

November 26, 2021

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

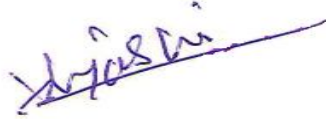
Dear Sir/Madam,

Sub.: Submission of AGM Notice & Annual Report for the year ended on March 31, 2021

Pursuant to Regulation 53 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the AGM Notice & Annual Report along with the Auditors Report and Audited Financials thereof for the year ended on March 31, 2021. 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

Encl: a/a

IKF HOME FINANCE LIMITED

(Formerly Known as IKF Home Finance Private Limited)

19th Annual Report 2020 - 2021

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. Sreepal GulabChand Jain : Chief Financial Officer
3. Mr. Vishal Kumar Joshi : Company Secretary

Senior Executives

1. Mr. S. Aryendra Kumar : ED
2. Mr. Anand Srinivasan : Business Head
3. Mr. Sunil Kumar Pradhan : Head Operations
4. Mr. CH. Lakshmikanth : Head Risk & Credit Compliance
5. Mr. N. Jagan Mohan Reddy : Credit Head (TS)
6. Mr. Manoj Bhaskaran : Credit Head (MH, Guj)
7. Mr. Mohan Naidu : Credit Head (AP, KA, TN)
8. Mr. Balla Karunakar Reddy : AVP Collections
9. Mr. Krishna Teja : Finance & Accounts Head

Board Committees

Audit Committee:

1. Mr. Radhey Shyam Garg
2. Mr. Purna Chandra Rao Vankineni
3. Mrs. Vasumathi Devi Koganti

IT Strategy Committee

1. Mrs. Vupputuri Vasantha Lakshmi,
2. Mr. Radhey Shyam Garg

Management Committee

1. Mrs. Vupputuri Vasantha Lakshmi,
2. Mr. Vupputuri Gopala Kishan Prasad
3. Mr. Purna Chandra Rao Vankineni

**Customer Service and Grievance
Redressal Committee**

1. Mrs. Vupputuri Vasantha Lakshmi
2. Mr. Sunil Kumar Pradhan
3. Mr. Anand Srinivasan

Nomination & Remuneration Committee:

1. Mr. Vupputuri Gopala Kishan Prasad
2. Mr. Purna Chandra Rao Vankineni
3. Mr. Radhey Shyam Garg

**Asset Liability Management, Asset Classification & Risk
Management Committee:**

1. Mr. Vupputuri Gopala Kishan Prasad
2. Mrs. Vupputuri Vasantha Lakshmi
3. Mrs. K. Vasumathi Devi

Share Transfer Agents:

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

Statutory Auditors:

Kondepati & Co.,
Chartered Accountants
Door No 74-12/2-1/5/A Siri Jewels Apartments
GF-1, V.V. Rama Rao Road No:3, New RTC Colony,
Vijayawada – 520 007, Andhra Pradesh, India

Internal Auditors

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

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

Trustee for Debentures

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

Catalyst Trusteeship Limited
(Erstwhile GDA Trusteeship Limited)
Address: Windsor, 6th floor, Office No.604,
C.S.T. Road, Kalina, Santacruz (East) Mumbai
400098

Catalyst Trusteeship Limited
(Erstwhile GDA Trusteeship Limited)
Address: Windsor, 6th floor, Office No.604,
C.S.T. Road, Kalina, Santacruz (East) Mumbai 400098

Bankers:

The Federal Bank Limited
The South Indian Bank Limited
AU Small Finance Bank Limited
DCB Bank Ltd
Jana Small Finance Bank
Utkarsh Small Finance Bank

Beacon Trusteeship Limited
4C&D Sidhivinayak Chambers, Gandhi
Nagar, Opp MIG Cricket Club, Bandra
(EAST),
Mumbai - 400051

Corporate Office:

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

Registered Office:

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

**Corporate Identity Number :
U65922AP2002PLC039417**

19th Annual General Meeting

Date : November 29th, 2021
Time : 11.00 AM
Day : Monday
Venue : Registered Office of the Company
40-1-44, 01st Floor, Corporate Centre,
M.G. Road, Vijayawada- 520 010
Krishna District, Andhra Pradesh, India

NOTICE

SHORTER NOTICE IS HEREBY GIVEN THAT THE 19TH ANNUAL GENERAL MEETING OF IKF HOME FINANCE LIMITED WILL BE HELD ON MONDAY, THE 29TH DAY OF NOVEMBER 2021, AT 11.00 A.M. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT # 40-1-44, CORPORATE CENTRE, M.G. ROAD, VIJAYAWADA- 520 010, ANDHRA PRADESH, INDIA TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

- 1. To receive, consider, approve and adopt the audited Financial Statements for the financial year ended 31st March, 2021 together with the Reports of the Directors and Auditors thereon for the year ended 31st March, 2021 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 2021 together with the reports of the auditors and directors thereon of the Company for the year ended 31st March 2021 be and are hereby received, considered, approved and adopted”

- 2. To Appoint a Director in place of Mrs. K. Vasumathi Devi. (DIN: 03161150) as director of the company, liable to retire by rotation and being eligible offers herself for re-appointment.**

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

Special Business: -

- 3. To Consider and if thought fit, to pass the following resolution as a special Resolution.**

Increase the Overall Managerial Remuneration of Mrs. V. Vasantha Lakshmi

“**RESOLVED THAT** in accordance with the Provisions of Section 197 of the Companies act, 2013 as amended by the Companies (amendment) Act, 2017, read with Schedule V and Other Applicable Provisions, if any, of the Companies Act, 2013 and the rules made there under (Including any Statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendation of Nomination and Remuneration Committee, Approval of the Members of the Company be and is hereby accorded to increase the Managerial Remuneration of Mrs. V. Vasantha Lakshmi payable by the Company in respect of any financial year upto 20% (Twenty Percent) of the Net Profit of the Company Computed in the manner laid down in section 198 of the Companies Act, 2013.

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to take such steps and to do all other acts, deeds and things as may be necessary or desirable to give effect to this resolution”

- 4. To Consider and if thought fit, to pass the following resolution as a special Resolution.**

Approval to Continue Appointment of Mr. VGK Prasad, who is above 70 years.

“**RESOLVED 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 re-enactment thereof, for the time being in force), consent of the Company be and is hereby accorded for the continuation of the appointment of as Mr. VGK Prasad a Director designated as on the same terms of appointment and remuneration as approved by the shareholders at the 18th Annual General Meeting of the Company held on 05th October, 2020.”

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

Place: Vijayawada
Date : 26.11.2021

Vishal Kumar Joshi
Company Secretary – M.no A 43209

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. K.Vasumathi Devi	Mr. V.G.K Prasad
DIN	03161150	01817992
Date of Birth	09.05.1975	02.09.1947
Date of first Appointment on the Board	20.07.2017	05.08.2002
Age	46 Years	73 Years
Qualification	Bachelor of Engineering & MBA (Global Management , USA)	Graduate
Experience	Mrs. Vasumathi, is a BE (Electronics & Communications) and an MBA (Global Management, USA) having nine years of working experience in IT and Telecommunications in several US Companies. She has been associated with the Company since 2007.	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	Liabile to Retire by Rotation	Liabile to Retire by Rotation
Remuneration sought to be paid	Nil	Nil
Remuneration last drawn	Nil	Nil
Relationship with other director/Manager and other KMP	<ol style="list-style-type: none"> 1. Sister of Mrs. V. Vasantha Lakshmi. (Managing Director) 2. Daughter of Mr. VGK Prasad, (Director) 	Father of Mrs. V. Vasantha Lakshmi & K. Vasumathi Devi
No of Meeting of the Board Attended during the FY-2020-21	5	10
No of Shares held in the Company	01 No of Share fully paid up Share of the Company 697,312 No of Shares Partly paid Rs. 5 Paid up.	4,737,881
Directorships of other Board	3	3
Membership/Chairmanship of Committees of other Board	4	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

To Increase the Overall Managerial Remuneration and in this regard to Consider and if thought fit, to pass the **Special resolution.**

As per Section 197 of the Companies Act, 2013 as amended from time to time total Managerial Remuneration payable by the Company to its Directors, including Managing Director and Whole time Director and its Manager in the respect of any financial year may exceed 11 % (Eleven Percent) of the Net Profits of the Company calculated as per the Section 198 of the Companies Act, 2013, Provided that the same has been approved by the Shareholders of the Company by way of Ordinary Resolution/Special Resolution.

Pursuant to the Recommendation of Nomination & Remuneration Committee, the Board of Directors of the Company in its meeting Held 13.11.2021 recommended to increase in overall limit of Managerial Remuneration payable to Mrs. V. Vasantha Lakshmi, Managing Director by the Company upto 20% of the net Profit of the Company computed in the manner laid down in Section 198 of the Companies Act, 2013.

Accordingly, the Board Recommends the Special Resolutions set out at Item No 03 for Approval of Members. Except Mrs. V. Vasantha Lakshmi, Managing Director none of the Other Directors or Key Managerial personnel of the Company including relatives are Concerned or interested in the Resolution, Financially or Otherwise, Except to the extent of their Shareholding, if any, in the Company.

Item No.4

Mr. VGK Prasad was appointed as Director of the Company by the members at the 18th Annual General Meeting held on 05th October, 2020. He has attained the age of 70 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 approved by members earlier in October 5, 2020. Hence a Special Resolution is proposed at Item No. 4 of the Notice. Mr. VGK 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. VGK Prasad as Director of the Company. Mr. VGK Prasad is a Bachelor of Science. He has guided the Company through decades of diversification and growth.

Mr. VGK Prasad and his relative Mrs. V. Vasantha Lakshmi and Mrs. K. Vasumathi Devi 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

Vishal Kumar Joshi
Company Secretary
M. No A43209

Place: Vijayawada
Date: 26.11.2021

HIGHLIGHTS

(Amount in Rs. Crores)

	2020-21	2019-20
OPERATIONAL HIGHLIGHTS	Ind AS	
Approvals	105.88	132.93
Disbursements	95.23	114.01
Loans outstanding	186.46	139.35
Loans under Management (including assets sold)	288.20	228.32
FINANCIAL HIGHLIGHTS		
Paid-up capital	41.11	41.11
Reserves and surplus	17.72	8.64
Net-worth	58.83	49.76
Total borrowings (Including Fixed Deposits)	159.16	95.64
Fixed Deposits	0	0
Profit before tax	11.96	10.04
Profit after tax (before exceptional item)	9.05	7.94
Profit after tax (after exceptional item)	9.05	7.94
Total Comprehensive Income for the period comprising Profit and other comprehensive income for the period	9.07	7.95
Dividend (%)	0	0
Dividend (including tax) - Amount in Crore	NA	NA
Return on average net worth (%)	16.67%	17.35%
Book value (₹)		
Earnings per share (₹)	2.20	2.02
Capital Adequacy Ratio (%)	48.08%	47.96%
Cost-to-income ratio (%)	70.25%	74.73%
Gross non-performing loans (%)	0.94%	0.98%
Net non-performing loans (%)	0.65%	0.59%

Directors' Report

To
The members of
IKF Home Finance Limited

Your Directors have pleasure in presenting the 19th Annual Report together with the Audited Accounts for the financial period ended on 31st March, 2021. The summarized financial results of the Company are as given hereunder:

Financial Results:

(Amount in Rs.Crores)

	Year ended 31st March 2021	Year ended 31st March 2020
Income from Operations	39.80	39.17
Other income	0.41	0.54
Total Revenue	40.21	39.72
Less: Total Expenses	28.25	29.68
Profit Before Tax	11.96	10.04
Profit After Tax before Exceptional Item	9.05	7.94
Exceptional Item	0	0
Profit After Tax after Exceptional Item	9.05	7.94
Other comprehensive income	0.02	0.01
Total Profit & Other comprehensive income	9.07	7.95
Add: Balance brought forward from the previous year	6.83	(0.20)
Amount available for appropriation	15.90	7.74

Appropriations	(Amount in Rs.Crores)	
	Year ended 31st March 2021	Year ended 31st March 2020
Transfer to Special Reserve under Section 36(1)(viii) of the Income-tax Act, 1961	0	0.27
Transfer to Special Reserve relating to earlier years	0	0
Transfer to Additional Reserve under Section 29C of National Housing Bank Act, 1987	3.34	0.91
Transfer to COVID Reserve (net of deferred tax)	0	0
Other Comprehensive Income	0.02	0.01
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
Transfer to General Reserve	0	0
Surplus carried to the Balance Sheet	12.57	6.83
Total	17.72	8.64

*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 2021 since it is proposed to retain the same in the business.

Review of Financials:

Gross income of the Company during the year ended 31st March 2021 amounted to Rs. 40.21 crore, as against Rs. 39.71 crore in the previous year. Profit before tax was Rs 11.96 crore, as against to Rs. 10.04 Crore in the previous year. profit after tax for the year was Rs. 9.05 Crore as compared to Rs. 7.94 Crore in the previous year. The Company’s net worth stood at Rs. 58.83 crore as on 31st March 2021 as compared to Rs. 49.76 Crores in the previous Year. As on date of 31st March 2021, the regulatory capital adequacy ratio (CRAR) was 48.08%, 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, 2021, the Company’s outstanding term loans/CC from banks stood at 159.16 Crore as compared to 95.64 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, 2021 was Rs. 95.22 Crore.

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

NHB Refinance:

During the year, the company obtained fresh refinance of Rs. 24.20 Crore from National Housing Bank (NHB) of which Rs. 4.2 Crore is by way of Special Liquidity and repaid Rs. 2.19 Crore of Refinance.

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 2021-22.

Reserves:

The Company has transferred an amount of Rs.3.34 Crore to the statutory reserve as per the requirement of the section 29 C of National Housing Bank Act, 1987 and section 36(1)(viii) of the Income Tax Act, 1961.

