



IKF Home Finance Limited

(Previously known as IKF Housing Finance Private Limited)

16th Annual Report

2017-2018



IKF Home Finance Limited

(Formerly known as IKF Housing Finance Private Limited)

CIN: U65922AP2002PLC039417

40-1-144, 1st Floor, Corporate Centre, M.G.Road,

Vijayawada – 520 010 Andhra Pradesh, India

Phone:91-866-2474644, 2474633 Email: cs@ikfhomefinance.com

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Board of Directors

- : Mr. V.G.K Prasad
Mrs. V. Vasantha Lakshmi (Managing Director)
Mr. Paruchuri Chandra Sekhar
Mrs. Koganti Vasumathi Devi

Chief Executive Officer

:Mr. S. Aryendra Kumar

Bankers

- : 1. Federal Bank Limited
Governorpet Branch,
Vijayawada – 520 002
Andhra Pradesh, India
2. The South Indian Bank Limited,
Islam pet, Vijayawada-520 001
Andhra Pradesh, India
3. Cosmos Cooperative Bank Ltd
Labbipet, M.G. Road, Vijayawada - 520 010
Andhra Pradesh, India
4. Coastal Local Area Bank Ltd
Governorpet Branch, Vijayawada – 520 002
Andhra Pradesh. India
5. Equitas Small Finance Bank
D.No: 40-1-60, Benz Circle Branch,
Vijayawada - 520 010 Andhra Pradesh, India
6. ICICI Bank Limited
Benz Circle Branch,
Vijayawada- 520 010 Andhra Pradesh, India
Andhra Pradesh, India
7. RBL Bank, Mumbai



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Auditors	:	Hanumaiah & Co., Chartered Accountants 1 & 2 Ground, Ram's VSR Apartments Mogalrajpuram, Vijayawada – 520 010 Andhra Pradesh, India
Registered Office	:	# 40-1-144, 1 st Floor, Corporate Centre, M.G. Road, Vijayawada – 520 010 Andhra Pradesh, India
Corporate Office	:	#6-3-902/A, First Floor, Central Plaza Near Yashoda Hospital, Raj Bhavan Road Somajiguda, Hyderabad - 500 082 Telangana, India



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NOTICE

NOTICE IS HEREBY GIVEN THAT THE 16TH ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON SATURDAY, THE 29TH SEPTEMBER, 2018 AT 2:30 P.M., AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT 40-1-144, CORPORATE CENTRE, M.G. ROAD, VIJAYAWADA – 520 010, ANDHRA PRADESH, INDIA, TO TRANSACT THE FOLLOWING BUSINESS;

ORDINARY BUSINESS:

01. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2018, and Statement of Profit and Loss for the year ended as on that date and together with Reports of the Board of Directors and the Auditors thereon.

By Order of the Board of Directors
For IKF Home Finance Limited



Vasantha

V. Vasantha Lakshmi
Managing Director
DIN: 03610979

Place: Vijayawada

Date: 20.08.2018



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NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy/proxies to attend and vote on poll instead of himself/herself and such proxy need not be a member of the Company.
2. Proxies to be effective must be deposited at the Registered Office of the Company not later than 48 hours before commencement of the Meeting.
3. Members are requested to bring their copies of the Annual Reports to the Meeting.
4. Member/Proxies should bring the attendance slip filled in for attending the Meeting.
5. Members desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the management to reply.

By Order of the Board of Directors
For IKF Home Finance Limited



Vasanth

V. Vasantha Lakshmi
Managing Director
DIN: 03610979

Place: Vijayawada
Date: 20.08.2018



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DIRECTOR'S REPORT

To,
The members of
IKF HOME FINANCE LIMITED

Your Directors have pleasure in presenting the Sixteen Annual Report together with the Audited Accounts for the financial period ended 31st March, 2018. The summarized financial results are given hereunder:

Financial Results:	(Amounts in Rs)	
	2017 - 18	2016 - 17
Gross Turnover (Total Income)	4,42,92,024	98,50,673
Profit/(loss) before depreciation, interest, tax and exceptional items	80,52,479	57,60,846
Depreciation/amortization	19,17,221	Nil
Finance cost	29,94,912	Nil
Profit (loss) before tax	3,140,347	57,60,846
Provision for tax/deferred tax	10,37,598	24,02,285
Profit (loss) after tax before exception item	21,02,749	33,58,561
Less: Exceptional items	Nil	Nil
Net profit (loss) after exceptional items	21,02,749	33,58,561
Balance brought forward from previous year	86,18,562	61,00,013
Dividend on Equity Shares	Nil	Nil
Tax on dividend	Nil	Nil
Transfer to Reserve Fund	5,26,000	8,40,000
Balance carried to Balance sheet	1,15,61,311	94,58,563

Review of Operations:

During the financial year 2017-18 your Company has Gross Turnover of Rs. 4,42,92,024/-, higher by 349.63% compared to Rs. 98,50,673/- in the previous year. Profit before tax was Rs. 3,140,347/-, lower by 45.49% compared to Rs. 57,60,846/- in the previous year. The total portfolio loans stood at Rs 59,97,27,909. As on that date, the regulatory Capital Adequacy ratio (CRAR) of 74.93% was well above the regulatory minimum of 12%.



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During the Year your Company has earned an Interest Income of Rs 245.66 Lacs as against Rs. 12.57 Lacs on 31.03.2017, and an Interest Income of Rs 48.77 Lacs on Fixed Deposits as against Rs 79.91 Lacs as on 31.03.2017. Further during the year your Company has earned an income of Rs 115.74 Lacs on account of Processing and Documentation fees. Also income of Rs. 32.75 Lacs on account of Dividend and Other Income as against 6.03 Lacs from sale of mutual funds on 31.03.2017.

During the year the net profit after tax was stood at Rs 21.02 Lacs as against Rs 33.58 Lacs for the year ended 2016-17.

Dividend:

Your Directors have not recommended any dividend for the financial year ended 31st March 2018 with an intention to retain the same in the business for expansion activities.

Reserves & Surplus:

Reserves and Surplus are accumulated to Rs.11,561,311 as on 31.03.2018 as against Rs.9,458,562 as on 31.03.2017.

Details of Subsidiary/Joint Ventures/Associated Companies:

The Company has no Subsidiaries / Joint Venture / Associate Companies as on 31st March, 2018.

Deposits:

The Company has not accepted any public deposits and as such, there were no outstanding Public Deposits as on the date of the balance sheet.

Statutory Auditors:

M/s. Hanumaiah & Co, Chartered Accountants (Reg No. 009021S) have been appointed as Statutory Auditors of the Company at the 12th Annual General Meeting held on 30th September, 2014 for a period of 5 years subject to ratification by the members at every Annual General Meeting i.e. till 17th Annual General Meeting to be held in 2019.

In accordance with the Companies Amendment Act, 2017 enforced on 07th May, 2018 by the ministry of corporate affairs, the appointment of statutory Auditor is not required to be ratified by members at every Annual General Meeting

Auditors' Report:

The observations made in the Auditors' Report read together with relevant notes thereon are self-explanatory and hence do not call for any further comments under Section 134 of the Companies Act, 2013.

Internal Control Systems and their adequacy:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit Functions reports to the Board. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Board.

Secretarial Audit:

The provisions of the Section 204 of the Companies Act, 2013 are not applicable to the Company.



