



08.07.2023

BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

Dear Sir/Madam,

Sub.: Submission of AGM Shorter Notice & Annual Report for the year ended on March 31, 2023

Pursuant to Regulation 53 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the AGM Shorter Notice & Annual Report along with the Auditors Report and Audited Financials thereof for the year ended on March 31, 2023. The signed version of reports is available for inspection at Office of the Company.

Kindly take the Same on record.

Yours faithfully,
For **IKF Home Finance Limited**

Vishal Kumar Joshi
Company Secretary & Compliance Officer

Corporate Office: IKF Home Finance Limited

Plot No.30/A, Survey No.83/1, My Home Twitza, 11th Floor, Diamond Hills, Lumbini Avenue,
Beside 400/220/132KV GIS Substation, APIIC Hyderabad Knowledge City, Raidurg, Hyderabad-500081.

Ph: 040 23412083 **w:** www.ikfhomefinance.com **e:** info@ikfhomefinance.com

CIN: U65922AP2002PLC039417

Registered Office: IKF Home Finance Limited, 40-1-144, Corporate Centre, M.G. Road, Vijayawada - 520 010, Andhra Pradesh, INDIA

IKF HOME FINANCE LIMITED
21st Annual Report
2022 - 2023

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. Radheyshyam Garg | : | Independent Director |
| 5. Mr. Purnachandra Rao Vankineni | : | Independent Director |

KEY MANAGERIAL PERSONNEL

- | | | |
|------------------------------------|---|--|
| 1. Mrs. Vupputuri Vasantha Lakshmi | : | Managing Director |
| 2. Mr. J Aravind | : | Chief Financial Officer |
| 3. Mr. Vishal Kumar Joshi | : | Company Secretary & Compliance Officer |

SENIOR EXECUTIVES

- | | | |
|---------------------------------|---|-------------------------------|
| 1. Mr. S. Aryendra Kumar | : | Executive Director |
| 2. Mr. Sridhar Mallu | : | Chief Operating Officer |
| 3. Mr. Bhargav Ram Reddy | : | Head of Operations |
| 4. Mr. Ch. Lakshmi Kanth | : | Head Risk & Credit Compliance |
| 5. Mr. Sudhir Kumar Seethepalli | : | National Credit Manager |
| 6. Mr. Giridhar Vellore | : | National Collections Manager |

BOARD COMMITTEES

AUDIT COMMITTEE:

- Mr. Radhey Shyam Garg
- Mr. Purna Chandra Rao Vankineni
- Mrs. Vasumathi Devi Koganti

MANAGEMENT COMMITTEE:

- Mrs. Vupputuri Vasantha Lakshmi,
- Mr. Vupputuri Gopala Kishan Prasad
- Mr. Purna Chandra Rao Vankineni

NOMINATION & REMUNERATION COMMITTEE:

- Mr. Vupputuri Gopala Kishan Prasad
- Mr. Purna Chandra Rao Vankineni
- Mr. Radhey Shyam Garg

STATUTORY AUDITORS:

K.S. Rao & Co.,
Chartered Accountants
54-19-4B, Ground Floor, 2nd Lane,
Jayaprakash Nagar Vijayawada, Andhra
Pradesh-520008

RISK MANAGEMENT COMMITTEE

- Mr. Vupputuri Gopala Kishan Prasad
- Mrs. Vupputuri Vasantha Lakshmi
- Mrs. Vasumathi Devi Koganti
- Mr. S. Aryendra Kumar
- Mr. Ch. Lakshmikanth

CUSTOMER SERVICE AND GRIEVANCE REDRESSAL COMMITTEE:

- Mrs. Vupputuri Vasantha Lakshmi
- Mr. Bhargava Ram Reddy
- Mr. Sridhar Mallu

ASSET LIABILITY MANAGEMENT, ASSET CLASSIFICATION COMMITTEE:

- Mr. Vupputuri Gopala Kishan Prasad
- Mrs. Vupputuri Vasantha Lakshmi
- Mrs. Vasumathi Devi Koganti
- Mr. S. Aryendra Kumar
- Mr. J Aravind

IT STRATEGY COMMITTEE

- Mr. Radhey Shyam Garg
- Mrs. Vupputuri Vasantha Lakshmi
- Mr. Ch. Lakshmikanth
- Mr. Ravi Jayanthi

INTERNAL AUDITORS

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

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
Contact No: 04040144582
Email Id: bsshyd@bigshareonline.com

TRUSTEE FOR DEBENTURES

IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai – 400 001
Contact Nos: 022 40807000, +91 7208822299,
+91 8591585821
Email Id: itsl@idbitrustee.com

Catalyst Trusteeship Limited
(Erstwhile GDA Trusteeship Limited)
Address: Windsor, 6th floor, Office No.604,
C.S.T. Road, Kalina, Santacruz (East) Mumbai 400098
Contact No: +91 (022) 4922 0555
dt.mumbai@ctltrustee.com

BANKERS/FINANCIAL INSTITUTION:

National Housing Bank
State Bank of India
Sundaram Home Finance Ltd
The Federal Bank Limited
The South Indian Bank Limited
Karur Vysya Bank
Bank of Maharashtra
Bajaj Finance Ltd
LIC Housing Finance Ltd
Indian Bank
MAS Rural Housing &
Mortgage Finance Ltd
Jana Small Finance Bank
Utkarsh Small Finance Bank
Dhanlakshmi Bank
Yes Bank
CSB Bank
Hinduja Leyland Finance
Bank of Baroda
Tata Capital Financial Services Ltd
MAS Financial Services Ltd.

REGISTERED OFFICE:

40-1-44, 1st Floor, Corporate Centre,
M.G. Road, Vijayawada- 520 010
Andhra Pradesh, India
Phone: 08662474644
Website: www.ikfhomefinance.com

SECRETARIAL AUDITORS

M/s B.S.S. Associates
Company Secretaries
Flat No 5A, Parameshwara Apartments,
Beside SBI, Anand Nagar, Khairtabad,
Hyderabad – 500 004 Telangana

TRUSTEE FOR SECURITIZATION/DIRECT ASSIGNMENT

IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai – 400 001
Contact Nos: 022 40807000, +91 7208822299,
+91 8591585821
Email Id: itsl@idbitrustee.com

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Address: Windsor, 6th floor, Office No.604,
C.S.T. Road, Kalina, Santacruz (East) Mumbai
400098
Contact No: +91 (022) 4922 0555
dt.mumbai@ctltrustee.com

Beacon Trusteeship Limited
4C&D Sidhivinayak Chambers, Gandhi
Nagar, Opp MIG Cricket Club, Bandra (EAST),
Mumbai – 400051
Contact No: +91 9555449955
Email Id: contact@beacontrustee.co.in

Vardhman Trusteeship Private Limited
The Capital, A Wing 412A, Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051
Contact No: +91 (022) 4264 8335

CORPORATE OFFICE

Plot no's – 30/A, Survey no - 83/1
11th Floor, My Home Twitza
Diamond Hills, Lumbini Avenue
APIIC Hyderabad, Knowledge City, Raidurg,
Hyderabad – 500 081, Telangana, India
Phone: 040 – 69268899
[Email Id: Info@ikfhomefinance.com](mailto:Info@ikfhomefinance.com)
Corporate Identity Number:
U65922AP2002PLC039417

21th Annual General Meeting

Date : July 11th, 2023
Time : 02.00 PM
Day : Tuesday
Venue : Registered Office of the Company
#40-1-44, 01st Floor, Corporate Centre,
M.G. Road, Vijayawada- 520 010
Krishna District, Andhra Pradesh, India

S No	Content
1.	Notice to the Share Holders
2.	Highlights
3.	Directors' Report
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5.	Balance Sheet
6.	Profit and Loss Account
7.	Cash Flow Statement
8.	Schedules to the Accounts

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 21ST ANNUAL GENERAL MEETING OF IKFHOME FINANCE LIMITED WILL BE HELD AT SHORTER NOTICE ON TUESDAY, THE 11TH DAY OF JULY 2023, AT 2.00 P.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, 2023 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON 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 2023, together with the reports of the auditors and directors thereon of the Company be and are hereby received, considered, approved and adopted”

- 2. TO APPOINT A DIRECTOR IN PLACE OF MR. VUPPUTURI GOPALA KISHAN PRASAD, DIN:01817992 WHO RETIRES BY ROTATION BEING ELIGIBLE, HE HAS OFFERED HIMSELF, LIABLE TO RETIRE BY ROTATION.**

RESOLVED THAT Mr. Vupputuri Gopala Kishan Prasad, DIN:01817992 who retires by rotation in accordance with section 152 of the Companies Act, 2013 be and is hereby re-appointed as a director liable to retire by rotation.

SPECIAL BUSINESS

- 3. APPROVAL TO CONTINUE APPOINTMENT OF MR VUPPUTURI GOPALA KISHAN PRASAD WHO IS ABOVE 75 YEARS**

To Consider, and if thought fit, to pass the following resolution as a special resolution for the re-appointment of Mr. Vupputuri Gopala Kishan Prasad as a non-executive director of the company:

“RESOLVED THAT Mr. Vupputuri Gopala Kishan Prasad (DIN: 01817992) be and is hereby re-appointed as a Director of the Company liable to retire by rotation and that pursuant to the provisions of Sections 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or reenactment thereof, for the time being in force) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendment, modification, variation or re-enactment thereof for the time being in force, approval of the Members of the Company be and is hereby accorded for continuation of the

directorship of Vupputuri Gopala Kishan Prasad (DIN: 01817992) during his tenure of re-appointment as a non-executive Director of the Company on attaining the age of seventy five years on September 02, 2022.”

For and by the order of the Board of
IKF Home Finance Limited

Vishal Kumar Joshi
Company Secretary & Compliance Officer
M.No. A43209

Place: Vijayawada
Date : 08.07.2023

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	Mr. V.G.K Prasad
DIN	01817992
Date of Birth	02.09.1947
Date of first Appointment on the Board	05.08.2002
Age	75 Years
Qualification	Graduate
Experience	Mr. Prasad is a veteran in the finance field in Andhra Pradesh with over three decades of experience in Hire Purchase and Leasing of Automobiles. Before promoting IKF Finance Limited, he was associated with various finance firms as Managing Partner. He served as President of Krishna District Auto Financiers Association and also served as the Member of the Governing Council, Vice President, Secretary General and President of Federation of Indian Hire Purchase Associations (FIHPA), the apex body of Asset Financing NBFCs.
Terms and conditions of appointment	Liable to Retire by Rotation
Remuneration sought to be paid last drawn	Nil
Relationship with other director/Manager and other KMP	Father of Mrs. V. Vasantha Lakshmi & Mrs. K. Vasumathi Devi
No of Meeting of the Board Attended during the FY-2022-23	6
No of Shares held in the Company	4,737,881
Directorships of other Board	3
Membership/Chairmanship of Committees of other Board	4

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. Vupputuri Gopala Kishan Prasad is liable to retire by rotation at the ensuing Annual general meeting, his profile is recommended for re- appointment, he has attained the age of 75 years. As a matter of abundant caution, it is proposed to obtain approval of the shareholders as per the provisions of Section 196(3) of Companies Act, 2013 for continuation of his employment as a Director, on the same terms of appointment as of the existing appointment terms. Hence a Special Resolution is proposed at Item No. 3 of the Notice. Mr. Prasad is a Promoter Director of the Company and has been serving as a Director of the Company since 2002. He has been actively involved in the operations of the Company. He has rich and varied experience of over 30 Plus years. It would be in the interest of the Company to continue the employment of Mr. Vupputuri Gopala Kishan Prasad as Director of the Company, he is a Bachelor of Science and has guided the Company through decades of diversification and growth.

Mr. Vupputuri Gopala Kishan Prasad and his relative Mrs. V. Vasantha Lakshmi (Managing Director) and Mrs. K. Vasumathi Devi (Director) are interested in this resolution. Save and except above, none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested, in any way, in this resolution. The Board recommends the Special Resolution for approval by the members.

For and on Behalf of the Board
IKF Home Finance Limited

Place: Vijayawada
Date : 08.07.2023

Vishal Kumar Joshi
Company Secretary & Compliance Officer
M.No. A43209

HIGHLIGHTS

(Amount in Rs. Crores)

Particulars	2022-23	2021-22
Operational Highlights	Ind AS	
Approvals	443.98	229.13
Disbursements	382.10	208.04
Loans outstanding	588.83	335.14
Loans under Management (including assets sold)	696.10	429.40
Financial Highlights		
Paid-up capital	62.14	46.60
Reserves and surplus	81.06	38.98
Net-worth	143.21	85.57
Total borrowings (Including Fixed Deposits)	523.88	312.98
Fixed Deposits	5.26	3.25
Profit before tax	14.38	13.29
Profit after tax (before exceptional item)	10.72	10.00
Profit after tax (after exceptional item)	10.72	10.00
Total Comprehensive Income for the period comprising Profit and other comprehensive income for the period	11.30	10.02
Dividend (%)	0	0
Dividend (including tax) - Amount in Crore	NA	NA
Return on average net worth (%)	9.37%	13.85%
Book value (₹)		
Earnings per share (₹)	2.18	2.43
Capital Adequacy Ratio (%)	40.70%	48.10%
Cost-to-income ratio (%)	84.47%	74.73%
Gross non-performing loans (%)	0.94%	0.95%
Net non-performing loans (%)	0.59%	0.55%

Directors' Report

**To
The Members of
IKF Home Finance Limited**

Dear Share Holders

Your Directors have pleasure in presenting the 21st Annual Report on the business and Operational performance of the Company accompanied with the Audited Financial Statements and the Auditor Report for the financial period ended on 31st March, 2023. The summarized financial results of the Company are as given hereunder:

FINANCIAL RESULTS

(Amount in Rs. Crores)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Income from Operations	88.79	51.15
Other income	3.83	1.45
Total Revenue	92.61	52.60
Less: Total Expenses	78.24	39.31
Profit Before Tax	14.38	13.29
Profit After Tax before Exceptional Item	10.72	10.00
Exceptional Item	0	0
Profit After Tax after Exceptional Item	10.72	10.00
Other comprehensive income	0.58	0.01
Total Profit & Other comprehensive income	11.30	10.02
Add: Balance brought forward from the previous year	19.53	12.57
Amount available for appropriation	30.83	22.59

Appropriations		(Amount in Rs. Crores)
	Year ended 31st March 2023	Year ended 31st March 2022
Transfer to Special Reserve under Section 36(1)(viii) of the Income-tax Act, 1961	0.41	0.41
Transfer to Special Reserve relating to earlier years	7.24	4.74
Transfer to Additional Reserve under Section 29C of National Housing Bank Act, 1987	2.68	2.50
Transfer to COVID Reserve (net of deferred tax)	0	0
Other Comprehensive Income	0.58	0.02
Final Dividend – 2017-18	0	0
Final Dividend paid for FY 2018-19	0	0
Interim Dividend paid for FY 2019-20	0	0
Dividend Distribution Tax	0	0
Securities Premium	42.58	11.80
Transfer to General Reserve	0	0.55
Surplus carried to the Balance Sheet	28.15	19.53
Total	81.06	38.98

*The financial statements have been prepared in accordance with Ind AS, as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (the “Act”).

DIVIDEND:

Your Directors have not recommended payment of dividend for the financial year ended 31st March 2023 since it is proposed to retain the same in the business.

Business Review

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

S.No	Loan Approved	Loan Disbursement
HL	270.31	228.43
LAP	173.68	153.67
Total	443.98	382.10

The Company approved loans totaling 443.98 crores during the year, as compared to the corresponding figure of 229.13 crores in FY23. Disbursements during the year amounted to 382.10 Crore as against 208.04 crore in FY23,

The average size of home loans disbursed to individuals during the year was 12.97 lakhs.

Accounts continuing default for more than 90 days) amounted to 5.51 crore as on 31st March 2023 which constituted 0.94% of the total loans as against 0.95% of Total Loans Last year. Net NPA after provisioning were 0.59%, as against 0.55% last year.

Your Company's performance for the year ended March 31, 2023 continues to be encouraging and has registered a Gross Revenue of 92.61 crore, as against Rs.52.60 Cr and Net Profit was increased to Rs.10.72 Cr from Rs. 10.00 Cr for the corresponding previous year. During the year, the AUM has grown from Rs. 429.40 Cr to 696.10 Cr.

REVIEW OF FINANCIALS:

Gross income of the Company during the year ended 31st March 2023 amounted to Rs. 92.61 crore, as against Rs. 52.60 crore in the previous year. Profit before tax was Rs. 14.38 crore, as against to Rs. 13.29 Crore in the previous year. profit after tax for the year was Rs. 10.72 Crore as compared to Rs. 10.00 Crore in the previous year. The Company's net worth stood at Rs. 143.21 crore as on 31st March 2023 as compared to Rs. 85.57 Crores in the previous Year. As on date of 31st March 2023, the regulatory capital adequacy ratio (CRAR) was 40.70%, well above the regulatory requirement.

NATURE OF BUSINESS:

There is no change in the nature of Business of your Company during the year under review.

BORROWINGS:

As on March 31, 2023, the Company's outstanding term loans/CC from banks stood at 445.86 Crore as compared to 312.98 Crore in the previous year. Apart from bank borrowing company has raised the funds through issue of Non-convertible debentures (NCD). The outstanding NCDs as on March 31, 2023 was Rs. 78.02 Crore as against 86.21 Crore as on March 31, 2022.

CREDIT RATINGS

The Company is rated CARE A- for the Bank Borrowings and NCD'S.*

NHB REFINANCE:

During the year under review, your company has been sanctioned with refinance from National Housing Bank ('NHB') Rs.40 Crore sanctioned but due for disbursement as on March 31, 2023 with an Outstanding of Rs. 22.13 Crore 31.03.2023 including earlier sanctions.

LISTING:

The Non -Convertible debentures issued by the Company are listed on Bombay Stock Exchange and your Company has paid the annual listing fees to Stock exchange for FY 2023-24.

RESERVES:

The Company has transferred an amount of Rs.2.68 Crore to the statutory reserve as per the requirement of thesection 29 C of National Housing Bank Act, 1987 and section 36(1)(viii) of the Income Tax Act, 1961.

CHANGES IN SHARE CAPITAL:

Company has received call money from the partly paid up equity shares amounting to Rs.15.55 Crs during the year and the revised paid up capital is Rs. 62.14 Crs.

CAPITAL ADEQUACY RATIO (CAR):

As on 31st March 2023, your Company's total CAR, Stood at 40.70% well above the regulatory requirement of 15%. The Company's total CRAR stood at 40.70% for the financial year ended March 31, 2023.

APPLICABLE REGULATORY GUIDELINES

Your Company is regulated by including but not limited to the Ministry of Corporate Affairs, Reserve Bank of India, National Housing Bank, Stock Exchanges and Securities and Exchange Board of India to the extent of Listed NCD's of the Company.

Your Company has adhered to all the applicable circulars, notifications, and guidelines issued from time to time by the statutory regulators and your company is also in compliance with the applicable provisions of the Companies Act, 2013 and rules made there under including Secretarial standards and other applicable statutory requirements.

All the relevant circulars, notifications, guidelines and Directions issued by the aforesaid statutory regulators were duly placed before the Board of Directors at regular intervals to update the Board members on compliance of the same.

MASTER DIRECTION – NON-BANKING FINANCIAL COMPANY – HOUSING FINANCE COMPANY (RESERVE BANK) DIRECTIONS, 2021:

Your Company is in Compliance with the Master Directions – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and as updated from time to time.

Compliance with Principal Business Criteria

Your Company is adhering to Principal Business Criteria for HFCs as specified under Master Directions – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and as updated from time to time.

SCALE BASED REGULATION (SBR): A REVISED REGULATORY FRAMEWORK FOR NBFCS:

Your Company is in Compliance with the applicable circulars, directions, notifications and paras of Scale Based Regulation (SBR), a revised regulatory framework for NBFC as notified from time to time.

REGULATIONS ISSUED BY SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI):

Your Company is in Compliance with the applicable circular, notifications, regulations issued by SEBI from time to time including but not limited to SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time as on the date of this report.

RISK MANAGEMENT & CREDIT MONITORING:

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.

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 IKFHF has implemented the new IRAC norms specified by RBI, vide its circular October 01, 2021

During the year 2022-23, 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/Reserve Bank of India 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 Reserve Bank of India to all the Housing Finance Companies vide Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 No. DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 to Follow the Corporate Governance. 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 DISCUSSION AND ANALYSIS

Global Economic Overview:

The post-pandemic economies of many countries have become a puzzle. Many developed markets, are heading towards recession. On the other hand, rising debt levels and tougher external financing conditions has increased pressure on emerging countries. Even statisticians are struggling to understand the picture and in short, forecasting has become a big challenge

During the past year, Europe has seen its biggest supply-chain clog due to Ukraine -Russia war, an energy crisis, and a banking panic. International Monetary Fund's (IMF) April 2023 forecast for Advanced Economies suggests 1.3% YoY growth in FY23, with the US growing at 1.6% YoY. Due to volatile global environment,

However, India being consumer and producer economy continues to stand out. After 7.7% YoY real Gross Domestic Product (GDP) growth in the first three quarters of FY23, YoY growth for fiscal 2023 is expected to be about 6.5%. For India, in FY24, investments will likely remain the key growth driver both in terms of public and corporate investments. Estimates suggest that fiscal deficit would likely moderate to about 5.5% of GDP in FY24.

As per IMF's April 2023 forecasts, India would continue to be the fastest growing large economies in 2024 with a real GDP YoY growth estimate of 6.3% vs 4.2% for the emerging market and developing economies and 3% for the world output.

Indian Economy

Indian economy continues to show strong resilience to external shocks. Notwithstanding external pressures, India's service exports have continued to increase, and the current account deficit is narrowing. The World Investment Report, 2022 of UNCTAD, places India as the seventh largest recipient of FDI among the top 20 host countries. Although headline inflation is elevated, it is projected to decline. The central government is likely to meet its fiscal deficit target of 5.9% of GDP in FY24, and combined with consolidation in state government deficits, the general government deficit is also projected to decline.

The Reserve Bank of India projects India's real Gross Domestic Product (GDP) to grow at 6.5% in FY24. This is backed by positives such as sustained government capex, deleveraged corporates, low NPAs in the banking sector, Additionally, the capital-intensive sectors such as power, energy, metals, telecom, infrastructure, and real estate continues to be positive., further the Indian economy will have increased penetration of private consumption and capital formation due to credit flow in consumer sector.

Housing Finance Sector in India

India's home loan (HL) market is `Approximately 296 lakh crore; this constitutes 16% of overall credit (as at end-March 2023) is still low on penetration (currently Home loans estimated to be ~11% of GDP) even when compared to countries with similar per capita income. Improving affordability, increasing penetration in Tier-II/III locations, rising pace of urbanisation, present a long growth runway. Although there were few setbacks in FY23 due to the repo rate hike by RBI but the growing demand has sustained the growth of Affordable Housing. Affordable housing demand (largely end-use driven) is estimated upward of 15% CAGR over the next five years which makes strong business case for Affordable HFCs over the years. Going forward, the market microstructure is also likely to reflect newer collaborative models such as Co-lending, which are still evolving.

