

September 26, 2022

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, 2022**

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, 2022. 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

**IKF HOME FINANCE LIMITED**  
**20<sup>th</sup> Annual Report**  
**2021 - 2022**

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**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. Radheyyshyam 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 & Compliance Officer |

**SENIOR EXECUTIVES**

- |                             |   |                               |
|-----------------------------|---|-------------------------------|
| 1. Mr. S. Aryendra Kumar    | : | Executive Director            |
| 2. Mr. Anand Srinivasan     | : | Business Head                 |
| 3. Mr. Venugopal R          | : | Head Operations               |
| 4. Mr. CH. Lakshmi Kanth    | : | Head Risk & Credit Compliance |
| 5. Mr. N. Jagan Mohan Reddy | : | Credit Head (TS & AP)         |
| 6. Mr. Manoj Bhaskaran      | : | Credit Head (MH, GJ, KA & TN) |
| 7. Mr. Giridhar Vellore     | : | National Collections Manager  |

**BOARD COMMITTEES**

**AUDIT COMMITTEE:**

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

**MANAGEMENT COMMITTEE:**

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

**NOMINATION & REMUNERATION COMMITTEE:**

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

**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

**CUSTOMER SERVICE AND GRIEVANCE REDRESSAL COMMITTEE:**

1. Mrs. Vupputuri Vasantha Lakshmi
2. Mr. Venugopal R
3. Mr. Anand Srinivasan

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

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

**IT STRATEGY COMMITTEE**

1. Mr. Radhey Shyam Garg
2. Mrs. Vupputuri Vasantha Lakshmi
3. Mr. CH Lakshmikanth
4. Mr. Raghuram

**INTERNAL AUDITORS**

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



Home Finance

CIN: U65922AP2002PLC039417

**SHARE TRANSFER AGENTS:**

M/s. Bigshare Services Private Limited  
306, 3rd Floor, Right Wing, Amrutha Ville  
Opp. Yashoda Hospital, Rajbhavan Road  
Somajiguda, Hyderabad- 500 082  
Contact No: 04040144582  
Email Id: [bsshyd@bigshareonline.com](mailto:bsshyd@bigshareonline.com)

**TRUSTEE FOR DEBENTURES**

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

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

**BANKERS/FINANCIAL INSTITUTION:**

National Housing Bank  
State Bank of India  
Sundaram Home Finance Ltd  
The Federal Bank Limited  
The South Indian Bank Limited  
DCB Bank Ltd  
Jana Small Finance Bank  
Utkarsh Small Finance Bank  
Dhanlakshmi Bank  
Yes Bank  
Bank of Baroda  
Tata Capital Financial Services Ltd  
MAS Financial Services Ltd.

**REGISTERED OFFICE:**

# 40-1-44, 1<sup>st</sup> Floor, Corporate Centre,  
M.G. Road, Vijayawada- 520 010  
Andhra Pradesh, India  
Phone: 08662474644  
Website: [www.ikfhomefinance.com](http://www.ikfhomefinance.com)

**SECRETARIAL AUDITORS**

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

**TRUSTEE FOR SECURITIZATION/DIRECT ASSIGNMENT**

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

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

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

**CORPORATE OFFICE**

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

20<sup>th</sup> Annual General Meeting

Date : September 30<sup>th</sup>, 2022  
Time : 02.00 PM  
Day : Friday  
Venue : Registered Office of the Company  
# 40-1-44, 01<sup>st</sup> Floor, Corporate Centre,  
M.G. Road, Vijayawada- 520 010  
Krishna District, Andhra Pradesh, India

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

**NOTICE**

**SHORTER NOTICE IS HEREBY GIVEN THAT THE 20<sup>TH</sup> ANNUAL GENERAL MEETING OF IKF HOME FINANCE LIMITED WILL BE HELD ON FRIDAY, THE 30<sup>TH</sup> DAY OF SEPTEMBER 2022, AT 02.00 P.M. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT # 40-1-44, CORPORATE CENTRE, M.G. ROAD, VIJAYAWADA- 520 010, ANDHRA PRADESH, INDIA TO TRANSACT THE FOLLOWING BUSINESS:**

**ORDINARY BUSINESS:**

- 1. TO RECEIVE, CONSIDER, APPROVE AND ADOPT THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON AND IN THIS REGARD TO PASS THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION.**

**“RESOLVED THAT** the audited Financial Statements of the Company for the year ended 31<sup>st</sup> March 2022, together with the reports of the auditors and directors thereon of the Company be and are hereby received, considered, approved and adopted”

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

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

- 3. TO CONSIDER AND APPROVE THE APPOINTMENT OF KS RAO & CO, CHARTERED ACCOUNTANTS (FIRM REGISTRATION NO. 003109S), AS THE STATUTORY AUDITOR OF THE COMPANY.**

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

**“RESOLVED THAT** pursuant to Sections 139, 141, 142 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, of the said Act and Companies (Audit and Auditors) Rules, 2014 made thereunder and , as may be applicable, and any other applicable laws, including any amendments, statutory modifications or re-enactments thereof, for the time being in force and RBI Circular No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021, other rules, guidelines, circulars, directions and clarifications issued by the Reserve Bank of India (‘RBI’), from time to time M/s. KS Rao & Co, Chartered Accountants (Firm Registration No. 003109S), be and are hereby appointed as the Statutory Auditors of the Company for tenure of 3 years commencing from the conclusion of this 20<sup>th</sup> Annual General Meeting till the conclusion of 23<sup>rd</sup> Annual General Meeting, subject to the statutory auditors satisfying eligibility norms each year, on such remuneration as may be fixed by the management plus re-imbusement of out of pocket expenses incurred and applicable taxes thereon.