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Share Capital:

a. Authorized Share Capital:

During the year under report the Authorized share capital of the company was Rs 30,00,00,000 comprising of 300,00,000 equity shares of Rs.10/- each

b. Fully Paid-up Share Capital:

The Fully Paid up share capital of the company as on March 31st, 2018 was Rs.29,11,47,530 comprising of 2,91,14,753 equity shares of Rs.10 each.

c. Partly Paid-up Share Capital:

During the year under report the Company has made calls to make the partly paid up equity shares to fully paid to the extent of Rs. 143,063,873 Comprising of 19,075,183 Equity shares with call value of Rs. 7.5 Per equity share.

Rights Issue

During the year under report your Board has made NIL rights issue.

Change of Name of the Company

The name of the Company was changed to IKF Home Finance Private Limited from IKF Housing Finance Private Limited w.e.f., 08.08.2017.

The name of the Company was further changed to IKF Home Finance Limited from IKF Home Finance Private Limited w.e.f., 07.09.2017.

Extract of the Annual Return:

The details forming part of the extract of the Annual Return in Form MGT-9 is enclosed as Annexure - II

Material Changes and Commitments, if any:

During the period under report the shareholders and the company has entered into an agreement with IKF Finance Limited to make the Company, a subsidiary of IKF Finance Limited, a Non-Banking Financial Company, wherein majority of the shares are held by Promoter Group, subject to the approval of the Reserve Bank of India & National Housing Bank.

Except the above 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.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and foreign exchange earnings and outgo which is furnished in as Annexure -I



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Change in Directors and Key Managerial personnel:

Mrs. V. Vasantha Lakshmi was appointed as Managing Director of the company by the Shareholders of the Company at their Extra Ordinary General Meeting held on 20.11.2017 and Mrs. K Vasumathi Devi, was appointed as Director of the Company w.e.f. 20.07.2017.

Except the above there was no changes in directors and key managerial personnel.

Number of meetings of the Board of Directors:

During the financial year 2017-18 the Board of Directors has met Eighteen times on 04.04.2017, 10.04.2017, 21.04.2017, 11.05.2017, 19.06.2017, 29.06.2017, 30.06.2017, 20.07.2017, 21.07.2017, 09.08.2017, 27.08.2017, 20.10.2017, 07.11.2017, 29.12.2017, 12.01.2018, 02.02.2018, 23.02.2018, 30.03.2018.

Committee Meetings:

During the Financial Year 2017-18 following Committee Meetings were Held.

1. Audit Committee on 21.10.2017, 07.11.2017 & 12.01.2018
2. Risk Management & ALM Committee on 29.12.2017
3. Nomination & Remuneration Committee on 20.10.2017

General Meetings:

During the Financial Year 2017-18 the Annual General Meeting of the Members was held on 30.09.2017 and Extra Ordinary General Meeting of the Members were held on 04.09.2017 & 20.11.2017

Particulars of loans, guarantees or investments under section 186:

-- NIL --

Particulars of contracts or arrangements with related parties:

There are no related party transactions during the financial period.

Particulars of Employees:

There are no employees whose information as required under the provisions of Rules 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Directors' Responsibility Statement:

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

- (a) In the preparation of the annual accounts for the period ended 31st March, 2018, 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;



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- (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; and
- (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.
- (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.

Acknowledgements:

Your Directors wish to place on record their gratitude to customers, employees and bankers and other stakeholders for their continued support to the Company.

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

Vasantha *V. G.K. Prasad*

V. Vasantha Lakshmi
Managing Director
DIN: 03610979

V.G.K. Prasad
Director
DIN: 01817992

Place: Vijayawada

Date: 06-07-2018





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Annexure-I

The conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to the provisions of section 134(3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

(A) Conservation of energy-

(i) The steps taken or impact on conservation of energy;

1) Action Taken

- a) Installed temperature sensor in cooling tower so that unnecessary running of fan is avoided once wet bulb temperature is reached.
- b) Training Program for Energy Saving Awareness is given to all employee of the company. This includes the awareness to all to switch of all lights, appliances & air conditioning at the time of leaving the work place.

2) Action in Progress. : There were no commercial operations during the year.

(ii) The steps taken by the company for utilizing alternate sources of energy; -- Nil --

(iii) The capital investment on energy conservation equipment's; -- Nil --

B) Technology absorption-

(i) The efforts made towards technology absorption;

There were no commercial operations during the year. The Company will use indigenous technology for its products. There is no imported technology.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution: -- Not applicable --

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): -- Not applicable --

(a) The details of technology imported; -- Nil --

(b) The year of import; -- Nil --

(c) Whether the technology been fully absorbed; -- Not applicable --

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; -- Not applicable --

(iv) The expenditure incurred on Research and Development. -- Not applicable --

(C) Foreign exchange earnings and Outgo-

-- Nil --

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

Vasantha

V.G.K Prasad

V. Vasantha Lakshmi
Managing Director
DIN: 03610979

V.G.K Prasad
Director
DIN: 01817992

Place: Vijayawada
Date: 06.07.2018





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Annexure-II

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company

(Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U65922AP2002PLC039417
2.	Registration Date	05/08/2002
3.	Name of the Company	IKF Home Finance Limited
4.	Category/Sub-category of the Company	Company Limited by Shares/ Indian Non-Government Company
5.	Address of the Registered office & contact details	# 40-1-144, 1st floor, Corporate Centre, M. G. Road, Vijayawada, Andhra Pradesh – 520010
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	-- Not Applicable --



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IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	De mat	Physical	Total	% of Total Shares	Dem at	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	1,12,95,183	1,12,95,183	38.80	0	1,88,38,593	1,88,38,593	64.70	25.91
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	51,10,000	51,10,000	17.55	0	51,10,000	51,10,000	17.55	0.00
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A)(1):	0	1,64,05,183	1,64,05,183	56.35	0	23,948,593	23,948,593	82.25	25.91
(2) Foreign									
a) NRIs – Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A)(2):	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)= (A)(1)+(A)(2)	0	1,64,05,183	1,64,05,183	56.35	0	23,948,593	23,948,593	82.25	25.91



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B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0								0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0								
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	0	79,250	79,250	0.27	0	0	0	0	(0.27)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	1,26,30,320	1,26,30,320	43.38	0	51,66,160	51,66,160	17.74	(25.64)
c) Others (specify)	0	0	0	0	0	0	0	0	0
Non Resident Indians	0	0	0	0	0	0	0	0	0
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0



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Clearing Members	0	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies - DR	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	0	1,27,09,570	1,27,09,570	43.65	0	51,66,160	51,66,160	17.74	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	2,91,14,753	2,91,14,753	100.00	0	2,91,14,753	2,91,14,753	100.00	0

(ii) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	V Indira Devi	8,85,000	3.04%	Nil	8,85,000	3.04%	Nil	0.00%
2	V G K Prasad	73,95,383	25.40%	Nil	14,938,793	51.31%	Nil	25.91%
3	V Raghu Ram	6,60,000	2.27%	Nil	6,60,000	2.27%	Nil	0.00%
4	K Vasumathi Devi	18,79,600	6.46%	Nil	18,79,600	6.46%	Nil	0.00%
5	IKF Infratech (P) Limited	51,10,000	17.55%	Nil	51,10,000	17.55%	Nil	0.00%
6	V.Vasantha Lakshmi	4,75,200	1.63%	Nil	4,75,200	1.63%	Nil	0.00%
	Total	1,64,05,183	56.35%	Nil	2,39,48,593	82.26%	Nil	25.91%