Opportunity for Affordable Housing Finance Sector in India

- Growing income levels in Lower Middle class resulting in growth of Aspirers of homes.
- The lower middle class have grown by more than 100% over a decade (2010 to 2021)
- Growing middle class – this segment demonstrated steep growth of over 170 % , with substantial population moving from Lower Middle class to Middle class which is also followed by change in income range of the middle class segment. This has resulted in improved lifestyles and increased purchasing power.
- The Affordable Housing segment has shown a growth of about 15% during FY 22-23 leading to 1.5 crores of active loans.

Challenges faced by the NBFC/HFCs during the Year:

Interest Rate fluctuation:

There has been steep rise in interest rates because of change in Repo rates by RBI this created unfavorable situation to many NBFC/HFCs . Many NBFC/HFC have absorbed the rate impact without fully passing on to their existing customers.

Uncertainty still continues resulting in offering higher rates for new customers which in turn is reducing the loan quantum This situation still under watch and if it turns positive then there will be buoyancy in the lending space

IKF Home Finance Limited (IKFHFL)

IKFHFL is a subsidiary of IKF Finance Limited, a Non-Banking Finance Company with three decades of standing and about Rs. 581.66 Crores (on books) and 696.10 Crores Assets Under Management.

IKFHFL is a housing finance company with a mission to fuel the dreams of underserved segment through its innovative products. As on 31 March 2023, it has 62 branches spread over Andhra Pradesh, Gujarat, Karnataka, Tamil Nadu and Telangana. During the year company expanded its branch network from 38 to 62 which is 68% growth. Most of the expansion are in smaller towns, there were 22 new branches in Tier 2/3 cities.

IKFHFL visualized the long-term prospects for the companies engaged in the ecosystem of providing housing to the population and entered the housing finance business. The company has been mobilizing monies as capital and also as debt in the form of term loans from banks and Financial Institutions

The monies so raised are being advanced to the under-served segment for the purchase or construction of houses for their families to live in, about 70% of the customers are first time home owners.

The company has been regularly complying with various regulations applicable to housing finance companies and is emerging as a significant player in the sector.

Financial & Operational Performance

The financial statements for the year ended 31 March 2022 have been prepared as per the Indian Accounting Standards ('IND AS') prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

1) Lending operations

Despite the challenges posed by recurring waves of COVID-19 and its variants, the lending operations of the company grew significantly as can be seen from the table below:

(Rs. in cr)	FY23	FY22	Change
Sanctions	443.98	229.13	94%
Disbursements	382.10	208.04	84%

2) Loan portfolio

We offer primarily two kind of products to our customers, viz. Housing Loans (Home Improvement Loan being classified as Home Loan) and Loans against properties.

Product-wise disbursements during the year have been as follows:

(Rs. in cr)		FY23	FY22	Change
Disbursements	Housing Loans	228.43	158.83	44%
	Loans against properties	153.67	49.21	212%
	Total	382.10	208.04	84%

3) Average size of loans disbursed

With a view of de-risking the loan portfolio, we cater to small borrowers. Our average loan size has been provided as under:

Particulars	UoM	FY23	FY22	Change
Amount of loans disbursed	Rs. in crores	382.10	208.04	84%
No. of loans disbursed	No.	3262	1499	118%
The average amount of loan disbursed	Rs. in Lakhs	12.97	12	-2%
The highest amount of loan disbursed	Rs. in crores	0.60	0.53	13%
The lowest amount of loan disbursed	Rs. in crores	0.02	0.01	100%

4) Loan book

During the year, the Loan book increased significantly by 76.88% from Rs. 328.85 crores as on 31 March 2022 to Rs. 581.66 crores as on 31 March 2023.

5) Gross and Net Loans

(Rs. in cr)	FY23	FY22	Change
Gross amount of loans	588.83	335.14	75.70%
Cumulative ECL	(7.17)	(6.29)	13.99%
The net amount of loans	581.66	328.85	76.88%

6) Borrowings

The company funds its housing loans out of monies borrowed from banks and other sources. Details of the company's borrowings are as follows:

(Rs. in cr)	FY 23	FY22	Change
Debt securities	78.03	86.21	-9.49%
Borrowings	445.85	226.76	96.62%
Total borrowings	523.88	312.97	67.39%

The significant increase in borrowings represents the term loans availed from banks for onward disbursement of housing loans.

7) Asset Liability Management

Being a Housing Finance company, we maintain the liquidity to achieve business growth and also to honour our committed repayments. Through a robust Asset Liability Management (ALM) framework, we constantly monitor the maturity pattern of our assets and liabilities. ALM as at the end of FY22 is tabled below:

(Rs. in cr)	FY 23		FY 22	
	Assets	Liabilities	Assets	Liabilities
On-demand	61.52	17.47	63.71	6.71
Less than 3 months	6.86	62.41	1.82	10.49
3 to 12 months	15.7	109.51	10.6	66.43
1 to 5 years	120.36	296.02	66.35	219.24
Over 5 Years	478.99	198.02	270.09	109.70
Total	683.43	683.43	412.57	412.57

8) Key elements of Statement of Profit and Loss Account

The Revenue from operations amounted to Rs.88.78 crores for FY23 as against Rs.51.15 crores for FY22 which represents a growth of 73.57%.

Employee benefits expense for the year stood at Rs.27.30 crores registering a growth of 94.72% over Rs.14.02 crores in the earlier year. The substantial increase is due to increase in staff strength from 308 to 483

Impairment on financial instruments has increased from Rs.0.01 crore to Rs. 0.88 crore due to increase in of the Management overlay provided in the previous years.

Other expenses increased from Rs. 3.66 crores to Rs.9.85 crores. This increase of 169.13% is on account of rent, travelling, rates and taxes, legal and professional charges and corporate social responsibility expenses.

9) Performance Scorecard

Particulars	2021	2022	2023
Disbursements Rs. Cr	95.22	208.04	382.1
AUM Rs. Cr	288.2	429.4	696.10
Gross NPA	0.93%	0.95%	0.94%
Net NPA	0.64%	0.55%	0.59%
CRAR	48.08%	48.10%	40.70%
PAT Rs.Cr	9.05	10	10.72
Networth Rs.Cr	58.83	85.58	143.21
ROA*	3.50%	2.79%	1.91%
ROE*	16.67%	13.90%	9.40%

Internal Control Systems

The Company has adequate internal controls and processes in place with respect to its financial statements, which provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements. These controls and processes are driven through various policies and procedures. The processes and controls are reviewed periodically. The Company's internal control system is commensurate with its size and the nature of its operations.

Risk and Concerns

An independent risk management function formalizes the risk measurement & management process at the Company. The risk management philosophy is embedded into all activities of the entity, including comprehensive internal control and assurance processes to manage key risks. The risk management function mainly deals with credit, operational risk. The Risk Management function plays a critical role in development and update of the credit policy which forms the basis of underwriting the loans. As part of risk assessment, The company has initiated the process of assessing the crime history of all borrower and new employees.

Human Resources

As of March 31, 2023, we had 483 employees. The Company recruits after conducting reference checks and our new employees undergo training. As part of our human resource initiatives, we have implemented several programs to engage with our employees. We conduct training programs periodically for our employees on lending operations, underwriting and due diligence, KYC and anti-money laundering norms, risk management, information technology, and grievance redressal.

The Company has built promotion policy to groom leaders within the organization. This is to address attrition and bring stability in the Company.

Company outlook

- IKFHFL will continue to grow in the segment it has chosen which is largely underserved.
- The company has shown resilience and has come back strongly for the challenges posed due to financial crisis and pandemic, which is the testimony of its business model.
- 100 % of the company portfolio is retail with average ticket size around Rs. 12.97 Lakhs and LTV's Around 50 % this will continue to be a driving factor as part of its Business Model.
- The Company is focusing to address the growing demand of smaller towns hence majority of the Branch expansions are targeted in Tier 2 & Tier 3 Cities.
- The company will continue to focus on asset quality through robust and technology driven collection and recovery process.
- Digital-First has always been a priority for IKFHFL and going forward it will be moving most of its processes into paper less work flows.

Regulatory updates by Reserve Bank of India and Other regulators

Major Regulatory Changes

Finance (No.2) Act, 2019 has amended the National Housing Bank Act, 1987 conferring certain powers for regulation of Housing Finance Companies (HFCs) with Reserve Bank of India and was published in the Official Gazette on 09th August 2019. HFCs will be treated as one of the categories of Non-Banking Financial Companies (NBFCs) for regulatory purposes. NHB will continue to carry out supervision of HFCs including Grievance Redressal Mechanism. Reserve Bank of India vide RBI/2020-21/100- DOR.FIN.HFC.CC. No.120/03.10.136/2020-21 dated 17th February 2021 has issued Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 which came into effect immediately.

The Reserve Bank of India ('RBI') had, on October 22, 2021, announced the Scale Based Regulations (SBR): Revised Regulatory Framework for NBFCs'. Through SBR, various governance guidelines have been newly introduced while the existing guidelines have been modified to keep up with the current market practices and one of the requirements is the introduction of Core Financial Services Solution (CFSS) for NBFCs vide RBI circular dated February 23, 2022. The SBR framework is stated to go into effect on October 1, 2022.

The Company is in compliance with the applicable provisions of the RBI HFC Directions and other directions/guidelines issued by RBI as applicable.

REGULATORY INTERVENTIONS

During the year, the following key regulatory guidelines were issued and your Company conforms to the same as per prescribed timelines to the extent applicable:

REGULATORY UPDATES:

During the year, the following key regulatory guidelines were issued and the Company conforms to adhere the same from time to time within the timelines as prescribed by the regulators:

RBI - Disclosures in Financial Statements - Notes to Accounts of NBFCs

The Reserve Bank of India ('RBI') vide its Notification dated 19th April, 2022 has provided for disclosure requirements of Non-Banking Finance Companies (NBFCs) in their financial statements in addition to the Scale Based Regulation Framework. These disclosures shall be in addition to and not in substitution of the disclosure requirements specified under other laws, regulations, or accounting and financial reporting standards.

RBI - Loans and Advances – Regulatory Restrictions –NBFCs

The RBI vide its Circular dated 19th April, 2022 has provided Guidelines applicable to NBFC - Middle Layer (ML) and NBFC - Upper Layer (UL) - Regulatory Restrictions on Loans and Advances and those applicable to NBFC - Base Layer (BL) - Loans to Directors, Senior Officers and relatives of Directors.

RBI - Compliance Function and Role of Chief Compliance Officer (CCO) – NBFCs

The Reserve Bank of India ("RBI") vide its Circular dated 11th April, 2022, has introduced certain principles, standards and procedures for Compliance Function of Non-banking financial companies ("NBFC") in the Upper Layer and Middle Layer (NBFC-UL & NBFC-ML) keeping in view the principles of proportionality. It provides for a Board approved Compliance policy and a compliance function including the appointment of a Chief Compliance Officer by 1st April, 2023 and 1st October, 2023 respectively for such NBFCs. The said Circular also provides framework for Compliance Function and Role of Chief Compliance Officer in NBFC-UL & NBFC-ML.

RBI - Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs

The RBI vide its notification dated 29th April, 2022 has issued guidelines applicable for fixing the compensation policy of Key Managerial Personnel and members of senior management of all Non-Banking Financial Companies (NBFCs) under SBR framework, except those categorized under 'Base Layer' and Government owned NBFCs.

RBI - Outsourcing of Financial Services – Responsibilities of regulated entities employing Recovery Agents

The Reserve Bank of India has from time to time advised regulated entities (REs) that the ultimate responsibility for their outsourced activities vests with them and they are, therefore, responsible for the actions of their service providers including Recovery Agents.

RBI - Guidelines on Digital Lending

In continuation of the RBI Press release dated August 10, 2022 on Digital Lending, the RBI vide its notification dated September 2, 2022 has issued a detailed guideline on Digital Lending. The REs are advised to ensure that the Lending Service Providers (LSPs) engaged by them and the Digital Lending Apps (DLAs) (either of the RE or of the LSP engaged by the RE) comply with the guidelines contained in the notification.

RBI - Master Direction –Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated 24.09.2021

RBI has amended the transfer of loan exposures directions, 2021 to allow banks and finance companies to sell stressed loans, which are in default in their books, to asset reconstruction companies (ARCs). Earlier, lenders had to wait until the loans were in default for more than 60 days or classified as non-performing assets (NPAs) for them to be transferred to ARCs. This relaxation will help banks keep their balance sheets clean by selling loans at the first sign of trouble, even before they classify them as default.

SEBI - SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2022

The SEBI vide its notification dated 11th April, 2022 has substituted the provisions of Regulation 54 by inclusion of 'Security Cover' in place of 'Asset Cover'. The said amendment provides for secured debt securities and percentage of security cover as against its earlier asset cover. Further, Regulation 56 also provides for a half- yearly certificate regarding maintenance of 100% security cover or higher security cover as against maintenance of asset cover.

SEBI - SEBI (Debenture Trustees) (Amendment) Regulations, 2022

The SEBI vide its notification dated 11th April, 2022 has amended the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993.

SEBI - SEBI (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2022

The SEBI has vide its notification dated 11 th April, 2022 amended the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021. The said amendment provides for additional obligations of Issuer and Lead Manager to ensure that the secured debt securities are secured by 100% security cover or higher security cover as per the terms of the offer document and/or Debenture Trust Deed, sufficient to discharge the principal amount and the interest thereon at all times for the issued debt securities.

SEBI - Revised format of security cover certificate, monitoring and revision in timelines

The SEBI vide its Circular dated 19th May, 2022 has provided revised format of security cover certificate, periodical monitoring and revision in timelines in view of the operational challenges faced in complying with certain provisions of its earlier Circulars.

SEBI - Operational Circular for listing obligations and disclosure requirements for Non-convertible Securities, Securitised Debt Instruments and/ or Commercial Paper

The SEBI vide its Circular dated 29th July, 2022 has prescribed an Operational Circular for effective regulation of the corporate bond market and to enable the issuers and other market stakeholders to get access to all the applicable circulars at one place.

SEBI - Enhanced guidelines for debenture trustees and listed issuer companies on security creation and initial due diligence

The Securities and Exchange Board of India (SEBI) vide its Circular dated 4th August, 2022 in continuation to its earlier circular in this regard has laid down revised requirements relating to encumbrance, creation of security and related due diligence by Debenture Trustees (DTs).

SEBI - Review of provisions pertaining to Electronic Book Provider platform

SEBI vide Circular dated 10th October, 2022 has replaced Chapter VI (Electronic Book Provider platform) of the Operational Circular dated 10 th August, 2021 to address the key issues. It has also introduced the concept of 'anchor investor' as an option, in order to enable issuers to assess the demand and receive assurance from certain prospective

investors towards subscription. It said the quantum of allocation to anchor investors will be at the discretion of the issuer, subject to total allocation to anchor investors not exceeding 30% of the base issue size. Also, there would be no bidding for anchor portion on EBP. a private placement of debt securities and NCRPS, if it is a single issue/ shelf issue and subsequent issue of ` 50 crore or more, then the issues of securities shall be made through the EBP platform. Previously, the threshold limit was ` 100 crore.

SEBI - Reduction of denomination for debt securities and non-convertible redeemable preference shares

SEBI vide Circular dated 28th October, 2022 has reduced denomination for debt securities and non-convertible redeemable preference shares which provides that the face value of each debt security or non-convertible redeemable preference share issued on private placement basis shall be ` 1 lakh and the trading lot shall be equal to the face value. Previously, it was ` 10 lakh

SEBI - Standard Operating Process under SEBI(PIT) Regulations, 2015 for ensuring compliance with Structured Digital Database (“SDD”)

Regulation 3(5) and 3(6) of SEBI (PIT) Regulations, 2015, inter alia, require listed companies to maintain SDD. In this regard, the Exchange has issued circulars inter alia Specifying timelines for submission of SDD Compliance certificate and action to be taken against companies which are found to be non-compliant.

SEBI - (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2023

SEBI vide notification dated 2nd February 2023 has amended Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations 2021.

SEBI - Circular on Adoption of Best Cybersecurity Practices by SEBI Regulated Entities

In view of the increasing cybersecurity threat to the securities market, Securities Exchange Board of India vide circular dated 22nd February, 2023 has advised SEBI regulated entities (REs) to implement the practices stated in the said Circular.

SEBI - SEBI Clarification on amendment to Articles of Association

As per regulation 23 (6) of the NCS regulation, Articles of the existing debt listed issuer is required to be amended to include the provisions with respect to the requirement of Board of Directors to appoint a person as nominated by the debenture trustee in terms of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993. It provides for time period of upto 30th September 2023.

BSE - Quarterly Compliance Certificate on Structured Digital Database (SDD)

The BSE vide circular dated 28th October, 2022 has provided a Standard Operating Process under SEBI (PIT) Regulations, 2015 for ensuring compliance with Structured Digital Database (SDD) by the listed companies. The listed companies are required to submit a quarterly compliance certificate certified either by the compliance officer or a Practicing Company Secretary

MCA - Companies (Appointment and Qualification of Directors) Amendment Rules, 2022

The Ministry of Corporate Affairs (MCA) vide its Notification dated 1st June, 2022 has amended the Companies (Appointment and Qualification of Directors) Rules, 2014. Pursuant to the said amendment, if the person seeking appointment as a Director of the Company is a national of a country which shares land border with India, necessary security clearance from the Ministry of Home Affairs, Government of India shall also be attached along with the consent in Form DIR 2.

MCA - Companies (Appointment and Qualification of Directors) Second Amendment, Rules, 2022

The MCA vide its Notification dated 10th June, 2022 has amended the Companies (Appointment and Qualification of Directors) Rules, 2014. Pursuant to the said amendment, any individual whose name has been removed from the databank under sub-rule (4), may apply for restoration of his name on payment of fees of ₹ 1,000 and the Institute shall allow such restoration subject the following conditions laid down under the notification.

MCA - Companies (Accounts) Fourth Amendment Rules, 2022

The Ministry of Corporate Affairs (MCA) vide its Notification dated 5th August, 2022 has amended the Companies (Accounts) Rules, 2014. Pursuant to the said amendment, the books of accounts and other books and papers of a company maintained in electronic mode, must remain accessible in India at all times and their back-up, including at a place outside India, if any, must be kept in servers physically located in India on a daily basis.

Risks and Concerns

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, Legal Risk, Compliance Risk etc. The Audit Committee, Asset Liability Management, & Asset Classification Committee and Risk Management Committee review and monitor these risks at periodic intervals. Liquidity risk and Interest Rate Risk arising out of maturity mismatch of assets and liabilities are managed through regular monitoring of the 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. Internal Control Systems and their Adequacy

The Company has put in place a robust internal control system commensurate with the size, business model and complexity of its operations. The internal controls framework is backed by well-defined organizational structure, proper documentation and requisite authority matrix and it has been put into the place to promote good governance, proper risk management and compliance with the applicable laws/ regulations, policies & procedures. The Company has proper management information system, escalation and review systems for various important aspects of the Company's business.

The Company has a proper system of checks and balances. It has Internal Audit framework with defined scope of audit. The Internal Auditors are required to assess the existing internal control framework at entity as well as process levels with an objective to achieve operational excellence. The Internal Auditors are required to report all major audit observations and follow-up actions thereon to the Audit Committee on periodical basis.

Human Resources & Employee Relationship

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.

The Company had a total of 483 full time employees on its rolls, as on March 31, 2023.

Resource Mobilization:

Deposits:

The Company has not accepted any deposits during the year under review and it continues to be a Non-deposit taking -Housing Finance Company in conformity with the RBI Directions and Companies (Acceptance of Deposits) Rules, 2014”

Term Loans:

Your Company has mobilized Term Loan/CC of Rs.300.50 Cr from various Banks & NBFCs including NHB Refinance 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.523.88 Cr, of which borrowings from Banks constituted 75.88%, borrowings from Financial Institutions and Other 24.12%, 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 40.70 % as on 31.03.2022, well above the minimum of 15% prescribed by the National Housing Bank, of which Tier I Capital constituted 39.45% and Tier II Capital Constituted 1.25%.

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 2023 to retain the same in the business.

REVISION OF FINANCIAL STATEMENTS:

There was no revision in the Financial Statements of the financial year ended 31st March, 2023.

DEMATERIALISATION OF SHARES & NON-CONVERTIBLE DEBENTURES:

In compliance with the notification issued by Ministry of Corporate Affairs dated September 10, 2018 and Rule 9A of Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2018, the entire securities of the Company are in dematerialized form.

SHARE CAPITAL

A. Authorized Share Capital

The Authorized Share Capital of the Company was increased, the present Authorized Capital of Company is Rs. 65,00,00,000/- (Rupees Sixty-Five Crores Only) divided into 6,50,00,000/- (Six Crore FiftyLakhs) Equity Shares of Rs.10/- (Rupees Ten only) each

B. Paid up Share Capital.

The paid up share capital of the Company is Rs 62,14,31,830 (Rupees Sixty Two Crores Fourteen Lakhs Thirty One Thousand Eight Hundred and Thirty Only) consisting of 6,44,04,183 (Six Crore Forty Four Lakhs Four Thousand One Hundred and Eighty Three) equity shares divided into 5,74,04,183 (Five Crore Seventy Four Lakhs Four Thousand One Hundred and Eighty Three) Fully paid up Equity Shares of Rs. 10/- (Rupees Ten only) each amounting to Rs. 57,40,41,830 (Fifty Seven Crores Forty Lakhs Forty One Thousand Eight 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. 6.77/- Each, amounting to Rs. 4,73,90,000/- (Rupees Four Crore Seventy Three Lakhs and Ninety Thousand Only).

C. Allotment

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

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 Total General Reserves and Surplus is accumulated to Rs. 28.15 Cr as on 31.03.2023 as compared to Rs. 19.53 Cr as on 31.03.2022. Further your Directors propose to transfer Rs. 2.68 Cr as against Rs.2.50 during the Financial Year 2021-22 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

Pursuant to Section 2 (46) of the Companies Act, 2013 IKF Finance Limited is holding company of Your Company Your Company has no Subsidiary Company.

AUDITORS

STATUTORY AUDITORS

M/s. K.S. Rao & Co; Chartered Accountants, (ICAI Reg No. 003109S) were appointed as the Statutory Auditor of the Company at the Annual General meeting of the Company held on September 30, 2022.

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.

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed M/s. B S S & Associates, Company Secretaries as Secretarial Auditors of the Company. Secretarial Audit Report with relevant notes thereon is enclosed as Annexure-I to this Report. The Report is self-explanatory and hence do not call for any further comments.

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, 2023 who shall report to the Audit Committee / Board. Based on the report of internal auditor, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon were presented to the Audit Committee / Board.

REPORTING OF FRAUDS BY AUDITORS:

During the year under review, neither the statutory auditors nor the secretarial auditors have reported any instances of fraud against the Company by its officers or employees as laid down under Section 143(12) of the Act, details of which would need to be mentioned in the Board's report.