**RESOLVED FURTHER THAT** Mrs. V. Vasantha Lakshmi Managing Director or Ms. K Vasumathi Devi, Director or Mr. Vishal Kumar Joshi, Company Secretary of the Company, be and are hereby severally authorised to take, perform and execute such further steps, acts, deeds and matters, as may be necessary, proper or expedient to give effect to above resolution, from time to time including power to settle questions, difficulties, doubts or queries arising out of the subject matter hereof without required to seek any further consent or approval from shareholders.”

**SPECIAL BUSINESS**

**4. TO ENHANCE THE BORROWING POWERS OF THE COMPANY FROM RS. 750 CRORES TO RS. 1200 CRORES**

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

**“RESOLVED THAT** subject to the provisions of Section 180 (1) (c) and other applicable provisions, if any, and the Companies Act, 2013 including any statutory modifications or re-enactments thereof and in suppression of all the earlier resolutions passed in this regard, the Board of Directors hereinafter referred to as the Board, including any committee thereof for the time being exercising the powers conferred on them by this resolution, be and hereby authorized to borrow money, as and when required, from, including without limitation, any Bank and/or Public Financial Institution as defined under Section 2(72) of the Companies Act, 2013 and/or eligible foreign lender and/or any entity/entities and/or authority/authorities and/or through suppliers credit, any other securities or instruments, such as floating rate notes, fixed rate notes, syndicated loans, debentures, commercial papers, short term loans or any other instruments etc, and/or through credit from official agencies and/or by way of commercial borrowings from the private sector window of multilateral financial institution, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding Rs.1200 Crore (Rupees Twelve Hundred Crore only), notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company’s banker in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specified purpose.”

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

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

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

**“RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, consent of the Company be and is hereby given to the Board of Directors, which term shall include any Committee constituted by the Board of the company to create charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the company, on such assets and properties of the company, both present and future and in such manner as the Board may direct, in favour of all or any Banks, financial institutions, investments institutions and their subsidiaries, any other bodies corporate and any other lenders (hereinafter collectively referred to “the lending agencies”) and/ or Trustees for the holders of debentures/ bonds/ other instruments to secure borrowing of the Company by way of loans/ issue of debentures/ bonds/ other instruments which may be issued for a sum not exceeding Rs.1200 Crore (Rupees Twelve Hundred Crore only) over and above the aggregate of the paid up capital of the company and its free reserves which have been /or propose to be obtained from or privately placed with the lending agencies together with interest there on at agreed rates, further interest, liquidated damages, premium on



prepayment or on redemption, costs, charges, expenses, and all other monies payable by the company to the trustees under the trust deeds and/or to the lending agencies under their respective agreements/loan agreements /debentures trust deeds entered into/to be entered by the company in respect of said borrowings.”

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

6. **AUTHORIZATION TO ISSUE OF NON CONVERTIBLE DEBENTURES (NCD)/TIER II DEBT(S)/COMMERCIAL PAPERS/BONDS ON PRIVATE PLACEMENT BASIS UPTO RS. 500 CRORE.**

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

**“RESOLVED THAT** pursuant to the provisions of section 42 and other applicable provisions of the Companies Act, 2013, read with Companies (Prospectus and Allotment of Securities) Rules, 2014 and other applicable provisions of the Companies Act, 2013, to the extent notified, and as applicable and the Companies Act, 1956, as amended and in force, in accordance with the memorandum and articles of association and subject to required approvals if any, the Board of Directors of the Company be and is hereby authorized to issue, offer or invitation and allot secured / unsecured, redeemable, non-convertible, listed / unlisted, senior / subordinated bonds / debentures / Commercial Paper / Tier II Debt/ Other debt securities (“Bonds”) of value aggregating upto Rs. 500 Cr (Rupees Five Hundred Crores Only) through private placement offer letter(s) in one or more tranches in conformity and in compliance with the all applicable rules, regulation, directions made in this regard, as amended from time to time to such person or persons, including one or more companies, bodies corporate(s), statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, alternative investment funds, pension/provident funds and individuals, as the case may be or such other person/persons as the board of directors may decide so.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things as may be deemed necessary in respect of issue of Bonds/ Debenture including but not limited to number of issues/ tranches, face value, issue price, issue size, timing, amount, security, coupon/interest rate(s), yield, listing, allotment and other terms and conditions of issue Bonds as they may, in their absolute discretion, deemed necessary to take all necessary steps”