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

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	V Indira Devi	8,85,000	3.04%	8,85,000	3.04%
	Add: Allotment of shares during the year	NIL	NIL	NIL	NIL
	At the end of the year	8,85,000	3.04%	8,85,000	3.04%
2	V G K Prasad	73,95,383	25.40%	73,95,383	25.40%
	Add: Increase due to transfer of Shares	75,43,410	25.91%	75,43,410	25.91%
	At the end of the year	1,49,38,793	51.31%	1,49,38,793	51.31%
3	V Raghu Ram	6,60,000	2.27%	6,60,000	2.27%
	Add: Allotment of shares during the year	0	0%	0	0.00%
	At the end of the year	6,60,000	2.27%	6,60,000	2.27%
4	K Vasumathi Devi	18,79,600	6.46%	18,79,600	6.46%
	Add: Allotment of shares during the year	0	0%	0	0.00%
	At the end of the year	18,79,600	6.46%	18,79,600	6.46%
5	IKF Infratech (P) Limited	51,10,000	17.55%	51,10,000	17.55%
	Add: Allotment of shares during the year	0	0%	0	0.00%
	At the end of the year	51,10,000	17.55%	51,10,000	17.55%
6	V. Vasantha Lakshmi	4,75,200	1.63%	4,75,200	1.63%
	Add: Allotment of shares during the year	0	0%	0	0.00%
	At the end of the year	4,75,200	1.63%	4,75,200	1.63%



IKF Home Finance Limited

(Formerly known as IKF Housing Finance Private Limited)

CIN: U65922AP2002PLC039417

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Vijayawada – 520 010 Andhra Pradesh, India

Phone:91-866-2474644, 2474633 Email: cs@ikfhomefinance.com

Home Finance

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 01.04.2017		Cumulative Shareholding during the year 31.03.2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Gautam Padala At the Beginning of the year	33,71,700	11.58%	33,71,700	11.58%
	Change Decrease Due to Transfer of Shares	(33,71,700)	(11.58%)	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil
2.	Vamasi Mohan Athota At the Beginning of the year	20,53,160	7.05%	20,53,160	7.05%
	Change :	Nil	Nil	Nil	Nil
	At the end of the year	20,53,160	7.05%	20,53,160	7.05%
3	Kodali Lakshmana Rao At the beginning of the Year	20,00,000	6.87%	20,00,000	6.87%
	Change:	Nil	Nil	Nil	Nil
	At the Closing of the Year	20,00,000	6.87%	20,00,000	6.87%
4	Sunkara Deepa At the beginning of the Year	10,00,000	3.43%	10,00,000	3.43%
	Change:Decrease Due to Transfer of Shares	(10,00,000)	(3.43%)	(10,00,000)	(3.43%)
	At the Closing of the Year	Nil	Nil	Nil	Nil
5	Sunkara Sunil At the beginning of the Year	10,00,000	3.43%	10,00,000	3.43%
	Change: Decrease Due to Transfer of Share	(10,00,000)	(3.43%)	(10,00,000)	(3.43%)
	At the Closing of the Year	Nil	Nil	Nil	Nil
6	Sunkara Veerabhadra Rao At the beginning of the Year	10,00,000	3.43%	10,00,000	3.43%
	Change:	Nil	Nil	Nil	Nil
	At the Closing of the Year	10,00,000	3.43%	10,00,000	3.43%



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7	Sunkara Vijaya Lakshmi				
	At the beginning of the Year	10,00,000	3.43%	10,00,000	3.43%
	Change :Decrease Due to Transfer of Shares	(10,00,000)	(3.43%)	(10,00,000)	(3.43%)
	At the Closing of the Year	Nil	Nil	Nil	Nil
8	Alapati Dasaradha Ramu				
	At the beginning of the Year	1,27,690	0.44%	1,27,690	0.44%
	Change :Decrease Due to Transfer of Shares	(1,27,690)	(0.44%)	(1,27,690)	(0.44%)
	At the Closing of the Year	Nil	Nil	Nil	Nil
9	Mannem Venkateswara Rao				
	At the beginning of the Year	1,26,920	0.44%	1,26,920	0.44%
	Change: Decrease Due to Transfer of Shares	(1,26,920)	(0.44%)	(1,26,920)	(0.44%)
	At the Closing of the Year	Nil	Nil	Nil	Nil
10	J Krishna Prasad				
	At the beginning of the Year	1,05,380	0.36%	1,05,380	0.36%
	Change : Decrease Due to Transfer of Shares	(1,05,380)	(0.36%)	(1,05,380)	(0.36%)
	At the Closing of the Year	Nil	Nil	Nil	Nil



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(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	V.G.K.Prasad, Director				
	At the beginning of the year	73,95,383	25.40%	73,95,383	25.40%
	Add: Increase due to Transfer of Shares	75,43,410	25.91%	75,43,410	25.91%
	At the end of the year	1,49,38,793	51.31%	1,49,38,793	51.31%
2	P Chandra Sekhar, Director				
	At the beginning of the year	0	0.00%	0	0.00%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0.00%	0	0.00%
	At the end of the year	0	0.00%	0	0.00%
3	V.Vasantha Lakshmi, Managing Director				
	At the beginning of the year	4,75,200	1.63%	4,75,200	1.63%
	Add: Allotment during the year	Nil	Nil	Nil	Nil
	At the end of the year	4,75,200	1.63%	4,75,200	1.63%
4	K..Vasumathi Devi, Director				
	At the beginning of the year	18,79,600	6.46%	18,79,600	6.46%
	Add: Allotment during the year	Nil	Nil	Nil	Nil
	At the end of the year	18,79,600	6.46%	18,79,600	6.46%

V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Rs. in crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0



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* Addition	38.545	0.55	0	38.54
* Reduction	0	0	0	0
Net Change	0	0	0	0
Indebtedness at the end of the financial year				
i) Principal Amount	38.545	0.55	0	39.095
ii) Interest due but not paid	0	0.012	0	0.012
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	38.545	0.562	0	39.107

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL- Nil

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mrs. V. Vasantha Lakshmi	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	10,81,000	10,81,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil
5	Others, please specify	Nil	Nil
	Total (A)	10,81,000	10,81,000
	Ceiling as per the Act		



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Home Finance

B. Remuneration to other directors- Nil

SN.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors				
	Fee for attending board committee meetings			---	
	Commission			---	
	Others, please specify			---	
	Total (1)			---	
2	Other Non-Executive Directors				
	Fee for attending board committee meetings	<i>No remuneration has been paid to other non-executive Directors</i>			
	Commission				
	Others, please specify				
	Total (2)				
	Total (B)=(1+2)			---	
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				

C. Remuneration to key managerial personnel other than MD/Manager/WTD- Nil

SN	Particulars of Remuneration	Key Managerial Personnel		
				Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-



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4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total			

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY	NIL				
Penalty					
Punishment					
Compounding					
B. DIRECTORS	NIL				
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT	NIL				
Penalty					
Punishment					
Compounding					

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

Vasantha
V.Vasantha Lakshmi
Managing Director
DIN: 03610979

V.G.K Prasad
V.G.K Prasad
Director
DIN: 01817992

Place : Vijayawada
Date: 06.07.2018

INDEPENDENT AUDITORS' REPORT

To
The Members of *M/s. IKF HOME FINANCE LIMITED*

1. Report on the Financial Statements:

We have audited the accompanying financial statements of **M/S.IKF HOME FINANCE LIMITED**, ("Company") which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss Account and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of the financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting standards referred to in section 133 of the Companies Act, 2013 ("Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting 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.

3. Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and rules made there under.

We conducted our audit in accordance with the standards on auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal financial controls relevant to the company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the



reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

4. Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2018;
- b) in the case of the Statement of the Profit and Loss, of the profit for the year ended on that date;
- c) In the case of the cash flow statement of the cash flows for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements:

- (i) As required by the Companies (Audit Report) Order, 2016 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.
- (ii) 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;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the Directors, as on 31st March, 2018 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2018 from being appointed as a Director in terms of section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".



- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company do not have any pending litigations and as such the impact of them on its financial position does not arise;
 - ii. the Company is not foreseeing any material losses, on long-term contracts and further we have been informed that the company did not enter into any derivative contracts and therefore the provision for the same does not arise;
 - iii. the Company has not holding any amounts such as unclaimed dividends, share application money etc., required to be transferred to the investor education and protection fund.

For Hanumaiah & Co.,
Chartered Accountants
Firm Registration No.: 009021S



K. Hanumaiah

(K. Hanumaiah)

Partner

Membership No.201719

Place: Vijayawada

Date: 19-07-2018.

“ANNEXURE A” TO Auditors’ Report
Referred to paragraph 5 of our Report of Even Date

The Annexure referred to in the Auditor's Report to the Members of *M/s. IKF HOME FINANCE LIMITED* for the year ended 31st March, 2018.

01. a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - b) The Company has a regular program of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to such program, a portion of fixed asset has been physically verified by the management during the year and no material discrepancies were noticed on such verification.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
02. The company has no stock of inventory during the year under audit does not hold any inventory. Therefore the stock and as such physical verification of the same does not arise. Accordingly the provisions of clauses 3 (ii) of the order are not applicable.
03. According to the information and the explanations given to us, the company has not granted any loans secured or unsecured to companies, firms or other parties to be listed in the Register to be maintained under section 189 of the Companies Act, 2013. Accordingly the provisions of clauses 3 (iii) (a), (b) & (c) of the order are not applicable to the company for the year.
04. In our opinion and according to the information and explanations given to us, the Company has not given any loans, made any investments, or provided any guarantee or security as envisaged under section 185 and section 186 of the Companies Act, 2013 respectively.
05. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits and accordingly paragraph 3 (v) of the Order is not applicable.
06. The Central Government has not prescribed the maintenance of cost records for the company under section 148(1) of the Act.
07. a) In our opinion and according to the information and explanations given to us, undisputed statutory dues, including Provident Fund, ESI, Income-tax, Sales tax/VAT, Service Tax, Cess and other material statutory dues have been regularly deposited during the year with the appropriate authorities. According to the information and explanation given to us, there are no arrears of statutory dues which are outstanding as at 31 March, 2018 for the period of more than six months from the date they became payable.



- b) In our opinion and according to the information and explanations given to us, there are nodues of Income-tax, Sales Tax, Service Tax, which have not been deposited on account of any dispute.
08. The Company has not defaulted the repayment of dues to financial institutions, banks, government or debenture holders.
09. The company has not raised any money by way of initial public offer or further public offer (including debt instruments) and/or the term loans were obtained during the year under audit. Accordingly the provision of clause 3 (xi) of the order is not applicable.
10. To the best of our knowledge and belief and according to the information and explanations given to us, during the year, no fraud by the company and no material fraud on the company by its employees or officers were noticed or reported during the course of our audit.
11. The Company has complied with the provisions under section 197 read with Schedule V of the Companies Act, 2013 in connection with the payment for managerial remuneration during the year under audit.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. The Company has collected the call money in connection with the rights issue of 1,90,75,183 equity shares of Rs.10/- each issued at par and an amount of Rs.7.50 per share aggregating to Rs.14,30,63,873.00 has been collected and the allotment has been completed as at 01.11.2016 and the amount collected has been utilized for the purposes of the business.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.



HANUMAIAH & Co.,
Chartered Accountants

1 & 2 Ground,
RAM's VSR Apartments,
Mogalrajpuram,
VIJAYAWADA-520 010.

16. The Company has obtained the certificate of registration under section 29A of the National Housing Bank Act 1987, as required.

Place: Vijayawada
Date :19-07-2018.



For **Hanumaiah & Co.,**
Chartered Accountants
FRN.: 009021S


(K.Hanumaiah)
Partner
M.NO.201719

“Annexure B” to the Auditors’ Report
Referred to paragraph 5 of our Report of Even Date

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

We have audited the internal financial controls over financial reporting of *M/s. M/s. IKF HOME FINANCE LIMITED* (“the Company”) as of 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, 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 Hanumaiah & Co.,
Chartered Accountants
FRN.: 009021S



K. Hanumaiah

(K. Hanumaiah)

Partner

M.NO.201719

Place: Vijayawada

Date :19-07-2018.

IKF HOME FINANCE LIMITED

CIN No. U65922AP2002PLC039417
40-1-144, 1st Floor, Corporate Centre, M G Road,
VIJAYAWADA - 520 010.

BALANCE SHEET AS AT 31st March, 2018

PARTICULARS	NOTE NO	AS ON 31-03-2018	AS ON 31-03-2017
I. EQUITY & LIABILITIES :			
01. SHAREHOLDERS FUNDS	1		
- Share Capital		291,147,530.50	148,083,657.50
- Reserves and Surplus		11,561,311.39	9,458,562.52
02. NON CURRENT LIABILITIES			
- Long-Term Provisions	2	3,500,247.64	314,590.48
03. CURRENT LIABILITIES	2		
- Short Term Provisions		8,730,602.19	2,039,850.58
- Short Term Loans & Advances		391,070,943.86	
TOTAL		706,010,635.58	159,896,661.08
II. ASSETS :			
01. Property, Plant and Equipment			
- Tangible Assets		5,412,760.62	
- Intangible Assets		5,075,228.68	
02. NON CURRENT ASSETS			
- Long-Term Loans and Advances		597,466,779.00	14,765,002.78
- Other Non Current Assets	3	846,199.00	50,000.00
- Prel. Exp. To the extent Not Write Off		373,664.00	542,920.00
03. CURRENT ASSETS	4		
- Cash & Cash Equivalents		89,996,302.05	143,564,217.08
- Short-Term Loans and Advances		2,261,130.00	964,521.22
- Trade Receivables		202,997.83	
- Other Current Assets		4,375,574.40	10,000.00
TOTAL		706,010,635.58	159,896,661.08

As per my report of even date attached

for HANUMAIAH & CO.,
Chartered Accountants
FRN:008021S

K. Hanumiah
(K.HANUMAIAH)
Partner
M No:201719



Place : Vijayawada
Date : 19.07.2018

For and on behalf of the Board

Vasanth
(V VASANTHA LAKSHMI) (P CHANDRA SEKHAR)
Director Director
DIN: 03610979 03598591



IKF HOME FINANCE LIMITED

CIN No. U65922AP2002PLC039417
40-1-144, 1st Floor, Corporate Centre, M.G Road,
VIJAYAWADA - 520 010.

PROFIT AND LOSS FOR THE PERIOD ENDED 31st MARCH, 2018

PARTICULARS	NOTE NO	YEAR ENDED 31-03-2018	YEAR ENDED 31-03-2017
01. INCOME			
- Income From Operations	5	36,140,066.31	9,860,672.74
- Other Income	5	8,151,958.15	
TOTAL INCOME		44,292,024.49	9,860,672.74
02. EXPENSES			
- Employees Benefit Expenses	6	23,845,635.64	1,512,424.00
- Other Expenses	7	10,309,586.12	2,258,969.59
- Finance Expenses	8	2,994,912.00	3,843.00
- Depreciation		1,917,220.70	-
- Provisions and write-offs			-
- Contingent Provision against standard assets		2,084,321.16	314,580.48
TOTAL EXPENDITURE		41,151,677.62	4,089,827.07
PROFIT BEFORE TAX		3,140,346.87	5,760,845.67
PROVISION FOR CURRENT YEAR TAX		1,037,598.00	2,402,285.00
PROVISION FOR DEFERRED TAX		-	-
PROFIT AFTER TAX		2,102,748.87	3,358,560.67

As per my report of even date attached

for HANUMAIAH & CO.,
Chartered Accountants
FRN:009021S

(K. HANUMAIAH)
Partner
M No:201719

Place : Vijayawada
Date : 19.07.2018



For and on behalf of the Board

(V VASANTHA LAKSHMI)
Director

09103610979



(P. CHANDRA SEKHAAR)
Director
03598592

03598592

IKF HOME FINANCE LIMITED

CIN No. U65922AP2002PLC039417
40-1-144, 1st Floor, Corporate Centre, M G Road,
VIJAYAWADA - 520 010.