INTERNAL FINANCIAL CONTROLS SYSTEMS AND THEIR ADEQUACY:

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:

As per The Provisions of Section 135 of the Companies Act, 2013, your Company has spent Rs 24.38 Lakhs on CSR Activity

The report on CSR activities for FY 2022-23 is enclosed as Annexure II. This Corporate Social Responsibility policy is available on the website of the Company, www.ikfhomefinance.com

EXTRACT OF THE ANNUAL RETURN:

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2022 is available on the Company's website at <http://ikfhomefinance.com>

MATERIAL CHANGES AND COMMITMENTS, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAS OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR & THE DATE OF REPORT:

There are no material changes and commitments affecting the financial position of your Company, which have occurred between 31st March, 2023 and to date of this Board's Report.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/ COURTS/ TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND THE COMPANY'S OPERATIONS IN FUTURE:

There are no 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

The Board of Directors of the Company has an optimum combination of Executive, Non-Executive and Independent Directors.

Directors retiring by rotation as per the provisions of the Companies Act and the Articles of Association of the Company, Mr. V.G.K Prasad Non-Executive Director, retires by rotation and being eligible, offers himself for re-appointment. The proposal for re-appointment of Mr. V.G.K Prasad is being placed at the AGM along with the necessary details.

CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL DURING THE PERIOD UNDER REPORT

There are no changes in the Directors & Key Managerial Personnel during the Period under report except appointment of Mr. J. Arvind as the Chief Financial Officer, appointed in place of Mr. Sreepal Gulabchand Jain, who resigned from the position CFO to start his own Business venture.

None of the Directors of your Company are disqualified as per the provisions of Section 164(2) of the Companies Act, 2013. Your Directors have made necessary disclosures to this effect as required under Companies Act, 2013.

INDEPENDENT DIRECTORS:

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

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

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

ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND OF DIRECTORS 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. **Annexure III**

POLICY ON REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES:

The Nomination & Remuneration Committee formulates the criteria for determining qualifications, positive attributes and independence of a Director and its policy on remuneration of Directors, Key Managerial Personnel and other employees and ensures that: the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully; relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

During the financial year 2023-23 the Board of Directors has met Six times viz 30.05.2022, 02.08.2022, 26.09.2022, 10.11.2022, 10.02.2023, 22.03.2023.

The details of which are given in the Corporate Governance Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013 and Secretarial Standard-1

AUDIT COMMITTEE:

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

NOMINATION AND REMUNERATION 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 Reserve Bank of India 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 provided as per the Provisions.

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.

LISTING WITH STOCK EXCHANGES

The Company's Debentures are Listed on Bombay Stock Exchange Limited, P J Towers Dalal Street Mumbai - 400 001, India and the Listing fees for the year 2023-24 has been paid to the Stock Exchange.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

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

There were no materially significant transactions with Related Parties during the financial year 2022-23 which were in conflict with the interest of the Company. The details of contracts and arrangements with related parties as referred to in Section 188(1) of the Companies Act, 2013 were given as *Annexure – IV (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 Master Directions - Non-Banking Financial Company-Housing Finance Company (Reserve Bank) Directions, 2021 and 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 – IV (ii) part of this Board's Report

STATUTORY AND REGULATORY COMPLIANCE:

The Company has complied with the applicable statutory provisions, including those of the Companies Act, 2013, the Income-tax Act, 1961 and other laws related to Goods and Services Tax (GST). Further, the Company has complied with the NHB's Housing Finance Companies Directions, 2010, Master Directions - Non-Banking Financial Company-Housing Finance Company (Reserve Bank) Directions, 2021 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Accounting Standards issued by the Ministry of Corporate Affairs (MCA), Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI), Anti-Money Laundering guidelines, applicable labour laws, forex laws and as updated from time to time.

All the relevant Circulars, Notifications, Guidelines and Directions issued by the aforesaid statutory regulators were duly placed before the Board of Directors at regular intervals to update the Board members on compliance of the same. Your Company has adhered to all the applicable Circulars, Notifications, and Guidelines issued from time to time.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual accounts for the period ended 31st March, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; 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" and the rules thereunder (POSH Act) 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. Pursuant to the requirements of Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013 read with Rules thereunder,

The following is a summary of Sexual Harassment complaints received and disposed off during the financial year 2022-23:

No. of complaints received: Nil

No. of complaints disposed off: Nil

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.

AWARDS AND RECOGNITION:

Nil

CAUTIONARY STATEMENT

Statements in this report describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied, significant changes in the political and economic environment in India key markets, tax laws, litigation, labour relations and interest costs may effect or influence the performance of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

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 Bankers, Financial Institutions 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

Place: Vijayawada
Date: 27th June 2023

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

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 recognize 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 5 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 recognizes 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 Five 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, and Mr. Vupputuri Gopala Kishan Prasad, Mrs. Vasumathi Devi Koganti, Mr. Purna Chandra Rao Vankineni, Mr. Radhey Shyam Garg are Non-Executive Director, the composition of the Board is in conformity with best practice in Corporate Governance.

DIRECTORS TERM

The Company's Articles of Association require that at least One-third of the Directors retire by rotation. However, as per the provisions of the Companies Act, 2013, the Independent Directors are not liable to retire by rotation.

MEMBERSHIP OF OTHER BOARDS

Details of directorships held by the Directors in other Indian Companies as on 31st March 2023 are given below:

Sl. No.	Director	DIN	Directorships*		Chairmanship/ Membership of Committees of other Companies*	
			Chairman	Director	Chairman	Member
1.	Mr. Vupputuri Gopala Kishan Prasad	01817992	1	3	–	4
2.	Mrs. V.Vasantha Lakshmi	03610979	–	3	1	0

3.	Mrs. K. Vasumathi Devi	03161150	–	2	–	2
4.	Mr. Radhey Shyam Garg	08650678	–	3	–	0
5.	Mr. Purna Chandra Rao Vankineni	00391733	–	1	1	0

BOARD PROCEDURE AND RESPONSIBILITIES

The Board plays a key role in ensuring that the Company adopts good corporate governance practices.

The Board has a formal schedule of matters reserved for its consideration and decision. Amongst other things, the Board considers and approves:

- operational and financial policies;
- annual business strategy, plans and budgets;
- loan proposals exceeding the delegated authority of the Management Committee of the Board;
- strategy and plans for mobilization of resources and larger borrowing arrangements; and

The Board takes decisions after careful consideration of the issues involved with inputs from the Management, wherever needed, and ensures that appropriate action is taken by the Company to implement Board decisions and directions.

The Board also reviews periodically the Company's compliance with various statutory and regulatory requirements. In accordance with the code of corporate governance and to facilitate closer attention to particular facets of the Company's operations, systems and practices, the Board has constituted Committees with appropriate delegated authority.

The day-to-day operations of the Company are looked after by the Managing Director under the overall superintendence, guidance and control of the Board. The Managing Director is assisted by senior officers with well-defined responsibilities.

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

30.05.2022, 02.08.2022, 26.09.2023, 10.11.2022, 10.02.2023, 22.03.2023.

COMMITTEES

The Board has Constituted the following Committee

The details of attendance at Board Meetings and details of other Directorships, Committee Chairmanships / Memberships held by the Directors during the period from 1st April, 2022 to 31st March, 2023 are as follows:

Name of the Director	Category of Board Directorship	No. of Board Meetings attended	% of total meetings attended	Attendance at the last AGM	No of other Directorship	No of Committee Memberships
Smt. V Vasantha Lakshmi	Managing Director	6	100%	Yes	2	5
Sri. V.G.K Prasad	Director	6	100%	Yes	3	3
Smt. K Vasumathi Devi	Director	6	100%	Yes	2	3
Sri. Purna Chandra Rao Vankineni	Director	6	100%	Yes	1	3
Sri. Radhey Shyam Garg	Director	5	83%	Yes	3	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. Radhey Shyam Garg as Chairman of the Committee and Sri Purna Chandra Rao Vankineni 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 30.05.2022, 02.08.2022, 10.11.2022 and 10.02.2023, The details of members and their attendance at the committee meetings are given below:

Name of the Director	No. of Audit Committee Meetings attended	% of total Meetings attended
Sri Radhey Shyam Garg	4	100%
Sri Purnachandra Rao Vankineni	4	100%
Smt. K. Vasumathi Devi	4	100%

The previous Annual General Meeting (“AGM”) of the Company was held on September 30, 2022 and was attended by Sri. Radhey Shyam Garg, 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 V.G.K Prasad Chairman, Sri. Purnachandra Rao Vankineni and, Sri Radhey Shyam Garg as Members. The Committee determines the remuneration package of Executive Directors (Whole Time Directors) of the Company and During the year the committee met 2 time on 10.11.2022 and 10.02.2023.

Attendance of each Director at Nomination and Remuneration Committee Meeting

Name of the Director	Category	Number of committee meetings	
		Held	Attended
Sri Radhey Shyam Garg	Independent Director Non- Executive	2	2
Sri. V.G.K Prasad	Director	2	2
Sri Purna Chandra Rao Vankineni	Independent Director Non- Executive	2	2

Criteria for Performance evaluation:

(I) Remuneration Policy:

The Policy inter alia provides for the following:

- attract, recruit, and retain good and exceptional talent;
- list down the criteria for determining the qualifications, positive attributes, and independence of the directors of the Company;
- ensure that the remuneration of the directors, key managerial personnel and other employees is performance driven, motivates them, recognizes their merits and achievements and promotes excellence in their performance;
- motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;
- ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and
- 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 2022-2023 are given below:

Name of the Director	Remuneration	Allowances	Incentives
Mrs. V Vasantha Lakshmi	86,58,000	NIL	NIL

The remuneration is within the limits prescribed under Schedule V to the Companies Act, 2013 and Necessary members approval has been taken for the same.

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 2022-2023

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

Rs. 3,90,000/-

5. CUSTOMER SERVICE AND GRIEVANCE REDRESSAL COMMITTEE

The Customer Service and Grievance Redressal Committee comprises of Smt. V. Vasantha Lakshmi as Chairman and Sri Sridhar Mallu*, Sri. Bhargava Ram Reddy ** 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 4 complaints were received and the same was closed by the Company.

* Succeeded as member in place of Anand Srinivasan who is not associated with the company anymore.

** Succeeded as member in place of R. Venugopal who is not associated with the company anymore.

6. ASSET LIABILITY MANAGEMENT, ASSET CLASSIFICATION & RISK MANAGEMENT COMMITTEE: *

In accordance with the Directions issued by the Reserve Bank of India Directions known as the “Housing Finance Companies – Corporate Governance Reserve Bank of India”, the Risk Management Committee was constituted in 21.07.2017

The Asset Liability Management, Asset Classification Committee comprises of Sri PurnaChandra Rao Vankineni. as Chairman, Sri V.G.K Prasad, Smt. V. Vasantha Lakshmi and K. Vasumathi Devi 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 2022- 2023 the committee met 4 times on 30.05.2022, 26.09.2022, 10.11.2022 and 10.02.2023.

Asset Liability Management, Asset Classification Committee Attendance

Name of the Director	Category	Number of committee meetings	
		Held	Attended
Sri V.G.K Prasad	Non-Executive	4	4
Smt. V. Vasantha Lakshmi	Executive	4	4
Smt. K. Vasumathi Devi	Non-Executive	4	4

7. RISK MANAGEMENT*

The Risk Management Committee comprises of Smt. V. Vasantha Lakshmi, Sri V.G.K Prasad, and K. Vasumathi Devi. During the year 2022- 2023 the committee met 1 time on 10.02.2023 post reconstitution.

*Asset Liability Management, Asset Classification and Risk Management Committee is reconstituted on 10.11.2022 and separated into two committees namely “Asset Liability Management& Asset Classification Committee” and Risk Management Committee”

** The Risk Management Committee meetings were held in the Asset Liability Management, Asset Classification & Risk Management Committee.

KEY MANAGERIAL PERSONNEL

Details of remuneration paid to the Key Managerial Personnel of the Company for the year 2022-23 are as under:
(` in Rs)

Particulars	Mrs. V. Vasantha Lakshmi	Mr. J Arvind	Mr. Vishal Kumar Joshi
Salary & Allowances	60,00,000.00	22,95,664.00	12,02,085.00
Commission	26,58,010.00	0	0
Contribution to Provident, Superannuation, and Gratuity Funds	0	0	0
Perquisites	0	0	0
Employee Stock Option	0	0	0

8. GENERAL BODY MEETINGS:

Time and location of last three Annual General Meetings

General Body Meeting	Day	Date	Time	Location
20 th Annual General Meeting	Monday	30.09.2022	11.00 AM	Registered Office of the Company. 40-1-144, Corporate Centre, M.G. Road Vijayawada-520010, Andhra Pradesh

19 th Annual General Meeting	Monday	29.11.2021	11.00 AM	Registered Office of the Company. 40-1-144, Corporate Centre, M.G. Road Vijayawada-520010, Andhra Pradesh
18 th Annual General Meeting	Monday	05-10-2020	12.00 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:

20th Annual General Meeting held on 30.09.2022:

S No	Purpose of Resolution	Content of Resolution
01	To Enhance the Borrowing Powers of The Company from Rs. 750 Crores to Rs. 1200 Crores	To Enhance the Borrowing Powers of The Company from Rs. 750 Crores to Rs. 1200 Crores
02	To Enhance the Power of Board of Directors of The Company to Lease And Mortgage of The Property (ies) of The Company	To Enhance the power of board of directors of the company to lease and Mortgage of The Property (ies) of the Company
03	Authorization to Issue of Non - Convertible Debentures (NCD)/Tier II Debt(S)/Commercial Papers/Bonds on Private Placement Basis Upto Rs. 500 Crore.	Authorization to Issue of Non-Convertible Debentures (NCD)/Tier II Debt(S)/Commercial Papers/Bonds on Private Placement Basis Upto Rs. 500 Crore.
04	Approval to Continue Appointment of Mr. VGK Prasad Who is Above 75 years	Approval to Continue Appointment of Mr. VGK Prasad Who is Above 75 years

19th Annual General Meeting held on 29.11.2021:

S No	Purpose of Resolution	Content of Resolution
01	To Increase Managerial Remuneration	To Increase the Remuneration of Mrs. V Vasantha Lakshmi upto 20%
02	To Continue Appointment of Mr. Vupputuri Gopala Kishan Prasad who is above 70 years age	To Continue Appointment of Mr. Vupputuri Gopala Kishan Prasad who is above 70 years age

18th Annual General Meeting held on 05.10.2020:

S No	Purpose of Resolution	Content of Resolution
01	To Authorize	Authorization to issue of non-convertible debentures (NCD)/Tier ii debt(s)/commercial papers/bonds on private placement basis. Upto Rs. 300 Crore
02	To Increase Managerial Remuneration	To Increase the overall managerial Remuneration from 11% to 40%

08. 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.

09. MEANS OF COMMUNICATION:

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

10. CORPORATE IDENTITY NUMBER

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

11. General Information to Shareholder:

General Body Meeting Day Date Time Location

21st Annual General Meeting, 11.07.2023 02.00 PM at Registered Office, # 40-1-144, Corporate Centre, M.G. Road, Vijayawada - 520 010.

12. Financial Calendar

Financial Year - 1st April 2022 to 31st March 2023

13. 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.

14. Shareholding Pattern as on 31.03.2023:

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	07	100%	5,74,04,177	100.00%
Public	0	0.00%	0	0.00%
Trusts	0	0.00%	0	0.00%
Total	07	100.00	5,74,04,177	100.00%

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 and Compliance Officer, IKF Home Finance Limited, Corporate Office: # Plot no's – 30/A, Survey no - 83/1 11th Floor, My Home Twitza, APIIC Hyderabad Knowledge City, Raidurg, Hyderabad – 500081, Telangana, India

Form No. MR-3

Secretarial Audit Report

For the Financial Year ended on March 31, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and

Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company, during the audit period covering the financial year ended on March 31, 2023 complied with the statutory provisions listed hereunder and also the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the Company during the audit period)**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the audit period)**

-
- (d) The Securities Exchange Board of India (Share Based Employee Benefit) Regulations, 2014; **(Not applicable to the Company during the audit period)**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the audit period)**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the audit period)** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the audit period)**
- (vi) The Employees Provident Fund and Miscellaneous Provisions Act, 1952;
- (vii) Employees State Insurance Act, 1948;
- (viii) Employers Liability Act, 1938;
- (ix) Equal Remuneration Act, 1976;
- (x) Maternity Benefits Act, 1961;
- (xi) Minimum Wages Act, 1948;
- (xii) Negotiable Instruments Act, 1881;
- (xiii) Payment of Bonus Act, 1965;
- (xiv) Payment of Gratuity Act, 1972;
- (xv) Payment of Wages Act, 1936 and other applicable labour laws;
- (xvi) Laws specially applicable to the industry to which the Company belongs, as identified by the Management:
- NBFC – The Reserve Bank of India Act, 1934 and all applicable Laws, Rules, Regulations, Guidelines, Circulars, Notifications, etc
 - Master Direction- NBFC-HFC (Reserve Bank) Directions 2021 and all other applicable directions.

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India;
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

We further report that the Board of Directors of the Company has been duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

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

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

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

We further report that, during the audit period, there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc. having a major bearing on the Company's affairs.

for B S S & Associates Company Secretaries

*Place: Hyderabad
Date: 27.06.2023*

***B. Sathish
Partner
ACS No.: 27885
C P No.: 10089
UDIN: A027885E000509982***

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

Annexure-A

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

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, that we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is not an assurance as to the future viability of the Company or of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

*for B S S & Associates
Company Secretaries*

B. Sathish
Partner

ACS No.: 27885

C P No.: 10089

UDIN: A027885E000509982

Place: Hyderabad

Date: 27.06.2023

ANNEXURE-II

ANNUAL REPORT ON CSR ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended.]

1. A brief outline of the company's CSR policy

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

- a. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;
- b. Promoting education, including special education and employment enhancing vocation skills and livelihood enhancement projects;
- c. Promoting gender equality, empowering women;
- d. Ensuring environmental sustainability, ecological balance;
- e. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central / State Government for socio-economic development and relief;
- f. Rural Development projects;
- g. Any other measures with the approval of Board of Directors on the recommendation of CSR Committee subject to the provisions of Section 135 of Companies Act, 2013 and rules made there-under

2. Composition of CSR Committee

Composition of CSR Committee: Formation of Corporate Social Responsibility Committee is not applicable pursuant to sub Section (9) of Section 135 of Companies Act 2013 as the amount of CSR Spends under sub section 5 of section 135 does not exceed Rs. 50 Lakhs, hence the function of CSR Committee is discharged by the Board of Directors of the Company.

3. Provide the web-link where composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

- The web link to the CSR policy is available at www.ikfhomefinance.com

4. Provide the executive summary along with web-link of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 if applicable: Not applicable

5. (a) Average Net Profit of the Company as per sub-section (5) of Section 135: Rs.11,76,37,082
 (b) Two percent of average net profit of the Company as per sub-section (5) of Section 135: Rs.23,52,742
 (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: Not applicable
 (d) Amount required to be set-off for the financial year, if any: Not applicable
 (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: Rs. 23,49,137/-
6. (a) Amount spent on CSR Projects (both Ongoing project and other than ongoing project): Rs.24,27,250/-
 (b) Amount spent in Administrative Overheads: NIL
 (c) Amount spent on Impact Assessment, if applicable: NIL
 (d) Total amount spent for the Financial Year: Rs.24,27,250/-
 (e) CSR Amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
Rs.24,27,250	-	-	NA	-	NA

- (f) Excess Amount for set off, if any

(Amount in Rs)		
S. No	Particulars	Amount
1	Two percent of average Net Profit of the Company sub-section (5) of section 135	23,49,137
2	Total amount spent for the Financial Year	24,27,250
3	Excess amount spent for the Financial Year [(ii)-(i)]	74,508
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-



CIN: U65922AP2002PLC039417

5	Amount available for set off in succeeding financial years [(iii)-(iv)]	74,508
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7. **Details of Unspent CSR Amount for the preceding three financial years: Nil**
8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No**
9. **Specify the reason(s), if the Company has failed to spend two per cent of the average Net Profit as per sub-section (5) of section 135: Not applicable.**

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

Date: 27.06.2023
Place: Vijayawada

(V. Vasantha Lakshmi)
Managing Director
DIN:03610979

(K. Vasumathi Devi)
Director
DIN:03161150

Annexure-III

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.

1. 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.

a. 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.

b. 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.

c. Existence of integrated Risk Management System

d. 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.

e. Commitment to Corporate Social Responsibility (CSR).

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

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

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

3. Criteria for evaluation of Independent Directors

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

4. Criteria for evaluation of the Audit Committee

- a. Relevant qualifications and experience of members
- b. Review of financial performance and disclosure
- c. 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
- d. Review of statutory and regulatory compliance, and discussion of findings and observations of regulatory inspections and monitoring follow-up action thereon
- e. 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

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

Date: 27.06.2023
Place: Vijayawada

Annexure –IV(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 2022-23.

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 2022-23 is enclosed as Annexure – IV (i) (a).

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

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

Date: 27.06.2023
Place: Vijayawada

Annexure – IV (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.		
<p>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.</p> <p>1. Details of contracts or arrangements or transactions not at Arm’s length basis - Nil -</p> <p>Details of contracts or arrangements or transactions at Arm’s length basis.</p>		
Sl. No	Particulars	Details
	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 86,58,010.00 During the Period 20.07.2017 & 31.10.2019, 05.10.2020 & 10.11.2022 Nil
	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 ICD NA Rs. 270,00,00,000. During the Period 30.05.2022 -NIL-
	Name (s) of the related party & nature of relationship Nature of contracts/arrangements/transaction	IKF Finance Limited, Holding Company Direct Assignment

	<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>NA</p> <p>15,23,88,089 (Direct Assignment)</p> <p>During the Period</p> <p>-NIL-</p>
	<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>Vishal Kumar Joshi, Company Secretary</p> <p>Salary Paid</p> <p>Not Applicable</p> <p>Rs.12,02,085.00 During the Period</p> <p>09.04.2019</p> <p>Nil</p>

Annexure IV (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.

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

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

Date: 27.06.2023
Place: Vijayawada

Independent Auditor’s Report

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

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of M/s. **IKF HOME FINANCE LIMITED** (“*the Company*”) which comprises the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (“*Financial Statements*”)

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act 2013 (“*the Act*”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“*Ind AS*”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SA's) 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 (ICAI) 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 there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Information other than the 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 financial statements and our audit report thereon. The said reports are expected to be made available to us after the date of this audit report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the given reports, if we conclude that there is a material misstatement therein, we are to communicate the matter to those charged with governance.

Responsibility of Management for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Other Matter

The comparative financial information of the company for the year ended 31st March, 2022 prepared in accordance with Ind AS included in these financial statements have been audited by the predecessor auditor. The report of predecessor auditor on the comparative financial information expressed an unmodified opinion.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of the Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013
 - e. On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls with reference to financial statements;
 - g. With respect to Managerial Remuneration to be included in the Auditor's report under Section 197(16)

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with

the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company did not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The company has not declared or paid any dividend during the year and as such the compliance of section 123 of the Act has not been commented upon.