Changes in Share Capital:

During the period under review, there is no change the share capital of the Company

Capital Adequacy Ratio:

As per the Non-Banking Financial Company- Housing Finance Company (Reserve Bank) Directions, 2021 prescribed by the Reserve Bank of India (“RBI”) for Housing Finance Companies, your Company, being a Housing Finance Company (“HFC”), was required to maintain a minimum Capital Adequacy Ratio (“CAR”) of 14% on or before March 31, 2021, and 15% on or before March 31, 2022, on a stand-alone basis, of which the Tier- I capital, at any point of time, shall not be less than 10% and Tier-II capital, at any point of time, shall not exceed 100% of Tier-I capital.

The Company’s total CRAR stood at 48.08% for the financial year ended March 31, 2021

Applicable Regulatory Guidelines

The Company is registered as a Non- Deposit Taking Housing Finance Company under Section 29A of the National Housing Bank Act, 1987.

Regulatory Directions Applicable to the Housing Finance Companies (“HFCs”):

In August 2019, the Government of India conferred the authority of regulation of HFCs to the Reserve Bank of India (“RBI”) from National Housing Bank (“NHB”). However, the NHB continues to carry out supervision of HFCs.

In exercise of powers conferred under National Housing Bank Act, 1987, and Reserve Bank of India Act, 1934, and in supersession of relevant regulations issued by the NHB, in October 2020, the RBI issued various regulatory instructions to the HFCs in supersession of the corresponding regulations by NHB. The objective of these regulatory instructions was to facilitate regulatory transition in a phased manner with least disruption.

Subsequently, on February 17, 2021, the RBI issued revised regulatory framework and the Non-Banking Financial Company- Housing Finance Company (Reserve Bank) Directions, 2021 (“RBI HFC Directions”) for HFCs, repealing various instructions/ guidelines/ circulars issued by the NHB in the past.

The Company has been taking requisite actions to comply with the applicable regulatory requirements/ directions and the regulatory/ supervisory instructions received, from time to time. Key regulatory requirements/ directions and regulatory/ supervisory instructions are also placed before the Board of Directors at regular intervals to update the members on the requirements and status of the compliance of the same.

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

S.No	Loan Approved	Loan Disbursement
HL	78.66	71.04
LAP	27.22	24.18
Total	105.88	95.23

The Company approved loans totaling 105.88 crores during the year, as compared to corresponding figure of 132.93 crores in FY20. Disbursements during the year amounted to `95.23 crore as against `114.01 crore in FY20,

The average size of home loans disbursed to individuals during the year was 14.59 lakhs.

Accounts continuing default for more than 90 days) amounted to `1.82 crore as on 31st March 2021 which constituted 0.94% of the total loans as against 0.98% of Total Loans a Last year. Net NPA after provisioning were 0.65%, as against 0.59% last year.

Your Company's performance for the year ended March 31, 2021 continues to be encouraging and has registered a Gross Revenue of Rs.40.21 Cr as against Rs. 39.72 Cr and Net Profit was increased to Rs.9.05 Cr from Rs.7.94 Cr for the corresponding previous year. During the year, the Loan Book has grown from Rs.228.32 Cr to 288.20 Cr.

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.

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, 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 2020-21, there were no instances of frauds that are required to be reported by the Statutory Auditors with respect to Sub-Section 3(ca) of Section 134 of the Companies Act, 2013.

Corporate Governance

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

The Company is adhered to Comply with the Guidelines as mandated by the Reserve Bank of India (RBI)/ National Housing Bank (NHB) to all the Housing Finance Companies. The Board regularly reviews the Management's reports on statutory and regulatory compliances. A detailed report on Corporate Governance forms part of the Annual Report.

Management's Discussion and Analysis:

ECONOMIC SCENARIO

During FY2020-21, COVID-19 pandemic unleashed a once-in-a-lifetime crisis on the global economy. The pandemic also hugely impacted Indian economy and led to psychological, physical, financial, professional suffering for the people and impacted almost all sections of the economy. Thereafter, second wave of the COVID-19 pandemic started in March 2021. By April and May, 2021, most of the country was reeling under the devastating effect of the second wave. It was deadlier than the first wave and caused more deaths. However, as the latest restrictions have been more targeted, localised and less stringent, it is assessed that the overall economic effect of the second wave would be softer than that during the first wave of pandemic last year, although delivery of and access to vaccines will determine the durability of recovery. Further, this time, consumers and businesses have been better prepared and could adapt better to such lockdowns & restrictions.

The Union Budget presented in January 2021 had estimated the Indian economy to grow by 10.5% in FY 2021-22. This, however, may be impacted due to the second wave of COVID -19 infections which did impact economic activity and the financial sector. As per the provisional estimates of national income released by the National Statistical Office (NSO) on May 31, 2021, India's real Gross Domestic Product (GDP) contraction is estimated at 7.3 per cent for FY2020-21, the first contraction since 1980 -81 and the severest since national accounts have been compiled in India.

The Government of India ("GoI") and the RBI took several measures in FY 2020-21 and in during first quarter of the FY 2021 -22 to support the economy over the crisis and to ensure availability of sufficient liquidity in the system. As such, the total liquidity support announced by RBI since February 6, 2020 up to March 31, 2021, amounted to ₹13.6 lakh crore. Some of such steps taken were as under:

- (i) RBI announced a regulatory package and provided a window to banks, Non - Banking Finance Companies (NBFCs), Housing Finance Companies (HFCs) etc. ("lenders") to grant moratorium up to 6 months from March 2020 to August 2020.
- (ii) Additional credit was provided to the lenders through measures like Targeted Long Term Repo Operation (TLTRO). The same is, currently, available till September 30, 2021.
- (iii) The GoI launched Emergency Credit Line Guarantee Scheme ("ECLGS") of up to ₹3 lakh crore on collateral-free fresh loans to Micro, Small & Medium Enterprises ("MSMEs").
- (iv) NHB was provided funds of ₹15,000 crore in FY 2019-20 and ₹10,000 crore in FY 2021- 22 for onward lending including special refinance facilities.
- (v) The RBI, in FY 2020-21 as well as in FY 2021-22, provided a window to the lenders so that they could do one-time resolution to borrowers without impacting the asset classification of such borrowers.
- (vi) The GoI had announced a scheme for COVID-19 Relief by grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts.

Housing Finance Sector

The slowdown in the housing market witnessed even before the onset of the pandemic bottomed out in Q1, FY2020 -21. During Q3 and Q4 of FY2020 -21, residential housing property registration and sales across major cities exceeded their pre-pandemic average levels. This was largely aided by:

- (a) Stamp duty cuts by some states.
- (b) Unmet demand during the COVID-19 related restrictions in the first half year, FY2020 - 21.
- (c) Moderation in interest rates.

In last one decade or so, the Affordable Housing Finance ("AHF") segment has witnessed good amount of traction and many new HFCs ("AHF HFCs") have been established with primary objective to fulfil housing credit needs of first-time borrowers or other eligible borrowers from Economically Weaker Section (EWS), Low Income Group (LIG) and lower earning segment of Middle-Income Group (MIG). Traditionally, most of the larger HFCs/ lenders did not cater to this segment. However,

lately, even bigger lenders have been trying to get into AHF segment by setting up dedicated verticals focused on the AHF segment.

It may be pertinent to note that, since September 2018, fund flow to the NBFC/ HFC sector had slowed down due to increased risk perception for the sector. Consequently, the lending entities which were largely dependent on banks and larger HFCs for meeting their funding requirement were severely impacted and their business growth tapered. The growth further slowed down further in the FY2020 - 21 due to onslaught of COVID 19 pandemic and consequent lockdown. The pandemic and consequent containment measures not only impacted business origination but also impacted collections and customer service. It has also impacted earnings and savings of the target borrowers' segment (largely self-employed and middle-to-low-income borrowers) of the AHF segment, leading to the deferment of home purchases by such borrowers and slackness in business activities/ consumption.

Nonetheless, in last many years, the portfolio of AHF HFCs have grown much faster than the overall HFC portfolio, aided by the lower base and support from the Government's thrust on its "Housing for All" scheme. The same substantially slowed down in FY 2020 -21 but remained higher than overall HFCs supported by robust demand and liquidity support from NHB and banks. This has led to a growth of almost 8% for AHF HFCs in the first 9 months of FY 2020-21. During FY2020-21, the overall growth rate for the AHF HFCs is expected to be around 8-10% against 18% during FY 2019-20 and much higher before that.

Even though, the second wave of COVID 19 pandemic in FY 2021-22 has posed challenges again and is likely to impact the recovery process and create new uncertainties for the business but, overall, domestic monetary/ financial/ regulatory initiatives and fiscal & political efforts have remained highly accommodative and supportive of economic activities. It is expected that the vaccination process will be accelerated further in future and the same would aid in normalising the economic activity sooner. Accordingly, we expect that growth for the Housing Finance sector, especially AHF segment, should be better in FY 2021 -22 than that in FY 2020-21.

Regulatory updates by National Housing Bank and Other regulators

Major regulatory changes

After taking over regulation of HFCs from the NHB, the RBI issued revised regulatory framework and the Non-Banking Financial Company- Housing Finance Company (Reserve Bank) Directions, 2021 for HFCs on February 17, 2021. The major changes included the following:

- i) Classification of an HFC as a category of NBFC.
- ii) Principal Business Criteria prescribed to qualify for HFCs.
- iii) Increase in Minimum Net Owned Fund required for an HFC from ₹10 crore to ₹20 crore.
- iv) Introduction of Liquidity Risk Management Framework and Outsourcing guidelines for HFCs.

The above regulatory developments are expected to bring more robustness and stability in the housing finance sector business and are unlikely to be detrimental for the Company in any case.

Opportunities and Threats

Housing is a basic human need, and, in India, its demand is likely to grow steadily due to the following factors:

- (i) Housing shortage/ low mortgage penetration.
- (ii) Favourable demographic profile.
- (iii) Increasing disposable income.
- (iv) Increasing aspirational population.
- (v) Government support in the form of tax sops and subsidies.

Due to the COVID-19 pandemic and resultant economic slow-down, overall credit markets are likely to grow slowly, and the returns/ profitability in this sector is likely to be impacted. For non-banking lenders like the Company, the following parameters will be important to watch:

- (a) Access to adequate funds at appropriate pricing.
- (b) Collection and recovery.
- (c) Sourcing of new business.
- (d) Cost management and efficiency of business.

It is expected that, subject to recovery of the economy from COVID -19 pandemic, demand/ growth in the housing finance sector including AHF segment will move-up further due to the following reasons:

- (a) In comparison to developed and other developing countries, the mortgage penetration in India as 'Mortgage to GDP ratio' is around 10% which is quite low.
- (b) Urbanisation is increasing and nuclear families are on rise.
- (c) The GoI has continued to focus on the affordable housing sector by extending the additional income tax deduction of up to Rs.1.5 lakh for interest paid on loans taken for the purchase of an affordable house till March 31, 2022, and, thereby, supporting demand in the AHF category.
- (d) On the supply side, the GoI has acted favourably by extending the tax holiday currently available to developers of affordable housing projects by one more year.
- (e) The GoI has continued to promote the affordable/ low- income housing segments with schemes like Pradhan Mantri Awas Yojna, Credit Linked Subsidy Scheme ("CLSS") for the EWS and LIG segments.

Segment-wise/ Product-wise Performance and Discussion on Financial Performance with respect to the Company's Operations

- (a) Sanctions and Disbursement

During the year the Company has sanctioned total loans to the tune of ₹105.88 crore as against total sanction of ₹121.96 crore during previous year. Further, loans to the tune of ₹95.23 crore have been disbursed during the current year as against total loans of ₹114.01 crore during previous year.

- (b) Housing Loans and Non- Housing Loans

Housing loans outstanding as on March 31, 2021 are ₹144.81 crore as against ₹89.58 as on March 31, 2020. Non-housing loans outstanding as on March 31, 2021 are ₹48.68 crore as against ₹55.43 crore as on March 31, 2020.

- (c) Income, Expenditure and Profits

During the year, the Company has earned a total income of ₹40.21 Crore as compared to 39.72 Crore in the previous year, recording a growth of 1.25%. Total expenses, provisions during the year were ₹28.25 Crore as compared to ₹29.68 Crore in the previous year, During the year, the Company has earned pre-provisioning operating profit (PPOP) of ₹29.39 Crore as compared to ₹33.75 Crore in the previous year, The net profit after tax for the year was ₹9.05 Crore as compared to ₹7.94 Crore in the previous year, Recording a growth of 14.04%.

- (d) Net Owned Fund and Capital Adequacy

Net owned fund of the Company stood at ₹53.10 crore as on March 31, 2021 (previous year 47.94 crore). The Company's total CRAR stood at 48.08% for the financial year ended March 31, 2021 (previous year 47.96%).

- (e) Income Recognition, Asset Classification and Provisioning

The Company has made provisions as per ECL model prescribed under Ind AS 109 for impairment on financial instruments. The Company has made a total provision of ₹1.14 Crore during the year.

(f) Borrowings including NHB Refinance

As on March 31, 2021, the Company's outstanding term loans/CC from banks stood at 159.16 Crore as compared to 95.64 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, 2021 was Rs. 95.22 Crore.

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

Details of Listed Non-Convertible Debentures

S.No	Instrument	Date of Issue	Allottee	Amount	Tenure
01	Non-Convertible Debenture	12.06.2020	Bank of Maharashtra	200,000,000	36 Months
02	Non-Convertible Debenture	29.06.2020	Union Bank of India	250,000,000	36 Months
03	Non-Convertible Debenture	23.07.2020	Canara Bank	100,000,000	36 Months
04	Non-Convertible Debenture	31.07.2020	Bank of Baroda	250,000,000	36 Months
05	Non-Convertible Debenture	31.07.2020	Indian Bank	100,000,000	36 Months
Total				900,000,000	

NHB Refinance:

During the year, the company obtained fresh refinance of Rs. 24.20 Core from National Housing Bank (NHB) of which Rs. 4.2 Crore is by way of Special Liquidity and repaid Rs. 2.19 Crore of Refinance.