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

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

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

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

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

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

**Place: Vijayawada**  
**Date : 26.09.2022**

**NOTES**

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

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

Name of the Director	Mr. V.G.K Prasad
DIN	01817992
Date of Birth	02.09.1947
Date of first Appointment on the Board	05.08.2002
Age	75 Years
Qualification	Graduate
Experience	Mr. Prasad is a veteran in the finance field in Andhra Pradesh with over three decades of experience in Hire Purchase and Leasing of Automobiles. Before promoting IKF Finance Limited, he was associated with various finance firms as Managing Partner. He served as President of Krishna District Auto Financiers Association and also served as the Member of the Governing Council, Vice President, Secretary General and President of Federation of Indian Hire Purchase Associations (FIHPA), the apex body of Asset Financing NBFCs.
Terms and conditions of appointment	Liabile to Retire by Rotation
Remuneration sought to be paid last drawn	Nil
Relationship with other director/Manager and other KMP	Father of Mrs. V. Vasantha Lakshmi & Mrs. K. Vasumathi Devi
No of Meeting of the Board Attended during the FY-2021-22	7
No of Shares held in the Company	4,737,881
Directorships of other Board	3
Membership/Chairmanship of Committees of other Board	4

**STATEMENT SETTING OUT THE MATERIAL FACTS CONCERNING AND RELATING TO THE SPECIAL BUSINESS TO BE TRANSACTED AT THE MEETING PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“THE ACT”)**

**Item No 3**

The Board of Directors based on the recommendation of the Audit Committee, at its meeting held on September 24, 2022, proposed the appointment of M/s. KS Rao & Co, Chartered Accountants, (Firm Reg. No. 003109S) as the Statutory Auditors of the Company for a term of 3(years) consecutive years, who shall hold office from the conclusion of the ensuing 20<sup>th</sup> AGM till the conclusion of the 23<sup>rd</sup> AGM to be held in the year 2025. The remuneration proposed to be paid to the Statutory Auditors shall be in line with the remuneration paid to existing auditors i.e., Rs. 2,00,000/- (Rupees Two Lakhs Only) per annum and shall be commensurate with the services to be rendered by them during their tenure. The Board of Directors in consultation with the Audit Committee may alter and vary the terms and conditions of appointment, including remuneration in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

M/s. KS Rao & Co, Chartered Accountants, has given their consent for their appointment as Statutory Auditors of the Company and has issued certificate confirming that their appointment, if made, will be within the limits prescribed under the provisions of Section 139 read with Section 141 of the Companies Act, 2013 and the rules made thereunder and RBI Circular No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021, other rules, guidelines, circulars, directions and clarifications issued by the Reserve Bank of India (‘RBI’). M/s KS Rao & Co, Chartered Accountants, have confirmed that they are eligible for the proposed appointment under the Chartered Accountants Act, 1949 and rules and regulations made thereunder. The Auditors have further reported their independence from the Company according to the Code of Ethics issued by the Institute of Chartered Accountants of India (‘ICAI’) and ethical requirements relevant to audit.

The Board recommends the Ordinary Resolution set forth in item no. 3 of the Notice for approval of the members.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way concerned or interested, financially or otherwise in the resolution set out at item No. 3 of the Notice.

**Item no.4**

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

With a view to meet the funds requirements of the Company for both short term as well as long term, the Company may require to borrow from time to time by way of loans and/or issue of Bonds, Debentures or other securities and the existing approved limit may likely to be exhausted in near future and it is therefore recommended to enhance the borrowing limits of the Company up to Rs.1200 Crores (Rupees Twelve Hundred Crores Only). The Directors recommends the resolution for members’ approval as a Special Resolution.

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

**Item no.5**

As mentioned in Item No.5, it is proposed to increase the borrowing powers to Rs.1200 Crores (Rupees Twelve Hundred Crores Only). To secure such borrowings, the Company would be required to mortgage and/or charge its moveable and/or immovable properties, the whole or substantially the whole of the undertaking(s) or any other assets of the Company (both present and future) in favour of the financial institutions/banks/ other lender(s)/ trustees. The approval of the shareholders in the AGM is required as per Section 180(1)(a) of the Companies Act, 2013. The Directors recommends the resolution for members' approval as a Special Resolution.

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

**Item no. 6**

As mentioned in Item No. 6, the rules of the Companies (Prospectus and Allotment of Securities) Rules, 2014 prescribed under Section 42 and other applicable provisions, if any, of the Companies Act, 2013 of the Act deals with private placement of securities by a company. Sub-rule (2) of the said Rule 14 states that in case of an offer or invitation to subscribe for non-convertible debentures, Tier II Debt, Commercial Paper or other debt instruments on private placement, the company shall obtain previous approval of its members by means of a special resolution only once in a year for all the offers or invitations for such debentures during the year. Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014 deals with issue of secured debentures. In order to augment long term resources for financing, inter alia, for the strategic business expansion in future and for general corporate purposes, the Board, which term shall include any Committee constituted by the Board, may at an appropriate time, offer or invite subscriptions for NCDs, Bonds, Tier II Debt, Commercial Paper or any other debt securities on a private placement basis, in one or more tranches, upto an amount not exceeding Rs.500 Crore (Rupees Five Hundred Crore Only) within the overall borrowing limits of the Company, as approved by the Members from time to time, with authority to the Board to determine the terms and conditions, including the issue price, of the NCDs, Tier II Debt, Commercial Paper or any other Debt Instruments.

