

IKF HOME FINANCE LIMITED

(Formerly Known as IKF Home Finance Private Limited)

17th Annual Report 2018 - 2019

Board of Directors

- | | | |
|---------------------------------------|---|-------------------|
| 1. Mrs. Vupputuri Vasantha Lakshmi | : | Managing Director |
| 2. Mr. Vupputuri Gopala Kishan Prasad | : | Director |
| 3. Mrs. Vasumathi Devi Koganti | : | Director |
| 4. Mr. Paruchuri Chandrasekhar | : | Director |

Key Managerial Personnel

- | | | |
|--------------------------------|---|-------------------------|
| 1. Mr. Paruchuri Chandrasekhar | : | Chief Financial Officer |
| 2. Mr. Vishal Kumar Joshi | : | Company Secretary |

Senior Executives

- | | | |
|----------------------------|---|-------------------------------|
| 1. Mr. Anand Srinivasan | : | Business Head |
| 2. Mr. Sunil Kumar Pradhan | : | Head Operations |
| 3. Mr. CH. Lakshmikanth | : | Head Risk & Credit Compliance |
| 4. Mr. Mohan Naidu | : | Credit Head (TN, KA, MH) |
| 5. Mr. Prasad Dasari | : | Credit Head (AP, Telangana) |

Board Committees

Audit Committee:

1. Mr. Vupputuri Gopala Kishan Prasad
2. Mr. Paruchuri Chandrasekhar - Chairman
3. Mrs. Vasumathi Devi Koganti

Nomination & Remuneration Committee:

1. Mr. Vupputuri Gopala Kishan Prasad
2. Mr. Paruchuri Chandrasekhar - Chairman
3. Mrs. Vasumathi Devi Koganti

Asset Liability Management, Asset Classification & Risk Management Committee:

1. Mr. Vupputuri Gopala Kishan Prasad
2. Mr. Paruchuri Chandrasekhar – Chairman
3. Mrs. Vupputuri Vasantha Lakshmi

Customer Service and Grievance Redressal Committee

1. Vupputuri Vasantha Lakshmi - Chairman
2. Sunil Kumar Pradhan
3. Anand Srinivasan

Share Transfer Agents:

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

Statutory Auditors:

Hanumaiah & Co.,
Chartered Accountants
1 & 2 Ground, RAM'S VSR Apartments
Mogalrajpuram, Vijayawada – 520 010
Andhra Pradesh, India

Internal Auditors

M/s Brahmayya & Co
Chartered Accountants
No 33-25-33/3, Govinda Rajulu Naidu Street,
Surya Rao Pet, Vijayawada – 520010
Andhra Pradesh

Registered Office:

40-1-44, 1st Floor, Corporate Centre,
M.G. Road, Vijayawada- 520 010
Andhra Pradesh, India

Bankers:

The Federal Bank Limited
The South Indian Bank Limited
Cosmos Co-Operative Bank Ltd
Coastal Local Area Bank Limited
Equitas Small Finance Bank
AU Small Finance Bank Limited
DCB Bank Ltd
ICICI Bank Limited
RBL Bank

Corporate Office:

6-3-902/A, 1st Floor
Central Plaza, Near Yashoda Hospital
Raj Bhavan Road, Somajiguda,
Hyderabad- 500 082, Telangana
Phone: 040 – 23412083

Website: www.ikfhomefinance.com

Corporate Identity Number : U65922AP2002PLC039417

17th Annual General Meeting

Date : September 12th, 2019
Time : 11.30 AM
Day : Thursday
Venue : Registered Office of the Company
40-1-44, 01st Floor, Corporate Centre,
M.G. Road, Vijayawada- 520 010
Krishna District, Andhra Pradesh, India

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE 17TH ANNUAL GENERAL MEETING OF IKF HOME FINANCE LIMITED WILL BE HELD ON THURSDAY, THE 12TH DAY OF SEPTEMBER 2019, 11.30 A.M. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT # 40-1-44, CORPORATE CENTRE, M.G. ROAD, VIJAYAWADA- 520 010, ANDHRA PRADESH, INDIA TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the audited Financial Statements for the financial year ended 31st March 2019 together with the Reports of the Directors and Auditors thereon for the year ended 31st March, 2019 and in this regard to pass the following resolution as **an ordinary resolution.**

“RESOLVED THAT the audited Financial Statements of the Company for the year ended 31st March 2019 together with the reports of the auditors and directors thereon of the Company for the year ended 31st March 2019 be and are hereby received, considered, approved and adopted”

2. To Appoint Auditors and fix Remuneration:

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

“RESOLVED THAT Pursuant to provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, and the rules framed thereunder, as amended from time to time M/s. Kondepati & Co; Chartered Accountants, (FRN No. 012912S) be and is hereby appointed as Auditor of the Company to hold office from conclusion of this Annual General Meeting (AGM) till the conclusion of the 22nd AGM of the Company to be held in the year 2024, at such remuneration as may be agreed upon between the Board of Directors and the Statutory Auditors.

“RESOLVED FURTHER THAT any of the Directors of the Company or Company Secretary of the Company be and is hereby jointly and /or severally authorized to do all such acts including issuing appointment letter to auditor or as may be required to give effect to the aforesaid resolution.”

Special Business: -

3. To Appoint Mr. Purna chandra Rao Vankineni, (DIN: 00391733) as an Independent Director.

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

“RESOLVED THAT pursuant to the provisions of Section 149, 152, and any other applicable provisions of the companies Act, 2013 (“the Act”) read with Schedule IV to the Act, the Companies (Appointment and Qualification of Directors) rules, 2014 including any other rules made thereunder (including any Statutory modification(s) or re-enactment thereof for time being in force) and in accordance with Articles of Association of the Company, Mr. Purna Chandra Rao Vankineni, DIN:00391733 as recommended by the Nomination and Remuneration Committee and in respect of whom the company has received a notice in writing from a member along with the deposit of the requisite amount under section 160 of the Companies Act, 2013 proposing his candidature for the office of the Director and who has submitted a declaration that He meets the criteria for Independence as provided in section 149(6) of the Act, subject to obtaining the applicable approval from National housing Bank and statutory/Regulatory Authority if any. be and is hereby appointed as an Independent Non- Executive Director of the Company to hold office for a term of 5 (five) consecutive years commencing from 12/09/2019, whose period of office will not be liable to determination by retirement of directors by rotation.

“RESOLVED FURTHER THAT any of the Directors of the Company or Company Secretary of the Company be and is hereby jointly and /or severally authorized to do all such acts as may be required to give effect to the aforesaid resolution.”

4. TO ENHANCE THE BORROWING POWERS OF THE COMPANY FROM RS. 500 CRORES TO RS. 750 CRORES

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

“RESOLVED THAT subject to the provisions of Section 180 (1) (c) and other applicable provisions, if any, and the Companies Act, 2013 including any statutory modifications or re-enactments thereof and in suppression of all the earlier resolutions passed in this regard, the Board of Directors hereinafter referred to as the Board, including any committee thereof for the time being exercising the powers conferred on them by this resolution, be and hereby authorized to borrow money, as and when required, from, including without limitation, any Bank and/or Public Financial Institution as defined under Section 2(72) of the Companies Act, 2013 and/or eligible foreign lender and/or any entity/entities and/or authority/authorities and/or through suppliers credit, any other securities or instruments, such as floating rate notes, fixed rate notes, syndicated loans, debentures, commercial papers, short term loans or any other instruments etc, and/or through credit from official agencies and/or by way of commercial borrowings from the private sector window of multilateral financial institution, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding Rs.750 Crore (Rupees Seven Hundred and Fifty Crore only), notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company’s banker in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the company and its free reserves, that is to say, reserves not set apart for any specified purpose.”

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

5. TO ENHANCE THE POWER OF BOARD OF DIRECTORS OF THE COMPANY TO LEASE AND MORTGAGE OF THE PROPERTY (IES) OF THE COMPANY

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

“RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, consent of the Company be and is hereby given to the Board of Directors of the company to create charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the company, on such assets and properties of the company, both present and future and in such manner as the Board may direct, in favour of all or any Banks, financial institutions, investments institutions and their subsidiaries, any other bodies corporate and any other lenders (hereinafter collectively referred to “the lending agencies”) and/ or Trustees for the holders of debentures/ bonds/ other instruments to secure borrowing of the Company by way of loans/ issue of debentures/ bonds/ other instruments which may be issued for a sum not exceeding Rs.750 Crore (Rupees Seven Hundred and Fifty Crore only) over and above the aggregate of the paid up capital of the company and its free reserves which have been /or propose to be obtained from or privately placed with the lending agencies together with interest there on at agreed rates, further interest, liquidated damages, premium on prepayment or on redemption, costs, charges, expenses, and all other monies payable by the company to the trustees under the trust deeds and/or to the lending agencies under their respective agreements/loan agreements /debentures trust deeds entered into/to be entered by the company in respect of said borrowings.”

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

6. AUTHORIZATION TO ISSUE OF NON CONVERTIBLE DEBENTURES (NCD)/TIER II DEBT(S)/COMMERCIAL PAPERS/BONDS ON PRIVATE PLACEMENT BASIS.

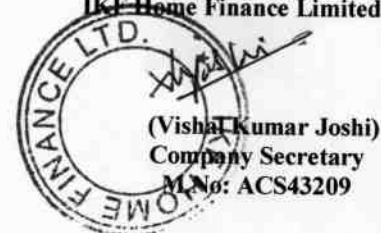
To consider and if thought fit to pass with or without modification(s) the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of section 42 and other applicable provisions of the Companies Act, 2013, read with Companies (Prospectus and Allotment of Securities) Rules, 2014 and other applicable provisions of the Companies Act, 2013, to the extent notified, and as applicable and the Companies Act, 1956, 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 Rs. 100 Cr (Rupees One Hundred 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”

Place: Vijayawada
Date : 17.08.2019

For and on Behalf of the Board
IKF Home Finance Limited



(Vishal Kumar Joshi)
Company Secretary
M.No: ACS43209

NOTES

1. The statements pursuant to Section 102(1) of the Companies Act, 2013 in respect of the special business set out in the notice and Secretarial Standard on General Meetings (SS-2), wherever applicable, are annexed hereto
2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll in the meeting instead of such member. The proxy need not be a member of the Company. A person can act as a proxy on behalf of members not exceeding fifty (50) members and holding in aggregate not more than ten (10) percent of the total share capital of the Company. A member holding more than ten (10) percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as proxy for any other member or shareholder.
3. The instrument appointing the proxy, duly completed, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. A proxy form for this Annual General Meeting is enclosed.
4. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
5. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged with the Company at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company by such intending person.
6. Members are requested to quote their Registered Folio Numbers in all their Correspondence with the Company and notify change in their registered address, if any.
7. Members/proxies should bring the Attendance slips duly signed to the meeting and hand it over at the entrance. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the meeting. Xerox copy of attendance slips will not be accepted at the entrance of the Meeting Hall. Members are requested to bring their copy of the Annual Report to the Meeting.
8. Additional information, Pursuant to Secretarial Standard on General Meeting (SS- 2) in respect of the Directors seeking appointment at the Annual General Meeting, forms integral part of the Notice. The Directors have furnished the requisite declarations for their appointment.

Annexure to the Notice

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

Name of the Director	Purna chandra Rao Vankineni
DIN	00391733
Date of Birth	06.01.1948
Date of first Appointment on the Board	NA
Age	71 Years
Qualification	Under Graduate
Experience	He is having More than 4 decades of Experience in Vehicle Finance and Management, He served as President of Andhra Pradesh Asset Finance Association, Vijayawada, He Was Governing Council Member and Treasurer of the Federation of Indian Hire Purchase Association. He was Past Correspondent of Sir C.R. Reddy Educational Institutions, Eluru, He was Also Managing Director Vankineni Hire Purchase & Leasing Private Limited and Vankineni Finance and Investments Private Limited
Terms and conditions of appointment	Independent Director for a Period of 5 years
Remuneration sought to be paid	Nil
Remuneration last drawn	Nil
Relationship with other director/Manager and other KMP	None
No of Meeting of the Board Attended during the FY-2018-19	NA
No of Shares held in the Company	Nil
Directorships of other Board	Nil
Membership/Chairmanship of Committees of other Board	Nil

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")

Item No: 3

Mr. Purna Chandra Rao Vankineni is having More than 4 decades of Experience in Vehicle Finance and Management, He served as President of Andhra Pradesh Asset Finance Association, Vijayawada, He Was Governing Council Member and Treasurer of the Federation of Indian Hire Purchase Association. He was Past Correspondent of Sir C.R. Reddy Educational Institutions, Eluru, He was also Managing Director Vankineni Hire Purchase & Leasing Private Limited and Vankineni Finance and Investments Private Limited. his induction as Independent Director of the Company will add greater Transparency and Professionalism in Monitoring of the Business and Directors of the Company. The Company has received requisite notice in writing under section 160 of the act along with a deposit of Rs.1,00,000/- from a member proposing the candidature of Mr. Purna Chandra Rao Vankineni, to be appointed as an Independent Non-Executive Director at the ensuing AGM. Mr. Purna Chandra Rao Vankineni, has consented to the proposed appointment and declared qualified, Mr, Purna Chandra Rao Vankineni, possesses requisite knowledge, experience, and the skill for the position of Independent Director as per required criteria under the act and rules & Regulations made thereunder.

