IKF FINANCE

"LEGACY THAT INSPIRES, TECHNOLOGY THAT DELIVERS"

EXPANDING HORIZONS THROUGH INNOVATION EXCELLENCE

32ND ANNUALREPORT **2022-23**

IKF FINANCE

"LEGACY THAT INSPIRES, TECHNOLOGY THAT DELIVERS"

What's Inside

CORPORATE OVERVIEW

01

STATUTORY REPORTS

02

FINANCIAL STATEMENTS

03

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IKF Finance remains steadfast in its commitment to serve the financial needs of the underserved population and striving for financial inclusion through innovative financial offerings.

With a solid foundation of a legacy of over 30 years, we have positioned ourselves as a prominent player in the asset financing industry with a loyal customer base. Since inception, we have been consistently profitable by delivering tailor made products which has helped us drive growth and expand our horizons.

Adapting to the changing financial needs of customers across diverse segments, we continue to innovate and offer a diverse product portfolio beyond asset financing.

We maintain a strategy of capital infusion while continually leveraging modern technology such as process automation, data analytics, and artificial intelligence to launch tailored new products. We continue to strengthen our risk and credit assessment capabilities to fortify our business.

We remain committed to innovation, excellence, sustainable growth and driving digital transformation to build an agile business.

About IKF Finance

Fostering Innovation, Accelerating Growth

IKF Finance, established in 1991, is among India's leading Non-Banking Finance Companies (NBFCs). We started out by catering to the financial requirements of small road transport operators. With over 30 years of rich experience in the asset financing segment, we have diversified our product portfolio to serve the evolving financial needs of customers across categories including home loans.

Since inception, we have experienced stable growth backed by our strong commitment to customer service, transparency, sound financial policies, team competency and a loyal consumer base. We actively use digital capabilities for improving overall efficiency and asset quality while providing seamless customer service for driving sustainable growth.

We have a strong presence in Southern and Western India and are gaining foothold in Central India. Our widespread distribution network encompasses 134 locations across 9 states.

Led by our experienced and dynamic management team, we remain committed to setting new benchmarks of excellence creating long lasting value for our stakeholders.

Vision

To be one among the premier league of asset financing NBFCs by focusing on customer service and maintaining long-standing and fruitful relationships with all our stakeholders, be it lenders, shareholders, debenture holders, customers or business associates

Mission

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

Core Values

- Ethical business practices
- Business prudence
- Dedication
- Transparency
- Excellence in customer service

Assorted Product Basket

Commercial Vehicle Loans

Cars & Multi Utility Loans

Vehicle (MUV) Loans

Construction Equipment Loans

Tractor Loans

Three Wheeler Loans

MSME Loans

Home Loans

Business Synopsis

32
Years of Operations

₹ 2,452 Cr.
Assets under Management

62,922
Active Customers

4,799
Active Women Customers

1,184
No. of Employees

Rated A (Stable)
Rating

Customer Centric Focus

- Our customers are the fulcrum on which our business pivots
- We offer our customers top notch and reasonably priced asset finance solutions via appropriate products and procedures
- We adopt technology to enrich customer journeys and drive growth

Forging Long-term Relationships with Marquee Lenders

Our Key Relationship Enablers

Transparent Operations	Secure Financial Policies
Robust Risk Management	Consistent Track Record

Key Lender Statistics

40+
Relationship with Lenders

> 10 years
Around 40% of lender relationships

Our Lenders

Key Public Sector Banks

State Bank of India	सेन्ट्रल बैंक ऑफ़ इंडिया Central Bank of India	punjab national bank ...the name you can BANK upon!
Union Bank of India	Indian Overseas Bank	बैंक ऑफ़ बड़ौदा Bank of Baroda
Bank of India Relationship beyond banking	इंडियन बैंक Indian Bank	बैंक ऑफ महाराष्ट्र Bank of Maharashtra
UCO BANK	केनरा बैंक Canara Bank	

Key Private Sector Banks

HDFC BANK	SOUTH INDIAN Bank	WOORI BANK
FEDERAL BANK YOUR PERFECT BANKING PARTNER	AU SMALL FINANCE BANK	Utkarsh Small Finance Bank
YES BANK	ujjivan SMALL FINANCE BANK	IDFC FIRST Bank
DCB BANK	kotak Kotak Mahindra Bank	IDBI BANK
Bandhan Bank	DBS	DhanlaxmiBank
Karnataka Bank Ltd.	Jana Small Finance Bank	KVB Karur Vysya Bank Smart way to bank
CSB Bank		

Key NBFCs

SUNDARAM FINANCE Enduring values. New age thinking.	SUNDARAM HOME	NABKISAN FINANCE LIMITED
BAJAJ FINSERV	NORTHERN ARC	Mahindra FINANCE

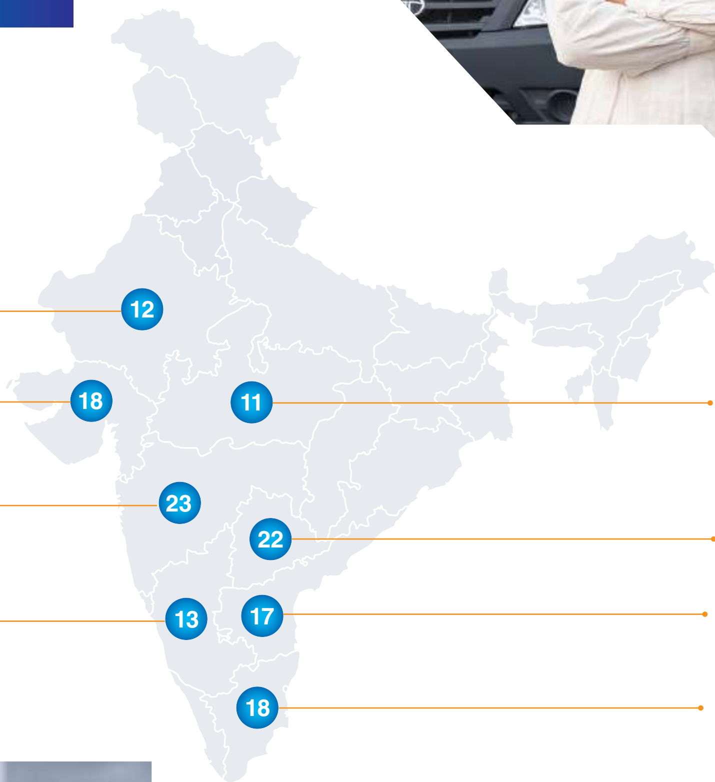
Financial Institutions

NATIONAL HOUSING BANK	sidbi	mudra
Piramal Alternatives	UNIFI Capital	

Expanding Our Presence

9
Number of States where present

134
Number of branches (including new branches opened in FY 2022-23)



The above map is not to scale and is for illustrative purposes only.

Key Milestones in Our Strategic 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 ₹ 2.3 Cr.
- Started Construction Equipment (CE) financing in 1998

2003
- Preferential Issue of ₹ 2.3 Cr.

2004
- Commenced channel business arrangement with HDFC Bank

2007
- Preferential Issue of ₹ 8 Cr.

2010
- Started shifting focus on growing AUM book

2012
- On-book 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

2016-17
- Received Housing Finance Licence
- Started IKF Home Finance as an independent entity
- Expanded operations in Rajasthan
- Credit Rating upgraded to “A-” in 2016

2018-2020
- Second round of 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 March 2021 was ₹ 1,743 Cr.

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

2023
- Consolidated AUM crossed ₹ 3,147 Cr.
- Equity infusion led by Accion of ₹ 255 Cr.
- Started low ticket MSME product

Performance Snapshot

Setting New Benchmarks

With our strategic focus on harnessing innovation and technology for powering growth and expansion, we have delivered robust numbers during the year, including a notable rise in disbursements by 71%.

DISBURSEMENT (₹ in Cr.)

FY 2018-19	778
FY 2019-20	744
FY 2020-21	594
FY 2021-22	979
FY 2022-23	1,674

AUM (₹ in Cr.)

FY 2018-19	1,227
FY 2019-20	1,315
FY 2020-21	1,489
FY 2021-22	1,742
FY 2022-23	2,452

PAT (₹ in Cr.)

FY 2018-19	18
FY 2019-20	27
FY 2020-21	32
FY 2021-22	40
FY 2022-23	50

NET WORTH (₹ in Cr.)

FY 2018-19	269
FY 2019-20	297
FY 2020-21	339
FY 2021-22	387
FY 2022-23	693

GROSS NPA (%)

FY 2018-19	3.93%
FY 2019-20	2.69%
FY 2020-21	2.98%
FY 2021-22	2.72%
FY 2022-23	2.83%

NET NPA

(%)

FY 2018-19	2.92%
FY 2019-20	1.97%
FY 2020-21	2.19%
FY 2021-22	1.84%
FY 2022-23	2.25%

CRAR

(%)

FY 2018-19	20.86%
FY 2019-20	21.19%
FY 2020-21	23.66%
FY 2021-22	24.11%
FY 2022-23	33.03%

ROA*

(%)

FY 2018-19	1.80%
FY 2019-20	2.31%
FY 2020-21	2.35%
FY 2021-22	2.70%
FY 2022-23	2.70%

ROE*

(%)

FY 2018-19	9.01%
FY 2019-20	11.67%
FY 2020-21	11.68%
FY 2021-22	13.01%
FY 2022-23	14.32%

Note: Figures as per IND AS

** Based on Monthly Avg AUM*

*** Core ROE (Excluding investment in the subsidiary & Year-end Investment)*

Message from the Managing Director

Our disbursements grew to ₹ 1674 Cr. in FY 2022-23 compared to ₹ 979 Cr. in the previous year, a robust increase of 71%. This resulted in a total AUM increase of 41% to ₹ 2,452 Cr. from 1,742 Cr. reported in FY 2021-22.

Dear Shareholders,

I am pleased to present to you the 32nd Annual Report for the fiscal 2022-23. Despite facing external headwinds, your Company performed well during the year driven by robust disbursements, improved asset quality, an expanded distribution network and enhanced digitization measures.

The start of FY 2022-23 was marked by challenges such as the ongoing Russia-Ukraine crisis, escalating inflation, rising interest rates and rise in fuel prices among others, collectively contributing to a global economic slowdown which especially affected developed markets. However, with the pandemic receding, and supply chains normalized, the situation began to gradually improve over the latter part of FY 2022-23.

Amidst these challenges, the Indian economy demonstrated remarkable resilience, maintaining stability and achieving 7.2% GDP growth in FY 2022-23. Robust domestic demand, heightened industrial activities, and favourable government initiatives propelled India's growth momentum.

NBFCs play a decisive role in accelerating economic growth with a superior reach and understanding on the Unbanked and Underserved SRTOs and MSMEs. Over a period of time, RBI has tightened the NBFC regulatory framework and brought them more in line with bank regulations. Revision of IRACP norms is one such act. The cost of funds and the tax laws have not been at par with banks. Banks have a strong liability franchise with a huge CASA base which brings down their cost of funds, whereas the challenge for NBFCs is raising cheaper cost of funds, adherence to compliance obligations in several areas. This invariably increases the overall cost of operations.

We continued to maintain our primary focus on the Vehicle segment, which witnessed 15% Y-o-Y growth during FY 2022-23. Commercial Vehicles

(CVs) grew by 32% while passenger vehicle, 3-Wheeler and 2-Wheeler segments displayed 16%, 71% and 13% growth respectively. Speed and ease of logistics resulted in improved turnaround time which fuelled growth and earnings. However, the rising interest rates, coupled with elevated borrowing and ownership costs, remained a worrisome factor that could potentially undermine consumer sentiment for CVs in the future.

We also focused on the MSME segment, which has evolved into a dynamic and vibrant segment of our economy. Serving as ancillary units to larger industries, MSMEs have rapidly expanded their presence across various sectors to cater to the growing demand in both domestic and global markets.

Despite a few challenges, the buoyancy across the Indian industrial sectors amplified the demand for asset financing solutions during FY 2022-23. It has augured well with the Company's strategic focus resulting in our strong performance during the year.

A notable highlight of the year was the equity infusion of ₹ 255 Cr. led by Accion's Digital Transformation Fund. We plan to utilize this funding to expand our distribution network, upgrade technology and further scale up our business.

Our strategic focus encompassing resilient collection strategies, tech enabled processes and the appointment of key strategic personnel, has helped diversify and strengthen our product portfolio, maintain superior asset quality, streamline processes and expand customer segments while driving growth. Our disbursements grew to ₹ 1674 Cr. in FY 2022-23 compared to ₹ 979 Cr. in the previous year, a robust increase of 71%. This resulted in a total AUM increase of 41% to ₹ 2,452 Cr. from 1,742 Cr. reported in FY 2021-22. Our NPAs (GNPA at 2.83% and NNPA at 2.25%) are at par with other market leaders. A robust credit and risk evaluation mechanism with close monitoring and data-driven approach to loan collection and recovery have sustained our NPAs within limits.

At the same time, we have expanded our distribution network to cater to a larger customer base. We continue to drive financial inclusion of the underserved customer segment. As of March 31, 2023, we have expanded our branches to 134. We have increased our manpower to strengthen our core competencies including better customer services to increase outreach and generate higher revenues and profitability.

We continued to innovate by leveraging the latest technology for sound customer credit evaluation, developing new products, improving cost efficiencies, enhancing customer satisfaction and being future ready. During the year, we developed a digital roadmap that included projects that focused on applying technology to automate co-lending and digitizing DSA origination on the portal of our partners to streamline processes and simplify customer journeys.

As we move ahead, we are confident of expanding financial inclusion and offering tailored solutions for achieving a sustainable financial ecosystem.

We will continue to deepen our connect across CV and MSME segments. The growth traction in the commercial vehicles (CVs) segment continues to be strong, mainly driven by pent-up replacement demand, the government's push for infrastructure development, the rise in construction and mining activities, and enhanced freight availability. Additionally, the 'China plus One' policy has seen a lot of manufacturing activities happening in India. These are expected to increase demand for transportation leading to a huge demand for CVs.

We will focus on expanding our distribution network in stronghold markets and across new underserved territories like Northern India.

In conclusion, I would like to thank our customers, financing partners, employees, government authorities and other stakeholders for their continued support and trust in our competency to drive growth and deliver value to all our stakeholders.

Warm Regards,

K Vasumathi Devi
Managing Director

IKF Home Finance

Fulfilling Homeownership Dreams

We have continually strived to develop financial solutions by maintaining a customer centric focus. Our wide range of loan products includes loans for commercial vehicles, construction equipment, MSME loans etc. As customers' needs evolved, there was a rising demand for home loans. To help fulfil the homeownership dreams of our customers, we diversified our product portfolio to offer home loans via our subsidiary IKF Home Finance.

During FY 2015-16, IKF Home Finance was established as an independent company to provide home loans for lower and middle income customers. We subsequently acquired IKF Home Finance in FY 2018-19. As of March 31, 2023, our home finance business consists of 64 branches covering 6 states and 5,470+ customers.

Product Offerings

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

Key Milestones

2023
- Crossed AUM of ₹ 690 Cr.
- Capital infusion of ₹ 46 Cr. by Parent Company and promoters

2022
- Crossed AUM of ₹ 429 Cr.
- Capital infusion of ₹ 17.28 Cr. by Parent Company

2020
- Received National Housing Bank (NHB) funding
- Crossed AUM of ₹ 200 Cr.

2021
- Operations commenced in Gujarat
- Access to SARFAESI Act
- AUM as on March 31, 2021, is ₹ 288 Cr.

2007
- Preferential Issue of ₹ 8 Cr.

2019
- Loan disbursements crossed ₹ 100 Cr.
- Became a subsidiary of IKF Finance

2017
- On-books AUM of ₹ 1.57 Cr.
- Commenced operations at Hyderabad, Telangana
- Commenced operations in Maharashtra and Karnataka

2018
- On-books AUM of ₹ 59.97 Cr.
- Commenced operations in Tamil Nadu

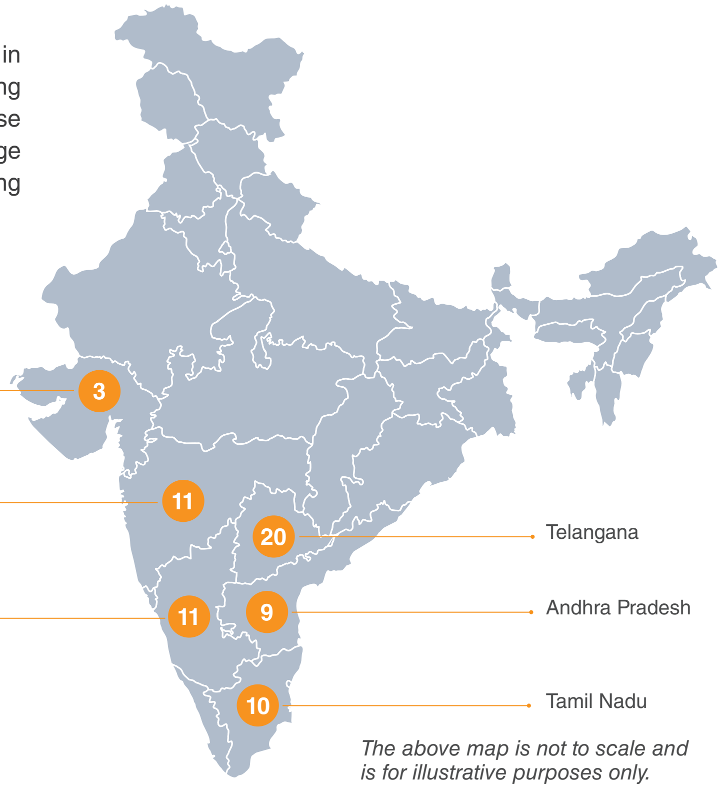
2016
- Commenced operations at Vijayawada, Andhra Pradesh

Expanding Home Financing Outreach

We endeavour to increase our home financing outreach in cities wherein our asset financing business has a strong presence. Backed by our considerable market expertise and high customer trust, we will be able to cater to a large borrower base and help in fulfilling their dreams of owning a home.

52
Our Presence across Cities

64
No. of Branches



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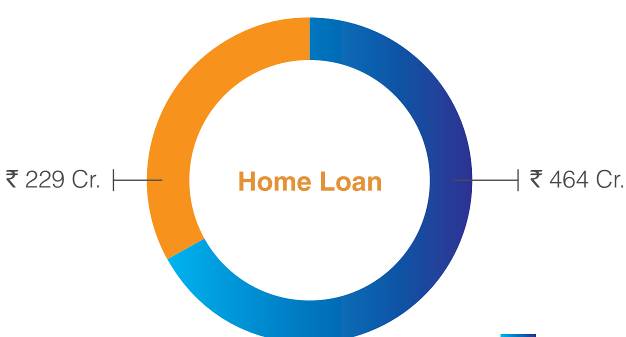
Key Performance Highlights

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Disbursement (₹ in Cr.)	115.43	114.01	95.22	208.04	382.10
AUM (₹ in Cr.)	151.00	228.32	288.20	429.40	696.10
Net Worth (₹ in Cr.)	39.79	49.76	58.83	85.58	143.21
PAT (₹ in Cr.)	0.46	7.95	9.05	10.02	10.72
AUM (Net Worth)	1.33x	2.37x	4.49x	3.8x	4.86
ROA (on avg. AUM) (%)	0.11%	4.19%	3.50%	2.87%	1.90%
ROE (on avg. Net Worth) (%)	1.34%	17.76%	16.67%	15.71%	9.37%

Loan Split Proportion



AUM Disbursement

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Leveraging Technology

Building Our Digital Capabilities

We operate in a highly evolved and complex business environment and constantly strive to adopt and leverage the latest technologies to achieve operational excellence, cost efficiencies and streamline processes.

Technology has transformed the way we operate. It has enabled us to innovate and offer increasingly efficient financial solutions to our customers. It has led to less turnaround time, robust risk management practices, reduction in overall cost of operations and better customer satisfaction.

Digitization Roadmap

Projects in Pipeline (Till 2024)

1. Co-lending Automation
2. Application Digitization
3. Digitize DSA Originations on the Partner Portal

Co-lending Automation

Co-lending represents a mutually beneficial arrangement for both IKF Finance and borrowers. The lending framework entails a partnership between IKF and bank(s), working jointly to provide loans to borrowers. During the year, we evaluated various co-lending platforms and chose to collaborate with Knight Fintech and their Utopia Platform. This platform offers automated processes and streamlines the accounting process enabling smooth reconciliation between IKF systems and that of the bank(s) partnered for effectively serving the borrower.

Co-lending Process

IKF Ecosystem		Bank Ecosystem
LOS, LMS	Co-lending Partner Platform	CBS, DMS

Work Flow

1. NBFC captures / uploads data & documents
2. Bank receives the pool, runs BRE
3. **Underwriting (Credit hierarchy)**
   - Detailed BRE
   - eKYC check
   - Run Dedupe
   - CAM
   - PreSanction
   - Checklist
4. NBFC (upload additional data for sanctioned cases)
5. **Disbursement process**
   - Pre disbursement checklist
   - Confirm RPS
   - Open LA
   - Open VA
   - Disbursement to Escrow

Advantages of Automated Co-lending

- **Improved efficiency** with co-lending process automation, right from the initial application to the final disbursement of funds, saving time and money for both IKF Finance and borrowers.
- **Increased transparency** as all documents and data are centralized, simplifying access and sharing of information for both IKF and the partnering bank. It contributes to better decision-making while reducing the risk of fraudulent activities.
- **Enhanced security** by protecting sensitive data via encryption and other security measures, thereby protecting the privacy of both IKF Finance and borrowers.
- **Expanded reach** via the digitization of the co-lending process making it easier for IKF Finance to connect with borrowers and extend financial inclusion, especially in rural areas.
- **Cost efficiency** with digitization eliminating the need for paper documents and manual processing, making co-lending more affordable for both IKF Finance and borrowers.

Automated Co-lending to Go Live in Q4 FY 2023-24

Digitizing Applications

At IKF Finance, as a lender, our typical loan journey involves the signing of various documents, carried out either by the Company, borrower or both, in accordance with Regulatory, Legal and Compliance guidelines. Presently, our loan origination system (LOS) captures information related to application processing. We intend to enhance our LOS to enable a more streamlined and convenient application processing experience.

Key Benefits of Application Digitization Project

IKF Finance	Borrower
Streamlined process	Streamlined documentation process
Cost savings	Cost Savings and convenience
Data analytics	Transparency and personalization
Quick decision-making	Easy access to information
Scalability	Financial inclusion
Regulatory compliance	

Partner Portal – Digitize DSA Origination

Digitizing Direct Selling Associations (DSAs) empowers us with the tools needed to serve our members and customers effectively while adapting to the evolving market dynamics to drive overall growth and success. In today's digital age, digitization enables us to stay efficient, competitive and relevant.

Key Benefits of Digitization of DSA Origination

IKF Finance	Partners
Increased efficiency and speed	Simplified application
Reduced errors	Transparency
Enhanced partner collaborations	Easy documentation upload and quicker approvals
Centralized data	DSA assistance
Efficient performance tracking	Secure access
	User empowerment

Human Resources

Creating A Motivated and Engaged Workforce

At IKF Finance, we believe an empowered workforce holds the key to success. To build a harmonious workplace, we have developed various employee-oriented initiatives for their continuous learning and development while also ensuring their holistic well-being.

At our Annual Business Meeting (2022-23) held in Bangkok, we felicitated employees with awards in recognition for their outstanding performance, hard work and loyalty towards the Company.

Corporate Social Responsibility

Nurturing Community Well Being

Empowered by our mission to build strong and profitable relationships with our stakeholders, we also strive to create a positive impact on society. Through our CSR activities, we work for the holistic development of the marginalized and underprivileged sections of society.

During FY 2022-23, our CSR Initiatives were centered around a range of activities aimed at addressing issues related to eradicating poverty and hunger. We extended help by assisting needy people by providing groceries, provisions and other needs, including clothes and umbrellas among others.

₹ 91 Lakhs
CSR spent in FY 2022-23

Governance

Board of Directors

Mr. VGK Prasad

Founder & Chairman

Mr. VGK Prasad, a veteran in Vehicle Finance business, established IKF Finance in the year 1991. In the past, he has collaborated with industry bigwigs such as TELCO, HDFC Bank and Vysya Bank among others. He was the President of Federation of Indian Hire Purchase Associations (FIHPA), the apex body of Asset Financing Companies. He has also promoted IKF Home Finance, the subsidiary of IKF Finance and IKF Infratech (P) Limited.

Ms. Indira Devi

Whole Time Director

Ms. Indira Devi, a core promoter of IKF Finance has been instrumental in its growth. She has over three and a half decades of experience in the vehicle finance space Previously, she promoted IKF Home Finance Limited which got CoR from NHB in April 2016, and IKF Infratech (P) Limited. She has resigned from the position of whole time director w.e.f 14-07-2023.

Ms. K Vasumathi Devi

Managing Director

Ms. K Vasumathi, associated with IKF Finance for the past 15 years, leads the overall business with special focus on Credit & Risk, Systems and Technology. She was instrumental in expanding IKF Finance to Western and Central India while also undertaking upgradation of IT infrastructure and automation of various processes. She comes with prior experience of over 11 years in IT and Telecommunications in the USA.

Ms. Vasantha Lakshmi

Director & Managing Director of IKF Home Finance

Ms. Vasantha Lakshmi has been with IKF Finance since the past 13 years and is the Managing Director of IKF Home Finance. Previously, she oversaw the Company's operations in select states. Her vast experience encompasses coordination and administration roles at a US pharmacy chain.

Mr. Sinha S Chunduri

Director

Mr. Sinha S Chunduri is a specialist in the diagnostic space. He has been engaged in the medical profession in the USA for over four decades. Apart from the medical profession, he is also associated with several medical institutions in USA as a consultant and director.

Mr. K Satyanarayana Prasad

Independent Director

Mr. K Satyanarayana Prasad, a qualified BE (Civil), MIGS has more than three decades of experience in Civil Engineering. Having served the Government of Andhra Pradesh for over two and half decades in various capacities, he 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 36 years of experience in banking and financial services with specialization in Information Technology, Credit, Treasury, and Forex Management. Previously, he was employed as Executive Director of Vijaya Bank, Executive Director of Syndicate Bank, Executive Director of Bank of Maharashtra and Director of Vishweshwariah Grameena Bank, among others.

Mr. Sunil Rewachand Chandiramani

Independent Director

Mr. Sunil Chandiramani is an accountant by profession, a qualified Technologist and IT Security specialist as well. He spent 25 years with Ernst & Young LLP, India's leading professional services firm and was responsible for leading India's Largest Advisory Practice (3,000 professionals) and the development of the Global Innovation Strategy for EY Global. He was also the Global Relationship Partner for the TATA Group. Across Financial Services Sector, his experience encompasses 3 years of experience in leading the Financial Services Practice. It includes personally led projects related to Internal Audits, Risk Management, Implementation of Credit, Operational and Market Risk processes, Operational Improvement, Building Risk Based Models based on analytics, Program Managing Core Banking Implementations, Digitization of processes, creation of shared service centers and IT Security.

He is an Independent Director on the Board of several Listed and PE funded organizations such as Ganesh Grains Limited, Updater Service Pvt Ltd, Sapphire Foods Limited. He has been on the Board of Jammu & Kashmir Bank, Poonawalla Fincorp Limited, and MORE Retail Limited.

Mr. Gopalakrishna Gurrappa

Independent Director

Mr. Gopalakrishna Gurrappa was a Career Central Banker for 37 years, including three years as Director, CAFRAL(Promoted by RBI) across various positions in RBI. He was appointed as Director, CAFRAL in April 2014. As Executive Director, RBI he has overseen various departments viz. regulation and supervision of Banking and Non-Banking Sector, Payment System, Informational Technology, Foreign Exchange Department and Financial Stability Unit. He has also worked as Head of DICGC. From 2007-2014, he was the Chairman/Member of Several Committees set up by RBI/MoF.

Currently, he is an Independent Director on the Boards of a few entities including SIBDI, ICICI Home Finance, ICICI Prudential Pension Fund Axis Mutual Fund Trustee Board, Invent ARC, Yaari Digital Integrated services and Krazybee Financial Services. He is also the Director of Risk and Compliance Professionals Association (RCPA) - a Section 8 not-for-profit company.

Mr. Sethuraman Ganesh

Independent Director

Mr. Sethuraman Ganesh is a former Principal Chief General Manager of the Reserve Bank of India. He holds three decades of pan-India experience, which includes 10 years at the senior management level at RBI. Currently, he is an Independent Director on the Boards of two systemically important NBFCs - Sonata Finance Pvt Ltd. and Indel Money Ltd. He has also served as a Non-Executive Director on the board of BSS Microfinance Pvt. Ltd. Additionally, he is a Member of the Advisory Board of the Infimind Institute of Skill Development LLP.

His vast work experience spans NBFC MFI board directorship, RBI nominee directorship on the Boards of two public sector banks (UCO Bank and Oriental Bank of Commerce), bank supervision, banking ombudsmanship, RBI regional directorship and Management and Delivery of Training as Principal of the Reserve Bank Staff College at Chennai and Faculty Member at the Bankers Training College at Mumbai. He holds a Master's Degree in English from Bangalore University and is a Certificated Associate of the Indian Institute of Bankers (CAIIB). He is also a certified trainer in Neuro Linguistic Programming (NLP) with deep interest in Training, Learning and Development.

Mr. Vinit Mukesh Mehta

Nominee Director

Mr. Vinit Mukesh Mehta, a Chartered Accountant also holds a bachelor's degree in Commerce from Mumbai University. He possesses more than 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 while successfully helping raise over USD 25 billion across M&A, Private Equity and Capital Markets.

Mr. Abhishek Agrawal

Nominee Director

Mr. Abhishek Agrawal is the Managing Partner for the Accion Digital Transformation Fund (ADTx) based in Mumbai, India. Previously, he was Chief Regional Officer (CRO) for Accion - Asia region. He has also served on numerous boards. Currently, he serves on the board of Annapurna MFI & IKF Finance. His extensive experience covers the areas of investment, governance, strategy & business planning, and microfinance operations. He has undertaken several investments and exits in financial inclusion for Accion while working with entrepreneurs for scaling of companies.

He has also worked with FINCA International as CFO. Additionally, he has been an advisor to the Institute of Chartered Accountants (ICAI). He advocates social change and is an Aspire Fellow. He holds a Ph.D. in Municipal financial reforms and a Chartered Accountant (FCA) degree from ICAI. He is very passionate about digital financial & MSME inclusion. He joined the Board as Nominee director of Accion w.e.f. 30-05-2023.

Senior Management Team - IKF Finance

Mr. Rama Raju

Chief Executive Officer (MBA Post Graduate)

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

Mr. Chapalamadugu Sreenivasa Rao

Company Secretary & Chief Financial Officer (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 an MBA degree in business administration (finance specialization) and comes with 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 holds a Bachelor of Science Degree and Risk Management Executive program from IIM Bangalore. With over 28 years of experience in Credit, Sales, and Recovery, he has been previously associated 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 where 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 also holds vast experience in handling 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 with over 30 years of experience in Collections, Credit Appraisal, and Team Management in the Banking / Financial Services industry is an expert in handling the collection operations to minimize delinquency and accomplish the assigned targets. His deep knowledge in designing plans for augmenting collections; and maintaining relations with third-party collection agencies has led him to lead and manage the operations and achieve a higher rate of organic growth. Previously, he has worked with Apple Credit Corporation Limited, CITI Group, REI Finance, and Midwest Leasing & Finance Ltd.