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

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

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

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

**Item No.7**

Mr. Vupputuri Gopala Kishan Prasad was appointed as Director of the Company by the members at the 18th Annual General Meeting held on 05<sup>th</sup> October, 2020. He has attained the age of 75 years. As a matter of abundant caution, it is proposed to obtain approval of the shareholders as per the provisions of Section 196(3) of Companies Act, 2013 for continuation of his employment as a Director, on the same terms of appointment as approved by members earlier in October 5, 2020. Hence a Special Resolution is proposed at Item No. 7 of the Notice. Mr. Vupputuri Gopala Kishan Prasad is a Promoter Director of the Company and has been serving as a Director of the Company since 2002. He has been actively involved in the operations of the Company. He has rich and varied experience of over 30 Plus years. It would be in the interest of the Company to continue the employment of Mr. Vupputuri Gopala Kishan Prasad as Director of the Company. Mr. Vupputuri Gopala Kishan Prasad is a Bachelor of Science. He has guided the Company through decades of diversification and growth.

Mr. Vupputuri Gopala Kishan 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**

**Place: Vijayawada**  
**Date : 26.09.2022**

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

**HIGHLIGHTS**

(Amount in Rs. Crores)

Particulars	2021-22	2020-21
<b>Operational Highlights</b>	<b>Ind AS</b>	
Approvals	229.13	105.88
Disbursements	208.04	95.23
Loans outstanding	328.85	186.46
Loans under Management (including assets sold)	429.40	288.20
<b>Financial Highlights</b>		
Paid-up capital	46.60	41.11
Reserves and surplus	38.97	17.72
Net-worth	<b>85.57</b>	<b>58.83</b>
Total borrowings (Including Fixed Deposits)	312.98	159.16
Fixed Deposits	0	0
Profit before tax	13.29	11.96
Profit after tax (before exceptional item)	10.00	9.05
Profit after tax (after exceptional item)	10.00	9.05
Total Comprehensive Income for the period comprising Profit and other comprehensive income for the period	10.02	9.07
Dividend (%)	0	0
Dividend (including tax) - Amount in Crore	NA	NA
Return on average net worth (%)	15.71%	16.67%
Book value (₹)		
Earnings per share (₹)	2.43	2.20
Capital Adequacy Ratio (%)	48.10%	48.08%
Cost-to-income ratio (%)	74.73%	70.25%
Gross non-performing loans (%)	0.95%	0.94%
Net non-performing loans (%)	0.55%	0.65%



**Directors' Report**

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

Your Directors have pleasure in presenting the 20<sup>th</sup> Annual Report accompanied with the Audited Accounts for the financial period ended on 31<sup>st</sup> March, 2022. The summarized financial results of the Company are as given hereunder:

**FINANCIAL RESULTS**

**(Amount in Rs. Crores)**

<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March 2022</b>	<b>Year ended 31<sup>st</sup> March 2021</b>
Income from Operations	51.15	39.80
Other income	1.45	0.41
Total Revenue	52.60	40.21
Less: Total Expenses	39.31	28.25
Profit Before Tax	13.29	11.96
Profit After Tax before Exceptional Item	10.00	9.05
Exceptional Item	0	0
Profit After Tax after Exceptional Item	10.00	9.05
Other comprehensive income	0.02	0.02
Total Profit & Other comprehensive income	10.02	9.07
Add: Balance brought forward from the previous year	12.57	6.83
<b>Amount available for appropriation</b>	<b>22.59</b>	<b>15.90</b>

Appropriations	(Amount in Rs. Crores)	
	Year ended 31st March 2022	Year ended 31st March 2021
Transfer to Special Reserve under Section 36(1)(viii) of the Income-tax Act, 1961	0	0
Transfer to Special Reserve relating to earlier years	0	0
Transfer to Additional Reserve under Section 29C of National Housing Bank Act, 1987	2.50	3.34
Transfer to COVID Reserve (net of deferred tax)	0	0
Other Comprehensive Income	0.02	0.02
Final Dividend – 2017-18	0	0
Final Dividend paid for FY 2018-19	0	0
Interim Dividend paid for FY 2019-20	0	0
Dividend Distribution Tax	0	0
Securities Premium	11.80	0
Transfer to General Reserve	0.55	0
Surplus carried to the Balance Sheet	19.53	12.57
<b>Total</b>	<b>38.98</b>	<b>17.72</b>

\*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 2022 since it is proposed to retain the same in the business.