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

For **K.S. Rao & Co.,**
Chartered Accountants
Firm Registration Number: 003109S

K. Vamsi Krishna
Partner
Membership Number. 238809
UDIN No:23238809BGYJVF9799

Place: Vijayawada
Date: May 29, 2023

“ANNEXURE A” to the Independent Auditors’ Report on the financial statements of IKF Home Finance Limited for the year ended on 31.03.2023

(Referred to in Paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” section of our report to the Members of the **IKF HOME FINANCE LIMITED** of even date)

We report that:

- i. In respect of the Company’s Property, Plant & Equipment and Intangible Assets:
 - a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
(B) The Company has maintained proper records showing full particulars of the intangible assets recognised in the financial statements.
 - b) The Property, Plant and Equipment and right-of-use assets are physically verified by the management according to a phased program designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the program, during the year under report the management has physically verified its Property, Plant and Equipment and no material discrepancies have been 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, there are no immovable properties, and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
 - d) According to the information and explanations given to us, the Company has not revalued any property, plant and Equipment (including Right of Use assets) and its intangible assets. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.
 - e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company as at March 31, 2023 for holding benami property under the Prohibition of Benami Transactions Act, 1988 and rules made thereunder.
- ii.
 - a) The company is in the business of providing loans and does not have any physical inventories. Accordingly, the requirements of clauses 3(ii) of the order are not applicable.
 - b) The company has been sanctioned working capital limits in excess of Rs.5 crore, in aggregate from banks or financial institutions on the basis of security of current assets and the quarterly returns filed by the company are generally in agreement with the books of accounts.

- iii. (a) Since the principal business of the Company is to give loans, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) During the year the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees to companies or any other parties are not prejudicial to the Company's interest.
- (c) In respect of loans and advances in the nature of loans, granted by the Company as part of its business of providing housing finance and loans against property to individual customers, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Having regard to the voluminous nature of loan transactions, it is not practicable to furnish customer-wise details of amount, due date for repayment or receipt and the extent of delay in this report (as suggested in the Guidance Note on CARO 2020, issued by the Institute of Chartered Accountants of India for reporting under this clause), in respect of loans and advances which were not repaid / paid when they were due or were repaid / paid with a delay, in the normal course of lending business. Further, except for loans where there are delays or defaults in repayment of principal and / or payment of interest as at the balance sheet date, in respect of which the Company has disclosed asset classification / staging in note --- to the financial statements in accordance with Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.
- (d) In respect of loans and advances in the nature of loans, the total amount overdue for more than ninety days as at March 31, 2023 and the details of the number of such cases, are disclosed in note --- to the financial statements. In such instances, in our opinion, reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest.
- (e) Since, the principal business of the Company is to give loans, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.
- (f) The Company has not granted any loans or advances in the nature of loans without specifying any terms or period of repayment.
- iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, requirements stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v. The company has neither accepted any deposits/ amounts which are deemed to be deposits from the public nor are there any deposits outstanding as at the date of the Balance Sheet from the public, and no order has been passed on the company by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal for non- compliance with the provisions of Sections 73 to 76 of the Companies Act, 2013.
- vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the requirements stated in paragraph 3(vi) of the Order are not applicable to the Company.

vii.

- a) According to the information and explanations given to us and on the basis of our examination of the records of the company, in our opinion, the Company is generally regular in depositing with the appropriate authorities, the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax and other statutory dues applicable to the Company, though there has been a slight delay in a few cases.

According to the information and explanations given to us, there were no material undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, and other statutory dues applicable to it were outstanding as at 31st March, 2023 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, there were no amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax and other statutory dues applicable to it as at 31st March, 2023, that have been disputed by the company, and hence, were not remitted to the concerned authorities at the date of the Balance Sheet under report.

viii. There are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in tax assessments under Income Tax Act, 1961. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the requirements stated in paragraph 3(viii) of the Order is not applicable to the Company.

ix.

- a) According to the records of the company examined by us, and the information and explanations given to us, there were no defaults in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year under report.
- b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared as willful defaulter by any bank or financial institution or government or any government authority.
- c) In our opinion and according to the information and explanation provided to us, the company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.
- d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes.
- e) The Company does not have any subsidiaries, joint ventures & associate. Hence, the requirements of clause (ix)(e) and (f) of paragraph 3 of the Order is not applicable.

x.

a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the requirements stated in paragraph 3(x)(a) of the Order are not applicable.

b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly or optionally convertible debentures during the year. Accordingly, the requirements stated in paragraph 3(x)(b) of the Order are not applicable to the Company.

xi.

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

b) During the year and up to the date of this report, no report under section 143 (12) of the Companies Act, 2013, has been filed by secretarial auditor or by the predecessor auditors or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the year. Accordingly, the requirements stated in paragraph 3(xi)(c) of the Order is not applicable to company.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the requirements stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company during the year under report.

xiii. 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 notes to the financial statements as required by the applicable accounting standards.

xiv.

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

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

xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to company. Accordingly, the requirements stated in paragraph 3(xv) of the Order are not applicable to the Company.

xvi.

a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

b) The Company is a Housing Finance Company registered with the National Housing Bank which has obtained the Certificate of Registration (CoR) under Section 29A of the National Housing Bank Act, 1987 and is not required to obtain a Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) The Company does not have any Core Investment Companies as part of its group. Hence the requirements stated in paragraph clause 3 (xvi) (d) of the order are not applicable to the company.

xvii. Based on the overall review of financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the requirement stated in paragraph clause 3(xvii) of the Order are not applicable to the Company.

xviii. The previous statutory auditors of the Company have resigned during the year pursuant to the requirements of the Master Directions – Non Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and Guidelines for Appointment of Statutory Central Auditors (SCAs)/ Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) vide Circular No. DoS.CO.ARG/SEC.01/08.91.001/20 21-22 dated April 27, 2021, issued by the Reserve Bank of India, and there are no issues, objections or concerns raised by the outgoing auditors.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

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

(b) There are no ongoing projects, and hence no unspent amount required to be transferred to special account in compliance with the provision of sub-section 6 of section 135 of the Companies Act, 2013.

For **K.S. Rao & Co.,**
Chartered Accountants
Firm Registration Number: 003109S

K. Vamsi Krishna
Partner
Membership Number. 238809
UDIN No: 23238809BGYJVF9799

Place: Vijayawada
Date: May 29, 2023

“ANNEXURE B” to the Independent Auditors’ Report on the financial statements of IKF Home Finance Limited for the year ended on 31.03.2023

(Referred to in paragraph 2 (f) under the heading “Report on Other Legal and Regulatory Requirements” section of our report to the Members of the **IKF HOME FINANCE LIMITED** of even date)

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

We have audited the internal financial controls with reference to financial statements of *M/s. IKF HOME FINANCE LIMITED* (“the Company”) as of 31st March, 2023 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 with reference to financial statements 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 with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 with reference to financial statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements with reference to these financial statements as of 31st March 2023, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls With reference to financial statements issued by the Institute of Chartered Accountants of India.

For **K.S. Rao & Co.,**
Chartered Accountants
Firm Registration Number: 003109S

K. Vamsi Krishna
Partner
Membership Number. 238809
UDIN No:23238809BGYJVF9799

Place: Vijayawada
Date: May 29, 2023

IKF Home Finance Limited
Balance Sheet as at Mar 31, 2023 (Amount in Lakhs unless otherwise stated)

Particulars	Note No	As at Mar 31, 2023	As at Mar 31, 2022
ASSETS			
(1) Financial assets			
Cash and cash equivalents	3	4,777.83	6,287.10
Bank balance other than cash and cash equivalents	4	525.62	325.00
Trade Receivables	5	-	-
Loans	6	58,165.53	32,884.72
Investments	7	1,200.00	-
Other financial assets	8	2,805.24	1,519.12
Subtotal - Financial assets		67,474.22	41,015.94
(2) Non-financial assets			
Current tax assets (Net)	9	27.57	17.91
Property, plant and equipment	10	112.77	82.89
Right of use asset	10	42.97	8.92
Other intangible assets	11	79.84	21.55
Other non-financial assets	12	606.30	128.74
Subtotal - Non Financial assets		869.45	260.01
Total assets		68,343.67	41,275.95
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial liabilities			
Derivative financial instruments	13	5.40	58.68
Payables			
(I) Trade payables			
(I) total outstanding dues of micro enterprises		-	-
(II) total outstanding dues of creditors other than micro enterprises and small enterprises	14	113.02	41.87
Debt securities	15	7,802.13	8,621.44
Borrowings (other than debt securities)	16	44,585.47	22,676.23
Other financial liabilities	17	694.83	864.65
Subtotal - Financial liabilities		53,200.85	32,262.87
(2) Non-financial liabilities			
Current tax liabilities (Net)			
Provisions	18	51.39	38.98
Deferred tax liabilities (Net)	19	275.55	165.35
Other non-financial liabilities	20	495.18	251.49
Subtotal - Non-Financial liabilities		822.12	455.81
EQUITY			
Equity share capital	21	6,214.32	4,659.64
Other equity	22	8,106.38	3,897.63
Subtotal - Equity		14,320.70	8,557.27
Total liabilities and equity		68,343.67	41,275.95

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

As per our report of even date

For K.S. Rao & CO.,
Chartered Accountants
Firm Reg No : 003109S

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

K. Vamsi Krishna
Partner
Membership No: 238809
Place: Vijayawada
Date: May 29, 2023

V Vasantha Lakshmi
Managing Director
DIN: 03610979
Place: Hyderabad
Date: May 29, 2023

K.Vasumathi Devi
Director
DIN: 03161150
Place: Vijayawada
Date: May 29, 2023

Aravind J
Chief Financial Officer
Place: Hyderabad
Date: May 29, 2023

Vishal Kumar Joshi
Company Secretary
M.No.A43209
Place: Hyderabad
Date: May 29, 2023

IKF Home Finance Limited		Statement of Profit and Loss for the Year ended Mar 31, 2023		
		<i>(Amount in Lakhs unless otherwise stated)</i>		
Sr.	Particulars	Note No	Period ended Mar 31, 2023	Period ended Mar 31, 2022
	Revenue From operations			
	Interest income	23	7,087.36	3,981.52
	Fees and commission income	24	678.61	528.83
	Net gain on derecognition of financial instruments under amortised cost category	25	1,112.58	604.54
	(I) Total revenue from operations		8,878.54	5,114.89
	(II) Other income	26	382.85	144.64
	(III) Total income (I + II)		9,261.39	5,259.54
	Expenses			
	Finance costs	27	3,942.75	2,096.18
	Net loss on fair value changes	28	-	3.35
	Impairment on financial instruments	29	88.36	1.23
	Employee benefits expenses	30	2,729.69	1,402.43
	Depreciation, amortization and impairment	10	77.44	61.27
	Others expenses	31	985.38	366.08
	(IV) Total expenses		7,823.62	3,930.53
	(V) Profit / (loss) before exceptional items and tax (III - IV)		1,437.77	1,329.01
	(VI) Exceptional Items		-	-
	(VII) Profit before tax (III - IV)		1,437.77	1,329.01
	(VIII) Tax Expense:			
	(1) Current Tax		255.77	253.24
	(2) Deferred Tax		110.40	75.33
	(3) Adjustment of tax relating to earlier periods			
	Total Tax Expense (VIII)		366.16	328.57
	(IX) Profit for the period (VII-VIII)		1,071.61	1,000.43
	(X) Other comprehensive income			
	(A) Items that will not be reclassified to profit or loss (specify items and amounts)			
	(a) Items that will not be reclassified to profit or loss		57.92	1.73
	(b) Income tax relating to items that will not be reclassified to profit or loss		0.19	(0.44)
	Subtotal (A)		58.11	1.30
	(B) Items that will be reclassified to profit or loss			
	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Subtotal (B)		-	-
	Other comprehensive income / (loss) (A)		58.11	1.30
	(XIII) Total comprehensive income for the period (IX + X)		1,129.72	1,001.73
	(X) Earnings per share (equity share, par value of Rs.10 each)			
	Basic (Rs.)		2.18	2.43
	Diluted (Rs.)		2.18	2.43
The accompanying notes form an integral part of the financial statements.				
As per our report of even date				
For K.S. Rao & CO.,		For and on behalf of the Board of Directors of		
Firm Reg No : 003109S		IKF Home Finance Limited		
Chartered Accountants				
K. Vamsi Krishna		V Vasantha Lakshmi		K.Vasumathi Devi
Partner		Managing Director		Director
Membership No: 238809		DIN: 03610979		DIN: 03161150
Place: Vijayawada		Place: Hyderabad		Place: Vijayawada
Date: May 29, 2023		Date: May 29, 2023		Date: May 29, 2023
		Aravind J		Vishal Kumar Joshi
		Chief Financial Officer		Company Secretary
		Place: Hyderabad		M.No.A43209
		Date: May 29, 2023		Place: Hyderabad
				Date: May 29, 2023

IKF Home Finance Limited		
Cash Flow Statement as at Mar 31, 2023		
<i>(Amount in Lakhs unless otherwise stated)</i>		
Particulars	Period ended Mar 31, 2023	Period ended Mar 31, 2022
Cash flow from operating activities:		
Net profit before tax as per the statement of profit and loss	1,437.77	1,329.01
Adjustments for		
Net (gain) / loss on derecognition of financial instruments under amortised cost category	(1,112.58)	(604.54)
Finance cost - Leases	2.37	
Impact on derecognition of leases	1.00	
Net loss on fair value changes	-	3.35
Transfer to Special Reserves	-	-
Interest income	-	-
Depreciation and amortisation	77.44	61.27
Gratuity and Leave Salary	57.92	1.73
Changes in ROU Assets	-	-
Impairment allowance on loans	88.36	1.23
Bad Debts Written Off	-	-
Fair value adjustment on investments	-	-
Provision for diminution in the value of investments	-	-
Operating profit before working capital changes	552.28	792.04
Changes in working capital		
Decrease / (increase) in Loans	(25,369.16)	(14,239.58)
Decrease / (increase) in Trade Receivables	-	(12.47)
Decrease / (increase) in other financial assets	(374.16)	170.16
Decrease / (increase) in other non financial assets	(477.56)	12.82
Increase / (Decrease) in other payables	71.15	(14.68)
Increase / (Decrease) in other financial liabilities	(205.25)	134.74
Increase / (Decrease) increase in provisions	12.41	13.03
Increase / (Decrease) Increase in other non financial liabilities	190.41	21.10
Total Changes in Working Capital	(26,152.15)	(13,914.89)
Income taxes paid (net)	(265.43)	(343.04)
Net cash (used in) operating activities (A)	(25,865.30)	(13,465.89)
Cash flow from investing activities		
Purchase of property, plant and equipment	(150.62)	(38.03)
Proceeds from sale of Propoery	-	-
Interest income	-	-
Net cash (used in) / generated from investing activities (B)	(150.62)	(38.03)
Cash flow from financing activities		
Issue of equity shares (including securities premium)	4,633.71	1,727.82
Increase/(Decrease) in borrowings	21,089.92	15,382.06
Payment of lease liability	(16.98)	
Investments	(1,200.00)	
Equity component	-	-
Special reserve	-	-
Net cash (used in) generated from financing activities (C)	24,506.64	17,109.88
Net (decrease) in cash and cash equivalents (A+B+C)	(1,509.27)	3,605.96
Cash and cash equivalents at the beginning of the year	6,287.10	2,681.14
Cash and cash equivalents at the end of the year	4,777.83	6,287.10
As per our report of even date		
For K.S. Rao & CO., Firm Reg No : 003109S Chartered Accountants	For and on behalf of the Board of Directors of IKF Home Finance Limited	
K. Vamsi Krishna Partner Membership No: 238809	V Vasantha Lakshmi Managing Director DIN: 03610979 Place: Hyderabad Date: May 29, 2023	K.Vasumathi Devi Director DIN: 03161150 Place: Vijayawada Date: May 29, 2023
Place: Vijayawada Date: May 29, 2023	Aravind J Chief Financial Officer Place: Hyderabad Date: May 29, 2023	Vishal Kumar Joshi Company Secretary M.No.A43209 Place: Hyderabad Date: May 29, 2023

IKF Home Finance Limited
Statement of Changes in Equity for the year ended Mar 31, 2023

(Amount in Lakhs unless otherwise stated)

A. Equity share capital

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Balance at the beginning of the reporting period	4,659.64	4,111.48
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	4,659.64	4,111.48
Changes in equity share capital during the current year	1,554.68	548.17
Balance at the end of the current reporting period	6,214.32	4,659.64

B. Other equity

Particulars	Reserves and Surplus					Total
	Special Reserve	Securities premium	Special Reserve U/s 36(viia) Income tax Act, 1961	General Reserve	Retained earnings	
Balance at Mar 31, 2021	474.12	-	40.88	-	1,256.56	1,771.57
Profit for the year	-	-	-	-	1,000.43	1,000.43
Other comprehensive income for the year	-	-	-	-	1.30	1.30
Hedge Reserve	-	-	-	-	(55.33)	(55.33)
Total comprehensive income for the year (net of tax)	-	-	-	-	-	-
Transfer / utilisations	-	-	-	-	-	-
Additions during the period	250.11	1,179.66	-	-	(250.11)	1,179.66
Transferred to special reserve from retained earnings	-	-	-	-	-	-
Balance at Mar 31, 2022	724.23	1,179.66	40.88	-	1,952.86	3,897.63
Profit for the year	-	-	-	-	1,071.61	1,071.61
Other comprehensive income for the year	-	-	-	-	18.24	18.24
Hedge Reserve	-	-	-	-	39.87	39.87
Total comprehensive income for the year (net of tax)	-	-	-	-	-	-
Transfer / utilisations	-	-	-	-	-	-
Additions during the period	267.90	3,079.03	-	-	(267.90)	3,079.03
Transferred to special reserve from retained earnings	-	-	-	-	-	-
Balance at Mar 31, 2023	992.13	4,258.69	40.88	-	2,814.68	8,106.38

As per our report of even date

For K.S. Rao & CO.,
Firm Reg No : 003109S
Chartered Accountants

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

K. Vamsi Krishna
Partner
Membership No: 238809

Place: Vijayawada
Date: May 29, 2023

V Vasantha Lakshmi
Managing Director
DIN: 03610979
Place: Hyderabad
Date: May 29, 2023

Aravind J
Chief Financial Officer
Place: Hyderabad
Date: May 29, 2023

K.Vasumathi Devi
Director
DIN: 03161150
Place: Vijayawada
Date: May 29, 2023

Vishal Kumar Joshi
Company Secretary
M.No.A43209
Place: Hyderabad
Date: May 29, 2023

IKF Home Finance Limited
Notes forming part of Financial Statements for the year ended March 31, 2023

1. Corporate Information:

IKF Home Finance Limited (“the Company”) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 on 05 August 2002, with its registered office situated at 40-1-144, 1ST FLOOR, CORPORATE CENTRE, M.G.ROAD, VIJAYAWADA AP 520010 IN. The Company has been registered as a Housing Finance Company with National Housing Bank [Registration No. 05.0170.18 (Previously 04.0133.16)] with effect from 19.04.2016. The Company is engaged in the business of providing housing loans and other loans to its customers.

2. Significant Accounting Policies And Key Accounting Estimates And Judgements

a) Basis of Preparation of financial statements:

(i) The financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 as per Section 133 of the Companies Act, 2013 and relevant amendment rules issued thereafter (“Ind AS”) on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below, the relevant provisions of the Companies Act, 2013 (the “Act”) and the guidelines issued by the NHB to the extent applicable.

(ii) The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 “Statement of Cash Flows”.

b) Presentation of financial statements:

The Company presents its balance sheet in order of liquidity.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in the normal course of business, event of default or insolvency or bankruptcy of the Company and/or its counterparties.

i. Basis of measurement and presentation

These financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities that are measured at fair value (refer to accounting policies) such as Net defined (asset)/ liability present value of defined benefit obligations, investments carried at fair value through profit or loss and share-based payments. The method used to measure fair value are discussed further in notes to the financial statements.

The balance sheet, the statement of change in equity and the statement of profit and loss are presented in the format prescribed under Division III of Schedule III of the Act, as amended from time to time. The statement of cash flows has been presented as per the requirements of Ind AS 7 statement of cash flows.

c) Use of estimates and Critical Estimates and judgements

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future period.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates are:

- i) Determining inputs into the ECL measurement model - (Refer Note g)
- ii) Estimation of defined benefit obligation - (Refer Note r (II))

The areas involving critical judgements are:

- i) Classification of financial assets : Assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely principal plus interest on the principal amount outstanding.
- ii) Derecognition of financial assets and securitization.
- iii) Categorisation of loan portfolios

IKF Home Finance Limited
Notes forming part of Financial Statements for the year ended March 31, 2023

d) Business Combinations

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred.

In case of business combinations involving entities under common control, the above policy does not apply. Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

e) Non Financial Assets:

Measurement

i) Property, Plant and Equipment

PPE (Property Plant and Equipment) is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax, if any, less accumulated depreciation. Cost includes professional fees related to the acquisition of PPE and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy, less GST to the extent credit of tax is availed off. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All repairs and maintenance are charged to the statement of profit or loss during the reporting period in which they are incurred.

For transition to Ind AS, the Company has elected to adopt as deemed cost, the opening written down value I-GAAP on the transition date of April 1, 2018.

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress".

ii) Intangible Asset

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Following initial recognition, intangible assets with finite useful life are carried at cost less accumulated amortization and accumulated impairment loss, if any.

For transition to Ind AS, the Company has elected to adopt as deemed cost, the opening written down value I-GAAP on the transition date of April 1, 2018.

IKF Home Finance Limited
Notes forming part of Financial Statements for the year ended March 31, 2023

iii) Investment Property

Investment Property are measured on initial recognition at cost. Transaction costs are included in the initial measurement. The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure. Directly attributable expenditure includes, for example, professional fees for legal services, property transfer taxes and other transaction costs. Following initial recognition, after initial recognition, an entity shall measure all of its investment properties in accordance with Ind AS 16's requirements for cost model.

Depreciation/ Amortisation

Depreciation on each item of PPE is provided using the Straight-Line Method based on the useful lives of the assets as estimated by the management and is charged to the Statement of Profit and Loss. The estimate of the useful life of the assets has been assessed based on the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc. Freehold land is not depreciated.

Intangible Assets with finite lives are amortized on a Straight Line basis over the estimated useful economic life and is recognized in the Statement of Profit and Loss.

Individual assets costing up to Rs.5,000 has been depreciated in full in the year of purchase.

Estimated useful life of the assets is as under:

Class of assets	Useful life in years
Leasehold Improvements*	10
Vehicles*	8
Computers & Laptops*	3
Furniture & Fixtures*	5
Office Equipments*	5
Computer Software*	5

* For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Derecognition

The carrying amount of an item of PPE, Investment Property and Intangible Asset is derecognized (eliminated from the balance sheet) on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

f) Impairment of Non Financial Assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested for impairment annually and whenever there is an indication that the asset may be impaired. Assets that are subject to depreciation and amortization are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

IKF Home Finance Limited
Notes forming part of Financial Statements for the year ended March 31, 2023

An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. Impairment losses, if any, are recognized in the Statement of Profit and Loss and included in depreciation and amortization expenses.

Impairment losses are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

IKF Home Finance Limited
Notes forming part of Financial Statements for the year ended March 31, 2023

g) Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial Assets

Business Model Assessment

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Assessment of whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its

Initial recognition and measurement:

The company recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument.