CASH FLOW STATEMENT AS AT 31ST MARCH 2018

PARTICULARS		31-03-2018	31-03-2017
A) CASH FLOW FROM OPERATING ACTIVITIES :			
Net profit/loss before Tax and Extraordinary Items		3,140,347	5,760,846
Adjustments for :			
Depreciation		1,917,221	-
Interest received on FD's		(4,876,781)	-
Dividends received from Mutual Funds		(1,057,723)	-
Operating Profit Before Working Capital Changes		(876,937)	5,760,846
Adjustments for :			
(Increase) Decrease in Loans and Advances	(583,996,385)		(15,729,524)
(Increase) Decrease in Trade Receivables	(4,568,572)		148,005
(Increase) Decrease in Other Current Assets	(626,943)		119,256
Increase (Decrease) in Current Liabilities	400,947,353	(188,246,548)	282,584
Cash Generated from Operations		(189,123,484)	(9,420,834)
Direct Taxes Paid		(1,037,598)	(2,402,285)
NET CASH FROM OPERATING ACTIVITIES - (A)		(190,161,082)	(11,823,119)
B) CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets	(12,405,210)		
Sale of Fixed Assets	-	(12,405,210)	-
Interest received on FD's		4,876,781	-
Dividends received from Mutual Funds		1,057,723	-
Purchase of Investments	-		
Sale of Investments	-		
NET CASH USED IN INVESTING ACTIVITIES - (B)		(6,470,706)	-
C) CASH FLOW FROM FINANCING ACTIVITIES :			
Proceeds from issue of Share Capital		143,063,873	47,687,958
Increase/(Decrease) in Debentures			
NET CASH USED IN FINANCING ACTIVITIES - (C)		143,063,873	47,687,958
Net Increase in Cash & Cash Equivalents (A+B+C)		(53,567,915)	35,864,839
Cash and Cash Equivalents As At 31-03-2017		143,564,217	107,699,378
Cash and Cash Equivalents As At 31-03-2018		89,996,302	143,564,217

As per my report of even date attached

for HANUMAIAH & CO.,
Chartered Accountants
FRN:009021S

K Hanumaiah
(K.HANUMAIAH)
Partner
M No:201719



For and on behalf of the Board

Vasanthakshmi
(V VASANTHAKSHMI)
Director

F Chandra Sekhar
(F CHANDRA SEKHAR)
Director

DIN 03610979

DIN 03598591



Place : Vijayawada
Date : 19.07.2018

IKF HOME FINANCE LIMITED

CIN No. U65922AP2002PLC039417
40-1-144, 1st Floor, Corporate Centre, M G Road,
VIJAYAWADA - 520 010.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31-03-2018

PARTICULARS	31-03-2018		31-03-2017	
NOTE - 1				
SHARE HOLDERS FUNDS :				
01. SHARE CAPITAL				
- Authorised Capital				
- 3,00,00,000 Equity Shares of Rs.10/- each (Previously 1,20,00,000 Equity Shares of Rs.10/- each)		300,000,000.00		300,000,000.00
- Issued and Subscribed Capital				
- 2,91,14,753 Shares of Rs.10/- each (Previous Year 1,00,39,570 Shares of Rs.10/- each)		291,147,530.00		291,147,530.00
- Paid-up Capital				
- 2,91,14,753 Shares of Rs.10/- each (1,00,39,570 Shares of Rs.10/- each) - Nil (1,90,75,183 Shares of Rs.2.50/- each)		291,147,530.50		100,39,700.00
TOTAL		291,147,530.50		148,083,657.50
02. RECONCILIATION OF THE SHARE CAPITAL OUTSTANDING				
PARTICULARS	31-03-2018		31-03-2017	
	Number	Amount	Number	Amount
ISSUED CAPITAL				
- At the beginning of the year	29,114,753	148,083,657.50	10,039,570	100,39,700
- Issued during the year		143,063,873.00	18,075,183.00	47,687,958
- At the end of the year	29,114,753	291,147,530.50	29,114,753	148,083,658
03. DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5%.				
PARTICULARS	31-03-2018		31-03-2017	
	Number	% of Holding	Number	% of Holding
EQUITY SHARES				
- V G K Prasad	14,938,793	51.31%	7,395,383	25.40%
- IKF Infratech (P) Limited	5,110,000	17.55%	5,110,000	17.55%
- Gautam Padaia	-	0.00%	3,371,700	11.58%
- Vamsi Mohan Athota	2,053,160	7.05%	2,053,160	7.05%
- Kodali Lakshmana Rao	2,000,000	6.87%	2,000,000	6.87%
- K Vasumathi Devi	1,879,600	6.46%	1,879,600	6.46%
- V Raghuram	-	0.00%	660,000	2.27%
RESERVE AND SURPLUS :				
01. SURPLUS/(DEFICIT) IN THE STAMMENT OF PROFIT & LOSS				
- Balance as per last financial statements			8,618,562.52	6,100,001.85
- Add : Profit for the year			2,102,748.87	3,358,560.67
- Less : Transfer to Reserve Fund @ 25%			10,721,311.39	9,458,562.52
NET SURPLUS/(DEFICIT) IN THE STAMMENT OF PROFIT & LOSS			526,000.00	840,000.00
			10,195,311.39	8,618,562.52
02. RESERVE FUND				
- Balance as per last financial statements				
- Statutory Reserve u/s 29C of the NHB Act, 1987			840,000.00	-
- Add : Appropriations during the year			840,000.00	-
- Statutory Reserve u/s 29C of the NHB Act, 1987			526,000.00	840,000.00
- Less : withdrawal during the year			1,366,000.00	840,000.00
- Statutory Reserve u/s 29C of the NHB Act, 1987			-	-
NET RESERVE FUND			1,366,000.00	840,000.00
TOTAL			11,561,311.39	9,458,562.52



IKF HOME FINANCE LIMITED

CIN No. U65922AP2002PLC039417
#40-1-144, 1st Floor, Corporate Centre, M G Road,
VIJAYAWADA - 520 010