Based on the recommendation of the Nomination and Remuneration Committee of the Board of Directors in accordance with the Articles of Association and section 149(6), 161, and schedule IV of the Companies Act, 2013 ("the Act") and in view of his knowledge, skill, invaluable expertise related to the Industry of the Company, it is proposed to appoint Mr. Purna Chandra Rao Vankineni, DIN: **00391733**, as an Independent Non-Executive Director of the Company in terms of Section 149 read with Section 152 of the Companies Act, 2013, He is not liable to retire by rotation. Mr. Purna Chandra Rao Vankineni, if appointed, will hold office for a Consecutive term of 5 Years Commencing from 12/09/2019.

The terms and Conditions of Appointment of Mr. Purna Chandra Rao Vankineni, as an Independent Non-Executive Director is available for Inspection by Members at the registered office of the Company on any working day during Working Hours between 9.30 AM to 06.30 PM.

None of the Directors or Key Managerial Personnel or their relatives, except Mr. Purna Chandra Rao Vankineni, to whom the resolution relates, is in any way, concerned or interested in the proposed resolution as set out in the Notice.

The Board of Directors Recommend passing of this resolution set out in Item No. 03 of this Notice.

Item no.4

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

With a view to meet the funds requirements of the Company for both short term as well as long term, the Company may require to borrow from time to time by way of loans and/or issue of Bonds, Debentures or other securities and the existing approved limit may likely to be exhausted in near future and it is therefore recommended to enhance the borrowing limits of the Company up to Rs.750 Crores (Rupees Seven Hundred and Fifty Crores Only). The Directors recommends the resolution for members' approval as a Special Resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No. 4 of the Notice.

Item no.5

As mentioned in Item No.5, it is proposed to increase the borrowing powers to Rs. 750 crore (Rupees Seven Hundred and Fifty Crore only). To secure such borrowings, the Company would be required to mortgage and/or charge its moveable and/or immoveable properties, the whole or substantially the whole of the undertaking(s) or any other assets of the Company (both present and future) in favour of the financial institutions/banks/ other lender(s)/ trustees. The approval of the shareholders in the AGM is required as per Section 180(1)(a) of the Companies Act, 2013. In the circumstances, the board recommends this resolution for acceptance.

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

Item no. 6

As mentioned in Item No. 6, and the rules of the Companies (Prospectus and Allotment of Securities) Rules, 2014 prescribed under Section 42 and other applicable provisions, if any, of the Companies Act, 2013 of the Act deals with private placement of securities by a company. Sub-rule (2) of the said Rule 14 states that in case of an offer or invitation to subscribe for non-convertible debentures, Tier II Debt, Commercial Paper or other debt instruments 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 Rs.100 Crore (Rupees One Hundred Crore Only) within the overall borrowing limits of the Company, as approved by the Members from time to time, with authority to the Board to determine the terms and conditions, including the issue price, of the NCDs, Tier II Debt, Commercial Paper or any other Debt Instruments.


Accordingly, consent of the members is sought for passing the Special Resolution as set out at Item No. 6 of the Notice. This resolution is an enabling resolution and authorizes the Board of Directors of the Company to offer or invite subscription for non-convertible debentures, Tier II Debt, Commercial Paper or any other Debt Instruments as may be required by the Company, from time to time for a year from the date of passing this resolution.

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

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

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

For and on Behalf of the Board
IKF Home Finance Limited



(Vishal Kumar Joshi)
Company Secretary
M.No: ACS43209

Place: Vijayawada
Date : 17.08.2019

Directors' Report

To
The members of
IKF Home Finance Limited

Your Directors have pleasure in presenting the 17th Annual Report together with the Audited Accounts for the financial period ended 31st March, 2019. The summarized financial results of the Company are as given hereunder:

Financial Results:

(Amount in Rs. Lakhs)

Particulars	2018 – 19	2017 – 18
Gross Turnover (Total Income)	19,40,47,356	4,42,92,025
Profit/(loss) before depreciation, interest, tax and exceptional items	11,06,66,985	9,611,359
Depreciation/amortization	24,93,996	19,17,221
Finance cost	8,64,03,707	45,53,791
Profit (loss) before tax	2,17,69,282	31,40,347
Provision for tax/deferred tax	75,71,286	10,37,598
Profit (loss) after tax before exception item	1,41,97,996	21,02,749
Less: Exceptional items	Nil	Nil
Net profit (loss) after exceptional items	1,41,97,996	21,02,749
Balance brought forward from previous year	1,01,95,312	86,18,562
Dividend on Equity Shares	Nil	Nil
Tax on dividend	Nil	Nil
Transfer to Reserve Fund	35,49,000	5,26,000
Balance carried to Balance sheet	<u>2,08,44,307</u>	<u>1,01,95,312</u>

Review of Operations:

Gross income of the Company during the year ended 31st March 2019 amounted to Rs. 19.40 crore, as against Rs. 4.42 crore in the previous year. Profit before tax was Rs 2.17 crore, as against to Rs. 0.31 Crore in the previous year. profit after tax for the year was Rs. 1.41 Crore as compared to Rs. 0.21 Crore in the previous year. The Company's net worth stood at Rs. 42.08 crore as on 31st March 2019 as compared to Rs. 30.27 Crores in the previous Year. As on date of 31st March 2019, the regulatory capital adequacy ratio (CRAR) was 35.6%, well above the regulatory requirement of minimum 12%.

The Company's Loan Approval and Disbursement details are as below.

S.No	Loan Approved	Loan Disbursement
HL	82.42	71.09
LAP	40.88	42.02**
Total	123.3	113.11

** The LAP loans Disbursed in FY 2018-19 includes spillover of FY 2017-18 Amounting to Rs. 7 Cr.

The Company approved loans totaling 123.3 crores during the year, 60% more than corresponding figure of 73.63 crores in FY18. Disbursements during the year amounted to `113.11 crore as against `61.13 crore in FY18, with an increase of 54%.

The average size of home loans disbursed to individuals during the year was 9.23 lakhs.

Accounts continuing default for more than 90 days) amounted to `0.22 crore as on 31st March 2019 which constituted 0.15% of the total loans, more from 0%, a year ago. Net NPA after provisioning were 0.18%, more from 0% last year.

Your Company's performance for the year ended March 31, 2018 continues to be encouraging and has registered a growth of 338.11% in its Gross Revenue to Rs.19.40 Cr as against Rs. 4.42 Cr and Net Profit was increased to Rs.1.41 Cr from Rs.0.21 Cr registering a growth of 575.21% for the corresponding previous year. During the year, the Loan Book has grown by 151.78% from Rs.59.97 Cr to 151.00 Cr.

Risk Management & Credit Monitoring:

As per the Directions of National Housing Bank vide Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9th February 2017, the Company has adopted Risk Management Policy and Accordingly constituted an Asset Liability Management, Risk Management & Asset Classification Committee.

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.

As risk is inevitable fallout of the lending business, your Company has to manage various risks like credit risk. Liquidity risk, interest rate risk, operational risk, market risk etc. The Audit Committee, and the Asset Liability Management, Risk Management & Asset Classification Committee review and monitor these risks at periodic intervals. Liquidity risk and interest rate risk arising out of maturity mismatch of assets and liabilities are managed through regular monitoring of the assets & liabilities 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.

During the year 2018-19, there were no instances of frauds that are required to be reported by the Statutory Auditors with respect to Sub-Section 3(ca) of Section 134 of the Companies Act, 2013.

Corporate Governance

As per the Guidelines of National Housing Bank and Other Statutory Regulation, your company is adhered to comply with the Corporate Governance with best practices of Corporate Governance.

The Company is adhered to Comply with the Guidelines as mandated by the National Housing Bank to all the Housing Finance Companies vide Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 to Follow the Corporate Governance (NHB) Directions, 2016. The Board regularly reviews the Management's reports on statutory and regulatory compliances. A detailed report on Corporate Governance forms part of the Annual Report.

Management's Discussion and Analysis:

ECONOMIC SCENARIO

Growth of the Indian economy moderated in 2018-19 with a growth of 6.8 per cent, slightly lower than 7.2 per cent in 2017-18. Yet, India continued to be the fastest growing major economy in the world. India maintained its macroeconomic stability by containing inflation within 4 per cent and by maintaining a manageable current account deficit to GDP ratio. The current account deficit to GDP was higher in 2018-19 as compared to 2017-18, primarily due to higher oil prices,

India's growth of real GDP has been high with average growth of 7.5 per cent in the last 5 years (2014-15 onwards).

Housing Finance Sector

The liquidity challenges faced by the HFC'S pulled down growth in assets under management (AUM) of housing finance companies (HFCs) in the second half of fiscal 2019, a CRISIL study shows. With funding access being affected, non-banks, including HFCs, were forced to curtail disbursements and focus instead on conserving liquidity.

Fiscal 2019 was a year of two contrasting halves. The first half saw stable growth and comfortable access to funding, with assets under management (AUM) growing at an annualized rate of 21%. However, the second half - brought a reversal of sorts with AUM growth plunging to 10% Over fiscals 2020 and 2021, as per CRISIL Report growth to revive to 12-14% for HFCs, though this would still be lower than levels seen in the past.

Amidst this challenging situation your company anticipates a growth in the business in terms of Disbursement for the FY 2019-20, with a focus on Asset quality, Operating efficiency, Policy Strengthening and Profitability.

Regulatory updates by National Housing Bank and Other regulators

1. NHB has issued Guidelines on Information Technology Framework, HFCs are required to formulate policies and procedures as per the guidelines and put in place a robust monitoring system.
2. The RBI raised the housing loan limits under priority sector lending (PSL) for economically weaker sections (EWS) and lower income groups (LIG) from `28 lakhs to `35 lakhs in metropolitan centres and from `20 lakhs to `25 lakhs in other, provided that the cost of the house does not exceed `45 lakhs in metros and `30 lakhs in other centres.
3. HFCs are required implement the Guidelines on Reporting and Monitoring of Frauds to adhere to the provisions of the Guidelines and the timelines stipulated with regard to reporting of frauds.

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 Housing Finance Company in conformity the guidelines of the NHB and Companies (Acceptance of Deposits) Rules, 2014

Term Loans:

Your Company has mobilized Term Loan of Rs.107.72 Cr from various Banks & NBFCs on multiple banking arrangement during the year under review in line with the Management's overall business plan to have a judicious mix of resources.

Tier II Capital / Sub Debt:

During the year under review, your Company has not raised any Tier- II Debt.

Borrowing Profile:

Total borrowings of the Company for the year under review stood at Rs.110.72 Cr, of which borrowings from Banks constituted 29.56%, borrowings from Financial Institutions and Other 70.44 %, Your Company is continuously exploring all options to access low cost funds, mostly by way of Term Loans in the current financial year, to further expand the operations.

Capital Adequacy:

The Capital to Risk Assets Ratio of your company is 35.60 % as on 31.03.2019, well above the minimum of 12% prescribed by the National Housing Bank, of which Tier I Capital constituted 100%

Credit Rating:

During the Year under Review, Care Ratings Limited, has rated on Long term Bank Loan as "A-" signifying adequate degree of safety regarding timely payment of interest and principle.

Dividend

Your Directors have not recommended payment of dividend for the financial year ended 31st March 2019 to retain the same in the business.

Share Capital

a. Authorized Share Capital

During the year under Report the Authorised Share Capital of the Company was increased from Rs 30,00,00,000 (Thirty Crores Only) Consisting of 3,00,00,000 (Three Crores) No of Equity Shares to Rs. 50,00,00,000/- (Rupees Fifty Crores Only) divided into 5,00,00,000/- (Five Crore) Equity Shares of Rs.10/- (Rupees Ten only) each at the Extra Ordinary General Meeting of the members held on 07.03.2019.

b. Paid up Share Capital.