Senior Management Team - IKF Home Finance

Mr. S. Aryendra Kumar

Executive Director & CEO

Mr. S. Aryendra Kumar has a Master's Degree in Business Administration, Bachelor's Degree in Civil Engineering and is a Fellow of Institute of Valuers (FIV) and comes with over 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. He was also associated as Head – MSE & Housing Finance at Ujjivan Small Finance Bank. As a founding member, he was instrumental in the overall setup of the Company towards articulating the Vision & Mission of IKF Home Finance Limited.

Mr. Sridhar Mallu

Business Head

Mr. Sridhar Mallu has 20 years of experience in mortgages, Sridhar brings a wealth of knowledge in sales, business development, credit, collections, and strategy. He has worked with companies such as GE Money, Tata Capital Housing, Ujjivan Small Finance Bank, Navi, and others in the past. At Navi, Sridhar led the development of a paperless, frictionless, and automated platform for decisioning loans originated in digital mode, with a focus on customer convenience. At Ujjivan Small Finance Bank, he built the credit vertical for affordable housing finance and MSME, demonstrating his expertise in building affordable housing businesses and scaling them successfully.

Mr. Ch. Lakshmi Kanth

Head - Risk, Credit Compliance, Credit & Strategy

Mr. Ch. Lakshmi Kanth, an MBA in Finance from Nagarjuna University and CFA from ICFAI University is a multi-faceted professional with an outstanding performance record in a quantitative environment. Additionally, he has strong and proven business experience of over 15 years 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

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

Corporate Information

Board of Directors

1.	Shri. Vupputuri Gopala Kishan Prasad	: Chairman & Executive Director
2.	Smt. Indira Devi Vupputuri	: Whole Time Director (upto 14.07.2023)
3.	Smt. Vasumathi Devi Koganti	: Managing Director
4.	Dr. Satyanand Sinha Chunduri	: Director
5.	Shri. S Veerabhadra Rao	: Independent Director (upto 10.02.2023)
6.	Shri. K Satyanarayana Prasad	: Independent Director
7.	Shri. Vinit Mukesh Mehta	: Nominee Director
8.	Smt. D. Vasantha Lakshmi	: Alternate Director to Dr. Satyanand Sinha Chunduri
9.	Shri. Y. Nageswara Rao	: Independent Director
10.	Shri. Sunil Chandiramani	: Independent Director (w.e.f. 30.09.2022)
11.	Shri. Gopalakrishna Gurrappa	: Independent Director (w.e.f. 30.09.2022)
12.	Shri. Abhishek Agrawal	: Nominee Director (w.e.f. 30.05.2023)
13.	Shri. Sethuraman Ganesh	: Aditional Director (Independent Director) (w.e.f 14.07.2023)

Key Management Personnel

1.	Shri Sreepal Gulabchand Jain	: Chief Financial Officer (upto 10.02.2023)
2.	Shri. Ch. Sreenivasa Rao	: Company Secretary
3.	Shri. Ch. Sreenivasa Rao	: Chief Financial Officer (w.e.f. 10.02.2023)

Stakeholders Relationship Committee:

1. Shri. Abhishek Agrawal (w.e.f. 30.05.2023)
2. Shri. S Veerabhadra Rao (upto 10.02.2023)
3. Shri. K Satyanarayana Prasad
4. Shri. Y. Nageswara Rao (w.e.f. 10.02.2023)

Board Committees

Audit Committee:

1. Shri. S Veerabhadra Rao (upto 10.02.2023)
2. Shri. Y. Nageswara Rao (w.e.f. 10.02.2023)
3. Shri. Vinit Mukesh Mehta
4. Shri. K Satyanarayana Prasad
5. Shri. Abhishek Agrawal (w.e.f. 30.05.2023)
6. Shri. Gopalakrishna Gurrappa (w.e.f. 30.05.2023)

Corporate Social Responsibility Committee:

1. Shri. S Veerabhadra Rao (upto 10.02.2023)
2. Shri. Vupputuri Gopala Kishan Prasad
3. Shri. Vinit Mukesh Mehta
4. Shri. Abhishek Agrawal (w.e.f. 30.05.2023)
5. Shri. K. Satyanarayana Prasad (w.e.f. 10.02.2023)

Nomination & Remuneration Committee:

1. Shri K Satyanarayana Prasad
2. Shri. S Veerabhadra Rao (upto 10.02.2023)
3. Shri. Vinit Mukesh Mehta
4. Shri. Y. Nageswara Rao (w.e.f. 10.02.2023)
5. Shri. Abhishek Agrawal (w.e.f. 30.05.2023)

Independent Directors Committee:

1. Shri. K Satyanarayana Prasad
2. Shri. S Veerabhadra Rao (upto 10.02.2023)
3. Shri. Y. Nageswara Rao (w.e.f. 30.09.2022)
4. Shri. Gopalakrishna Gurrappa (w.e.f.13.02.2023)

Management Committee:

Shri. Vupputuri Gopala Kishan Prasad
Shri S Veerabhadra Rao (upto 10.02.2023)
Shri. K Vasumathi Devi
Shri. K. Satyanarayana Prasad (w.e.f. 30.05.2023)

Risk Management Committee:

1. Shri. Vupputuri Gopala Kishan Prasad
2. Shri. S Veerabhadra Rao (upto 10.02.2023)
3. Smt. Vasumathi Devi Koganti
4. Shri. Vinit Mukesh Mehta
5. Shri. Abhishek Agrawal (w.e.f. 30.05.2023)

Asset Liability Management Committee:

1. Shri. Vupputuri Gopala Kishan Prasad
2. Shri. S Veerabhadra Rao (upto 10.02.2023)
3. Smt. Vasumathi Devi Koganti
4. Shri. Vinit Mukesh Mehta
5. Shri. Abhishek Agrawal (w.e.f. 30.05.2023)

IT & Digital Transformation Strategy Committee (W.e.f., 30.05.2023)

1. Shri. Y Nageswara Rao
2. Smt. Vasumathi Devi Koganti
3. Shri. Abhishek Agrawal (w.e.f. 30.05.2023)
4. Shri. Ravi Jayanti (CTO)

Auditors

Statutory Auditors:
M/s. S G C O & Co. LLP
Chartered Accountants
4A, Kaledonia, 2nd Floor, Sahar Road
Near Andheri Station, Andheri (East)
Mumbai- 400 069, Maharashtra, India

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, India

Secretarial Auditors:
B S S & Associates
Company Secretaries
Office: Parameswara Apartments, # 6-3-626, 5th Floor, 5 – A,
Anand Nagar, Khairtabad, Hyderabad-500 004, Telangana, India.

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, Telangana, India

Debenture Trustee

1. **Catalyst Trusteeship Limited**
   GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune - 411 038, Maharashtra, India
2. **IDBI Capital Trusteeship Services Limited**
   Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001, Maharashtra, India
3. **Vardhman Trusteeship Private Limited**
   3rd Floor, Room No - 15 6, Lyons Range, Turner Morrison House Kolkata B 700 001, West Bengal, India

Registered Office

40-1-144, 3rd Floor, Corporate Centre, M.G. Road,
Vijayawada – 520 010, Andhra Pradesh, India

Corporate Office

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

From: 31.05.2022
Plot Nos: 30/A, Survey No: 83/1, 11th Floor
Myhome Twitza, APIIC Hyderabad Knowledge City
Raidurg (Panmaqtha) Villege, Serilingampally Mandal,
Rangareddy District, Hyderabad- 500 081
Telangana, India

Bankers / Financial Institutions

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
DBS Bank Limited

Yes Bank Limited
Ujjivan Small Finance Bank
Utkarsh Small Finance Bank
ICICI Bank
State Bank of Mauritius
Suryoday Small Finance Bank
CSB Bank Limited
Jana Bank
IDFC First Bank Limited
Dhanalakshmi Bank Limited
Karnataka Bank
Kotak Mahindra Bank
Karur Vysya Bank Limited
Indian Bank
Bandhan Bank Limited
UCO Bank Limited

IKF FINANCE
"LEGACY THAT INSPIRES, TECHNOLOGY THAT DELIVERS"

Notice

NOTICE is hereby given that the 32nd Annual General Meeting ("**AGM**") of **IKF Finance Limited** will be held on Friday, the 29th day of September, 2023, at the Registered Office of the Company situated at #40-1-144, 3rd Floor, Corporate Center, M.G. Road, Vijayawada – 520010, Andhra Pradesh at 11.00 A.M., to transact the following business:

Ordinary Business:

1. To receive, consider, approve and adopt:

   (a) the Audited Standalone Financial Statements for the financial year ended 31st March, 2023, together with the Reports of the Directors' and Auditors' thereon and

   (b) the Audited Consolidated Financial Statements for the financial year ended 31st March, 2023, together with the Report of Auditors' thereon.

   In this regard, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT the Audited Standalone Financial Statements of the Company for the year ended 31st March, 2023 together with the Reports of the Directors' and Auditors' thereon and the Audited Consolidated Financial Statements of the Company for the year ended 31st March, 2023 together with the Report of Auditors' thereon be and are hereby received, considered, approved and adopted."

2. To appoint a Director in place of Shri. Vupputuri Gopala Kishan Prasad (DIN:01817992), 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 Shri. Vupputuri Gopala Kishan Prasad (DIN:01817992), 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:

3. 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."

4. To revise the remuneration of Shri. Vupputuri Gopala Kishan Prasad (DIN: 01817992), 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, the remuneration of Shri. Vupputuri Gopala Kishan Prasad (DIN: 01817992), Chairman and Executive Director revised as under:

Salary	₹10,00,000/- per month (From 15.07.2023 Upto 31.10.2023) ₹ 12,00,000/- per month (From 01.11.2023 to 30.09.2025) Further the Board of Directors may increase the remuneration from time to time subject to ceiling of limits specified in the Companies Act, 2013.
Commission	1.34% of the Profit Before Tax - In case Profit Before Tax of the Financial Year, is more than corresponding previous Financial Year Profit Before Tax. 0.67% 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."

5. Appointment of Shri Sethuraman Ganesh (DIN: 07152185), Additional Director 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 Sethuraman Ganesh (DIN: 07152185), who was appointed as an Additional Director (Category – Independent) of the Company on 14th July, 2023, and 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, be and is hereby appointed as an Independent Director of the Company, for five consecutive years with effect from July 14, 2023 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 Sethuraman Ganesh (DIN: 07152185), 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."

6. Amendment in the Articles of Association 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 14 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with applicable rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the Articles of Association of the Company (the "AOA"), as agreed by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee and sub-committee which the Board may have constituted or shall hereinafter constitute to exercise its powers including the powers conferred by this resolution) and in order to align with SEBI Circular SEBI/HO/DDHS/POD1/P/CIR/2023/112 dated July 04, 2023 read with Regulation 23 (1) (6) of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, the approval of the members of the Company be and is hereby accorded to amend the Articles of Association by duly inserting the following Article 102A after the existing Article 102.

> 102A. Debenture Trustee(s) Nominee Director- Any debenture trustee/ trustee appointed under the trust documents or any other document relating to or covering the issue of debentures or bonds of the Company may pursuant to and in accordance with SEBI (Debenture Trustee) Regulations, 1993 or debenture trust deed or any other circular/ guidelines/ notification issued by SEBI or any other governmental authority in this regard, in the event of two consecutive defaults in payment of interest to the debenture holders; or default in creation of security for debentures or default in redemption of debentures, nominate and require for the appointment of a Director (in these presents referred to as ("the Debenture Nominee Director") for and on behalf of the holders of the debentures or bonds for such period as notified by such debenture trustee/ trustee but in any case not exceeding the period for which the Debentures/Bonds or any of them

shall remain outstanding and for the removal from office of such Debenture Nominee Director and on a vacancy being caused whether by resignation, death, removal or otherwise for appointment of a Debenture Nominee Director in the vacant place. The Debenture Nominee Director shall not be liable to retire by rotation or be removed from office except as provided as aforesaid. Any such appointment or removal shall be made in writing and shall be served at the office of the Company. The Debenture Nominee Director shall neither be required to hold any qualification share nor be liable to retire by rotation and shall continue in office for so long as the debt subsists. The Debenture Nominee Director shall be entitled to all the rights and privileges of other nonexecutive directors and the sitting fees, expenses as payable to other directors on the Board and any other fees, commission, monies or remuneration in any form payable to the non-executive directors, if any, which shall be to the account of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to file necessary forms with the Registrar of Companies and other statutory authorities and to do all other acts, deeds, things and matters as may be deemed expedient to give effect to the aforesaid resolution."

For and on Behalf of the Board
IKF Finance Limited

Ch Sreenivasa Rao
Company Secretary
Membership No.: ACS14723

Place: Vijayawada
Date: 11.08.2023

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. 3 to 5 given above as Special Businesses in the forthcoming AGM, as it is unavoidable in nature.

2. 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 AGM and facility for those Members participating in the AGM to cast vote through e-Voting system during the AGM.

3. 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.

4. 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 copy of Notice of AGM is being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).

5. The Company has fixed 21st September, 2023 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 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 AGM.

6. The Register of Members and Transfer Book of the Company will be closed from 22nd September 2023, to 29th September, 2023 (both days inclusive).

7. 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) i.e., www.evotingindia.com.

8. 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.

9. In terms of Section 152 of the Act, Shri. Vupputuri Gopala Kishan Prasad is liable to retire by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

10. 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.

11. 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 for inspection by the members at the registered office during the AGM. All documents referred to in the Notice will also be available for inspection at the registered office during the AGM. Members seeking to inspect such documents can send an email to sreenivas@ikffinance.com.

12. 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.

13. 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.

14. 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 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, 26th September, 2023 at 9.00 a.m. IST and ends on Thursday, 28th day of September, 2023 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 21st September, 2023 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.
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.

Type of shareholders	Login Method
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 230829008 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.

   If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

   All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. 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 at toll free no. 1800 22 55 33

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 AGM will make a consolidated Scrutinizer's Report and submit the same forthwith within two working days conclusion of the 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 BSE Limited at www.bseindia.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 AGM, subject to receipt of the requisite number of votes in favour of the Resolutions.

For and on Behalf of the Board
IKF Finance Limited

Ch Sreenivasa Rao
Company Secretary
Membership No.: ACS14723

Place: Vijayawada
Date: 11.08.2023

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. 3

As mentioned in Item No.3, 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, approval of the members is sought for passing the Special Resolution as set out at Item No. 3 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 are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

The Board commends the Special Resolution set out at Item No. 3 of the Notice for approval by the members.

Item No. 4

As per the recommendations of the Nomination and Remuneration Committee, the Board of Directors at their Meeting held on 14.07.2023 approved to revise the remuneration of Shri. Vupputuri Gopala Kishan Prasad, Chairman & Executive Director of the Company up to 30th September 2025 subject to members' approval.

Shri. Vupputuri Gopala Kishan Prasad, who was re-appointed by the shareholders at the AGM held on 30.09.2022 as Chairman and Executive Director to hold office unto September 30, 2027 and approved his remuneration for a period of 3 years upto 30.09.2025. Any revision of his employment terms as Chairman & Executive Director requires the approval of members by way of a special resolution. Keeping in view that Shri. Vupputuri Gopala Kishan 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 revise the remuneration of Shri. Vupputuri Gopala Kishan Prasad as Chairman and Executive Director.

Shri. Vupputuri Gopala Kishan 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 approval of the members by way of special resolution for revision of remuneration under the provisions of Section 197 read with Schedule V of the Companies Act, 2013.

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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	(Amount in Crores, unless otherwise stated)
5	Export Performance and net foreign exchange	Nil
6	Foreign investments or collaborators, if any	Nil

Particulars	2022-2023	2021-2022
Total Revenue	286.60	221.23
Total Expenditure	219.29	166.96
Profit/(loss) before Tax	67.31	54.27
Net current tax expense	17.30	13.97
Net Profit/(loss)	50.01	40.30

II. Information on about the appointee		
1	Background details	Shri. Vupputuri Gopala Kishan 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. He 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. He 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
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	₹10,00,000/- per month (From 15.07.2023 Upto 31.10.2023) ₹ 12,00,000/- per month (From 01.11.2023 to 30.09.2025)
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. Indira Devi Vupputuri, Whole-time Director, Father of Smt. Vasumathi Devi Koganti, Managing Director, and Smt. V. Vasantha Lakshmi, Alternate Director. Brother-in-law of Shri Satyanand 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 resolution for your approval.

Except Shri. Vupputuri Gopala Kishan Prasad (the appointee), Executive Director, Smt. Indira Devi Vupputuri, Whole-Time Director, Smt. Vasumathi Devi Koganti, Managing Director, Shri Satyanand Sinha 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. 4.

Item No. 5

As per the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company had appointed Shri. Sethuraman Ganesh (DIN: 07152185) as an Additional Director with effect from July 14, 2023 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. Sethuraman Ganesh (DIN: 07152185), 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 he 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 as an Additional Director (subject to his appointment after obtaining approval of the members at the ensuing Annual General Meeting), Shri Sethuraman Ganesh (DIN 07152185) 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 July 14, 2023 i.e., w.e.f July 14, 2023 to July 13, 2028.

The Company has received a notice in writing from the director himself pursuant to Section 160 of the Act, proposing his candidature for the office of Independent Director, as such under the provisions of Section 149 of the Act.

Shri. Sethuraman Ganesh is a Post Graduate M.A(English), and also CAIIB and Diplomas in Business Management. Shri Sethuraman Ganesh is having valuable experience at senior management level at both RBI as Principal CGM and NBFCs as Independent Director, with details as follows. Experience of more than 8 years as an Independent Director on the Boards of NBFCs in India. Presently associated as an Independent Director at two systemically important NBFCS / MFI. 3 decades' pan India prior work experience at RBI as an officer in different capacities, including 10 years at Senior Management level as Principal CGM. He also served as RBI Nominee director on the boards of 2 public sector banks, RBI Regional Director, Principal Chief General Manager, Banking Ombudsman and Principal (CGM) of the RBI Staff College.

Further, as stipulated under Secretarial Standard-2, brief profile of Shri. Sethuraman Ganesh is provided in Table A below:

Table A - Brief Profile

Name	Shri. Sethuraman Ganesh
Age	66 Years
Qualifications	M.A(English), and also CAIIB and Diplomas in Business Management
Experience	Valuable experience at senior management level at both RBI as Principal CGM and NBFCs as Independent Director, with details as follows. Experience of more than 8 years as an Independent Director on the Boards of NBFCs in India. Presently associated as an Independent Director at two systemically important NBFCS / MFI. 3 decades' pan India prior work experience at RBI as an officer in different capacities, including 10 years at Senior Management level as Principal CGM. He has also served as: RBI Nominee director on the boards of 2 public sector banks, RBI Regional Director, Principal Chief General Manager, Banking Ombudsman and Principal (CGM) of the RBI Staff College
Terms and Conditions of appointment	As detailed in the resolution No. 5 and explanatory statement.
Details of remuneration	No remuneration except the sitting fee as permitted under the Companies Act, 2013
Details of remuneration last drawn	Not applicable
Date of first appointment	14.07.2023
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	Nil
Directorships of other Board	i) Sonata Finance Private Limited ii) Indel Money Limited
Membership/Chairmanship of Committees of other Board	Membership – 6 Chairmanship - 4

Except Shri. Sethuraman Ganesh, 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. 5 of this Notice is accordingly recommended for your approval.

Item No. 6

The Securities and Exchange Board of India has vide notification dated 2nd February, 2023, amended the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular SEBI/HO/DDHS/POD1/P/CIR/2023/112 dated July 04, 2023, requiring a company who is an issuer of debt securities, to ensure that its Articles of Association shall enable its Board of Directors to appoint the person nominated by the Debenture Trustee(s) in terms of Regulation 15(1)(e) of SEBI (Debenture Trustees) Regulations, 1993, as a director on the Board.

As per Regulation 15(1)(e) of the SEBI (Debenture Trustees) Regulations, 1993, provides that the duties of the debenture trustee shall include appointment of a nominee director on the Board of the company, which is an issuer of debt securities, in the event of:

(i) two consecutive defaults in payment of interest to the debenture holders; or

(ii) default in creation of security for debentures; or

(iii) default in redemption of debentures.

For this purpose, it is therefore proposed to amend the Articles of Association of the Company by inserting Article 102A after the existing Article 102 with the approval of the members. Accordingly, the Board recommends this Special Resolution for your approval.

Copies of Articles of Association as amended are kept for inspection at the Registered Office of the Company during the business hours of the Company.

None of the Directors, managers of the Company, other key managerial personnel and relatives of Directors, Managers or key managerial personnel are in any way concerned or interested in the said Resolution except to the extent of their shareholding and directorship in the Company

For and on Behalf of the Board
IKF Finance Limited

Ch Sreenivasa Rao
Company Secretary
Membership No.: ACS14723

Place: Vijayawada
Date: 14.07.2023

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Annexure to the Notice

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

Name of the Director	**Shri. Vupputuri Gopala Kishan Prasad**
DIN	01817992
Date of Birth	02.09.1947
Date of first Appointment on the Board	30.05.1991
Age	76 Years
Qualification	B. Sc
Experience	Shri. Vupputuri Gopala Kishan Prasad has contributed a lot in institutionalizing the Automobile finance business operated by individuals in Andhra Pradesh. Shri. Vupputuri Gopala Kishan 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. Shri. Vupputuri Gopala Kishan 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. He 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 ahead of its contemporaries.
Terms and conditions of appointment	As detailed in the resolution No. 4 and explanatory statement thereof.
Remuneration sought to be paid	₹10,00,000/- per month (From 15.07.2023 Upto 31.10.2023) ₹ 12,00,000/- per month (From 01.11.2023 to 30.09.2025), subject to the approval of the members, as detailed in item no. 4 of the notice.
Remuneration last drawn	₹ 7,00,000 Per Month
Relationship with other director/Manager and other KMP	(i) Husband of Smt. Indira Devi Vupputuri, Whole Time Director (ii) Father of Smt. Vasumathi Devi Koganti, Executive Director (iii) Father of Smt. V. Vasantha Lakshmi, Alternate Director (iv) Brother-in-law of Shri Satyanand Sinha Chunduri, Director
No of Meetings of the Board Attended during the FY- 2022-2023	8
No of Shares held in the Company	1,98,53,581 Fully Paid up (₹ 10/-Paid up) Shares of the Company equivalent to 30.74% of the paid up capital of the Company
Directorships of other Board	• Director of IKF Home Finance Limited • Director of IKF Infratech Private Limited
Membership/Chairmanship of Committees of other Board	2

Directors' Report

To,
The members,
IKF FINANCE LIMITED

Your Directors' have pleasure in presenting the 32nd Annual Report together with the Audited Accounts for the financial period ended 31st March, 2023.

Financial Results:

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

(Amounts in lakhs, unless otherwise stated)

Particulars	Standalone		Consolidated	
	2022-23	**2021-22**	**2022-23**	**2021-22**
Revenue from Operations	28,641.88	22,059.57	37444.09	26,961.75
Other Income	17.80	30.25	400.63	207.95
Profit (loss) before depreciation, interest and tax	22937.44	17855.68	28435.78	21159.57
Depreciation/amortization	264.23	128.96	341.66	190.23
Finance cost	15,402.63	11,787.65	19217.55	13,617.93
Impairment expense on loans	-44.98	-224.16	43.38	-222.93
Portfolio Loans & other balances written off	584.83	735.94	584.83	735.94
Profit (loss)before tax	6,730.73	5,427.29	8248.36	6,838.43
Provision for tax/deferred tax	1,730.22	1,396.85	2096.37	1725.42
Profit (loss) after tax before exception item	5,010.37	4,038.72	6219.97	5,122.56
Less: Other comprehensive income / (loss)	9.86	8.28	67.98	9.58
Net profit (loss) after exceptional items	5,000.51	4,030.44	6151.99	5,122.98
Balance brought forward from previous year	16,622.42	13,591.31	18183.90	14,440.00
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	1,000.10	806.09	1268.00	1056.19
Transfer to General reserve	250.03	201.S2	250.03	201.52
Transferred to Share Based payment reserve	-3.99	6.03	-4.00	6.03
Surplus carried to Balance sheet	3,760.24	3031.11	4335.02	3743.90

Review of Operations:

Standalone:

The performance for the year ended March 31, 2023 has improved and the Revenue from operations has grown by 30% to ₹286.42 Cr from ₹ 220.59 Cr for the corresponding previous year and Net Profit increased to ₹ 50.00 Cr as against ₹ 40.30 Cr registering a growth of 24% for the corresponding previous year. During the year, the Loan Book has grown by 34% from ₹ 1593 Cr to 2137 Cr (before Impairment loss allowance). The total assets managed by the Company, including receivables assigned / securitized stood at around ₹2452 Cr as at March 31, 2023 as against ₹ 1742 Cr in the previous year thereby registering a growth of 41%.

Consolidated:

The Company's performance, along with its subsidiary's performance for the year ended March 31, 2023 on a consolidated basis is satisfactory. The Revenue from operations has increased to ₹374.44 Cr from ₹ 269.62 Cr and Net Profit increased to ₹ 61.52 Cr from ₹ 51.13 Cr registering a growth of 20 % for the corresponding previous year.

Future Outlook:

The Automobile Industry, amid high interest rates and inflationary concerns, is continue to perform better in line with the other segments.

The Commercial Vehicle industry is likely to record moderate volume growth of around 8-10% in FY24 as the demand levels are expected to be lower on the backdrop of inflationary concerns. The recent price hikes post the implementation of phase-II of the Bharat Stage-VI (BS-VI) emission norms will also impact CV demand. However, the sustenance in demand is aided by healthy replacement demand, increasing freight movement amid increasing government infrastructure spending and rising economic activities.

Segment wise, MHCV Goods Carriers are expected to grow by 10-12% in FY24 driven by healthy replacement demand, increasing freight movement amid a strong infrastructure push by the Government and increasing housing, construction and mining activities, while the LCV Goods Carriers are expected to grow by 6-8% aided by increasing e-commerce activities. Passenger Carrier for both MHCV and LCV is expected to grow by 14-16% driven by mandatory scrapping of government vehicles boosting healthy replacement demand.

The Passenger Vehicle industry is likely to record moderate volume growth of around 7-9% in FY24 as the demand levels are expected to be lower on the backdrop of hike in vehicle prices, high-interest rate environment and inflationary concerns. Strong order book, improvement in supply chain and semiconductor supplies, robust demand for new model launches and increasing demand in the sports utility vehicle (SUV) segment are expected to keep the sales momentum rolling. The demand for premium variants is expected to remain healthy led by increasing demand for the luxury and premium models, while the demand for entry-level variants is expected to continue to remain under pressure due to high-interest rates and an inflationary environment.

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:

Various risks like credit risk. Liquidity risk, interest rate risk, operational risk, market risk etc. are inevitable fallout of the lending business. As such, your company has put in place appropriate mechanism to review and monitor these risks at periodic intervals through the Audit Committee, Risk management Committee and the Asset Liability Management Committee. 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 such as Credit, Operational, Market, Liquidity and Interest Rate Risk and has put in place appropriate mechanism to effectively mitigate the risk factors.

Corporate Governance:

Your Company's Non-convertible debt securities got listed with Bombay Stock Exchange Limited ("BSE"). A report on the Corporate Governance along with a declaration by the Managing Director with regard to code of conduct is attached as part of this report.

Management's Discussion and Analysis:

Economic Environment:

During FY 2022-23, the fundamentals of the country's economy remained resilient despite the global headwinds, high inflation, and steep increase in the interest rates by the regulators across the world.

Automotive Sector:

The automotive sector has performed well in line with the other major sectors on account of pent-up demand as the economy recovered from the Covid-19 pandemic, by and large.

During FY23, the CV industry reported strong year-on-year volume growth of 28.7%. The demand remains strong across all the segments. Segment-wise, medium and heavy commercial vehicles (MHCV) segment reported strong year-on-year volume growth of 39.7%, while the LCV segment reported growth of around 23.1%.

During FY23, the Passenger Vehicle industry demonstrated substantial year-on-year volume growth of 24.8%. This growth can be attributed to pent-up demand following the recovery from the Covid-19 pandemic, as well as the introduction of new products in the market, increased desire for personal mobility in the wake of the pandemic. The growing demand for utility vehicles significantly contributed to the overall volume growth, with utility vehicle volumes increasing by 33.2%.

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 with 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 proportionately in line with increase in the term resources going forward.

Term Loans:

During the year your Company has mobilized Term Loan(s) of Rs. 558 Cr from existing lenders and Rs. 530 Cr from 13 new lenders.

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 ₹140 Cr from Piramal Capital and ₹70 Cr from Northern Arc Capital.

Particulars		Piramal Capital	Northern Arc Capital
(a)	date of issue and allotment of the securities;	28.10.2022	27.03.2023
(b)	number of securities	140	7000
(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	₹ 1,00,00,000	₹ 1,00,000
(f)	coupon rate	SBI MCLR Linked	10.60%
(g)	maturity date;	28.04.2028	Quarterly 27.03.2025
(h)	amount raised	₹ 140 Cr	₹ 70 Cr

Credit Rating of Securities:

Name of the Credit Rating Agency	Borrowing Instrument	Amount Rated (in crores)	Date of Rating	Rating Assigned	Rating Valid Till	Whether New/ Renewal/ Reassigned/ Withdrawn
CARE	Long Term Bank Facilities	2250	03-07-2023	CARE A	02-07-2024	renewal
CARE	Subordinate Debt	165	03-07-2023	CARE A	02-07-2024	renewal
CARE	NCDs	120	03-07-2023	CARE A	02-07-2024	renewal
CARE	PP MLDs	15	03-07-2023	CARE A	02-07-2024	renewal
Brickwork Ratings	Term Loans	713.68	15-09-2022	BWR A	14-09-2023	renewal
Brickwork Ratings	Subordinate Debt	20	15-09-2022	BWR A	14-09-2023	renewal
Brickwork Ratings	NCDs	2.50	15-09-2022	BWR A	14-09-2023	renewal

Securitization / Assignment of Loan Receivables:

During the year, your Company has Assigned Vehicle Loan Receivables to the tune of ₹ 225.76 Cr.

Borrowing Profile:

Total borrowings of the Company for the year under review (at amortized cost) stood at ₹2037 Cr, of which borrowings from Banks constituted 67.40%, borrowings from NBFCs & FIs 15.32%, Non-Convertible Debentures 11.62% and Tier II Capital / Sub-Debt 8.02%. 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 33.02% as on 31.03.2023, well above the minimum of 15% prescribed by the Reserve Bank of India, of which Tier I Capital constituted 26.25% and Tier II constituted 6.77%.

Dividend:

Your Directors' have not recommended payment of dividend for the financial year ended 31st March 2023 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 the Authorised Share Capital of the Company was increased from ₹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 was increased to ₹ 105,00,00,000/- (Rupees One Hundred and Five Crores only) divided into 8,00,00,000 (Eight 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 in the Extraordinary General Meeting held on 20th March, 2023.

b. Paid up Share Capital:

The total Paid up Share Capital of the Company was increased to ₹ 64,57,50,500 as on 31.03.2023 consisting of ₹ 6,45,75,050 fully paid equity shares of ₹ 10/- each as against ₹52,65,90,670 consisting 5,26,59,067 fully paid shares of ₹10/- each as on 31.03.2022. During the year the Company has raised capital of ₹ 255,06,82,727 (including premium) by allotting new 1,19,15,983 fully paid equity shares of ₹ 10/- each.

Compulsorily Convertible Preference Shares.

There are no Compulsorily Convertible Preference Shares outstanding as on 31.03.2023

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.