Outlook

The Company, considering the following facts, is well - placed to grow at a robust pace:

- (i) Well capitalised balance with good equity support from its promoters.
- (ii) The Company has good mix of funding resources/ borrowings from multiple banks/lenders. The Company also has adequate pipeline of Credit Facilities.
- (ii) Well qualified and experienced professional management- The Company's management team has a strong execution track record with domain expertise in the Housing Finance business. The management team is young, well qualified and agile with high degree of professional competency.
- (iii) The Company has adopted best practices, robust risk management framework, effective governance structure, requisite policies and processes under overall guidance of a highly qualified and experienced Board of Directors.
- (v) The Company has invested in efficient technology.

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, 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.

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 organisational 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 185 full time employees on its rolls, as on March 31, 2021.

Resource Mobilization:

Deposits:

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

Term Loans Including NHB Refinance:

Your Company has mobilized Term Loan of Rs.131.2 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.159.16 Cr, of which borrowings from Banks constituted 19.97%, borrowings from Financial Institutions and Other 80.03 %, 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 48.08 % as on 31.03.2021, well above the minimum of 15% prescribed by the National Housing Bank, of which Tier I Capital constituted 100%

Credit Rating:

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

Dividend

Your Directors have not recommended payment of dividend for the financial year ended 31st March 2021 to retain the same in the business.

Share Capital

a. Authorized Share Capital

During the year under Report there is no Change in the Authorized Share Capital of the Company, the present Authorized Capital of Company is Rs. 50,00,00,000/- (Rupees Fifty Crores Only) divided into 5,00,00,000/- (Five Crore) Equity Shares of Rs.10/- (Rupees Ten only) each

b. Paid up Share Capital.

The paid up share capital of the Company is Rs 411,147,530 (Rupees Forty One Crores Eleven Lakhs Forty-Seven Thousands Five Hundred and Thirty Only) consisting of 44,614,753 (Four Crore Forty Six Lakhs Fourteen Thousand Seven Hundred and Fifty Three) equity shares divided into 37,614,753 (Three Crore Sixty One Lakhs Fourteen Thousand Seven Hundred and Fifty Three) Fully paid up Equity Shares of Rs. 10/- (Rupees Ten only) each amounting to Rs. 376,147,530 (Thirty-seven Crores Sixty-One Lakhs Forty Seven Thousand Five Hundred and Thirty) and Partly paid up 70,00,000 (Seventy Lakhs) Equity Shares of Rs.10/- (Rupees Ten only) Each, partly paid to the tune of Rs. 5/- Each, amounting to Rs.3,50,00,000/- (Rupees Three Crore Fifty Lakhs Only).

C. Allotment

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

D. Issue of Shares with differential voting rights

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

E. Buy Back of Securities

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

F. Sweat Equity

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

G. Bonus Shares

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

H. Employees Stock Option

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

Reserves

The General Reserves and Surplus is accumulated to Rs. 17.72 Cr as on 31.03.2021 as compared to Rs. 8.64Cr as on 31.03.2020. Further your Directors propose to transfer Rs. 3.34 Cr as against Rs. 0.91 during the Financial Year 2020-21 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 the Acquisitions of Majority Stake by IKF Finance Limited during the FY 2018-19, Your Company has become Subsidiary of IKF Finance Limited, which is related to the Promoter of the Company,

Your Company has no Subsidiary Company.

Auditors

Statutory Auditors

M/s. Kondepati & Co; Chartered Accountants, (ICAI Reg No. 012912S) are appointed as the Statutory Auditor of the Company at the Annual General meeting of the Company held on September 12, 2019.

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 is enclosed as Annexure-I to this Report.

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, 2021 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 Policy. This policy aims for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior.

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

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

Corporate Social Responsibility Committee:

As per The Provisions of Section 135 of the Companies Act, 2013, your Company has spent Rs 7.45 Lakhs on CSR Activity

The report on CSR activities for FY 2020-21 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

As required under Section 92(3) of the Companies Act, 2013 annual return in form MGT-7 is available on the Company's Website and can be accessed at www.ikfhomefinance.com.

Material Changes and Commitments, if any

There are no Material Changes during the period under reporting.

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

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

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

Independent Directors Meeting

The Independent Directors met on 11.03.2021, without the attendance of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole; the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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

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

Board Evaluation:

The Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Board functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, contribution at the meetings and otherwise, independent judgment, governance issues etc. **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 2020-21 the Board of Directors has met Six times viz 07/04/2020, 25/05/2020, 22/06/2020 30/09/2020, 12/11/2020, 11/03/2021.

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

Audit Committee

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

Nomination and Remuneration Committee

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

Particulars of loans, guarantees or investments under section 186:

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

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

The provisions of Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are 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 BSE Limited and the Company has paid listing fees to the Stock Exchange.

Particulars of contracts or arrangements with related parties:

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

There were no materially significant transactions with Related Parties during the financial year 2020-21 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 Directions issued by the National Housing Bank, 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 Direction – 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 and forex laws.

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, 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

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

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

Share Transfer Agency

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

Awards and recognition

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

Cautionary Statement

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

Conservation of Energy, Technology Absorption and

The Company, being a Housing Finance Company, does not have any manufacturing activity. The directors, therefore, have nothing to report on conservation of energy and technology absorption'.

Foreign Exchange Earnings and Outgo

Total foreign exchange earned	NIL
Total foreign exchange used	NIL

Code of conduct

The Company has adopted Code of Conduct, Fit & Proper Criteria for the Board and for the Senior level employees of the Company and they are complying with the said code.

Industrial Relations

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

Acknowledgements

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

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

Sd/-

(V. Vasantha Lakshmi)
Managing Director
DIN:03610979

(K. Vasumathi Devi)
Director
DIN:03161150

Place: Vijayawada
Date: 26.11.2021

REPORT ON CORPORATE GOVERNANCE

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

1. Company's Philosophy on Code of Governance:

Our Corporate Governance policies recognise the accountability of the Board and the importance of its decisions to all our constituents, including Customers, Investors and the Regulatory Authorities. The strong foundation of the Company is supported by the pillars of Customer faith, Stake holders Confidence, Bankers Trust, Investor Steadfastness and Employee Loyalty. The Company has been growing over the past 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 recognises its responsibilities to shareholders and other stakeholders to uphold the highest standards in economic, social and ethical matters by ensuring that the company conducts its activities in accordance with corporate governance best practices.

2. Board of Directors:

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

The Board has been constituted in a manner, which will result in an appropriate mix of executive/non-executive and to ensure proper governance and management. The Board comprises 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. V.G.K 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 2021 are given below:

Sl. No.	Director	DIN	No of Other Directorships*		Chairmanship/ Membership of Committees
			Chairman	Director	Member
1.	Mr. V.G.K Prasad	01817992	-	2	3
2.	Mrs. V.Vasantha Lakshmi	03610979	-	1	4

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

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.

07/04/2020, 25/05/2020, 22/06/2020, 30/09/2020, 12/11/2020 & 11/03/2021.

COMMITTEE

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, 2020 to 31st March, 2021 are as follows:

Name of the Director	Category of Board Directorship	No. of Board Meetings attended	% of total meetings attended	Attendance at the last AGM	No of other Directorships	No of Committee Memberships
Smt. V Vasantha Lakshmi	Managing Director	6	100%	Yes	1	4
Sri. V.G.K Prasad	Director	6	100%	Yes	2	3
Smt. K Vasumathi Devi	Director	6	100%	Yes	1	2
Sri. Purna Chandra Rao Vankinei	Independent Director	6	100%	Yes	0	3
Sri. Radhey Shyam Garg	Independent Director	6	100%	Yes	0	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 Shri. Radhey Shyam Garg as Chairman of the Committee and Shri Purna Chandra Rao Vankinei 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 20-06-2020, 30-09-2020, 12-11-2020 and 11-03-2021 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 October 05, 2020 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 4 times on 19.06.2020, 16.09.2020, 07.11.2020 & 08.03.2021,

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	4	4
Sri. V.G.K Prasad	Non-Executive Director	4	4
Sri Purna Chandra Rao Vankineni	Independent Director	4	3

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, recognises 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 2020-2021 are given below:

Name of the Director	Remuneration	Allowances	Incentives
Mrs. V Vasantha Lakshmi	Rs 70,07,004	NIL	NIL

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

Remuneration to Non-Executive Directors

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

a) Details of Sitting Fees paid to Non-Executive Directors during the financial year 2020-2021

The details of sitting fees paid/payable to Non-Executive Directors during the financial year 2020-2021 : **Rs. 3,10,000/-**

5. Customer Service and Grievance Redressal Committee

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

The Committee met Three Times on following dates 07.04.2020,30.09.2020, 11.03.2021

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

In accordance with the Directions issued by the National Housing Bank Directions known as the “Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016”, the Risk Management Committee was constituted in 21.07 2017

The Asset Liability Management, Asset Classification and Risk Management Committee comprises of 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 2020-2021 the committee met Four times on 04-04-2020, 06-07-2020, 12.10.2020 & 08.01.2021

Asset Liability Management, Asset Classification and Risk Management Committee

Name of the Director	Category	Number of committee meetings	
		Held	Attended
Shri V.G.K Prasad	Non-Executive	4	4
Smt. V. Vasantha Lakshmi	Managing Director	4	4
Smt. K. Vasumathi Devi	Non-Executive	4	3

KEY MANAGERIAL PERSONNEL

Details of remuneration paid to the Key Managerial Personnel of the Company for the year 2020-21 are as under:

(` in lakhs)

Particulars	Mrs. V. Vasantha Lakshmi	Mr. Vishal Kumar Joshi
Salary & Allowances	50,00,000	6,91,880.00
Commission	20,07,004	0
Contribution to Provident, Superannuation, and Gratuity Funds	0	0
Perquisites	0	0
Employee Stock Option	0	0

7. General Body Meetings:

Time and location of last three Annual General Meetings

General Body Meeting	Day	Date	Time	Location
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
17 th Annual General Meeting	Thursday	12-09-2019	11.30 AM	Registered Office of the Company. 40-1-144, Corporate Centre, M.G. Road Vijayawada-520010, Andhra Pradesh
16 th Annual General Meeting	Saturday	29-09-2018	2.30 PM	Registered Office of the Company. 40-1-144, Corporate Centre, M.G. Road Vijayawada-520010, Andhra Pradesh

- 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:

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%

17th Annual General Meeting held on 12.09.2019 :

S No	Purpose of Resolution	Content of Resolution
01	Appointment of Independent Director	Appointment of Mr. Purna Chandra Rao Vankineni as Independent Director of the Company
02	To enhance Borrowing Powers of the Company	Enhance Borrowing Powers of the Company from Rs. 500 Crore to Rs. 750 Crore
03	To enhance the Power of the Board of Directors to Lease and Mortgage of the Properties of the Company	To enhance the Power of the Board of Directors to Lease and Mortgage of the Properties of the Company upto Rs. 750 Crores
04	To Authorize Issue of Non - Convertible Debentures	Authorization to issue of non-convertible debentures (NCD)/Tier ii debt(s)/commercial papers/bonds on private placement basis. Upto Rs. 100 Crore

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

S No	Purpose of Resolution	Content of Resolution
-NIL-		

12. Disclosures:

There are no materially significant transactions with related parties i.e. Associate Companies, Promoters, Directors or the key management personnel and their relatives conflicting with the Company's interest.

13. Means of Communication:

Required communications will be sent to Each of the Share Holders Directly, The half yearly financial results are published in "Business Line" (English) and "Praja Shakthi" (Telugu) and website of the Company www.ikfhomefinance.com The Company has not made any presentations to institutional investors or to the analysts.

14. Corporate Identity Number

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

15. Financial Calendar

Financial Year - 1st April 2020 to 31st March 2021

16. Share Transfers

M/s. Bigshare Services Private Limited, have been appointed as the Registrar and Share Transfer Agents of the company The Registrars and Share Transfer Agents can be contacted by the investors at the following address:

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

17. Shareholding Pattern as on 31.03.2021:
Fully Paid up

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

Partly Paid Up

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

Address for correspondence and any assistance/clarification

Dematerialization of Shares & Liquidity

Total Shares held in electronic mode as on 31st March, 2021– 100%. (Fully Paid up shares)

General information

19th Annual General Meeting will be held on Monday, 29th November, 2021 at 11.00 A.M., at the Registered

Office situated at # 40-1-144, Corporate Centre, M.G.Road, Vijayawada - 520 010.

Compliance Officer:

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

Annexure I

**Form No. MR-3
Secretarial Audit Report**

For the Financial Year ended on March 31, 2021

[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, 2021 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, 2021 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, 1998; **(Not applicable to the Company during the audit period)**
- (vi) The Employees Provident Fund and Miscellaneous Provisions Act, 1952;
- (vii) Employees State Insurance Act, 1948;
- (viii) Employers Liability Act, 1938;
- (ix) Equal Remuneration Act, 1976;
- (x) Maternity Benefits Act, 1961;
- (xi) Minimum Wages Act, 1948;
- (xii) Negotiable Instruments Act, 1881;
- (xiii) Payment of Bonus Act, 1965;
- (xiv) Payment of Gratuity Act, 1972;
- (xv) Payment of Wages Act, 1936 and other applicable labour laws;
- (xvi) Laws specially applicable to the industry to which the Company belongs, as identified by the Management:
- NBFC – The Reserve Bank of India Act, 1934 and all applicable Laws, Rules, Regulations, Guidelines, Circulars, Notifications, etc
- We have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by the Institute of Company Secretaries of India;
 - (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above *except the disclosure of statement on investor complaints under regulation 13(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended December 2020. In this regard BSE has imposed a penalty of Rs. 54,280/- on the company and penalty has been paid by the Company on protest basis, further The company was imposed Penalty of Rs. 10,000/- by NHB for contravention of sub section (1) of 29 c of National Housing Bank Act, and Para 5 HFC Corp Governance Directions 2016.*

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

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

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

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

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

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

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

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

- i. Authorization to issue of Non Convertible Debentures (NCD)/Tier II Debt(s)/Commercial Papers/Bonds on Private Placement Basis up to an amount of Rs. 300 Crores.
- ii. To Increase the Overall Managerial Remuneration from 11% (eleven Percent) to 40% (Forty Percent) of the Net Profit of the Company.