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement:

For subsequent measurement, the company classifies a financial asset in accordance with the below criteria:

- i. The company's business model for managing the financial asset and
- ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the company classifies its financial assets into the following categories:

- i. Financial assets measured at amortized cost
- ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)
- iii. Financial assets measured at fair value through profit or loss (FVTPL)

i. Financial assets measured at amortized cost

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) The company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans, investments and other financial assets of the company. Such financial assets are subsequently measured at amortized cost using the effective interest method.

ii. Financial assets measured at FVTOCI

A financial asset is measured at FVTOCI if both of the following conditions are met:

- a) The company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

IKF Home Finance Limited
Notes forming part of Financial Statements for the year ended March 31, 2023

For the above category, income by way of interest and dividend, provision for impairment are recognized in profit or loss and changes in fair value (other than on account of above income or expense) are recognized in other comprehensive income and accumulated in other equity.

On disposal of debt instruments at FVOCI, the cumulative gain or loss previously accumulated in other equity is reclassified to Statement of Profit and Loss.

IKF Home Finance Limited
Notes forming part of Financial Statements for the year ended March 31, 2023

iii. Financial assets measured at FVTPL

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the company excluding investments in associate. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is derecognized (i.e. removed from the company's Balance Sheet) when any of the following occurs:

- i. The contractual rights to cash flows from the financial asset expires;
- ii. The company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- iii. The company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- iv. The company neither transfers nor retains, substantially all risk and rewards of ownership, and does not retain control over the financial asset.

In cases where company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

On Derecognition of a financial asset, (except as mentioned in ii above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

Impairment of financial assets:

The Company recognizes loss allowance for Expected Credit Loss ("ECL") on the following financials instruments that are not measured at FVTPL :

i) Loans

The Company measures loss allowances at an amount equal to lifetime ECL, except for financial instruments whose credit risk has not increased significantly since initial recognition, for which a 12-month ECL is computed

Life-time ECL is based on the result from all possible default events over the expected life of the financial instrument.

12-month ECL is based on the result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The company categorises loan assets into stages based on the Days Past Due status:

Stage	Past Due	ECL
Stage 1	30 days past due	12 Month ECL
Stage 2	31-90 Days Past Due	Life time ECL
Stage 3	More than 90 Days Past Due	Life time ECL

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows :

IKF Home Finance Limited
Notes forming part of Financial Statements for the year ended March 31, 2023

Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive);

financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

IKF Home Finance Limited
Notes forming part of Financial Statements for the year ended March 31, 2023

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position for financial assets measured at amortised cost as a deduction from the gross carrying amount of the assets.

Write off

Loans are written off when there is no reasonable expectation of recovering in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii) Financial Liabilities

Initial recognition and measurement:

The company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. Having regards to the terms and structure of issuance, Financial Liabilities are categorized as follows (i) recognized at amortised costs (ii) recognized at fair value through profit and loss (FVTPL).

Subsequent measurement:

(i) All financial liabilities of the company categorized as at amortized cost are subsequently measured using the effective interest method.

(ii) All financial liabilities of the company categorized at fair value are subsequently measured at fair value through profit

Derecognition: A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

h) Derivative Financial Instruments

A derivative is a financial instrument or other contract with all of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or, other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e. underlying)
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at future date.
- The Company enters into derivative transactions with various counterparties to hedge its foreign currency risks and interest rate risks. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Company undertakes derivative transactions for hedging on-balance sheet liabilities.

Hedge Accounting:

Initial Recognition and subsequent remeasurement:

The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains and losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

IKF Home Finance Limited
Notes forming part of Financial Statements for the year ended March 31, 2023

i) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

j) Fair Value

The company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 — inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

k) Functional Currency

i) Functional and presentation currencies:

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). i.e in Indian rupees (INR) and all values are rounded off to nearest Rupees except where otherwise indicated.

ii) Transactions and balances

- a. During the year company has not entered into any Foreign currency transactions.

l) Securitisation transaction

During the year company has not entered into any securitisation transactions, so that Ind AS 109, in case of securitisation is not applicable.

m) Assignment transaction

In accordance with Ind AS 109, in case of assignment with complete transfer of risks and rewards without any retention of residual interest, gain arising on the assignment is recorded upfront in the Statement of Profit and Loss and the loan is derecognised from the Statement of Assets and Liabilities immediately on sale of the loan. However, in cases where the risks and rewards are not transferred completely, then the gain arising on the assignment is amortised over the remaining life of the loan. Loss, if any, is recognised upfront in the Statement of Profit and Loss for all types of Assignment Transactions.

IKF Home Finance Limited
Notes forming part of Financial Statements for the year ended March 31, 2023

n) Revenue Recognition

i) Income from financing activity:

Interest income is recognized using the Effective Interest Rate (EIR) method for all financial assets measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to its gross carrying amount. The calculation of the effective interest rate includes transaction costs and transaction income that are directly attributable to the acquisition of a financial asset.

For financial assets that are not Purchases Originally Credit Impaired “POCI” but have subsequently become credit-impaired (or ‘stage-3’), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision).

ii) Other revenue from operation:

Fee and commission income that are not integral part of the effective interest rate on the financial asset are recognized as the performance obligation is performed. There is no significant financing component the consideration.

iii) Other Income:

Dividend income is recognized when the right to receive income is established.

All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realization / collection.

o) Taxes on Income

The income tax expense or credit for the period is the tax payable on the current period’s taxable income based on the applicable income tax rate for each jurisdiction adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted on substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the respective company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

IKF Home Finance Limited
Notes forming part of Financial Statements for the year ended March 31, 2023

Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the company.

p) Provisions and Contingencies

The company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

q) Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

r) Employee Benefits

I. Defined contribution plans:

Defined contribution plans are post-employment benefit plans (such as Provident Fund) under which the company pays fixed contributions into benefit schemes and will have no legal or constructive obligation to pay further contributions. The company's contributions to defined contribution plans are recognised in the Statement of Profit and Loss in the financial year to which they relate.

IKF Home Finance Limited
Notes forming part of Financial Statements for the year ended March 31, 2023

II. Defined benefit plans:

Gratuity is post employment benefit and is in the nature of Defined Benefit Plan. The present value of the obligations under defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

Re-measurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (if applicable) is recognized in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to profit or loss.

Defined benefit costs comprising current service cost, past service cost and gains or losses on settlements are recognised in the Statement of Profit and Loss as employee benefits expense. Interest cost implicit in defined benefit employee cost is recognised in the Statement of Profit and Loss under finance cost. Gains or losses on settlement of any defined benefit plan are recognised when the settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the company recognises related restructuring costs or termination benefits. In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee upto the end of reporting period using the projected unit credit method and is recognized in a similar manner as in the case of defined benefit plans. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

Long term employee benefit costs comprising current service cost and gains or losses on curtailments and settlements, re-measurements including actuarial gains and losses are recognised in the Statement of Profit and Loss as employee benefit expenses. Interest cost implicit in long term employee benefit cost is recognised in the Statement of Profit and Loss under finance cost.

s) Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

t) Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for;
- b) Uncalled liability on shares and other investments partly paid;
- c) Funding related commitment to associate and joint venture companies; and
- d) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

6 Loans

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Loans (Amortised cost)		
Individual loans	58,682.72	33,513.56
Others (ICD)	200.00	-
Total Gross	58,882.72	33,513.56
Less: Impairment loss allowance	(717.19)	(628.84)
Total Net	58,165.53	32,884.72
Secured by tangible assets	58,682.72	33,513.56
Unsecured	200.00	-
Total Gross	58,882.72	33,513.56
Less: Impairment loss allowance	(717.19)	(628.84)
Total Net	58,165.53	32,884.72
Loans in India		
Public sectors	-	-
Others	58,882.72	33,513.56
Total Gross	58,882.72	33,513.56
Less: Impairment loss allowance	(717.19)	(628.84)
Total Net	58,165.53	32,884.72

6(a) Loan Details

Particulars	Principal	Interest O/s	EIR Adjustment	Total
As at March 31,2023				
Individual loans	59,010.59	687.81	1,093.72	58,604.68
Others	200.00	-	-	200.00
Total	59,210.59	687.81	1,093.72	58,804.68
As at March 31,2022				
Individual loans	33,646.40	374.44	507.28	33,513.56
Others	-	-	-	-
Total	33,646.40	374.44	507.28	33,513.56

6(b) Loans granted by the Company are secured by registered / equitable mortgage of property.

6(c) The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are:

- (a) repayable on demand; or
- (b) without specifying any terms or period of

The table below discloses credit quality and the maximum exposure to credit risk based on the company's year end stage classification. The numbers presented are gross of impairment loss allowance:

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Term loans		
Stage I	57,322.39	31,912.37
Stage II	819.62	1,282.68
Stage III	540.71	318.51
Total	58,682.72	33,513.56

7 Investments

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Market Linked Debentures	1,200.00	-
Total	1,200.00	-

8 Other financial assets

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Interest strip Asset on Assignment	2,441.03	1,463.34
Security Deposits	37.04	8.91
Other -secured, considered good	189.06	18.52
Other -unsecured, considered good	138.12	28.35
Investments	-	-
Total	2,805.24	1,519.12

9 Current Tax Assets

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Advance Tax	260.00	240.00
T.D.S. Receivable	23.33	31.15
Current Tax	255.77	253.24
Total	27.57	17.91

10 Property, plant and equipment

Particulars	Leasehold Improvements	Vehicles	Computers & Laptops	Furniture and fixtures	Office equipment	Right of Use Assets	Total
Gross Carrying Value							
Balance at Mar 31, 2021	29.13	35.83	34.77	17.72	17.28	57.35	192.08
Additions	-	-	24.11	4.03	0.16	-	28.30
Disposals	-	-	-	-	-	-	-
Balance at Mar 31, 2022	29.13	35.83	58.88	21.75	17.43	57.35	220.38
Additions	-	-	41.49	16.33	5.66	57.96	121.44
Disposals	-	-	-	-	-	8.92	8.92
Balance at Mar 31, 2023	29.13	35.83	100.37	38.08	23.09	106.40	332.90
Accumulated depreciation							
Balance at Mar 31, 2021	10.61	6.04	24.36	8.05	6.77	36.42	92.24
Depreciation expense	2.95	4.26	11.01	3.87	2.22	12.02	36.33
Elimination on disposals of assets	-	-	-	-	-	-	-
Balance at Mar 31, 2022	13.56	10.30	35.37	11.91	8.99	48.43	128.57
Depreciation expense	2.94	4.26	18.78	4.55	3.07	14.99	48.59
Elimination on disposals of assets	-	-	-	-	-	-	-
Balance at Mar 31, 2023	16.50	14.56	54.15	16.46	12.07	63.43	177.16
Net carrying value							
Balance at Mar 31, 2022	15.57	25.53	23.51	9.84	8.44	8.92	91.81
Balance at Mar 31, 2023	12.63	21.28	46.22	21.62	11.03	42.97	155.74

11 Other intangible assets

Particulars	Computer software
Gross Carrying Value	
Balance at Mar 31, 2021	96.38
Additions during the year	9.73
Disposal	-
Balance at Mar 31, 2022	106.12
Additions during the year	87.14
Disposal	-
Balance at Mar 31, 2023	193.25
Accumulated Amortisation	
Balance at Mar 31, 2021	59.63
Amortisation for the year	24.94
Disposal	-
Balance at Mar 31, 2022	84.57
Amortisation for the year	28.85
Disposal	-
Balance at Mar 31, 2023	113.42
Net carrying value	
Balance at Mar 31, 2022	21.55
Balance at Mar 31, 2023	79.84

12 Other non-financial assets

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Prepaid expenses	5.83	7.29
Advances to employees	0.40	4.64
Capital Advances	500.00	-
Advance to Vendor	2.84	43.38
Security deposits (Rent)	97.22	72.56
GST input credit	-	0.87
Total	606.30	128.74

13 Derivative financial instruments

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Forward rate agreements and interest rate swaps	5.40	58.68
Total	5.40	58.68

14 Trade Payables

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Total outstanding dues of:		
(i) total outstanding dues of micro enterprises and small enterprises; (refer note 12.1 below)	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	113.02	41.87
Total	113.02	41.87

14.1 Disclosure relating to Micro, Small and Medium Enterprises Development Act,

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

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

14.3 Trade Payable aging schedule

As at Mar 31, 2023

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

As at Mar 31, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More Than 3 Years	
(i) MSME	-	-	-	-	-	-
(ii) Others	-	41.87	-	-	-	41.87
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	-	41.87	-	-	-	41.87

IKF Home Finance Limited
Notes forming part of Financial Statements for the year ended Mar 31, 2023

(Amount in Lakhs unless otherwise stated)

15 Debt securities

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
At Amortised Cost (With in India)		
200, 11.15% Secured, Redeemable, Non-convertible Debentures of face value of Rs 10,00,000 each redeemable at par at the end of Thirty Six Months from the date of allotment i.e. June 12, 2020.	2,066.39	2,054.56
250, 11% Secured, Redeemable, Non-convertible Debentures of face value of Rs 10,00,000 each redeemable at par at the end of Thirty Six Months from the date of allotment i.e. June 29, 2020.	2,705.62	2,696.75
100, 11% Secured, Redeemable, Non-convertible Debentures of face value of Rs 10,00,000 each redeemable at par at the end of Thirty Six Months from the date of allotment i.e. July 23, 2020.	1,074.88	1,071.34
250, 10.11% Secured, Redeemable, Non-convertible Debentures of face value of Rs 10,00,000 each redeemable at par at the end of Thirty Six Months from the date of allotment i.e. July 31, 2020.	886.78	1,734.83
100, 10.50% Secured, Redeemable, Non-convertible Debentures of face value of Rs 10,00,000 each redeemable at par at the end of Thirty Six Months from the date of allotment i.e. July 31, 2020.	1,068.45	1,063.96
		-
Total	7,802.13	8,621.44

Nature of security

The above debentures are secured by an exclusive charge by way of hypothecation of specific loan receivables and personal guarantees of promoters.

16 Borrowings (other than debt securities)

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
At Amortised Cost (With in India)		
Secured		
Term Loans		
From National Housing Bank (NHB)	2,213.06	3,088.86
From Banks	31,548.29	14,765.66
From Financial institutions	10,421.82	4,082.26
Others		
Cash Credit	402.30	739.45
Unsecured Loans	-	-
Total	44,585.47	22,676.23

Nature of security

Term Loans from NHB, banks, financial institutions and non-banking financial companies are secured by an exclusive charge by way of hypothecation of specific loan receivable created out of the loan proceeds and personal guarantees of promoters.

Maturity profile and rate of interest of borrowings from bank and other parties are set out below:

(Amount in Lakhs unless otherwise stated)

Terms of repayment of Debt Securities and Borrowings as on Mar 31, 2023

Original maturity loan	Interest rate	Due within 1 year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In Lakhs)	No. of Installments	Amount (In Lakhs)	No. of Installments	Amount (In Lakhs)	
Debt Securities								
Bullet repayment schedule								
1-3 Years	10.01%-11.00%	3	4,500.00			-	-	4,500.00
	11.01%-12.00%	1	2,000.00			-	-	2,000.00
Yearly repayment schedule								
1-3 Years	10.01%-11.00%	1	833.33			-	-	833.33
Borrowings (Other than Debt Securities)								
Monthly repayment schedule								
1-7 Years	5.00%-6.00%			-	-	-	-	-
	6.01%-7.00%							
	8.01%-9.00%	36	884.62	96	2,538.46	18	576.92	4,000.00
	9.01%-10.00%	94	2,988.58	299	8,985.33	21	553.57	12,527.48
	10.01%-11.00%	153	2,235.86	387	6,712.22	68	2,039.36	10,987.44
	More tha 11.00%	36	1,135.72	47	1,524.89	-	-	2,660.62
Quarterly repayment schedule								
1-7 Years	7.01%-8.00%	16	439.20	47	1,015.84	6	208.96	1,664.00
	8.01%-9.00%	4	76.00	16	304.00	3	26.00	406.00
	9.01%-10.00%	10	644.39	48	3,192.95	21	1,491.23	5,328.57
	10.01%-11.00%	8	1,322.00	22	4,585.62	3	758.46	6,666.09
	More than 11.00%	12	445.26	7	291.32		-	736.58
Total			17,059.70		28,859.32		5,654.51	52,310.10
Impact of EIR								77.50
Total Amortized Cost								52,387.60

Terms of repayment of Debt Securities and Borrowings as on Mar 31, 2022								
Original maturity loan	Interest rate	Due within 1 year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In Lakhs)	No. of Installments	Amount (In Lakhs)	No. of Installments	Amount (In Lakhs)	
Debt Securities								
Bullet repayment schedule								
1-3 Years	10.01%-11.00%	-	-	4	4,500.00	-	-	4,500.00
	11.01%-12.00%	-	-	1	2,000.00	-	-	2,000.00
Yearly repayment schedule								
1-3 Years	10.01%-11.00%	1	833.33	1	833.33	-	-	1,666.67
			-					
Borrowings (Other than Debt Securities)								
Monthly repayment schedule								
1-7 Years			-					-
	5.01%-6.00%	1	245.00	-				245.00
	8.01%-9.00%	45	1,090.09	152	3,581.15			4,671.24
	9.01%-10.00%	37	1,588.04	65	1,660.62			3,248.65
	10.01%-11.00%	72	1,000.00	156	2,270.83			3,270.83
Quarterly repayment schedule								
1-7 Years	6.01%-7.00%	12	227.40	64	1,208.59	17	427.80	1,863.79
	7.01%-8.00%	6	216.00	25	770.95	-	-	986.95
	08.01%-09.00%	4	785.71	16	3,142.86	8	1,571.43	5,500.00
	09.01%-10.00%	7	350.05	26	1,158.60	11	366.35	1,875.00
	10.01%-11.00%	14	485.26	19	796.58	-	-	1,281.84
Total			6,081.44		21,923.51		2,365.58	31,109.97
Impact of EIR								187.70
Total Amortized Cost								31,297.68

17 Other financial liabilities

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Employee benefits payable	123.23	48.96
Payable towards securitisation / assignment transactions	361.12	415.20
Lease Liabilities	43.91	8.48
Other Payable	166.57	392.01
Total	694.83	864.65

18 Provisions

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Provision for gratuity	51.39	28.44
Provision for leave benefits	-	10.54
Total	51.39	38.98

19 Deferred tax Liabilities (Net)

Deferred tax Assets/ (liabilities) arising on account of timing differences are as follows:

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Balance at the beginning of the year (Liabilities/(Asset))	165.35	89.57
Recognised in Statement of Profit and Loss	110.40	75.33
Recognised in/ reclassified from OCI	(0.19)	0.44
Balance at the end of the year (Liabilities/(Asset))	275.55	165.35

Deferred Tax Schedule	As at Mar 31, 2023	As at Mar 31, 2022	For the year
Deferred Tax Asset			
Property, Plant & Equipment	6.12	5.73	0.39
Impact on expenses allowed for tax on payment basis	5.34	9.12	(3.78)
Unamortised Processing Fee	164.90	37.41	127.49
Provision for doubtful debts	180.50	158.27	22.24
		-	-
Total Deferred Tax Asset	356.87	210.52	146.34
Deferred Tax Liability			
Lease Liability (net of Right of Use asset)	(0.24)	0.11	(0.35)
Financial instruments	632.66	375.76	256.90
	-	-	-
Total Deferred Tax Liability	632.42	375.87	256.55
Net Deferred Tax Liability	275.55	165.35	110.21

20 Other non-financial liabilities

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Amount received in advance	410.75	193.71
Statutory dues payable	84.42	57.77
Total	495.18	251.49

21 Equity share capital

Particulars	As at Mar 31, 2023		As at Mar 31, 2022	
	Number	Amount	Number	Amount
Authorised Capital				
Equity shares of Rs. 10 each	6,50,00,000	6,500.00	5,00,00,000	5,000.00
	6,50,00,000	6,500.00	5,00,00,000	5,000.00
Issued, subscribed and fully paid-up shares				
Equity Shares of Rs. 10 each fully paid up	5,74,04,183	5,740.42	3,76,14,753	3,761.48
	5,74,04,183	5,740.42	3,76,14,753	3,761.48
Issued, subscribed and partly paid-up shares				
Equity Shares of Rs. 10 each, partly paid up Rs. 6.77	70,00,000	473.90	-	-
Equity Shares of Rs. 10 each, partly paid up Rs. 5.00	-	-	70,00,000	350.00
Equity Shares of Rs. 10 each, partly paid up Rs. 2.77	-	-	1,97,89,430	548.17
	70,00,000	473.90	2,67,89,430	898.17
	6,44,04,183	6,214.32	6,44,04,183	4,659.64

A. Reconciliation of number of shares

Particulars	As at Mar 31, 2023		As at Mar 31, 2022	
	Number	Amount	Number	Amount
Fully paid equity share of Rs. 10 each				
At the beginning of the year	3,76,14,753	3,761.48	3,76,14,753	3,761.48
Shares issued during the year	1,97,89,430	1,978.94	-	-
Outstanding at the end of the year	5,74,04,183	5,740.42	3,76,14,753	3,761.48
Partly paid up equity share of Rs. 10 each, partly paid up Rs.6.77 per share				
At the beginning of the year	-	-	-	-
Amount called/Issued during the year	70,00,000	473.90	-	-
Outstanding at the end of the year	70,00,000	473.90	-	-
Partly paid up equity share of Rs. 10 each, partly paid up Rs.5.0 per share				
At the beginning of the year	70,00,000	350.00	70,00,000	350.00
Amount called/Issued during the year	-	-	-	-
Outstanding at the end of the year	-	-	70,00,000	350.00
Partly paid up equity share of Rs. 10 each, partly paid up Rs.2.77 per share				
At the beginning of the year	1,97,89,430	548.17	-	-
Amount called/Issued during the year	-	-	1,97,89,430	548.17
Outstanding at the end of the year	-	-	1,97,89,430	548.17
Total Outstanding at the end of the year	6,44,04,183	6,214.32	6,44,04,183	4,659.64

B. Terms/rights attached to equity shares

The company has only one class of equity shares having par value of Rs. 10 per share fully paid up. Each holder of equity shares is entitled to one vote per share. The company declares

In the event of liquidation of the company, the equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, if any, in

C. Details of shareholder(s) holding more than 5% of equity shares in the company :

Name of shareholder	As at Mar 31, 2023		As at Mar 31, 2022	
	No. of shares held	% Holding	No. of shares held	% Holding
Fully paid equity share of Rs. 10 each				
IKF Finance Limited	5,74,04,177	100.00%	3,76,14,747	100.00%
Partly paid up equity share of Rs. 10 each, partly paid up Rs.6.77 per share				
VGK Prasad	47,37,880	67.68%	-	-
K.Vasumathi Devi	6,97,312	9.96%	-	-
V. Vasantha Lakshmi	6,56,360	9.38%	-	-
V. Raghuram	4,74,312	6.78%	-	-
V. Indira Devi	4,34,136	6.20%	-	-
	-	-	-	-
Partly paid up equity share of Rs. 10 each, partly paid up Rs.5.0 per share				
VGK Prasad	-	-	47,37,880	67.68%
K.Vasumathi Devi	-	-	6,97,312	9.96%
V. Vasantha Lakshmi	-	-	6,56,360	9.38%
V. Raghuram	-	-	4,74,312	6.78%
V. Indira Devi	-	-	4,34,136	6.20%
	-	-	-	-
Partly paid up equity share of Rs. 10 each, partly paid up Rs.2.77 per share				
IKF Finance Limited	-	-	1,97,89,430	100.00%

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.