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	1,08,465
(c)	options exercised	Nil
(d)	the total number of shares arising as a result of exercise of option	Nil
(e)	options lapsed	4,07,910
(f)	the exercise price	₹ 120/-
(g)	variation of terms of options	NA
(h)	money realized by exercise of options	NIL
(i)	total number of options in force	1,08,465
(j)	employee wise details of options granted to:	
	(i) key managerial personnel	Ch Sreenivasa Rao, CFO & 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% (Lapsed) 2. G Chakrapani, National Credit Manager-51,500 Options-9.07% 3. M Girish Kumar, National Head-Collections-51,500 Options-9.07% (Lapsed) 4. Hardik Harish Joshi-Zonal Manager-34,000 Options-6.04% (Lapsed)
	(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 Company has transferred 250.47 Lacs to General Reserves out of the current year profits for the Financial Year 2022-23 as against ₹201.53 Lacs during the Financial Year 2021-22. Further your Directors has transferred ₹ 1001.89 Lacs to Statutory Reserve @ 20% profit after tax as required under Section 45-IC of Reserve Bank of India Act, 1934 during the Financial Year 2022-23 as against ₹ 1000.10 Lacs during the Financial Year 2021-22. Further ₹ (4.00) Lacs was transferred during the Financial Year 2022-23 to Share Based payment reserve as against ₹ 3.99 Lacs during the Financial Year 2021-22. Further the Company has transferred ₹ 24315.23 Lacs to share premium account during the year 2022-23.

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 31.03.2023, IKF Home Finance Limited is the Subsidiary Company in which the Company holds 89.13%. Policy for determining 'material' subsidiaries is available on the company's website and can be accessed through the web-link https://www.ikffinance.com/assets/pdf/policies/Policy%20on%20Material%20Subsidiaries.pdf.

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.

Maintenance of Cost Records:

Cost Records are not required to be maintained by the Company under Section 148 of the Companies Act, 2013. Accordingly, such accounts and records are not maintained.

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. Brahmayya & Co, Chartered Accountant as an internal auditor of the Company for the year ended 31st March, 2023 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 ₹ 91,28,600/- under the CSR activity. The report on CSR activities for FY 2022-23 is enclosed as Annexure-III. This Corporate Social Responsibility policy is available on the website of the company and can be accessed through the web-link https://www.ikffinance.com/assets/pdf/policies/CSR%20Policy.pdf.

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 through the web-link https://www.ikffinance.com/investors.php#headingOne.

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 & Key Managerial Personnel:

Directors:

Shri Satyanand Sinha Chunduri (DIN: 03644504), and Smt. Vasumathi Devi Koganti (DIN: 03161150) retired and re-elected at the last Annual General Meeting of the Company held on 30.09.2022. In terms of Section 152 of the Companies Act, 2013.

During the year there were changes in the composition of Board of Directors, on 30.09.2022 Shri Nageswara Rao Yalamanchili who appointed as an additional director (Non-Executive & Independent), w.e.f., 01.12.2021 was appointed as Independent Director by the shareholders at the Annual General Meeting held on 30.09.2022. Shri Sunil Chandiramani and Shri Gopala Krishna Gurrappa were appointed as additional director(s) (Non-Executive & Independent) at the Board Meeting held on 30.09.2022 and was appointed as Independent Directors by the Shareholders at the Extra Ordinary General Meeting held on 13.02.2023. Shri. S. Veerabhadra Rao, Independent Director resigned from the Board w.e.f., 10.02.2023.

Further Shri. Abhishek Agarwal (DIN: 06760344) was appointed as Nominee Director of Accion Digital Transformation Fund LP (New Investor) by the Board of Directors with effect from 30.05.2023. Shri. Sethuraman Ganesh (DIN 07152185) was appointed as Additional Director (Independent and Non-Executive) by the Board of Directors with effect from 14.07.2023. Smt. Indira Devi Vupputuri, Whole Time Director resigned with effect from 14.07.2023.

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 a change in the appointment of Key Managerial Personnel. Shri. Sreepal Gulabchand Jain, Chief Financial Officer was resigned w.e.f., 10.02.2023 and Shri. Ch. Sreenivasa Rao, the Company Secretary was appointed as Chief Financial Officer of the Company w.e.f., 10.02.2023.

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 24.08.2022 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 appointed three Independent directors Shri. Y. Nageswara Rao, Shri Sunil Chandiramani and Shri. Gopala Krishna Gurrappa. In the opinion of the Board all the Independent Directors of your Company possess integrity, experience, expertise and requisite proficiency required under all applicable laws and policies of your Company.

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 2022-2023.

Number of meetings of the Board of Directors:

During the financial year 2022-23 the Board of Directors has met Eight times viz 30/05/2022, 11/08/2022, 30/09/2022, 10/11/2022, 13/01/2023, 10/02/2023, 21/02/2023 and 27/03/2023. 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 and can be accessed through the web-link https://www.ikffinance.com/assets/pdf/policies/Nomination%20and%20Remuneration%20Policy.pdf.

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 2022-2023, 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 2022-23 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.

Related Party Disclosure – As per Point no A of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The detailed disclosures were covered in the Financial Statements, which forms part of this Report.

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, 2023, 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, Maharashtra, India
   Contact No: +91 20 66807200
   E-mail Id: dt@ctltrustee.com

2 IDBI Capital Trusteeship Services Limited
   Asian Building, Ground Floor, 17, R. Kamani Marg,
   Ballard Estate, Mumbai – 400 001,
   Maharashtra, India
   Contact No: 022-40807000
   E-mail Id: itsl@idbitrustee.com

3 Vardhman Trusteeship Private Limited,
   3rd Floor, Room No - 15 6, Lyons Range,
   Turner Morrison House
   Kolkata – 700 001, West Bengal, India
   Contact No: 022 42648335
   E-mail Id: Corporate@vardhamantrustee.com

Details of revision of financial statement- Nil

Details of utilization of funds raised through preferential allotment or qualified institutions placement:

During the year under review, the Company had raised ₹210,00,00,000 (Rupees Two Hundred and Ten 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.

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

The Company made relevant disclosures in the notes to accounts of financial statements

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 sitting fees for attending meetings as directors.

Customer Complaints:

(Currency : INR in lakhs)

Particulars		As at March 31, 2023	As at March 31, 2022
(a)	No. of complaints pending at the beginning of the year	0	2
(b)	No. of complaints received during the year	48	13
(c)	No. of complaints redressed during the year	48	15
(d)	No. of complaints pending at the end of the year	-	-

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.

Details of significant changes in key financial ratios, along with detailed explanations thereof: the key financial ratios were disclosed in the Financial Statements, which forms part of this Report.

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 Foreign Exchange Earnings and Outgo:

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	Nil

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.

The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year:

During the year under review, Company has not made any application under The Insolvency and Bankruptcy Code, 2016 (31 of 2016).

The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the banks or financial institutions along with the reasons thereof

The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof is not applicable.

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

Vupputuri Gopala Kishan Prasad	**Vasumathi Devi Koganti**
Chairman & Executive Director	Managing Director
DIN: 01817992	DIN: 03161150

Place: Vijayawada
Date: 14.07.2023

Report on Corporate Governance

Your Company has voluntarily adopted Corporate Governance Report as per Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. 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

Composition and category:

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 31.03.2023, the Board comprises Nine 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 were change in the composition of Board of Directors, Shri Nageswara Rao Yalamanchili who was appointed as an additional director (Non-Executive & Independent), w.e.f. 01.12.2021 was appointed as an independent director by the shareholders at the Annual General Meeting held on 30.09.2022. Shri Sunil Chandiramani and Shri Gopala Krishna Gurrappa were appointed as additional director(s) (Non-Executive & Independent) at the Board Meeting held on 30.09.2022 and was appointed as Independent Directors by the shareholders at the Extra Ordinary General Meeting held on 13.02.2023. Shri. S. Veerabhadra Rao, Independent Director resigned from the Board w.e.f. 10.02.2023. Due to his personal reasons and other pre-occupations, Shri. S. Veerabhadra Rao, had to tender his resignation and the Board hereby confirms that there are no other material reasons other than those stated above.

Further Shri. Abhishek Agarwal (DIN: 06760344) was appointed as Nominee Director of Accion Digital Transformation Fund LP (New Investor) by the Board of Directors with effect from 30.05.2023.

The Executive Directors as on 31.03.2023 were Shri Vupputuri Gopala Kishan Prasad – Chairman & Executive Director, Smt. Indira Devi Vupputuri - Whole Time Director and Smt. Vasumathi Devi Koganti – Managing Director. Smt. Indira Devi Vupputuri - Whole-time Director, resigned from the Company w.e.f 14.07.2023.

As on 31.03.2023, the Independent Directors were Shri K. Satyanarayana Prasad, Shri Nageswara Rao Yalamanchili, Shri Sunil Chandiramani and Shri Gopala Krishna Gurrappa, Shri. Satyanand Sinha Chunduri was the Non-Executive Non-Independent Director and Smt. Vupputuri Vasantha Lakshmi is the alternate director to Shri Satyanand Sinha Chunduri, Shri. Vinit Mukesh Mehta is a Nominee Director.

Relationship between Directors:

Shri Vupputuri Gopala Kishan Prasad, Chairman & Executive Director is husband of Smt. Indira Devi Vupputuri, Whole Time Director. Shri Vupputuri Gopala Kishan Prasad and Smt. Indira Devi Vupputuri are parents of Smt. Vasumathi Devi Koganti, Managing Director and Smt. V. Vasantha Lakshmi, Alternate

Director and Shri Satyanand Sinha Chunduri, is Brother-In-Law of Shri Vupputuri Gopala Kishan Prasad.

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, eight meetings of the Board of Directors were held on the following dates.

30-05-2022	11-08-2022	30-09-2022	10-11-2022
13-01-2023	10-02-2023	21-02-2023	27-03-2023

The details of attendance at Board Meetings and details of other Directorships, Committee Chairmanships / Memberships held by the Directors during the period from 1st April, 2022 to 31st March, 2023 are 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 other Committee in which director is a Chairman or Member	Names of the Listed entity (including Debt Listed Companies)	Category of Directorship
Vupputuri Gopala Kishan Prasad	Chairman & Executive Director	8	100%	Yes	2	0		
Indira Devi Vupputuri	Whole Time Director	5	62.5%	Yes	1	0		
Vasumathi Devi Koganti	Managing Director	8	100%	Yes	1	1	IKF Home Finance	Director
K Satyanarayana Prasad	Independent Director	8	100%	Yes	1	0		
V Vasantha Lakshmi Alternate Director to Satyanand Sinha Chunduri	Alternate Director	8	100%	Yes	1	0		
S Veerabhadra Rao (Resigned on 10.02.2023	Independent Director	4	75%	Yes	2	0		
Vinit Mukesh Mehta	Nominee Director	8	100%	No	-	0		
Y Nageswara Rao (Appointed on 30.09.2022)	Independent Director	8	100%	No	3	0		
Sunil Chandiramani (Appointed on 30.09.2022)	Independent Director	4	80%	No	7	2	Sapphire Foods India Limited	Non-Executive - Independent Director
Gopala Krishna Gurrappa (Appointed on 30.09.2022)	Independent Director	4	80%	No	4	0		

Shri Sunil Chandiramani holds directorship in other listed entities.

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

* Board Committees for this purpose means only Audit Committee and Stakeholders Relationship Committee.

Committees:

(3) 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 Shri S. Veerabhadra Rao as Chairman of the Committee and Shri. Vinit Mukesh Mehta, Shri 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 were changes in the composition of Audit Committee. Shri. S. Veerabhadra Rao, Independent Director has resigned from the Board on 10.02.2023 and Shri. Y. Nageswara Rao, Independent Director was appointed as a member of Audit Committee w.e.f 10.02.2023. On 30.05.2023 the Audit Committee was again reconstituted with Shri. Y. Nageswara Rao, Independent Director as Chairman of the Committee and Shri. Gopala Krishna Gurrappa, Independent Director, Shri K. Satyanarayana Prasad, Independent Director, Shri. Vinit Mukesh Mehta, Nominee Director and Shri Abhishek Agarwal, Nominee Director as members of the Committee.

During the year the committee met 6 times on 30.05.2022, 11.08.2022, 15.09.2022, 30.09.2022, 10.11.2022 and 10.02.2023. The details of members and their attendance at the committee meetings are given below:

Name of the Director	No of Audit Committee Meetings held	No of Audit Committee Meetings attended	% of total Meetings attended
Shri. S. Veerabhadra Rao (Resigned on 10.02.2023)	6	5	100%
Shri. K. Satyanarayana Prasad	6	6	100%
Shri Vinit Mukesh Mehta	6	5	83%
Shri Y Nageswara Rao (From 10.02.2023)	6	1	16.67%

The previous Annual General Meeting ("AGM") of the Company was held on September 30, 2022 and was attended by Shri. S. Veerabhadra Rao, Chairman of the audit committee.

(4) 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 Shri S. Veerabhadra Rao as the Chairman and Shri. K. Satyanarayana 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 were changes in the composition of the Committee. Shri. S. Veerabhadra

Rao, Independent Director has resigned from the Board on 10.02.2023 and Shri. Y. Nageswara Rao, Independent Director was appointed as a member of Nomination, Remuneration & Compensation Committee w.e.f 10.02.2023 On 30.05.2023, the Committee was again reconstituted with Shri. Y. Nageswara Rao, Independent Director as Chairman of the Committee and Shri K. Satyanarayana Prasad, Independent Director, Shri. Vinit Mukesh Mehta, Nominee Director and Shri Abhishek Agarwal, Nominee Director as members of the Committee. During the year, the committee met three times on 11.08.2022, 30.09.2022 and 10.02.2023.

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.

Attendance of each Director at Nomination &Compensation Committee Meeting

Name of the Director	Category	Number of committee meetings	
		Held	Attended
Vinit Mukesh Mehta	Nominee Director	3	3
S. Veerabhadra Rao (Resigned on 10.02.2023)	Independent Director	2	2
K Satyanarayana Prasad	Independent Director	3	3
Y. Nageswara Rao (From 10.02.2023)	Independent Director	1	1

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 the Executive Directors during the year 2022-2023 are given below:

Name of the Director	Remuneration (in ₹)	Allowances	Commission (in ₹)
Vupputuri Gopala Kishan Prasad	₹ 84,00,000	NIL	₹ 63,27,000
V Indira Devi	₹36,00,000	NIL	₹ 26,92,000
Vasumathi Devi Koganti	₹60,00,000	NIL	₹ 44,42,000

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

Remuneration to Non-Executive Directors

a) Details of Sitting Fees paid to Non-Executive Directors during the financial year 2022-2023

The details of sitting fees paid/payable to Non-Executive Directors during the financial year 2022-2023 was.

Name of the Director	Sitting Fee (in ₹)					Total
	Board Meetings	Audit Committee Meetings	N & R Committee Meetings	Risk Management Committee Meeting	Stakeholders Relationship Committee Meetings	
Shri. Nageswara Rao Yalamanchili	3,50,000	-	-	-	-	3,50,000
Shri Sunil Chandiramani	2,00,000	-	-	-	-	2,00,000
Shri Gopala Krishna Gurrappa	2,00,000	-	-	-	-	2,00,000

The Sitting fees paid is as per Rule 4 of Companies (Appointment and Remuneration of Directors) Rules, 2014.

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
Shri. Gopala Krishna Gurrappa	Nil	Nil
Shri. Sunil Chandiramani	69,768	Nil
Shri. Y. Nageswara Rao	Nil	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 and can be accessed through the web-link https://www.ikffinance.com/investors.php#heading7new.

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
Gopala Krishna Gurrappa	Risks, Administration and Governance
Sunil Chandiramani	Accounts & Finance, Taxes, Legal & Governance
Shri Abhishek Agrawal	Accounts & Finance, Taxes, Legal & Governance
Shri Sethuraman Ganesh	Risks, Administration and Governance

e) **Confirmation by the Board:**

The Board hereby confirms that the independent directors fulfil 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 except Shri. S. Veerabhadra Rao. The Board wishes to place on record its deep appreciation and gratitude for the extraordinary contributions made by Shri. S. Veerabhadra Rao during his association with the Company.

(5) Stakeholder Relationship Committee:

The Share Transfer and Investor Grievance Committee comprises of Shri. K. Satyanarayana Prasad as Chairman and Shri 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.

Due to resignation of Shri. S. Veerbhadra Rao, Independent Director on 10.02.2023, the Committee was reconstituted on 30.05.2023 with Shri. Y. Nageswara Rao, Independent Director as Chairman of the Committee and Shri K. Satyanarayana Prasad, Independent Director, Sri Abhishek Agarwal, Nominee Director as members of the Committee.

During the period under review, the Company has not received any complaints.

(5A) Risk Management Committee:

The Risk Management Committee comprises of Shri Vupputuri Gopala Kishan Prasad, as Chairman, Shri. S. Veerabhadra, Shri Vinit Mukesh Mehta, Smt. Vasumathi Devi Koganti, as Members. During the year there were changes in the in the composition of the Committee. Shri. S. Veerabhadra Rao, Independent Director has resigned from the Board on 10.02.2023. On 30.05.2023, the Committee was reconstituted with Shri Vupputuri Gopala Kishan Prasad, as Chairman of the Committee and Smt. Vasumathi Devi Koganti, Managing Director, Shri. Vinit Mukesh Mehta, Nominee Director and Shri Abhishek Agarwal, Nominee Director as members of the Committee. The Risk Management Committee was formed to review and monitor Risk Management policies and systems from time to time. During the year 2022-2023 the committee met 4 times on 30.05.2022, 11.08.2022, 10.11.2022 and 10.02.2023. 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
Vupputuri Gopala Kishan Prasad	Executive Director	4	4
S. Veerabhadra Rao (Resigned on 10.02.2023)	Independent Director	3	3
Vasumathi Devi Koganti	Managing Director	4	4
Vinit Mukesh Mehta	Nominee Director	4	3

Other Committees:

(a) **Asset Liability Management Committee:**

The Asset Liability Management Committee comprises of Shri Vupputuri Gopala Kishan Prasad as Chairman, Shri S. Veerabhadra Rao, Shri Vinit Mukesh Mehta and Smt. Vasumathi Devi Koganti as Members. During the year there were changes in the in the composition of the Committee. Shri. S. Veerabhadra Rao, Independent Director has resigned from the Board on 10.02.2023. On 30.05.2023, the Committee was reconstituted Shri Vupputuri Gopala Kishan Prasad as Chairman of the Committee and Smt. Vasumathi Devi Koganti, Managing Director, Shri. Vinit Mukesh Mehta, Nominee Director and Shri Abhishek Agarwal, Nominee Director as members 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 2022-2023 the committee met 4 times on 30.05.2022, 11.08.2022, 10.11.2022 and 10.02.2023.

Attendance of each Director at Asset Liability Management Committee Meeting

Name of the Director	Category	Number of committee meetings	
		Held	Attended
Vupputuri Gopala Kishan Prasad	Executive Director	4	4
S. Veerabhadra Rao (Resigned on 10.02.2023)	Independent Director	3	3
Vasumathi Devi Koganti	Managing Director	4	4
Vinit Mukesh Mehta	Nominee Director	4	3

(b) Management Committee:

The Management Committee comprises of Shri Vupputuri Gopala Kishan Prasad as Chairman, Shri. S Veerabhadra Rao and Smt. Vasumathi Devi Koganti as Members. During the year there was a change in the composition of Committee. Shri. S. Veerabhadra Rao, Independent Director has resigned from the Board on 10.02.2023. On 30.05.2023, the Committee was reconstituted Shri Vupputuri Gopala Kishan Prasad as Chairman of the Committee, Smt. Vasumathi Devi Koganti, Managing Director and Shri. K. Satyanarayana Prasad, Independent Directors as members of the 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 2022-2023 the committee met 46 times 06.04.2022, 30.04.2022, 25.05.2022, 30.05.2022, 04.06.2022, 25.06.2022, 28.06.2022, 29.06.2022, 01.07.2022, 22.07.2022, 08.08.2022, 18.08.2022, 29.08.2022, 24.09.2022, 28.09.2022, 29.09.2022, 10.10.2022, 12.10.2022, 21.10.2022, 22.10.2022, 28.10.2022, 31.10.2022, 03.11.2022, 30.11.2022, 09.12.2022, 16.12.2022, 22.12.2022, 24.12.2022, 27.12.2022, 28.12.2022, 29.12.2022, 04.01.2023, 12.01.2023, 23.01.2023, 30.01.2023, 16.02.2023, 20.02.2023, 27.02.2023, 02.03.2023, 15.03.2023, 17.03.2023, 21.03.2023, 23.03.2023, 27.03.2023, 29.03.2023 and 30.03.2023.

Name of the Director	Category	Number of committee meetings	
		Held	Attended
Vupputuri Gopala Kishan Prasad	Executive Director	46	46
S. Veerabhadra Rao (Resigned on 10.02.2023)	Independent Director	35	35
Vasumathi Devi Koganti	Managing Director	46	46

(6) Remuneration of directors

Pecuniary relationship/transaction with non-executive directors

During FY 2022-23, there were no pecuniary relationship/transactions of any non–executive directors with the Company, except payment of sitting fees for attending Board Meetings. During FY 2022-23, 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. 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 through the web-link https://www.ikffinance.com/investors.php#heading7new.

(7) General Body Meetings:

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

AGM	Day	Date	Time	Venue	Special Resolutions passed
31st AGM	Friday	30.09.2022	11.00 AM	Through Video Conference / Audio-visual means	• 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. • Approve re-appointment of Sri. Vupputuri Gopala Kishan Prasad as Chairman and Executive Director of the Company. • Approve re-appointment of Smt. Indira Devi Vupputuri as Whole-Time Director of the Company. • Approve re-appointment of Smt. Vasumathi Devi Koganti as Managing Director of the Company.
30th AGM	Tuesday	30.11.2021	11.00 AM	Through Video Conference / Audio-visual means	• 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	Through Video Conference / Audio-visual means	• 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.

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

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

(8) Means of Communication:

The half yearly financial results are published in "Business Line" (English) and "Praja Shakthi" (Telugu) and website of the Company and can be accessed through the web-link https://www.ikffinance.com/investors.php#heading7new.

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

(9) General Information to Shareholder:

General Body Meeting, Day, Date, Time &Location

32nd Annual General Meeting will be held on Friday, 29th September, 2023 at 11.00 A. M., at the Registered Office of the Company situated at #40-1-144, 3rd Floor, Corporate Center, M.G. Road, Vijayawada – 520010, Andhra Pradesh.

Financial Calendar

Financial Year - 1stApril 2022 to 31st March 2023.

Dividend Payment

Your Directors' have not recommended payment of dividend for the financial year ended 31st March 2023 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, 973527, 973528, 973633, 974327, 974714

Suspension from trading

No securities of the Company were suspended from trading during the FY 2022-2023.

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

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

Book Closure dates

September 22, 2023 to September 29, 2023

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 doesn't issue any GDRs or ADRs or Warrants or any Convertible Instruments.

Commodity price risk or foreign exchange risk and hedging activities

The Company does not hedge its exposure to commodity price risks. The Company also does not hedge foreign exchange risks.

Plant location

Not Applicable

Distribution of Shareholding as on 31st March, 2023:

Shareholdings		Shareholders		Share Amount	
₹	₹	No	% of total	₹	% of total
Upto	5,000	1031	1	1879180	0.38%
5,001	10,000	177	0	1556270	0.31%
10,001	20,000	88	0	1401750	0.29%
20,001	30,000	36	0	931230	0.16%
30,001	40,000	20	0	739720	0.15%
40,001	50,000	19	0	912960	0.11%
50,001	1,00,000	18	0	1428150	0.22%
1,00,001	& above	79	0	636901240	98.37%
Total		**1468**	**1**	**645750500**	**100.00%**

Shareholding Pattern as on 31st March, 2023:

Category	Total Shareholders	% of Shareholders	Total Shares	%
Clearing Member	6	0.21%	27118	0.00%
Corporate Bodies	36	1.51%	1707016	0.09%
Foreign Company	2	0.07%	18632941	24.78%
Foreign Promoters	2	0.14%	1611800	3.06%
Non-Resident Indians	12	0.55%	5521	0.01%
Promoters	5	0.34%	28441453	53.80%
Public	1402	97.05%	6132159	3.32%
Trusts (Domestic Companies)	3	0.14%	8017042	14.93%
Total	**1468**	**100.00%**	**64575050**	**100%**

Dematerialization of Shares & Liquidity

Total No of Shares as on 31st March, 2023 is 6,45,75,050. Shares in demat form as on 31st March, 2023 was 5,68,93,029 and physical form 1,00,603. Further 75,81,418 Equity Shares allotted were dematerialized in the FY 2023-24.

Address for correspondence and any assistance/ clarification

Compliance Officer:

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

List of all credit ratings obtained during the year:

The credit ratings obtained during the year were disclosed in the Directors' Report, which forms part of this Report.

(10) 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

Details of establishment of vigil mechanism / whistle blower policy – The details of establishment of vigil mechanism / whistle blower policy are disclosed in the Directors' Report, which forms part of this Report.

Details of compliance with mandatory requirements and adoption of the nonmandatory requirements - The Company has complied with all the mandatory requirements and regulations as applicable to the Company.

Web link where policy for determining 'material' subsidiaries is disclosed – https://www.ikffinance.com/assets/pdf/policies/Policy%20on%20Material%20Subsidiaries.pdf.

Web link where policy on dealing with related party transactions – https://www.ikffinance.com/assets/pdf/policies/Policy%20on%20Related%20Party%20Transactions.pdf.

Details of utilization of funds raised through preferential allotment or qualified institutions placement – The details of utilization of funds raised through preferential allotment are disclosed in the Directors' Report, which forms part of this Report.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 – The disclosures in relation to the Sexual Harassment of Women at Workplace are disclosed in the Directors' Report, which forms part of this Report.

Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount' – The disclosures in relation to the Loans and Advances are disclosed in the Directors' Report and Financial Statements, which forms part of this Report.

Details of material subsidiaries:

Name of the Material Subsidiary	IKF HOME FINANCE LIMITED
Date of Incorporation	05.08.2002
Address of the Registered Office	40-1-144, 01st Floor, Corporate Centre, M.G. Road, Vijayawada – 520010, Andhra Pradesh, India
Address of the Corporate Office	My Home Twitza, 11th Floor, Plot no's – 30/A, Survey no - 83/1 Diamond Hills, Lumbini Avenue, beside 400/220/132kv GIS Substation, APIIC Hyderabad Knowledge City, Raidurg, Hyderabad – 500081, Telangana, India
Place of Incorporation	Vijayawada
Name of the Statutory Auditors	K.S.RAO & CO
Date of Appointment	30.09.2022

The Company has complied with the requirement of Corporate Governance Report of sub-paras (2) to (10) as mentioned under Clause (C) of Schedule V of Listing Regulations.

Discretionary requirements as specified in Part E of Schedule II of Listing Regulations – Not applicable

The Company is in compliance with the requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations, as applicable, with regard to Corporate Governance – Not applicable

Total fees for all services paid by to the statutory auditor

(Currency : INR in lakhs)

Particulars	**Year ended March 31, 2023**	**Year ended March 31, 2022**
Auditor's remuneration		
- Audit fees	16.00	22.00
In other capacity	-	-
- Certification services	10.20	10.91
Other of pocket expenses	-	0.06
Total	**26.20**	**32.97**

DECLARATION BY MANAGING DIRECTOR REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

As required by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, applicable to the Company, I affirm that Board Members and the Senior Management Personnel have confirmed compliance with the Codes of Conduct, as applicable to them, for the year ended March 31, 2023.

Vasumathi Devi Koganti
Managing Director
DIN: 03161150

Place: Vijayawada
Date: 14.07.2023

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

(Amount in Lakhs, unless otherwise stated)

Name of the subsidiary	IKF Home Finance Limited
Financial period ended	31.03.2023
Exchange rate	Not Applicable
Share capital	6214.32
Reserves & surplus	8106.38
Total assets	68343.67
Total liabilities (excluding share capital and reserves & surplus)	54022.97
Investments	1200
Turnover	8878.54
Profit/(Loss) before taxation	1437.77
Provision for taxation	366.16
Profit / (Loss) after taxation	1071.61
% of shareholding	89.13%

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 31.03.2023, 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
IKF FINANCE LIMITED

Vupputuri Gopala Kishan Prasad
Chairman & Executive Director
DIN: 01817992

Vasumathi Devi Koganti
Managing Director
DIN: 03161150

Place: Vijayawada
Date: 14.07.2023

Annexure II

Form No. MR-3

Secretarial Audit Report

For the Financial Year ended on March 31, 2023

[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, we hereby report that in our opinion, the Company, during the audit period covering the financial year ended on March 31, 2023, 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, 2023 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, to the extent applicable to the Company

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: During the year under review:

(a) the Company has made private placement of Equity shares as well as Non-Convertible Debentures as per the applicable provisions of the Companies Act, 2013 and rules made thereunder;

(b) the authorized share capital of the Company has been increased from 85 Crores to 105 Crores;

(c) the articles of association of the Company have been amended.

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

Sd/-
B. Sathish
Partner
ACS No.: 27885
C P No.: 10089
UDIN: A027885E000618794
Peer review No: 726/2020

Place: Hyderabad
Date: 14.07.2023

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.

1. 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.

2. 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.

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

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

5. 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.

6. 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

Sd/-
B. Sathish
Partner
ACS No.: 27885
C P No.: 10089
UDIN: A027885E000618794
Peer review No: 726/2020

Place: Hyderabad
Date: 14.07.2023

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	*Shri S. Veerabhadra Rao	Chairman	2	2
2	Shri Vupputuri Gopala Kishan Prasad	Member	2	2
3	Shri. Vinit Mukesh Mehta	Member	2	0

* Shri. S. Veerabhadra Rao, Independent Director resigned from the Board on 10.02.2023. On 10.02.2023, the CSR Committee was reconstituted with Shri. K. Satyanarayana Prasad, Independent Director as Chairman of the Committee.

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

The details are available on our website at: https://www.ikffinance.com/assets/pdf/policies/CSR%20Policy.pdf.

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

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. (a) Average net profit of the company as per sub-section (5) of section 135: ₹45,47,10,237/-

(b) Two percent of average net profit of the company as per sub-section (5) of section 135: ₹ 90,94,205/-

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

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

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 90,94,205/-

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 91,28,600/-

(b) Amount spent in Administrative Overheads: Nil

(c) Amount spent on Impact Assessment, if applicable: Nil

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 91,28,600/-

(e) 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.
₹ 91,28,600/-	--	--	--	--	--

(f) Excess amount for set off, if any

Sl. No.	Particulars	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub section 5 of section 135	90,94,205
(ii)	Total amount spent for the Financial Year	91,28,600
(iii)	Excess amount spent for the financial year [(ii)-(i)]	34,395
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	34,395

7. (a) Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

1	2	3	4	5	6		7	8
Sl. No	Preceding Financial Year(s)	Amount transferred to unspent CSR Account under sub section (6) of Section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	2021-22	Nil	Nil	Nil	Nil	-	-	-
2	2020-21	Nil	Nil	Nil	Nil	-	-	-
3	2019-20	Nil	Nil	Nil	Nil	-	-	-
Total				Nil				

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable

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

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

K. Satyanarayana Prasad
Chairman of CSR Committee
DIN: 03598603

Vasumathi Devi Koganti
Managing Director
DIN: 03161150

Place: Vijayawada
Date: 14.07.2023

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, 2023, 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, 2023.

For and on behalf of the Board
IKF FINANCE LIMITED

	Vupputuri Gopala Kishan Prasad	**Vasumathi Devi Koganti**
Place: Vijayawada	Chairman & Executive Director	Managing Director
Date: 14.07.2023	DIN: 01817992	DIN: 03161150

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, 2023, 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, 2023, 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.