The paid up share capital of the Company is Rs 39,36,47,530 (Rupees ThirtyNine Crores ThirtySix Lakhs FortySeven Thousands Five Hundred and Thirty Only) consisting of 44,614,753 (Four Crore Forty Six Lakhs Fourteen Thousand Seven Hundred and Fifty Three) equity shares divided into 37,614,753 (Three Crore Sixty One Lakhs Fourteen Thousand Seven Hundred and Fifty Three) Fully paid up Equity Shares of Rs. 10/- (Rupees Ten only) each amounting to Rs. 376,147,530 (ThirtySeven Crores SixtyOne Lakhs Forty Seven Thousand Five Hundred and Thirty) and Partly paid up 70,00,000 (Seventy Lakhs) Equity Shares of Rs.10/- (Rupees Ten only) Each, partly paid to the tune of Rs. 2.5/- Each, amounting to Rs.1,75,00,000/- (Rupees One Crore SeventyFive Lakhs Only).

C. Allotment

The Company Has Allotted 85,00,000/- (EightyFive Lakhs) Number of Equity Shares of Rs. 10/- (Rupees Ten only) each amounting to Rs. 8,50,00,000/- (Rupees Eight Crore Fifty Lakhs only) on 29.03.2019 and 70,00,000 (Seventy Lakhs) Number of Partly paid Equity Shares of Rs. 10/- (Rupees Ten only) each Partly paid to the tune of Rs. 2.5/- amounting to Rs.1,75,00,000/- (Rupees One Crore SeventyFive Lakhs Only) on 27.03.2019.

D. Issue of Shares with differential voting rights

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

E. Buy Back of Securities

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

F. Sweat Equity

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

G. Bonus Shares

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

H. Employees Stock Option

The Company has not provided any Stock Option Scheme to the employees.

Reserves

The General Reserves and Surplus is Accumulated to Rs. 27,181,307 lakhs as on 31.03.2019 as compared to Rs. 11,561,312 as on 31.03.2018. Further your Directors propose to transfer Rs.35,49,000 as against Rs.5,26,000 during the Financial Year 2017-18 to Statutory Reserve @ 25% profit after tax as required under Section 29C of The National Housing Bank Act, 1987.

Details of Holding and Subsidiary Companies

During the year under Report, Majority stake in your company is acquired by IKF Finance Limited, subsequently your company has become the subsidiary Company of IKF Finance Limited and which is related to the Promoter of the Company, Prior approval of The National Housing Bank Ltd, was obtained for the acquisition made by IKF Finance Limited.

Your Company has no Subsidiary Company.

Auditors

Statutory Auditors

Your Board Recommends the appointment of M/s. Kondepati & Co; Chartered Accountants, (ICAI Reg No. 012912S) as the Statutory Auditor of the Company in place M/s. Hanumaiah & Co; Chartered Accountants (ICAI Reg No. 009021S) who retired by rotation.

As required under the provisions of section 139(1) of the Companies Act, 2013, the Company has received a written consent from M/s. Kondepati & Co; Chartered Accountants, (ICAI Reg No. 012912S) for their appointment and a Certificate, to the effect that their appointment, if made, would be in accordance with the Companies Act, 2013 and the Rules framed thereunder and that they satisfy the criteria provided in section 141 of the Companies Act, 2013.

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.

Secretarial Auditor

The company does not fall under the class of Companies to whom the Secretarial Audit is applicable, hence the provision of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to your 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 appointed M/s. Brahmaiah & Co, Chartered Accountant as internal auditor of the Company for the year ended 31st March, 2019 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:

The Provisions of Section 135 of the Companies Act, 2013, is not applicable to your Company.

Extract of the Annual Return

In accordance with Section 134(3)(a) of the Companies Act, 2013, details in Form MGT-9, forming part of the extract of the Annual Return, as provided under Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, is annexed as part of this Board's Report (**Annexure III**).

Material Changes and Commitments, if any

There are no material Changes and Commitments during the year under review.

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 significant material orders passed by the Regulators/ Courts which would impact the going concern status of the Company and its future operations.

Directors and Key Managerial Personnel

There are no changes in the composition of Board and Key Managerial Personnel.

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

The Board of Directors in their Meeting held on 09th April, 2019 appointed Mr. Paruchuri Chandrasekhar as Chief Financial Officer of the Company and Mr. Vishal Kumar Joshi as Company Secretary of the Company and are deemed to be Key Managerial Personnel of the Company as per the provisions of Section 203 of the Companies Act, 2013 and the Rules made thereunder.

Independent Directors

The Company is in Process of onboarding Independent Directors to the Board of Directors of the Company, Accordingly, the company has received a written consent from Mr. Purna Chandra Rao Vankineni, and have submitted his declarations as required under Section 149(7) of the Companies Act, 2013 stating that he 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.

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.

Number of meetings of the Board of Directors:

During the financial year 2018-19 the Board of Directors has met Fifteen times viz 24/04/2018, 21/05/2018, 25/05/2018, 29/06/2018, 06/07/2018, 04/09/2018, 29/09/2018, 06/11/2018, 28/11/2018, 05/02/2019, 06/02/2019, 17/01/2019, 07/03/2019, 27/03/2019, 29/03/2019.

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 Committee

The Composition of the Nomination and Remuneration Committee is provided in the Corporate Governance Report forming part of this report.

Particulars of loans, guarantees or investments under section 186:

The Company, being a Housing finance company registered with the National Housing Bank Limited and engaged in the business of giving Housing 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

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.

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 2018-19 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 – I (i)* 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.

Further, as mandated under the Directions issued by the National Housing Bank vide Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9th February 2017, the Company has formulated a Policy on Related Party Transactions and the Policy is annexed as *Annexure – I (ii)* part of this Board's 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, 2019, 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; 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.

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 also submitted and registered the Policy with Telangana State Police Department.

There was no case of sexual harassment reported during the year under review.

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 share transfer agency for handling both physical and electronic transfers.

Human Resources

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

Awards and recognition

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

Cautionary Statement

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

Conservation of Energy, Technology Absorption and

The Company, being a Housing Finance Company, 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, Fit & Proper Criteria 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.

Acknowledgements

Your Directors wish to place on record their Gratitude to Customers, employees and Bankers and other Stake holders for their Continued Support to the Company It has been a mutually beneficial relationship and looks forward to their continued support.

For and Behalf of the Board of Directors IKF Home Finance Limited

Vasanth *Vasumathi Cozart*

(V. Vasantha Lakshmi) (K. Vasumathi Devi)
 Managing Director Director
 DIN:03610979 DIN:03161150



Place: Vijayawada
 Date: 17.08.2019

REPORT ON CORPORATE GOVERNANCE

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

1. Company's Philosophy on Code of Governance:

Our Corporate Governance policies recognise the accountability of the Board and the importance of its decisions to all our constituents, including Customers, Investors and the Regulatory Authorities. The strong foundation of the Company is supported by the pillars of Customer faith, Stake holders Confidence, Bankers Trust, Investor Steadfastness and Employee Loyalty. The Company has been growing over the past 3 years on the principles of dedicated customer service, fair business practices, efficient and trusted financial policies. It continues to maintain high standards of integrity through excellence in service to all its stakeholders.

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

2. Board of Directors:

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

The Board has been constituted in a manner, which will result in an appropriate mix of executive/non-executive and to ensure proper governance and management. The Board comprises four 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. The Executive Director is Mrs. Vupputuri Vasantha Lakshmi - Managing Director, Mr. V.G.K Prasad, Mrs. Vasumathi Devi Koganti and Mr. P. Chandrasekhar are Non-Executive Director, the composition of the Board is in conformity with best practice in Corporate Governance.

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

24/04/2018, 21/05/2018, 25/05/2018, 29/06/2018, 06/07/2018, 04/09/2018, 29/09/2018, 06/11/2018,
28/11/2018, 05/02/2019, 06/02/2019, 17/01/2019, 07/03/2019, 27/03/2019, 09/03/2019.

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, 2018 to 31st March, 2019 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 Committee Memberships
Smt. V Vasantha Lakshmi	Managing Director	13	86%	Yes	2	2
Sri. V.G.K Prasad	Director	12	80%	Yes	3	3
Smt. K Vasumathi Devi	Director	12	80%	Yes	1	2
Sri. P. Chandrasekhar	Director	14	93.3%	Yes	1	3

3. Audit Committee:

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. The Committee comprises of Sri P. Chandrasekhar as Chairman of the Committee and Sri V.G.K. Prasad and Smt. K.Vasumathi Devi as Members. The Executive Directors, Statutory Auditors, Internal Auditors and other Functional Heads are invitees to the Committee Meetings.

During the year the committee met 4 times on 04-05-2018, 02-07-2018, 05-11-2018 and 11-01-2019. The details of members and their attendance at the committee meetings are given below:

Name of the Director	No. of Audit Committee Meetings attended	% of total Meetings attended
Sri. P. Chandrasekhar	4	100%
Sri. V.G.K Prasad	4	100%
Smt. K. Vasumathi Devi	3	75%

The previous Annual General Meeting ("AGM") of the Company was held on September 29, 2018 and was attended by Sri. P. Chandrasekhar, Chairman of the audit committee.

4. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee was constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 comprises of Sri P. Chandrasekhar as Chairman and Sri V.G.K Prasad, Smt. K. Vasumathi Devi as Members. The Committee determines the remuneration package of Executive Directors (Whole Time Directors) of the Company and During the year the committee met on 02.07.2018.

Attendance of each Director at Nomination and Remuneration Committee Meeting

Name of the Director	Category	Number of committee meetings	
		Held	Attended
Sri. P. Chandrasekhar	Director	1	1
Sri. V.G.K Prasad	Director	1	1
Smt. K. Vasumathi Devi	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, 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 Managing Director during the year 2018-2019 are given below:

Name of the Director	Remuneration	Allowances	Incentives
V Vasantha Lakshmi	Rs.29,19,355.00	NIL	NIL

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

Remuneration to Non-Executive Directors

Presently, the Non-Executive Directors do not receive any remuneration from the company and are paid sitting fees for attending the meetings of the Board and Committees thereof.

a) Details of Sitting Fees paid to Non-Executive Directors during the financial year 2018-2019

The details of sitting fees paid/payable to Non-Executive Directors during the financial year 2018-2019 is Nil.

Name of the Director	Sitting Fee					Total
	Board Meetings	Audit Committee Meetings	N & R Committee Meetings	ALM, AC & Risk Management Committee Meeting	Customer Service Redressal and Grievance Committee	
-----Nil-----						

5. Customer Service and Grievance Redressal Committee

The Customer Service and Grievance Redressal Committee comprises of Smt. V. Vasantha Lakshmi as Chairman and Sri Anand Srinivasan, Sri. Sunil Kumar Pradhan as Members. The Customer Service and Grievance Redressal Committee was formed to monitor Customer Service related issues and to address the Grievances. During the year there was no complaints received by the Company.

6. Asset Liability Management, Asset Classification & Risk Management Committee:

The Asset Liability Management, Asset Classification and Risk Management Committee comprises of Sri P. Chandrasekhar as Chairman, Sri V.G.K Prasad, Smt. V. Vasantha Lakshmi as Members. The 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 2018-2019 the committee met 2 times on 04-05-2018, 11-08-2018 25-01-2019.

Asset Liability Management, Asset Classification and Risk Management Committee

Name of the Director	Category	Number of committee meetings	
		Held	Attended
V. Vasantha Lakshmi	Executive	3	3
P. Chandrasekhar	Non-Executive	3	3
V.G.K Prasad	Non-Executive	3	3

7. General Body Meetings:

Time and location of last three Annual General Meetings

General Body Meeting	Day	Date	Time	Location
16 th Annual General Meeting	Saturday	29-09-2018	2.30 PM	Registered Office of the Company. 40-1-144, Corporate Centre, M.G. Road Vijayawada-520010, Andhra Pradesh
15 th Annual General Meeting	Saturday	30-09-2017	2.30 P.M	Registered Office of the Company. 40-1-144, Corporate Centre, M.G. Road Vijayawada-520010, Andhra Pradesh
14 th Annual General Meeting	Friday	30-09-2016	2.30 PM	Registered Office of the Company. 40-1-144, Corporate Centre, M.G. Road Vijayawada-520010, Andhra Pradesh

- a) No special resolution is proposed to be passed through postal ballot at the ensuing AGM.
- b) The following Special Resolutions were passed by the members during the past 3 years Annual General Meetings:

16th Annual General Meeting held on 29.09.2018 : - NIL -

S No	Purpose of Resolution	Content of Resolution
-NIL-		

15th Annual General Meeting held on 30.09.2017 : - NIL -

S No	Purpose of Resolution	Content of Resolution
-NIL-		

14th Annual General Meeting held on 30.09.2016 : - NIL -

S No	Purpose of Resolution	Content of Resolution
NIL		

12. Disclosures:

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.

13. Means of Communication:

Required communications will be sent to Each of the Share Holders Directly.

14. Corporate Identity Number

The Corporate Identity Number (CIN), allotted to the Company by the Ministry of Corporate Affairs, Government of India is U65922AP2002PLC039417.