D. Details of shares held by the Promoters:

Name of shareholder	As at Mar 31, 2023		As at Mar 31, 2022	
	No. of shares held	% Holding	No. of shares held	% Holding
Fully paid equity share of Rs. 10 each				
IKF Finance Limited	5,74,04,177	100.00%	3,76,14,747	100.00%
VGK Prasad	1	0.00%	1	0.00%
V. Vasantha Lakshmi	1	0.00%	1	0.00%
K.Vasumathi Devi	1	0.00%	1	0.00%
V. Indira Devi	1	0.00%	1	0.00%
V. Raghuram	1	0.00%	1	0.00%
IKF Infratech (P) Limited	1	0.00%	1	0.00%
Partly paid up equity share of Rs. 10 each, partly paid up Rs.6.77 per share	-	-	-	-
VGK Prasad	47,37,880	67.68%	-	-
K.Vasumathi Devi	6,97,312	9.96%	-	-
V. Vasantha Lakshmi	6,56,360	9.38%	-	-
V. Raghuram	4,74,312	6.78%	-	-
V. Indira Devi	4,34,136	6.20%	-	-
Partly paid up equity share of Rs. 10 each, partly paid up Rs.5.00 per share	-	-	-	-
VGK Prasad	-	-	47,37,880	67.68%
K.Vasumathi Devi	-	-	6,97,312	9.96%
V. Vasantha Lakshmi	-	-	6,56,360	9.38%
V. Raghuram	-	-	4,74,312	6.78%
V. Indira Devi	-	-	4,34,136	6.20%
Partly paid up equity share of Rs. 10 each, partly paid up Rs.2.77 per share	-	-	-	-
IKF Finance Limited	-	-	1,97,89,430	100.00%

IKF Home Finance Limited
Notes forming part of Financial Statements for the year ended Mar 31, 2023

(Amount in Lakhs unless otherwise stated)

22 Other equity

Particulars	Period ended Mar 31, 2023	Period ended Mar 31, 2022
Special Reserve *	992.13	724.23
Special Reserve U/s 36(viia) Income tax Act, 1961**	40.88	40.88
Securities Premium	4,258.69	1,179.66
Retained earnings	2,814.68	1,952.86
Total	8,106.38	3,897.63

A. Nature and purpose of reserve

a. Special reserve

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

b. Special reserve

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

c. Securities Premium

The securities premium reserve is used to record the premium received on issue of shares. The reserve can be utilised only for limited purpose such as issuance of bonus shares in accordance with provision of the Companies Act, 2013.

d. Retained earnings

Retained earnings represents surplus / accumulated earnings of the Company and are available for distribution to shareholders.

e. Other comprehensive income

Particulars	Period ended Mar 31, 2023	Period ended Mar 31, 2022
(a) Items that will not be reclassified to profit or loss (specify items and amounts)		
(i) Remeasurements of the defined benefit plans	4.64	1.73
(ii) Impact of changes in fair value of Financial Instruments	53.28	-
Total	57.92	1.73
(b) Income tax relating to items that will not be reclassified to profit or loss		
(i) Remeasurements of the defined benefit plans	(1.17)	(0.44)
(ii) Impact of changes in fair value of Financial Instruments	1.36	-
Total	0.19	(0.44)
Subtotal (A)	58.11	1.30
Items that will be reclassified to profit or loss		
(i) Items that will be reclassified to profit or loss	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-
Subtotal (B)	-	-
Other comprehensive income / (loss) (A)	58.11	1.30

IKF Home Finance Limited

Notes forming part of Financial Statements for the year ended Mar 31, 2023

*(Amount in Lakhs unless otherwise stated)***23 Interest income**

Particulars	Period ended Mar 31, 2023	Period ended Mar 31, 2022
On financial assets measured at amortised cost		
-On Term Loans	6,880.10	3,658.49
-On Intercompany Deposits*	152.27	309.50
-On Deposits with Banks	54.99	13.53
Total	7,087.36	3,981.52

* Interest Income on ICD is received from related parties.

24 Fees and commission income

Particulars	Period ended Mar 31, 2023	Period ended Mar 31, 2022
Other fees and charges	678.61	528.83
Total	678.61	528.83

25 Net gain on derecognition of financial instruments under amortised cost category

Particulars	Period ended Mar 31, 2023	Period ended Mar 31, 2022
Gain on derecognition of loans	1,112.58	604.54
Total	1,112.58	604.54

26 Other income

Particulars	Period ended Mar 31, 2023	Period ended Mar 31, 2022
Profit on Sale of Investment	178.90	31.00
Miscellaneous Income	203.95	113.64
Total	382.85	144.64

27 Finance costs

Particulars	Period ended Mar 31, 2023	Period ended Mar 31, 2022
	On financial liabilities	On financial liabilities
Interest on borrowings	3,703.83	2,039.53
Bank Charges	15.78	3.40
Other finance cost	223.14	53.25
Total	3,942.75	2,096.18

IKF Home Finance Limited

Notes forming part of Financial Statements for the year ended Mar 31, 2023

*(Amount in Lakhs unless otherwise stated)***28 Net loss on fair value changes**

Particulars	Period ended Mar 31, 2023	Period ended Mar 31, 2022
(A) Net loss on financial instruments at fair value through profit or loss	-	3.35
(i) On trading portfolio	-	-
- investments	-	-
- Derivatives	-	3.35
- Others	-	-
(ii) On financial instruments designated at fair value through profit or loss	-	-
(B) Others (to be specified)	-	-
Total Net Loss on fair value changes (C)	-	3.35
Fair Value changes:		
- Realised	-	-
- Unrealised	-	3.35
Total Net Loss on fair value changes (D) to tally with (C)	-	3.35
Total	-	3.35

29 Impairment on financial instruments*

Particulars	Period ended Mar 31, 2023	Period ended Mar 31, 2022
Loans (Measured at Amortised cost)	88.36	1.23
Total	88.36	1.23

**Impairment on loans excludes impairment relating to interest on credit impaired assets, which is netted off from interest income in accordance with Ind AS 109 on Financial Instruments.*

IKF Home Finance Limited
Notes forming part of Financial Statements for the year ended Mar 31, 2023

(Amount in Lakhs unless otherwise stated)

30 Employee benefits expenses

Particulars	Period ended Mar 31, 2023	Period ended Mar 31, 2022
Salaries and wages	2,529.18	1,269.62
Contribution to provident and other funds	112.87	66.00
Staff welfare expenses	61.78	53.78
Gratuity	25.86	13.03
Leave encashment	-	-
Total	2,729.69	1,402.43

31 Other expenses

Particulars	Period ended Mar 31, 2023	Period ended Mar 31, 2022
Rent	175.51	40.98
Communication cost	51.67	21.74
Travelling and conveyance	73.76	28.65
Rates and taxes	173.28	79.34
Insurance	32.88	10.74
Commission and Brokerage	69.19	22.44
Repairs and maintenance	11.60	6.72
Printing and stationery	10.73	4.14
Directors' sitting fees	3.90	3.90
Payment to the auditors:	3.18	2.00
Maintenance Charges	36.70	6.57
AMC Charges	16.80	15.11
Office Expense	57.78	14.29
Legal and professional fees	244.01	94.19
CSR Expense	24.38	15.26
Total	985.38	366.08

Payment to the auditors:

Particulars	Period ended Mar 31, 2023	Period ended Mar 31, 2022
Auditor's remuneration		
- Audit fees	3.00	2.00
In other capacity		
- Taxation	-	-
Other of pocket expenses	0.18	-
Total	3.18	2.00

32 Contingent liabilities, commitments and leasing arrangements

The Company is involved in certain judicial and arbitration proceedings (including those described below) concerning matters arising in the normal course of business including claims from customers, contingencies arising from having issued guarantees to lenders or to other entities. The proceedings

in respect of these matters are in various stages. Management has assessed the possible obligations arising from such claims against the Company, in accordance with the requirements of Indian Accounting Standard (Ind AS) 37 and based on judicial precedents, consultation with lawyers or based on its historical experiences. Accordingly, Management is of the view that based on currently available information, no provision in addition to that already recognised in its financial statements is considered necessary in respect of the above.

Given below are amounts in respect of claims asserted by borrowers and others

There are no Contingent Liabilities as on Mar 31, 2023 (Mar 31, 2022 Rs. Nil)

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is 15.00 Crore as on 31.03.2023 (Previous Year Nil).

33 Earnings per share

Particulars	Period ended Mar 31, 2023	Period ended Mar 31, 2022
Profit attributable to equity holders of the Company used in calculating diluted	1,071.61	1,000.43
Weighted average number of equity shares used as the denominator in	492.35	411.30
Basic earnings per share (Rs.)	2.18	2.43
Weighted average number of equity shares and potential equity shares used as	492.35	411.30
Diluted earnings per share (Rs.)	2.18	2.43

34 Related Party Disclosure

a. Name of related party and nature of relationship:

Holding Compnay	IKF Finance Limited
Enterprises significantly influenced by the company - Subsidiary	-
Enterprises in which directors are interested	-
Enterprises significantly influenced by Key Management Personnel and	IKF Infratech Private Limited
Relative of Key Management Personnel	Mr. V G K Prasad - Father of Managing Director Mrs. V Indira Devi - Mother of Managing Director Mrs.K.Vasumathi Devi - Sister of Managing Director Mr. V Raghu Ram - Brother of Managing Director
Key Management Personnel (KMP)	Mrs V Vasatha Lakshmi - Managing Director Mr. Sreepal Jain - Chief Financial Officer (1st February 2020 to 10th February 2023) Mr. Aravind J - Chief Financial Officer (10th February 2023 to Present) Mr. Vishal Kumar Joshi- Company Secretary

(Amount in Lakhs unless otherwise stated)

b. Transaction with related parties:

Name of related party	Nature of transaction	As at April 1, 2021	Transaction value for the year ended March 31, 2022	Received During the year	Paid During the Year	As at March 31, 2022	Transaction value for the year ended March 31, 2023	Received During the year	Paid During the Year	As at March 31, 2023
Key management personnel										
Mrs. D Vasantha Lakshmi	Share Capital (INR 10/- Paid up)	0.00	-	-	-	0.00	-	-	-	0.00
	Partly paid up shares (Rs 5.00 Paid Up)	32.82	-	-	-	32.82	-	-	-	-
	Partly paid up shares (Rs 6.77 Paid Up)	-	-	-	-	-	-	11.62	-	44.44
	Unsecured Loan	16.50	-	-	(16.50)	-	-	-	-	-
Relatives of key management personnel										
Mr. V G K Prasad	Share Capital (INR 10/- Paid up)	0.00	-	-	-	0.00	-	-	-	0.00
	Partly paid up shares (Rs 5.00 Paid Up)	236.89	-	-	-	236.89	-	-	-	-
	Partly paid up shares (Rs 6.77 Paid Up)	-	-	-	-	-	-	83.86	-	320.75
	Unsecured Loan	119.19	-	-	(119.19)	-	-	-	-	-
Mr. V Raghu Ram	Share Capital (INR 10/- Paid up)	0.00	-	-	-	0	-	-	-	0.00
	Partly paid up shares (Rs 5.00 Paid Up)	23.72	-	-	-	23.72	-	-	-	-
	Partly paid up shares (Rs 6.77 Paid Up)	-	-	-	-	-	-	8.40	-	32.11
	Unsecured Loan	11.93	-	-	-	-	-	-	-	-
Mrs. V Indira Devi	Share Capital (INR 10/- Paid up)	0.00	-	-	-	0	-	-	-	0.00
	Partly paid up shares (Rs 5.00 Paid Up)	21.71	-	-	-	21.71	-	-	-	-
	Partly paid up shares (Rs 6.77 Paid Up)	-	-	-	-	-	-	7.68	-	29.39
	Unsecured Loan	10.92	-	-	-	-	-	-	-	-
Mrs.K.Vasumathi Devi	Share Capital (INR 10/- Paid up)	0.00	-	-	-	0	-	-	-	0.00
	Partly paid up shares (Rs 5.00 Paid Up)	34.87	-	-	-	34.87	-	-	-	-
	Partly paid up shares (Rs 6.77 Paid Up)	-	-	-	-	-	-	12.34	-	47.21
	Unsecured Loan	17.55	-	-	-	-	-	-	-	-
Enterprises significantly influenced by key management personnel or their relatives										
IKF Finance Limited	Loan Received**	-	-	-	-	-	-	400.00	(400.00)	-
	Loan given	-	-	48,200.00	(48,200.00)	-	-	27,000.00	(27,000.00)	-
	Share Capital (INR 10/- Paid up)	3,761.47	-	-	-	3,761.47	-	1,430.78	-	5,740.42
	Share Capital (INR 2.77/- Paid up)	-	-	548.17	-	548.17	-	-	-	-
	Securities Premium Received	-	-	1,179.66	-	1,179.66	-	3,079.03	-	4,258.69
	Interest Paid	-	-	-	-	-	-	1.42	-	-
	Interest Received	-	265.90	-	-	-	-	126.42	-	-
	Direct Assignment Receipt	3,487.22	-	-	(704.24)	2,782.98	-	-	(803.10)	1,979.88
	Interest Payable on Direct Assignment	22.85	441.76	-	(430.15)	34.46	313.39	-	(318.87)	28.99
	Service Fee Paid (Shared Services & Service fee)	-	-	28.89	-	-	-	28.35	-	-
	IKF Infotech Private Limited	Share Capital (INR 10/- Paid up)	0.00	-	-	-	0.00	-	-	-
	Interest Paid	-	-	-	-	-	-	-	-	-

c. Key management personnel compensation

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Short-term employee benefits	94.49	87.17
Post-employment benefits#	1.23	-
Long-term employee benefits	-	-
Termination benefits	-	-
Sitting fees and commission	30.48	3.90
Employee-share based payment	-	-
Total compensation	126.20	91.07

#As the provision for gratuity is made for the Company as a whole, the amount pertaining to the Key Management Personnel is not specifically identified and hence is not included above.

* The increased value is relating to purchase of shares/debtentures from the public

** The principle terms of Loans Received from IKF Finance Ltd are (a) Interest @ 13.50% (b) tenor - 3-5 years and © Security Cover - 1.1 times

Notes:

(i) Transaction values are excluding taxes and duties.

(ii) Name of the related parties and nature of their relationships where control exists have been disclosed irrespective of whether or not there have been transactions with the Company. In other cases, disclosures have been made only when there have been transactions with those parties.

(iii) Related parties as defined under clause 9 of the Ind AS 24 'Related party disclosures' have been identified based on representations made by key managerial personnel and information available with the Company. All above transactions are in the ordinary course of business.

(iv) All related party transactions entered during the year were in ordinary course of the business and are on arm's length basis.

35 Employee Benefits

a. Defined contribution plan - provident funds

In accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952, employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which, both the employee and the Company contribute monthly at a determined rate. These contributions are made to a recognized provident fund administered by Regional Provident Fund Commissioner. The employees contribute 12% of their basic salary and the Company contributes an equal amount.

The Company recognised Rs.1,12,87,463 (March 31, 2022 : Rs 66,00,285) for provident fund and other contributions in the Statement of profit and loss.

The Supreme Court has recently, delivered its ruling on the composition of basic wages for the purposes of deduction and contribution to the Employees Provident and Pension fids.

The company, in the interest of its employees, awaits clarity on the complexities revolving around the application of the said order, the ambiguity reflected by the divergent views of legal experts and the response/direction from the authorities, including on representations made by an industry association in this regard.

b. Defined Benefit Plan - Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a non-contributory defined benefit arrangement providing lump-sum gratuity benefits expressed in terms of Final monthly salary and year of service, covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment in accordance with the rules laid down in the Payment of Gratuity Act, 1972.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2020. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of obligation (A)	51.39	30.17
Fair Value of plan assets (B)	-	-
Present value of obligation (A- B)	51.39	30.17
Net deficit / (assets) are analysed as:	51.39	30.17

Movement in net defined benefit (asset) liability

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

Particulars	Defined Benefit Obligation		Fair Value of plan assets		Net defined benefit (asset) liability	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Opening balance	30.17	17.14			30.17	17.14
Current service cost	23.61	13.58			23.61	13.58
Past service cost						
Interest cost (income)	2.25	1.18			2.25	1.18
	56.03	31.90			56.03	31.90
Other comprehensive income						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Experience	-4.64	-1.73			-4.64	-1.73
Financial assumption						
	-4.64	-1.73			-4.64	-1.73
Others						
Transfer in/(out)						
Contributions by employer						
Benefits paid						
Closing balance	51.39	30.17			51.39	30.17
Represented by						
Net defined assets					51.39	30.17
Net defined liability						
					51.39	30.17

Components of defined benefit plan cost:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Recognised in statement of profit or loss		
Current service cost	23.61	13.58
Interest cost/ (income) (net)	2.25	1.18
Past service cost		
Unrecognised past service cost- non vested benefits		
Total	25.86	14.76
Recognised in other comprehensive income		
Remeasurement loss (gain):		
Actuarial loss (gain) arising from:		
Experience	-	-
Financial assumption	-	-
Total	-4.64	-1.73

Percentage break-down of total plan assets

Particulars	As at March 31, 2023	As at March 31, 2022
Investment funds with insurance company	-	-
Cash and cash equivalents	-	-
	-	-

Note :

Actuarial assumptions:

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

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	7.50%	7.47%
Salary growth rate	5.00%	5.00%
Withdrawal/attrition rate (based on categories)	5.95%	5.95%
Mortality rate (as % of IALM (2012-14) Ult. Mortality Table)	100%	100%
Expected weighted average remaining working lives of employees	24.79 years	25.08 years
Interest rate on net DBO/ (asset) (% p.a.)		

Notes:

a) The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

b) The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

c) Attrition rate indicated above represents the Company's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	As at March 31, 2023		As at March 31, 2022	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (+/- 1%)	11.06%	-9.64%	11.10%	-9.70%
Discount Rate (+/- 1%)	-8.90%	10.36%	-9.00%	10.40%
Withdrawal Rate (+/- 1%)	0.03%	-0.23%	0.20%	-0.50%

The Sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous year to the methods and assumptions underlying the sensitivity analyses.

Description of asset liability matching (ALM) policy

The Company has an insurance plans invested in market linked bonds. The investment returns of the market-linked plan are sensitive to the changes in interest rates. The liabilities' duration is not matched with the assets' duration.

Description of funding arrangements and funding policy that affect future contributions

The liabilities of the fund are funded by assets. The company aims to maintain a close to full-funding position at each Balance Sheet date. Future expected contributions are disclosed based on this principle.

Maturity profile

The average expected remaining lifetime of the plan members is 5 years (March 31, 2018: 5 years, March 31, 2017: 5 years) as at the date of valuation. This represents the weighted average of the expected remaining lifetime of all plan participants.

Expected future contributions

Expected cash flow for following years

Maturity Profile of Defined Benefit Obligations	
Year 1	1.70
Year 2	2.05
Year 3	7.03
Year 4	3.36
Year 5	4.25
Year 6	3.98
Year 7	3.95
Year 8	4.10
Year 9	3.86
Year 10	4.31

c. Compensated absences :

The Company has discontinued the policy of leave encashment on account of this the company has not provided any provision for compensated absences during the financial year.

36 Segment Reporting

The Company operates under the principal business segment viz. "providing long term housing finance, loans against property and refinance loans". Further, the Company is operating in a single geographical segment. The Chief Operating Decision Maker (CODM) views and monitors the operating results of its single business segment for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profits or losses and is measured consistently with operating profits or losses in the financial statements. Accordingly, disclosures relating to primary and secondary business segments under the Indian Accounting Standard on 'Segment Reporting' (Ind AS 108) are not applicable to the Company.

37 Corporate Social Responsibility expenditure

(Amount in Lakhs unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Amount required to be spent by the company during the year	23.53	15.22
b) Amount of expenditure incurred	-	-
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	24.27	15.26
c) Shortfall at the end of the year	-	-
d) Total of previous years shortfall	-	-
e) Net Shortfall	-	-
f) Reason for shortfall	NA	NA
g) Nature of CSR activities	Disaster relief, Sanitation and Hygiene.	Disaster relief, Sanitation and Hygiene.
h) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	-	-
i) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	-	-

38 Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements from its regulators and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

Particulars	As at March 31, 2023	As at March 31, 2022
Net Debt	52,387.60	31,297.68
Total equity	14,320.70	8,557.27
Net Debt to equity ratio	3.66	3.66

Particulars	As at March 31, 2023	As at March 31, 2022
Total Debt to Total Assets (Debt securities+Borrowings other than debt securities)/Loan assets	0.90	0.95

The pillars of its policy are as follows:

- Maintain diversity of sources of financing and spreading the maturity across tenure buckets in order to minimize liquidity
- Maintain investment grade ratings for all its liability issuances domestically and internationally by ensuring that the financial strength of the balance sheets is preserved.
- Manage financial market risks arising from Interest rate, equity prices and minimise the impact of market volatility.
- Leverage optimally in order to maximise shareholder returns while maintaining strength and flexibility of balance sheet.

The Company is subject to the capital adequacy norms stipulated by the NHB guidelines on Capital Adequacy. These guidelines require the Company to maintain a minimum ratio of total capital to risk weighted assets of 14%. The total Tier-II capital should not exceed Tier-I capital. The total capital adequacy ratio of the Company as per the NHB guidelines are 40.70%, 48.10% at March 31, 2023 and March 31, 2022 respectively. The Company has complied in full, with the guidelines on capital adequacy issued by NHB.

39 Fair Value Measurement:**A. Valuation Principles**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques:

Level 1 - valuation technique using quoted market price: financial instruments with quoted prices for identical instruments in active markets that company can access at the measurement date.

Level 2 - valuation technique using observable inputs: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

Level 3 - valuation technique with significant unobservable inputs: Those that include one or more unobservable input that is significant to the measurement as whole.

B. Valuation governance framework

The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Company including the risk and finance functions.

Where fair values are determined by reference to externally quoted prices or observable pricing inputs to models, independent price determination or validation is used. For inactive markets, Company sources alternative market information, with greater weight given to information that is considered to be more relevant and reliable.

The responsibility of ongoing measurement resides with the business and product line divisions. However finance department is also responsible for establishing procedures governing valuation and ensuring fair values are in compliance with accounting standards.