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, 2023. 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 Standalone 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, 2023 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. • 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.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis and Directors' Report (the "Reports") but does not include Standalone financial statements and our auditors' report thereon. The reports are expected to be made available to us after the date of this auditors' report.

Our opinion on the 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.

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5} of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards} Rules, 2015, as amended. 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 judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively to ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SA 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 statements.

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

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

Materiality is the magnitude of misstatements in the Standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone 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 Standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 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, 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, 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, 2023 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, 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, 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.

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

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

Suresh Murarka
Partner
Membership No. :- 044739
UDIN :- 23044739BGUNOX2293

Place :- Mumbai
Date :- 30-05-2023

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) According to the information and explanations given to us, as per the phase programme of physical verification of fixed assets, the Company carries out physical verification of its entire fixed assets every year and 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, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) 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, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and the 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 is 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) According to the information and explanations given to us and based on examination of the books and records, in respect of the loans and advances in the nature of loans granted by the company, the schedule of repayment of principle and payment of interest has been stipulated and repayments or receipts are regular, except for the credit impaired cases.

(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 ₹ 3402.44 lakhs . Reasonable steps are being taken by the company for recovery of the principal and interest as stated in the applicable regulations and loan agreements.

(e) The Company's principal business is to give loans and, 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. 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.

There were 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.

(b) 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 standalone 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) The company has made private placement of shares as well as debentures and the requirement of section 42 of the Companies Act, 2013 have been complied with and according to information and explanations given to us, the amount raised have been used for the purposes for which the funds were raised.

(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 ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) 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.

(xiii) 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) There has been no resignation of statutory auditors of the company during the year.

(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 standalone 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 3(xx)(b) 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 :- 23044739BGUNOX2293

Place :- Mumbai
Date :- 30-05-2023

Annexure B

REFERRED TO IN PARAGRAPH 2 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REOUIREMENTS" 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, 2023, in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note on audit of Internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

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

Suresh Murarka
Partner
Membership No. :- 044739
UDIN :- 23044739BGUNOX2293

Place :- Mumbai
Date :- 30-05-2023

Standalone Balance Sheet

as at March 31, 2023

(Currency : ₹ in lakhs)

Particulars			Note No	As at March 31, 2023	As at March 31, 2022
ASSETS					
(1)	**Financial assets**				
	(a)	Cash and cash equivalents	3	23,039.43	3,377.21
	(b)	Bank Balance other than included in (a) above	4	5,573.17	2,208.65
	(c)	Loans	5	2,10,754.51	1,56,325.40
	(d)	Investments	7	30,810.55	6,252.92
	(e)	Other financial assets	6	2,251.57	1,800.96
				2,72,429.23	**1,69,965.14**
(2)	**Non-financial assets**				
	(a)	Current Tax Assets (Net)		372.98	183.04
	(b)	Deferred Tax Assets (Net)	28	-	70.34
	(c)	Investment Property	10	72.14	114.31
	(d)	Property, Plant and Equipment	9	250.23	260.11
	(e)	Right of use asset	9	270.26	10.75
	(f)	Intangible assets	11	156.38	154.42
	(g)	Other non-financial assets	8	2,878.41	1,067.42
				4,000.41	**1,860.39**
	Total assets			**2,76,429.64**	**1,71,825.53**
LIABILITIES AND EQUITY					
LIABILITIES					
(1)	**Financial liabilities**				
	(a)	Debt securities	12	18,838.54	15,186.47
	(b)	Borrowings (other than debt securities)	13	1,68,496.32	1,09,462.84
	(c)	Subordinated Liabilities	14	16,345.06	6,003.45
	(d)	Other financial liabilities	15	2,921.34	2,030.13
				2,06,601.26	**1,32,682.89**
(2)	**Non-financial liabilities**				
	(a)	Provisions	16	210.50	306.37
	(b)	Deferred tax liabilities (Net)	28	188.82	-
	(c)	Other non-financial liabilities	17	179.07	99.50
				578.39	**405.87**
EQUITY					
	(a)	Equity share capital	18	6,457.51	5,265.91
	(b)	Other equity	19	62,792.48	33,470.86
				69,249.99	**38,736.77**
Total liabilities and equity				**2,76,429.64**	**1,71,825.53**

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 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

Place: Mumbai
Date: 30 May 2023

Ch.Sreenivasa Rao
Company Secretary
& Chief Financial Officer
M.No. ACS14723

Place: Vijayawada
Date: 30 May 2023

Standalone Statement of Profit and Loss

for the year ended March 31, 2023

(Currency : ₹ in lakhs)

Particulars		Note No	Year ended March 31, 2023	Year ended March 31, 2022
Revenue From operations				
(i)	Interest income	20	28,401.52	21,932.36
(ii)	Fees and commission income	21	240.36	160.21
(I)	**Total revenue from operations**		**28,641.88**	**22,092.57**
(II)	Other income	22	17.80	30.25
(III)	**Total income (I + II)**		**28,659.68**	**22,122.82**
Expenses				
(i)	Finance costs	23	15,402.63	11,787.65
(ii)	Impairment on financial instruments	24	539.85	511.78
(iii)	Employee benefits expenses	25	4,297.44	3,248.03
(iv)	Depreciation, amortization and impairment	26	264.23	128.96
(v)	Others expenses	27	1,424.80	1,019.11
(IV)	**Total expenses**		**21,928.95**	**16,695.53**
(V)	**Profit before tax (III - IV)**		**6,730.73**	**5,427.29**
(VI)	**Tax Expense:**			
	(1) Current Tax	28	1,461.47	1,487.04
	(2) Deferred Tax	28	255.84	(100.25)
	(3) Adjustment of tax relating to earlier periods	28	12.91	10.06
			1,730.22	**1,396.85**
(VII)	**Profit for the period (V-VI)**		**5,000.51**	**4,030.44**
(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	29	13.18	11.07
	Income tax relating to items that will not be reclassified to profit or loss		(3.32)	(2.79)
	Other comprehensive income / (loss)		**9.86**	**8.28**
(IX)	**Total comprehensive income for the period (VII + VIII)**		**5,010.37**	**4,038.72**
(X)	**Earnings per share (equity share, par value of ₹10 each)**			
	Basic	30	9.31	7.80
	Diluted	30	9.31	7.80

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

Place: Mumbai
Date: 30 May 2023

Ch.Sreenivasa Rao
Company Secretary
& Chief Financial Officer
M.No. ACS14723

Place: Vijayawada
Date: 30 May 2023

IKF FINANCE
"LEGACY THAT INSPIRES, TECHNOLOGY THAT DELIVERS"

Standalone Cash Flow statement

for the year ended March 31, 2023

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	6,730.73	5,427.28
Adjustments for:		
Depreciation, amortisation and impairment	264.23	128.96
Interest Income	(28,401.52)	(21,932.36)
Interest expenses	15,402.63	11,787.65
Impairment on financial instrument	539.85	511.78
Share based payment expense	(3.99)	(6.03)
Provision for expenses	2.25	6.60
Employee benefit expenses	(57.21)	81.57
Rental income on Investment property	(7.63)	(7.63)
(Profit)/ Loss on sale of property, plant and equipment	1.14	(0.07)
(Profit)/ Loss on sale of immovable Property	3.15	6.10
Cash generated from / (used in) operations before working capital changes and adjustments for interest received and interest paid	**(5,526.37)**	**(3,996.15)**
Adjustments for changes in Working Capital :		
Decrease / (Increase) in trade receivable	-	26.21
Decrease / (Increase) in loans	(55,475.48)	(24,454.76)
Decrease / (Increase) in bank balances other than cash and cash equivalents	(3,364.52)	1,756.18
Decrease / (Increase) in other financial assets	12.05	126.85
Decrease / (Increase) in other non-financial assets	(1,810.98)	(685.42)
(Decrease) / Increase in other financial liabilities	622.18	(631.52)
(Decrease) / Increase in provisions	(25.48)	(39.67)
(Decrease) / Increase in other non-financial liabilities	79.57	(12.59)
Interest received	27,454.85	22,360.47
Interest paid	(15,826.72)	(11,836.88)
	(53,860.90)	**(17,387.28)**
Income tax paid (net of refunds)	(1,664.32)	(1,462.20)
Deferred tax adjustment	0.00	0.00
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	**(55,525.22)**	**(18,849.48)**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(67.99)	(86.52)
Purchase of Investment property	0.00	(224.11)
Rental income on Investment property	7.63	7.63
Proceeds from sale of property, plant and equipment	0.82	0.08
Proceeds from sale of Investment property	38.85	110.00
Purchase of intangible assets	(50.25)	(27.55)
Purchase of investments measured at Amortised cost and FVTPL	(24,557.63)	(1,727.82)
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	**(24,628.57)**	**(1,948.29)**

Standalone Cash Flow statement

for the year ended March 31, 2023

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
CASH FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares (including securities premium)	25,506.83	714.39
Amount received from debt securities	7,000.00	8,000.00
Repayment of debt securities	(3,400.00)	(25,950.00)
Amount received from borrowings other than debt securities	1,09,340.00	56,500.00
Repayment of borrowings other than debt securities	(48,983.70)	(26,861.44)
Amount received from subordinated Liabilities	14,000.00	-
Repayment of subordinated debt	(3,500.00)	-
Payment of principal portion of lease liabilities	(113.49)	(19.13)
Payment of interest on lease liabilities	(33.63)	(2.12)
NET CASH GENERATED FROM / (USED IN) FROM FINANCING ACTIVITIES	**99,816.01**	**12,381.70**
Net Increase / (Decrease) in Cash and Cash Equivalents	**19,662.22**	**(8,416.07)**
Cash and Cash Equivalents at the beginning of Year	3,377.21	11,793.28
Cash and Cash Equivalents at the end of the Year	23,039.43	3,377.21

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: 30 May 2023

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

Ch.Sreenivasa Rao
Company Secretary
& Chief Financial Officer
M.No. ACS14723
Place: Vijayawada
Date: 30 May 2023

IKF FINANCE
"LEGACY THAT INSPIRES, TECHNOLOGY THAT DELIVERS"

Statement of Changes in Equity

for the year ended March 31, 2023

A. Equity share capital

Current Reporting Period

(Currency : ₹ in lakhs)

Particulars	Balance at the beginning of the current reporting period As at March 31, 2022	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 end of the current reporting period As at March 31, 2023
Issued, Subscribed and paid up - fully paid (Equity shares of ₹10 each, Fully paid-up)	5,265.91	-	5,265.91	1,191.60	6,457.51
Issued, Subscribed and paid up - partly paid	0.00	-	0.00	-	0.00

Previous Reporting Period

(Currency : ₹ in lakhs)

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 end 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	419.55	-	419.55	(419.55)	0.00

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, 2021	**4,187.40**	**32.50**	**9,960.39**	**1,019.93**	**30.65**	**13,591.30**	**28,822.19**
Changes in Accounting Policies / Prior Period Errors	-	-	-	-	-	-	**-**
Restated balance as at April 01, 2021	4,187.40	32.50	9,960.39	1,019.93	30.65	13,591.30	**28,822.18**
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**

Statement of Changes in Equity

for the year ended March 31, 2023

(Currency : ₹ in lakhs)

Particulars	Reserves and Surplus						Total
	Statutory Reserve	Capital Reserve	Securities Premium	General Reserve	Share based payment Reserve	Retained Earnings	
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	**4,993.49**	**32.50**	**10,576.37**	**1,221.45**	**24.62**	**16,622.41**	**33,470.84**
Changes in Accounting Policies / Prior Period Errors	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Restated balance as at April 01, 2022	**4,993.49**	**32.50**	**10,576.37**	**1,221.45**	**24.62**	**16,622.43**	**33,470.86**
Profit for the year	-	-	-	-	-	5,000.51	**5,000.51**
Other comprehensive income for the year	-	-	-	-	-	9.86	**9.86**
Total comprehensive income for the year (net of tax)	**-**	**-**	**-**	**-**	**-**	**5,010.37**	**5,010.37**
Transfer to Statutory Reserve	1,000.10	-	-	-	-	(1,000.10)	-
Transfer to General Reserve	-	-	-	250.03	-	(250.03)	-
Issue of equity shares	-	-	24,315.23	-	-	-	**24,315.23**
Share based payment expense	-	-	-	-	(3.99)	-	**(3.99)**
Balance at March 31, 2023	**5,993.59**	**32.50**	**34,891.60**	**1,471.48**	**20.63**	**20,382.67**	**62,792.48**

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

Place: Mumbai
Date: 30 May 2023

Ch.Sreenivasa Rao
Company Secretary
& Chief Financial Officer
M.No. ACS14723
Place: Vijayawada
Date: 30 May 2023

Notes

on Standalone Financial Statements for the year ended March 31, 2023

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, 2023 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 33 – 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 INR 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

Notes

on Standalone Financial Statements for the year ended March 31, 2023

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 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 5-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

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

Notes
on Standalone Financial Statements for the year ended March 31, 2023

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.

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.

Notes

on Standalone Financial Statements for the year ended March 31, 2023

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.

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 41- 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

Notes

on Standalone Financial Statements for the year ended March 31, 2023

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 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 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.

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.

Notes

on Standalone Financial Statements for the year ended March 31, 2023

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

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.

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.

Notes
on Standalone Financial Statements for the year ended March 31, 2023

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.

Notes
on Standalone Financial Statements for the year ended March 31, 2023

3 Cash and cash equivalents

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	221.31	96.00
Balances with banks in current accounts	22,818.12	3,281.21
Total	**23,039.43**	**3,377.21**

Increase of cash and cash equivalents is on account of equity raised during the end of the financial year

4 Bank balance other than cash and cash equivalents

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks to the extent held as margin money*	5,573.17	2,208.65
Total	**5,573.17**	**2,208.65**

* Represent margin money deposits placed to avail term loans from banks, financial institutions and as cash collateral in connection with securitisation transactions.

3 Cash and cash equivalents

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Term loans	2,13,644.56	1,59,308.77
(ii) term loans - related parties	0.00	-
(iii) Staff loans	83.39	35.04
Total	**2,13,727.95**	**1,59,343.81**
Less: Impairment loss allowance	2,973.44	3,018.42
Total - Net of impairment loss allowance	**2,10,754.51**	**1,56,325.40**
(i) Secured by tangible assets*	2,13,644.56	1,59,308.77
(i) Secured by intangible assets	-	-
(ii) Covered by Bank/ Government Guarantees	-	-
(iii) Unsecured	83.39	35.04
Total	**2,13,727.95**	**1,59,343.81**
Less: Impairment loss allowance	2,973.44	3,018.42
Total - Net of impairment loss allowance	**2,10,754.51**	**1,56,325.40**
(i) Public sectors	-	-
(ii) Others	2,13,727.95	1,59,343.81
Total	**2,13,727.95**	**1,59,343.81**
Less: Impairment loss allowance	2,973.44	3,018.42
Total - Net of impairment loss allowance	**2,10,754.51**	**1,56,325.40**
(i) Loans in India	2,13,727.95	1,59,343.81
(ii) Loans outside India		
Total	**2,13,727.95**	**1,59,343.81**
Less: Impairment loss allowance	2,973.44	3,018.42
Total - Net of impairment loss allowance	**2,10,754.51**	**1,56,325.40**

*Secured against hypothecation of automobiles, book debts, equitable mortgage of immovable property etc.

Notes

on Standalone Financial Statements for the year ended March 31, 2023

5.1 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, 2023**	**As at March 31, 2022**
Term loans		
Stage I	1,69,430.51	1,29,809.42
Stage II	38,155.73	25,161.20
Stage III	6,058.32	4,338.15
Total	**2,13,644.56**	**1,59,308.77**

5.2 Gross movement of loans for the year ended March 31, 2023:-

Particulars	**Stage I**	**Stage II**	**Stage III**	**Total**
Gross carrying amount as at April 1, 2022				
Term loans	**1,29,809.42**	**25,161.20**	**4,338.15**	**1,59,308.77**
Staff loans	**35.04**	**-**	**-**	**35.04**
New loans originated during the year				-
Term loans	1,18,581.75	7,959.69	729.63	1,27,271.07
Staff loans	48.80			48.80
Inter-stage movements:				
-Term loans				
Transfers to Stage 1	1,555.80	(1,542.59)	(13.21)	-
Transfers to Stage 2	(21,396.99)	21,423.38	(26.39)	-
Transfers to Stage 3	(1,577.21)	(1,524.33)	3,101.54	-
Interest on stage 3 loans	-	-	69.56	69.56
Amounts written off				
Term loans	(123.40)	(27.92)	(343.48)	(494.81)
Staff loans	-	-	-	-
Assets derecognised or repaid (excluding write offs)				
Term loans	(57,418.86)	(13,293.70)	(1,797.48)	(72,510.03)
Staff loans	(0.45)	-	-	(0.45)
Gross carrying amount as at March 31, 2023				
Term loans	**1,69,430.51**	**38,155.74**	**6,058.32**	**2,13,644.56**
Staff loans	**83.39**	**-**	**-**	**83.39**

5.3 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)	(735.94)
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	(14.65)	-	-	(14.65)
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**

5.4 ECL movement of term loans during the year ended March 31, 2023:-

(Currency : ₹ in lakhs)

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount as at April 1, 2022	**989.64**	**563.47**	**1,465.31**	**3,018.42**
New loans originated during the year	709.16	140.40	87.58	937.14
Inter-stage movements:				
Transfers to Stage 1	45.96	(42.41)	(3.55)	-
Transfers to Stage 2	(276.13)	294.27	(18.14)	-
Transfers to Stage 3	(18.96)	(53.80)	72.76	-
Amounts written off	(4.80)	(4.38)	(320.19)	(329.36)
Assets derecognised or repaid (excluding write offs)	(130.05)	(150.56)	(321.64)	(602.25)
Net Remeasurement of ECL arising from transfer of stage	(341.49)	(35.09)	326.07	(50.50)
Gross carrying amount as at March 31, 2023	**973.33**	**711.90**	**1,288.21**	**2,973.44**

Notes
on Standalone Financial Statements for the year ended March 31, 2023

5.5 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**	**3,672.10**
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)	(411.38)
Assets derecognised or repaid (excluding write offs)	(130.09)	(190.49)	(194.01)	
Net Remeasurement of ECL arising from transfer of stage	(753.83)	(123.21)	822.67	(54.36)
Gross carrying amount as at March 31, 2022	**989.64**	**563.47**	**1,465.31**	**3,018.42**

6 Other Financial Assets

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Rent and utility deposit	239.69	217.70
Excess Interest Spread (EIS) Receivables	1,926.33	1,450.27
Other -unsecured, considered good	85.55	132.99
Total	**2,251.57**	**1,800.96**

7 Investments

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Investment in Equity instruments		
- Subsidiary (at cost)		
IKF Home finance limited*	10,762.73	6,252.92
(March 31,2023:5,74,04,177 Equity shares of ₹ 10 each fully paid ; 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)		
Investment in Market Linked Debentures(at Fair Value through Profit or loss)	15,960.75	-
Investment in Debentures(at Amortised cost)	4,087.07	-
Total (A)	**30,810.55**	**6,252.92**
(i) Investments in India	30,810.55	6,252.92
(ii) Investments outside India		-
Total (B)	**30,810.55**	**6,252.92**

Notes

on Standalone Financial Statements for the year ended March 31, 2023

8 Other Non-Financial Assets

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid expenses	354.73	161.05
Advances to employees	0.27	2.39
GST input credit	523.41	403.98
Advance given for purchase of property	2,000.00	500.00
Total	**2,878.41**	**1,067.42**

9 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, 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**
Additions	6.35	55.80	5.84	-	67.99	399.37
Disposals	(2.47)	(27.70)	(0.54)	-	(30.71)	(13.97)
As at March 31, 2023	**302.92**	**167.86**	**16.46**	**75.51**	**562.76**	**518.79**
Accumulated depreciation and impairment:						
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	**132.95**	**78.68**	**7.20**	**46.56**	**265.37**	**122.64**
Depreciation for the year	33.60	29.55	2.24	10.52	75.91	139.86
Disposals	(1.96)	(26.31)	(0.48)	- .00	(28.75)	(13.97)
As at March 31, 2023	**164.59**	**81.92**	**8.96**	**57.08**	**312.53**	**248.53**
Net book value						
As at March 31, 2021	174.07	20.76	5.72	39.95	240.52	24.77
As at March 31, 2022	166.09	61.09	3.97	28.94	260.11	10.75
As at March 31, 2023	138.33	85.94	7.50	18.43	250.23	270.26

Note: The Company has not revalued any of its property, plant and equipment during the years ended March 31, 2023 and March 31, 2022. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/ reversals is nil.

Notes

on Standalone Financial Statements for the year ended March 31, 2023

10 Investment Property

(Currency : ₹ in lakhs)

Particulars	Buildings	Land	Total
Gross carrying amount			
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**
Additions	-	-	-
Disposals	-	(42.00)	(42.00)
As at March 31, 2023	**6.98**	**66.01**	**72.99**
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**
Depreciation for the year	0.17	-	0.17
Disposals	-	-	-
As at March 31, 2023	**0.85**	**-**	**0.85**
Net book value			
As at March 31, 2021	6.47	-	6.47
As at March 31, 2022	6.30	108.01	114.31
As at March 31, 2023	6.13	66.01	72.14

(i) Amounts recognised in Statement of Profit and Loss for Investment Property

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Rental Income	7.63	7.63
Direct operating expense from property that generated rental income		-
Profit from investment properties before depreciation	**7.63**	**7.63**
Depreciation	0.17	0.17
Profit from investment properties	**7.46**	**7.46**

(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) Fair value

The fair valuation of investment property as at March 31, 2023 is ₹ 394.18 lakhs(PY: ₹ 389.65 lakhs)

(iv) Pledged details

Building is pledged in favor of consortium leader central bank for cash credit facility.

Notes

(v) 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.

(vi) Revaluation

The Company has not revalued any of its investment property during the years ended March 31, 2023 and March 31, 2022. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/ reversals is nil.

11 Intangible assets

(Currency : ₹ in lakhs)

Particulars	Computer software
Gross carrying amount	
As at March 31, 2021	**270.24**
Additions	27.54
Disposal	-
As at March 31, 2022	**297.78**
Additions	50.25
Disposal	-
As at March 31, 2023	**348.03**
Accumulated amortisation and impairment	
As at March 31, 2021	**99.67**
Amortisation for the year	43.70
Disposal	-
As at March 31, 2022	**143.37**
Amortisation for the year	48.29
Disposal	-
As at March 31, 2023	**191.65**
Net book value	
As at March 31, 2021	170.57
As at March 31, 2022	154.42
As at March 31, 2023	156.38

Note: The Company has not revalued any of its intangible assets during the years ended March 31, 2023 and March 31,2022. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil.

Notes

on Standalone Financial Statements for the year ended March 31, 2023

12 Debt Securities

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
At amortised cost		
Secured		
Non convertible debentures	10,125.66	11,369.58
Unsecured		
Other non convertible debentures	8,712.88	3,816.89
Total	**18,838.54**	**15,186.47**
Debt Securities:		
Within India	18,838.54	15,186.47
Outside India	-	-
Total	**18,838.54**	**15,186.47**

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, 2023

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%	4	3,500.00	4	3,500.00	-	-	7,000.00
	11.01%-12.00%	-	-	-	-	-	-	-
	12.01%-12.50%	-	-	-	-	-	-	-
Bullet repayment schedule								
1-7 Years	8.51%-9.50%	1	5,000.00	-	-	-	-	5,000.00
	9.51%-10.50%	2	6,500.00	-	-	-	-	6,500.00
	10.51%-11.50%	-	-	-	-	-	-	-
	11.51%-12.50%	-	-	-	-	-	-	-
Total			**15,000.00**	**-**	**3,500.00**	**-**	**-**	**18,500.00**
Add : Interest accrued but not due								385.72
Less : Unamortized Finance Cost								(47.18)
Total Amortized Cost			**15,000.00**		**3,500.00**		**-**	**18,838.54**

Notes
on Standalone Financial Statements for the year ended March 31, 2023

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**

13 Borrowings (other than debt securities)

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
At amortised cost		
Term loans (Secured)		
from banks	1,11,172.40	59,562.30
from non banking financial companies	26,757.56	10,993.61
from financial institutions	4,454.33	5,344.18
Loans repayable on demand (Secured):		
Cash credit from Bank	26,112.03	32,691.04
Associated liabilities in respect of securitisation transactions	-	871.72
Total	**1,68,496.32**	**1,09,462.84**
Borrowings:		
Within India	1,68,496.32	1,09,462.84
Outside India		
Total	**1,68,496.32**	**1,09,462.84**

Notes

on Standalone Financial Statements for the year ended March 31, 2023

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 ₹ 332.20 Cr (March 31, 2022: ₹ 342.20 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 borrowings (other than debt) as on March 31, 2023

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%	-	-	-	-	-	-	-
	7.01%-8.00%	-	-	-	-	-	-	-
	8.01%-9.00%	71	5,190.28	100	7,240.50	-	-	12,430.78
	9.01%-10.50%	275	22,070.18	417	32,909.19	-	-	54,979.37
	10.51%-11.50%	36	2,262.97	38	2,463.37	-	-	4,726.34
	11.51%-12.50%	3	115.38	-	-	-	-	115.38
Quarterly repayment schedule								
1-5 Years	6.00%-7.00%	-	-	-	-	-	-	-
	7.01%-8.00%	4	1,820.00	7	3,180.00	-	-	5,000.00
	8.01%-9.00%	25	6,060.44	37	9,988.05	-	-	16,048.49
	9.01%-10.50%	62	14,416.67	112	26,683.06	-	-	41,099.73
	10.51%-11.50%	9	3,333.20	16	5,380.49	-	-	8,713.69
	11.51%-12.50%	-	-	-	-	-	-	-
Total			**55,269.12**		**87,844.66**		**-**	**1,43,113.78**
Add : Interest accrued but not due								196.30
Less : Unamortized Finance Cost								(925.79)
Total Amortized Cost			**55,269.12**	**-**	**87,844.66**	**-**	**-**	**1,42,384.29**

Notes
on Standalone Financial Statements for the year ended March 31, 2023

Terms of repayment of borrowings (other than debt) 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**

14 Subordinated Liabilities

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured - At amortised cost		
Non convertible debentures (Tier-II)	16,345.06	4,505.22
Indian rupee loan from banks (Tier-II)	-	1,498.23
Total	**16,345.06**	**6,003.46**
Subordinated Liabilities:		
Within India	16,345.06	6,003.45
Total	**16,345.06**	**6,003.45**

Notes

on Standalone Financial Statements for the year ended March 31, 2023

Terms of repayment of subordinated liabilities as on March 31, 2023

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%	-	-	-	-	-	-	-
	>13.50%			1	2,500.00	1	14,000.00	16,500.00
Total					**2,500.00**		**14,000.00**	**16,500.00**
Add : Interest accrued but not due								8.98
Less : Unamortized Finance Cost								(163.92)
Total Amortized Cost					**2,500.00**		**14,000.00**	**16,345.06**

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**

15 Other financial liabilities

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liabilities	278.39	11.61
Employee benefits payable	318.14	216.76
Expenses payable	26.79	4.45
Other Payables	233.80	204.17
Deposit from franchisees	431.47	341.41
Payable towards securitisation / assignment transactions	1,632.75	1,251.73
Total	**2,921.34**	**2,030.13**

Notes

on Standalone Financial Statements for the year ended March 31, 2023

16 Provisions

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for gratuity	154.38	122.20
Provision for leave benefits	56.12	184.17
Total	**210.50**	**306.37**

17 Other non-financial liabilities

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues payable	179.07	99.50
Total	**179.07**	**99.50**

18. Equity share capital

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
Authorised Capital				
Equity shares of ₹ 10 each	8,00,00,000	8,000.00	6,00,00,000	6,000.00
Preference shares of ₹ 100 each	25,00,000	2,500.00	25,00,000	2,500.00
	8,25,00,000	**10,500.00**	**6,25,00,000**	**8,500.00**
Issued, subscribed and fully paid-up shares				
Equity Shares of ₹ 10 each fully paid up	6,45,75,050	6,457.51	4,74,79,379	4,747.94
Coverted from Partly Paid to Fully Paid Equity Shares	-	-	51,79,688	517.97
	6,45,75,050	**6,457.51**	**5,26,59,067**	**5,265.91**
Issued, subscribed and fully paid-up shares				
Equity Shares of ₹ 10 each, Fully paid up ₹ 10 per share	-	-	51,79,688	517.97
Converted to Fully Paid Equity Shares			(51,79,688)	(517.97)
	-	-	-	-
Total	**6,45,75,050**	**6,457.51**	**5,26,59,067**	**5,265.91**

Notes
on Standalone Financial Statements for the year ended March 31, 2023

A. Reconciliation of number of shares

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
Fully paid equity share of ₹ 10 each				
At the beginning of the year	5,26,59,067	5,265.91	4,74,79,379	4,747.94
Shares issued during the year	1,19,15,983	1,191.60		
Coverted from Partly Paid to Fully Paid Equity Shares	-	-	51,79,688	517.97
Outstanding at the end of the year	**6,45,75,050**	**6,457.51**	**5,26,59,067**	**5,265.91**
Partly paid up equity share of ₹ 10 each, partly paid up ₹ 10 per share				
At the beginning of the year	-	-	51,79,688	419.55
Amount called/Issued during the year	-	-	-	98.41
Converted to Fully Paid Equity Shares	-	-	-51,79,688	(517.97)
Outstanding at the end of the year	**-**	**-**	**-**	**-**

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 :

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
Equity shares of ₹ 10 each fully paid up				
Vupputuri Gopala Kishan Prasad	1,98,53,581	30.74%	1,97,43,156	37.49%
India Business Excellence Fund-IIA	1,30,51,546	20.21%	1,30,51,546	24.78%
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	12.09%	78,04,018	14.82%
Koganti Vasumathi Devi	26,47,266	4.10%	26,47,266	5.03%
Accion Digital Transformation Fund , LP	55,81,395	8.64%	-	-

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.

Notes
on Standalone Financial Statements for the year ended March 31, 2023

D. Shareholding of Promotors

Shares held by promoters at the end of the year	As at March 31, 2023			As at March 31, 2022		
	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	1,98,53,581	30.74%	0.56%	1,97,43,156	37.49%	24.36%
Vupputuri Indira Devi	16,48,142	2.55%	0.00%	16,48,142	3.13%	24.21%
Koganti Vasumathi Devi	26,47,266	4.10%	0.00%	26,47,266	5.03%	24.21%
Devineni Vasantha Lakshmi	24,91,794	3.86%	0.00%	24,91,794	4.73%	24.21%
Vupputuri Raghu Ram	18,00,670	2.79%	0.00%	18,00,670	3.42%	24.21%
Durga Rani Chunduri	14,94,100	2.31%	0.00%	14,94,100	2.84%	0.00%
Sinha Satyanand Chunduri	1,17,700	0.18%	0.00%	1,17,700	0.22%	0.00%

* Partly paid shares are full paid and converted to fully paid equity shares in March 22

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, 2023	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
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

19. Other equity

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital reserve	32.50	32.50
Securities premium reserve	34,891.60	10,576.37
Share Based Payment reserve	20.63	24.62
Statutory Reserve under section 45-IC of the Reserve Bank of India Act, 1934	5,993.60	4,993.50
General reserve	1,471.49	1,221.46
Retained earnings	20,382.66	16,622.42
Total	**62,792.48**	**33,470.86**

Notes

on Standalone Financial Statements for the year ended March 31, 2023

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

d. hare 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.

f. General Reserve

It is a free reserve which is created by appropriation from profits of the current year and/or undistributed profits of previous years, before declaration of dividend duly complying with any regulations in this regard.