*for B S S & Associates
Company Secretaries*

*B. Sathish
Partner*

ACS No.: 27885

C P No.: 10089

UDIN: A027885C000970464

*Place: Hyderabad
Date: 20.09.2021*

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.

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*

*Place: Hyderabad
Date: 20.09.2021*

*B. Sathish
Partner
ACS No.: 27885
C P No.: 10089
UDIN: A027885C000970464*

Annexure II

Annual Report on CSR Activities

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

1. Brief outline on CSR Policy of the Company.

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

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

2. Composition of CSR Committee: 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 discharge by the Board of Directors of the Company.

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

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014: As the Company is not having average CSR obligation of ` 10 Crores or more in pursuance of subsection (5) of section 135 of the Act an impact assessment is not applicable to the Company.

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

The Company has not spent an amount in excess of requirement provided under sub section (5) of section 135 of the Companies Act, 2013, therefore no amount is required to be set-off against the requirement to spend under sub section (5) of section 135 of the Companies Act, 2013 up to immediate succeeding three financial years.

6. Average net profit of the company as per section 135(5): 3,72,50,000

7. (a) Two percent of average net profit of the company as per section 135(5): ` 7,45,000

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NA

(c) Amount required to be set off for the financial year: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): ` Rs. 7,45,000

8. 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 section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of Fund	Amount	Date of Transfer
7,45,000	Nil	Not Applicable	Not Applicable	Not Applicable	Not Applicable

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
SL No	Name of the Project	Items from List of Activities in Schedule VII to the Act	Local Area (Yes/No)	Location of Project		Project Duration	Amount Allocated For the Project in (Rs.)	Amount Spent in Current Financial Year in Rs.	Amount Transferred to Unspent CSR Account for the project as per Section 135(6) (in)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
Not Applicable												

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
SL no	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount Spent for the Project in (Rs)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration Number
01	Donation to Help Foundation	(i)	Yes	Andhra Pradesh	Krishna	7,45,000	Yes	NA	NA
To tal									

- (e) Amount spent in Administrative Overheads: Nil
 (f) Amount spent on Impact Assessment, if applicable: Not Applicable
 (g) Total amount spent for the Financial Year (8b+8c+8d+8e) Rs. 7,45,000
 (h) Excess amount for set off, if any

SL No	Particular	Amount in(Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	7,45,000
(ii)	Total amount spent for the Financial Year	7,45,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(V)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

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

SL No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
01	2019-20	Not Applicable					
02	2018-19	Not Applicable					
03	2017-18	Not Applicable					
Total							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1) SL No	(2) Project ID	(3) Name of the Project	(4) Financial year in which the project commenced	(5) Project Duration	(6) Total Amount Allocated for Project in (Rs.)	(7) Amount spent on the project in the reporting Financial Year (in Rs.)	(8) Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	(9) Status of the project - Completed / Ongoing
1	NA	NA	NA	NA	NA	NA	NA	NA
	Total							

11. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (**asset-wise details**).

- Date of creation or acquisition of the capital asset(s): Nil
- Amount of CSR spent for creation or acquisition of capital asset: Nil
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Nil
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Nil

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

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

Date: 26.11.2021
Place: Vijayawada

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

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

d. 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 v

- 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

Sd/-

(V. Vasantha Lakshmi)
Managing Director
DIN:03610979

(K. Vasumathi Devi)
Director
DIN:03161150

Date: 26.11.2021
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 2020-21.

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 2020-21 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: 26.11.2021
Place: Vijayawada

Annexure – IV (i) (a)

Related parties

<u>FORM NO. AOC -2</u>		
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.		
Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.		
5. Details of contracts or arrangements or transactions not at Arm’s length basis - Nil -		
Details of contracts or arrangements or transactions at Arm’s length basis.		
Sl. No	Particulars	Details
01	Name (s) of the related party & nature of relationship Nature of contracts/arrangements/transaction Duration of the contracts/arrangements/transaction Salient terms of the contracts or arrangements or transaction including the value, if any Date of approval by the Board Amount paid as advances, if any	V. Vasantha Lakshmi, Managing Director Salary Paid Not Applicable 70,07,004.00 During the Period 20.07.2017 & 31.10.2019 & 05.10.2020 Nil
02	Name (s) of the related party & nature of relationship Nature of contracts/arrangements/transaction Duration of the Contracts/arrangements/transaction Salient terms of the contracts or arrangements or transaction including the value, if any Date of approval by the Board Amount paid as advances, if any	IKF Finance Limited, Holding Company Loan Availed NA 4,50,00,000 (Term Loans) During the Period 04.09.2018 -NIL-
03	Name (s) of the related party & nature of relationship Nature of contracts/arrangements/transaction Duration of the Contracts/arrangements/transaction Salient terms of the contracts or arrangements or	IKF Finance Limited, Holding Company Direct Assignment NA 15,23,88,089 (Direct Assignment) During the Period

	transaction including the value, if any Date of approval by the Board Amount paid as advances, if any	-NIL-
04	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	Vishal Kumar Joshi, Company Secretary Salary Paid Not Applicable 6,91,880.00 During the Period 09.04.2019 Nil

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/RBI other applicable regulatory authorities.

Independent Auditor’s Report

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

Report on the standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of *M/s. IKF HOME FINANCE LIMITED* (“*the Company*”) which comprises the Balance Sheet as at March 31, 2021, 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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the 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, 2021, 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 (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 42 to the Statement, which describes the uncertainty caused by the continuing COVID-19 pandemic and the related probable events which could impact the Company's estimates of impairment of loans to customers. Our opinion is not modified in respect of this matter.

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

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

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

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

Responsibility of Management for the Standalone Ind As Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, (changes in equity)ⁱ and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor Report) order , 2016 (“ 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.
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 standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
 - g. In our opinion, the managerial remuneration for the year ended, March 31, 2021 has been paid by the company to its directors in accordance with the provisions of sec 197 read with Schedule V of the Act.
 - h. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. They 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.

KONDEPATI & CO
CHARTERED ACCOUNTANTS

D.No.74-12/2-1/5/A
GF -1 Siri Jewel Apartment
V.V Ramarao Road no.3, New RTC Colony
Vijayawada – 520 010.
E Mail: anil.ca999@gmail.com

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

For **Kondepati & Co.,**
Chartered Accountants
Firm Registration Number: 012912S

K.Anilkumar
Proprietor
Membership Number.516209

Place: Vijayawada
Date: May 21, 2021
UDIN: 21516209AAAACX6861

“ANNEXURE A” to the Independent Auditors’ Report on the standalone financial statements of IKF Home Finance Limited for the year ended on 31.03.2021

01. a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - b) The Company has a regular program of physical verification of its Property, Plant and Equipment, by which all Property, Plant and Equipment are verified in a phased manner over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to such program, a portion of fixed asset has been physically verified by the management during the year and no material discrepancies were noticed on such verification.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
02. The company has no stock of inventory during the year under audit does not hold any inventory. Therefore, the stock and as such physical verification of the same does not arise. Accordingly, the provisions of clauses 3 (ii) of the order are not applicable.
03. According to the information and the explanations given to us, the company has not granted any loans secured or unsecured to companies, firms or other parties to be listed in the Register to be maintained under section 189 of the Companies Act, 2013. Accordingly the provisions of clauses 3 (iii) (a), (b) & (c) of the order are not applicable to the company for the year.
04. In our opinion and according to the information and explanations given to us, the Company has not given any loans, made any investments, or provided any guarantee or security as envisaged under section 185 and section 186 of the Companies Act, 2013 respectively.
05. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits and accordingly paragraph 3 (v) of the Order is not applicable.
06. The Central Government has not prescribed the maintenance of cost records for the company under section 148(1) of the Act.
07. a) In our opinion and according to the information and explanations given to us, undisputed statutory dues, including Provident Fund, ESI, Income-tax, Cess, GST & Professional Tax and other material statutory dues, have been regularly deposited during the year with the appropriate authorities though there have been slight delay in few cases.
 - b) In our opinion and according to the information and explanations given to us, there are no statutory dues of EPF, ESI, Income Tax and GST as on 31.03.2021, which have not been deposited on account of any dispute.

08. The Company has not de-defaulted the repayment of dues to financial institutions, banks, government or debenture holders.
09. The company has not raised any money by way of initial public offer or further public offer (including debt instruments). During the year the company has raised an amount of Rs. 90,00,00,000/- from banks by way of Non Convertible Debentures. Further the company has availed loans from different Banks, NHB and NBFC during the year under audit. Based on our review the company has utilized the loans for the purpose which it has availed and has not defaulted in repayment.
10. To the best of our knowledge and belief and according to the information and explanations given to us, during the year, no fraud by the company and no material fraud on the company by its employees or officers were noticed or reported during the course of our audit.
11. The Company has complied with the provisions under section 197 read with Schedule V of the Companies Act, 2013 in connection with the payment for managerial remuneration during the year under audit.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and section 188 of the Act where applicable and details of such transactions have been disclosed in notes to the Standalone Ind AS financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, paragraph 3(xiv) of the Order is not applicable.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

KONDEPATI & CO
CHARTERED ACCOUNTANTS

D.No.74-12/2-1/5/A
GF -1 Siri Jewel Apartment
V.V Ramarao Road no.3, New RTC Colony
Vijayawada – 520 010.
E Mail: anil.ca999@gmail.com

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

For **Kondepati & Co.,**
Chartered Accountants
Firm Registration Number: 012912S

K.Anilkumar
Proprietor
Membership Number.516209

Place: Vijayawada
Date: May 21, 2021
UDIN: 21516209AAAACX6861

“ANNEXURE B” to the Independent Auditors’ Report on the standalone financial statements of IKF Home Finance Limited for the year ended on 31.03.2021

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

We have audited the internal financial controls over financial reporting of *M/s. M/s. IKF HOME FINANCE LIMITED* (“the Company”) as of 31 March 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these standalone financial statements as of 31st March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Kondepati & Co.,**
Chartered Accountants
Firm Registration Number: 012912S

K.Anilkumar
Proprietor
Membership Number.516209

Place: Vijayawada
Date: May 21, 2021
UDIN: 21516209AAAACX6861

IKF Home Finance Limited
Balance Sheet as at March 31, 2021

(Amount in Rupees unless otherwise stated)

Particulars	Note No	As at March 31, 2021	As at March 31, 2020
ASSETS			
(1) Financial assets			
Cash and cash equivalents	3	268,113,799	74,401,811
Bank balance other than cash and cash equivalents	4	20,000,000	-
Trade Receivables	5	1,587,908	-
Loans	6	1,864,637,461	1,393,505,328
Other financial assets	7	127,880,673	90,085,066
Subtotal - Financial assets		2,282,219,841	1,557,992,205
(2) Non-financial assets			
Property, plant and equipment	8	7,890,671	8,604,635
Right of use asset	8	2,093,684	1,618,673
Other intangible assets	9	3,675,634	4,029,830
Other non-financial assets	10	2,561,693	4,530,989
Subtotal - Non Financial assets		16,221,682	18,784,128
Total assets		2,298,441,523	1,576,776,333
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial liabilities			
Payables			
(I) Trade payables			
(I) total outstanding dues of micro enterprises		-	-
(II) total outstanding dues of creditors other than micro enterprises and small enterprises	11	2,351,974	1,785,199
Debt securities	12	952,281,391	-
Borrowings (other than debt securities)	13	639,280,207	960,125,936
Other financial liabilities	14	93,640,091	103,529,373
Subtotal - Financial liabilities		1,687,553,663	1,065,440,507
(2) Non-financial liabilities			
Current tax liabilities (Net)		7,189,857	3,868,284
Provisions	15	2,768,159	2,244,428
Deferred tax liabilities (Net)	16	8,957,423	4,590,886
Other non-financial liabilities	17	3,667,675	3,067,476
Subtotal - Non-Financial liabilities		22,583,114	13,771,073
EQUITY			
Equity share capital	18	411,147,530	411,147,530
Other equity	19	177,157,216	86,417,221
Subtotal - Equity		588,304,746	497,564,751
Total liabilities and equity		2,298,441,523	1,576,776,333

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

As per our report of even date

For KONDEPATI & CO
Chartered Accountants
Firm Reg No : 012912S

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

K Anil Kumar
Proprietor
Membership No: 516209

Place: Vijayawada
Date: May 21, 2021

V Vasantha Lakshmi
Managing Director
DIN: 03610979
Place: Hyderabad
Date: May 21, 2021

V G K Prasad
Director
DIN: 01817992
Place: Vijayawada
Date: May 21, 2021

Sreepal Jain
Chief Financial Officer
Place: Hyderabad
Date: May 21, 2021

Vishal Kumar Joshi
Company Secretary
M.No.A43209
Place: Hyderabad
Date: May 21, 2021

IKF Home Finance Limited
Statement of Profit and Loss for the period ended March 31, 2021

(Amount in Rupees unless otherwise stated)