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31-03-2018

PARTICULARS	31-03-2018		31-03-2017	
	Non Current	Current	Non Current	Current
NOTE - 2				
PROVISIONS :				
- Provision for Standard Assets	2,398,911.64	-	314,590.48	-
- Income-tax Payable	-	506,536.82	0.00	1,070,267.58
- Sundry Creditors	-	2,973,661.13	0.00	-
- Salaries Payable	-	1,023,669.98	0.00	912,083.00
- TDS Payable	-	608,176.00	0.00	5,000.00
- Other Statutory dues payable	-	729,188.26	0.00	-
- Other liabilities	-	2,835,370.00	0.00	-
- Audit Fee Payable	-	54,000.00	0.00	52,500.00
- Other Payables	1,101,336.00	-	0.00	-
TOTAL	3,500,247.64	8,730,602.19	314,590.48	2,039,850.58
02. SHORT TERM LOANS & ADVANCES				
- V G K Prasad	-	-	-	-
- V G K Prasad - HUF	-	-	-	-
- V Vasantha Lakshmi	-	-	-	-
- SVR Finance & Leasing (P) Ltd	-	5,820,020.00	-	-
- Northern ARC Capital Ltd (Formerly IFMR Capital)	-	150,000,000.00	-	-
- Northern ARC Capital Ltd (Formerly IFMR Capital)	-	75,000,000.00	-	-
- South Indian Bank Ltd - Cash Credit	-	160,450,923.86	-	-
TOTAL	-	391,070,943.86	-	-
The Credit facilities from the banks financial institutions and NBFC are secured by an exclusive charges by way of hypothecation of book debts receivables and personal guarantees of the directors.				
NOTE - 3				
NON CURRENT ASSETS :				
01. OTHER NON CURRENT ASSETS				
- Rent - Deposit	846,199.00	-	50,000.00	-
TOTAL	846,199.00	-	50,000.00	-
NOTE - 4				
CURRENT ASSETS :				
01. CASH & CASH EQUIVALENTS				
- Cash on Hand	-	40,130.34	-	38,126.00
- Bank Accounts :	-	-	-	-
- Coastal Local Area Bank Limited - 24010003386	-	26,900.76	-	59,247.76
- Coastal Local Area Bank Limited - 96003248572	-	15,678.50	-	17,507.50
- Cosmos Co-Operative Bank - 045100106675	-	5,985,128.85	-	315,393.00
- Federal Bank Limited - 11520200014177	-	83,887,773.76	-	386,372.75
- ICICI Bank Limited - 630605120576	-	28,434.15	-	18,128,011.38
- Equitax small finance bank-CA 200000005990	-	12,254.00	-	-
- Bank Deposits	-	-	-	-
- RBL Bank - Fixed Deposit	-	-	-	-
- Coastal Bank - Vja - 96003008720	-	-	-	10,575,228.00
- Coastal Bank - Vja - 96003564711	-	-	-	20,561,576.00
- Coastal Bank - Vja - 96003564733	-	-	-	10,280,788.00
- Fixed Deposit Cosmos Bank 45150008099	-	-	-	10,575,228.00
- Fixed Deposit Cosmos Bank 45150008006	-	-	-	10,381,294.00
- Fixed Deposit Cosmos Bank 45150008235	-	-	-	-
- Fixed Deposit Cosmos Bank 45150008242	-	-	-	-
- Fixed Deposit Cosmos Bank 45150008402	-	-	-	-
- Fixed Deposit Cosmos Bank 45150008457	-	-	-	-
- Fixed Deposit Cosmos Bank 45150008567	-	-	-	-
- Coastal Bank - Gnt - 96003564959	-	-	-	15,421,182.00
- Cosmos Co-Operative Bank - 045150006941	-	-	-	2,980,000.00
- Cosmos Co-Operative Bank - 045150007412	-	-	-	20,000,000.00
- Equitax Small Finance Bank	-	0.59	-	8,622,609.59
- Equitax Small Finance Bank	-	0.27	-	6,593,760.27
- Equitax Small Finance Bank	-	0.83	-	8,617,893.83
TOTAL	-	89,996,302.05	-	143,564,217.08



IKF HOME FINANCE LIMITED

CIN No. U65922AP2002PLC039417

40-1-144, 1st Floor, Corporate Centre, M G Road,
VIJAYAWADA - 520 010.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31-03-2018

PARTICULARS	31-03-2018		31-03-2017	
	Non Current	Current	Non Current	Current
NOTE - 4				
CURRENT ASSETS :				
02. LOANS & ADVANCES				
- Portfolio Loans				
- Secured considered good	597,466,779.00	2,261,130.00	14,765,002.78	964,521.22
TOTAL	597,466,779.00	2,261,130.00	14,765,002.78	964,521.22
03. TRADE RECEIVABLES				
- Sundry Debtors	202,997.83	-	-	-
TOTAL	202,997.83	-	-	-
04. OTHER CURRENT ASSETS				
- Staff Salary Advance	-	-	-	10,000.00
- Interest accrued but not due		3,886,087.00		
- Other current asstes		687,487.40		
TOTAL	-	4,375,574.40	-	10,000.00



IKF HOME FINANCE LIMITED

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VIJAYAWADA - 520 010.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31-03-2018

PARTICULARS	31-03-2018	31-03-2017
NOTE - 5		
INCOME FROM OPERATIONS :		
- Interest Income	24,565,865.50	1,257,160.25
- Other operating income	11,574,200.81	
- Interest Income from Bank FDR's	4,878,781.18	7,990,501.11
- Dividend Income from Mutual Funds	1,057,723.00	
- Income from Sale of Mutual Funds	-	603,011.38
- Other Income	2,217,454.00	
TOTAL INCOME	44,292,024.49	9,850,672.74
NOTE - 6		
EMPLOYEES BENEFIT EXPENSES :		
- Staff Salaries	23,845,635.64	1,512,424.00
TOTAL ESTABLISHMENT EXPENSES	23,845,635.64	1,512,424.00
NOTE - 7		
OTHER EXPENSES :		
- Audit Fee	51,500.00	57,500.00
- Bank Charges	28,029.01	2,115.00
- Loan Processing fee and Documentation fee paid	1,530,850.00	
- Printing & Stationery	78,443.61	8,326.00
- Legal & Professional charges	4,079,624.00	20,000.00
- Fees, dues and Subscription	5,000.00	
- Travelling and Conveyance Expenses	576,618.00	10,905.00
- Office Rent	1,389,358.00	180,000.00
- Electricity charges	288,842.00	
- Communication expenses	200,538.60	
- Repairs and Maintenance	13,153.00	
- Taxes & Licenses	108,843.00	1,687,826.00
- Preliminary Exp W/o	169,256.00	169,256.00
- Reversal of Un-realised Income	-	123,039.59
- Demat Charges	-	
- Branding Expenses	72,686.00	
- Office maintenance	225,382.00	
- Loss on sale of Mutual fund	14,781.70	
- Miscellaneous expenses	540,923.20	
- Commission	937,760.00	
TOTAL ADMINISTRATIVE EXPENSES	10,309,588.12	2,258,969.59
NOTE - 8		
FINANCE EXPENSES :		
- Interest on Bank - South Indian Bank	718,404.00	3,843.00
- Interest Paid to Others		
- IFMR & Northern Arc	2,156,488.00	
- SVR Finance & Leasing	120,020.00	
TOTAL ADMINISTRATIVE EXPENSES	2,994,912.00	3,843.00



IKF HOME FINANCE LIMITED

CIN No. U65922AP2002PLC039417

40-1-144, 1st Floor, Corporate Centre, M G Road,
VIJAYAWADA - 520 010.

Notes to the Accounts

1 Significant Accounting Policies

- 1.1 The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the relevant provisions of the Companies Act, 2013. Besides, the Company follows the Directions prescribed by the National Housing Bank (NHB) for Housing Finance Companies.

The preparation of the financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities as at the Balance Sheet date, reported amounts of revenues and expenses during the year and disclosure of contingent liabilities as at that date. The estimates and assumptions used in the financial statements are based upon the Management's evaluation of the relevant facts and circumstances as of the date of the financial statements.

The assets and liabilities have been classified as current and non-current based on a twelve-month operating cycle.

1.2 Income Recognition:

- a. Interest on loans disbursed is recognised as income on accrual basis. Loans granted are repayable in Equated Monthly Installments (EMIs) after full disbursement(s) of the loan, comprising principal and interest. The EMIs commence when the loan is fully disbursed. Pre-EMI interest is payable monthly where the loan is partly disbursed.
- b. from other financing activities and services is recognized on accrual basis.