14. General Information to Shareholder:

General Body Meeting Day Date Time Location

17th Annual General Meeting, Saturday 29-09-2018 11.30 AM at Registered Office, # 40-1-144, Corporate Centre, M.G. Road, Vijayawada - 520 010.

15. Financial Calendar

Financial Year - 1st April 2018 to 31st March 2019

16. Share Transfers

M/s. Bigshare Services Private Limited, have been appointed as the Registrar and Share Transfer Agents of the company 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, Raj bhavan Road, Somajiguda, Hyderabad – 500 082, Tel.No.: 040-23374967, Fax No.: 040-23374295, Email: bsshyd@bigshareonline.com.

17. Shareholding Pattern as on 31.03.2019:

Fully Paid up

Category	Total Shareholders	% of Shareholders	Total Shares	%
Corporate Bodies	0	0.00%	0	0.00%
Foreign Company	0	0.00%	0	0.00%
Foreign Promoters	0	0.00%	0	0.00%
Nationalized Banks	0	0.00%	0	0.00%
Non Resident Indians	0	0.00%	0	0.00%
Promoters	7	100%	37,614,753	100%
Public	0	0.00%	0	0.00%
Trusts	0	0.00%	0	0.00%
Total	07	100.00	37,614,753	100.0000

Partly Paid Up

Category	Total Shareholders	% of Shareholders	Total Shares	%
Corporate Bodies	0	0.00%	0	0.00%
Foreign Company	0	0.00%	0	0.00%
Foreign Promoters	0	0.00%	0	0.00%
Non Resident Indians	0	0.00%	0	0.00%
Promoters	5	100.00%	70,00,000	100.00%
Public	0	0.00%	0	0.00%
Trusts	0	0.00%	0	0.00%
Total	5	100%	70,00,000	100.00%

Address for correspondence and any assistance/clarification

Compliance Officer:

Mr. Vishal Kumar Joshi, Company Secretary, IKF Home Finance Limited, Corporate Office: # 6-3-902/A, First Floor, Central Plaza, Near Yashoda Hospital, Raj Bhavan Road, Somajiguda, Hyderabad - 500 082, Telangana, India

Annexure –I (i)

Form No. AOC-2

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

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

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

The Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2018-19.

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

The details of material contracts or arrangements or transactions with related parties during the financial year 2017-18 is enclosed as **Annexure – I (i) (a)**.

For and Behalf of the Board of Directors IKF Home Finance Limited

Vasanthu *Vasumathi Kozhikode*

(V. Vasantha Lakshmi) (K. Vasumathi Devi)
Managing Director Director
DIN:03610979 DIN:03161150

Date: 17.08.2019
Place: Vijayawada



Annexure – I (i) (a)

Related parties

FORM NO. AOC -2

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

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

1. Details of contracts or arrangements or transactions not at Arm's length basis - Nil -

Details of contracts or arrangements or transactions at Arm's length basis.

Sl. No	Particulars	Details
01	Name (s) of the related party & nature of relationship Nature of contracts/arrangements/transaction Duration of the contracts/arrangements/transaction Salient terms of the contracts or arrangements or transaction including the value, if any Date of approval by the Board Amount paid as advances, if any	V. Vasantha Lakshmi, Managing Director Salary Paid Not Applicable 29,19,355 During the Period 20.07.2017 Nil
02	Name (s) of the related party & nature of relationship Nature of contracts/arrangements/transaction Duration of the contracts/arrangements/transaction Salient terms of the contracts or arrangements or transaction including the value, if any Date of approval by the Board Amount paid as advances, if any	IKF Finance Limited, Holding Company Money Received against Allotment of Fully paid up Shares of Rs. 10 each. NA Share Capital received Rs. 8,50,00,000/- 29.03.2019 -NIL-
03	Name (s) of the related party & nature of relationship Nature of contracts/arrangements/transaction Duration of the contracts/arrangements/transaction Salient terms of the contracts or arrangements or transaction including the value, if any Date of approval by the Board Amount paid as advances, if any	V.G.K Prasad, Promoter & Director 1 st call Money Received against Allotment of partly paid up Shares (Rs. 2.5/- paid up) NA Share Capital received Rs. 11,844,700/- 27.03.2019 -NIL-

04	<p>Name (s) of the related party & nature of relationship</p> <p>Nature of contracts/arrangements/transaction</p> <p>Duration of the contracts/arrangements/transaction</p> <p>Salient terms of the contracts or arrangements or transaction including the value, if any</p> <p>Date of approval by the Board</p> <p>Amount paid as advances, if any</p>	<p>V. Vasantha Lakshmi, Managing Director</p> <p>1st call Money Received against Allotment of partly paid up Shares (Rs. 2.5/- paid up)</p> <p>NA</p> <p>Share Capital received Rs. 1,640,900/-</p> <p>27.03.2019</p> <p>-NIL-</p>
05.	<p>Name (s) of the related party & nature of relationship</p> <p>Nature of contracts/arrangements/transaction</p> <p>Duration of the contracts/arrangements/transaction</p> <p>Salient terms of the contracts or arrangements or transaction including the value, if any</p> <p>Date of approval by the Board</p> <p>Amount paid as advances, if any</p>	<p>K. Vasumathi Devi, Director</p> <p>1st call Money Received against Allotment of partly paid up Shares (Rs. 2.5/- paid up)</p> <p>NA</p> <p>Share Capital received Rs. 1,743,280/-</p> <p>27.03.2019</p> <p>-NIL-</p>
06	<p>Name (s) of the related party & nature of relationship</p> <p>Nature of contracts/arrangements/transaction</p> <p>Duration of the contracts/arrangements/transaction</p> <p>Salient terms of the contracts or arrangements or transaction including the value, if any</p> <p>Date of approval by the Board</p> <p>Amount paid as advances, if any</p>	<p>V. Indira Devi, Promoter</p> <p>1st call Money Received against Allotment of partly paid up Shares (Rs. 2.5/- paid up)</p> <p>NA</p> <p>Share Capital received Rs. 1,085,340/-</p> <p>27.03.2019</p> <p>-NIL-</p>
07	<p>Name (s) of the related party & nature of relationship</p> <p>Nature of contracts/arrangements/transaction</p> <p>Duration of the contracts/arrangements/transaction</p> <p>Salient terms of the contracts or arrangements or transaction including the value, if any</p> <p>Date of approval by the Board</p> <p>Amount paid as advances, if any</p>	<p>V. Raghu ram, Promoter</p> <p>1st call Money Received against Allotment of partly paid up Shares (Rs. 2.5/- paid up)</p> <p>NA</p> <p>Share Capital received Rs. 1,185,780/-</p> <p>27.03.2019</p> <p>-NIL-</p>

08	<p>Name (s) of the related party & nature of relationship</p> <p>Nature of contracts/arrangements/transaction</p> <p>Duration of the Contracts/arrangements/transaction</p> <p>Salient terms of the contracts or arrangements or transaction including the value, if any</p> <p>Date of approval by the Board</p> <p>Amount paid as advances, if any</p>	<p>IKF Finance Limited, Holding Company</p> <p>Loan Aailed</p> <p>NA</p> <p>38,50,00,000 During the Period</p> <p>04.09.2018</p> <p>-NIL-</p>
09	<p>Name (s) of the related party & nature of relationship</p> <p>Nature of contracts/arrangements/transaction</p> <p>Duration of the Contracts/arrangements/transaction</p> <p>Salient terms of the contracts or arrangements or transaction including the value, if any</p> <p>Date of approval by the Board</p> <p>Amount paid as advances, if any</p>	<p>IKF Infratech (P) Limited,</p> <p>ICD</p> <p>NA</p> <p>30,000,000 During the Period</p> <p>27.03.2019</p> <p>-NIL-</p>

Annexure I (ii)
POLICY ON RELATED PARTY TRANSACTIONS

PREAMBLE:

This Policy is formulated in terms of the Directions issued by the National Housing Bank vide Notification No. NHB.HFC.CG-DIR.1/ MD&CEO/2016 dated 9th February 2017 known as the "Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016," taking into account the provisions of the Companies Act, 2013 as may be amended from time to time.

OBJECTIVE:

The Policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its related parties in compliance with the applicable laws and regulations as may be amended from time to time.

The provisions of the Policy are designed to govern the approval process and disclosure requirements to ensure transparency in the conduct of Related Party Transactions in the best interest of the Company and its shareholders and to comply with the statutory provisions in this regard.

DEFINITIONS:

- a. **"Audit Committee or Committee"** means the Committee of the Board constituted from time to time under the provisions of Section 177 of the Companies Act, 2013.
- b. **"Arm's length"** means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest as defined under the Companies Act, 2013.
- c. **"Board"** means the Board of Directors as defined under the Companies Act, 2013.
- d. **"Key Managerial Personnel"** means Key Managerial Personnel as defined under the Companies Act, 2013.
- e. **"Material Related Party Transaction"** means a Related Party Transaction which individually or taken together with previous transactions during the financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company or such limits as may be prescribed either in the Companies Act, 2013 and/ or Regulation/Rules/Guidelines or other Directions.
- f. **"Related Party"** means related party as defined under the Companies Act, 2013 read with the SEBI (Listing Obligations and Disclosure Requirements) 2015 as may be amended from time to time.
- g. **"Related Party Transaction"** means any transaction between the Company and any Related Party for transfer of resources, services or obligations, regardless of whether a price is charged and includes –
 - a. Sale, purchase or supply of any goods or materials;
 - b. Selling or otherwise disposing of, or buying property of any kind;
 - c. Leasing of property of any kind;
 - d. Availing or rendering of any services;
 - e. Appointment of any agent for the purchase or sale of goods, materials, services or property;
 - f. Such related party's appointment to any office or place of profit in the Company, its subsidiary Company or associate Company;
 - g. Underwriting the subscription of any securities or derivatives thereof, of the Company;
 - h. Financing (including loans and equity contributions in cash or kind);

- i. Providing or obtaining guarantees and collaterals; and
- j. Deputation of employees.
- h. **“Relative”** means a relative as defined under the Companies Act, 2013 and includes anyone who is related in any of the following manner:
 - a. Members of a Hindu Undivided Family
 - b. Husband or Wife;
 - c. Father (including Step-Father);
 - d. Mother (including Step-Mother);
 - e. Son (including Step-Son);
 - f. Son’s Wife;
 - g. Daughter;
 - h. Daughter’s Husband;
 - i. Brother (including Step-Brother); or
 - j. Sister (including Step-Sister).
- i. **“Transaction”** with a related party shall be construed to include a single transaction or a group of transactions.

POLICY:

All the proposed Related Party Transactions shall be referred to the Audit Committee irrespective of (i) whether or not the Transactions are in the ordinary course of business; (ii) whether or not they are at arm’s length basis supported by agreement or formal letter; or (iii) whether or not they are material if the transaction / transactions to be entered into individually or taken together with the previous transactions during a financial year, exceed/s 10% of the annual consolidated turnover of the Company as per its last audited financial statements. The Committee shall accord its approval to such of the Transactions which it considers as in the ordinary course of business and at arm’s length basis.

Of the other proposed Related Party Transactions which are not in the ordinary course of business and which are not at arm’s length basis shall be referred to the Board. The Board, on due consideration at its meeting of the relevant factors such as the nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transactions accord its approval to the Transactions which it deems fit.

The proposed Related Party Transactions which are material in nature shall be placed before the Shareholders for their consideration and approval by special resolution.

The Company shall submit to its Board a quarterly statement of all the Related Party Transactions which are approved by the Audit Committee, the Board and the Shareholders.

AMENDMENTS:

This Policy may be amended by the Board at any time and is subject to (i) the amendments to the Companies Act, 2013 (the Act 2013) and (ii) further guidelines from the NHB/other applicable regulatory authorities.

Annexure-II

Criteria for 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.

A. Criteria for evaluation of the Board and Non-Independent Directors at a separate meeting of Independent Directors.

1. Composition of the Board and availability of multi-disciplinary skills Whether the Board comprises Directors with the requisite mix of qualifications and experience as would enable the Company to achieve its corporate objectives, and formulate and implement appropriate business policies, plans and strategies.

2. Commitment to good Corporate Governance Practices.

a) Whether the Company practices high ethical and moral standards.

b) Whether the Company is fair and transparent in dealings with its stakeholders, and in particular whether it deals with its associates at arm's length.

3. Adherence to Regulatory Compliance

Whether the Company complies with the various applicable statutes and regulations, as well as requirements of municipal and other authorities concerned.

- Track record of financial performance

Whether the Company's operational and financial performance has been satisfactory and has enhanced shareholder value. Whether the Company has duly observed statutory requirements and applicable accounting standards in its financial disclosures.

- Grievance Redressal mechanism

Whether a proper system is in place to attend to and resolve complaints/grievances from stakeholders, including depositors, customers, employees and others, quickly and fairly.