Sr.	Particulars	Note No	Year ended March 31, 2021	Year ended March 31, 2020
	Revenue From operations			
	Interest income	20	319,377,271	269,577,932
	Fees and commission income	21	25,820,197	34,109,144
	Net gain on derecognition of financial instruments under amortised cost category	22	52,840,212	88,054,649
(I)	Total revenue from operations		398,037,680	391,741,724
(II)	Other income	23	4,103,550	5,444,636
(III)	Total income (I + II)		402,141,230	397,186,361
	Expenses			
	Finance costs	24	157,239,050	156,385,402
	Impairment on financial instruments	25	11,448,790	40,709,490
	Employee benefits expenses	26	81,676,009	68,558,453
	Depreciation, amortization and impairment	9-10	4,903,727	4,569,783
	Others expenses	27	27,223,910	26,602,244
(IV)	Total expenses		282,491,486	296,825,372
(V)	Profit / (loss) before exceptional items and tax (III - IV)		119,649,744	100,360,989
(VI)	Exceptional Items		-	-
(VII)	Profit before tax (III - IV)		119,649,744	100,360,989
(VIII)	Tax Expense:			
	(1) Current Tax		24,818,497	12,750,775
	(2) Deferred Tax		4,297,248	8,219,575
	(3) Adjustment of tax relating to earlier periods		-	-
	Total Tax Expense (VIII)		29,115,744	20,970,350
(IX)	Profit for the period (VII-VIII)		90,533,999	79,390,639
(X)	Other comprehensive income			
	(A) (i) Items that will not be reclassified to profit or loss (specify items and amounts)			
	(a) Remeasurements of the defined benefit plans		275,286	86,396
	(b) Income tax relating to items that will not be reclassified to profit or loss		(69,289)	(21,744)
	Subtotal (A)		205,997	64,652
	Other comprehensive income / (loss) (A)		205,997	64,652
(XIII)	Total comprehensive income for the period (IX + X)		90,739,996	79,455,291
(X)	Earnings per share (equity share, par value of Rs.10 each)			
	Basic (Rs.)		2.20	2.02
	Diluted (Rs.)		2.20	2.02

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

As per our report of even date

For KONDEPATI & CO
Firm Reg No : 012912S
Chartered Accountants

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

K Anil Kumar
Proprietor
Membership No: 516209

Place: Vijayawada
Date: May 21, 2021

V Vasantha Lakshmi
Managing Director
DIN: 03610979
Place: Hyderabad
Date: May 21, 2021

V G K Prasad
Director
DIN: 01817992
Place: Vijayawada
Date: May 21, 2021

Sreepal Jain
Chief Financial Officer
Place: Hyderabad
Date: May 21, 2021

Vishal Kumar Joshi
Company Secretary
M.No.A43209
Place: Hyderabad
Date: May 21, 2021

IKF Home Finance Limited
Statement of Changes in Equity for the year ended March 31, 2021

(Amount in Rupees unless otherwise stated)

A. Equity share capital

Particulars	For the year ended March 31, 2021			For the year ended March 31, 2020		
	O/s as on April 1, 2020	Issued during the year	O/s as on March 31, 2021	O/s as on April 1, 2019	Issued during the year	O/s as on March 31, 2020
Issued, Subscribed and paid up (Equity shares of Rs.10 each, Fully paid-up)	376,147,530	-	376,147,530	376,147,530	-	376,147,530
Equity Shares of Rs. 10 each, partly paid up Rs. 5.00 each	35,000,000	-	35,000,000	17,500,000	17,500,000	35,000,000

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 March 31, 2019	4,915,000	-	1,422,000	-	(2,041,525)	4,295,475
Profit for the year	-	-	-	-	79,390,639	79,390,639
Other comprehensive income for the year	-	-	-	-	64,652	64,652
Total comprehensive income for the year (net of tax)	-	-	-	-	-	-
Transfer / utilisations	-	-	-	-	-	-
Additions during the period	9,111,000	-	2,666,455	-	-	11,777,455
Transferred to special reserve from retained earnings	-	-	-	-	(9,111,000)	(9,111,000)
Employee stock option expense	-	-	-	-	-	-
Balance at March 31, 2020	14,026,000	-	4,088,455	-	68,302,766	86,417,221
Profit for the year	-	-	-	-	90,533,999	90,533,999
Other comprehensive income for the year	-	-	-	-	205,997	205,997
Total comprehensive income for the year (net of tax)	-	-	-	-	-	-
Transfer / utilisations	-	-	-	-	-	-
Additions during the period	33,386,322	-	-	-	-	33,386,322
Transferred to special reserve from retained earnings	-	-	-	-	(33,386,322)	(33,386,322)
Balance at March 31, 2021	47,412,322	-	4,088,455	-	125,656,439	177,157,216

As per our report of even date

For KONDEPATI & CO
Firm Reg No : 012912S
Chartered Accountants

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

(K Anil Kumar)
Proprietor
Membership No: 516209

Place: Vijayawada
Date: May 21, 2021

V Vasantha Lakshmi
Managing Director
DIN: 03610979
Place: Hyderabad
Date: May 21, 2021

V G K Prasad
Director
DIN: 01817992
Place: Vijayawada
Date: May 21, 2021

Sreepal Jain
Chief Financial Officer
Place: Hyderabad
Date: May 21, 2021

Vishal Kumar Joshi
Company Secretary
M.No.A43209
Place: Hyderabad
Date: May 21, 2021

IKF Home Finance Limited
Cash Flow Statement for the year ended March 31, 2021

(Amount in Rupees unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cash flow from operating activities:		
Net profit before tax as per the statement of profit and loss	119,649,744	100,360,989
Adjustments for		
Net (gain) / loss on derecognition of financial instruments under amortised cost category	(52,840,212)	(88,054,649)
Transfer to Special Reserves	-	2,666,455
Depreciation and amortisation	4,903,727	4,569,783
Gratuity and Leave Salary	275,286	1,293,695
Impairment allowance on loans	11,448,790	40,709,490
Operating profit before working capital changes	83,437,335	61,545,763
Changes in working capital		
Decrease / (increase) in Loans	(482,580,923)	57,209,417
Decrease / (increase) in Trade Receivables	(1,587,908)	-
Decrease / (increase) in other financial assets	(4,955,397)	(6,808,968)
Decrease / (increase) in other non financial assets	1,969,296	(378,673)
Increase / (Decrease) in other payables	566,775	(820,179)
Increase / (Decrease) in other financial liabilities	(10,164,567)	95,935,483
Increase / (Decrease) increase in provisions	799,017	3,719,323
Increase / (Decrease) Increase in other non financial liabilities	600,200	(1,426,683)
Total Changes in Working Capital	(495,353,507)	147,429,717
Income taxes paid (net)	(21,496,924)	(12,750,775)
Net cash (used in) operating activities (A)	(433,413,096)	196,224,705
Cash flow from investing activities		
Purchase of property, plant and equipment	(4,310,577)	(5,951,005)
Net cash (used in) / generated from investing activities (B)	(4,310,577)	(5,951,005)
Cash flow from financing activities		
Issue of equity shares (including securities premium)	-	17,500,000
Increase/(Decrease) in borrowings	631,435,661	(172,128,928)
Equity component	-	(2,666,455)
Special reserve	-	2,666,455
Net cash (used in) generated from financing activities (C)	631,435,661	(154,628,928)
Net (decrease) in cash and cash equivalents (A+B+C)	193,711,988	35,644,772
Cash and cash equivalents at the beginning of the year	74,401,811	38,757,039
Cash and cash equivalents at the end of the year	268,113,799	74,401,811

As per our report of even date

For KONDEPATI & CO
 Firm Reg No : 012912S
 Chartered Accountants

K Anil Kumar
 Proprietor
 Membership No: 516209

Place: Vijayawada
 Date: May 21, 2021

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

V Vasantha Lakshmi
 Managing Director
 DIN: 03610979
 Place: Hyderabad
 Date: May 21, 2021

V G K Prasad
 Director
 DIN: 01817992
 Place: Vijayawada
 Date: May 21, 2021

Sreepal Jain
 Chief Financial Officer
 Place: Hyderabad
 Date: May 21, 2021

Vishal Kumar Joshi
 Company Secretary
 M.No.A43209
 Place: Hyderabad
 Date: May 21, 2021

IKF Home Finance Limited
Notes forming part of Financial Statements for the year ended March 31, 2021

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))

IKF Home Finance Limited
Notes forming part of Financial Statements for the year ended March 31, 2021

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

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, 2021

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.

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, 2021

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 business model for managing financial assets.

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.

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, 2021

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 financial 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 :

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, 2021

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 and loss statement.

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

h) Derivative Financial Instruments

During the year company has not entered into any Derivative Financial transactions.

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.

IKF Home Finance Limited
Notes forming part of Financial Statements for the year ended March 31, 2021

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.

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.

IKF Home Finance Limited
Notes forming part of Financial Statements for the year ended March 31, 2021

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.

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, 2021

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.

IKF Home Finance Limited

Notes forming part of Financial Statements for the year ended March 31, 2021

*(Amount in Rupees unless otherwise stated)***3 Cash and cash equivalents**

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	792,717	287,127
Balance with bank in current accounts	267,321,082	74,114,684
Total	268,113,799	74,401,811

4 Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks to the extent held as margin money*	20,000,000	-
Total	20,000,000	-

*Represents Bank deposits held as security against the bank guarantee.

5 Trade Receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured - considered good	1,587,908	-
Provision for impairment	-	-
Total	1,587,908	-

6 Loans

Particulars	As at March 31, 2021	As at March 31, 2020
At amortised cost		
Loan assets	1,927,398,545	1,444,817,622
Total Gross	1,927,398,545	1,444,817,622
Less: Impairment loss allowance	(62,761,084)	(51,312,294)
Total Net	1,864,637,461	1,393,505,328
Secured by tangible assets	1,927,398,545	1,426,118,662
Total Gross	1,927,398,545	1,426,118,662
Less: Impairment loss allowance	(62,761,084)	(51,312,294)
Total Net	1,864,637,461	1,374,806,368
Loans in India		
Public sectors	-	-
Others	1,927,398,545	1,426,118,662
Total Gross	1,927,398,545	1,426,118,662
Less: Impairment loss allowance	(62,761,084)	(51,312,294)
Total Net	1,864,637,461	1,374,806,368

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 March 31, 2021	As at March 31, 2020
Term loans		
Stage I	1,795,741,123	1,385,571,897
Stage II	113,765,683	45,114,387
Stage III	17,891,739	14,131,338
Total	1,927,398,545	1,444,817,622

7 Other financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Interest strip Asset on Assignment	124,704,026	88,054,649
Security Deposits	2,940,649	1,535,699
Unamortised ancillary cost of borrowings	-	35,152
Other -unsecured, considered good	235,998	459,566
Total	127,880,673	90,085,066

8 Property, plant and equipment

Particulars	Leasehold Improvements	Vehicles	Computers & Laptops	Furniture and fixtures	Office equipment	Right of Use Assets
Gross Carrying Value						
Balance at March 31, 2019	2,912,714	-	2,215,815	1,316,524	1,589,720	4,271,936
Additions	-	3,583,236	478,966	133,194	24,844	-
Disposals	-	-	-	-	-	-
Balance at March 31, 2020	2,912,714	3,583,236	2,694,781	1,449,718	1,614,564	4,271,936
Additions	-	-	816,924	322,153	113,085	1,463,515
Disposals	-	-	34,220	-	-	-
Balance at March 31, 2021	2,912,714	3,583,236	3,477,484	1,771,871	1,727,649	5,735,451
Accumulated depreciation						
Balance at March 31, 2019	470,398	-	884,499	265,169	291,162	1,336,258
Depreciation expense	295,241	178,439	822,974	253,971	188,522	1,317,005
Elimination on disposals of assets	-	-	-	-	-	-
Balance at March 31, 2020	765,638	178,439	1,707,473	519,140	479,684	2,653,262
Depreciation expense	295,241	425,688	762,357	285,364	197,480	988,504
Elimination on disposals of assets	-	-	34,220	-	-	-
Balance at March 31, 2021	1,060,879	604,128	2,435,609	804,504	677,164	3,641,766
Net carrying value						
Balance at March 31, 2020	2,147,076	3,404,797	987,308	930,578	1,134,880	1,618,673
Balance at March 31, 2021	1,851,835	2,979,108	1,041,875	967,368	1,050,485	2,093,684

IKF Home Finance Limited
Notes forming part of Financial Statements for the year ended March 31, 2021
(Amount in Rupees unless otherwise stated)
9 Other intangible assets

Particulars	Computer software
Gross Carrying Value	
Balance at March 31, 2019	6,312,681
Additions during the year	-
Disposal	-
Balance at March 31, 2020	8,043,449
Additions during the year	1,594,899
Disposal	-
Balance at March 31, 2021	9,638,348
Accumulated Amortisation	
Balance at March 31, 2019	1,237,452
Amortisation for the year	1,262,536
Disposal	-
Balance at March 31, 2020	4,013,620
Amortisation for the year	1,949,094
Disposal	-
Balance at March 31, 2021	5,962,714
Net carrying value	
As at March 31, 2020	4,029,829
As at March 31, 2021	3,675,634

10 Other non-financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid expenses	2,011,728	3,657,868
Advances to employees	549,965	133,658
GST input credit	-	739,463
Total	2,561,693	4,530,989

11 Trade Payables

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of :		
(i) total outstanding dues of micro enterprises and small enterprises; (refer note 11.1 below)	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,351,974	1,785,199
Total	2,351,974	1,785,199

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

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(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 at the end of the accounting year	-	-
(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	-	-

11.2 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

IKF Home Finance Limited
Notes forming part of Financial Statements for the year ended March 31, 2021

(Amount in Rupees unless otherwise stated)

12 Debt securities

Particulars	As at March 31, 2021	As at March 31, 2020
At Amortised Cost		
200(March 31, 2020: Nil), 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.	205,577,516	-
250(March 31, 2020: Nil), 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.	270,036,563	-
100(March 31, 2020: Nil), 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.	106,818,057	-
250(March 31, 2020: Nil), 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.	263,855,933	-
100(March 31, 2020: Nil), 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.	105,993,320	-
Total	952,281,391	-

Nature of security

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

13 Borrowings (other than debt securities)

Particulars	As at March 31, 2021	As at March 31, 2020
At Amortised Cost		
Secured		
Term Loans		
From National Housing Bank (NHB)	219,583,776	-
From Banks	96,364,461	211,207,353
From Financial institutions	296,325,306	699,147,168
Others		
Cash Credit from other parties	9,406,253	49,771,415
Unsecured Loans	17,600,411	-
Total	639,280,207	960,125,936

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 .