- The Company has Fixed Assets. The Policy implemented by Company for Capitalisation in Books of Account is purchases over and above Rs. 5,000/- will be capitalized

1.4.1 Valuation of investments :

(Rs. In Lakhs)

Particulars	31-Mar-18	31-Mar-17
Value of Investments		
i. Gross Value of Investments		
a) In India	NIL	NIL
b) Outside India	NIL	NIL
ii. Provision for Depreciation		
a) In India	NIL	NIL
b) Outside India	NIL	NIL
iii. Net Value of Investments		
a) In India	NIL	NIL
b) Outside India	NIL	NIL
Movement of provisions held towards - depreciation on Investments		
i. Opening Balance	NIL	NIL
ii. Add : Provisions made during the Year	NIL	NIL
iii. Less : Write-off / Write-back of excess provisions during the Year	NIL	NIL
iv. Closing Balance	NIL	NIL

1.4.2 Derivatives : NIL

Forward Rate Agreement (FRA) / Interest Rate Swap (IRS) : NIL
Exchange Traded Interest Rate (IR) Derivative : NIL
Disclosures on Risk Exposure in Derivatives : NA



IKF HOME FINANCE LIMITED

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VIJAYAWADA - 520 010.

Notes to the Accounts

1.4.3 Securitisation

	Particulars	31-Mar-18	31-Mar-17
1	No of SPVs sponsored by the HFC for Securitisation transactions *	NIL	NIL
2	Total amount of securitised assets as per books of the SPVs sponsored	NIL	NIL
3	Total amount of exposures retained by the HFC towards the MRR as on the date of balance sheet I) Off-balance sheet exposures towards Credit Concentration II) On-balance sheet exposures towards Credit Concentration a) Cash Collateral b) Others	NIL NIL	NIL NIL
4	Amount of exposures to securitisation transactions other than MRR I) Off-balance sheet exposures towards Credit Concentration II) On-balance sheet exposures towards Credit Concentration		
	* Only the SPVs relating to outstanding securitisation transactions may be reported here		

Details of Financial Assets sold to Securitisation / Reconstruction Company for Assets Reconstruction : NIL
Details of Assignment transactions undertaken by HFCs : NIL
Details of non-performing financial assets purchased / sold : NIL

1.5 Employee Benefits:

Employee benefits for services rendered by employees are recognized during the year in which the services are rendered.

1.6 Taxation :

Current tax is provided on the taxable income for the year.

1.7 Impairment of Assets :

The carrying amounts of assets are reviewed as at each Balance Sheet date to ascertain impairment based on internal/external factors. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the net selling price of the asset and its value in use.

1.8 Provisions :

Provisions are recognised when the Company has present legal or constructive obligations, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of the obligations.

1.9 The pending litigations as on March 31, 2018 have been estimated by the Company and reviewed by the Statutory Auditors. The current position of the litigations has been evaluated and the effect thereof has been disclosed in the financial statements, where appropriate.



IKF HOME FINANCE LIMITED

CIN No. U68922AP2002PLC039417
4G-1-144, 1st Floor, Corporate Centre, M.G Road,
VIJAYAWADA - 520 010.

Notes to the Accounts

2. Disclosure as per Housing Finance Companies-Corporate Governance (National Housing Bank) Directions, 2016

3. Capital to Risk (Weighted) Assets Ratio

Particulars	31-Mar-18	31-Mar-17
CRAR (%)	74.93%	2323.61%
CRAR-Tier I Capital (%)	74.33%	2323.61%
CRAR-Tier II Capital (%)	0.60%	0.00%
Amount of subordinated debt raised as Tier-II Capital	0	0
Amount raised by issue of Perpetual Debt Instruments	0	0

4. I. Reserve Fund (s 29C, of NHB Act 1967): Disclosed separately under Note 1.

E. Draw down from Reserves : NIL.

5. Assets Liability Management (Maturity Pattern of Certain Items of Assets and Liabilities)

Particulars	(Rs. in Lakhs)								
	1 month	1-2 month	2-3 month	3-6 month	6m - 1 year	1-3 year	3-5 year	Over 5 year	Total
Liabilities									
Share Capital and Reserves	-	-	-	-	-	-	-	3,036.08	3,036.08
Long Term Borrowings	-	-	-	-	-	3,104.51	750.00	-	3,854.51
Customer deposits	-	-	-	-	-	-	-	-	-
Unsecured Loan	-	-	-	-	-	-	-	-	-
ICD	-	-	-	-	-	56.20	-	-	56.20
Customer deposits of Securitisation	-	-	-	-	-	-	-	-	-
Long Term Liabilities & Provisions	-	-	-	-	4.22	-	-	5.79	14.99
Current Liabilities & Provisions	51.96	-	-	-	5.61	15.37	14.37	-	87.31
Total Liabilities	51.96	-	-	-	9.83	3,176.07	764.37	6.79	7,060.11
Cumulative Cash flow	51.96	51.96	51.96	51.96	61.79	3,237.87	4,002.24	4,009.03	7,060.11
Assets									
Advances	-	-	-	-	-	22.61	-	120.90	5,893.77
Investments	-	-	-	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-	9.27	59.74	104.88
cash & bank balances	3.40	898.73	-	-	-	0.83	-	-	899.96
Other assets	38.91	3.24	1.21	2.43	-	-	3.74	8.46	57.98
Total assets	39.31	901.97	1.21	2.43	23.44	13.01	189.10	5,889.64	7,060.11
Cumulative Cash flow	39.31	941.28	942.49	944.92	968.36	981.37	1,170.47	7,060.11	
Mismatches									(0.00)
Cumulative Mismatches									
Cumulative Mismatches as a % of Cumulative Cash outflows									



IKF HOME FINANCE LIMITED

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Notes to the Accounts

6. Exposure

Exposure to Real Estate Sector

Category	31-Mar-18	31-Mar-17
a) Direct Exposure		
i) Residential Mortgages		
Lending fully Secured by mortgages on residential property that is or will be occupied by the borrower or that is rented:		
- Individual Housing loans upto Rs. 15 lakhs	1,875.03	8.99
- Others	4,122.25	151.31
Total		
ii) Commercial Real Estate		
Lending secured by mortgages on commercial real estates (offices, buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include Non-Fund Based (NFB) limits.		
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures:		
a) Residential	NIL	NIL
b) Commercial Real Estate	NIL	NIL
b) Indirect Exposure		
Fund based and Non-Fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFC's)		
	NIL	NIL

7. Provisions and Contingencies

(Rs. in Lakhs)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss Account	31-Mar-18	31-Mar-17
1. Provision for Depreciation on Investment	NIL	NIL
2. Provision made towards Income Tax	10.35	24.02
3. Provision towards NPA	NIL	NIL
4. Provision for Standard Assets	20.64	3.15
5. Other Provision and Contingencies	NIL	NIL

(Rs. in lakhs)

Breakup of Loans and Advances and Provision thereon	Housing		Non-Housing	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Standard Assets				
a) Total Outstanding amount	4,013.94	157.30	1,983.34	NIL
b) Provision made	16.06	3.15	7.93	NIL
Sub-Standard Assets				
a) Total Outstanding amount	NIL	NIL	NIL	NIL
b) Provision made	NIL	NIL	NIL	NIL
Doubtful Assets				
a) Total Outstanding amount	NIL	NIL	NIL	NIL
b) Provision made	NIL	NIL	NIL	NIL
Loss Assets				
a) Total Outstanding amount	NIL	NIL	NIL	NIL
b) Provision made	NIL	NIL	NIL	NIL
Total				
a) Total Outstanding amount	4,013.94	157.30	1,983.34	NIL
b) Provision made	16.06	3.15	7.93	NIL

Note : 1. The total Outstanding amount means principal+accrued interest+other charges pertaining to loans without netting off

2. The Category of Doubtful Assets will be as under:

Doubtful Assets: Doubtful asset means a term loan or any other asset, which remains a substandard asset for a period exceeding twelve months.