B. Movement in Other equity

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
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	10,576.37	9,960.39
Add : Premium received on issue of securities	24,315.23	615.97
Impact of first time adoption of Ind AS	-	-
	34,891.60	**10,576.37**
III. Share Based Payment reserve		
Opening balance	24.62	30.65
Add : During the year	-3.99	(6.03)
	20.63	**24.62**

Notes

on Standalone Financial Statements for the year ended March 31, 2023

(Currency : ₹ in lakhs)

Particulars		As at March 31, 2023	As at March 31, 2022
IV.	**Statutory Reserve under section 45-IC of the Reserve Bank of India Act, 1934**		
	Opening balance	4,993.50	4,187.41
	Add : Transfer from retained earnings	1,000.10	806.09
		5,993.60	**4,993.50**
V.	**General Reserve**		
	Opening balance	1,221.46	1,019.94
	Add : Transfer from retained earnings	250.03	201.52
		1,471.49	**1,221.46**
VI.	**Retained earnings**		
	Opening balance	16,622.42	13,591.31
	Add : Profit for the year	5,000.51	4,030.44
	Add : Other comprehensive income	9.86	8.28
	Appropriations:		
	Transfer to Statutory Reserve u/s 45-IC of the Reserve Bank of India Act, 1934	(1,000.10)	(806.09)
	Transfer to General reserve	(250.03)	(201.52)
	Total	**20,382.66**	**16,622.42**

20 Interest income

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
On financial assets measured at amortised cost		
Interest on loans	27,672.71	21,757.50
Interest on deposits with banks	122.43	141.80
Interest on investment in debentures	606.38	33.06
Total	**28,401.52**	**21,932.36**

21 Fees and commission income

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Other fees and charges	240.36	160.21
Total	**240.36**	**160.21**

Notes
on Standalone Financial Statements for the year ended March 31, 2023

22 Other income

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on income tax refund	-	-
Rental income	7.63	7.63
Miscellaneous Income	10.17	22.61
Total	**17.80**	**30.25**

23 Finance costs

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
On financial liabilities measured at amortised cost		
Interest on deposits	50.07	70.16
Interest on borrowings	11,440.35	6,879.65
Interest on commercial paper and bonds	-	-
Interest on debentures	1,354.17	2,720.03
Interest on subordinated liabilities	1,506.21	800.06
Interest on ICD	126.42	265.90
Interest on lease liabilities	33.63	2.12
Interest on securitisation	99.70	475.13
Bank Charges	5.51	9.57
Other finance cost	786.57	565.04
Total	**15,402.63**	**11,787.65**

24 Impairment on financial instruments

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
On financial instruments measured at amortised cost		
Loans	(44.98)	(224.16)
Trade receivables	-	(26.21)
Bad debts and write offs	584.83	762.15
Total	**539.85**	**511.78**

25 Employee benefits expenses

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and wages	4,057.01	2,964.03
Contribution to provident and other funds	216.75	165.42
Share based payment to employees	(3.99)	(6.03)

Notes
on Standalone Financial Statements for the year ended March 31, 2023

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Staff welfare expenses	84.87	43.05
Gratuity	47.37	34.49
Leave encashment	(104.57)	47.07
Total	**4,297.44**	**3,248.03**

26 Depreciation, amortization and impairment

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on property, plant and equipment	215.77	85.10
Depreciation on investment property	0.17	0.17
Amortization of intangible assets	48.29	43.70
Total	**264.23**	**128.96**

27 Other expenses

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Rent	245.30	200.31
Communication cost	75.23	49.06
Travelling and conveyance	212.14	113.57
Rates and taxes	379.17	224.80
Insurance	3.31	3.83
Commission and Brokerage	49.38	17.20
Repairs and maintenance	72.54	66.61
Printing and stationary	40.64	28.68
Payment to auditors (Refer Note 27.1)	26.20	32.97
Advertisement, publicity and sales promotion expenses	11.49	3.36
Operation Cost	31.30	29.84
Legal and professional fees	144.54	128.29
Corporate social responsibility (Refer Note 27.2)	91.29	96.53
Director sitting fees	7.50	1.00
Loss on sale of property, plant and equipment	1.91	-
Loss on sale of Investment Property	3.15	6.10
Miscellaneous expenses	29.71	16.97
Total	**1,424.80**	**1,019.11**

Notes

on Standalone Financial Statements for the year ended March 31, 2023

27.1 Payment to the auditors:

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Auditor's remuneration		
- Audit fees (including Limited review fees)	25.00	31.00
In other capacity		
- Certification services	1.20	1.91
Other of pocket expenses	-	0.06
Total	**26.20**	**32.97**

27.2 Corporate social responsibility:

(Currency : ₹ in lakhs)

Particulars			Year ended March 31, 2023	Year ended March 31, 2022
a)	Amount required to be spent by the company during the year		90.94	88.85
b)	Amount of expenditure incurred			
	i)	Construction/acquisition of any asset	-	-
	ii)	On purposes other than (i) above	91.29	96.53
c)	Shortfall at the end of the year		-	-
d)	Total of previous years shortfall		-	-
e)	Net Shortfall		-	-
f)	Reason for shortfall		NA	NA
g)	Nature 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.		-	-

28 Income tax

(a) Income tax expense

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2023 ₹	Year ended March 31, 2022 ₹
Current tax		
Current tax on profits for the year	1,461.47	1,487.04
Adjustment for current tax of the prior periods	12.91	10.06
Subtotal (A)	**1,474.38**	**1,497.10**
Deferred tax		
Decrease/(Increase) in deferred tax assets	(91.42)	52.59
(Decrease)/Increase in deferred tax liabilities	343.94	(155.62)
Subtotal (B)	**252.53**	**(103.03)**
Deferred tax asset/ (liability) relating to items recognised in other Comprehensive Income (C)	(3.32)	(2.79)
Income tax expense for the year (A+B+C)	**1,730.22**	**1,396.85**

(b) Deferred tax

The major components of deferred tax (liabilities) arising on account of timing differences for the year ended March 31, 2023:

(Currency : ₹ in lakhs)

Particulars	Net balance March 31, 2022	Recognised in profit or loss	Recognised in OCI	Net balance March 31, 2023
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	77.11	(20.81)	(3.32)	52.98
Impact of provision for expected credit loss on loans	617.45	(11.97)		605.48
Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	4.98	3.70		8.68
Impact of leases under Ind AS 116	2.92	67.14		70.06
Share based payment	6.21	(1.01)		5.20
Others	-	-		-
EIR impact of financial asssets and liabilities	(39.98)	51.05		11.06
(A)	**668.67**	**88.10**	**(3.32)**	**753.46**
Deferred tax liabilities				
Impact of amortisation of ancillary borrowing cost	120.56	165.58		286.13
EIR impact of financial asssets and liabilities				
Impact of direct assignment and securitisaton transactions	379.46	95.55		475.01
Interest income recognised on stage 3 loans	95.60	17.51		113.11
Others	2.71	65.31		68.03
(B)	**598.33**	**343.94**	**-**	**942.28**
Deferred tax assets (net) (A-B)	**70.34**	**(255.84)**	**(3.32)**	**(188.82)**

Notes

on Standalone Financial Statements for the year ended March 31, 2023

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 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	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)	**(27.11)**	**100.25**	**(2.79)**	**70.34**

(a) Income tax expense

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
	₹	₹
Profit before tax as per Statement of profit and loss (A)	6,730.73	5,427.29
Applicable income tax rate	25.17%	25.17%
Expected Income Tax Expense (B)	1,693.99	1,365.94
Tax effect of:		
Effect of income exempt from tax	(0.55)	(0.55)
Effect of expenses/provisions not deductible in determining taxable profit	23.31	24.31
Effect of differential tax rate	-	-
Adjustment related to tax of prior years	12.91	10.06
Others	0.56	(2.92)
Income tax expense	**1,730.22**	**1,396.85**

Notes

on Standalone Financial Statements for the year ended March 31, 2023

29 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 ₹ 216.75 lakhs (PY: ₹ 165.42 lakhs) for year ended March 31, 2023, 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, 2023	As at March 31, 2022
Present value of obligation (A)	154.38	122.20
Fair Value of plan assets (B)	-	-
Present value of obligation (A- B)	**154.38**	**122.20**

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Obligation expected to be settled in the next 12 months	15.02	9.62
Obligation expected to be settled beyond next 12 months	139.37	112.58

Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

(Currency : ₹ in lakhs)

Particulars	Defined Benefit Obligation		Fair Value of plan assets		Net defined benefit (asset) liability	
	March 31, 2023.	March 31, 2022.	March 31, 2023.	March 31, 2022.	March 31, 2023.	March 31, 2022.
Opening balance	122.20	110.45	-	-	122.20	110.45
Current service cost	38.50	27.26	-	-	38.50	27.26
Past service cost	-	-	-	-	-	-
Interest cost (income)	8.87	7.23	-	-	8.87	7.23
Defined benefit cost included in P&L	**47.37**	**34.49**	**-**	**-**	**47.37**	**34.49**

Notes

on Standalone Financial Statements for the year ended March 31, 2023

(Currency : ₹ in lakhs)

Particulars	Defined Benefit Obligation		Fair Value of plan assets		Net defined benefit (asset) liability	
	March 31, 2023.	March 31, 2022.	March 31, 2023.	March 31, 2022.	March 31, 2023.	March 31, 2022.
Other comprehensive income						
Remeasurement loss (gain) due to:						
Demographic assumptions	-	-	-	-	-	-
Financial assumption	(1.89)	(3.69)	-	-	(1.89)	(3.69)
Experience adjustments	(10.87)	(7.38)	-	-	(10.87)	(7.38)
Total remeasurements in OCI	**(12.77)**	**(11.07)**	**-**	**-**	**(12.77)**	**(11.07)**
Others						
Benefits paid	(2.42)	(11.67)	-	-	(2.42)	(11.67)
Closing balance	**154.38**	**122.20**	**-**	**-**	**154.38**	**122.20**

Actuarial assumptions:

The following were the principal actuarial assumptions at the reporting date:

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	7.51%	7.33%
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	**25.36 years**	**24.90 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.

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.

Notes
on Standalone Financial Statements for the year ended March 31, 2023

Particulars	As at March 31, 2023		As at March 31, 2022	
	Increase	Decrease	Increase	Decrease
Salary escalation Rate (+/- 1%)	165.19	144.64	130.98	114.20
	7.00%	-6.31%	7.20%	-6.50%
Discount Rate (+/- 1%)	144.60	165.47	114.15	131.33
	-6.34%	7.18%	-6.60%	7.50%
Withdrawal Rate (+/- 1%)	154.54	154.13	122.42	121.90
	0.10%	-0.17%	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

Year 1	15.12
Year 2	13.52
Year 3	26.88
Year 4	12.57
Year 5	19.90
Year 6	13.51
Year 7	12.26
Year 8	12.33
Year 9	14.05
Year 10	14.41
Year 11+	138.94

The weighted average duration of the defined benefit obligation is 7.77

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, 2023	As at March 31, 2022
Present value of unfunded obligation	56.12	184.17
Expenses recognised in the Statement of Profit and Loss	(104.57)	47.07

Notes

on Standalone Financial Statements for the year ended March 31, 2023

30 Earnings per share

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Profit for the year	5,000.51	4,030.44
Weighted average number of equity shares used in calculating basic earnings per share	536.99	516.78
Effect of potential dilutive Equity Shares on account of unexercised employee stock options	0.19	0.23
Weighted average number of equity shares and potential equity shares used in calculating diluted earnings per share	537.18	517.01
Basic earnings per share	**9.31**	**7.80**
Diluted earnings per share	**9.31**	**7.80**

31 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".

32 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, 2023	As at March 31, 2022
Carrying amount of transferred assets measured at amortised cost	-	1,195.10
Carrying amount of associated liabilities	-	871.72

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, 2023	As at March 31, 2022
Carrying amount of EIS receivable	1,926.33	1,450.27

33 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.

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	23,039.43		23,039.43	3,377.21	-	3,377.21
Bank Balance other than cash and cash equivalents	4280.30	1292.87	5,573.17	1274.79	933.86	2,208.65
Loans	76173.43	134581.08	2,10,754.51	65514.88	90810.52	1,56,325.40
Investments	20,047.82	10,762.73	30,810.55	-	6,252.92	6,252.92
Other Financial assets	1,417.27	834.30	2,251.57	1,173.95	627.01	1,800.96
Sub total	**1,24,958.25**	**1,47,470.98**	**2,72,429.23**	**71,340.83**	**98,624.31**	**1,69,965.14**
Non-financial assets						
Current Tax assets (Net)	372.98		372.98	183.04	-	183.04
Deferred Tax assets (Net)		-	-	-	70.34	70.34
Investment Property		72.14	72.14	-	114.31	114.31
Property, plant and equipment		250.23	250.23	-	260.11	260.11
Right to Use Assets		270.26	270.26	-	10.75	10.75
Intangible assets		156.38	156.38	-	154.42	154.42
Other non-financial assets	0.27	2,878.14	2,878.41	2.39	1,065.03	1,067.42
Sub total	**373.25**	**3,627.16**	**4,000.41**	**185.43**	**1,674.96**	**1,860.39**
Total assets	**1,25,331.50**	**1,51,098.13**	**2,76,429.64**	**71,526.26**	**1,00,299.26**	**1,71,825.53**

Notes

on Standalone Financial Statements for the year ended March 31, 2023

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
Debt Securities	15,385.72	3,452.82	18,838.54	3,699.42	11,487.05	15,186.47
Borrowings (Other than Debt Securities)	81,577.44	86,918.88	1,68,496.32	65,827.60	43,635.24	1,09,462.84
Subordinated Liabilities	8.98	16,336.07	16,345.06	1,537.37	4,466.08	6,003.45
Other Financial liabilities	2,641.02	280.32	2,921.34	1,808.65	221.48	2,030.13
Sub total	**99,613.16**	**1,06,988.10**	**2,06,601.26**	**72,873.04**	**59,809.85**	**1,32,682.89**
Non-Financial liabilities						
Provisions	26.62	183.87	210.50	31.70	274.67	306.37
Deferred tax liabilities (Net)	188.82		188.82	-	-	-
Other non-financial liabilities	179.07		179.07	99.50	-	99.50
Sub total	**394.51**	**183.87**	**578.38**	**131.20**	**274.67**	**405.87**
Total liabilities	**1,00,007.67**	**1,07,171.97**	**2,07,179.64**	**73,004.24**	**60,084.52**	**1,33,088.76**

34 Changes in liabilities arising from financing activities

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	Cash Flows (net)	Others (net)*	As at March 31, 2023
Subordinated liabilities	6,003.44	10,500.00	(158.39)	16,345.05
Debt securities	15,186.48	3,600.00	52.07	18,838.55
Borrowing other than debt securities	1,09,462.84	60,356.30	(1,322.82)	1,68,496.31
	1,30,652.75	**74,456.30**	**(1,429.14)**	**2,03,679.91**

(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	6,003.44
Debt securities	33,687.94	(17,950.00)	(551.48)	15,186.48
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**

* Others column includes the effect of accrued but not paid interest on borrowing, amortisation of processing fees and cash flows from securitisation etc.

35 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, 2023 is ₹ (4.00) lakhs (March 31, 2022 - ₹ (6.03) 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:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	WAEP	Number	WAEP
Outstanding at 1 April	2,06,000.00	120.00	3,56,930.00	120.00
Granted during the year	-		-	
Forfeited during the year	59,200.00	120.00	1,50,930.00	120.00
Exercised during the year	-		-	
Expired during the year	-		-	
Outstanding at 31 March	1,46,800.00	120.00	2,06,000.00	120.00
Exercisable at 31 March	1,02,760.00	120.00	92,700.00	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, 2023 is 0.15 years (March 31, 2022: 0.58 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, 2023	As at March 31, 2022
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.

Notes

on Standalone Financial Statements for the year ended March 31, 2023

36 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.

36.1 Contingent Liability

There are no Contingent Liabilities as on March 31, 2023 (March 31, 2022: ₹ 0.)

36.2 Commitment

There are no commitment as on March 31, 2023 (March 31, 2022: ₹ 0.)

37 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, 2023	As at March 31, 2022
Opening	10.78	24.77
Additions	399.37	4.92
Deletion	-	(0.74)
Depreciation	(139.86)	(18.17)
Closing Balance	**270.29**	**10.78**

The following is the movement in lease liabilities :

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning	11.61	26.68
Additions	380.28	4.80
Finance cost accrued during the period	33.63	2.12
Payment of lease liabilities	(147.12)	(21.99)
Balance at the end	**278.39**	**11.61**

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Less than 3 months	38.51	2.61
Over 3 months & upto 6 months	38.51	2.76
Over 6 months & upto 1 year	77.05	3.18
Over 1 year & upto 3 years	164.28	9.81
Over 3 years	-	6.41

The following are the amounts recognised in statement of profit or loss:

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Depreciation expense of right-of-use assets	139.86	18.17
Interest expense on lease liabilities	33.63	2.12
Expense relating to short-term leases	245.30	200.31
Total amount recognised in profit or loss	**418.79**	**220.60**

Notes

on Standalone Financial Statements for the year ended March 31, 2023

Future Commitments:

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023
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, 2023.

38 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.

39 Analytical Ratios

Particulars	As at March 31, 2023			As at March 31, 2022	% Variance	Reasons for Variance (if above 25%)
	Numerator	Denominator	Ratio	Ratio		
Capital to Risk Weighted Assets Ratio (CRAR)	80,338.70	243322.36	33.02%	24.11%	36.95%	
Tier I CRAR	63,863.99	243322.36	26.25%	21.55%	21.79%	Increase on account of New equity raised during the year
Tier II CRAR	16,474.70	243322.36	6.77%	2.56%	164.62%	Increase on account of new tier II Capital raised during the year
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.

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.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value

Particulars		Fair Value		Fair Value Hierarchy	Valuation Technique	Key Inputs for Level 2 & Level 3	Significant unobservable input(s) for Level 3
Financial Assets	Category	As at March 31, 2023	As at March 31, 2022				
Investment in Market Linked Debentures	FVTPL	15,960.75	0.00	Level 2	Mark-to-Market of the debt insrument	Valuation received from the rating agency	NA

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, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Financial Assets					
Cash and cash equivalents	1	23,039.43	3,377.21	23,039.43	3,377.21
Bank Balance other than cash and cash equivalents	1	5,573.17	2,208.65	5,573.17	2,208.65
Loans	2	2,10,754.51	1,56,325.40	2,12,021.80	1,61,025.03
Rent and utility deposits	2	239.69	217.70	239.69	217.70
EIS receivable	2	1,926.33	1,450.27	1,926.33	1,450.27
Other financial assets	2	85.55	132.99	85.55	132.99
Investment in debentures	2	4,087.07	-	4,087.07	-
		2,45,705.75	**1,63,712.21**	**2,46,973.05**	**1,68,411.85**

Notes
on Standalone Financial Statements for the year ended March 31, 2023

(Currency : ₹ in lakhs)

Particulars	Level	Carrying value		Fair value	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Financial Liabilities					
Debt securities	2	18,838.54	15,186.47	19,252.78	15,506.33
Borrowings (other than debt securities)	2	1,68,496.32	1,09,462.84	1,68,231.86	1,09,459.96
Subordinated Liabilities	2	16,345.06	6,003.45	16,458.38	6,099.99
Other financial liabilities	2	2,921.34	2,030.13	2,921.34	2,030.13
Total Financial liabilities		**2,06,601.26**	**1,32,682.89**	**2,06,864.36**	**1,33,096.40**

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.

C. Categories of Financial Instruments :

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023			
	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total
Cash and cash equivalents	23,039.43	-	-	23,039.43
Bank Balance other than included in (a) above	5,573.17	-	-	5,573.17
Loans	2,10,754.51	-	-	2,10,754.51
Investments	4,087.07	15,960.75	10,762.73	30,810.55
Other financial assets	2,251.57	-	-	2,251.57
Total	**2,45,705.75**	**15,960.75**	**10,762.73**	**2,72,429.23**

Notes
on Standalone Financial Statements for the year ended March 31, 2023

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023			
	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total
Debt securities	18,838.54	-	-	18,838.54
Borrowings (other than debt securities)	1,68,496.32	-	-	1,68,496.32
Subordinated Liabilities	16,345.06	-	-	16,345.06
Other financial liabilities	2,921.34	-	-	2,921.34
Total	**2,06,601.26**	**-**	**-**	**2,06,601.26**

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022			
	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total
Cash and cash equivalents	3,377.21	-	-	3,377.21
Bank Balance other than included in (a) above	2,208.65	-	-	2,208.65
Loans	1,56,325.40	-	-	1,56,325.40
Investments	-	-	6,252.92	6,252.92
Other financial assets	1,800.96	-	-	1,800.96
Total	**1,63,712.22**	**-**	**6,252.92**	**1,69,965.14**
Debt securities	15,186.47	-	-	15,186.47
Borrowings (other than debt securities)	1,09,462.84	-	-	1,09,462.84
Subordinated Liabilities	6,003.45	-	-	6,003.45
Other financial liabilities	2,030.13	-	-	2,030.13
Total	**1,32,682.89**	**-**	**-**	**1,32,682.89**

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.

Notes

on Standalone Financial Statements for the year ended March 31, 2023

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.

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	March 31, 2023.	March 31, 2022.
West	59,658.29	37,808.22
Central	8,709.95	5,531.19
South	1,45,276.32	1,15,969.36
	2,13,644.56	**1,59,308.77**

Notes
on Standalone Financial Statements for the year ended March 31, 2023

Quantitative Information of Collateral

Net value of total term loans to value of collateral is as follows:

As at March 31, 2023	Loan to value			
	Upto 50%	51%-70%	More than 70%	Total
Cars & Muvs	1130.94	23,463.73	12,695.19	37,289.86
Commercial Vehicles	1,578.17	31,736.73	29,246.64	62,561.54
Construction Equipment	4,047.76	17,681.56	23,318.34	45,047.66
Three Wheeler	34.88	10,852.93	1,572.51	12,460.32
Tractor	152.27	2,362.86	408.85	2,923.98
Two Wheeler	894.05	1,080.67	462.34	2,437.06
SME	39,829.78	4,335.27	6,759.09	50,924.14
Total	**47,667.85**	**91,513.75**	**74,462.96**	**2,13,644.56**

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**	**78,376.45**	**65,997.12**	**1,59,308.77**

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.

Notes

on Standalone Financial Statements for the year ended March 31, 2023

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, 2023.

(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	6,239.43	-	16,800.00	-	-	23,039.43
Bank Balance other than included in (a) above	3,587.71	514.95	294.64	1,389.27	-	5,786.57
Loans	24,272.24	27,193.57	52,365.27	1,39,232.39	24,521.28	2,67,584.76
Investments	20,047.82	-	-	-	10,762.73	30,810.55
Other financial assets	521.66	385.06	580.15	692.05	254.36	2,433.27
Total undiscounted financial assets	**54,668.86**	**28,093.58**	**70,040.06**	**1,41,313.70**	**35,538.36**	**3,29,654.57**
Financial liabilities						
Subordinated Liabilities	566.01	571.32	1,137.10	4,539.82	20,644.59	27,458.84
Debt securities	6,310.82	2,983.62	7,116.57	3,732.82	-	20,143.83
Borrowings (other than debt securities)	20,277.82	17,255.58	56,758.18	85,377.77	11,035.39	1,90,704.73
Other financial liabilities	2,470.62	55.10	123.90	279.57	51.21	2,980.40
Total undiscounted financial liabilities	**29,625.26**	**20,865.62**	**65,135.76**	**93,929.97**	**31,731.19**	**2,41,287.80**
Net undiscounted financial assets / (liabilities)	**25,043.60**	**7,227.96**	**4,904.30**	**47,383.73**	**3,807.17**	**88,366.77**

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
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						
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
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**

Notes
on Standalone Financial Statements for the year ended March 31, 2023

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.

(Currency : ₹ in lakhs)

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, 2023						
Guarantees and counter guarantees	-	-	-	-	-	-
Estimated amount of contracts remaining to be executed on capital account, net of advances	-	-	-	-	-	-
Total commitments	**-**	**-**	**-**	**-**	**-**	**-**
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	**-**	**-**	**-**	**-**	**-**	**-**

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.

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)

Impact on Profit before taxes	As at March 31, 2023	As at March 31, 2022
On Floating Rate Borrowings:		
1% increase in interest rates	(1,215.02)	(523.75)
1% decrease in interest rates	1,215.02	523.75

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.

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 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(Upto 10th February 2023) Mr. Ch.Sreenivasa Rao - Company Secretary and Chief Financial Officer

Notes

on Standalone Financial Statements for the year ended March 31, 2023

b. Transaction with related parties:

Name of related party	Nature of transaction	For the FY 2022					For the FY 2023			
		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	Transaction value for the year ended March 31, 2023	Received During the year	Paid During the Year	As at March 31, 2023
Key management personnel										
Mr. V G K Prasad	Rent paid	-	21.60	-	-	-	21.60	-	-	-
	Director's remuneration	-	75.83	-	-	-	84.00	-	-	-
	Director Commission Payable	41.55	51.02	-	41.55	51.02	63.27	-	51.02	63.27
	Rent deposit given	50.00	-	-	-	50.00	-	-	-	50.00
	Advance Received	-	-	-	-	-	-	-	-	-
	Interest paid on advance	-	-	-	-	-	-	-	-	-
	Share Capital (₹ 10/- Paid up)	1587.56*	-	-	-	1974.32*	-	-	-	1985.36*
	Partly paid up shares (₹ 10 Paid Up) **	283.97	-	66.61	-	-	-	-	-	-
	Premium Received on Allotment of Partly Paid up Shares **	1,777.38	-	416.92	-	-	-	-	-	-
Mrs. V Indira Devi	Rent paid	-	48.00	-	-	-	48.00	-	-	-
	Director's remuneration	-	32.50	-	-	-	36.00	-	-	-
	Director Commission Payable	17.68	21.71	-	17.68	21.71	26.92	-	21.71	26.92
	Rent deposit given	38.50	-	-	-	38.50	-	-	-	38.50
	Share Capital (₹ 10/- Paid up)	132.69	-	-	-	164.81	-	-	-	164.81
	Partly paid up shares (₹ 10 Paid Up) **	26.02	-	6.10	-	-	-	-	-	-
	Premium Received on Allotment of Partly Paid up Shares **	162.86	-	38.20	-	-	-	-	-	-
Mrs.K.Vasumathi Devi	Director's remuneration	-	54.17	-	-	-	60.00	-	-	-
	Director Commission Payable	29.17	35.82	-	29.17	35.82	44.42	-	35.82	44.43
	Share Capital (₹ 10/- Paid up)	213.13	-	-	-	264.73	-	-	-	264.73
	Partly paid up shares (₹ 10 Paid Up) **	41.79	-	9.80	-	-	-	-	-	-
	Premium Received on Allotment of Partly Paid up Shares **	261.59	-	61.36	-	-	-	-	-	-
Mr.Sreepal Gulabchand Jain	Salary Paid	-	51.05	-	-	-	55.40	-	-	-
Mr.Ch.Sreenivasa Rao	Salary Paid	-	23.10	-	-	-	25.41	-	-	-
	Staff Loan	-	(10.00)	10.00	-	-	-	-	-	-
	Interest Received		0.04	-	-	-	-			
	ESOP Compensation	-	-	-	-	-	-	-	-	-
Relatives of key management personnel										

Notes
on Standalone Financial Statements for the year ended March 31, 2023

Name of related party	Nature of transaction	For the FY 2022					For the FY 2023			
		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	Transaction value for the year ended March 31, 2023	Received During the year	Paid During the Year	As at March 31, 2023
Mrs. D Vasantha Lakshmi	Share Capital (₹ 10/- Paid up)	200.61	-		-	249.18	-	-	-	249.18
	Partly paid up shares (₹ 10 Paid Up) **	39.34	-	9.23		-	-	-	-	
	Premium Received on Allotment of Partly Paid up Shares **	246.23		57.76		-	-	-	-	
	Purchase of IKF Home Finance Limited Shares	-	-		-	-	-	-	-	-
Mr. V Raghu Ram	Share Capital (₹ 10/- Paid up)	144.97	-		-	180.07	-	-	-	180.07
	Partly paid up shares (₹ 10 Paid Up) **	28.43	-	6.67	-	-	-	-	-	-
	Premium Received on Allotment of Partly Paid up Shares **	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	-	-	-	-	-	-	(400.00)	400.00	-
	Interest Received	-	-	-	-	-	1.42		-	-
	Inter Corporate deposits taken ***	-	-	(48,200.00)	48,200.00	-	-	(27,000.00)	27,000.00	-
	Interest Paid	-	265.90	-	-	-	126.42	-	-	-
	Direct Assignment	3,487.22	-	(704.24)	-	2,782.98	-	(803.10)	-	1,979.88
	Interest Receivable on Direct Assignment	22.85	441.76	(430.15)	-	34.46	313.39	(318.87)	-	28.98
	Investments in equity shares by IKF Finance Ltd.,	4,525.10	-	-	1,727.82	6,252.92	-	-	4,509.81	10,762.73
	Investments in equity shares Refundable				1.75	1.75		(1.75)	-	-
	Service Fee Collected	-	28.89	-	-	-	28.35	-	-	
	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	58.20*	-	-	58.20	-	-	-	-	-

Notes
on Standalone Financial Statements for the year ended March 31, 2023

Name of related party	Nature of transaction	For the FY 2022					For the FY 2023			
		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	Transaction value for the year ended March 31, 2023	Received During the year	Paid During the Year	As at March 31, 2023
	Interest Paid	1.38	0.76	-	2.14	-	-	-	-	-
Enterprises in which Directors are interested										
SVR Finance & Leasing Private Limited	Trade Advance	-	-	-	-	-	-	-	-	-
	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	-	-	-	-	-				
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	-	-		-	-				

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Short-term employee benefits	395.42	345.20
Post-employment benefits#	-	-
Long-term employee benefits	-	-
Termination benefits	-	-
Employee-share based payment	-	-
Total compensation	**395.42**	**345.20**

#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%

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, 2023 and March 31, 2022.

43 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, 2023

(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	1,69,430.51	973.33	1,68,457.18	678.69	294.65
	Stage 2	38,155.74	711.90	37,443.83	151.10	560.80
Subtotal for Performing Assets		**2,07,586.24**	**1,685.23**	**2,05,901.01**	**829.79**	**855.45**
Non-Performing Assets (NPA)						
Substandard	Stage 3	2,337.17	716.21	1,620.96	623.18	93.03
Doubtful - upto 1 year	Stage 3	3,721.15	572.00	3,149.15	351.53	220.47

Notes

on Standalone Financial Statements for the year ended March 31, 2023

(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)
Doubtful - 1 to 3 years	Stage 3	-	-	-	-	-
Doubtful - more than 3 years	Stage 3	-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**6,058.32**	**1,288.21**	**4,770.11**	**974.71**	**313.50**
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**	**1,69,430.51**	**973.33**	**1,68,457.18**	**678.69**	**294.65**
	Stage 2	**38,155.74**	**711.90**	**37,443.83**	**151.10**	**560.80**
	Stage 3	**6,058.32**	**1,288.21**	**4,770.11**	**974.71**	**313.50**
	Total	**2,13,644.56**	**2,973.44**	**2,10,671.12**	**1,804.50**	**1,168.95**

* Provision required as per IRACP norms is excluding provision on interest income from Stage 3 loans.

44 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.

