	-	780.40	-	-	-	780.40
	Share premium on preference shares	-	-	-	-	-	-	-	-	-
		-	-		-	-				

Particulars	As at March 31, 2022	As at March 31, 2021
Short-term employee benefits	432.37	408.10
Post-employment benefits#	-	-
Long-term employee benefits	-	-
Termination benefits	-	-
Employee-share based payment	-	1.27
Total compensation	**432.37**	**409.37**

#As the provision for gratuity is made for the Company as a whole, the amount pertaining to the Key Management Personnel is not specifically identified and hence is not included above.

* The Increased/Decreased value is relating to purchase of shares/debentures from the public.

** Partly paid shares are full paid and converted to fully paid equity shares.

*** Inter Corporate Deposits taken from IKF Home Finance Ltd are at Interest of 8% to 10.00%.

Notes:

(i) Transaction values are excluding taxes and duties.

(ii) Name of the related parties and nature of their relationships where control exists have been disclosed irrespective of whether or not there have been transactions with the Company. In other cases, disclosures have been made only when there have been transactions with those parties.

(iii) Related parties as defined under clause 9 of the Ind AS 24 ‘Related party disclosures’ have been identified based on representations made by key managerial personnel and information available with the Company. All above transactions are in the ordinary course of business.

(iv) The Company has not granted loans or advances to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that is repayable on demand or without specifying any terms or period of repayment for the financial years ended March 31, 2022 and March 31, 2021.

Notes

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43 Value of Imports calculated on CIF basis

The Company has not imported any goods therefore value of import on CIF basis is Nil.

44 Expenditure in Foreign Currency

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Legal and professional fees	0.90	-
Total	**0.90**	**-**

45 Earnings in Foreign Currency

The Company does has not have any earnings in foreign currency

46 Penalty

No penalties were imposed by RBI and other regulators during the current year

47 Draw down from Reserves:

There has been no draw down from reserves during the year ended March 31, 2021 (previous year: Nil)

48 Postponement of Revenue Recognition

Refer note 2.5 Revenue from operations for the circumstances in which revenue recognition has been postponed pending uncertainty of realisation.

49 Dues to micro, small and medium enterprises

There are no amounts that need to be disclosed in accordance with the Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED') pertaining to micro or small enterprises.

For the year ended March 31, 2022, no vendor / supplier has intimated the Company about its status as micro or small enterprises or its registration with the appropriate authority under MSMED

50 Disclosure on Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses in terms of RBI circular RBI / 2021-22 / 31 DOR. STR. REC.11 /21.04.048 / 2021-22 dated May 5, 2021:

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year **
Personal Loans #	804.23	53.18	-	135.16	615.88
Corporate Persons*	-	-	-	-	-
of which MSMEs	-	-	-	-	-
Others	83.21	-	-	-	84.71
Total	**887.44**	**53.18**	**-**	**135.16**	**700.59**

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016
**In case of loan in "others" category, Customer has paid scheduled installment and interest amount of ₹ 1.5 lakhs was added to outstanding amount
pertains to Home loans and Loan Against Property of IKF Home Finance Limited

Disclosures for Reserve Bank of India circular on Resolution Framework for Covid-19 related stress dated August 6, 2020 are not applicable to the Company as none of the borrowers opted for the resolution plan.

Notes

on Consolidated Financial Statements for the year ended March 31, 2022

51 Registration of charges or satisfaction with Registrar of Companies (ROC)

All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2022. No charges or satisfactions are yet to be registered with ROC beyond the statutory period.

52 Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2022 and March 31, 2021.

53 Compliance with approved Scheme(s) of Arrangements

The Board of Directors of the Company did not approve any scheme of Arrangements during the financial year ended March 31, 2022 and March 31, 2021.

54 Utilisation of Borrowed funds and share premium

The Company, as part of its normal business, grants loans and advances, makes investment. These transactions are part of Company's normal non-banking finance business, which is conducted ensuring adherence to all regulatory requirements. Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has also not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries."

55 Undisclosed income

There are no transactions not recorded in the books of accounts.

56 Title deeds of Immovable Properties not held in name of the Company

The Company does not possess any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company during the financial year ended March 31, 2022 and March 31, 2021.

57 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2022 and March 31, 2021.

58 Details of Benami Property Held

No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2022 and March 31, 2021.

59 Wilful Defaulter

The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in the financial years ended March 31, 2022 and March 31, 2021.

60 Relationship with Struck off Companies

The company does not have any transactions with companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 in the financial years ended March 31, 2022 and March 31, 2021.