IKF Home Finance Limited
Notes forming part of Financial Statements for the year ended Mar 31, 2023
(Amount in Lakhs unless otherwise stated)

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

As at March 31, 2023

Particulars	Level 1	Level 2	Level 3	Total
Assets measured at fair value on recurring basis				
Assets measured at fair value through profit or loss	-	-	-	-
Investments				
Debt securities	-	-	-	-
Certificate of deposits	-	-	-	-
Total assets measured at fair value on a recurring basis (a)	-	-	-	-
Assets measured at fair value on a non recurring basis				
Assets held for sale	-	-	-	-
Total assets measured at fair value on a non recurring basis (b)	-	-	-	-
Total assets measured at fair value (a)+(b)	-	-	-	-
Liabilities measured at fair value through profit or loss				
Derivative financial instruments	-	-	-	-
Forward contracts and currency swaps	-	-	-	-
Interest rate swaps	-	-	-	-
Total liabilities measured at fair value through profit or loss	-	-	-	-

As at March 31, 2022

Particulars	Level 1	Level 2	Level 3	Total
Assets measured at fair value on recurring basis				
Assets measured at fair value through profit or loss	-	-	-	-
Investments				
Debt securities	-	-	-	-
Certificate of deposits	-	-	-	-
Total assets measured at fair value on a recurring basis (a)	-	-	-	-
Assets measured at fair value on a non recurring basis				
Assets held for sale	-	-	-	-
Total assets measured at fair value on a non recurring basis (b)	-	-	-	-
Total assets measured at fair value (a)+(b)	-	-	-	-
Liabilities measured at fair value through profit or loss				
Derivative financial instruments	-	-	-	-
Forward contracts and currency swaps	-	-	-	-
Interest rate swaps	-	-	-	-
Total liabilities measured at fair value through profit or loss	-	-	-	-

D. Fair value of financial instrument not measured at fair value:

The table below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities

As at March 31, 2023

Particular	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
Financial Assets				
Cash and cash equivalents	4,777.83	4,777.83	-	-
Bank balance other than cash and cash	525.62	525.62	-	-
Trade Receivable	-	-	-	-
Loans	58,165.53	-	-	58,165.53
Investments	1,200.00	-	-	-
Other financial assets	2,805.24	-	-	2,805.24
Total Financial Assets	67,474.22	5,303.45	-	60,970.77
Financial Liabilities				
Derivative financial instruments	5.40	-	-	5.40
Trade Payables	113.02	-	-	113.02
Debt Securities	7,802.13	-	-	7,802.13
Borrowings	44,585.47	-	-	44,585.47
Other Financial Liabilities	694.83	-	-	694.83
Total Financial liabilities	53,200.85	-	-	53,200.85

As at March 31, 2022

Particular	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
Financial Assets				
Cash and cash equivalents	6,287.10	6,287.10	-	-
Bank balance other than cash and cash	325.00	325.00	-	-
Trade Receivable	-	-	-	-
Loans	32,884.72	-	-	32,884.72
Other financial assets	1,519.12	-	-	1,519.12
Total Financial Assets	41,015.94	6,612.10	-	34,403.84
Financial Liabilities				
Derivative financial instruments	58.68	-	-	58.68
Trade Payables	41.87	-	-	41.87
Debt Security	8,621.44	-	-	8,621.44
Borrowings	22,676.23	-	-	22,676.23
Other Financial Liabilities	864.65	-	-	864.65
Total Financial liabilities	32,262.87	-	-	32,262.87

Below mentioned valuation techniques used in measuring Level 1, Level 2 and Level 3 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used.

Loans

The fair value of loan and advances are estimated by discounted cash flow models. For fixed rate loans, the fair value represent the discounted value of the expected future cash flow. For floating rate interest loans, the discounted value of expected cash flows represent the carrying amount of the loans. Fair value is then reduced by the impairment loss allowance on loans which is already calculated incorporating probability of default and loss given defaults.

Debt securities, borrowings (other than debt securities) and subordinated liabilities

For floating rate borrowings carrying value represents the fair value of the instruments. For fixed rate carrying value of borrowings as at reporting date approximates the fair value of the instruments because the borrowings have been raised near to reporting date .

There were no transfers between levels during the year

Investment

Company doesn't has any investments outstanding as on reporting dates.

40 Financial Risk Management

A. Liquidity Risk

Liquidity risk arises as Company has contractual financial liabilities that is required to be serviced & redeemed as per committed timelines and in the business of lending where money is required for the disbursement & creation of financial assets to address the going concern of Company

Liquidity risk management is imperative to Company as this allows covering the core expenses, market investment / creation of financial assets, timely repayment of debt commitments and continuing with their operations. The Company with the help of ALCO committee, ALM policy & Liquidity Desk, monitors the Liquidity risk and uses structural, dynamic liquidity statements and cash flow statements as a mechanism to address this.

The Company aims to maintain the level of its cash equivalents, in hand bank sanctions, unutilized borrowing lines and cash infows at an amount in excess of expected cash outflows on financial liabilities over the next one year

Liquidity Cushion:

Particulars	As at March 31, 2023	As at March 31, 2022
Liquidity cushion		
Government Debt Securities	-	-
Mutual Fund Investments	1,200.00	-
Total Liquidity cushion	1,200.00	-

Financing Arrangement

The Company had access to the following undrawn borrowing facilities at the end of the reporting year

Particulars	As at March 31, 2023	As at March 31, 2022
Committed Lines from Banks	3,000.00	3,000.00
Committed Lines from Other Parties	5,250.00	-
Total	8,250.00	3,000.00

Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at:

As at March 31, 2023

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Financial assets						
Cash and cash equivalents	4,777.83	-	-	-	-	4,777.83
Bank Balance other than cash and cash	-	-	-	-	525.62	525.62
Trade Receivables	-	-	-	-	-	-
Loans	-	475.87	1,506.82	11,551.49	44,631.35	58,165.53
Investments	1,200.00	-	-	-	-	1,200.00
Other Financial assets	-	272.27	138.12	484.81	1,910.04	2,805.24
Total undiscounted financial assets	5,977.83	748.14	1,644.94	12,036.30	47,067.00	67,474.22
Financial liabilities						
Derivative financial instruments	-	-	5.40	-	-	5.40
Trade Payables	-	113.02	-	-	-	113.02
Debt securities	-	4,777.13	3,024.99	-	-	7,802.13
Borrowings (Other than Debt Securities)	-	2,318.85	7,509.84	29,602.14	5,154.64	44,585.47
Other Financial liabilities	-	484.35	210.47	-	-	694.82
Total undiscounted financial liabilities	-	7,693.36	10,750.71	29,602.14	5,154.64	53,200.85
Total net financial assets / (liabilities)	5,977.83	(6,945.22)	(9,105.76)	(17,565.84)	41,912.37	14,273.38

As at March 31, 2022

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Financial assets						
Cash and cash equivalents	6,287.10	-	-	-	-	6,287.10
Bank Balance other than cash and cash	-	-	-	-	325.00	325.00
Trade Receivables	-	-	-	-	-	-
Loans	-	253.94	839.04	6,352.66	25,439.08	32,884.72
Investments	-	-	-	-	-	-
Other Financial assets	43.38	11.30	37.34	282.69	1,144.42	1,519.12
Total undiscounted financial assets	6,330.48	265.24	876.38	6,635.35	26,908.50	41,015.94
Financial liabilities						
Derivative financial instruments	58.68	-	-	-	-	58.68
Trade Payables	-	-	-	-	41.87	41.87
Debt securities	-	-	-	8,621.44	-	8,621.44
Borrowings (Other than Debt Securities)	-	1,662.46	833.33	14,135.40	6,045.04	22,676.23
Other Financial liabilities	415.20	440.98	-	-	8.48	864.65
Total undiscounted financial liabilities	473.88	2,103.44	833.33	22,756.84	6,095.38	32,262.87
Total net financial assets / (liabilities)	5,856.60	(1,838.20)	43.04	(16,121.49)	20,813.12	8,753.08

Contractual expiry of commitments

The table below shows the contractual expiry by maturity of the Company's commitments.

As at March 31, 2023

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Undrawn committed credit lines	250.00	8,000.00	-	-	-	-
Estimated amount of contracts capital account	-	-	-	-	-	-
	-	-	-	-	-	-

As at March 31, 2022

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
Undrawn committed credit lines	3,000.00	-	-	-	-	3,000.00
Estimated amount of contracts capital account	-	-	-	-	-	-
	3,000.00	-	-	-	-	3,000.00

B. Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, equity prices and Index movements.

Total market risk exposure

Particulars	As at March 31, 2023	As at March 31, 2022	Primary risk sensitivity
	Carrying amount	Carrying amount	
Financial assets			
Cash and cash equivalents	4,777.83	6,287.10	-
Bank Balance other than cash and cash	525.62	325.00	-
Trade Receivables	-	-	-
Loans	58,165.53	32,884.72	Interest rate risk
Investments	1,200.00	-	Interest rate risk
Other Financial assets	2,805.24	1,519.12	Interest rate risk
Total financial assets	67,474.22	41,015.94	
Financial liabilities			
Derivative financial instruments	5.40	58.68	Interest rate risk
Trade Payables	113.02	41.87	-
Debt securities	7,802.13	8,621.44	Interest rate risk
Borrowings (Other than Debt Securities)	44,585.47	22,676.23	Interest rate risk
Other Financial liabilities	694.83	864.65	Interest rate risk
Total financial liabilities	53,200.85	32,262.87	

C. Interest Rate Risk

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for

ALCO is the monitoring body for compliance with these limits. ALCO reviews the interest rate gap statement and the mix of floating and fixed rate assets and liabilities. Balance Sheet Management Unit is in-charge for day to day management of interest

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Board has established limits on the non-trading interest rate gaps for stipulated periods. The Company's policy is to monitor positions on a daily basis and hedging strategies are used to ensure positions are maintained within the established limits.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss and equity. The sensitivity of the statement of profit and loss is the effect of the assumed changes in interest rates on the profit or loss for a year, based on the floating rate non-trading financial assets and financial liabilities held at 31 March 2023 and at 31 March 2022

Interest rate sensitivity

AS at March 31, 2023

Particulars	Increase in basis points	Sensitivity of Profit	Decrease in basis points	Sensitivity of Profit
Bank Borrowings	10	51.87	10	51.87
Government securities	-	-	-	-

AS at March 31, 2022

Particulars	Increase in basis points	Sensitivity of Profit	Decrease in basis points	Sensitivity of Profit
Bank Borrowings	10	30.34	10	30.34
Government securities	-	-	-	-

D Credit Risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical concentrations, and by monitoring exposures in relation to such limits.

Credit risk is monitored by the credit department of the Company. It is their responsibility to review and manage credit risk. Credit risk consists of line credit managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

Impairment assessment

The references below show where the Company's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the summary of significant accounting policies.

Definition of default and cure

The Company considers a financial instrument as defaulted and therefore Stage 3 (credit-impaired) for Expected Credit Loss (ECL) calculations in all cases when the borrower becomes more than 3 months past due on its contractual payments.

The staging criteria used by the Company is as below:

Loans months past due	Stage
Upto 1 month	Stage 1
Between 1 month to 3 months	Stage 2
More than 3 months	Stage 3

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes past due for more than 3 months on its contractual payments.

It is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when the due amount have been paid. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

Exposure at default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 months ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

Probability of default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. To calculate the ECL for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments. The Company uses consumer credit trends released by TransUnion CIBIL to determine PD.

Portfolio	As at March 31, 2023		As at March 31, 2022	
	Stage 1	Stage 2	Stage 1	Stage 2
Home Loans	2.96%	37.52%	2.96%	34.76%
Loans Against Property	3.43%	23.65%	3.43%	23.09%

Stage 3 assets have a PD of 100%

Loss given Default (LGD)

LGD is the estimated loss that the Company might bear if the borrower defaults. The Company determines its recovery (net present value) by analysing the recovery trends, borrower rating, collateral value and expected proceeds from sale of asset.

Particulars	As at March 31, 2023	As at March 31, 2022
Home Loans	25.00%	25.00%
Loans Against Property	25.00%	25.00%

*Assets having the DPD more than 1095 is taken a LGD of 100%

When estimating ECLs on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition. Assets having the DPD more than 1095 is taken a LGD of 100%

IKF Home Finance Limited**Notes forming part of Financial Statements for the year ended Mar 31, 2023***(Amount in Lakhs unless otherwise stated)***Significant increase in credit risk**

The Company continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or lifetime ECL. The Company assesses whether there has been an event which could cause a significantly increase in the credit risk of the underlying asset or the customers ability to pay and accordingly change the 12 month ECL to a lifetime ECL.

If contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

Concentration of Credit Risk

Company's loan portfolio is predominantly to home loans. The Company manages concentration of risk primarily by geographical region. The following tables show the region-wise concentrations of net terms loans.

Rs.In Lakhs

Geography	31-Mar-23	31-Mar-22
West	14,122.26	7,770.33
Central		-
South	44,482.42	25,743.23
Total	58,604.68	33,513.56

Quantitative Information of Collateral

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

Rs.In Lakhs

As at March 31, 2023	Loan to value			
	Upto 50%	51%-70%	More than 70%	Total
Home Loans	21,327.19	11,401.03	8,194.22	40,922.44
Loans Against Property	13,607.70	4,074.53	-	17,682.24
Total	34,934.90	15,475.56	8,194.22	58,604.68

As at March 31, 2022	Loan to value			
	Upto 50%	51%-70%	More than 70%	Total
Home Loans	13,260.53	7,638.60	5,661.22	26,560.35
Loans Against Property	5,066.76	1,886.45	-	6,953.21
Total	18,327.29	9,525.05	5,661.22	33,513.56

41 Transfer of financial assets

Transfer of financial assets that are not derecognised in their entirety

(i) Securitisations:

During the year company has not entered into any securitisation transactions.

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Carrying amount of transferred assets measured at amortised cost	-	-
Carrying amount of associated liabilities	-	-
Fair value of transferred assets - (A)	-	-
Fair value of associated liabilities - (B)	-	-
Net position at Fair value	-	-

Transfer of financial assets which qualify for derecognition in their entirety

(i) Details of Assignment transactions undertaken

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
No. Accounts	330	198
Aggregate value of accounts sold	4,545.47	2,401.47
Aggregate consideration	4,043.43	1,911.84
Additional Consideration realized in respect of accounts transferred in earlier years	-	-
Aggregate gain/(loss) over net book value	-	-

Disclosure pursuant to RBI Notification – RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021

(a) Details of transfer through assignment in respect of loans not in default during the year ended 31 March 2023

Entity/Assignee	Housing Finance Companies
Count of Loan accounts Assigned	330
Amount of Loan accounts Assigned	4545
Retention of beneficial economic interest (MRR)	502
Weighted Average Maturity (Residual Maturity) (Months)	126
Weighted Average Holding Period (Months)	24
Coverage of tangible security coverage	100%
Rating wise distribution of rated loans	-

(b) Details of acquired through assignment in respect of loans not in default during the year ended 31 March 2023

Entity/Assignee	Housing Finance Company
Count of Loan accounts Assigned	507
Amount of Loan accounts Assigned	3344
Retention of beneficial economic interest (MRR)	2917
Weighted Average Maturity (Residual Maturity) (Months)	114
Weighted Average Holding Period (Months)	13
Coverage of tangible security coverage	100%
Rating wise distribution of rated loans	0

(c) The Company has not transferred or acquired any stressed loans during year ended March 31, 2023.

HKF Home Finance Limited
Notes forming part of Financial Statements for the year ended Mar 31, 2023
(Amount in Lakhs unless otherwise stated)
(iv) Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

The Company has assigned loans (earlier measured at amortised cost) by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 90%/85%/80% of the assets transferred to the buyer, the assets have been derecognised from the Company's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets :

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Direct assignment		
Carrying amount of transferred assets measured at amortised cost	12,239.44	11,140.89
Carrying amount of exposures retained by the Company at amortised cost	1,639.83	1,900.21

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
1 No of transactions assigned by the Company	11	8
2 Total amount of outstanding	12,239.44	11,140.89
3 Total amount of exposures retained by the company to comply		
a) Off-balance sheet exposures		
First loss	-	-
Others	-	-
b) On-balance sheet exposures		
First loss	-	-
Others	1,639.83	1,900.21
4 Amount of exposures to assigned transaction other than MRR		
a) Off-balance sheet exposures		
i) Exposure to own securitisations		
First loss	-	-
Others	-	-
ii) Exposure to third party securitisations		
First loss	-	-
Others	-	-
b) On-balance sheet exposures		
i) Exposure to own securitisations		
First loss	-	-
Others	-	-
ii) Exposure to third party securitisations		
First loss	-	-
Others	-	-

42 Changes in liabilities arising from financing activities

Particulars	As at April 1, 2022	Cash Flows (net)	CCPS converted	Others (net)*	As at March 31, 2023
Subordinated liabilities	-	-	-	-	-
Debt securities	8,621.44	(833.33)	-	14.02	7,802.13
Borrowing other than debt securities	22,676.23	21,524.29	-	384.83	44,585.35
	31,297.68	20,690.96	-	398.85	52,387.48

Particulars	As at April 1, 2021	Cash Flows (net)	CCPS converted	Others (net)*	As at March 31, 2022
Subordinated liabilities	-	-	-	-	-
Debt securities	9,522.81	(833.33)	-	(68.04)	8,621.44
Borrowing other than debt securities	6,392.80	15,971.66	-	311.78	22,676.23
	15,915.62	15,138.33	-	243.74	31,297.68

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

Notes forming part of Financial Statements for the year ended Mar 31, 2023

43 Leases

Company as a Lessee

The Company's lease asset classes primarily consist of leases for office spaces. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases). For these short-term leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Following are the changes in the carrying value of right of use assets

(Rs. In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening	8.92	20.94
Additions	57.96	-
Deletion	(8.92)	-
Depreciation	(14.99)	(12.02)
Closing Balance	42.97	8.92

The following is the movement in lease liabilities :

(Rs. In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning	9.48	22.21
Additions	48.67	-
Finance cost accrued during the period	2.37	1.67
Payment of lease liabilities	(16.61)	(14.39)
Balance at the end	43.91	9.48

IKF Home Finance Limited

Notes forming part of Financial Statements for the year ended Mar 31, 2023

(Rs. In Lakhs)

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

Particulars	As at March 31, 2023	As at March 31, 2022
Less than 3 months	5.90	1.14
Over 3 months & upto 6 months	6.05	1.17
Over 6 months & upto 1 year	11.93	2.50
Over 1 year & upto 3 years	13.14	4.90
Over 3 years	6.89	-

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

(Rs. In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Depreciation expense of right-of-use assets	14.99	12.02
Interest expense on lease liabilities	2.37	1.67
Expense relating to short-term leases	-	-
Total amount recognised in profit or loss	17.36	13.68

Future Commitments:

Particulars	As at March 31, 2023	As at March 31, 2022
Future undiscounted lease payments for which the leases have not yet commenced	-	-

Extension / Termination Options:

Some of the leases contain extension and termination options. Such options are taken into account in the determination of the lease term only if extension or non-termination can be assumed with reasonable certainty. On this basis, there were no such amounts included in the measurement of lease liabilities as at March 31, 2023.

IKF Home Finance Limited
Notes forming part of Financial Statements for the year ended Mar 31, 2023

(Amount in Lakhs unless otherwise stated)

44 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	4,777.83	-	4,777.83	6,287.10	-	6,287.10
Bank Balance other than cash and cash equivalents	-	525.62	525.62	-	325.00	325.00
Receivables						
(I) Trade receivables	-	-	-	-	-	-
(II) Other receivables	-	-	-	-	-	-
Loans	1,982.69	56,182.84	58,165.53	1,092.98	31,791.74	32,884.72
Investments	1,200.00	-	1,200.00	-	-	-
Other Financial assets	410.40	2,394.85	2,805.24	48.64	1,470.48	1,519.12
Sub total	8,370.92	59,103.30	67,474.22	7,428.72	33,587.23	41,015.94
Non-financial assets						
Current Tax assets (Net)	-	27.57	27.57	-	17.91	17.91
Property, plant and equipment	-	112.77	112.77	-	82.89	82.89
Right to Use Assets	-	42.97	42.97	-	8.92	8.92
Other intangible assets	-	79.84	79.84	-	21.55	21.55
Other non-financial assets	9.08	597.22	606.30	4.64	124.10	128.74
Sub total	9.08	860.37	869.45	4.64	255.36	260.01
Total assets	8,380.00	59,963.67	68,343.67	7,433.36	33,842.59	41,275.95
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
Derivative financial instruments	5.40	-	5.40	58.68	-	58.68
Payables						
(I) Trade payables						
(i) total outstanding dues of creditors of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	113.02	-	113.02	41.87	-	41.87
Debt Securities	7,802.13	-0.00	7,802.13	833.33	7,788.12	8,621.45
Borrowings (Other than Debt Securities)	9,828.70	34,756.78	44,585.47	6,175.12	16,501.11	22,676.23
Deposits	-	-	-	-	-	-
Subordinated Liabilities	-	-	-	-	-	-
Other Financial liabilities	694.83	-	694.83	864.65	-	864.65
Sub total	18,444.08	34,756.78	53,200.85	7,973.64	24,289.23	32,262.87
Non-Financial liabilities						
Current tax liabilities (Net)	-	-	-	-	-	-
Provisions	0.09	51.30	51.39	0.09	38.88	38.98
Deferred tax liabilities (Net)	-	275.55	275.55	-	165.35	165.35
Other non-financial liabilities	495.18	-	495.18	251.49	-	251.49
Sub total	495.27	326.85	822.12	251.58	204.23	455.81
Total liabilities	18,939.35	35,083.63	54,022.97	8,225.22	24,493.46	32,718.68

IKF Home Finance Limited
Notes forming part of Financial Statements for the year ended Mar 31, 2023

(Amount in Lakhs unless otherwise stated)

45 Disclosure on Principal business criteria

Particulars	As at 31-Mar-23
Total Housing Loans (%)	58.87%
Individual Housing Loans (%)	58.87%

*% of Total assets netted of intangible assets.

46 The spread of Covid-19 across the globe and India has caused significant upheaval in economic activity and financial markets. The Indian Government announced lockdown in March 2020 which was lifted subsequently but regional lockdowns continued to be implemented in various areas from time to time. RBI took various regulatory measures like moratorium on payment of dues, reliefs towards 'interest on interest' charged during March-August 2020 and allowing one-time restructuring (OTR) to eligible borrowers.

Further, the second wave of Covid-19 pandemic in April- May 2021 led to re-imposition of localised/ regional lockdowns in various parts of the country, which led to a substantial impact on the economic activities. The second wave has started to subside from June 2021 onwards and there has been gradual lifting of lock downs and increase in economic activities. However, the uncertainty around the third wave of Covid-19 pandemic in future and its impact on the economic activities are not known. Accordingly, the Company's results remain uncertain and dependent on future developments and actuals may differ from the estimates used in the preparation of the financial statement on the reporting date.

47 In accordance with the instructions of RBI circular no. DOR.STR.REC.4/21.04.048/2021-22 dated April 07, 2021, the HFC shall refund / adjust interest on interest' to all borrowers including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed, Pursuant to these instructions, the methodology for calculation of the amount of such 'interest on interest' has been recently circulated by the Indian Banks Association (IBA).The Company is in the process of suitably implementing this methodology and has created a liability of Rs 380,674 towards estimated interest relief and reduced the same from the interest income for the year ended March 31, 2021

48 Disclosure pursuant to RBI Notification- DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Housing Loans	20	411.29	-	-	-
Loan against Property	28	533.23	-	-	-

49 Additional information required in terms of Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 NHB(ND)/DRS/REG/MC-07/2018, 02 July, 2018 and Notification no. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 09,2017 have been prepared on the basis of previous GAAP pursuant to the NHB circular no. NHB (ND)/DRS/Policy Circular No.89/2017-18 dated June 14, 2018 is given in Annexure I, which have been presented solely based on the information compiled by the Management.