44.01 Capital to Risk Asset Ratio (CRAR)

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Tier I Capital	63,863.99	35,287.42
Tier II Capital	16,474.70	4,189.64
Total Capital	80,338.70	39,477.07
Total Risk Weighted Assets	2,43,322.36	1,63,803.79
CRAR (%)	33.02%	24.11%
CRAR - Tier I Capital (%)	26.25%	21.55%
CRAR - Tier II Capital (%)	6.77%	2.56%
Amount of subordinated debt raised as Tier - II Capital	16,500.00	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 - Systemically 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.

Notes
on Standalone Financial Statements for the year ended March 31, 2023

44.02 Investments

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Value of Investments		
(I) Gross value of investments		
(a) In India	30,810.55	6,252.92
(a) Outside India	-	-
(II) Provisions for Depreciation		
(a) In India	-	-
(a) Outside India	-	-
(III) Net value of investments		
(a) In India	30,810.55	6,252.92
(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	-	-

44.03 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

44.04 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, 2023	As at March 31, 2022
(I) No of SPEs holding assets for securitisation transactions originated by the originator	-	1.00
(II) Total amount of securitised assets as per books of the SPEs	-	1,104.05
(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
(ii) Others	-	-

Notes

on Standalone Financial Statements for the year ended March 31, 2023

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(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
(2) Others	-	-
(i) Exposure to third party securitisations		
(1) First Loss	-	-
(2) Others	-	-
(V) Sale consideration received for the securitised assets	-	2,749.59
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	-	-
(b) Repayment received	-	2,349.16
(c) Outstanding amount	-	352.00
(VIII) Average default rate of portfolios observed in the past.		
(a) Vehicle Loans	-	1.97
(b) Others	-	-
(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	-	-

44.05 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

44.06 Details of loans transferred / acquired during the quarter ended March 31, 2023 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, 2023

Particulars	Transferred	Acquired
Aggregate amount of loans transferred / acquired (₹ in lakhs)	22575.80	6356.72
Weighted average maturity (in months)	29.31	21.19
Weighted average holding period (in months)	8.39	9.50
Retention of beneficial economic interest by the originator	10.00%	12.01%
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.

44.07 Value of Imports calculated on CIF basis

The Company has not imported any goods therefore value of import on CIF basis is Nil

44.08 Expenditure in Foreign Currency

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Legal and professional fees	0.51	0.90
Total	**0.51**	**0.90**

44.09 Earnings in Foreign Currency

The Company does has not have any earnings in foreign currency

44.10 Details of credit impaired assets purchased / sold

The Company has not purchased / sold non-performing financial assets in the current and previous year

44.11 Exposure to Real estate sector

The Company has no exposure to the real estate sector directly or indirectly in the current and previous year.

44.12 Exposure to Capital Market

The Company has no exposure to the capital market directly or indirectly in the current and previous year.

Notes
on Standalone Financial Statements for the year ended March 31, 2023

44.13 Financing of Parent Company Product

This disclosure is not applicable as the Company does not have any holding / parent company

44.14 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.

44.15 Unsecured Advances

The Company has no unsecured advances given against rights, licenses, authorizations etc. during the year and for previous year.

44.16 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

44.17 Penalty

No penalties were imposed by RBI and other regulators during the current year

44.18 Credit Rating

Particulars	As at March 31, 2023	As at March 31, 2022
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)

Particulars	As at March 31, 2023	As at March 31, 2022
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)

44.19 Provisions

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
1. Provisions towards income tax	1,461.47	1,487.04
2. Provisions towards loans	-44.98	-224.16
3. Provisions towards trade receivables	-	-26.21

44.20 Draw down from Reserves:

There has been no draw down from reserves during the year ended March 31, 2023 (previous year: Nil)

44.21 Concentration of Loans

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total Loans to twenty largest borrowers	27,668.83	17,475.78
Percentage of Loans to twenty largest borrowers to total advances of the NBFC	12.95%	10.97%

44.22 Concentration of All Exposure (including off - balance sheet exposures)

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total Exposure to twenty largest borrowers / customers	27,668.83	17,576.15
Percentage of exposure to twenty largest borrowers / customers to total exposure of the NBFC on borrowers / customers.	12.95%	10.09%

44.23 Concentration of credit impaired loans

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total Exposure to top ten credit impaired accounts	1,178.46	674.31

44.24 Sector Wise Credit-Impaired Assets under Ind AS

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
1. Agriculture & allied activities	2.14%	1.24%
2. MSME	-	-
3. Corporate Borrowers	-	-
4. Services	-	-
5. Unsecured Personal Loans	-	-
6. Auto Loans	3.12%	3.01%
7. Others	2.03%	1.76%

Notes

on Standalone Financial Statements for the year ended March 31, 2023

44.25 Movement of Credit-Impaired Loans under Ind AS

(Currency : ₹ in lakhs)

Particulars		As at March 31, 2023	As at March 31, 2022
(I)	Net impaired loss allowance to Net loans (%)	2.26%	1.84%
(II)	Movement of Credit impaired loans under Ind-AS (Gross)		
	(a) Opening Balance	4,338.15	4,275.96
	(b) (Deletion)/Addition during the year	1,720.17	62.19
	(c) Closing balance	6,058.32	4,338.15
(III)	Movement of Net Impaired loss		
	(a) Opening Balance	2,872.82	3,067.95
	(b) (Deletion)/Addition during the year	1,897.29	(195.10)
	(c) Closing balance	4,770.11	2,872.84
(III)	Movement of impairment loss allowance on credit impaired loans		
	(a) Opening Balance	1,465.32	1,208.00
	(b) (Deletion)/Addition during the year	(177.11)	257.31
	(c) Closing balance	1,288.21	1,465.31

44.26 Overseas Assets

The Company does not have any joint venture or subsidiary abroad; hence this disclosure is not applicable.

44.27 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

44.28 Customer Complaints

(Currency : ₹ in lakhs)

Sr. No	Particulars		As at March 31, 2023	As at March 31, 2022
	Complaints received by the Company from its customers			
1		Number of complaints pending at beginning of the year	-	2
2		Number of complaints received during the year	48	13
3		Number of complaints disposed during the year	48	15
	3.1	Of which, number of complaints rejected by the Company - -		
4		Number of complaints pending at the end of the year	-	-
	Maintainable complaints received by the Company from Office of ombudsman			
5	Number of maintainable complaints received by the Company from Office of Ombudsman		4	2
	5.1	Of 5, number of complaints resolved in favour of the Company by office of Ombudsman	4	2
	5.2	Of 5,number of complaints resolved through conciliation/ mediation/ advisories issued by Office of Ombudsman		-
	5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the Company	-	-
6	Number of Awards unimplemented within the stipulated time (other than those appealed)		-	-

Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Year ended March 31, 2023					
Credit reports related		11	1000%	-	-
Document related		22	450%	-	-
Loan related		9	125%	-	-
Payment related		6	50%	-	-
Others		-	-	-	-
Total		48	269%	-	-
Year ended March 31, 202					
Credit reports related		1	-	-	-
Document related		4	-	-	-
Loan related		4	-	-	-
Payment related		4	-	-	-
Others		-	-	-	-
Total		13	-	-	-

44.29 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	Year ended March 31, 2023	Year ended March 31, 2022
Amount Involved	-	-
Amount Recovered	-	-
Amount Written off/provided	-	-
Balance	-	-

44.30 Transactions with Non-Executive Directors

(Currency : ₹ in lakhs)

Name of Non-Executive Director	Transaction Type	Year ended March 31, 2023	Year ended March 31, 2022
Nageswara Rao Yalamanchili	Payment of Sitting Fees	3.50	1.00
Sunil Rewachand Chandiramani	Payment of Sitting Fees	2.00	-
Gopalakrishna Gurrappa	Payment of Sitting Fees	2.00	-

Notes

on Standalone Financial Statements for the year ended March 31, 2023

44.31 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.

44.32 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, 2023, no vendor / supplier has intimated the Company about its status as micro or small enterprises or its registration with the appropriate authority under MSMED

44.33 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:

(Currency : ₹ in lakhs)

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	82.81	-	-	1.66	81.15
Total	**82.81**	**-**	**-**	**1.66**	**81.15**

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

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.

44.34 Asset liability management

Maturity pattern of certain items of asset and liabilities - As at March 31, 2023

(Currency : ₹ in lakhs)

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	1,618.57	182.85	1,492.20	2,271.40	8,495.92	11,376.44	45,944.26	61,404.77	9,739.36	-	1,42,525.78
Other Borrowings	279.91	484.30	408.43	787.36	725.44	2,479.97	5,030.38	16,075.54	625.00	-	26,896.33
Market Borrowings	-	-	5,116.25	-	905.82	2,622.63	6,750.00	3,500.00	2,500.00	14,000.00	35,394.70
Assets											
Advances*	2,532.52	800.91	220.49	6,341.17	6,490.64	19,853.22	39,934.49	1,16,682.44	18,356.87	2,515.22	2,13,727.95
Investments	-	-	9,202.03	10,845.80	-	-	-	-	-	10,762.73	30,810.55

Notes
on Standalone Financial Statements for the year ended March 31, 2023

Maturity pattern of certain items of asset and liabilities - As at March 31, 2022

(Currency : ₹ in lakhs)

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	-	-	11,914.83
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**

*The amount appearing above for gross loans and borrowings excludes the impact of EIR.

44.35 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, 2023.

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

(Currency : ₹ in lakhs)

Sr. No	No of Significant Counterparties	As at March 31, 2023			As at March 31, 2022		
		Amount#	% of total Deposits	% of Total Liabilities*	Amount #	% of total Deposits	% of Total Liabilities*
1	39	2,00,998.87	NA	97.02%	1,27,107.49	NA	95.51%

ii) Top 20 large deposits – Not Applicable

iii) Top 10 Borrowings

As at March 31, 2023			As at March 31, 2022	
Amount #	% of Total iabilities*		Amount #	% of Total Liabilities*
88,858.07	42.89%	0.00%	83,507.47	62.75%

iv) Funding Concentration based on significant instrument/product

(Currency : ₹ in lakhs)

Sr. No	Name of the instrument	As at March 31, 2023		As at March 31, 2022	
		Amount#	% of Total Liabilities*	Amount #	% of Total Liabilities*
1	Term Loan	1,43,113.79	69.08%	76,193.48	57.25%
2	Non Convertible Debentures	35,000.00	16.89%	14,945.00	11.23%
3	Working capital / short term facilities	26,112.03	12.60%	32,691.04	24.56%
	Total	**2,04,225.82**	**98.57%**	**1,23,829.52**	**93.04%**

Notes
on Standalone Financial Statements for the year ended March 31, 2023

v) Stock Ratios

(Currency : ₹ in lakhs)

Sr. No.	Particulars	31 March, 2023	31 March, 2022
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*	1.47%	1.97%
6	Other Short Term Liabilities # to Total Assets	1.10%	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.

44.36 Sectoral Exposure

(Currency : ₹ in lakhs)

Sr. No.	Sectors	Current Year			Previous Year		
		Total Exposure	GNPA(In Lacs)	GNPA(%)	Total Exposure	GNPA(In lacs)	GNPA(%)
1	**Agriculture & Allied Activities**	2923.98	62.56	2.14%	2603.41	32.18	1.24%
	Total	**2923.98**	**62.56**	**2.14%**	**2603.41**	**32.18**	**1.24%**
2	**Industry**						
	Others	548.42	0.00	0.00%	309.61	0.00	0.00%
	Total	**548.42**	**0.00**	**0.00%**	**309.61**	**0.00**	**0.00%**
3	**Services**						
	Transport Operators	81929.05	2640.49	3.22%	62767.87	2412.38	3.84%
	NBFC	27079.61	0.00	0.00%	16121.21	0.00	0.00%
	Service - Others	12650.17	699.56	5.53%	10699.74	304.47	2.85%
	Construction Equipment	44570.91	1045.57	2.35%	29957.01	671.30	2.24%
	Others	7603.59	221.54	2.91%	6216.83	176.65	2.84%
	Total	**173833.33**	**4607.16**	**2.65%**	**125762.66**	**3564.80**	**2.83%**
4	**Personal loans**						
	Vehicle/Auto Loans	34077.2	1298.1	3.81%	27728.92	646.02	2.33%
	Others	2345.0	90.5	3.86%	2939.22	95.15	3.24%
	Total	**36422.23**	**1388.59**	**3.81%**	**30668.14**	**741.17**	**2.42%**
	Grand Total	**213727.95**	**6058.32**	**2.83%**	**159343.81**	**4338.15**	**2.72%**

44.37 Intra Group Exposure

The Company has no exposure to the Intra Group Exposures for the financial years ended March 31,2023 and March 31,2022

44.38 Unhedged Foreign Currency Exposure

The Company does not have any unhedged foreign currency exposures for the financial years ended March 31, 2023 and March 31, 2022

44.39 Breach of Covenant

There were no instances of default or breaches of covenant in respect of loan availed or debt securities issued during the financial years ended March 31, 2023 and March 31, 2022.

44.40 Divergence in Asset Classification and Provisioning

The RBI has neither assessed any additional provisioning requirements in excess of 5 percent of the reported profits before tax and impairment loss on financial instruments for the financial year ended March 31, 2022, nor identified any additional Gross NPAs in excess of 5% of the reported Gross NPAs for the said period.

44.41 Corporate Governance

As per RBI Guidelines, Specific Disclosures relating to Corporate Governance should be disclosed under the Corporate Governance section of the Annual Report

Notes
on Standalone Financial Statements for the year ended March 31, 2023

44.42 Disclosure on related Party Transactions as per the RBI notification No.RBI/2022-23/26DOR.ACC.REC.No.20/21.04.018/2022-23 on Disclosure Requirements Under Scale Based Regulation for NBFCs dated April 19,2022

Related Party/Items	Parent(as per ownership/Control)		Subsidiaries		Associates/Joint venture		Key Management Personnel		Relatives of Key Management Personnel		Others		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Maximum Outstanding during the Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	10,762.73	6,252.92	-	-	-	-	-	-	-	-	10,762.73	6,252.92
Share Capital	-	-	-	-	-	-	2,414.90	2,403.86	590.43	590.43	2,085.56	2,085.56	5,090.89	5,079.85
Balance Outstanding at the Year End	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	88.50	88.50	-	-	-	-	88.50	88.50
Placement of Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	10,762.73	6,252.92	-	-	-	-	-	-	-	-	10,762.73	6,252.92
Purchase of Fixed / Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Fixed / Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid	-	-	126.42	265.90	-	-	-	-	-	-	-	-	126.42	265.90
Interest Received	-	-	1.42	-	-	-	-	-	-	-	-	-	1.42	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent paid	-	-	-	-	-	-	69.60	69.60	-	-	-	-	69.60	69.60
Director's Remuneration	-	-	-	-	-	-	180.00	162.50	-	-	-	-	180.00	162.50
Director's Commission Payable	-	-	-	-	-	-	134.62	108.55	-	-	-	-	134.62	108.55
Share Capital	-	-	-	-	-	-	2,414.90	2,403.86	590.43	590.43	2,085.56	2,085.56	5,090.89	5,079.85
Salary Paid	-	-	-	-	-	-	80.81	74.15	-	-	-	-	80.81	74.15
Service Fee Collected	-	-	28.35	28.89	-	-	-	-	-	-	-	-	28.35	28.89
Direct Assignment	-	-	1,979.88	2,782.98	-	-	-	-	-	-	-	-	1,979.88	2,782.98
Interest Receivable on Direct Assignment	-	-	28.98	34.46	-	-	-	-	-	-	-	-	28.98	34.46

Notes
on Standalone Financial Statements for the year ended March 31, 2023

45 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, 2023 . No charges or satisfactions are yet to be registered with ROC beyond the statutory period.

46 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, 2023 and March 31, 2022.

47 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, 2023 and March 31, 2022.

48 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.

49 Undisclosed income

There are no transactions not recorded in the books of accounts.

50 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, 2023 and March 31, 2022.

51 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, 2023 and March 31, 2022.

52 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, 2023 and March 31, 2022.

53 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, 2023 and March 31, 2022.

Notes

on Standalone Financial Statements for the year ended March 31, 2023

54 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, 2023 and March 31, 2022.

55 Investment in Associates and Structured Entities

The Company does not have any Associates and Structured Entities

56 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

57 Previous year's information have been regrouped/reclassified wherever necessary to correspond with current year's classification/disclosure.

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: 30 May 2023

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

Ch.Sreenivasa Rao
Company Secretary
& Chief Financial Officer
M.No. ACS14723
Place: Vijayawada
Date: 30 May 2023

Notes
on Standalone Financial Statements for the year ended March 31, 2023

Schedule to Balance Sheet

(Currency : INR in lakhs)

Particulars	As at March 31, 2023	
Liabilities side	**Amount outstanding**	**Amount overdue**
(1) Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid :		
(a) Debentures : Secured	10,125.66	-
: Unsecured	8,712.88	-
(other than falling within the meaning of public deposits*)		
(b) Deferred Credits	-	-
(c) Term Loans	1,42,384.29	-
(d) Inter-corporate loans and borrowing	-	-
(e) Commercial Paper	-	-
(f) Public Deposits*	-	-
(g) Other Loans - Subordinate Debts	16,345.06	-
- Cash Credit	26,112.03	-
- Securitization Transaction	-	-
* 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		2,13,727.95
(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		-

Notes
on Standalone Financial Statements for the year ended March 31, 2023

(Currency : INR in lakhs)

Assets side			Amount outstanding
(5)	**Break-up of Investments**		
	Current Investments		
	1.	Quoted	
	(i)	Shares	
		(a) Equity	-
		(b) Preference	-
	(ii)	Debentures and Bonds	20,047.82
	(iii)	Units of mutual funds	-
	(iv)	Government Securities	-
	(v)	Others (please specify)	-
	2.	Unquoted	
	(i)	Shares	
		(a) Equity	-
		(b) Preference	-
	(ii)	Debentures and Bonds	-
	(iii)	Units of mutual funds	-
	(iv)	Government Securities	-
	(v)	Others (please specify)	-
	Long Term investments		
	1.	Quoted	
	(i)	Share	
		(a) Equity	-
		(b) Preference	-
	(ii)	Debentures and Bonds	-
	(iii)	Units of mutual funds	-
	(iv)	Government Securities	-
	(v)	Others (please specify)	-
	2.	Unquoted	
	(i)	Shares	
		(a) Equity	10,762.73
		(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

(Currency : INR in lakhs)

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	2,13,727.95	-
Total		**2,13,727.95**	**-**

(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	10,762.73
	(b) Companies in the same group	-
	(c) Other related parties	-
2.	Other than related parties	-
Total		**10,762.73**
** As per Accounting Standard of ICAI (Please see Note 3)		

(8) Other information

Particulars		Amount
(i)	Gross Non-Performing Assets	
	(a) Related parties	-
	(b) Other than related parties	6,058.32
(ii)	Net Non-Performing Assets	
	(a) Related parties	-
	(b) Other than related parties	4,770.11
(iii)	Assets acquired in satisfaction of debt	66.01

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

We have audited the accompanying consolidated financial statements of IKF FINANCE LIMITED (the "Company") and its subsidiary (the Company and its subsidiary together referred to as the "Group") which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and 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, the aforesaid consolidated financial statements, give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023 and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows 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 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 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 is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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, 2023. 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.

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 consolidated 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 consolidated 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 consolidated 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: • 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 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, 2023 by reconciling it with the balances as per loan balance register and loan commitment report as on that date. • 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. • 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.

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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

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, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report 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 Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Boards 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 and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Boards of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are also 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 statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SA 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 statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3} (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, 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.

  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 consolidated financial statements for the financial year ended March 31, 2023 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 include the audited financial statement of one subsidiary, whose financial statement reflect Group's share of total assets (before consolidation adjustments) of ₹ 68,343.67 lakhs as at 31 March 2023, Group's share of total revenue (before consolidation adjustments) of ₹ 8,878.54 lakhs, Group's share of total net profit after tax (before consolidation adjustments) of ₹ 1,071.61 lakhs and Group's share of net cash outflow (before consolidation adjustments) of ₹ 1509.27 lakhs for the year ended on that date, as considered in the consolidated annual 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 are as stated in paragraph above.

Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the management.

Report on Other Legal and Regulatory Requirements

1. 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 purposes 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 consolidated financial statements have been kept so far as it appears from our examination of those books.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant 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 Company as on March 31, 2023 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2023 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 with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Company and its subsidiary companies incorporated in India.

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

i. The Group does not have any pending litigations which would impact financial position of the company and its subsidiary;

ii. The Group 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 Group.

iv. (a) The respective Managements of the Holding Company and its subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, 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 or any of such subsidiary to or in any other person or entity, outside the Group, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company and its subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiary from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiary 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 Group has not declared or paid any dividend during the year and has not proposed final dividend for the year.

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

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 its subsidiary included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, 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 :- 23044739BGUNPB1074

Place :- Mumbai
Date :- 30-05-2023

Annexure "A" to the Independent Auditor's Report

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to Consolidated Financial Statements of IKF FINANCE Limited (hereinafter referred to as the "Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 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 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 consolidated 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 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 consolidated 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 consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these consolidated financial statements

A Company's Internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated 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 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 transaction are recorded as necessary to permit preparation of consolidated 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 consolidated 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 over financial reporting 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 over financial reporting with reference to these 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 Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note on audit of Internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

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

Suresh Murarka
Partner
Membership No. :- 044739
UDIN :- 23044739BGUNPB1074

Place :- Mumbai
Date :- 30-05-2023

Consolidated Balance Sheet

as at March 31, 2023

(Currency : ₹ in lakhs)

Particulars	Note No	As at March 31, 2023	As at March 31, 2022
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	3	27,817.26	9,664.31
(b) Bank Balance other than included in (a) above	4	6,098.78	2,533.65
(c) Loans	5	2,68,920.04	1,89,210.12
(d) Investments	7	21,247.83	-
(e) Other financial assets	6	4,759.15	3,221.75
		3,28,843.06	**2,04,629.83**
(2) Non-financial assets			
(a) Current Tax Assets (Net)		400.55	200.95
(b) Deferred Tax Assets (Net)	29	-	70.34
(c) Investment Property	10	72.14	114.31
(d) Property, Plant and Equipment	9	363.00	343.00
(e) Right of use asset	9	313.23	19.67
(f) Intangible assets	11	236.22	175.97
(g) Goodwill		774.47	774.47
(h) Other non-financial assets	8	3,387.49	1,080.22
		5,547.10	**2,778.93**
Total assets		**3,34,390.16**	**2,07,408.76**
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial liabilities			
(a) Derivative financial instruments		5.40	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	12	113.02	7.09
(c) Debt securities	13	26,640.67	23,807.91
(d) Borrowings (other than debt securities)	14	2,13,081.79	1,32,139.07
(e) Subordinated Liabilities	15	16,345.06	6,003.45
(f) Other financial liabilities	16	4,026.93	3,103.00
		2,60,212.87	**1,65,119.20**
(2) Non-financial liabilities			
(a) Provisions	17	261.90	345.34
(b) Deferred tax liabilities (Net)	29	464.37	165.35
(c) Other non-financial liabilities	18	263.49	157.27
		989.76	**667.96**
EQUITY			
(a) Equity share capital	19	6,457.51	5,265.91
(b) Other equity	20	65,945.19	35,780.90
(c) Non- Controlling Interest		784.84	574.79
		3,34,390.16	**2,07,408.76**
Total liabilities and equity			

Significant accounting policies and key accounting estimates and judgments 2

The accompanying notes form an integral part of the consolidated 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

Ch.Sreenivasa Rao
Company Secretary
& Chief Financial Officer
M.No. ACS14723

Place: Mumbai
Date: 30 May 2023

Place: Vijayawada
Date: 30 May 2023

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

(Currency : ₹ in lakhs)

	Particulars	Note No	Year ended March 31, 2023	Year ended March 31, 2022
Revenue From operations				
(i)	Interest income	21	36,553.47	26,301.60
(ii)	Fees and commission income	22	890.61	660.15
(I)	**Total revenue from operations**		**37,444.08**	**26,961.75**
(II)	Other income	23	400.63	207.95
(III)	**Total income (I + II)**		**37,844.71**	**27,169.70**
Expenses				
(i)	Finance costs	24.1	19,217.55	13,617.93
(ii)	Net loss on fair value changes	24.2	-	3.35
(iii)	Impairment on financial instruments	25	628.21	513.01
(iv)	Employee benefits expenses	26	7,027.13	4,650.46
(v)	Depreciation, amortization and impairment	27	341.66	190.23
(vi)	Others expenses	28	2,381.82	1,356.29
(IV)	**Total expenses**		**29,596.37**	**20,331.27**
(V)	**Profit before tax (III - IV)**		**8,248.34**	**6,838.43**
(VI)	**Tax Expense:**			
	(1) Current Tax	29	1,717.24	1,740.28
	(2) Deferred Tax	29	366.23	(24.92)
	(3) Adjustment of tax relating to earlier periods	29	12.91	10.06
			2,096.38	**1,725.42**
(VII)	**Profit for the period (V-VI)**		**6,151.96**	**5,113.01**
(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	17.82	12.80
	Impact of changes in fair value of Financial Instruments		53.28	
	Income tax relating to items that will not be reclassified to profit or loss		(3.13)	(3.22)
	Other comprehensive income / (loss)		**67.97**	**9.58**
(IX)	**Total comprehensive income for the period (VII + VIII)**		**6,219.93**	**5,122.59**
	Attributable to:			
	Owners of the Company		**6,133.80**	**5,047.32**
	Non-controlling interest		**86.15**	**75.24**
(X)	**Earnings per share (equity share, par value of ₹10 each)**			
	Basic	31	11.46	9.89
	Diluted	31	11.45	9.89

Significant accounting policies and key accounting estimates and judgments 2

The accompanying notes form an integral part of the consolidated 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: 30 May 2023

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

Ch.Sreenivasa Rao
Company Secretary
& Chief Financial Officer
M.No. ACS14723

Place: Vijayawada
Date: 30 May 2023

Consolidated Cash Flow statement

for the year ended March 31, 2023

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	8,248.34	6,838.43
Adjustments for:		
Depreciation, amortisation and impairment	341.66	190.23
Interest Income	(36,553.47)	(26,301.60)
Interest expenses	19,217.55	13,617.93
Impairment on financial instrument	628.21	513.01
Net loss on fair value changes	-	3.35
Share based payment expense	(4.00)	(6.03)
Provision for expenses	2.25	6.60
Employee benefit expenses	(31.35)	94.59
Rental income on Investment property	(7.63)	(7.63)
(Profit)/ Loss on sale of property, plant and equipment	1.14	(0.07)
(Profit)/ Loss on sale of immovable Property	3.15	6.10
Cash generated from / (used in) operations before working capital changes and adjustments for interest received and interest paid	**(8,154.16)**	**(5,045.08)**
Adjustments for changes in Working Capital :		
Decrease / (Increase) in trade receivable	-	(12.47)
Decrease / (Increase) in loans	(79,896.38)	(38,117.26)
Decrease / (Increase) in bank balances other than cash and cash equivalents	(3,565.14)	1,631.18
Decrease / (Increase) in other financial assets	(297.93)	(5,403.68)
Decrease / (Increase) in other non-financial assets	(2,307.26)	(678.52)
(Decrease) / Increase in trade payables	105.93	(16.43)
(Decrease) / Increase in other financial liabilities	626.06	(458.46)
(Decrease) / Increase in provisions	33.69	(30.08)
(Decrease) / Increase in other non-financial liabilities	106.22	8.51
Interest received	33,600.98	31,293.07
Interest paid	(19,393.29)	(13,450.44)
	(79,141.28)	**(30,279.66)**
Income tax paid (net of refunds)	(1,929.74)	(1,805.25)
Derivative financial instruments	45.27	
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	**(81,025.75)**	**(32,084.92)**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(131.47)	(114.86)
Purchase of Investment property	-	(224.11)
Rental income on Investment property	7.63	7.63
Proceeds from sale of property, plant and equipment	0.82	0.08
Proceeds from sale of Investment property	38.85	110.00
Purchase of intangible assets	(137.38)	(37.27)
Purchase of investments in market instruments	(21,247.83)	
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	**(21,469.37)**	**(258.54)**

Consolidated Cash Flow statement

for the year ended March 31, 2023

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
CASH FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares (including securities premium)	25,506.83	714.39
Amount received from debt securities	7,000.00	8,000.00
Repayment of debt securities	(4,249.92)	(26,783.33)
Amount received from borrowings other than debt securities	1,39,390.00	77,180.00
Repayment of borrowings other than debt securities	(57,339.83)	(31,541.19)
Amount received from subordinated Liabilities	14,000.00	-
Repayment of subordinated debt	(3,500.00)	-
Payment of principal portion of lease liabilities	(123.03)	(31.05)
Payment of interest on lease liabilities	(36.00)	(3.79)
NET CASH GENERATED FROM / (USED IN) FROM FINANCING ACTIVITIES	**1,20,648.04**	**27,535.03**
Net Increase / (Decrease) in Cash and Cash Equivalents	**18,152.91**	**(4,808.43)**
Cash and Cash Equivalents at the beginning of Year	9,664.31	14,474.42
Cash and Cash Equivalents at the end of the Year	27,817.26	9,664.31

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: 30 May 2023

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

Ch.Sreenivasa Rao
Company Secretary
& Chief Financial Officer
M.No. ACS14723
Place: Vijayawada
Date: 30 May 2023

IKF FINANCE
"LEGACY THAT INSPIRES, TECHNOLOGY THAT DELIVERS"

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

A. Equity share capital

Current Reporting Period

(Currency : ₹ in lakhs)

Particulars	Balance at the beginning of the current reporting period As at March 31, 2022	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 end of the current reporting period As at March 31, 2023
Issued, Subscribed and paid up - fully paid (Equity shares of ₹10 each, Fully paid-up)	5,265.91	-	5,265.91	1,191.60	6,457.51

Previous Reporting Period

(Currency : ₹ in lakhs)

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 end 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	419.55	-	419.55	(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, 2021	**4,685.86**	**32.50**	**9,960.39**	**1,019.93**	**30.65**	**14,439.99**	**30,169.33**
Prior Period items	-	-	-	-	-	9.59	9.59
Restated Balance at the beginning of the reporting period	4,685.86	32.50	9,960.39	1,019.93	30.65	14,449.58	30,178.92
Profit for the year	-	-	-	-	-	5,037.79	5,037.79
Other comprehensive income for the year	-	-	-	-	-	9.58	9.58
Total comprehensive income for the year (net of tax)	-	-	-	-	-	5,047.37	5,047.37
Transfer to Statutory Reserve	1,056.19	-	-	-	-	(1,056.19)	-
Transfer to General Reserve	-	-	-	201.52	-	(201.52)	-

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

(Currency : ₹ in lakhs)

Particulars	Reserves and Surplus						Total
	Statutory Reserve	Capital Reserve	Securities Premium	General Reserve	Share based payment Reserve	Retained Earnings	
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**	**10,576.37**	**1,221.45**	**24.62**	**18,183.91**	**35,780.90**
Prior Period items	-	-	-	-	-	(280.75)	(280.75)
Restated Balance at the beginning of the reporting period	5,742.05	32.50	10,576.37	1,221.45	24.62	17,903.16	35,500.16
Profit for the year	-	-	-	-	-	6,065.83	6,065.83
Other comprehensive income for the year	-	-	-	-	-	28.09	28.09
Total comprehensive income for the year (net of tax)	-	-	-	-	-	6,093.92	6,093.92
Transfer to Statutory Reserve	1,268.00	-	-	-	-	(1,268.00)	-
Transfer to General Reserve	-	-	-	250.03	-	(250.03)	-
Transfer to Hedge Reserve						39.87	39.87
Issue of equity shares	-	-	24,315.23	-	-	-	24,315.23
Share based payment expense	-	-	-	-	(4.00)	-	(4.00)
Balance at March 31, 2023	**7,010.06**	**32.50**	**34,891.60**	**1,471.48**	**20.63**	**22,518.92**	**65,945.19**

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: 30 May 2023

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

Ch.Sreenivasa Rao
Company Secretary
& Chief Financial Officer
M.No. ACS14723
Place: Vijayawada
Date: 30 May 2023

Notes

on Consolidated Financial Statements for the year ended March 31, 2023

1 Group Information

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, 2023 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	92.37%

2 Significant Accounting Policies

2.1 Basis of preparation

The financial statements for the year ended March 31, 2023 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

Notes

on Consolidated Financial Statements for the year ended March 31, 2023

other regulators are implemented as and when they are issued/ applicable.