**REVIEW OF FINANCIALS:**

Gross income of the Company during the year ended 31<sup>st</sup> March 2022 amounted to Rs. 52.60 crore, as against Rs. 40.21 crore in the previous year. Profit before tax was Rs. 13.29 crore, as against to Rs. 11.96 Crore in the previous year. profit after tax for the year was Rs. 10.00 Crore as compared to Rs. 9.05 Crore in the previous year. The Company’s net worth stood at Rs. 85.57 crore as on 31st March 2022 as compared to Rs. 58.83 Crores in the previous Year. As on date of 31<sup>st</sup> March 2022, the regulatory capital adequacy ratio (CRAR) was 48.10%, well above the regulatory requirement.

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**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, 2022, the Company's outstanding term loans/CC from banks stood at 226.76 Crore as compared to 63.93 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, 2022 was Rs. 86.21 Crore as against 95.23 Crore as on March 31, 2021.

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

**NHB REFINANCE:**

During the year under review, your company has been sanctioned with refinance from National Housing Bank ('NHB') amounting to Rs.25 Crore with an Outstanding of 34.80 Crore.

**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 2022-23.

**RESERVES:**

The Company has transferred an amount of Rs.2.50 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:**

**a) Authorized Share Capital**

During the period under review, The Authorized Share capital of the Company was increased from Rs. 50.00 Crore to Rs.65.00 Crore and

**b) Allotment of Equity Shares**

The Company has issued Partly paid up 1,97,89,430 (One Crore Ninety Seven Lakhs Eighty Nine Thousand Four Hundred and Thirty) Equity Shares of Rs. 10/- (Rupees Ten Only) each, partly paid to the tune of Rs.2.77/-

**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 48.10% for the financial year ended March 31, 2022

**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	174.77	158.83
LAP	54.37	49.21
Total	229.13	208.04

The Company approved loans totaling 229.13 crores during the year, as compared to corresponding figure of 105.88 crores in FY22. Disbursements during the year amounted to 208.04 crore as against 95.23 crore in FY22,

The average size of home loans disbursed to individuals during the year was 12.93 lakhs.

Accounts continuing default for more than 90 days) amounted to 3.19 crore as on 31<sup>st</sup> March 2022 which constituted 0.95% of the total loans as against 0.94% of Total Loans a Last year. Net NPA after provisioning were 0.55%, as against 0.65% last year.

Your Company’s performance for the year ended March 31, 2022 continues to be encouraging and has registered a Gross Revenue of Rs.52.60 Cr as against Rs. 40.21 Cr and Net Profit was increased to Rs.10.00 Cr from Rs.9.05Cr for the corresponding previous year. During the year, the AUM has grown from Rs. 288.20 Cr to 429.40 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 2021-22, there were no instances of frauds that are required to be reported by the Statutory Auditors with respect to Sub-Section 3(ca) of Section 134 of the Companies Act, 2013.

### **CORPORATE GOVERNANCE:**

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

The Company is adhered to Comply with the Guidelines as mandated by the Reserve Bank of India to all the Housing Finance Companies vide Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 No. DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 to Follow the Corporate Governance. The Board regularly reviews the Management’s reports on statutory and regulatory compliances. A detailed report on Corporate Governance forms part of the Annual Report.

### **MANAGEMENT DISCUSSION AND ANALYSIS**

#### **Global Economy**

The global landscape has been shaped and reshaped time and again by innumerable events with diverse consequences. The last two years have been witnessing numerous episodes, compelling organizations to redirect and revamp the way in which business is conducted.

The beginning of FY2022 faced a world grappling with the repercussions of subsequent waves of the COVID-19 pandemic. However, the consequences borne were milder in contrast to the global shutdowns and disruptions of the previous year.

Towards the third quarter of FY2022, the headlines abruptly switched from the pandemic to geopolitical conflict amongst Russia and Ukraine, which made other issues less pressing. Results of this are seen in the scarce availability of crude oil, edible oil and food grains and the consequential rise in inflation across the world. While the supply side solution for containing inflation will take time to come into effect, on the demand side, central banks have been raising interest rates to dry up the excess liquidity. High-interest rates have been causing the

flight of investments from equity to debt and from emerging markets to advanced economies, as can be seen from the falling equity indexes and rising bond yields.

US economy contracted for two consecutive quarters in 2022 and technically recession is already in, but the National Bureau of Economic Research, the official arbiter of recessions in the US is yet to declare a recession.

With all these unforeseen events unfolding and presenting themselves, the predictions for global growth rate have been revised over and over again. In July 2022, IMF reported world economy would slow down to 3.2% in 2022 and to 2.9% in 2023. It is a steep decline compared to the growth of 6.1% achieved in 2021.

In the economic cycle of Expansion-Peak-Contraction-Trough, the world is in the phase of contraction, on its way to the trough and is hoping to return to the expansion phase soon.