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

(Amount in Rupees unless otherwise stated)

Terms of repayment of Debt Securities and Borrowings as on March 31, 2021

Original maturity loan	Interest rate	Due within 1 year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In Rupees)	No. of Installments	Amount (In Rupees)	No. of Installments	Amount (In Rupees)	
Debt Securities								
Bullet repayment schedule								
1-3 Years	10.01%-11.00%	-	-	4	700,000,000	-	-	700,000,000
	11.01%-12.00%	-	-	1	200,000,000	-	-	200,000,000
-								
Borrowings (Other than Debt Securities)								
Monthly repayment schedule								
1-7 Years	7.01%-8.00%	3	15,000,000					15,000,000
	8.01%-9.00%	12	492,285	48	2,457,364	8	498,986	3,448,634
	9.01%-10.00%	12	20,000,000	21	35,000,000			55,000,000
	10.01%-11.00%	56	51,488,098	151	84,226,198			135,714,296
Quarterly repayment schedule								
1-5 Years	6.01%-7.00%	6	5,700,000	32	30,400,000	16	13,900,000	50,000,000
	7.01%-8.00%	23	26,900,000	84	93,300,000	13	7,900,000	128,100,000
	10.01%-11.00%	12	13,333,336	8	10,000,002			23,333,338
	12.01%-13.00%	36	38,526,316	89	124,184,211			162,710,526
Bullet repayment schedule								
1-3 Years	5.00%-6.00%	1	42,000,000					42,000,000
-								
Unsecured Loans								
Payable on Demand	9.10%	1	17,500,000					17,500,000
Total			230,940,035		379,567,774		22,298,985.57	1,532,806,794
Impact of EIR								49,348,551
Total Amortized Cost			230,940,035	-	379,567,774	-	22,298,985.57	1,582,155,345

As at March 31, 2020

Terms of repayment of borrowings as on March 31, 2020

(Amount in Rupees unless otherwise stated)

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 Rupees)	No. of Installments	Amount (In Rupees)	No. of Installments	Amount (In Rupees)	
Monthly repayment schedule								
1-7 Years	8.00%-9.00%	12	451,393	48	2,253,242	20	1,195,392	3,900,027
	9.00%-10.50%							-
	10.51%-11.50%	24	88,571,424	18	50,714,296			139,285,720
	11.51%-12.50%	24	83,822,848	22	76,448,722			160,271,570
	12.51%-13.50%	23	46,212,027	79	141,380,490	4	4,190,463	191,782,980
	13.51%-14.50%	60	80,757,527	59	96,803,542		-	177,561,070
Quarterly repayment schedule								
1-5 Years	9.00%-10.00%							-
	10.00%-11.00%	4	13,333,336	5	16,666,660			29,999,996
	11.00%-12.00%							-
	12.01%-12.50%	11	38,526,316	36	133,578,947	7	35,131,579	207,236,842
								-
Bullet repayment schedule								
1-14 Years	9.51%-10.50%							-
	10.51%-11.50%							-
	11.51%-12.50%							-
	>13.50%							-
								-
Total			224,705,317		279,661,867		36,326,971	910,038,205
Impact of EIR								50,087,731
Total Amortized Cost			224,705,317	-	279,661,867	-	36,326,971	960,125,936

IKF Home Finance Limited**Notes forming part of Financial Statements for the year ended March 31, 2021***(Amount in Rupees unless otherwise stated)***14 Other financial liabilities**

Particulars	As at March 31, 2021	As at March 31, 2020
Employee benefits payable	4,335,154	3,490,462
Payable towards securitisation / assignment transactions	38,641,226	23,323,460
Lease Liabilities	2,220,763	1,806,745
Other Payable	48,442,948	74,908,707
Total	93,640,091	103,529,373

15 Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for gratuity	1,714,113	1,190,385
Provision for leave benefits	1,054,046	1,054,043
Total	2,768,159	2,244,428

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

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance (Liabilities/(Asset))	4,590,886	-3,650,434
Recognised in Statement of Profit and Loss	4,297,248	8,219,575
Recognised in/ reclassified from OCI	69,289	21,744
Closing Balance (Liabilities/(Asset))	8,957,423	4,590,886

17 Other non-financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Other payables	-	-
Statutory dues payable	3,667,675	3,067,476
Total	3,667,675	3,067,476

18 Equity share capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
Authorised Capital				
Equity shares of Rs. 10 each	50,000,000	500,000,000	50,000,000	500,000,000
	50,000,000	500,000,000	50,000,000	500,000,000
Issued, subscribed and fully paid-up shares				
Equity Shares of Rs. 10 each fully paid up	37,614,753	376,147,530	37,614,753	376,147,530
	37,614,753	376,147,530	37,614,753	376,147,530
Issued, subscribed and partly paid-up shares				
Equity Shares of Rs. 10 each, partly paid up Rs. 5.00	7,000,000	35,000,000	7,000,000	35,000,000
	7,000,000	35,000,000	7,000,000	35,000,000
	44,614,753	411,147,530	44,614,753	411,147,530

A. Reconciliation of number of shares

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
Fully paid equity share of Rs. 10 each				
At the beginning of the year	37,614,753	376,147,530	37,614,753	376,147,530
Shares issued during the year	-	-	-	-
Outstanding at the end of the year	37,614,753	376,147,530	37,614,753	376,147,530
Partly paid up equity share of Rs. 10 each, partly paid up Rs.5.0 per share				
At the beginning of the year	7,000,000	35,000,000	7,000,000	17,500,000
Amount called/Issued during the year	-	-	-	17,500,000
Outstanding at the end of the year	7,000,000	35,000,000	7,000,000	35,000,000

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 and pays dividend in Indian Rupees. The dividend if and when proposed by the Board of Directors will be subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

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

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

Name of shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of shares held	% Holding	No. of shares held	% Holding
IKF Finance Limited	376,147,470	84.31%	376,147,470	84.31%
Vupputuri Gopala Kishan Prasad	11,844,710	10.62%	11,844,710	10.62%

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

IKF Home Finance Limited
Notes forming part of Financial Statements for the year ended March 31, 2021

(Amount in Rupees unless otherwise stated)

19 Other equity

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Special Reserve *	47,412,322	14,026,000
Special Reserve U/s 36(viia) Income tax Act, 1961**	4,088,455	4,088,455
General reserve	-	-
Retained earnings	125,656,439	68,302,766
Total	177,157,216	86,417,221

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. 3,33,86,321 for the year ended March 31, 2021 to the Reserve in terms of Section 29C of the National Housing Bank

b. Special reserve

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

c. Retained earnings

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

20 Interest income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
On financial assets measured at amortised cost		
-On Term Loans	292,527,299	269,577,932
-On Intercompany Deposits	26,136,988	-
-On Deposits with Banks	712,983.60	-
Total	319,377,271	269,577,932

21 Fees and commission income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Other fees and charges	25,820,197	34,109,144
Total	25,820,197	34,109,144

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Gain on derecognition of loans	52,840,212	88,054,649
Total	52,840,212	88,054,649

IKF Home Finance Limited**Notes forming part of Financial Statements for the year ended March 31, 2021***(Amount in Rupees unless otherwise stated)***23 Other income**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Miscellaneous Income	4,103,550	5,444,636
Total	4,103,550	5,444,636

24 Finance costs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	On financial	On financial
Interest on borrowings	152,074,211	153,129,952
Bank Charges	212,776	459,576
Other finance cost	4,952,063	2,802,866
Total	157,239,050	156,392,394

25 Impairment on financial instruments

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Loans (Measured at Amortised cost)	11,448,790	40,709,490
Total	11,448,790	40,709,490

26 Employee benefits expenses

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and wages	74,598,114	62,362,737
Contribution to provident and other funds	3,823,145	3,421,060
Staff welfare expenses	2,455,735	2,080,141
Gratuity	799,014	694,515
Total	81,676,009	68,558,453

27 Other expenses

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rent	1,873,702	900,068
Communication cost	1,296,648	1,407,047
Travelling and conveyance	867,892	2,419,752
Rates and taxes	10,115,393	7,933,285
Insurance	683,698	458,292
Commission and Brokerage	1,189,788	2,053,943
Repairs and maintenance	365,090	307,201
Printing and stationary	222,739	213,556
Directors' sitting fees	310,000	-
Payment to auditors (refer Note)	225,100	243,299
Maintenance Charges	238,097	244,316
AMC Charges	1,549,690	1,500,000
Office Expense	815,498	533,862
Legal and professional fees	6,690,024	5,544,920
Provision	-	2,666,455
CSR Expense	745,400	-
Preliminary Expenses Written off	35,152	169,256
Total	27,223,910	26,595,252

Note: Any item under the subhead 'Others expenditure' which exceeds one per cent of the total income to be presented separately.

IKF Home Finance Limited**Notes forming part of Financial Statements for the year ended March 31, 2021***(Amount in Rupees unless otherwise stated)***Payment to the auditors:**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Auditor's remuneration		
- Audit fees	150,000	150,000
In other capacity		
- Taxation	50,000	40,000
Other of pocket expenses	25,100	53,299
Total	225,100	243,299

28 Contingent liabilities, commitments and leasing arrangements

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The Company believes that the outcome of these proceedings will not have a materially adverse effect on the Company's

There are no Contingent Liability as on March 31, 2021 (March 31, 2020 Rs. Nil)

29 Earnings per share

Particulars	As at March 31, 2021	As at March 31, 2020
Profit attributable to equity holders of the Company used in calculating	90,533,999	79,390,639
Weighted average number of equity shares used as the denominator in	41,114,753	39,364,753
Basic earnings per share (Rs.)	2.20	2.02
Weighted average number of equity shares and potential equity shares used	41,114,753	39,364,753
Diluted earnings per share (Rs.)	2.20	2.02

30 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
Key Management Personnel (KMP)	Mrs V Vasatha Lakshmi - Managing Director Mr. Sreepal Jain - Chief Financial Officer Mr. Vishal Kumar Joshi- Company Secretary

b. Transaction with related parties:

Name of related party	Nature of transaction	As at April 1, 2019	Transaction value for the year ended March 31, 2020	Received During the year	Paid During The year	As at March 31, 2020	Transaction value for the year ended March 31, 2021	Received During the year	Paid During the Year	As at March 31, 2021
Key management personnel										
Mrs. D Vasantha Lakshmi	Director's remuneration	-	3,833,335	-	-	-	7,007,004	-	-	-
	Share Capital (INR 10/- Paid up)	10	-	-	-	10	-	-	-	10
	Partly paid up shares (Rs 5.00 Paid Up)	1,640,900	-	1,640,900	-	3,281,800	-	-	-	3,281,800
	Unsecured Loan	-	-	-	-	-	9,000	1,640,900	-	1,649,900
Mr. Vishal Kumar Joshi	Salary Paid	-	691,880	-	-	-	691,880	-	-	-
Relatives of key management personnel										
Mr. V G K Prasad	Share Capital (INR 10/- Paid up)	10	-	-	-	10	-	-	-	10
	Partly paid up shares (Rs 5.00 Paid Up)	11,844,700	-	11,844,700	-	23,689,400	-	-	-	23,689,400
	Interest Paid	-	-	39,501	-	-	-	-	-	-
	Unsecured Loan	-	-	-	-	-	73,827	11,844,700	-	11,918,527
Mr. V Raghu Ram	Share Capital (INR 10/- Paid up)	10	-	-	-	10	-	-	-	10
	Partly paid up shares (Rs 5.00 Paid Up)	1,185,780	-	1,185,780	-	2,371,560	-	-	-	2,371,560
	Unsecured Loan	-	-	-	-	-	7,391	1,185,780	-	1,193,171
Mrs. V Indira Devi	Share Capital (INR 10/- Paid up)	10	-	-	-	10	-	-	-	10
	Partly paid up shares (Rs 5.00 Paid Up)	1,085,340	-	1,085,340	-	2,170,680	-	-	-	2,170,680
	Unsecured Loan	-	-	-	-	-	7,035	1,085,340	-	1,092,375
Mrs.K.Vasumathi Devi	Share Capital (INR 10/- Paid up)	10	-	-	-	10	-	-	-	0
	Partly paid up shares (Rs 5.00 Paid Up)	1,743,280	-	1,743,280	-	3,486,560	-	-	-	3,486,560
	Unsecured Loan	-	-	-	-	-	11,300	1,743,280	-	1,754,580
Enterprises significantly influenced by key management personnel or their relatives										
IKF Finance Limited	Loan Received**	283,387,334	-	863,058,665	954,663,019	191,782,980	-	45,000,000	236,782,980	-
	Share Capital (INR 10/- Paid up)	376,147,470	-	-	-	376,147,470	-	-	-	376,147,470
	Interest Paid	-	58,000,524	-	-	-	5,419,906	-	-	-
	Interest Received	-	-	-	-	-	26,136,990	-	-	-
	Direct Assignment Receipt	-	-	256,110,357	24,488,069	231,622,288	-	152,388,089	35,288,307	348,722,070
	Interest Payable on Direct Assignment	-	17,674,367	-	15,019,000	2,655,724	24,711,612	-	25,082,222	2,285,114
	Service Fee Paid (Shared Services & Service fee)	-	4,524,716	-	-	-	4,005,417	-	-	-
IKF Infratech Private Limited	Share Capital (INR 10/- Paid up)	10	-	-	-	10	-	-	-	10
	Interest Paid	-	1,677,977	-	-	-	-	-	-	-

c. Key management personnel compensation

Particulars	As at March 31, 2021	As at March 31, 2020
Short-term employee benefits	7,698,884	4,525,215
Post-employment benefits#	-	-
Long-term employee benefits	-	-
Termination benefits	-	-
Employee-share based payment	-	-
Total compensation	7,698,884	4,525,215

#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/debentures 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:

- Transaction values are excluding taxes and duties.
- 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.
- 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.