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 5-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

Notes
on Consolidated Financial Statements for the year ended March 31, 2023

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 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

Notes

on Consolidated Financial Statements for the year ended March 31, 2023

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 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

Notes
on Consolidated Financial Statements for the year ended March 31, 2023

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.

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

Notes

on Consolidated Financial Statements for the year ended March 31, 2023

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.

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

Notes

on Consolidated Financial Statements for the year ended March 31, 2023

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.

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.

Notes

on Consolidated Financial Statements for the year ended March 31, 2023

3 Cash and cash equivalents

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	231.31	107.03
Balances with banks in current accounts	27,585.95	9,557.28
Total	**27,817.25**	**9,664.31**

4 Bank balance other than cash and cash equivalents

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks to the extent held as margin money*	6,098.78	2,533.65
Total	**6,098.78**	**2,533.65**

* Represent margin money deposits placed to avail term loans from banks, financial institutions and as cash collateral in connection with securitisation transactions.

3 Cash and cash equivalents

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Term loans	2,72,327.28	1,92,822.33
(ii) Others (ICD)	200.00	-
(iii) Staff loans	83.39	35.04
Total	**2,72,610.68**	**1,92,857.37**
Less: Impairment loss allowance	3,690.63	3,647.26
Total - Net of impairment loss allowance	**2,68,920.04**	**1,89,210.12**
(i) Secured by tangible assets*	2,72,327.28	1,92,822.33
(i) Secured by intangible assets	-	-
(ii) Covered by Bank/ Government Guarantees	-	-
(iii) Unsecured	283.39	35.04
Total	**2,72,610.68**	**1,92,857.37**
Less: Impairment loss allowance	3,690.63	3,647.26
Total - Net of impairment loss allowance	**2,68,920.04**	**1,89,210.12**
(i) Public sectors		-
(ii) Others	2,72,610.68	1,92,857.37
Total	**2,72,610.68**	**1,92,857.37**
Less: Impairment loss allowance	3,690.63	3,647.26
Total - Net of impairment loss allowance	**2,68,920.04**	**1,89,210.12**
(i) Loans in India	2,72,610.68	1,92,857.37
(ii) Loans outside India		
Total	**2,72,610.68**	**1,92,857.37**
Less: Impairment loss allowance	3,690.63	3,647.26
Total - Net of impairment loss allowance	**2,68,920.04**	**1,89,210.12**

*Secured against hypothecation of automobiles, book debts, equitable mortgage of immovable property etc.

Notes

on Consolidated Financial Statements for the year ended March 31, 2023

5.1 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, 2023	As at March 31, 2022
Term loans		
Stage I	2,26,752.91	1,61,721.80
Stage II	38,975.34	26,443.87
Stage III	6,599.03	4,656.66
Total	**2,72,327.28**	**1,92,822.33**

5.2 Gross movement of loans for the year ended March 31, 2023:-

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount as at April 1, 2022				
Term loans	1,61,721.80	26,443.87	4,656.66	1,92,822.34
Staff loans	35.04	-	-	35.04
New loans originated during the year				-
Term loans	1,53,415.19	8,116.97	768.52	1,62,300.68
Staff loans	48.80	-	-	48.80
Inter-stage movements:				
-Term loans				
Transfers to Stage 1	2,078.91	(2,051.41)	(27.50)	-
Transfers to Stage 2	(21,860.72)	21,887.11	(26.39)	-
Transfers to Stage 3	(1,735.52)	(1,626.22)	3,361.74	-
Interest on stage 3 loans	-	-	147.66	147.66
Amounts written off				
Term loans	(123.40)	(27.92)	(343.48)	(494.82)
Staff loans	-	-	-	-
Assets derecognised or repaid (excluding write offs)				
Term loans	(66,743.35)	(13,767.06)	(1,938.16)	(82,448.58)
Staff loans	(0.45)	-	-	(0.45)
Gross carrying amount as at March 31, 2023				
Term loans	**2,26,752.91**	**38,975.35**	**6,599.03**	**2,72,327.28**
Staff loans	**83.39**	**-**	**-**	**83.38**
Others (ICD)	**200.00**	**-**	**-**	**200.00**

Notes
on Consolidated Financial Statements for the year ended March 31, 2023

5.3 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	-	-	-
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**

5.4 ECL movement of term loans during the year ended March 31, 2023:-

(Currency : ₹ in lakhs)

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount as at April 1, 2022	**1,344.50**	**703.95**	**1,598.80**	**3,647.25**
New loans originated during the year	983.77	152.21	97.30	1,233.27
Inter-stage movements:				
Transfers to Stage 1	49.92	(46.26)	(3.66)	-
Transfers to Stage 2	(317.01)	335.15	(18.14)	-
Transfers to Stage 3	(58.54)	(79.27)	137.81	-
Amounts written off	(4.80)	(4.38)	(320.19)	(329.37)
Assets derecognised or repaid (excluding write offs)	(580.69)	(280.08)	0.24	(860.53)
Gross carrying amount as at March 31, 2023	**1,417.16**	**781.31**	**1,492.17**	**3,690.63**

Notes
on Consolidated Financial Statements for the year ended March 31, 2023

5.5 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**	**4,165.29**
New loans originated during the year	861.26	72.22	39.11	972.60
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	(784.14)
Gross carrying amount as at March 31, 2022	**1,344.50**	**703.95**	**1,598.80**	**3,647.25**

6 Other Financial Assets

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Rent and utility deposit	373.95	299.17
Excess Interest Spread (EIS) Receivables	3,972.47	2,719.59
Other -unsecured, considered good	412.74	202.99
Total	**4,759.16**	**3,221.75**

7 Investments

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Investment in Equity instruments		
- **Subsidiary (at cost)**		
IKF Home finance limited*	-	-
(March 31,2023:5,74,04,177 Equity shares of ₹ 10 each fully paid ; 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)		
Investment in Debt instruments		
- Market Linked Debentures (at Fair Value through Profit or loss)	17,160.75	
- Debentures (at Amortised Cost)	4,087.07	
Total (A)	**21,247.83**	**-**
(i) Investments in India	21,247.83	-
(ii) Investments outside India		-
Total (B)	**21,247.83**	**-**

Notes
on Consolidated Financial Statements for the year ended March 31, 2023

8 Other Non-Financial Assets

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid expenses	360.57	168.34
Advances to employees	0.67	7.04
GST input credit	523.41	404.84
Other -unsecured, considered good	2,502.84	500.00
Total	**3,387.50**	**1,080.22**

9 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, 2021	**29.13**	**288.24**	**116.73**	**28.44**	**111.34**	**573.88**	**187.50**
Additions	-	32.55	82.16	0.16	-	114.86	4.91
Disposals	-	-	(0.25)	-	-	(0.25)	(1.67)
As at March 31, 2022	**29.13**	**320.79**	**198.64**	**28.60**	**111.34**	**688.50**	**190.74**
Additions	-	22.68	97.29	11.50	-	131.47	457.34
Disposals	-	(2.47)	(27.70)	(0.54)	-	(30.71)	(22.89)
As at March 31, 2023	**29.13**	**341.00**	**268.24**	**39.55**	**111.34**	**789.26**	**625.18**
Accumulated depreciation and impairment:							
As at March 31, 2021	**10.61**	**104.49**	**85.55**	**12.21**	**41.60**	**254.46**	**141.81**
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**	**114.05**	**16.19**	**56.85**	**345.49**	**171.07**
Depreciation for the year	2.94	38.15	48.33	5.31	14.78	109.50	154.86
Disposals	-	(1.96)	(26.31)	(0.48)	-	(28.75)	(13.97)
As at March 31, 2023	**16.49**	**181.02**	**136.06**	**21.02**	**71.63**	**426.24**	**311.96**
Net book value							
As at March 31, 2021	18.52	183.75	31.18	16.23	69.74	319.41	45.68
As at March 31, 2022	15.58	175.94	84.60	12.41	54.49	343.00	19.67
As at March 31, 2023	12.64	159.98	132.18	18.53	39.71	363.02	313.21

Note: The Company has not revalued any of its property, plant and equipment during the years ended March 31, 2023 and March 31, 2022. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/ reversals is nil.

Notes

on Consolidated Financial Statements for the year ended March 31, 2023

10 Investment Property

(Currency : ₹ in lakhs)

Particulars	Buildings	Land	Total
Gross carrying amount			
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**
Additions	-	-	-
Disposals	-	(42.00)	(42.00)
As at March 31, 2023	**6.98**	**66.01**	**72.99**
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**
Depreciation for the year	0.17	-	0.17
Disposals	-	-	-
As at March 31, 2023	**0.85**	**-**	**0.85**
Net book value			
As at March 31, 2021	6.47	-	6.47
As at March 31, 2022	6.30	108.01	114.31
As at March 31, 2023	6.13	66.01	72.14

(i) Amounts recognised in Statement of Profit and Loss for Investment Property

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Rental Income	7.63	7.63
Direct operating expense from property that generated rental income		-
Profit from investment properties before depreciation	**7.63**	**7.63**
Depreciation	0.17	0.17
Profit from investment properties	**7.46**	**7.46**

(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) Fair value

The fair valuation of investment property as at March 31, 2023 is ₹ 394.18 lakhs(PY: ₹ 389.65 lakhs)

(iv) Pledged details

Investment property pledged in favor of consortium leader central bank for cash credit facility.

Notes

on Consolidated Financial Statements for the year ended March 31, 2023

(v) 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.

(vi) Revaluation

The Company has not revalued any of its investment property during the years ended March 31, 2023 and March 31, 2022. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/ reversals is nil.

11 Intangible assets

(Currency : ₹ in lakhs)

Particulars	Computer software
Gross carrying amount	
As at March 31, 2021	**366.63**
Additions	37.27
Disposal	-
As at March 31, 2022	**403.90**
Additions	137.39
Disposal	-
As at March 31, 2023	**541.29**
Accumulated amortisation and impairment	
As at March 31, 2021	**159.30**
Amortisation for the year	68.64
Disposal	-
As at March 31, 2022	**227.93**
Amortisation for the year	77.14
Disposal	-
As at March 31, 2023	**305.07**
Net book value	
As at March 31, 2021	207.33
As at March 31, 2022	175.97
As at March 31, 2023	236.22

Note: The Company has not revalued any of its intangible assets during the years ended March 31, 2023 and March 31, 2022. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil.

Notes

on Consolidated Financial Statements for the year ended March 31, 2023

12 Trade Payables

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of :		
(i) total outstanding dues of micro enterprises and small enterprises; (refer note 12.1 below)	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	113.02	7.09
Total	113.02	7.09

12.1 Disclosure relating to Micro, Small and Medium Enterprises Development Act, 2006 is as follows:

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Principal amount remaining unpaid to any supplier	-	-
(ii) Interest due thereon remaining unpaid to any supplier	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
Total	**-**	**-**

12.2 Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

12.3 Trade Payable aging schedule

As at Mar 31, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More Than 3 Years	
(i) MSME	-	-	-	-	-	-
(ii) Others	51.52	61.51	-	-	-	113.02
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**51.52**	**61.51**	**-**	**-**	**-**	**113.02**

Notes
on Consolidated Financial Statements for the year ended March 31, 2023

As at Mar 31, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More Than 3 Years	
(i) MSME	-	-	-	-	-	-
(ii) Others	-	7.09	-	-	-	7.09
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**-**	**7.09**	**-**	**-**	**-**	**7.09**

13 Debt Securities

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
At amortised cost		
Secured		
Non convertible debentures	17,927.79	19,991.02
Unsecured		
Other non convertible debentures	8,712.88	3,816.89
Total		
Debt Securities:		
Within India	26,640.67	23,807.90
Outside India		-
Total	**26,640.67**	**23,807.91**

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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Notes

Terms of repayment of Debt securities as on March 31, 2023

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%	4.00	3,500.00	4.00	3,500.00	-	-	7,000.00
	11.01%-12.00%	-	-	-	-	-	-	-
	12.01%-12.50%	0	0	-	-	-	-	-
Yearly repayment schedule								
1-5 Years	8.51%-9.50%	-	-	-	-	-	-	-
	9.51%-10.50%	1	833.33	-	-	-	-	833.33
	10.51%-11.50%	-	-	-	-	-	-	-
	11.51%-12.50%	-	-	-	-	-	-	-
Bullet repayment schedule								
1-7 Years	8.51%-9.50%	1	5,000	-	-	-	-	5,000.00
	9.51%-10.50%	2	6,500	-	1,000	-	-	7,500.00
	10.51%-11.50%	-	-	-	5,500	-	-	5,500.00
	11.51%-12.50%	-	-	-	-	-	-	-
Total			**15,833.33**	**-**	**10,000.00**	**-**	**-**	**25,833.33**
Add : Interest accrued but not due								862.81
Less : Unamortized Finance Cost								(55.48)
Total Amortized Cost			**15,833.33**		**10,000.00**		**-**	**26,640.67**

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%	0	-	-	-	-	-	-
	10.01%-11.00%	-	-	-	-	-	-	-
	11.01%-12.00%	-	-	-	-	-	-	-
	12.01%-12.50%	5	650.00	-	-	-	-	650.00

Notes
on Consolidated Financial Statements for the year ended March 31, 2023

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)	
Yearly repayment schedule								
1-5 Years	8.51%-9.50%	-	-	-	-	-	-	-
	9.51%-10.50%	1	833.33	1	833.33	-	-	1,666.67
	10.51%-11.50%	-	-	-	-	-	-	-
	11.51%-12.50%	-	-	-	-	-	-	-
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	5	7,500.00	-	-	9,000.00
	10.51%-11.50%	0	-	4	5,500.00	-	-	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**

14 Borrowings (other than debt securities)

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
At amortised cost		
Term loans (Secured)		
from banks	1,42,720.69	74,327.96
from non banking financial companies	26,757.56	10,993.61
from financial institutions	14,876.15	9,426.44
From National Housing Bank (NHB)	2,213.06	3,088.86
Term loans (Un Secured)		
from other parties	-	-
Loans repayable on demand (Secured):		
Cash credit from Bank	26,514.32	33,430.48
Associated liabilities in respect of securitisation transactions	-	871.72
Total	**2,13,081.79**	**1,32,139.07**
Borrowings:		
Within India	2,13,081.79	1,32,139.07
Outside India		
Total	**2,13,081.79**	**1,32,139.07**

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 ₹ 332.20 Cr (March 31, 2022: ₹ 342.20 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 borrowings (other than debt) as on March 31, 2023

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								
1-10 Years	5.00%-6.00%	-	-	-	-	-	-	-
	6.01%-7.00%	-	-	-	-	-	-	-
	7.01%-8.00%	-	-	-	-	-	-	-
	8.01%-9.00%	83	6,074.90	148	9,778.96	21	577	16,430.78
	9.01%-10.50%	287	25,588.15	465	48,105.12	9	572	74,265.12
	10.51%-11.50%	48	3,262.97	86	5,025.87	18	208	8,497.17
	11.51%-12.50%	15	998.71	21	1,145.85	-	-	2,144.56
	12.51%-13.50%	12	252.40	21	367.02	-	-	619.41
Quarterly repayment schedule								
1-5 Years	6.00%-7.00%	-	-	-	-	-	-	-
	7.01%-8.00%	16	2,335.20	55	4,236.30	9	92.80	6,664.30
	8.01%-9.00%	37	6,136.44	85	10,274.12	9	44.00	16,454.56
	9.01%-10.50%	74	15,311.06	160	30,251.00	36	1,481.56	47,043.62
	10.51%-11.50%	21	4,850.47	64	9,959.81	9	758.46	15,568.73
	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%**			**-**	**-**	**-**	**-**	**-**
			64,810.28		**1,19,144.05**		**3,733.93**	**1,87,688.25**
Add : Interest accrued but not due								235.23
Less : Unamortized Finance Cost								(1,356.02)
Total Amortized Cost			**64,810.28**	**-**	**1,19,144.05**	**-**	**3,733.93**	**1,86,567.47**

Notes

on Consolidated Financial Statements for the year ended March 31, 2023

Terms of repayment of borrowings (other than debt) 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	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
	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
Quarterly repayment schedule								
1-5 Years	6.00%-7.00%	12	227.40	64	1,208.59	17.00	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	8.00	1,571.43	35,204.16
	9.01%-10.50%	19	3,916.72	44	7,314.36	11.00	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%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
			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**

15 Subordinated Liabilities

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured - At amortised cost		
Non convertible debentures (Tier-II)	16,345.06	4,505.22
Indian rupee loan from banks (Tier-II)	-	1,498.23
Total	**16,345.06**	**6,003.46**
Subordinated Liabilities:		
Within India	16,345.06	6,003.46
Outside India	-	-
Total	**16,345.06**	**6,003.45**

Notes

on Consolidated Financial Statements for the year ended March 31, 2023

Terms of repayment of subordinated liabilities as on March 31, 2023

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%							-
	>13.50%			1	2,500.00	1	14,000.00	16,500.00
Total					**2,500.00**		**14,000.00**	**16,500.00**
Add : Interest accrued but not due								8.98
Less : Unamortized Finance Cost								(163.92)
Total Amortized Cost					**2,500.00**		**14,000.00**	**16,345.06**

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**		**-**	**6,003.44**

16 Other financial liabilities

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liabilities	322.30	20.09
Employee benefits payable	441.36	237.92
Expenses payable	26.79	4.45
Other Payables	811.12	832.20
Deposit from franchisees	431.47	341.41
Payable towards securitisation / assignment transactions	1,993.87	1,666.93
Total	**4,026.92**	**3,103.00**

Notes

on Consolidated Financial Statements for the year ended March 31, 2023

17 Provisions

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for gratuity	205.77	150.63
Provision for leave benefits	56.12	194.71
Total	**261.89**	**345.34**

18 Other non-financial liabilities

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues payable	263.49	157.27
Total	**263.49**	**157.27**

19. Equity share capital

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
Authorised Capital				
Equity shares of ₹ 10 each	8,00,00,000	8,000.00	6,00,00,000	6,000.00
Preference shares of ₹ 100 each	25,00,000	2,500.00	25,00,000	2,500.00
	8,25,00,000	**10,500.00**	**6,25,00,000**	**8,500.00**
Issued, subscribed and fully paid-up shares				
Equity Shares of ₹ 10 each fully paid up	6,45,75,050	6,457.51	4,74,79,379	4,747.94
Coverted from Partly Paid to Fully Paid Equity Shares	-	-	51,79,688	517.97
	6,45,75,050	**6,457.51**	**5,26,59,067**	**5,265.91**
Issued, subscribed and fully paid-up shares				
Equity Shares of ₹ 10 each, Fully paid up ₹ 10 per share	-	-	51,79,688	517.97
Converted to Fully Paid Equity Shares	-	-	(51,79,688)	(517.97)
	-	-	-	-
Total	**6,45,75,050**	**6,457.51**	**5,26,59,067**	**5,265.91**

A. Reconciliation of number of shares

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
Fully paid equity share of ₹ 10 each				
At the beginning of the year	5,26,59,067	5,265.91	4,74,79,379	4,747.94
Shares issued during the year	1,19,15,983	1,191.60	-	-
Coverted from Partly Paid to Fully Paid Equity Shares	-	-	51,79,688	517.97
Outstanding at the end of the year	**6,45,75,050**	**6,457.51**	**5,26,59,067.00**	**5,265.91**
Partly paid up equity share of ₹ 10 each, partly paid up ₹ 10 per share				
At the beginning of the year	-	-	51,79,688	419.55
Amount called/Issued during the year	-	-	-	98.41
Converted to Fully Paid Equity Shares	-	-	-51,79,688	(517.97)
Outstanding at the end of the year	**-**	**-**	**-**	**-**

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:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
Equity shares of ₹ 10 each fully paid up				
Vupputuri Gopala Kishan Prasad	1,98,53,581	30.74%	1,97,43,156	37.49%
India Business Excellence Fund-IIA	1,30,51,546	20.21%	1,30,51,546	24.78%
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	12.09%	78,04,018	14.82%
Koganti Vasumathi Devi	26,47,266	4.10%	26,47,266	5.03%
Accion Digital Transformation Fund, LP	55,81,395	8.64%	-	0.00%

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.

Notes
on Consolidated Financial Statements for the year ended March 31, 2023

D. Shareholding of Promotors

Shares held by promoters at the end of the year	As at March 31, 2023			As at March 31, 2022		
	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	1,98,53,581	30.74%	0.56%	1,97,43,156	37.49%	24.36%
Vupputuri Indira Devi	16,48,142	2.55%	0.00%	16,48,142	3.13%	24.21%
Koganti Vasumathi Devi	26,47,266	4.10%	0.00%	26,47,266	5.03%	24.21%
Devineni Vasantha Lakshmi	24,91,794	3.86%	0.00%	24,91,794	4.73%	24.21%
Vupputuri Raghu Ram	18,00,670	2.79%	0.00%	18,00,670	3.42%	24.21%
Durga Rani Chunduri	14,94,100	2.31%	0.00%	14,94,100	2.84%	0.00%
Sinha Satyanand Chunduri	1,17,700	0.18%	0.00%	1,17,700	0.22%	0.00%
b. Equity shares of ₹ 10 each partly paid up ₹ 8.10 per share in March 2021 *						
Vupputuri Gopala Kishan Prasad	-	0.00%	-100%	-	0.00%	-100.00%
Vupputuri Indira Devi	-	0.00%	-100%	-	0.00%	-100.00%
Koganti Vasumathi Devi	-	0.00%	-100%	-	0.00%	-100.00%
Devineni Vasantha Lakshmi	-	0.00%	-100%	-	0.00%	-100.00%
Vupputuri Raghu Ram	-	0.00%	-100%	-	0.00%	-100.00%

* 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, 2023	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
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

20. Other equity

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital reserve	32.50	32.50
Securities premium reserve	34,891.60	10,576.37
Share Based Payment reserve	20.63	24.62
Statutory Reserve under section 45-IC of the Reserve Bank of India Act, 1934	5,993.60	4,993.50
Statutory Reserve U/s 29C of NHB Act	978.47	710.57
Provision U/s 36(viia) Income tax Act, 1961	37.98	37.98
General reserve	1,471.49	1,221.46
Retained earnings	22,518.93	18,183.90
Total	**65,945.19**	**35,780.90**

Notes
on Consolidated Financial Statements for the year ended March 31, 2023

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

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.

f. General Reserve

It is a free reserve which is created by appropriation from profits of the current year and/or undistributed profits of previous years, before declaration of dividend duly complying with any regulations in this regard.

g. Statutory Reserve U/s 29C of NHB Act

Section 29C (i) of The National Housing Bank Act, 1987 defines that every housing finance institution which is a Company shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss before any dividend is declared. Accordingly Company has transferred ₹202.65/- lakhs for the year ended Mar 31, 2023 to the Reserve in terms of Section 29C of the National Housing Bank ("NHB") Act, 1987.

h. Provision U/s 36(viia) Income tax Act, 1961

Reserves created under U/s 36(viia) Income tax Act, 1961

B. Movement in Other equity

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
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	10,576.37	9,960.39
Add : Premium received on issue of securities	24,315.23	615.97
	34,891.60	**10,576.37**

Notes

on Consolidated Financial Statements for the year ended March 31, 2023

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
III. Share Based Payment reserve		
Opening balance	24.62	30.65
Add : During the year	(4.00)	(6.03)
	20.63	**24.62**
IV. Statutory Reserve under section 45-IC of the Reserve Bank of India Act, 1934		
Opening balance	4,993.50	4,187.41
Add : Transfer from retained earnings	1,000.10	806.09
	5,993.60	**4,993.50**
V. Statutory Reserve U/s 29C of NHB Act		
Opening balance	724.23	474.12
Add : Transfer from retained earnings	267.90	250.11
	992.13	**724.23**
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	1,221.46	1,019.94
Add : Transfer from retained earnings	250.03	201.52
	1,471.49	**1,221.46**
VIII. Retained earnings		
Opening balance	18,183.90	14,440.00
Add : Prior Period items	(280.75)	9.60
Add : Profit for the year	6,065.83	5,037.77
Add : Other comprehensive income	28.10	9.58
Appropriations:		
Transfer to Statutory Reserve u/s 45-IC of the Reserve Bank of India Act, 1934	(1,000.10)	(806.09)
Transfer to Statutory NHB Reserve	(267.90)	(250.11)
Transfer to Hedge Reserve	39.87	(55.33)
Transfer to General reserve	(250.03)	(201.52)
	22,518.93	**18,183.90**
Total	**22,518.93**	**18,183.90**

Notes
on Consolidated Financial Statements for the year ended March 31, 2023

21 Interest income

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
On financial assets measured at amortised cost		
Interest on loans	35,769.67	26,146.27
Interest on deposits with banks	177.42	155.33
Interest on investment in debentures	606.38	-
Total	**36,553.47**	**26,301.60**

22 Fees and commission income

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Other fees and charges	890.61	660.15
Total	**890.61**	**660.15**

23 Other income

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Rental income	7.63	7.63
Miscellaneous Income	393.01	200.33
Total	**400.64**	**207.96**

24.1 Finance costs

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
On financial liabilities measured at amortised cost		
Interest on deposits	50.07	70.16
Interest on borrowings	15,142.76	8,919.18
Interest on debentures	1,354.17	2,788.96
Interest on subordinated liabilities	1,506.21	731.13
Interest on ICD	-	-
Interest on lease liabilities	36.00	3.79
Interest on securitisation	99.70	475.13
Interest on Income tax	-	-
Bank Charges	21.29	12.96
Other finance cost	1,007.32	616.61
Total	**19,217.53**	**13,617.93**

Notes
on Consolidated Financial Statements for the year ended March 31, 2023

24.2 Net loss on fair value changes

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Net loss on fair value changes	-	3.35
Total	**-**	**3.35**

25 Impairment on financial instruments

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
On financial instruments measured at amortised cost		
Loans	43.38	(222.93)
Trade receivables	-	(26.21)
Bad debts and write offs	584.83	762.15
Total	**628.21**	**513.01**

26 Employee benefits expenses

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and wages	6,586.19	4,233.65
Contribution to provident and other funds	329.63	231.42
Share based payment to employees	(4.00)	(6.03)
Staff welfare expenses	146.65	96.83
Gratuity	73.23	47.52
Leave encashment	(104.57)	47.07
Total	**7,027.13**	**4,650.46**

27 Depreciation, amortization and impairment

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on property, plant and equipment	264.36	121.43
Depreciation on investment property	0.17	0.17
Amortization of intangible assets	77.13	68.63
Total	**341.65**	**190.23**

28 Other expenses

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Rent	420.81	241.29
Communication cost	126.90	70.79
Travelling and conveyance	285.90	142.23
Rates and taxes	524.10	274.65
Insurance	36.19	14.57
Commission and Brokerage	118.57	39.64
Repairs and maintenance	84.14	73.33
Printing and stationary	51.37	32.82
Payment to auditors (Refer Note 28.1)	29.38	35.57
Advertisement, publicity and sales promotion expenses	11.49	3.36
Operation Cost	141.63	69.18
Legal and professional fees	388.55	222.48
Corporate social responsibility (Refer Note 28.2)	115.66	111.78
Director sitting fees	11.40	1.00
Loss on sale of property, plant and equipment	1.91	-
Loss on sale of Investment Property	3.15	6.10
Miscellaneous expenses	30.68	17.51
Total	**2,381.84**	**1,356.29**

28.1 Payment to the auditors:

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Auditor's remuneration		
- Audit fees	28.00	24.60
In other capacity	-	-
- Certification services	1.20	10.91
Other of pocket expenses	0.18	0.06
Total	**29.38**	**35.57**

Notes

on Consolidated Financial Statements for the year ended March 31, 2023

28.2 Corporate social responsibility:

(Currency : ₹ in lakhs)

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
a)	Amount required to be spent by the company during the year	114.47	104.07
b)	Amount of expenditure incurred		
	i) Construction/acquisition of any asset	-	-
	ii) On purposes other than (i) above	115.56	111.78
c)	Shortfall at the end of the year	-	-
d)	Total of previous years shortfall	-	-
e)	Net Shortfall	-	
f)	Reason for shortfall	NA	NA
g)	Nature 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

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2023 ₹	Year ended March 31, 2022 ₹
Current tax		
Current tax on profits for the year	1,717.24	1,740.28
Adjustment for current tax of the prior periods	12.91	10.06
Subtotal (A)	**1,730.14**	**1,750.34**
Deferred tax		
Decrease/(Increase) in deferred tax assets	(237.76)	65.58
(Decrease)/Increase in deferred tax liabilities	600.49	(93.72)
Subtotal (B)	**362.72**	**(28.15)**
Deferred tax asset/ (liability) relating to items recognised in other Comprehensive Income (C)	(3.32)	(3.24)
Income tax expense for the year (A+B-C)	**2,096.18**	**1,725.44**

(b) Deferred tax

The major components of deferred tax (liabilities) arising on account of timing differences for the year ended March 31, 2023:

(Currency : ₹ in lakhs)

Particulars	Net balance March 31, 2022	Recognised in profit or loss	Recognised in OCI	Net balance March 31, 2023
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	86.24	(24.58)	(3.32)	58.33
Impact of provision for expected credit loss on loans	775.72	10.27		785.99
Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	10.72	4.09		14.81
Impact of leases under Ind AS 116	2.82	67.14		69.96
EIR impact of financial asssets and liabilities	37.40	178.54		215.94
Share based payment	6.20	(1.01)		5.19
Others	-	-		-
(A)				
Deferred tax liabilities				
Impact of amortisation of anciallary borrowing cost	120.56	165.58		286.13
EIR impact of financial asssets and liabilities	39.98	256.90		296.88
Impact of direct assignment and securitisaton transactions	747.75	95.55		843.30
Interest income recognised on stage 3 loans	103.07	17.51		120.57
Others	2.71	64.96		67.68
(B)	**1,014.06**	**600.49**	**-**	**1,614.56**
Deferred tax assets (net) (A-B)	**(94.98)**	**(366.05)**	**(3.32)**	**(464.34)**

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

Notes

on Consolidated Financial Statements for the year ended March 31, 2023

(Currency : ₹ in lakhs)

Particulars	Net balance March 31, 2021	Recognised in profit or loss	Recognised in OCI	Net balance March 31, 2022
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
Remeasurement of defined benefit plan		-		-
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)**	**(94.98)**

(c) Reconciliation of effective tax rate

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
	₹	₹
Profit before tax as per Statement of profit and loss (A)	8,248.34	6,838.43
Applicable income tax rate	25.17%	25.17%
Expected Income Tax Expense (B)	2,075.94	1,721.10
Tax effect of:		
Effect of income exempt from tax	(0.55)	(0.55)
Effect of expenses/provisions not deductible in determining taxable profit	57.95	61.95
Effect of differential tax rate	-	-
Adjustment related to tax of prior years	12.91	10.06
Others	(49.89)	(67.15)
Income tax expense	**2,096.38**	**1,725.42**

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 ₹ 329.63 lakhs (PY: ₹ 231.42 lakhs) for year ended March 31, 2023, 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, 2023	As at March 31, 2022
Present value of obligation (A)	205.78	152.37
Fair Value of plan assets (B)	-	-
Present value of obligation (A- B)	**205.78**	**152.37**

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Obligation expected to be settled in the next 12 months	16.72	10.64
Obligation expected to be settled beyond next 12 months	189.06	141.73

Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

(Currency : ₹ in lakhs)

Particulars	Defined Benefit Obligation		Fair Value of plan assets		Net defined benefit (asset) liability	
	March 31, 2023.	March 31, 2022.	March 31, 2023.	March 31, 2022.	March 31, 2023.	March 31, 2022.
Opening balance	152.37	127.59	-	-	152.37	127.59
Current service cost	62.11	40.84	-	-	62.11	40.84
Past service cost	-	-	-	-	-	-
Interest cost (income)	11.13	8.41	-	-	11.13	8.41
Defined benefit cost included in P&L	**73.23**	**49.26**	**-**	**-**	**73.24**	**49.26**

Notes
on Consolidated Financial Statements for the year ended March 31, 2023

(Currency : ₹ in lakhs)

Particulars	Defined Benefit Obligation		Fair Value of plan assets		Net defined benefit (asset) liability	
	March 31, 2023.	March 31, 2022.	March 31, 2023.	March 31, 2022.	March 31, 2023.	March 31, 2022.
Other comprehensive income						
Remeasurement loss (gain) due to:						
Demographic assumptions	-	-	-	-	-	-
Financial assumption	(2.04)	(5.39)	-	-	(2.04)	(5.39)
Experience adjustments	(15.37)	(7.41)	-	-	(15.37)	(7.41)
Total remeasurements in OCI	**(17.41)**	**(12.80)**	**-**	**-**	**(17.41)**	**(12.80)**
Others						
Benefits paid	(2.42)	(11.67)	-	-	(2.42)	(11.67)
Closing balance	**205.79**	**152.38**	**-**	**-**	**205.79**	**152.38**

Actuarial assumptions:

The following were the principal actuarial assumptions at the reporting date:

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
IKF FINANCE LIMITED		
Discount rate	7.51%	7.33%
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	**25.36 years**	**24.90 years**
IKF HOME FINANCE LIMITED		
Discount rate	7.50%	7.47%
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	**24.79 years**	**25.08 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.