### **Indian Economy**

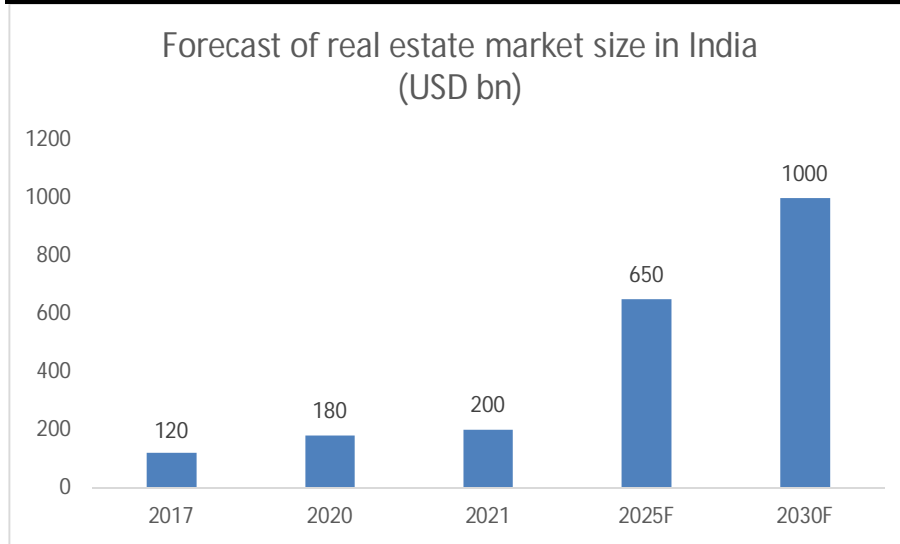
The global dynamics and India's dependence on the import of crude oil and edible oil has led to higher trade deficit, rupee devaluation and inflation. India's ability to import crude oil from Russia, despite the ongoing geopolitical conflict, helped the country to assuage the difficulties to some extent. The Indian economy witnessed real GDP growth of 8.7% in FY2022, which surpassed the pre-pandemic level of FY2020 by 4.7%.

There are quite a few factors for being optimistic about India. Primarily ours is a demand-driven economy with strong fundamentals. South-west monsoon, the lifeline to our agricultural sector, has been 7% higher than normal level and covered the entire country by 11 July 2022. The government has been announcing encouraging policies like Production Linked Incentives (PLI), push for the creation of infrastructure, encouraging the construction of houses, and expansion of capital expenditure under an overarching Atmanirbhar Bharat program towards self-reliance.

Reminding the typical situation of opportunities in adverse conditions, newer avenues are opening for India, as the western world wants to reduce its dependence on imported supplies from Russia and China. According to a Forbes Report, the EU is dependent on imports from Russia for 83 commodities and India has the competitive advantage in supplying these commodities. The war-triggered opportunities, appearing temporary now, could change to permanent prospects given the China+1 policy being pursued by the USA, the EU and others.

### **The Housing Sector in India**

Urbanisation and industrialisation have a positive impact on all three segments of the real estate sector - Residential, Commercial and Industrial. The size of the Indian real estate market in 2021 was USD 200 billion and is expected to reach USD 650 billion by 2025, contributing about 13% of GDP.



Source: [www.ibef.org](http://www.ibef.org)

### Demand Drivers for Housing

- **Affordable Housing in India**

The ever-increasing gap between demand and supply in the affordable housing segment is forcing people to live in slums and unhygienic settlements. Even though the urban housing shortage is more severe for the Economically Weaker Sections (EWS) and Low-Income Group (LIG) people, the majority of the houses are being built which are reachable to Mid-Income Group (MIG) and High-Income Group (HIG) populations. High land costs, delays in project approvals, increasing raw material costs and low-profit margins have made low-cost housing projects less attractive to private developers.

Though there are multiple stages in the value chain of affordable housing projects and challenges in each of those stages. It is observed that the demand for residential real estate is more from smaller towns.

- **Pradhan Mantri Awas Yojana**

India has been pursuing the Sustainable Development Goals set out by United Nations. In particular, “SDG-11: Make Cities and Human Settlements Inclusive, Safe, Resilient and Sustainable” is being spearheaded and monitored by the Ministry of Housing and Urban Affairs (MoHUA), which estimated the urban population would reach 57.5 billion by 2030.

Under the Pradhan Mantri Awas Yojana (Urban) (PMAY-U), launched by the MoHUA in 2015, a total of 122.69 lakh houses were sanctioned till 31 March 2022 out of which 61.77 lakh houses were constructed till July 2022 with an investment of Rs.8.31 lakh crores.

Pradhan Mantri Awas Yojana was reckoned as one of the largest housing projects in the world.

Similarly, the Ministry of Rural Development, which was responsible for the Pradhan Mantri Awas Yojana in the rural areas, reported sanctions for 244.50 lakh houses out of which 191.43 lakhs were constructed as on 3 August 2022.

- **Real Estate Regulation and Development Act, 2016 (RERA)**

Together with GST Act, RERA has been transforming the real estate sector in India by bringing transparency and ensuring protection to the buyers. Post RERA, it is mandatory to register the details of projects like PAN cards, Income tax returns, property size, details of the land, ownership documents, etc. The most notable change is that the carpet area of a house is to be disclosed to the prospective buyers which was not the case earlier. Thus, the trust, transparency and professionalism brought in by the RERA have been helping the housing sector to grow at an increased pace.