61 Investment in Associates and Structured Entities

The Company does not have any Associates and Structured Entities

62 Impact due to COVID-19

Consequent to the outbreak of the Covid-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government for certain activities in a phased manner outside specified containment zones, but regional lockdowns/restrictions continued to be implemented in areas with a significant number of Covid-19 cases.

The impact of Covid-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The slowdown during the year led to a decrease in loan originations, and collection efficiency. The extent to which the 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 estimates related to Impairment of assets including loans to customers, will depend on future developments, including, among other things, any new information concerning the severity of the Covid-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company.

In accordance with Reserve Bank of India guidelines relating to Covid-19 Regulatory package dated March 27, 2020 April 17, 2020 and May 23, 2020, the Company had offered moratorium on the payment of all instalments and/or interest, as applicable, falling due between March 1, 2020 to August 31, 2020 to all eligible borrowers. Further. the Company offered resolution plan to its customers pursuant to RBI's guideline 'Resolution framework for Covid-19 related stress' dated 6 August 2020.

Estimates and associated assumptions applied in preparing these financial statements, especially for determining the impairment allowance for the Company's financial assets (Loans), are based on historical experience and other emerging/forward looking factors on account of the pandemic. The Company believes that the factors considered are reasonable under the current circumstances. The Company has used estimation of potential stress on probability of default and exposure at default due to Covid-19 situation along with the second wave of Covid-19 in developing the estimates and assumptions to assess the impairment loss allowance on Loans. Given the dynamic nature of the pandemic situation, these estimates are subject to uncertainty and maybe affected by severity and duration of the pandemic. In the event the impacts are more severe or prolonged than anticipated, this will have a corresponding impact on the carrying value of financial assets, the financial position and performance of the Company. The Company holds adequate impairment allowances as at March 31,2022 including the potential impact of Covid-19 based on the information available at this point in time.

63 In accordance with the instructions in RBI circular number RBI/2021-22/17 dated April 7, 2021, all lending institutions shall refund / adjust interest on interest' to all borrowers including those who have availed working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed or not availed. Pursuant to these instructions, the Indian Banks' Association (IBA) in consultation with other industry participants / bodies published the methodology for calculation of the amount of such 'interest on interest/compound interest/penal interest'. Accordingly, the Company has estimated ₹ 160.55 lakhs and made provision for refund/ adjustment as at March 31, 2021.

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64 Note on Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules thereunder. The Ministry of Labour and Employment has also released draft rules thereunder on November 13, 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any and account for the same once the rules are notified and become effective

65 Previous year's information have been regrouped/reclassified wherever necessary to correspond with current year's classification/disclosure.

For and on behalf of the Board of Directors of
IKF Finance Limited
CIN: U65992AP1991PLC012736

For S G C O & Co. LLP
Chartered Accountants
ICAI Firm registration number : 112081W/W100184

per Suresh Murarka
Partner
Membership No.044739

Place: Mumbai
Date: May 30, 2022

V.G.K Prasad
Chairman
DIN: 01817992

Vasumathi Devi Koganti
Managing Director
DIN: 03161150

Sreepal Jain
Chief Financial Officer

Ch.Sreenivasa Rao
Company Secretary
M.No. ACS14723

Place: Vijayawada
Date: May 30, 2022

Notes

on Consolidated Financial Statements for the year ended March 31, 2022

Additional information as required by paragraph 2 of the general instructions for preparation of Consolidated Financial statements to schedule III to the Companies Act, 2013.

Name of the entity in the Group	Net Asset, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount (₹ in lakhs)	As % of Consolidated profit or loss	Amount (₹ in lakhs)	As % of consolidated other comprehensive income	Amount (₹ in lakhs)	As % of total comprehensive income	Amount (₹ in lakhs)
1	2	3	4	5	6	7	8	9
Parent								
IKF Finance Limited	93.07%	38,736.78	78.83%	4,030.43	86.46%	8.28	78.84%	4,038.71
Subsidiaries								
Indian								
IKF Home Finance Limited	5.55%	2,310.03	18.09%	925.18	13.54%	1.30	18.09%	926.48
Foreign	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Minority Interest in all subsidiaries	1.38%	574.79	1.47%	75.24	-	-	1.47%	75.24
Inter-company eliminations and consolidation adjustments	-	-	1.61%	82.14	-	-	1.60%	82.14
Associates (Investment as per the equity method)								
Indian	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Foreign	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Joint Ventures (as per proportionate consolidation / investment as per the equity method)								
Indian	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Foreign	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Total	**100.00%**	**41,621.59**	**100.00%**	**5,112.99**	**100.00%**	**9.58**	**100.00%**	**5,122.56**

IKF FINANCE

"LEGACY THAT INSPIRES, TECHNOLOGY THAT DELIVERS"

Registered Office

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Corporate Office

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