- Existence of integrated Risk Management System

Whether the Company has an integrated risk-management system to carefully assess and effectively manage its business risks.

- Use of Modern technology

Whether the Company has an Integrated IT strategy and whether technology hardware and software are periodically upgraded as necessary.

- Commitment to Corporate Social Responsibility (CSR).

Whether the Company is committed to social causes and whether it identifies, finances and monitors its CSR commitments.

4. Criteria for evaluation of Chairman at separate meeting of Independent Directors

- Integrity
- Leadership qualities
- Ability to provide a long-range vision for the Company and suggest innovative ideas
- Importance attached to corporate governance practices
- Willingness to allow other members of the Board to express their views and ability to resolve any disagreement among them
- Understanding of the macroeconomic and relevant industry trends
- Projection of the Company's external image and public and media relations.

5. Criteria for evaluation of Independent Directors

- Integrity
- Relevant qualifications and experience
- Understanding of the Company's business
- Attendance at Board and Committee meetings/annual general meetings
- Value addition to Board discussions

6. Criteria for evaluation of the Audit Committee v

- Relevant qualifications and experience of members
- Review of financial performance and disclosure
- Review of external, internal, statutory, tax, and system audits and inspections, and discussion with the auditors and inspectors of their audit plans and findings, and monitoring of follow-up actions on the audit and inspections
- Review of statutory and regulatory compliance, and discussion of findings and observations of regulatory inspections and monitoring follow-up action thereon
- Monitoring of systems and processes for the prevention and detection of frauds, and of steps taken to deal with frauds that have surfaced.

For and Behalf of the Board of Directors IKF Home Finance Limited

Vasanth

Vasumathi Kozanli

(V. Vasantha Lakshmi)

(K. Vasumathi Devi)

Managing Director

Director

DIN:03610979

DIN:03161150

Date: 17.08.2019

Place: Vijayawada



Annexure-III

Form No. MGT-9

Extract of Annual Return as On the Financial Year Ended 31st March, 2019

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

I.REGISTRATION AND OTHER DETAILS:

i.	CIN	U65992AP2002PLC039417
ii.	Registration Date	02nd August 2002
iii.	Name of the Company	IKF HOME FINANCE LIMITED
iv.	Category / Sub-Category of the Company	Company Limited by Shares/Indian Non-Government Company
v.	Address of the Registered office and contact details	40-1-144,1 st FLOOR, Corporate Centre, M.G.Road, Vijayawada, Andhra Pradesh-520010
vi.	Whether listed company	-No-
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Bigshare Services Private Limited 306, 3rd Floor, Right Wing, Amrutha Ville Opp. Yashoda Hospital, Rajbhavan Road Somajiguda, Hyderabad- 500 082, Telangana

II.PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Non-Banking Financial Activity	99711	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

S.No	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
01	IKF Finance Limited, 40-1-144,3 rd Floor, Corporate Centre, M.G. Road, Vijayawada, Andhra Pradesh-520010	U65992AP1991PLC012736	Holding Company	95.55%**	2 (87)(ii)

** Diluted Share Holding Considering Partly paid shares also.

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

a) Category-wise Share Holding

i) Fully Paid Up

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	0	18,838,593	18,838,593	64.70	05	0	05	0	-80.64
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
Bodies Corp	0	5,110,000	5,110,000	17.55	01	0	01	0	0
Banks / FI	0	0	0	0	37,614,747	0	37,614,747	100	100
Any Other	0	0	0	0	0	0	0	0	0
Sub-total(A)(1):-	0	23,948,593	23,948,593	82.16	37,614,753	0	37,614,753	100	57.06

2) Foreign									
NRIs-Individuals	0	0	0	0	0	0	0	0	0
Other-Individuals	0	0	0	0	0	0	0	0	0
Bodies Corp.	0	0	0	0	0	0	0	0	0
Banks / FI	0	0	0	0	0	0	0	0	0
Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A)(2):-	0	23,948,593	23,948,593	82.16	37,614,753	0	37,614,753	100	57.06
B. Public Shareholding									
1. Institutions									
Mutual Funds	0	0	0	0	0	0	0	0	0
Banks / FI	0	0	0	0	0	0	0	0	0
Central Govt	0	0	0	0	0	0	0	0	0
State Govt(s)	0	0	0	0	0	0	0	0	0
Venture Capital Funds	0	0	0	0	0	0	0	0	0
Insurance Companies	0	0	0	0	0	0	0	0	0
FII's	0	0	0	0	0	0	0	0	0
Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
Others (specify) Clearing Members	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	0	0	0	0	0	0	0	0	0
Bodies Corp.	0	0	0	0	0	0	0	0	0
(i) Indian									
ii) Overseas									
Individuals	0	0	0	0	0	0	0	0	0
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
Others(Specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2)	0	0	0	0	0	0	0	0	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	23,948,593	23,948,593	82.16	37,614,753	0	37,614,753	100	57.06

ii) Partly Paid up (Rs 2.50/-)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
C. Promoter									
3) Indian									
d) Individual/ HUF	0	0	0	0	70,00,000	0	70,00,000	100	100
e) Central Govt	0	0	0	0	0	0	0	0	0.00
f) State Govt(s)									
Bodies Corp	0	0	0	0	0	0	0	0	0.00
Banks / FI	0	0	0	0	0	0	0	0	0.00
Any Other									
Sub-total(A)(1):-	0	0	0	0	70,00,000	0	70,00,000	100	100
4) Foreign									
NRIs- Individuals	0	0	0	0	0	0	0	0	0.00
Other- Individuals	0	0	0	0	0	0	0	0	0.00
Bodies Corp.	0	0	0	0	0	0	0	0	0.00
Banks / FI	0	0	0	0	0	0	0	0	0.00
Any Other....	0	0	0	0	0	0	0	0	0.00
Sub-total (A)(2):-	0	0	0	0	0	0	0	0	0.00

D. Public Shareholding									
1. Institutions									
Mutual Funds	0	0	0	0	0	0	0	0	0.00
Banks / FI	0	0	0	0	0	0	0	0	0.00
Central Govt	0	0	0	0	0	0	0	0	0.00
State Govt(s)	0	0	0	0	0	0	0	0	0.00
Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
Insurance Companies	0	0	0	0	0	0	0	0	0.00
FIs	0	0	0	0	0	0	0	0	0.00
Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
Others (specify) Clearing Members	0	0	0	0	0	0	0	0	0.00
Sub-total (B)(1)									
2. Non Institutions									
Bodies Corp.	0	0	0	0	0	0	0	0	0.00
(ii) Indian									
ii) Overseas									
Individuals	0	0	0	0	0	0	0	0	0.00
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									

Others(Specify)	0	0	0	0	0	0	0	0	0.00
Sub-total (B)(2)	0	0	0	0	0	0	0	0	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	0	0	0	0	0	0	0	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0.00
Grand Total (A+B+C)	0	0	0	0	70,00,000	0	70,00,000	100	100

b) Shareholding of Promoters

i) Fully Paid up Shares

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding 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	IKF Finance Limited	0	0	0	37,614,747	100	NIL	100
2	Vupputuri Gopala Kishan Prasad	14,938,793	51.31	NIL	1	Negligible	NIL	-51.31
3	Vupputuri Vasantha Lakshmi	475,200	1.63	NIL	1	Negligible	NIL	-1.63
4	Koganti Vasumathi Devi	1,879,600	6.46	NIL	1	Negligible	NIL	-6.46
5	Vupputuri Raghu Ram	660,000	2.27	NIL	1	Negligible	NIL	-2.27
6	Vupputuri Indira Devi	885,000	3.04	NIL	1	Negligible	NIL	-3.04
7	IKF Infratech (P) Ltd	5,110,000	17.55	NIL	1	Negligible	NIL	-17.55
Total		23,948,593	82.26	NIL	37,614,753	100	NIL	17.74

ii) Partly Paid up Shares (Rs 2.50)

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding 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	IKF Finance Limited	0	0	NIL	0	0	0	NIL
2	Vupputuri Gopala Kishan Prasad	0	0	NIL	4,737,880	67.68	NIL	67.68
3	Vupputuri Vasantha Lakshmi	0	0	NIL	656,360	9.37	NIL	9.37
4	Koganti Vasumathi Devi	0	0	NIL	697,312	9.97	NIL	9.97
5	Vupputuri Raghu Ram	0	0	NIL	474,312	6.78	NIL	6.78
6	Vupputuri Indira Devi	0	0	NIL	434,136	6.20	NIL	6.20
7	IKF Infratech (P) Ltd	0	0	NIL	0	NIL	NIL	NIL
Total		0	0	NIL	70,00,000	100	NIL	100

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

i) Fully Paid up Shares

S.no	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
	At the beginning of the year	23,948,593	82.26	23,948,593	82.26
	Increase due to transfer	5,166,160	17.74	291,147,530	100
	Increase due to allotment on 29.03.2019	8500,000	22.5	37,614,753	22.5
	At the End of the year	37,614,753	100	37,614,753	100

ii) Partly Paid up Shares

S.no	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
	At the beginning of the year	0	0	0	0
	Increase due to Allotment on 27.03.2019	70,00,000	100	70,00,000	100
	At the End of the year	70,00,000	100	70,00,000	100

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

i) Fully Paid up Shares

Sl. No.	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
	For Each of the Top 10 shareholders				
1	Vamsi Mohan Athotha				
	At the beginning of the year	2,053,160	7.05	2,053,160	7.05
	Decrease During the Year due to transfer	(2,053,160)	(7.05)	(2,053,160)	(7.05)
	At the End of the year	0	NIL	0	NIL
2	Vijay Kumar Katragadda				
	At the beginning of the year	43,000	0.15	43,000	0.15
	Decrease During the Year due to transfer	(43,000)	(0.15)	(43,000)	(0.15)
	At the End of the year	0	NIL	0	NIL
3	Kodali Lakshmana Rao				
	At the beginning of the year	2,000,000	6.87	2,000,000	6.87
	Decrease During the Year due to transfer	(2,000,000)	(6.87)	(2,000,000)	(6.87)
	At the End of the year	0	NIL	0	NIL
4	Poornachandra Rao Venkineni				
	At the Beginning of the year	70,000	0.24	70,000	0.24
	Decrease During the Year due to transfer	(70,000)	(0.24)	(70,000)	(0.24)
	At the End of the year	0	NIL	0	NIL
5	S. Veerabhadra Rao				
	At the beginning of the year	1,000,000	3.43	1,000,000	3.43
	Decrease During the Year due to transfer	(1,000,000)	(3.43)	(1,000,000)	(3.43)
	At the End of the year	0	NIL	0	NIL

(e) Shareholding of Directors and Key Managerial Personnel:

i) Fully Paid up Shares

1. Vupputuri Gopala Kishan Prasad				
Particulars	Shareholding at the beginning of the year	Cumulative Shareholding during the year	Particulars	Shareholding at the beginning of the year
	No. of shares	% of total shares of the company		No. of shares
At the beginning of the year	14,938,793	51.31	14,938,793	51.31
Decrease due to transfer during the year	(14,938,792)	(51.31)	(14,938,792)	(51.31)
At the End of the year	01	Negligible	01	Negligible
2. Vupputuri Vasantha Lakshmi				
At the beginning of the year	475,200	1.63	475,200	1.63
Decrease due to transfer during the year	(475,199)	(1.63)	(475,199)	(1.63)
At the End of the year	01	Negligible	01	Negligible
3. Koganti Vasumathi Devi				
At the beginning of the year	1,879,600	6.46	1,879,600	6.46
Decrease due to transfer during the year	(1,879,599)	(6.46)	(1,879,599)	(6.46)
At the End of the year	01	Negligible	01	Negligible
4. P. Chandrasekhar				
At the beginning of the year	0	0	0	0
Changes during the year – No Changes	0	0	0	0
At the End of the year	0	0	0	0

** Except Managing Director None of the Key Managerial Personnel hold any Share in the Company.

ii) **Partly Paid up Shares**

1. Vupputuri Gopala Kishan Prasad				
Particulars	Shareholding at the beginning of the year	Cumulative Shareholding during the year	Particulars	Shareholding at the beginning of the year
	No. of shares	% of total shares of the company		No. of shares
At the beginning of the year	0	0	0	0
Increase due to Allotment during the year	4,737,880	67.8	4,737,880	67.68
At the End of the year	4,737,880	67.8	4,737,880	67.68
2. Vupputuri Vasantha Lakshmi				
At the beginning of the year	0	0	0	0
Increase due to Allotment during the year	656,360	9.37	656,360	9.37
At the End of the year	656,360	9.37	656,360	9.37
3. Koganti Vasumathi Devi				
At the beginning of the year	0	0	0	0
Increase due to Allotment during the year	697,312	9.97	697,312	9.97
At the End of the year	697,312	9.97	697,312	9.97
4 P. Chandrasekhar				
At the beginning of the year	0	0	0	0
Changes during the year – No Changes	0	0	0	0
At the End of the year	0	0	0	0