- **People going for New, Big and Additional houses**

The demand for houses is coming from first-time buyers who have not owned a house earlier. The second set of demands is coming out from those who want to have bigger homes on the back of rising income. Work from Home also necessitated additional rooms for ensuring an office kind of atmosphere and privacy in residential spaces. It is also observed that some people purchase additional houses as investments for capital appreciation, rental income and status.

- **Favourable equation of monthly housing rent and EMI**

The long tenure of housing loans together with low-interest rates results in Equated Monthly Instalments being equal or near equal to monthly housing rents. Thus, the monthly wage earners have been preferring to own the houses through loans rather than rent them.

- **Tax benefits**

Interest on housing loans and repayments are set off against taxable income and helps in reducing the tax burden. This tax benefit has been an incentive to avail of loans to buy houses.

There was a limited period tax benefit to support the housing Sector, the loans sanctioned during the period 1st April 2019 and 31st March 2022 Government has introduced Additional tax benefit of Rs. 2 Lakh under Section 24(b) of the Income Tax Act. This benefit is applicable for purchase of dwelling units below Rs. 45 Lakhs with carpet area less than 645 Sq ft for Metro Cities and 968 Sq ft for Other Cities. Therefore, taxpayers can claim a total deduction of Rs 3.5L for interest on home loan, if they meet the conditions of section 80EEA.

### **Housing Finance Sector in India**

The loan portfolio of housing finance companies (HFCs) in affordable space has shown increasing trend in its market share as compared to banks.

In FY2022, the growth in HFCs was 9% p.a. and was driven by the prime segment. In FY2023, the HFCs are estimated to grow at a rate of 10% to 12%, reflecting an upward revision, this is due to

- continued improvement in disbursements due to Revival in real estate sector
- Improved collection efficiency post Covid resulting in Better asset quality
- Growth in smaller Towns
- Current increasing level of macroeconomic activity

However, in the scenario of rising interest rates, which increases their borrowing costs and reduces on-balance sheet liquidity from the currently high level, the growth momentum of HFCs is likely to be hampered. The existing provision cover would cushion the profitability; hence credit costs need to be managed to maintain profitability.



Q3 FY2022 displayed an increase in gross NPAs, mainly due to Omicron wave of the pandemic and tighter regulations of RBI on the recognition and upgradations of gross NPAs (IRACP).

Q4 FY2022 was characterized by an overall improvement in economic conditions of the country, and along with the efforts of the HFCs for increased recoveries and the SARFAESI Act (Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002), the gross NPAs underwent a reduction whereas the AUM rose by 1.7% thereby increasing the collection efficiency.

### **Affordable Housing Finance Companies (AFHCs)**

The AFHCs grew at a rate of 15% in FY2022 and the growth was driven mainly in Q2 and Q3 of FY2022. High growth in AHFCs was due to improvement in collection efficiency, lesser competition from banks, a smaller base because of moderation in growth following the pandemic and the large demand of loans in the below-prime segment. In FY2023, the AHFCs are expected to grow at a faster rate of 18% to 20% which is faster than the industry rate of 12%.

As on December 2021, the total loan book of AFHCs stood at 6% of the overall HFCs loan book. It is estimated that the loan book of AFHCs will grow by 17% to 20% in FY2023 and the growth would be driven by

- Government's higher focus on housing
- Favourable tax regime
- Underpenetrated market
- Suitable demographic profile

ICRA also expects that the Return on Assets (RoA) for AFHCs will be around 2.5% to 2.7% in FY2023, based on expectation of stable interest rates, higher operating efficiencies and moderation in credit costs.

Source: ICRA

### **Industry Structure and Developments**

The RBI vide its notification of November 12, 2021, provided clarification on income recognition and asset classification and provisioning (IRAC) norms for banks, NBFCs, including HFCs, and All-India Financial Institutions. The key points include

- The classification of special mention accounts (SMA) and non-performing accounts (NPA) on a day-end position basis
- Upgrading from an NPA to a standard category only after clearance of all outstanding overdue
- Harmonisation of 'out of order' status of CC/OD
- Treatment of delays in interest payments on a 90-day overdue basis.

### **SWOT Analysis of the Affordable Housing Finance Sector in India**

#### **Strengths/Opportunities**

- Growth of urbanization at a rapid rate (reverse migration post COVID-19 restrictions)
- Increasing disposable income
- Increased preference for home ownership
- Monsoon conditions in the country (impacting per capita income of majority of the rural population)
- Governments push for affordable housing
- Growing penetration in the non-saturated rural and tier-2 and tier-3 city market

### Weaknesses/Threats

- Rising NPAs and outstanding loans
- Impact of Slowdown of other economies
- Interest rate fluctuation (higher funding costs)
- Credit rating fluctuation
- Dynamic Government/regulatory policies
- Bargaining power of customers (because of presence of many players)

### IKF Home Finance Limited (IKFHFL)

IKFHFL is a housing finance company with a mission to "Provide housing finance assistance through customized products to underserved segment". As on 31 March 2022, it has 38 branches spread over Andhra Pradesh, Gujarat, Karnataka, Tamil Nadu and Telangana.