50 Previous year figures have been regrouped/ reclassified wherever applicable.

51 No Funds raised through Preferential allotment of shares (March 31, 2022 -Nil).

52 Value of Imports on CIF basis- Nil (March 31, 2022-Nil).

53 Foreign exchange earnings - Nil (March 31, 2022 - Nil) and out go - Nil (March 31, 2022 - Nil).

54 All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2023 and March 31, 2022

The Company, as part of its normal business, grants loans and advances, makes investment, provides guarantees to and accept from its customers, other entities and persons. These transactions are part of Company's normal housing finance business, which is conducted ensuring adherence to all regulatory requirements. Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities,

55 including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate beneficiaries). The Company has also not received any fund from any parties (Funding party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the funding party ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

56 The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2023 and March 31, 2022.

57 There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

58 The Company does not possess any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the company during the financial year ended March 31, 2023 and March 31, 2022.

59 The Company has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2023 and March 31, 2022

60 No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2023 and March 31, 2022.

61 The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in the financial years ended March 31, 2023 and March 31, 2022.

62 The Company has not been undertaken any transactions with any company whose name is struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 in the financial years ended March 31, 2023 and March 31, 2022.

63 The company obtained registrations from other financial sector regulators.

Regulator	Registration Number
"Securities and Exchange Board of India (SEBI)"	959612
Legal Entity Identifier (LEI)	335800U9A1URKYV83571
Ministry of Corporate Affairs (MCA)	U65922AP2002PLC039417

64 There have been no events after the reporting date that require disclosure in these financial statements (March 31, 2022 Rs. Nil)

65 During the FY2022,the company has not entered into any Arrangements U/s 230-237 of The Companies Act,2013(Nil for FY2022)

66 The Company has not advanced loan/invested in a entities/other person (Intermediaries) with specific instruction to intermediaries to directly or indirectly lend or invest in /provide guarantee to other identified entities (ultimate Beneficiaries).

67 There were no instances of any Frauds reported During the FY2023.(Nil for FY2022)

IKF Home Finance Limited

Notes forming part of Financial Statements for the year ended Mar 31, 2023

(Amount in Lakhs unless otherwise stated)

68 Transactions with Non-Executive Directors

Name of Non-Executive Director	Transaction Type	As at March 31, 2023	As at March 31, 2022
Radhe Shyam Garg	Payment of Sitting Fees	3.90	3.90

69 The Company has 64 branches as at March 31, 2023 (38 branches as at March 31, 2022). The list of branches is given below

State	Branch
Andhra Pradesh	Anakapalli
Andhra Pradesh	Eluru
Andhra Pradesh	Guntur
Andhra Pradesh	Kakinada
Andhra Pradesh	Rajamundry
Andhra Pradesh	Tirupathi
Andhra Pradesh	Vijayawada
Andhra Pradesh	Vishakapnam
Andhra Pradesh	Vizianagaram
Gujarat	Ankleshwar
Gujarat	Central Baroda
Gujarat	Nadiad
Karnataka	Bangalore
Karnataka	Belgaum
Karnataka	Chandapura
Karnataka	Davangere
Karnataka	Devanahalli
Karnataka	Hubli
Karnataka	K R Puram
Karnataka	Mysuru
Karnataka	Peenya
Karnataka	Ramanagara
Karnataka	Tumkur
Maharashtra	Ahmednagar
Maharashtra	Aurangabad
Maharashtra	Dhule
Maharashtra	Jalgaon
Maharashtra	Jalna
Maharashtra	Kharadi
Maharashtra	Nasik
Maharashtra	Pimpri
Maharashtra	Pune
Maharashtra	Satara Road
Maharashtra	Solapur
Tamilnadu	Coimbatore
Tamilnadu	Erode
Tamilnadu	Namakkal
Tamilnadu	Nungambakkam
Tamilnadu	Pollachi
Tamilnadu	Salem
Tamilnadu	Sholinghur
Tamilnadu	Tiruppur
Tamilnadu	Vaniyambadi
Tamilnadu	Vellore
Telangana	Bhongir
Telangana	Chanda Nagar
Telangana	Dilsukhnagar
Telangana	ECIL
Telangana	Jagityal
Telangana	Karimnagar
Telangana	Khammam
Telangana	Kodad
Telangana	Kompally
Telangana	Kurnool
Telangana	L B Nagar
Telangana	Manchiryal
Telangana	Miryalaguda
Telangana	Nizamabad
Telangana	Sangareddy
Telangana	Siddipet
Telangana	Somajiguda
Telangana	Suryapet
Telangana	Vikarabad
Telangana	Warangal

70 The company has not revalued any of its Property, Plant and Equipment during the FY.

71 The unit has not defaulted in meeting its payment / repayment obligations to the lenders and has utilised the finance from the lenders for the specific purposes for which finance was availed.

72 During the current year, the company has taken borrowings from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements filed with banks or financial institutions are in agreement with the books of accounts

For K.S. Rao & CO.,
Chartered Accountants
Firm Reg No : 003109S

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

K. Vamsi Krishna
Partner
Membership No: 238809

Place: Vijayawada
Date: May 29, 2023

V Vasantha Lakshmi
Managing Director
DIN: 03610979
Place: Hyderabad
Date: May 29, 2023

Aravind J
Chief Financial Officer
Place: Hyderabad
Date: May 29, 2023

K.Vasumathi Devi
Director
DIN: 03161150
Place: Vijayawada
Date: May 29, 2023

Vishal Kumar Joshi
Company Secretary
M.No.A43209
Place: Hyderabad
Date: May 29, 2023

I. Disclosure as per Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021

a. (i) Capital to Risk Assets Ratio ('CRAR'):

Particulars	31 March, 2023	31 March, 2022
CRAR (%)	40.70%	48.10%
CRAR – Tier I Capital (%)	39.45%	46.85%
CRAR – Tier II Capital (%)	1.25%	1.25%
Amount of subordinated debt raised as Tier-II capital	-	-
Amount raised by issue of Perpetual Debt Instruments	-	-

(ii) Liquidity Coverage Ratio

Particulars	31 March, 2023	31 March, 2022
High Quality Liquid Assets		
1 Cash and Bank Balance	4,777.83	6,287.10
2 Investment in Government securities	-	-
3 Total High Quality Liquid Assets (HQLA)	4,777.83	6,287.10
Liquidity Coverage Ratio	1.8x	1.1x

b. Reserve Fund u/s 29C, of NHB Act 1987:

Particulars	31 March, 2023	31 March, 2022
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	724.23	474.12
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	-	-
c) Total	724.23	474.12
Addition/ Appropriation/ Withdrawal during the year		
Add:		
a) Amount transferred u/s 29C of the NHB Act, 1987	267.90	250.11
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	-	-
Less:		
a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from the special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	992.13	724.23
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	-	-
c) Total	992.13	724.23

c. Investments:

Particulars	31 March, 2023	31 March, 2022
Value of Investments		
(i) Gross value of investments		
(a) In India	-	-
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	-	-
(b) Outside India	-	-
Movement of provisions held towards depreciation on investments		
(i) Opening balance	-	-
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write-off/ Written-back of excess provisions during the year	-	-
(iv) Closing balance	-	-

d. Derivatives:

Forward Rate Agreement (FRA)/ Interest Rate Swap

Particulars	31 March, 2023	31 March, 2022
(i) The notional principal of Forward Rate Contracts and Swap agreements	7,618.46	7,500.00
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
(iii) Collateral required by the HFC upon entering into swaps	Nil	Nil
(iv) Concentration of credit risk arising from the swaps	The Company has entered into derivatives contract with the Schedule Commercial Banks	The Company has entered into derivatives contract with the Schedule Commercial Banks
(v) The fair value of the swap book	5.40	58.68

Exchange Traded Interest Rate (IR) Derivative

Particulars	31 March, 2023	31 March, 2022
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument wise)	-	-
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2023 (instrument wise)	-	-
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument wise)	-	-
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument wise)	-	-

Disclosures on Risk Exposure in Derivatives

A. Qualitative Disclosure

The Company has to manage various risks associated with the lending business. These risks include liquidity risk, exchange risk, interest rate risk and counterparty risk.

The rationale for hedging risk in case of the company is to reduce potential costs of financial distress by making the company less vulnerable to adverse market movements in interest rate, exchange rate etc. and also create a stable planning environment to avoid huge fluctuations on the financials of the company due to market movements.

B. Quantitative Disclosure

Particulars	Currency Derivatives	Interest Rate Derivatives
(i) Derivatives (Notional Principal Amount)	7,618.46	-
(ii) Marked to Market Positions	-	-
(a) Assets (+)	-	-
(b) Liability (-)	5.40	-
(iii) Credit Exposure	-	-
(iv) Unhedged Exposures	-	-

C. Movement in Cash flow hedge reserve are as follows

Particulars	31 March, 2023	31 March, 2022
Opening Balance	(55.33)	-
Credit/(Debit) in cashflow reserve	95.20	(55.33)
Closing Balance	39.87	(55.33)

e. Disclosures relating to Securitization:

The company has not entered into any securitization transaction during the year.

f. Details of assignment transactions undertaken:

Particulars		31 March, 2023	31 March, 2022
(i)	No. of accounts	330	198
(ii)	Aggregate value (net of provision) of accounts sold to SC/RC	4,545.47	2,401.47
(iii)	Aggregate consideration	4,043.43	1,911.84
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / loss over net book value	-	-

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

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

h. Asset Liability Management:

Maturity pattern of certain Assets and Liabilities as on March 31, 2023:

(Rs. In Lakhs)

Particulars	1 day to 7 days	8 to 14 days	15 days to 1 Month	Over 1 month & upto 2 Months	Over 2 month & upto 3 Months	Over 3 month & upto 6 Months	Over 6 month & upto 1 Year	Over 1 Year & upto 3 Year	Over 3 Year & upto 5 Year	Over 5 Years	Total
Liabilities											
Deposits											-
Borrowings from banks	126.59	-	631.29	427.10	551.86	1,876.40	3,872.86	14,172.96	8,916.27	3,588.32	34,163.65
Market Borrowings*	107.17	57.64	50.54	209.49	4,940.98	3,626.69	1,202.94	3,978.66	2,691.06	1,358.79	18,223.95
Foreign Currency Liabilities											-
Assets											
Advances	121.55	42.69	-	156.22	155.40	481.62	1,025.19	5,004.62	6,546.87	45,070.52	58,604.68
Investments											-
Foreign currency assets											-

*Market borrowings includes long term borrowings from parties other than banks and non-convertible debentures.

Maturity pattern of certain Assets and Liabilities as on March 31, 2022:

(Rs. In Lakhs)

Particulars	1 day to 7 days	8 to 14 days	15 days to 1 Month	Over 1 month & upto 2 Months	Over 2 month &	Over 3 month & upto 6 Months	Over 6 month & upto 1 Year	Over 1 Year & upto 3 Year	Over 3 Year & upto 5 Year	Over 5 Years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from banks	91.00		424.94	271.22	506.67	1,905.42	1,973.25	14,895.00	4,072.76	2,365.53	26,505.79
Market Borrowings	20.83	31.94	44.64	148.73	122.49	332.15	1,135.36	2,755.74	200.01	-	4,791.89
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	30.84	49.32	-	86.68	87.10	269.05	569.99	2,747.19	3,605.48	26,067.91	33,513.56
Investments	-	-	-	-	-	-	-	-	-	-	-
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-

i. Exposures

a) Exposure to real estate sector and capital market

(Rs. In Lakhs)

Category	31 March, 2023	31 March, 2022
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	18,006.53	10,433.85
- Others	40,598.15	23,079.71
Total	58,604.68	33,513.56
ii) Commercial Real Estate :		
Lending secured by mortgages on commercial real estates (offices, buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include Non-Fund Based (NFB) limits;	-	-
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures;		
a) Residential	-	-
b) Commercial Real Estate	-	-
Indirect Exposure		
Fund bases and Non-Fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFC's)		
Total Exposure to Real Estate Sector	-	-

b) Exposure to Capital Market:

Particulars	31 March, 2023	31 March, 2022
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	-
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds Advances for any other purposes where shares or convertible	-	-
(iii) Bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully Covered the advances	-	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
(vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for	-	-
(vii) Bridge loans to companies against expected equity flows / issues	-	-
(viii) All exposures to Venture Capital Funds/Alternate Investment Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market	-	-

c) Details of financing of parent company products

The Company does not have any exposure in financing of parent company products

d) 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.

e) Unsecured Advances- The company has not financed any unsecured advances against intangible securities such as rights, licenses, authority etc as collateral security.

f) Exposure to group companies engaged in real estate business

S.No.	Description	Amount (₹ in Lakhs)	% of Net owned fund
(i)	Exposure to any single entity in a group engaged in real estate business	-	-
(ii)	Exposure to all entities in a group engaged in real estate business	-	-

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

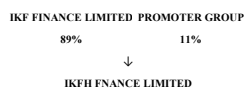
k. Disclosure of Penalties imposed by NHB and other Regulators

On 21 October 2020, the Company has received a notice for penalty of Rs 10,000 from NHB for non-compliance with the provisions of paragraph 29C of the Housing Finance Companies (NHB) Directions, 2010.

l. Related Party Transactions.

Details of the related parties, nature of the relationship with whom Company has entered transactions, remuneration of directors and balances in related party account at the year end, are given in Note no. 30. There were no material transaction with related parties and all these transactions with related parties were carried out in ordinary course of business at arm's length price.

m. Group Structure



n. Ratings assigned by credit rating agencies and migration of ratings during the year: -

Instrument	31 March, 2023	31 March, 2022
Non-Convertible Debentures	[CARE]A- (Stable) [BWR]A (Stable)	[CARE]A- (Stable) [BWR]A (Stable)
Term loans	[CARE]A- (Stable)	[CARE]A- (Stable)
Subordinate Debt	[CARE]A- (Stable)	[CARE]A- (Stable)
Cash Credit	[CARE]A- (Stable)	[CARE]A- (Stable)

o. Net Profit or Loss for the period, prior period items and changes in accounting policies

During the year,

- no prior period items occurred which has impact on Statement of Profit and loss,
- no change in Accounting policy,
- there is no withdrawal from reserve fund.

p. Revenue Recognition

There are no circumstances in which revenue recognition has been postponed by the Company pending the resolution of significant uncertainties.

q. Consolidated Financial Statements (CFS)

The Company does not have a Subsidiary, so Consolidated financial statements is not applicable.

r. Provisions and Contingencies (shown under the head expenditure in Statement of Profit and Loss)

Particulars	31 March, 2023	31 March, 2022
Provisions for depreciation on Investment	-	-
Provision towards NPA	203.93	133.46
Provision made towards Income tax		
i. Current Tax	255.77	253.24
ii. Deferred Tax	110.40	-
Other Provision and Contingencies (with details)	-	-
Provision for Standard Assets (with details like teaser loan, CRE, CRE-RH etc.)	513.26	386.70

s. Breakup of Loans and Advances and Provision thereon 31-03-2023

Particulars	Housing		Non-Housing	
	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022
Standard Assets				
a) Total Outstanding amount	40,635.15	26,448.59	17,418.92	6,746.47
b) Provision made *	353.00	374.12	160.26	121.26
Sub-Standard Assets				
a) Total Outstanding amount	214.16	74.79	87.62	105.24
b) Provision made *	53.54	28.04	21.90	39.47
Doubtful Assets				
a) Total Outstanding amount	73.00	36.98	176.00	101.50
b) Provision made *	16.96	13.87	111.52	52.09
Loss Assets				
a) Total Outstanding amount	-	-	-	-
b) Provision made	-	-	-	-
Total				
a) Total Outstanding amount	40,922.30	26,560.35	17,682.54	6,953.21
b) Provision made	423.50	416.03	293.68	212.81

*With the applicability of Ind AS 109, credit loss assessment is based on expected credit loss (ECL) model

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

t. Draw down from Reserves:

There has been no draw down from reserves during the year ended March 31, 2023.

u. Concentration of Advances, Exposures and NPAs:

(Amount Lakhs)

Particulars	31 March, 2023	31 March, 2022
Concentration of Public Deposits		
Total deposits to twenty largest depositors	-	-
(%) of deposits to twenty largest depositors to total deposits	-	-
Concentration of Advances		
Total advances to twenty largest borrowers	982.42	993.52
(%) of advances to twenty largest borrowers to total advances	1.68%	2.96%
Concentration of Exposures		
Total exposure to twenty largest borrowers/customers	982.42	993.52
(%) of exposure to twenty largest borrowers/customers to total exposure	1.68%	2.96%
Concentration of NPAs		
Total exposure to top ten NPA accounts	309.15	265.80

v. Sector-wise NPAs

Particulars	31 March, 2023		31 March, 2022	
	Rs.	%	Rs.	%
Housing Loans				
Individuals	287.29	52.18%	111.76	35.09%
Builders/Project loans	-	-	-	-
Corporates	-	-	-	-
Others (specify)	-	-	-	-
Non-Housing Loans				
Individuals	263.32	47.82%	206.74	64.91%
Builders/Project loans	-	-	-	-
Corporates	-	-	-	-
Others (specify)	-	-	-	-

w. Movement of NPAs

Particulars	31 March, 2023		31 March, 2022	
(i) Net NPAs to Net Advances (%)		0.59%		0.55%
(ii) Movement of NPAs (Gross)				
(a) Opening balance		318.51		178.92
(b) Additions during the year		309.48		190.47
(c) Reductions during the year (incl. loans written off)		77.38		50.88
(d) Closing balance		550.61		318.51
(iii) Movement of Net NPAs				
(a) Opening balance		185.04		123.01
(b) Additions during the year		235.77		112.92
(c) Reductions during the year		74.14		50.88
(d) Closing balance		346.68		185.04
(iv) Movement of provisions for NPAs				
(a) Opening balance		133.46		55.91
(b) Provisions made during the year		73.71		77.55
(c) Write-off/ write-back of excess provisions		3.25		-
(d) Closing balance		203.93		133.46

- x. Oversea Assets- Nil
y. Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms) - Nil
z. Customer Complaints

Particulars		For the year ended 31 March, 2023	For the year ended 31 March, 2022
(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	-	-

- za. A comparison between provisions required under Income recognition, asset classification and provision norms (IRACP) and impairment allowances made under IND AS 109

(Rs. in Lakhs)

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5=(3)-(4)	6	7=(4)-(6)
Standard	Stage 1	57,244.35	443.83	56,800.52	230.58	213.25
	Stage 2	819.62	69.44	750.18	3.27	66.16
Subtotal		58,063.96	513.26	57,550.70	233.85	279.42
Non-Performing Assets (NPA)						
Substandard	Stage 3	291.88	72.97	218.91	44.47	28.50
Doubtful - up to 1 year	Stage 3	157.17	39.29	117.87	63.61	-24.32
1 to 3 years	Stage 3	91.67	91.67	-	37.26	54.41
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		248.83	130.96	117.87	100.88	30.08
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		540.71	203.93	336.78	145.35	58.58
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income recognition, asset classification and provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal						
Total	Stage 1	57,244.35	443.83	56,800.52	230.58	213.25
	Stage 2	819.62	69.44	750.18	3.27	66.16
	Stage 3	540.71	203.93	336.78	145.35	58.58
	Total	58,604.68	717.19	57,887.48	379.19	338.00

- zb. The Company does not have any outstanding loan against gold jewellery as at March 31, 2023.

Particulars			(₹ in lakhs)	
Liabilities side			Amount outstanding	Amount overdue
(1)	Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:			
	(a)	Debtures : Secured	7,802.00	
		: Unsecured (other than falling within the meaning of		
	(b)	Deferred Credits		
	(c)	Term Loans	44,183.00	
	(d)	Inter-corporate loans and borrowing		
	(e)	Commercial Paper		
	(f)	Public Deposits*		
(g)	Other Loans (specify nature)	402.00		
* Please see Note 1 below				
(2)	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):			
	(a)	In the form of Unsecured debtures		
	(b)	In the form of partly secured debtures i.e. debtures where there is a shortfall in the value of security		
	(c)	Other public deposits		
* Please see Note 1 below				
Assets side			Amount outstanding	
(3)	Break-up of Loans and Advances including bills receivables			
	(a)	Secured		58,682.72
(b)	Unsecured		200.00	
(4)	Break up of Leased Assets and stock on hire and other assets			
	(i)	Lease assets including lease rentals under		
		(a)	Financial lease	
	(b)	Operating lease		
(ii)	Stock on hire including hire charges under			
(iii)	(a)	Assets on hire		
		Repossessed Assets		
	(b)	Other loans counting towards asset		
		Loans where assets have been		
(b)	Loans other than (a) above			

(5)	Break-up of Investments					
	Current Investments					
	1.	<u>Quoted</u>				
		(i)	Shares			
			(a) Equity			
			(b) Preference			
		(ii) Debentures and Bonds				
		(iii) Units of mutual funds		12		
	(iv) Government Securities					
	(v) Others (please specify)					
	2.	<u>Unquoted</u>				
		(i)	Shares			
			(a) Equity			
			(b) Preference			
		(ii) Debentures and Bonds				
		(iii) Units of mutual funds				
	(iv) Government Securities					
	(v) Others (please specify)					
	Long Term investments					
	1.	<u>Quoted</u>				
(i)		Share				
		(a) Equity				
		(b) Preference				
(ii) Debentures and Bonds						
(iii) Units of mutual funds						
(iv) Government Securities						
(v) Others (please specify)						
2.	<u>Unquoted</u>					
	(i)	Shares				
		(a) Equity				
		(b) Preference				
	(ii) Debentures and Bonds					
	(iii) Units of mutual funds					
(iv) Government Securities						
(v) Others (please specify)						
(6)	Borrower group-wise classification of assets financed as in (3) and (4) above:					
	Category		Amount net of provisions			
			Secured	Unsecured	Total	
	1.	Related Parties **				
		(a)	Subsidiaries			
		(b)	Companies			
	(c)	Other related parties				
2.	Other than related parties					
Total						
(7)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) : (Please see Note 3 below)					
	Category		Market Value / Break up or fair	Book Value (Net of Provisions)		
	1.	Related Parties **				
		(a)	Subsidiaries			
		(b)	Companies in the same group			
		(c)	Other related parties			
	2.	Other than related parties				
Total						
** As per applicable Accounting Standard (Please see Note 3)						
(8)	Other information					
	(i)	Particulars		Amount		
		Gross Non-Performing Assets				
	(a)	Related parties				
	(b)	Other than related parties		540.71		
	(ii)	Net Non-Performing Assets				
(a)		Related parties				
(b)	Other than related parties		336.78			
(iii)	Assets acquired in satisfaction of debt					
Notes:						
1.	As defined in Paragraph 4.1.30 of these Directions.					
2.	Provisioning norms shall be applicable as prescribed in these Directions.					
3.	As per applicable Accounting Standards including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market					

For K.S. Rao & CO.,
Chartered Accountants

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

Firm Reg No : 003109S

K. Vamsi Krishna
Partner
Membership No: 238809

V Vasantha Lakshmi
Managing Director
DIN: 03610979
Place: Hyderabad

K.Vasumathi Devi
Director
DIN: 03161150
Place: Vijayawada

Place: Vijayawada
Date: May 29, 2023

Date: May 29, 2023

Date: May 29, 2023

Aravind J
Chief Financial Officer
Place: Hyderabad
Date: May 29, 2023

Vishal Kumar Joshi
Company Secretary
M.No.443209
Place: Hyderabad
Date: May 29, 2023