31 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.33,92,627 (March 31, 2020 : Rs 29,58,772) 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 Fund. 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	As at
	March 31, 2021	March 31, 2020
Present value of obligation (A)	1,714,113	1,190,385
Fair Value of plan assets (B)	-	-
Present value of obligation (A- B)	1,714,113	1,190,385
Net deficit / (assets) are analysed as:	1,714,113	1,190,385

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	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Opening balance	1,190,385	582,266				582,266
Current service cost	717,830	649,972				649,972
Past service cost						-
Interest cost (income)	81,184	44,543				44,543
	1,989,399	1,276,781				1,276,781
Other comprehensive income						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Experience	-275,286	-86,397				-86,397
Financial assumption						
	-275,286	-86,397				-86,397
Others						
Transfer in/(out)						
Contributions by employer						
Benefits paid						
Closing balance	1,714,113	1,190,384				1,190,384
Represented by						
Net defined assets					1,714,113	1,190,384
Net defined liability						
					1,714,113	1,190,384

Components of defined benefit plan cost:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Recognised in statement of profit or loss		
Current service cost	717,830.00	649,972.00
Interest cost/ (income) (net)	81,184.00	44,543.00
Past service cost		
Unrecognised past service cost- non vested benefits		
Total	799,014.00	694,515.00
Recognised in other comprehensive income		
Remeasurement loss (gain):		
Actuarial loss (gain) arising from:		
Experience	-	-
Financial assumption	-	-
Total	-275,286.00	-86,397.00

Percentage break-down of total plan assets

Particulars	As at March 31, 2021	As at March 31, 2020
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, 2021	As at March 31, 2020
Discount rate	6.91%	6.82%
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	24.64 years	24.54 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

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, 2021		As at March 31, 2020	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (+/- 1%)	12.00%	-10.40%	12.90%	-11.20%
Discount Rate (+/- 1%)	-9.80%	11.40%	-10.50%	12.30%
Withdrawal Rate (+/- 1%)	-0.40%	0.20%	-1.20%	1.10%

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

The Best Estimate Contribution for the Company during the next year would be INR 8,17,652

Expected cash flow for following years

Maturity Profile of Defined Benefit Obligations	
Year 1	9,474
Year 2	71,887
Year 3	109,196
Year 4	129,591
Year 5	146,374
Year 6	136,002
Year 7	138,954
Year 8	245,824
Year 9	123,990
Year 10	131,650

c. Compensated absences :

The Company provides for accumulated compensated absences as at the balance sheet date using projected unit credit method based on actuarial valuation.

32 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.

33 Corporate Social Responsibility expenditure

As per Section 135(5) of the Companies Act 2013, the Company is required to spend a certain amount as expenditure towards Corporate Social Responsibility (CSR) from current Financial year. During the year company is required to spend Rs.7,45,346 and the company has contributed Rs.7,45,400 towards CSR activities for the year.

IKF Home Finance Limited

Notes forming part of Financial Statements for the year ended March 31, 2021

34 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.

The pillars of its policy are as follows:

- a) Maintain diversity of sources of financing and spreading the maturity across tenure buckets in order to minimize liquidity
- b) Maintain investment grade ratings for all its liability issuances domestically and internationally by ensuring that the financial strength of the balance sheets is preserved.
- c) Manage financial market risks arising from Interest rate, equity prices and minimise the impact of market volatility on
- d) 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 12%. 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 48.08%, 47.96% at March 31, 2021 and March 31, 2020 respectively. The Company has complied in full, with the guidelines on capital adequacy issued by NHB.

35 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.

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, 2021

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, 2020

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	-	-	-	-

IKF Home Finance Limited

Notes forming part of Financial Statements for the year ended March 31, 2021

(Amount in Rupees unless otherwise stated)

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, 2021

Particular	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
Financial Assets				
Cash and cash equivalents	268,113,799	268,113,799	-	-
Bank balance other than cash and cash	20,000,000	20,000,000	-	-
Trade Receivable	1,587,908	-	-	1,587,908
Loans	1,864,637,461	-	-	1,864,637,461
Other financial assets	127,880,673	-	-	127,880,673
Total Financial Assets	2,282,219,841	288,113,799	-	1,994,106,042
Financial Liabilities				
Trade Payables	2,351,974	-	-	2,351,974
Debt Securities	952,281,391	-	-	952,281,391
Borrowings	639,280,207	-	-	639,280,207
Other Financial Liabilities	93,640,091	-	-	93,640,091
Total Financial liabilities	1,687,553,662	-	-	1,687,553,662

As at March 31, 2020

Particular	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
Financial Assets				
Cash and cash equivalents	74,401,811	74,401,811	-	-
Loans	1,393,505,328	-	-	1,393,505,328
Other financial assets	90,085,066	-	-	90,085,066
Total Financial Assets	1,557,992,205	74,401,810.94	-	1,483,590,394
Financial Liabilities				
Trade Payables	1,785,199	-	-	1,785,199
Borrowings	960,125,936	-	-	960,125,936
Other Financial Liabilities	103,529,373	-	-	103,529,373
Total Financial liabilities	1,065,440,507	-	-	1,065,440,507

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.

36 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, 2021	As at March 31, 2020
Liquidity cushion		
Government Debt Securities	-	-
Mutual Fund Investments	-	-
Total Liquidity cushion	-	-

Financing Arrangement

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

Particulars	As at March 31, 2021	As at March 31, 2020
Committed Lines from Banks	-	-
Committed Lines from Other Parties	-	-
Total	-	-

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, 2021

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	268,113,799	-	-	-	-	268,113,799
Bank Balance other than cash and cash	-	-	-	-	20,000,000	20,000,000
Trade Receivables	1,587,908	-	-	-	-	1,587,908
Loans	-	14,107,934	47,484,648	379,598,355	1,423,446,524	1,864,637,461
Other Financial assets	-	6,074,475	22,777,458	71,420,512	27,608,230	127,880,676
Total undiscounted financial assets	269,701,707	20,182,409	70,262,106	451,018,867	1,471,054,754	2,282,219,844
Financial liabilities						
Trade Payables	-	2,351,974	-	-	-	2,351,974
Debt securities	-	-	-	952,281,391	-	952,281,391
Borrowings (Other than Debt Securities)	-	90,590,746	131,165,280	394,356,388	23,167,792	639,280,207
Other Financial liabilities	38,641,226	53,076,196	952,161	970,508	-	93,640,091
Total undiscounted financial liabilities	38,641,226	146,018,915	132,117,442	1,347,608,286	23,167,792	1,687,553,662
Total net financial assets / (liabilities)	231,060,481.43	(125,836,506)	(61,855,335)	(896,589,419)	1,447,886,962	594,666,182

IKF Home Finance Limited
Notes forming part of Financial Statements for the year ended March 31, 2021

As at March 31, 2020

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	74,401,811	-	-	-	-	74,401,811
Loans	-	13,997,648	48,009,336	390,700,847	940,797,496	1,393,505,328
Other Financial assets	69,355,689	19,193,678	-	-	1,535,699	90,085,066
Total undiscounted financial assets	143,757,500	33,191,326	48,009,336	390,700,847	942,333,195	1,557,992,205
Financial liabilities						
Trade Payables	-	1,785,199	-	-	-	1,785,199
Borrowings (Other than Debt Securities)	-	86,272,889	285,524,330	582,646,341	5,682,376	960,125,936
Other Financial liabilities	25,130,204	78,399,169	-	-	-	103,529,372
Total undiscounted financial liabilities	25,130,204	166,457,256	285,524,330	582,646,341	5,682,376	1,065,440,507
Total net financial assets / (liabilities)	118,627,296	(133,265,930)	(237,514,993)	(191,945,493)	936,650,819	492,551,698

Contractual expiry of commitments

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

As at March 31, 2021

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

As at March 31, 2020

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

IKF Home Finance Limited**Notes forming part of Financial Statements for the year ended March 31, 2021****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, 2021	As at March 31, 2020	Primary risk sensitivity
	Carrying amount	Carrying amount	
Financial assets			
Cash and cash equivalents	268,113,799	74,401,811	-
Bank Balance other than cash and cash	20,000,000	-	-
Trade Receivables	1,587,908	-	-
Loans	1,864,637,461	1,393,505,328	Interest rate risk
Investments	-	-	Interest rate risk
Other Financial assets	127,880,673	90,085,066	Interest rate risk
Total financial assets	2,282,219,841	1,557,992,205	
Financial liabilities			
Trade Payables	2,351,974	1,785,199	-
Debt securities	952,281,391	-	Interest rate risk
Borrowings (Other than Debt Securities)	639,280,207	960,125,936	Interest rate risk
Other Financial liabilities	93,640,091	103,529,373	Interest rate risk
Total financial liabilities	1,687,553,662	1,065,440,507	

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 repricing bands.

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 2021 and at 31 March 2020

Interest rate sensitivity**AS at March 31, 2021**

Particulars	Increase in basis points	Sensitivity of Profit	Decrease in basis points	Sensitivity of Profit
Bank Borrowings	1.00%	2,554,673	1.00%	2,551,259
Government securities	-	-	-	-

AS at March 31, 2020

Particulars	Increase in basis points	Sensitivity of Profit	Decrease in basis points	Sensitivity of Profit
Bank Borrowings	1.00%	244,386.04	1.00%	233,604.72
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, 2021		As at March 31, 2020	
	Stage 1	Stage 2	Stage 1	Stage 2
Home Loans	2.96%	36.04%	2.96%	33.47%
Loans Against Property	3.43%	26.00%	3.43%	23.56%

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, 2021	As at March 31, 2020
Home Loans	20.00%	20.00%
Loans Against Property	20.00%	20.00%

LGD Rates have been computed internally based on the discounted recoveries in defaulted accounts that are closed/ written off/ repossessed and upgraded during the year.

When estimating ECLs on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Significant increase in credit risk

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

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

Concentration of Credit Risk

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

Geography	Rs. In Lakhs	
	31-Mar-21	March 31, 2020
West	4,049.95	2,572.53
Central	-	-
South	15,224.03	11,875.65
	19,273.99	14,448.18

Quantitative Information of Collateral

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

As at March 31, 2021	Rs. In Lakhs			
	Loan to value			
	Upto 50%	51%-70%	More than 70%	Total
Home Loans	7,423.24	5,308.61	1,671.30	14,403.16
Loans Against Property	3,423.64	1,447.19	-	4,870.83
Total	10,846.87	6,755.81	1,671.30	19,273.99

As at March 31, 2020	Rs. In Lakhs			
	Loan to value			
	Upto 50%	51%-70%	More than 70%	Total
Home Loans	4,533.11	2,751.31	1,679.77	8,964.19
Loans Against Property	4,031.53	1,434.38	18.08	5,483.98
Total	8,564.63	4,185.69	1,697.85	14,448.18

IKF Home Finance Limited**Notes forming part of Financial Statements for the year ended March 31, 2021***(Amount in Rupees unless otherwise stated)***37 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, 2021	Year ended March 31, 2020
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, 2021	Year ended March 31, 2020
No. Accounts	250	782
Aggregate value of accounts sold	279,103,512	893,410,417
Aggregate consideration	279,103,512	893,410,417
Additional Consideration realized in respect of accounts transferred in earlier years	-	-
Aggregate gain/(loss) over net book value		

38 Changes in liabilities arising from financing activities

Particulars	As at April 1, 2020	Cash Flows (net)	CCPS converted	Others (net)*	As at March 31, 2021
Subordinated liabilities	-	-	-	-	-
Debt securities	-	900,000,000	-	52,281,391	952,281,391
Borrowing other than debt securities	960,125,936	(273,331,394)	-	(47,514,335)	639,280,207
	960,125,936	626,668,606	-	4,767,055	1,591,561,598

Particulars	As at April 1, 2019	Cash Flows (net)	CCPS converted	Others (net)*	As at March 31, 2020
Subordinated liabilities	-	-	-	-	-
Debt securities	-	-	-	-	-
Borrowing other than debt securities	1,128,524,303	(172,665,823)	-	4,267,456	960,125,936
	1,128,524,303	(172,665,823)	-	4,267,456	960,125,936

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

39 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, 2021	As at March 31, 2020
Opening	16.19	29.36
Additions	14.64	-
Deletion	-	-
Depreciation	(9.89)	(13.17)
Closing Balance	20.94	16.19

The following is the movement in lease liabilities :

(Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning	18.07	31.09
Additions	14.64	-
Finance cost accrued during the period	1.58	-
Payment of lease liabilities	(12.07)	(13.02)
Balance at the end	22.21	18.07

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

Particulars	As at March 31, 2021	As at March 31, 2020
Less than 3 months	2.98	3.24
Over 3 months & upto 6 months	3.07	2.37
Over 6 months & upto 1 year	6.46	3.89
Over 1 year & upto 3 years	9.71	8.57
Over 3 years	-	-

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

(Rs. In Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation expense of right-of-use assets	9.89	13.36
Interest expense on lease liabilities	1.58	2.86
Expense relating to short-term leases	-	9.00
Total amount recognised in profit or loss	11.46	25.22

Future Commitments:

Particulars	As at March 31, 2021	As at March 31, 2020
Future undiscounted lease payments for which the leases have not yet commenced	-	-

Extension / Termination Options:

Some of the leases contain extension and termination options. Such options are taken into account in the determination of the lease term only if extension or non-termination can be assumed with reasonable certainty. On this basis, there were no such amounts included in the measurement of lease liabilities as at March 31, 2021.