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.

Particulars	As at March 31, 2023		As at March 31, 2022	
	Increase	Decrease	Increase	Decrease
Salary escalation Rate (+/- 1%)	222.27	191.08	164.50	141.45
IKF Finance	7.00%	-6.31%	7.20%	-6.50%
IKF Home Finance	11.06%	-9.64%	11.10%	-9.70%
Discount Rate (+/- 1%)	191.41	222.18	141.61	164.64
IKF Finance	-6.34%	7.18%	-6.60%	7.50%
IKF Home Finance	-8.90%	10.36%	-9.00%	10.40%
Withdrawal Rate (+/- 1%)	205.94	205.40	152.67	151.93
IKF Finance	0.10%	-0.17%	0.20%	-0.20%
IKF Home Finance	0.03%	-0.23%	0.20%	-0.50%

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

Year 1	16.82
Year 2	15.57
Year 3	33.91
Year 4	15.92
Year 5	24.15
Year 6	17.49
Year 7	16.21
Year 8	16.43
Year 9	17.91
Year 10	18.72
Year 11+	225.84

The weighted average duration of the defined benefit obligation for IKF Finance is 7.77 (for IKF Home Finance is 10.83)

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, 2023	As at March 31, 2022
Present value of unfunded obligation	56.12	194.71
Expenses recognised in the Statement of Profit and Loss	(104.57)	47.07

Notes

on Consolidated Financial Statements for the year ended March 31, 2023

31 Earnings per share

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Profit for the year	6,151.96	5,113.01
Weighted average number of equity shares used in calculating basic earnings per share	536.99	516.78
Effect of potential dilutive Equity Shares on account of unexercised employee stock options	0.19	0.23
Weighted average number of equity shares and potential equity shares used in calculating diluted earnings per share	537.18	517.01
Basic earnings per share	**11.46**	**9.89**
Diluted earnings per share	**11.45**	**9.89**

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, 2023	As at March 31, 2022
Carrying amount of transferred assets measured at amortised cost	-	1,195.10
Carrying amount of associated liabilities	-	871.72

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, 2023	As at March 31, 2022
Carrying amount of EIS receivable	3,972.47	2,719.59

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.

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	27,817.26	-	27,817.26	9,664.31	-	9,664.31
Bank Balance other than cash and cash equivalents	4,280.30	1,818.49	6,098.79	1,274.79	1,258.86	2,533.65
Receivables	-	-	-	-	-	-
(I) Trade receivables	-	-	-	28.35	-	28.35
(II) Other receivables	-	-	-	-	-	-
Loans	78,156.11	1,90,763.93	2,68,920.04	66,585.00	1,22,602.27	1,89,187.27
Investments	20,047.82	-	20,047.82	-	1,727.82	1,727.82
Other Financial assets	1,422.84	3,239.08	4,661.93	942.76	2,166.56	3,109.33
Sub total	**1,31,724.33**	**1,95,821.50**	**3,27,545.84**	**78,495.22**	**1,27,755.50**	**2,06,250.73**
Non-financial assets						
Current Tax assets (Net)	372.98	27.57	400.55	183.04	17.91	200.95
Deferred Tax assets (Net)	-	-	-	-	70.34	70.34
Investment Property	-	72.14	72.14	-	114.31	114.31
Property, plant and equipment	-	363.00	363.00	-	343.00	343.00
Right to Use Assets	-	313.23	313.23	-	19.67	19.67
Other intangible assets	-	236.22	236.22	-	175.97	175.97
Other non-financial assets	9.35	3,475.36	3,484.71	10.55	1,069.67	1,080.22
Sub total	**382.33**	**4,487.52**	**4,869.85**	**193.59**	**1,810.86**	**2,004.46**
Total assets	**1,32,106.66**	**2,00,309.02**	**3,32,415.70**	**78,688.81**	**1,29,566.37**	**2,08,255.18**
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
Derivative Financial Instruments	5.40	-	5.40	58.68	-	58.68

Notes
on Consolidated Financial Statements for the year ended March 31, 2023

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
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	113.02	-	113.02	8.84	-	8.84
Debt Securities	23,187.85	3,452.82	26,640.67	4,532.76	19,275.16	23,807.92
Borrowings (Other than Debt Securities)	91,456.86	1,21,624.93	2,13,081.79	72,002.86	60,136.21	1,32,139.08
Subordinated Liabilities	8.98	16,336.07	16,345.06	1,537.37	4,466.08	6,003.45
Other Financial liabilities	5,188.59	280.32	5,468.91	2,850.19	229.96	3,080.15
Sub total	**1,19,960.69**	**1,41,694.15**	**2,61,654.84**	**80,990.70**	**84,107.42**	**1,65,098.11**
Non-Financial liabilities						
Current tax liabilities (Net)	-	-	-	-	-	-
Provisions	26.72	235.17	261.89	31.80	313.55	345.34
Deferred tax liabilities (Net)	188.82	275.55	464.37	-	165.35	165.35
Other non-financial liabilities	674.25	-	674.25	157.27	-	157.27
Sub total	**889.78**	**510.72**	**1,400.50**	**189.07**	**478.89**	**667.96**
Total liabilities	**1,20,850.48**	**1,42,204.87**	**2,63,055.35**	**81,179.77**	**84,586.31**	**1,65,766.07**

35 Changes in liabilities arising from financing activities

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022	Cash Flows (net)	Others (net)*	As at March 31, 2023
Subordinated liabilities	6,003.45	10,500.00	(158.39)	16,345.06
Debt securities	23,807.92	2,750.08	82.68	26,640.68
Borrowing other than debt securities	1,32,139.07	82,050.17	(1,107.57)	2,13,081.67
	1,61,950.44	**95,300.24**	**(1,183.28)**	**2,56,067.40**

(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	43,210.76	(17,950.00)	(1,452.85)	23,807.92
Borrowing other than debt securities	92,148.70	50,018.55	(10,028.18)	1,32,139.07
	1,41,346.25	**32,068.55**	**(11,464.38)**	**1,61,950.44**

* 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, 2023 is ₹ (4.00) lakhs (March 31, 2022 - ₹ (6.03) 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:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	WAEP	Number	WAEP
Outstanding at 1 April	2,06,000.00	120.00	3,56,930.00	120.00
Granted during the year	-		-	
Forfeited during the year	59,200.00	120.00	1,50,930.00	120.00
Exercised during the year	-		-	
Expired during the year	-		-	
Outstanding at 31 March	1,46,800.00	120.00	2,06,000.00	120.00
Exercisable at 31 March	1,02,760.00	120.00	92,700.00	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, 2023 is 0.15 years (March 31, 2022: 0.58 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, 2023	As at March 31, 2022
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.

Notes

on Consolidated Financial Statements for the year ended March 31, 2023

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.

36.1 Contingent Liability

There are no Contingent Liabilities as on March 31, 2023 (March 31, 2022: ₹ 0.)

36.2 Commitment

There are no commitment as on March 31, 2023 (March 31, 2022: ₹ 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, 2023	As at March 31, 2022
Opening	19.66	45.68
Additions	457.34	4.89
Deletion	(8.92)	(0.74)
Depreciation	(154.86)	(30.19)
Closing Balance	**313.21**	**19.66**

The following is the movement in lease liabilities :

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning	20.09	48.89
Additions	428.95	4.80
Finance cost accrued during the period	36.00	3.79
Payment of lease liabilities	(162.74)	(37.38)
Balance at the end	**322.30**	**20.09**

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Less than 3 months	44.40	3.74
Over 3 months & upto 6 months	44.56	3.93
Over 6 months & upto 1 year	88.98	5.69
Over 1 year & upto 3 years	177.42	14.72
Over 3 years	6.89	6.41

The following are the amounts recognised in statement of profit or loss:

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Depreciation expense of right-of-use assets	154.86	30.19
Interest expense on lease liabilities	36.00	3.79
Expense relating to short-term leases	420.81	241.29
Total amount recognised in profit or loss	**611.66**	**275.27**

Notes
on Consolidated Financial Statements for the year ended March 31, 2023

Future Commitments:

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023
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, 2023.

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.

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.

Particulars		Fair Value		Fair Value Hierarchy	Valuation Technique	Key Inputs for Level 2 & Level 3	Significant unobservable input(s) for Level 3
Financial Assets	Category	As at March 31, 2023	As at March 31, 2022				
Investment in Mutual Funds	FVTPL	1,200.00	0.00	Level 1	Mark-to-Market of the unit	NAV of the unit	NA
Investment in Market Linked Debentures	FVTPL	15,960.75	0.00	Level 2	Mark-to-Market of the debt insrument	Valuation received from the rating agency	NA

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, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Financial Assets					
Cash and cash equivalents	1	27,817.26	9,664.31	27,817.26	9,664.31
Bank Balance other than cash and cash equivalents	1	6,098.78	2,533.65	6,098.78	2,533.65
Trade receivables	2	-	-0.01	-	-0.01
Loans	2	2,68,920.04	1,89,210.12	2,70,187.33	1,93,909.76
Rent and utility deposits	2	373.95	299.17	373.95	299.17
EIS receivable	2	3,972.47	2,719.59	3,972.47	2,719.59
Other financial assets	2	412.74	203.00	412.74	203.00
Investment in debentures	2	4,087.07	-	4,087.07	-
		3,11,682.32	**2,04,629.83**	**3,12,949.61**	**2,09,329.47**
Financial Liabilities					
Derivative financial instruments	2	5.40	58.68	5.40	58.68
Trade Payables	2	113.02	7.09	113.02	7.09
Debt securities	2	26,640.67	23,807.91	27,054.91	24,127.77
Borrowings (other than debt securities)	2	2,13,081.79	1,32,139.07	2,12,817.33	1,32,136.20
Subordinated Liabilities	2	16,345.06	6,003.45	16,458.38	6,099.99
Other financial liabilities	2	4,026.93	3,103.00	3,616.17	3,103.00
Total Financial liabilities		**2,60,212.87**	**1,65,119.20**	**2,60,065.22**	**1,65,532.71**

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.

Notes

on Consolidated Financial Statements for the year ended March 31, 2023

EIS receivable

EIS receivable is calculated by discounting the contractual future cash flows. The carrying value closely approximates its fair value.

C. Categories of Financial Instruments :

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023			
	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total
Cash and cash equivalents	27,817.26	-	-	27,817.26
Bank Balance other than included in (a) above	6,098.78	-	-	6,098.78
Loans	2,68,920.04	-	-	2,68,920.04
Investments	4,087.07	17,160.75	-	21,247.83
Other financial assets	4,759.15	-	-	4,759.15
Total	**3,11,682.31**	**17,160.75**	**-**	**3,28,843.06**
Derivative financial instruments	5.40	-	-	5.40
Trade Payables	113.02	-	-	113.02
Debt securities	26,640.67	-	-	26,640.67
Borrowings (other than debt securities)	2,13,081.79	-	-	2,13,081.79
Subordinated Liabilities	16,345.06	-	-	16,345.06
Other financial liabilities	4,026.93	-	-	4,026.93
Total	**2,60,212.88**	**-**	**-**	**2,60,212.88**

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2022			
	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total
Cash and cash equivalents	9,664.31			9,664.31
Bank Balance other than included in (a) above	2,533.65	-	-	2,533.65
Receivables		-	-	-
(I) Trade receivables	0.00	-	-	-
(II) Other receivables		-	-	-
Loans	1,89,210.12	-	-	1,89,210.12
Investments	0.00	-	-	-
Other financial assets	3,221.75	-	-	3,221.75
Total	**2,04,629.83**	**-**	**-**	**2,04,629.83**
Derivative financial instruments	58.68	-	-	58.68
Trade Payables	7.09	-	-	7.09
Debt securities	23,807.91	-	-	23,807.91
Borrowings (other than debt securities)	1,32,139.07	-	-	1,32,139.07
Subordinated Liabilities	6,003.45	-	-	6,003.45
Other financial liabilities	3,103.00	-	-	3,103.00
Total	**1,65,119.19**	**-**	**-**	**1,65,119.19**

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.

Notes
on Consolidated Financial Statements for the year ended March 31, 2023

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.

IKF FINANCE
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Notes

on Consolidated Financial Statements for the year ended March 31, 2023

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	March 31, 2023.	March 31, 2022.
West	73,780.55	45,578.55
Central	8,709.95	5,531.19
South	1,89,758.74	1,41,712.59
	2,72,249.24	**1,92,822.33**

Quantitative Information of Collateral

Net value of total term loans to value of collateral is as follows:

As at March 31, 2023	Loan to value			
	Upto 50%	51%-70%	More than 70%	Total
Cars & Muvs	1,130.94	23,463.73	12,695.19	37,289.86
Commercial Vehicles	1,578.17	31,736.73	29,246.64	62,561.54
Construction Equipment	4,047.76	17,681.56	23,318.34	45,047.66
Three Wheeler	34.88	10,852.93	1,572.51	12,460.32
Tractor	152.27	2,362.86	408.85	2,923.98
Two Wheeler	894.05	1,080.67	462.34	2,437.06
SME	39,829.78	4,335.27	6,759.09	50,924.14
Home Loans	21,327.21	11,401.02	8,194.21	40,922.43
Loans Against Property	13,607.70	4,074.53	-	17,682.24
Total	**82,602.75**	**1,06,989.31**	**82,657.18**	**2,72,249.24**

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	13,260.53	7,638.60	5,661.22	26,560.35
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**

Notes
on Consolidated Financial Statements for the year ended March 31, 2023

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.

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, 2023.

(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	11,017.27	-	16,800.00	-	-	27,817.27
Bank Balance other than included in (a) above	3,587.71	514.95	294.64	1,389.27	525.62	6,312.19
Trade receivables	-	-	-	-	-	-
Loans	24,748.10	27,675.19	53,390.47	1,44,237.01	75,699.50	3,25,750.28
Investments	21,247.82	-	-	-	10,762.73	32,010.55
Other financial assets	905.46	405.27	623.18	902.09	2,402.13	5,238.12
Total undiscounted financial assets	**61,506.36**	**28,595.41**	**71,108.28**	**1,46,528.36**	**89,389.97**	**3,97,128.39**
Financial liabilities						
Derivative Financial Instruments	5.40	-	-	-	-	5.40
Trade payables	113.05	-	-	-	-	113.05
Other payables	-	-	-	-	-	-
Subordinated Liabilities	566.01	571.32	1,137.10	4,539.82	20,644.59	27,458.84
Debt securities	11,087.95	6,008.61	7,116.57	3,732.82	-	27,945.95
Borrowings (other than debt securities)	22,596.67	19,715.81	61,807.80	1,03,433.13	27,736.79	2,35,290.19
Deposits	-	-	-	-	-	-
Other financial liabilities	2,697.91	60.50	534.65	279.57	102.60	3,675.23
Total undiscounted financial liabilities	**37,066.98**	**26,356.24**	**70,596.13**	**1,11,985.33**	**48,483.99**	**2,94,488.65**
Net undiscounted financial assets / (liabilities)	**24,439.38**	**2,239.17**	**512.15**	**34,543.03**	**40,905.99**	**1,02,639.74**

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	3,167.89
Total undiscounted financial liabilities	**19,929.14**	**14,920.48**	**55,905.29**	**75,917.95**	**15,633.18**	**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**

Notes
on Consolidated Financial Statements for the year ended March 31, 2023

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.

(Currency : ₹ in lakhs)

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, 2023						
Guarantees and counter guarantees	-	-	-	-	-	-
Estimated amount of contracts remaining to be executed on capital account, net of advances	-	-	-	-	-	-
Total commitments	**-**	**-**	**-**	**-**	**-**	**-**
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	**-**	**-**	**-**	**-**	**-**	**-**

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.

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)

Impact on Profit before taxes	As at March 31, 2023	As at March 31, 2022
On Floating Rate Borrowings:		
1% increase in interest rates	(1,642.26)	(550.43)
1% decrease in interest rates	1,642.26	550.22

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, 2023 and March 31, 2022

Particulars	purpose	Currency	Cross Currency	As at March 31, 2023	As at March 31, 2022
Forward Conracts	Term Loan	USD	₹	-53	3

Notes
on Consolidated Financial Statements for the year ended March 31, 2023

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(Upto 10th February 2023) Mr. Ch.Sreenivasa Rao - Company Secretary Mr. Vishal Kumar Joshi- Company Secretary (IKF Home Finance Limited) Mr. Aravind J - Chief Financial Officer (10th February 2023 to Present) (IKF Home Finance Limited)

Notes

on Standalone Financial Statements for the year ended March 31, 2023

b. Transaction with related parties:

Name of related party	Nature of transaction	For the FY 2022					For the FY 2023			
		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	Transaction value for the year ended March 31, 2023	Received During the year	Paid During the Year	As at March 31, 2023
Key management personnel										
Mr. V G K Prasad	Rent paid	-	21.60	-	-	-	21.60	-	-	-
	Director's remuneration	-	75.83	-	-	-	84.00	-	-	-
	Director Commission Payable	41.55	51.02	-	41.55	51.02	63.27	-	51.02	63.27
	Rent deposit given	50.00	-	-	-	50.00	-	-	-	50.00
	Advance Received	-	-	-	-	-	-	-	-	-
	Interest paid on advance	-	-	-	-	-	-	-	-	-
	Share Capital (₹ 10/- Paid up)	1587.56*	-	-	-	1974.32*	-	-	-	1985.36*
	Partly paid up shares (₹ 10 Paid Up) **	283.97	-	66.61	-	-	-	-	-	-
	Premium on partly paid up shares **	1,777.38	-	416.92	-	-	-	-	-	-
	Share Capital (₹ 10/- Paid up) in IKF Home Finance***	0.00	-	-	-	0.00	-	-	-	0.00
	Partly paid up shares (₹ 5.00 Paid Up) in IKF Home Finance	236.89	-	-	-	236.89	-	-	-	-
	Partly paid up shares (₹ 6.77 Paid Up) in IKF Home Finance	-	-	-	-	-	-	83.86	-	320.75
	Unsecured Loan in IKF Home Finance	119.19	-	-	119.19	-	-	-	119.19	-
Mrs. V Indira Devi	Rent paid	-	48.00	-	-	-	48.00	-	-	-
	Director's remuneration	-	32.50	-	-	-	36.00	-	-	-
	Director Commission Payable	17.68	21.71	-	17.68	21.71	26.92	-	21.71	26.92
	Rent deposit given	38.50	-	-	-	38.50	-	-	-	38.50
	Share Capital (₹ 10/- Paid up)	132.69	-	-	-	164.81	-	-	-	164.81
	Partly paid up shares (₹ 10 Paid Up) **	26.02	-	6.10	-	-	-	-	-	-
	Premium Received on Allotment of Partly Paid up Shares **	162.86	-	38.20	-	-	-	-	-	-
	Share Capital (₹ 10/- Paid up) in IKF Home Finance***	0.00	-	-	-	0.00	-	-	-	0.00
	Partly paid up shares (₹ 5.00 Paid Up) in IKF Home Finance	21.71	-	-	-	21.71	-	-	-	-
	Partly paid up shares (₹ 6.77 Paid Up) in IKF Home Finance	-	-	-	-	-	-	7.68	-	29.39
	Unsecured Loan in IKF Home Finance	10.92	-	-	10.92	-	-	-	-	10.92

Notes

on Standalone Financial Statements for the year ended March 31, 2023

Name of related party	Nature of transaction	For the FY 2022					For the FY 2023			
		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	Transaction value for the year ended March 31, 2023	Received During the year	Paid During the Year	As at March 31, 2023
Mrs.K.Vasumathi Devi	Director's remuneration	-	54.17	-	-	-	60.00	-	-	-
	Director Commission Payable	29.17	35.82	-	-	64.99	44.42	-	-	109.42
	Share Capital (₹ 10/- Paid up)	213.13	-	-	-	264.73	-	-	-	264.73
	Partly paid up shares (₹ 10 Paid Up) **	41.79	-	9.80	-	-	-	9.80	-	-
	Premium Received on Allotment of Partly Paid up Shares **	261.59	-	61.36	-	-	-	61.36	-	-
	Share Capital (₹ 10/- Paid up) in IKF Home Finance***	0.00	-	-	-	0.00	-	-	-	0.00
	Partly paid up shares (₹ 5.00 Paid Up) in IKF Home Finance	34.87	-	-	-	34.87	-	-	-	-
	Partly paid up shares (₹ 6.77 Paid Up) in IKF Home Finance	-	-	-	-	-	-	12.34	-	47.21
	Unsecured Loan in IKF Home Finance	17.55	-	-	17.55	-	-	-	-	-
Mr.Sreepal Gulabchand Jain	Salary Paid	-	51.05	-	-	-	55.40	-	-	-
Mr. Vishal Kumar Joshi	Salary Paid	-	8.24	-	-	-	34.49	-	-	-
Mr.Ch.Sreenivasa Rao	Salary Paid	-	23.10	-	-	-	25.41	-	-	-
	Staff Loan	-	-10.00	10.00	-	-	-	-	-	-
	Interest Received		0.04			-	-	-	-	-
Relatives of key management personnel										
Mrs. D Vasantha Lakshmi	Share Capital (₹ 10/- Paid up)	200.61	-	-	-	249.18	-	-	-	249.18
	Partly paid up shares (₹ 10 Paid Up) **	39.34	-	9.23	-	-	-	-	-	-
	Premium Received on Allotment of Partly Paid up Shares **	246.23	-	57.76	-	-	-	-	-	-
	Share Capital (₹ 10/- Paid up) in IKF Home Finance***	0.00	-	-	-	0.00	-	-	-	0.00
	Partly paid up shares (₹ 5.00 Paid Up) in IKF Home Finance	32.82	-	-	-	32.82	-	-	-	-
	Partly paid up shares (₹ 6.77 Paid Up) in IKF Home Finance	-	-	-	-	-	-	11.62	-	44.44
	Director's remuneration in IKF Home Finance	-	78.93	-	-	-	86.58	-	-	-
	Unsecured Loan in IKF Home Finance	16.50		-	16.50	-		-	-	-

Name of related party	Nature of transaction	For the FY 2022					For the FY 2023			
		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	Transaction value for the year ended March 31, 2023	Received During the year	Paid During the Year	As at March 31, 2023
Mr. V Raghu Ram	Share Capital (₹ 10/- Paid up)	144.97	-		-	180.07	-	-	-	180.07
	Partly paid up shares (₹ 10 Paid Up) **	28.43	-	6.67	-	-	-	-	-	-
	Premium Received on Allotment of Partly Paid up Shares **	177.93	-	41.74	-	-	-	-	-	-
	Share Capital (₹ 10/- Paid up) in IKF Home Finance***	0.00	-	-	-	0.00	-	-	-	0.00
	Partly paid up shares (₹ 5.00 Paid Up) in IKF Home Finance	23.72	-	-	-	23.72	-	-	-	-
	Partly paid up shares (₹ 6.77 Paid Up) in IKF Home Finance	-	-	-	-	-	-	8.40	-	32.11
	Unsecured Loan in IKF Home Finance	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
Subsidiary										
Enterprises significantly influenced by key management personnel or their relatives										
IKF Infratech Private Limited	Non Convertible Debentures	58.20*		-	58.20	-	-	-	-	-
	Interest Paid	1.38	0.76	-	2.14	-	-	-	-	-
Enterprises in which Directors are interested										
SVR Finance & Leasing Private Limited	Trade Advance	-	-	-	-	-	-	-	-	-
	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		-	-	-	-				
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	-	-	-	-	-	-	-	-	-
	Compulsorily Convertible Preference Shares of ₹ 100/- Each (Converted into equity shares during the FY 2018-19)									
	Share premium on preference shares		-		-	-				

Notes

on Consolidated Financial Statements for the year ended March 31, 2023

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Short-term employee benefits	516.49	456.37
Post-employment benefits#	-	-
Long-term employee benefits	-	-
Termination benefits	-	-
Employee-share based payment	-	-
Total compensation	**516.49**	**456.37**

#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 .

*** Since the amounts are in lakhs, ₹10 subscribed by promoters is shown as zero

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, 2023 and March 31, 2022.

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, 2023	Year ended March 31, 2022
Legal and professional fees	0.51	0.90
Total	**0.51**	**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, 2023 (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, 2023, 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 #	704.87	-	-	85.29	619.57
Corporate Persons*	-	-	-	-	-
of which MSMEs	-	-	-	-	-
Others	82.81	-	-	1.66	81.15
Total	**787.68**	**-**	**-**	**86.95**	**700.72**

* 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, 2023

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, 2023. 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, 2023 and March 31, 2022.

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, 2023 and March 31, 2022.

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, 2023 and March 31, 2022.

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, 2023 and March 31, 2022.

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, 2023 and March 31, 2022.

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, 2023 and March 31, 2022.

Notes
on Consolidated Financial Statements for the year ended March 31, 2023

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, 2023 and March 31, 2022.

61 Investment in Associates and Structured Entities

The Company does not have any Associates and Structured Entities

62 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

63 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: 30 May 2023

V.G.K Prasad
Chairman
DIN: 01817992

Vasumathi Devi Koganti
Managing Director
DIN: 03161150

Ch.Sreenivasa Rao
Company Secretary
& Chief Financial Officer
M.No. ACS14723
Place: Vijayawada
Date: 30 May 2023

Notes

on Consolidated Financial Statements for the year ended March 31, 2023

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	94.62%	69,249.99	81.28%	5,000.51	14.51%	9.86	80.55%	5,010.37
Subsidiaries								
Indian								
IKF Home Finance Limited	4.31%	3,152.71	16.02%	985.46	85.50%	58.11	16.78%	1,043.57
Foreign	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Minority Interest in all subsidiaries	1.07%	784.84	1.40%	86.15	-	-	1.39%	86.15
Inter-company eliminations and consolidation adjustments	-	-	1.30%	79.86	-	-	1.28%	79.86
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%**	**73,187.53**	**100.00%**	**6,151.98**	**100.01%**	**67.98**	**100.00%**	**6,219.96**

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

Place: Mumbai
Date: 30 May 2023

Ch.Sreenivasa Rao
Company Secretary
& Chief Financial Officer
M.No. ACS14723

Place: Vijayawada
Date: 30 May 2023

IKF FINANCE

"LEGACY THAT INSPIRES, TECHNOLOGY THAT DELIVERS"

Registered Office

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Tel.: 91+866+2474644, 2474633, 5561188
Fax: 91+866+2485755

Corporate Office

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Raidurg (Panmaqtha) Village, Serilingampally Mandal,
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IKF FINANCE LIMITED
Regd. Office: 40-1-144,3rd FLOOR, Corporate Centre, M.G.Road, Vijayawada, Andhra Pradesh-520010

Form No. MGT- 11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s): ....
Registered address: ....
E-mail Id: ....
Folio No/ Client Id: ....
DP ID: ....
I/ We, being the member (s) of .... shares of the above named company, hereby appoint
Name:...
E-mail Id: …………………...
Address:...
Signature: .... or failing him
Signature: .... or failing him as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the Annual General Meeting of the Company, to be held on 29th September, 2023 at 11.00 A.M., at the registered office of the Company situated at Office 40-1-144,3rd Floor, Corporate Centre, M.G.Road, Vijayawada, Andhra Pradesh-520010 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl No	Ordinary Business	For	Against	Abstain
1	To receive, consider, approve and adopt the Audited(Standalone & Consolidated) Financial Statements for the financial year ended 31st March, 2023, together with the Reports of the Directors' and Auditors' thereon			
2	To appoint a Director in place of Shri. Vupputuri Gopala Kishan Prasad (DIN:01817992), who retires by rotation and, being eligible, offer himself for re-appointment			
	Special Business			
3	Authorization to issue of Non-Convertible Debentures			

	(NCD)/Tier II Debt(s)/Commercial Papers/Bonds on Private Placement Basis			
4	To revise the remuneration of Shri. Vupputuri Gopala Kishan Prasad (DIN: 01817992), Chairman and Executive Director of the Company			
5	Appointment of Shri Sethuraman Ganesh (DIN: 07152185), Additional Director as an Independent Director of the Company			
6	Amendment in the Articles of Association of the Company			

Signed this.................................... day of September 2023

Signature of shareholder.............................. Signature of Proxy holder(s) ....

Affix Revenue Stamp

Note:

This form of proxy in order to be effective should be duly completed and deposited at Registered Office of the Company, not less than 48hours before the commencement of the Meeting.

IKF FINANCE LIMITED

Regd. Office: 40-1-144,3rd FLOOR, Corporate Centre, M.G.Road, Vijayawada, Andhra Pradesh-520010
(To be handed over at entrance of the Meeting Venue)

ATTENDANCE SLIP

Folio No. .... DP. ID No./ Client ID
....
Name of the Member .... Signature ....
Name of Proxy Holder .... Signature
....
No. of share held ....
.E-mail ID ....

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the Annual General Meeting of the Company to be held on 29th September, 2023 at 11.00 a.m., at the registered office of the Company situated at Office 40-1-144,3rd Floor, Corporate Centre, M.G.Road, Vijayawada, Andhra Pradesh-520010

1. Only Member/Proxy holder can attend the Meeting.
2. Member/Proxy holder should bring his/her copy of the Annual Report for reference at the Meeting.

Note: Please fill this Admission Slip and hand it over at the entrance. Shareholders who come to attend the meeting are requested to bring the copies of the Notice of AGM also with them.

IKF Finance Limited

Address :#40-1-144, Corporate Centre, M.G.Road, Vijayawada-520010.

Route Map