** Except Managing Director None of the Key Managerial Personnel hold any Share in the Company.

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total
Indebtedness at the beginning of the financial year				
i) Principal Amount	23.06	0	0	23.06
ii) Interest due but not paid	0	0	0	
iii) Interest accrued but not due	0	0	0	
Total (i+ii+iii)	23.06	0	0	23.06
Change in Indebtedness during the financial year				
- Addition	89.42	3.00	0	92.42
- Reduction	4.76	0	0	4.76
Net Change	84.66	3.00	0	87.66
Indebtedness at the end of the financial year				
i) Principal Amount	107.72	3.00	0	110.72
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0.25	0	0	0.25
Total (i+ii+iii)	107.97	3.00	0	110.97

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(i) Vupputuri Vasantha Lakshmi - Managing Director

Sl. No.	Particulars of Remuneration	Vupputuri Vasantha Lakshmi, Managing Director	Total Amount
1.	Gross salary	29,19,355	29,19,355
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL
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
6.	Total (A)	29,19,355	29,19,355
	Ceiling as per the Act	42,00,000	42,00,000

B. Remuneration to other directors: Not Applicable –NIL-

C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD- -



S.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
01.	Gross salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	33,03,901**	Nil	Nil	33,03,901
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil	Nil
02.	Stock Option	Nil	Nil	Nil	Nil
03.	Sweat Equity	Nil	Nil	Nil	Nil
04.	Commission	Nil	Nil	Nil	Nil
05.	Others, please specify	Nil	Nil	Nil	Nil
06.	Total (A)	33,03,901	Nil	Nil	33,03,901


** Resigned with effect from 10th November, 2018 above remuneration is paid during April – November 2019.

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					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. Directors					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. Other Officers In Default					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For and Behalf of the Board of Directors IKF Home Finance Limited



 (V. Vasantha Lakshmi) (K. Yasumathi Devi)
 Managing Director Director
 DIN:03610979 DIN:03161150



Date: 17.08.2019
Place: Vijayawada

Independent Auditor's Report

To the Members of M/s. IKF HOME FINANCE LIMITED

Report on the standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of *M/s. IKF HOME FINANCE LIMITED* ("*the Company*") which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the 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 ("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, 2019, and profit/loss, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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 opinion.

Information other than the Standalone Financial Statements and Auditors' Report Thereon ("Other Information")

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the standalone financial statements and our audit report thereon.

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.



The annual report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

Responsibility of Management for the Standalone 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 these standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity)¹ and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 Responsibility for the Audit of the Financial Statements

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

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

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

- d. In our opinion, the aforesaid standalone 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 the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- 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:
- The does not have any pending litigations which would impact its financial position.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Vijayawada
Date : 17.08.2019



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

A handwritten signature in black ink, appearing to read "K. Hanumaiah", with a stylized flourish at the end.

(K.Hanumaiah)
Partner
M.N0.201719

“ANNEXURE A” to the Independent Auditors’ Report on the standalone financial statements of IKF Home Finance Limited for the year ended on 31.03.2019

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, 2019.

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, Cess, GST & Professional Tax and other material statutory dues, have been regularly deposited during the year with the appropriate authorities.
 - b) In our opinion and according to the information and explanations given to us, there are no dues of Income-tax, GST, 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). The Company has availed loans from different Banks and NBFC during the year under audit. Based on our review the company has utilized the loans for the purpose which it has availed and has not defaulted in repayment.
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 made Rights Issues of Equity Shares of 85,00,000 equity shares of Rs.10/- each issued at par and fully paid on allotment and further made a Private Placement of 70,00,000 equity shares of Rs.10/- each issued at par and an amount of Rs. 2.50 per share has paid on allotment and the amounts collected have 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.
16. The Company has obtained the certificate of registration under section 29A of the National Housing Bank Act 1987, as required.

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



Place: Vijayawada
(K.Hanumaiah)
Date : 17-08-2019.

A handwritten signature in black ink, appearing to read "K. Hanumaiah".

Partner

“ANNEXURE B” to the Independent Auditors’ Report on the standalone financial statements of IKF Home Finance Limited for the year ended on 31.03.2019

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 2019 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 with reference to these standalone financial statements as of 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



Place: Vijayawada
Date : 17-08-2019.

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

K. Hanumaiah

(K.Hanumaiah)
Partner
M.NO.201719

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 31.03.2019 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 24.04.2018.
05. The Company did not accept any public deposits during the financial year 2018-2019.
06. The Company has taken loans or borrowings to the tune of Rs. 113,35,01,874.00 and the total borrowings are within the limits (16 times of NOF) prescribed under paragraph 3(2) of the Housing Finance Companies (NHB) 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 (53.70%) 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 2018-19.

(Continued....2)



10. The Company has furnished to the NHB the quarterly returns in Schedule-III as specified in the Directions within the stipulated period during the financial year 2018-19.
11. During the financial year 2018-19 the company has opened 6 new branches within INDIA as stated below. Based on the information given to us, it has been noticed that the company has made the information to the NHB after opening of the branches.

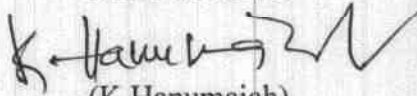
Sl.No.	Name of the Branch	Date of Opening	Date of Intimation to NHB
01.	Rajamundry	02.04.2018	16.08.2019
02.	Guntur	09.04.2018	16.08.2019
03.	Vizianagaram	24.05.2018	16.08.2019
04.	Eluru	28.05.2018	16.08.2019
05.	Erode	02.07.2018	16.08.2019
06.	Kakinada	01.03.2019	16.08.2019

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.



Place: Vijayawada
Date : 17-08-2019.

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


(K. Hanumaiah)

Partner
M.N.0.201719

Name of Component: IKF HOME FINANCE LIMITED
Audit for the quarter and year ending 31st March 2019.

Area : Balance Sheet

(Amt in Rupees)

Particulars	March 31, 2019	March 31, 2018	Variance (March 18)	% March 18	Tab. Reference
Equity and liabilities			0.00		
Shareholders' funds					
Share capital	393,647,530.00	291147530	102500000.00	35.21%	increase of equity
Reserves and surplus	27,181,307.46	11561311.69	15619995.77	135.11%	increase of profit
Share application money pending allotment					
Non-current liabilities					
Long-term borrowings	780,681,386.00	0	780681386.00	#DIV/0!	increase of borrowings
Deferred Tax Liabilities (N	54,843.29	0	54843.29	#DIV/0!	lesser depreciation in income tax
Other non-current liabilities	-	0			
Long-term provisions	8,019,806.50	3077799.64	4942006.86	160.57%	increase in volume of business
Current liabilities					
Short-term borrowings	25,265,853.11	160450923.9	(135185070.75)	-84.25%	due to repayment of loans
Other current liabilities	342,012,021.86	239266533.4	102745488.49	42.94%	increase of volume of business
Short-term provisions	-	506536.82	(506536.82)	-100.00%	decrease in provision for taxation
TOTAL	1,576,862,748.22	706,010,635.38	870852112.84	123.35%	
Assets					
Non-current assets					
Fixed assets					
Property, plant and equi	6,123,544.84	5412761.027	710783.81	13.13%	increase of fixed assets
Intangible assets	3,812,692.48	5075228.679	(1262536.20)	-24.88%	due to depreciation
Capital work-in-progress					
Deferred tax assets (net)					
Non-current investments					
Long-term loans and advances	1,434,590,642.18	598619924	835970718.18	139.65%	volume of business increased
Other non-current assets	35,152.00	204407.5	(169255.50)	-82.80%	due to writeoff
Current assets					
Trade receivables	82,480.82	202997.83	(120517.01)	-59.37%	due to collection
Cash and bank balances	38,757,039.43	89996301.95	(51239262.52)	-56.93%	due to increase of disbursements
Short-term loans and advances	79,686,171.24	2261130	77425041.24	3424.17%	due to increase of disbursements
Other current assets	13,775,025.23	4237884.4	9537140.83	225.04%	due to increase in interest accrued
TOTAL	1,576,862,748.22	706,010,635.39	870852112.83	123.35%	

IKF Home Finance Limited

Balance Sheet as at March 31, 2019

(Amount in Rupees unless otherwise stated)

	Notes	31-Mar-19	31-Mar-18
Equity and liabilities			
Shareholders' funds			
Share capital	3	393,647,531	291,147,531
Reserves and surplus	4	27,181,307	11,561,312
		420,828,838	302,708,842
Non-current liabilities			
Long-term borrowings	5	780,681,386	-
Deferred tax assets (net)	6	54,843	-
Other non-current liabilities	7	-	-
Long-term provisions	8	8,019,807	3,077,800
		788,756,036	3,077,800
Current liabilities			
Short-term borrowings	9	25,265,853	160,450,924
Other current liabilities	10	342,012,022	239,266,533
Short-term provisions	8	-	506,537
		367,277,875	400,223,994
TOTAL		1,576,862,749	706,010,636
Assets			
Non-current assets			
Fixed assets			
Property, plant and equipment	11	6,123,545	5,412,761
Intangible assets	12	3,812,692	5,075,229
Long-term loans and advances	13	1,434,590,642	598,619,924
Other non-current assets	14	35,152	204,408
		1,444,562,031	609,312,322
Current assets			
Trade receivables	15	82,481	202,998
Cash and bank balances	16	38,757,039	89,996,302
Short-term loans and advances	13	79,686,171	2,261,130
Other current assets	14	13,775,026	4,237,884
		132,300,717	96,698,314
TOTAL		1,576,862,749	706,010,636

Summary of significant accounting policies 2.1
The accompanying notes are an integral part of the financial statements

As per our report of even date

For HANUMAIAH & CO.

ICAI Firm registration number : 009021S

Chartered Accountants

K. Hanumaiah

per K. Hanumaiah

Partner

Membership No.201719



Date: 17.08.2019

Place: Vijayawada

UDIN No 19201719AAAABA8852

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

Vasanth

V Vasantha Lakshmi
Managing Director
DIN - 03610979

V. G. K. Prasad

V G K Prasad
Director
DIN - 01817992

P. Chandra Sekhar

P Chandra Sekhar
CFO and Director
DIN - 03598591



Vishal Kumar Joshi

Vishal Kumar Joshi
Company Secretary
M.No.A43209

IKF Home Finance Limited

Statement of profit and loss for the year ended March 31, 2019

(Amount in Rupees unless otherwise stated)

	Notes	31-Mar-19	31-Mar-18
Income			
Revenue from operations	17	189,240,829	41,016,848
Other income	18	4,806,527	3,275,177
Total revenue (I)		194,047,356	44,292,025
Expenses			
Employee benefit expenses	19	56,478,552	23,845,636
Finance costs	20	86,403,707	4,553,791
Other expenses	21	21,283,345	8,750,709
Depreciation and amortization expenses	22	2,493,996	1,917,221
Provisions and write-offs	23	5,618,474	2,084,321
Total expenses (II)		172,278,074	41,151,678
Profit before tax (III)=(I)-(II)		21,769,282	3,140,347
Tax expenses			
Current tax		7,516,443	1,037,598
Deferred tax		54,843	-
Total tax expense (IV)		7,571,286	1,037,598
Profit after tax (III)-(IV)		14,197,996	2,102,749

Summary of significant accounting policies

2.1

The accompanying notes are an integral part of the financial statements

As per our report of even date

For HANUMAIAH & CO.