Period for which the assets have been considered as doubtful	Category
Upto One Year	Category I
One to three years	Category II
More than three years	Category III



IKF HOME FINANCE LIMITED

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Notes to the Accounts

B. Concentration of Public Deposits, Advances, Exposures and NPAs

a) Concentration of Public Deposits

Particulars	31-Mar-18	31-Mar-17
Total Deposits	NIL	NIL

b) Concentration of Loans and Advances

Particulars	31-Mar-18	31-Mar-17
Total Loans & Advances to twenty largest borrowers	1,499.08	157.30
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of HFC	25.00	100%

c) Concentration of all Exposed (including off-Balance sheet exposure)

Particulars	31-Mar-18	31-Mar-17
Total exposure to twenty largest borrowers	1,499.08	157.30
Percentage of exposures to twenty largest borrowers/customers to Total Exposure of the HFC on borrowers/customers	25.00	1.00

d) Concentration of NPAs

Particulars	31-Mar-18	31-Mar-17
Total exposure to top ten NPA Accounts	NIL	NIL

e) Sector wise NPA

Sector	Percentage of NPAs to Total Advances in that sector
A. Housing loans	
1. Individuals	NIL
2. Builder/Project loans	NIL
3. Corporates	NIL
4. Others (specify)	NIL
B. Non-Housing loans	
1. Individuals	NIL
2. Builder/Project loans	NIL
3. Corporates	NIL
4. Others (specify)	NIL

f) Movement of NPAs

Particulars	31-Mar-18	31-Mar-17
i) Net NPAs to Net Advances (%)	NIL	NIL
ii) Movement of NPAs (Gross)		
a) Opening balance	NIL	NIL
b) Additions during the year	NIL	NIL
c) Reductions during the year	NIL	NIL
d) Closing balance	NIL	NIL
iii) Movement of net NPAs		
a) Opening balance	NIL	NIL
b) Additions during the year	NIL	NIL
c) Reductions during the year	NIL	NIL
d) Closing balance	NIL	NIL
iv) Movement of provisions for NPAs (excluding provisions on Standard Assets)		
a) Opening balance	NIL	NIL
b) Provisions made during the year	NIL	NIL
c) Write-off/Write-back of excess provisions	NIL	NIL
d) Closing balance	NIL	NIL



IKF HOME FINANCE LIMITED

CIN No. U65922AP2002PLC039417

40-1-144, 1st Floor, Corporate Centre, M G Road,
VIJAYAWADA - 520 010.

Notes to the Accounts

9. Customers Complaints

Particulars	31-Mar-18	31-Mar-17
a) No. of complaints pending at the beginning of the year	0	0
b) No. of complaints received during the year	0	0
c) No. of complaints redressed during the year	0	0
d) No. of complaints pending at the end of the year	0	0

10. Related Party Transactions

In accordance with Accounting Standard 18 : Related Party Disclosures, the details of Related Party Transactions are given below :

Details of Related Parties :

Key Management Personnel : Mrs. Vupputuri Vasantha Lakshmi - Managing Director

Details of Related Party Transactions for the year ended 31st March 2018 (Rs. In Lakhs)

Particulars	Key Management Personnel	
	31/03/2018	31/03/2017
Remuneration	10.81	NIL

11. Overseas Assets : NIL

12. Off-balance sheet SPV's sponsored (which are required to be consolidated as per accounting norms) - NIL

13. Previous year's figures have been regrouped/ reclassified / restated where necessary, to conform to the current year's presentation.

For Hanumaiah & Co.,
Chartered Accountants
FRN: 009021S

(K Hanumaiah)
Partner,
M No.201719

Place : Vijayawada
Date : 19.07.2018



By Order of the Board

(V VASANTHA LAKSHMI) (R CHANDRA SEKHA)
Director Director
DIN: 03610979 DIN: 033598591



Auditors (Additional) Report to the Board of Directors of M/s. IKF Home Finance Ltd in accordance with the "Housing Finance Companies – Auditor's Report (National Housing Bank) Directions, 2016".

01. The Company originally has obtained the Certificate of Registration Vides Registration No.04.0133.16 dated 19.04.2016 from the National Housing Bank for the commencement of its business activities and further the Revised Certificate of Registration Vides Registration No. 05.0170.18 dated 16-05-2018 has been obtained consequent to the change in the name of the Company into IKF Home Finance Ltd. The Company is not entitled for the acceptance of the public deposits.
02. The Company has complied with the minimum Net Owned Fund requirement of Rs.200.00 lakhs as at 31.03.2017 as prescribed under Section 29A of the National Housing Bank Act, 1987.
03. The Company has created a statutory reserve fund and transferred Twenty Five (25%) percent of the net profits before declaration of any dividend in accordance with the provisions of Section 29C of the National Housing Bank Act, 1987.
04. The Board of Directors of the Company has passed a resolution specifying for not to accept the public deposits in their Board Meeting held on 03-05-2016.
05. The Company did not accept any public deposits during the financial year 2017-2018.
06. The Company has taken loans or borrowings to the tune of Rs. 39,10,70,943.00 and the total borrowings are within the limits (16 times of NOF) prescribed under paragraph 3(2) of the Housing Finance Companies (NIIB) Directions, 2010.
07. The Company has complied with the prudential norms on income recognition, accounting standards, asset classification, loan-to-value ratio, provisioning requirements, disclosure in balance sheet, investment in real estate, exposure to capital market and engagement of brokers, and concentration of credit/investments as specified in the Housing Finance Companies (NHB) Directions, 2010.
08. The Capital Adequacy Ratio disclosed in the Schedule-II return submitted to the National Housing Bank in terms of the Housing Finance Companies (NHB) Directions, 2010, has been correctly determined and the ratio (106.72%) is in compliance with the minimum capital to risk weighted asset ratio as prescribed in the directions.
09. The Company has furnished to the NHB the half-yearly returns in Schedule-II as specified in the Directions within the stipulated period during the financial year 2017-18.

(Continued....2)



HANUMAIAH & Co.,
Chartered Accountants

1 & 2 Ground,
RAM's VSR Apartments,
Mogalrajpuram,
VIJAYAWADA-520 010.

10. The Company being a non-deposit accepting company and the asset size is less than Rs.100.00Crore the furnishing of the return in Schedule-III to the NHB in accordance with the directions is not applicable.
11. During the financial year 2017-18 the company has opened 11 new branches within INDIA and complied with the requirement contained in the Housing Finance Companies (NHB) Directions, 2010 in this regard.
12. The Company has not extended any loan or finance against the security of its own shares and/or against the security of primary bullion or gold coin or for the purchase of primary gold, gold bullion or gold jewelry, gold coins, units of Exchange Traded Fund (ETF) and units of gold mutual fund as prescribed in paragraph 38 and 38A of the Housing Finance Companies (NHB) Directions, 2010.

For **Hanumaiah & Co.,**
Chartered Accountants
FRN.: 009021S



K. Hanumaiah
(K. Hanumaiah)
Partner
M.NO.201719

Place: Vijayawada
Date : 19-07-2018.