IKF Home Finance Limited
Notes forming part of Financial Statements for the year ended March 31, 2021

(Amount in Rupees unless otherwise stated)

40 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, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	268,113,799	-	268,113,799	74,401,811	-	74,401,811
Bank Balance other than cash and cash equivalents	-	20,000,000	20,000,000	-	-	-
Receivables						
(I) Trade receivables	1,587,908	-	1,587,908	-	-	-
(II) Other receivables	-	-	-	-	-	-
Loans	61,592,582	1,803,044,879	1,864,637,461	60,192,134	1,333,313,195	1,393,505,328
Investments	-	-	-	-	-	-
Other Financial assets	28,851,934	99,028,739	127,880,673	38,381,279	51,703,787	90,085,066
Sub total	360,146,223	1,922,073,618	2,282,219,841	172,975,224	1,385,016,981	1,557,992,205
Non-financial assets						
Property, plant and equipment	-	7,890,671	7,890,671	-	8,604,635	8,604,635
Right to Use Assets	-	2,093,684	2,093,684	-	1,618,673	1,618,673
Other intangible assets	-	3,675,634	3,675,634	-	4,029,830	4,029,830
Other non-financial assets	670,576	1,891,117	2,561,693	4,530,989	-	4,530,989
Sub total	670,576	15,551,106	16,221,682	4,530,989	14,253,139	18,784,128
Total assets	360,816,799	1,937,624,724	2,298,441,523	177,506,213	1,399,270,120	1,576,776,333
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
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	2,351,974	-	2,351,974	1,785,199	-	1,785,199
Debt Securities	-	952,281,391	952,281,391	-	-	-
Borrowings (Other than Debt Securities)	221,756,026	417,524,181	639,280,207	400,422,645	559,703,291	960,125,936
Deposits	-	-	-	-	-	-
Subordinated Liabilities	-	-	-	-	-	-
Other Financial liabilities	92,669,583	970,508	93,640,091	103,529,373	-	103,529,373
Sub total	316,777,583	1,370,776,079	1,687,553,662	505,737,216	559,703,291	1,065,440,507
Non-Financial liabilities						
Current tax liabilities (Net)	7,189,857	-	7,189,857	-	3,868,284	3,868,284
Provisions	9,474	2,758,685	2,768,159	-	2,244,428	2,244,428
Deferred tax liabilities (Net)	-	8,957,423	8,957,423	-	4,590,886	4,590,886
Other non-financial liabilities	3,667,675	-	3,667,675	3,067,476	-	3,067,476
Sub total	10,867,006	11,716,108	22,583,114	3,067,476	10,703,598	13,771,073
Total liabilities	327,644,589	1,382,492,187	1,710,136,776	508,804,692	570,406,889	1,079,211,580

41 Disclosure as required by RBI circular dated 17 April 2020 'COVID-19 Regulatory Package- Asset Classification and Provisioning' are given below:

Particulars	As at 31-Mar-21
Principal outstanding of loans where the moratorium deferment was extended (refer note (i) below)	1,217,372,689
Principal outstanding in SMA/overdue categories*, where the moratorium deferment was extended (refer note (ii) and (iii) below)	389,078,186
Principal outstanding where asset classification benefit is extended (refer note (iii) below)	-
Provision made in terms of paragraph 5 of the circular	38,907,819
Provisions adjusted during respective accounting periods against slippages	-
Residual provisions as of 31 March 2021 in terms of paragraph 6 of the circular	38,907,819

* Special mention account(SMA)/Overdue status includes cases having 1-90 DPD as on 31 August 2020.

(i) Represents outstanding balance as at March 31, 2021 of loan accounts where moratorium benefit was extended by the company up to August 31, 2020.

(ii) Represents outstanding balance as at March 31, 2021 of loan account in SMA/overdue categories where moratorium benefit was extended by the Company up to August 31, 2021.

(iii) There are NIL accounts where asset classification benefit is extended as at March 31, 2021. Post the moratorium period, the movement of aging has been at actuals.

42 COVID-19 pandemic has affected several countries across the world, including India. The pandemic and consequent lockdown imposed by the Government led to a short term slowdown on the Company's business operations during the first half of Financial year 2020-21. However, the Company experienced a linear increase in its disbursement activities post September 2020 and a significant improvement in its collections.

The impact of Covid-19 pandemic, including the current 'second wave' that has significantly increased the number of cases in India, on the Company's operations and financial metrics will depend on future developments, which are highly uncertain. The Company's capital and liquidity position is strong and would continue to be a focus area during this period. Also, the Company has created a total ECL provision of Rs. 62,761,084 on its loans which amounts to 3.26% of the total loans. The Company will continue to monitor for any material changes on account of future economic conditions.

43 Hon'ble Supreme Court vide order dated March 23, 2021, in the matter of Small Scale Industrial Manufacturers Association vs UOI & Others has stated that interim relief granted vide an interim order dated September 3, 2020 stands vacated. Accordingly, the Company has classified non-performing assets as per extant RBI guidelines.

44 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

45 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 on	(E) Increase in provisions on account of the implementation of the resolution plan
Housing Loans	20	41,128,545	-	-	1,623,819
Loan against Property	28	53,323,125	-	-	3,166,069

IKF Home Finance Limited

Notes forming part of Financial Statements for the year ended March 31, 2021

46 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.

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

For KONDEPATI & CO

Firm Reg No : 012912S

Chartered Accountants

(K Anil Kumar)

Proprietor

Membership No: 516209

Place: Vijayawada

Date: May 21, 2021

For and on behalf of the Board of Directors of

IKF Home Finance Limited

V Vasantha Lakshmi

Managing Director

DIN: 03610979

Place: Hyderabad

Date: May 21, 2021

V G K Prasad

Director

DIN: 01817992

Place: Vijayawada

Date: May 21, 2021

Sreepal Jain

Chief Financial Officer

Place: Hyderabad

Date: May 21, 2021

Vishal Kumar Joshi

Company Secretary

M.No.A43209

Place: Hyderabad

Date: May 21, 2021

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

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

Particulars	31 March, 2021	31 March, 2020
CRAR (%)	48.08%	47.96%
CRAR – Tier I Capital (%)	46.83%	46.71%
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	-	-

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

Particulars	31 March, 2021	31 March, 2020
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	14,026,000	4,915,000
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	14,026,000	4,915,000
Addition/ Appropriation/ Withdrawal during the year		
Add: a) Amount transferred u/s 29C of the NHB Act, 1987	33,386,322	9,111,000
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 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	47,412,322	14,026,000
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	47,412,322	14,026,000

c. Investments:

The Company has not made any investments in the current.

d. Derivatives:

The Company has not entered into any forward rate agreements, interest rate swaps, and exchange traded interest rate derivatives. Hence, no disclosure is made for the same.

e. Disclosures relating to Securitization:

The company has not securitization any received during the year.

f. Details of assignment transactions undertaken:

Particulars	31 March, 2021	31 March, 2020
(i) Total No loan assets under PAR structure	250	782
(ii) Total Book Value of loan assets	279,103,512	893,410,417
(iii) Sale consideration received	279,103,512	893,410,417

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, 2021:

(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	50.00	-	16.67	520.00	119.67	174.33	348.67	1,231.00	456.00	218.00	3,134.33
Market Borrowings*	0.39	-	198.81	96.36	45.04	246.46	493.00	10,494.55	614.12	4.99	12,193.73
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	-	45.58	-	50.80	50.03	155.90	336.86	1,657.60	2,281.61	14,771.62	19,350.00
Investments	-	-	-	-	-	-	-	-	-	-	-
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-

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

IKF Home Finance Limited
Annexure I to Note No. 46 to the Financial Statements

Maturity pattern of certain Assets and Liabilities as on March 31, 2020:

(Rs. In Lakhs)

Particulars	1 day to 7 days	8 to 14 days	15 days to 1 Month	Over 1 month &	Over 2 month &	Over 3 month & upto 6	Over 6 month &	Over 1 Year & upto 3 Year	Over 3 Year & upto 5 Year	Over 5 Years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from banks	123.48	-	120.85	330.76	246.08	890.10	1,814.41	4,269.21	1,201.54	103.95	9,100.38
Market Borrowings	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	-	44.52	-	52.10	46.69	150.83	340.76	1,668.83	2,291.60	9,905.86	14,501.19
Investments	-	-	-	-	-	-	-	-	-	-	-
Foreign	-	-	-	-	-	-	-	-	-	-	-

a) **Exposure to real estate sector and capital market**

(Rs. In Lakhs)

Category	31-Mar-21	31-Mar-20
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	8,360	6,353
- Others	10,990	8,148
Total	19,350	14,501
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: Nil**

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

e) **Unsecured Advances**– The company has not financed any unsecured advances against intangible securities such as rights, licenses, authority etc as

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. Ratings assigned by credit rating agencies and migration of ratings during the year: -

Instrument	31 March, 2021	31 March, 2020
Non-Convertible Debentures	[CARE]A- (Stable) [BWR]A (Stable)	-
Term loans	[CARE]A- (Stable)	[CARE]A- (Stable)
Subordinate Debt	[CARE]A- (Stable)	-
Cash Credit	[CARE]A- (Stable)	-

n. Net Profit or Loss for the period, prior period items and changes in accounting policies

During the year,

- (a) no prior period items occurred which has impact on Statement of Profit and loss,
(b) no change in Accounting policy,
(c) there is no withdrawal from reserve fund.

o. Revenue Recognition

There are no circumstances in which revenue recognition has been postponed by the Company pending the resolution of significant uncertainties.

p. Consolidated Financial Statements (CFS)

The Company does not have a Subsidiary, so Consolidated financial statements is not applicable.

q. Provisions and Contingencies (shown under the head expenditure in Statement of Profit and Loss)

Particulars	31 March, 2021	31 March, 2020
Provision made towards income tax	24,818,497	12,750,775
Provision towards non-performing assets	5,591,168	5,676,646
Provision for standard assets	57,169,916	45,635,649

r. Breakup of Loans and Advances and Provision thereon 31-03-2021

(Rs. In Lakhs)

Particulars	Housing		Non-Housing	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Standard Assets				
a) Total Outstanding amount	14,397	8,910	4,770	5,450
b) Provision made *	403	278	169	178
Sub-Standard Assets				
a) Total Outstanding amount	84	49	5	70
b) Provision made *	26	20	2	28
Doubtful Assets				
a) Total Outstanding amount	-	-	93	23
b) Provision made *	-	-	28	9
Loss Assets				
a) Total Outstanding amount	-	-	-	-
b) Provision made	-	-	-	-
Total				
a) Total Outstanding amount	14,481	8,958	4,868	5,543
b) Provision made	429	298	199	215

*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+other charges pertaining to loans without netting off.

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

s. Draw down from Reserves:

There has been no draw down from reserves during the year ended March 31, 2021.

t. Concentration of Advances, Exposures and NPAs:

(Amount Rupees)

Particulars	31 March, 2021	31 March, 2020
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	74,915,597	115,997,948
(%) of advances to twenty largest borrowers to total advances	3.87%	7.99%
Concentration of Exposures		
Total exposure to twenty largest borrowers/customers	74,915,597	115,997,948
(%) of exposure to twenty largest borrowers/customers to total expos	3.87%	7.99%
Concentration of NPAs		
Total exposure to top ten NPA accounts	18,224,908	14,191,614

u. Sector-wise NPAs

Particulars	31-Mar-21		31-Mar-20	
	Rs.	%	Rs.	%
Housing Loans				
Individuals	8,393,428	46.05%	4,875,712	34.36%
Builders/Project loans	-	-	-	-
Corporates	-	-	-	-
Others (specify)	-	-	-	-
Non-Housing Loans				
Individuals	9,831,480	53.95%	9,315,902	65.64%
Builders/Project loans	-	-	-	-
Corporates	-	-	-	-
Others (specify)	-	-	-	-

v. Movement of NPAs

Particulars	31 March, 2021	31 March, 2020
(i) Net NPAs to Net Advances (%)	0.65%	0.59%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	14,191,614	2,238,000
(b) Additions during the year	5,143,795	14,191,614
(c) Reductions during the year (incl. loans written off)	1,110,501	2,238,000
(d) Closing balance	18,224,908	14,191,614
(iii) Movement of Net NPAs		
(a) Opening balance	8,514,968	1,790,400
(b) Additions during the year	5,062,697	8,514,968
(c) Reductions during the year	943,926	1,790,400
(d) Closing balance	12,633,739	8,514,968
(iv) Movement of provisions for NPAs		
(a) Opening balance	5,676,646	447,600
(b) Provisions made during the year	-	5,676,646
(c) Write-off / write-back of excess provisions	85,477	447,600
(d) Closing balance	5,591,169	5,676,646

w. Oversea Assets-Nil

x. Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms) - Nil

y. Customer Complaints

Particulars	For the year ended 31 March, 2021
(i) Number of complaints pending at the beginning of the year	-
(ii) Number of complaints received during the year	4
(iii) Number of complaints redressed during the year	4
(iv) Number of complaints pending at the end of the year	-

z. The Company does not have any outstanding loan against gold jewellery as at March 31, 2021.

For KONDEPATI & CO
Firm Reg No : 012912S
Chartered Accountants

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

K Anil Kumar
Proprietor
Membership No: 516209

Place: Vijayawada
Date: May 21, 2021

V Vasantha Lakshmi
Managing Director
DIN: 03610979
Place: Hyderabad
Date: May 21, 2021

V G K Prasad
Director
DIN: 01817992
Place: Vijayawada
Date: May 21, 2021

Sreepal Jain
Chief Financial Officer
Place: Hyderabad
Date: May 21, 2021

Vishal Kumar Joshi
Company Secretary
M.No.A43209
Place: Hyderabad
Date: May 21, 2021