ICAI Firm registration number : 0090215

Chartered Accountants

per K.Hanumaiah
Partner
Membership No.201719



Date: 17.08.2019

Place: Vijayawada

UDIN No 19201719AAAABA8852

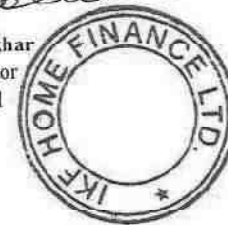
For and on behalf of the Board of Directors of
IKF Home Finance Limited

V Vasantha Lakshmi
Managing Director
DIN - 03610979

P Chandra Sekhar
CFO and Director
DIN - 03598591

Y G K Prasad
Director
DIN - 01817992

Vishal Kumar Joshi
Company Secretary
M.No.A43209



IKF Home Finance Limited

Cashflow statement for the year ended March 31, 2019

(Amount in Rupees unless otherwise stated)

	31-Mar-19	31-Mar-18
Cash flow from operating activities		
Profit before tax	21,769,282	3,140,347
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization	2,493,996	1,917,221
Provision for employee benefits	745,533	678,888
Provision for bad and doubtful assets	1,422,000	-
Contingent provision against standard assets	3,848,174	2,084,321
Provision for non-performing assets	348,300	-
Operating profit before working capital changes	30,627,285	7,820,777
Movements in working capital :		
Increase / (Decrease) in other current and non-current liabilities	102,745,488	-
Decrease / (Increase) in trade receivables	120,517	(202,998)
Decrease / (Increase) in loans and advances	(913,395,760)	(583,998,385)
Decrease / (Increase) in other non-current assets	169,256	(796,199)
Decrease / (Increase) in other current assets	(9,537,142)	(4,365,574)
Decrease / (Increase) in Margin money deposit (net)	-	-
Cash generated from / (used in) operations	(789,270,356)	(581,542,379)
Direct taxes paid (net of refunds)	(8,022,980)	(1,037,598)
Net cash flow from / (used in) operating activities (A)	(797,293,335)	(582,579,977)
Cash flows from investing activities		
Purchase of fixed assets	(1,942,243)	(12,405,210)
Sale of fixed assets	-	-
Net cash flow from / (used in) investing activities (B)	(1,942,243)	(12,405,210)
Cash flows from financing activities		
Proceeds from issue of Share Capital	85,000,000	143,063,873
Proceeds from issuance of Partly Paid up Equity Shares	17,500,000	-
Long-term borrowings (net)	780,681,386	-
Short-term borrowings (net)	(135,185,073)	398,353,401
Net cash flow from / (used in) financing activities (C)	747,996,314	541,417,274
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(51,239,265)	(53,567,914)
Cash and cash equivalents at the beginning of the year	89,996,303	143,564,217
Cash and cash equivalents at the end of the year	38,757,039	89,996,303
Components of cash and cash equivalents	31-Mar-19	31-Mar-18
Cash and cash equivalents at the end of the year	215,936	40,132
Cash on hand	38,541,104	89,956,170
Balances with banks in current accounts	38,757,039	89,996,303

2.1

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements

Notes

- The above cash flow statement have been prepared under the indirect method set out in Accounting Standard (AS)-3. 'Cash Flow Statement' notified pursuant to the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.
- All figures in brackets indicate outflow.

For HANUMAIAH & CO.

ICAI Firm registration number : 0090215

Chartered Accountants

per R. Hanumaiah

Partner

Membership No 201719



Date: 17.08.2019

Place: Vijayawada

UDIN No 19201719AAAABA8852

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

Vasanthar

V Vasantha Lakshmi
Managing Director
DIN - 03610979

P Chandra Sekha
CFO and Director
DIN - 0359859

G K Prasad
Director
DIN - 01817992

Vishal Kumar Joshi
Company Secretary
M.No.A43209



IKF Home Finance Limited

Notes to financial statements for the year ended March 31, 2019

(Amount in Rupees unless otherwise stated)

3. Share capital

	31-Mar-19 (Rupees)	31-Mar-18 (Rupees)
Authorized shares		
3,00,00,000 (March 31, 2018: 3,00,00,000) equity shares of Rs.10 each	50,00,00,000	30,00,00,000
Issued, subscribed and fully paid-up shares		
3,76,14,753 (March 31, 2018: 2,91,14,753) equity shares of Rs.10 each fully paid up	37,61,47,531	29,11,47,531
	<u>37,61,47,531</u>	<u>29,11,47,531</u>
Issued, subscribed and partly paid-up shares		
70,00,000 (March 31, 2018: Nil) equity shares of Rs.10 each, partly paid up Rs. 2.50 per share	1,75,00,000	-
	<u>1,75,00,000</u>	<u>-</u>

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares	31-Mar-19		31-Mar-18	
	No. of Shares	(Rupees)	No. of Shares	(Rupees)
Fully Paid Equity Shares of Rs 10 each				
At the beginning of the year	2,91,14,753	29,11,47,531	2,91,14,753	29,11,47,531
Issued during the year	85,00,000	8,50,00,000	-	-
Outstanding at the end of the year	<u>3,76,14,753</u>	<u>37,61,47,531</u>	<u>2,91,14,753</u>	<u>29,11,47,531</u>
Partly Paid up Equity Shares of Rs 10 each, partly paid up Rs. 2.70 per share				
At the beginning of the year	-	-	-	-
Issued during the year	70,00,000	1,75,00,000	-	-
Outstanding at the end of the year	<u>70,00,000</u>	<u>1,75,00,000</u>	<u>-</u>	<u>-</u>
	<u>4,46,14,753</u>	<u>39,36,47,531</u>	<u>2,91,14,753</u>	<u>29,11,47,531</u>

(b) Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(d) Details of shareholders holding more than 5% shares in the Company

Equity shares of fully paid and Partly paid up	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity shares of Rs.10 each fully paid up				
IKF Finance Limited	3,76,14,747	100.00%	-	0.00%
V G K PRASAD	1	0.00%	1,49,38,793	51.31%
K Vasumathi Devi	1	0.00%	18,79,600	6.46%
IKF Infratech (P) Limited	1	0.00%	51,10,000	17.55%
Vamsi Mohan Athota	-	0.00%	20,53,160	7.05%
Kodali Lakshmana Rao	-	0.00%	20,00,000	6.87%
Equity Shares of Rs 10 each, partly paid up Rs. 2.50 per share				
Vuppuuri Gopala Kishan Prasad	47,37,880	67.68%	-	0.00%
V Indira Devi	4,34,136	6.20%	-	0.00%
Vupputuri Raghu ram	4,74,312	6.78%	-	0.00%
Koganti Vasumathi Devi	6,97,312	9.96%	-	0.00%
D Vasantha Lakshmi	6,56,360	9.38%	-	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.



IKF Home Finance Limited

Notes to financial statements for the year ended March 31, 2019

(Amount in Rupees unless otherwise stated)

4. Reserves and surplus	31-Mar-19	31-Mar-18
Reserve U/s 29C of NHB Act		
Balance as per the last financial statements	1,366,000	840,000
Add: Issued during the year	3,549,000	526,000
Closing Balance	4,915,000	1,366,000
Provision U/s 36(viia) Income tax Act, 1961		
Balance as per the last financial statements	-	-
Add: Issued during the year	1,422,000	-
Closing Balance	1,422,000	-
Surplus/ (deficit) in the Statement of Profit and Loss		
Balance as per last financial statements	10,195,312	8,618,563
Add: Profit for the year	14,197,996	2,102,749
Less: Transferred to Reserve [@ 25% of profit after tax as required by section 29C of NIIB Act]	(3,549,000)	(526,000)
Net surplus/ (deficit) in the statement of profit and loss	20,844,307	10,195,312
Total reserves and surplus	27,181,307	11,561,312

5. Long-term borrowings	Non Current portion		Current maturities*	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Secured				
Term loans				
Loan from banks	209,999,965	-	117,306,936	-
Loan from financial institutions	106,785,720	-	36,133,068	150,000,000
Loan from non banking financial companies	463,895,701	-	143,088,200	80,620,020
Unsecured				
Other Companies	-	-	30,000,000	-
	780,681,386	-	326,528,204	230,620,020

* Amount disclosed under note 10 Other current liabilities.



IKF Home Finance Limited

Notes to financial statements for the year ended March 31, 2019

(Amount in Rupees unless otherwise stated)

11. Property, plant and equipment	Leasehold Improvements	Furniture and fixtures	Computers	Office equipments	Vehicles	Total
Gross Block						
At April 1, 2017	-	-	-	-	-	-
Additions	2,567,597	946,336	1,162,668	1,415,928	-	6,092,529
At March 31, 2018	2,567,597	946,336	1,162,668	1,415,928	-	6,092,529
Additions	345,117	370,188	1,053,146	173,792	-	1,942,243
Decudtions	-	-	-	-	-	-
At March 31, 2019	2,912,714	1,316,524	2,215,815	1,589,720	-	8,034,772
Depreciation						
At April 1, 2017	-	-	-	-	-	-
Charge for the year	191,851	138,933	235,728	113,257	-	679,768
At March 31, 2018	191,851	138,933	235,728	113,257	-	679,768
Charge for the year	278,547	126,237	648,771	177,905	-	1,231,459
Charge for the year	-	-	-	-	-	-
Decudtions	-	-	-	-	-	-
At March 31, 2019	470,398	265,169	884,499	291,162	-	1,911,228
Net Block						
At March 31, 2018	2,375,746	807,403	926,941	1,302,671	-	5,412,761
At March 31, 2019	2,442,316	1,051,355	1,331,316	1,298,558	-	6,123,545

12. Intangible assets	Computer software	Total
Gross block		
At April 1, 2017	-	-
Addition	6,312,681	6,312,681
At March 31, 2018	6,312,681	6,312,681
Addition	-	-
At March 31, 2019	6,312,681	6,312,681
Depreciation		
At April 1, 2017	-	-
Charge for the year	1,237,452	1,237,452
At March 31, 2018	1,237,452	1,237,452
Charge for the year	1,262,536	1,262,536
At March 31, 2019	2,499,989	2,499,989
Net block		
At March 31, 2018	5,075,229	5,075,229
At March 31, 2019	3,812,692	3,812,692



IKF Home Finance Limited
Notes to financial statements for the year ended March 31, 2019
(Amount in Rupees unless otherwise stated)

	Non-current		Current	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
13. Loans and advances				
A. Loan portfolio				
Secured, considered good	1,430,564,233	597,466,779	79,450,033	2,261,130
Secured, considered doubtful	-	-	-	-
Total (A)	1,430,564,233	597,466,779	79,450,033	2,261,130
B. Security deposits				
Unsecured, considered good	1,056,199	846,199	-	-
Total (B)	1,056,199	846,199	-	-
C. Other loans and advances (unsecured, considered good)				
Income tax receivable	1,826,231	-	-	-
GST input credit	1,143,970	306,946	-	-
Employee loans	-	-	236,138	-
Total (C)	2,970,210	306,946	236,138	-
Total (A+B+C)	1,434,590,642	598,619,924	79,686,171	2,261,130

14. Other assets	Non-current		Current	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Interest accrued but not due on loan portfolio	-	-	12,641,227	3,688,087
Other-unsecured, considered good	-	-	964,543	380,541
Prel. Exp. To the extent Not Witre Off	35,152	204,408	169,256	169,256
	35,152	204,408	13,775,026	4,237,884



IKF Home Finance Limited

Notes to financial statements for the year ended March 31, 2019

(Amount in Rupees unless otherwise stated)

	Current	
	31-Mar-19	31-Mar-18
15. Trade receivables		
Outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	82,481	202,996
	<u>82,481</u>	<u>202,996</u>

	Non-current		Current	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
16. Cash and bank balances				
Cash and cash equivalents				
Balances with banks				
in current accounts	-	-	38,541,104	89,956,177
Cash on hand	-	-	215,936	40,133
	-	-	<u>38,757,039</u>	<u>89,996,310</u>
Other bank balances				
Margin money deposit	-	-	-	-
	-	-	-	-
Amount disclosed under non-current assets	-	-	<u>38,757,039</u>	<u>89,996,310</u>



IKF Home Finance Limited**Notes to financial statements for the year ended March 31, 2019***(Amount in Rupees unless otherwise stated)*

	31-Mar-19	31-Mar-18
17. Revenue from operations		
Interest income on portfolio loans	161,464,222	24,565,866
Other operating revenue	22,322	
Fee and other charges	486,548	4,876,781
Interest on margin money deposits	27,267,737	11,574,201
Service fee	<u>189,240,829</u>	<u>41,016,848</u>
18. Other income	31-Mar-19	31-Mar-18
Miscellaneous income	4,806,527	2,217,454
Dividend Income from Mutual Funds	-	1,057,723
	<u>4,806,527</u>	<u>3,275,177</u>
19. Employee benefit expenses	31 Mar-19	31-Mar-18
Salaries and bonus / incentives	52,966,373	22,666,018
Contribution to provident fund	2,231,470	268,510
Contribution to Employee State Insurance Corporation	133,383	69,875
Leave benefits	277,175	272,242
Gratuity expenses	500,346	406,646
Staff welfare expenses	369,805	162,345
	<u>56,478,552</u>	<u>23,845,636</u>
20. Finance costs	31-Mar-19	31-Mar-18
Interest		
On term loans from banks	16,912,032	-
On term loans from non banking financial companies	51,581,565	2,276,508
On term loans from Others	10,887,698	-
On bank overdraft facility	1,737,511	718,404
On shortfall in payment	77,715	-
Other finance costs	5,003,083	1,530,850
Bank charges	204,103	28,029
	<u>86,403,707</u>	<u>4,553,791</u>



IKF Home Finance Limited

Notes to financial statements for the year ended March 31, 2019

(Amount in Rupees unless otherwise stated)

	31-Mar-19	31-Mar-18
21. Other expenses		
Rent	2,049,550	1,389,355
Rates and taxes	5,367,559	106,84
Insurance	546,743	
Repairs and maintenance	79,722	13,15
Electricity charges	472,290	288,84
Travelling and conveyance	1,511,043	576,61
Communication expenses	1,154,221	200,53
Printing and stationery	268,366	78,44
Legal and professional fees	4,699,501	4,079,62
Auditors' remuneration	305,519	51,50
Sourcing Commission	2,474,139	937,76
Miscellaneous expenses	2,354,691	1,028,02
	21,283,345	8,750,70
Payment to auditors	31-Mar-19	31-Mar-18
As auditor:		
Audit fees	195,519	50,00
Reimbursement Expenses	10,000	151
In other capacity:		
Internal Audit	100,000	
	305,519	51,50
22. Depreciation and amortization expense	31-Mar-19	31-Mar-18
Depreciation of tangible assets	1,231,461	1,917,22
Amortization of intangible assets	1,262,535	
	2,493,996	1,917,22
23. Provisions and write-offs	31-Mar-19	31-Mar-18
Provision for Bad & Doubtful Debts (U/s 36(viia) of Income tax Act)	1,422,000	
Contingent provision against standard assets	3,848,174	2,084,32
Provision for non-performing assets	348,300	
	5,618,474	2,084,32



IKF Home Finance Limited

CIN No. U65922AP2002PLC039417

D.No.40-1-144, Corporate Centre, M G Road, Labbipet, Vijayawada - 520010, Andhra Pradesh.

Notes to financial statements for the year ended March 31, 2019

1. Summary of significant accounting policies

a. Use of estimates

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.

b. Revenue recognition

- i. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- ii. 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.
- iii. Other financing activities and services is recognized on accrual basis.

c. Tangible fixed assets

All tangible assets are stated at cost net of accumulated depreciation. The cost comprises purchase price and directly attributable cost of bringing the asset to its working condition for the intended use.

d. Depreciation

Depreciation on tangible fixed assets is provided on the straight line method using the rates arrived at based on useful life of the assets prescribed under Schedule II of the Companies Act, 2013 which is also as per the useful life of the assets estimated by the management.

e. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition intangible assets are stated at cost less accumulated amortization and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.



f. Impairment

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

g. Retirement and other employee benefits

- i. Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.
- ii. Gratuity liability is a defined benefit obligation and is provided for on estimate basis at the end of each financial year.
- iii. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.
- iv. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

h. Income tax

- i. Tax expense comprises current and deferred tax. Current income 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 income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.
- ii. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.



IKF Home Finance Limited

CIN No. U65922AP2002PLC039417

D.No.40-1-144, Corporate Centre, M G Road, Labbipet, Vijayawada - 520010, Andhra Pradesh.

Notes to financial statements for the year ended March 31, 2019

iii. Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

iv. The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

i. Provisions

A provision is recognized 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 not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

j. Contingent liabilities

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 recognized 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 recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

k. Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand and cash at bank and short-term investments with an original maturity of three months or less.

l. Current / non-current classification of assets / liabilities

The Company has classified all its assets/liabilities into current/non-current portion based on the time frame of 12 months from the date of the financial statements. Accordingly, assets/liabilities expected to be realized /settled within 12 months from the date of financial statements are classified as current and other assets/liabilities are classified as noncurrent.

m. 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

2.2. Prior period items : -- NIL --



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Notes to financial statements for the year ended March 31, 2019**2.3. Segment information**

The Company operates in a single business segment i.e., financing, which has similar risks and returns for the purpose of AS 17 on 'Segment Reporting specified under section 133 of the Companies Act 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. The Company operates in a single geographical segment i.e. domestic.

2.4. Related parties

Related Party disclosures as required by Accounting Standard-18 - 'Related Party Disclosures' issued by ICAI are given below for the year ended March 31, 2019.

Key Management Personnel	Mrs. V Vasatha Lakshmi - Managing Director Mr. P Chandra Sekhar - Director
Relative of key management personnel	Mr. V G K Prasad - Father Mrs. V Indira Devi - Mother Mr. K Vasumathi Devi - Sister Mr. V Raghu Ram - Brother
Enterprises significantly influenced by key management personnel or their relatives	M/s. IKF Finance Limited M/s. IKF Infratech Private Limited

2.5. Related party transactions during the year:

Name of related party	Nature of transaction	Transaction value for the year ended 31-03-2019	Outstanding Amount As At 31-03-2019
Key Management Personnel			
Mrs. V Vasatha Lakshmi	Share Capital (Rs.10/- paid up)	-	10
	Allotment of Partly Paid up Shares (Rs.2.50 Paid up)	16,40,900	16,40,900
	Director's Remuneration	29,19,355	-
Relatives of key management personnel			
Mr. V G K Prasad	Share Capital (Rs.10/- paid up)	-	10
	Allotment of Partly Paid up Shares (Rs.2.50 Paid up)	1,18,44,700	1,18,44,700
Mrs. V Indira Devi	Share Capital (Rs.10/- paid up)	-	10
	Allotment of Partly Paid up Shares (Rs.2.50 Paid up)	10,85,340	10,85,340
Mrs. K Vasumathi Devi	Share Capital (Rs.10/- paid up)	-	10
	Allotment of Partly Paid up Shares (Rs.2.50 Paid up)	17,43,280	17,43,280
Mr. V Raghu Ram	Share Capital (Rs.10/- paid up)	-	10
	Allotment of Partly Paid up Shares (Rs.2.50 Paid up)	11,85,780	11,85,780
Enterprises significantly influenced by key management personnel or their relatives			
IKF Finance Limited	Share Capital (Rs.10/- paid up)	37,61,47,470	37,61,47,470
	Loans	38,50,00,000	28,33,87,334
IKF Infratech (P) Limited	Share Capital (Rs.10/- paid up)	-	10
	ICDs	3,00,00,000	3,00,00,000



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Notes to financial statements for the year ended March 31, 2019**Contingent Liabilities Provided for**

Particulars	31-Mar-19	31-Mar-18
Credit enhancements provided by the Company towards securitization (including cash collaterals, principal and interest subordination)	-- Nil --	-- Nil --
Performance security provided by the Company towards advance partner arrangement /business correspondent agreement	-- Nil --	-- Nil --

2.6. Retirement and other employee benefits

The Company has a defined benefit gratuity plan. 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 Rs.20,00,000 as per The Payment of Gratuity Act, 1972.

3.0. 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.

3.1. Disclosure as per Housing Finance Companies-Corporate Governance (National Housing Bank) Directions, 2016**a. Capital to Risk Assets Ratio ('CRAR'):**

Particulars	31 March, 2019	31 March, 2018
CRAR (%)	53.57%	74.93%
CRAR – Tier I Capital (%)	52.74%	74.33%
CRAR – Tier II Capital (%)	0.83%	0.60%
Amount of subordinated debt raised as Tier-II capital	-	-
Amount raised by issue of Perpetual Debt Instruments	-	-

b. i. Reserve Fund u/s 29C, of NHB Act 1987: Disclosed separately under Note 1.

ii. Draw down from Reserves : NIL

c. Investments:

The Company has not made any investments in the current.

d. 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.

e. Disclosures relating to Securitization:

The company has not securitization any received during the year.

f. Details of assignment transactions undertaken:

The company has no assignment transactions.

g. Details of non-performing financial assets purchased / sold:

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



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Notes to financial statements for the year ended March 31, 2019**h. Asset Liability Management:**

Maturity pattern of certain Assets and Liabilities as on March 31, 2019:

(Rs.in Laks)

Particulars	Upto 30/31 days	Over 1 months upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Deposits	0	0	0	0	0	0	0	0	0
Advances	61	69	64	205	352	1250	1668	11432	15100
Investments	0	0	0	0	0	0	0	0	0
Borrowings	153	211	181	796	1648	6604	1388	92	11072
Foreign currency	0	0	0	0	0	0	0	0	0
Foreign	0	0	0	0	0	0	0	0	0

i. Exposures**a) Exposure to real estate sector and capital market**

(Rs. In Lakhs)

Category	31-Mar-19
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	4,030
- Others	11,070
Total	15,100
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 aquisition, development and construction, etc.). Exposure would also include Non-Fund Based (NFB) limits;	-
iii) Investments in Mortgage Backed Securities (MBS) and other securitised	
a) Residential	-
b) Commercial Real Estate	-
Indirect Exposure	
Fund bases and Non-Fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFC's)	-

b) Details of financing of parent company products

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

c) Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company has not lent / invested / lent and invested in any borrower / group of borrower in excess of limits prescribed by the NHB.

d) Unsecured Advances- Refer note 13 for unsecured have not explained any unsecured advances.

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Notes to financial statements for the year ended March 31, 2019**j. Registration obtained from other financial sector regulators:**

The Company is registered with following other financial sector regulators (Financial regulators as described by Ministry of Finance):

- NHB – 04.0133.16
- Ministry of Corporate Affairs – U65922AP2002PLC039417

k. Ratings assigned by credit rating agencies and migration of ratings during the year: -- NIL --**Provisions and Contingencies (shown under the head expenditure in Statement of Profit and Loss)**

Particulars	31 March, 2019	31 March, 2018
Provision made towards income tax	7,516,443	1,037,598.00
Provision towards non-performing assets	348,300	-
Provision for standard assets	3,848,174	2,084,321
Provision for gratuity	-	-
Provision for leave benefits	-	-

l. Breakup of Loans and Advances and Provision thereon 31-03-2019

(Rs.in Laks)

Particulars	Housing	Non-Housing
Standard Assets		
a) Total Outstanding amount	10,104.00	4,978.62
b) Provision made	25.26	37.21
Sub-Standard Assets		
a) Total Outstanding amount	-	22.38
b) Provision made	-	3.48
Doubtful Assets		
a) Total Outstanding amount	-	-
b) Provision made	-	-
Loss Assets		
a) Total Outstanding amount	-	-
b) Provision made	-	-
Total		
a) Total Outstanding amount	10,104.00	5,001.00
b) Provision made	25.26	40.69

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 :

m. Draw down from Reserves:

There has been no draw down from reserves during the year ended March 31, 2019.



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Notes to financial statements for the year ended March 31, 2019

n. Concentration of Advances, Exposures and NPAs: (Amount Rupees)

Particulars	31 March, 2019	31 March, 2018
Concentration of Advances		
Total advances to twenty largest borrowers	140,632,860	149,907,570
(%) of advances to twenty largest borrowers to total advances	9.31%	25.00%
Concentration of Exposures		
Total exposure to twenty largest borrowers/customers	140,632,860	149,907,570
(%) of exposure to twenty largest borrowers/customers to total expos	9.31%	25.00%
Concentration of NPAs		
Total exposure to top four NPA accounts	2,238,000	-

o. Sector-wise NPAs* (Amount Rupees)

Particulars	(%) of NPAs to total advances	(%) of NPAs to total
Agriculture and allied activities	-	-
MSME	-	-
Corporate borrowers	-	-
Services	-	-
Unsecured personal loans	-	-
Auto loans	-	-
Other personal loans	-	-

*As certified by the Management and relied upon by Auditors

p. Movement of NPAs (Amount Rupees)

Particulars	31 March, 2019	31 March, 2018
(i) Net NPAs to Net Advances (%)	0.15%	-
(ii) Movement of NPAs (Gross)		
(a) Opening balance	0	-
(b) Additions during the year	2238000	-
(c) Reductions during the year (incl. loans written off)	0	-
(d) Closing balance	2238000	-
(iii) Movement of Net NPAs		
(a) Opening balance	0	-
(b) Additions during the year	2238000	-
(c) Reductions during the year	0	-
(d) Closing balance	2238000	-
(iv) Movement of provisions for NPAs		
(a) Opening balance	0	-
(b) Provisions made during the year	348300	-
(c) Write-off / write-back of excess provisions	0	-
(d) Closing balance	348300	-



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Notes to financial statements for the year ended March 31, 2019**q. Disclosure of Customer Complaints***

Particulars		31 March, 2019
(i)	Number of complaints pending at the beginning of the year	-
(ii)	Number of complaints received during the year	-
(iii)	Number of complaints redressed during the year	-
(iv)	Number of complaints pending at the end of the year	-

**As certified by the Management and relied upon by Auditors*

3.2. The Company does not have any outstanding loan against gold jewellery as at March 31, 2019.

For HANUMAIAH & CO.**ICAI Firm registration number : 009021S For and on behalf of the Board of Directors of
Chartered Accountants IKF Home Finance Limited**

K. Hanumaiah
per K. Hanumaiah
Partner
Membership No.201719



V. Vasantha Lakshmi
V Vasantha Lakshmi
Managing Director
DIN - 03610979

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

P. Chandra Sekhar
P Chandra Sekhar
CFO and Director
DIN - 03598591

Vishal Kumar Joshi
Vishal Kumar Joshi
Company Secretary
M.No.A43209

Date: 17.08.2019
Place: Vijayawada