IKFHFL is a subsidiary of IKF Finance Limited, a Non-Banking Finance Company with three decades of standing and about Rs. 328.85 Crores (on books) and 429.40 Crores Assets Under Management.

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

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

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

### Financial & Operational Performance

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

#### 1) Lending operations

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

(Rs. in cr)	FY22	FY21	Change
Sanctions	229.13	105.88	116.41%
Disbursements	208.04	95.23	118.46%

**2) Affordable housing**

In terms of the Credit Linked Subsidy Scheme (CLSS) under a broader Pradhan Mantri Awas Yojana, financially disadvantaged people are eligible for interest subsidies from the government which helps them reduce their EMI. Details of loans disbursed under the CLSS are as follows:

(Rs. in cr)	Household annual income	FY22	FY21	Change
Economically Weaker Section (EWS)	Up to Rs. 3 lakhs	14.69	4.60	219%
Low Income Group (LIG)	Rs.3 to 6 lakhs	0.00	0.00	0%
Middle Income Group (MIG)	Rs.6 to 18 lakhs	0.00	5.74	-100%
Total disbursements		<b>14.69</b>	<b>10.34</b>	<b>42%</b>
Eligible Interest Subsidy		<b>2.77</b>	<b>1.38</b>	<b>101%</b>

**3) Loan portfolio**

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

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

(Rs. in cr)		FY22	FY21	Change
Disbursements	Housing Loans	158.83	71.04	123.58%
	Loans against properties	49.21	24.18	103.52%
	Total	<b>208.04</b>	<b>95.23</b>	<b>118.46%</b>

**4) Average size of loans disbursed**

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

Particulars	UoM	FY22	FY21	Change
Amount of loans disbursed	Rs. in crores	208.04	95.23	118.46%
No. of loans disbursed	No.	1499	662	126.44%
The average amount of loan disbursed	Rs. in Lakhs	12	13	-7.69%
The highest amount of loan disbursed	Rs. in crores	<b>0.53</b>	<b>0.50</b>	<b>6.00%</b>
The lowest amount of loan disbursed	Rs. in crores	0.01	0.01	0.00%

**5) Loan book**

During the year, the Loan book increased significantly by 76.36% from Rs.186.46 crores as on 31 March 2021 to Rs.328.85 crores as on 31 March 2022.

**6) Gross and Net Loans**

<i>(Rs. in cr)</i>	FY22	FY21	Change
Gross amount of loans	335.14	192.74	73.88%
Cumulative ECL	(6.29)	(6.28)	0.16%
The net amount of loans	<b>328.85</b>	<b>186.46</b>	<b>76.36%</b>

**7) Borrowings**

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

<i>(Rs. in cr)</i>	FY22	FY21	Change
Debt securities	86.21	95.23	-9.47%
Borrowings	226.76	63.93	254.70%
Total borrowings	<b>312.97</b>	<b>159.16</b>	<b>96.64%</b>

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

**8) Asset Liability Management**

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

<i>(Rs. in cr)</i>	FY 22		FY 21	
	Assets	Liabilities	Assets	Liabilities
Maturity				
On-demand	63.59	4.74	26.97	3.87
Less than 3 months	2.65	23.20	2.02	14.60
3 to 12 months	8.76	53.46	7.03	13.21
1 to 5 years	66.35	219.24	45.10	134.76
Over 5 Years	269.78	23.74	147.10	2.32
<b>Total</b>	<b>411.13</b>	<b>324.38</b>	<b>228.22</b>	<b>168.76</b>

**9) Key elements of Statement of Profit and Loss Account**

The Revenue from operations amounted to Rs. 51.15 crores for FY22 as against Rs.39.80 crores for FY21 which represents a growth of 28.52%.

Employee benefits expense for the year stood at Rs.14.02 crores registering a growth of 71.60% over Rs.8.17 crores in the earlier year. The substantial increase is due to increase in staff strength from 185 to 308

Impairment on financial instruments came down steeply from Rs.1.15 crore to Rs.0.01 crore due to absorption of the Management overlay provided in the previous years.

Other expenses increased from Rs.2.72 crores to Rs.3.66 crores. This increase of 34.56% is on account of rent, travelling, rates and taxes, legal and professional charges and corporate social responsibility expenses.

#### 10) Performance Scorecard

Particulars	2020	2021	2022
Disbursements Rs. Cr	114.01	95.22	208.04
AUM Rs. Cr	228.32	288.2	429.4
Gross NPA	0.98%	0.94%	0.95%
Net NPA	0.59%	0.65%	0.55%
CRAR	47.96%	48.08%	48.10%
PAT Rs.Cr	7.95	9.05	10
Networth Rs.Cr	49.76	58.83	85.58
ROA*	4.19%	3.55%	2.87%
ROE*	17.76%	16.67%	15.71%

#### Internal Control Systems

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

#### Risk and Concerns

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

#### Human Resources

As of March 31, 2022, we had 308 employees. The Company recruits after conducting reference checks and our new employees undergo training. As part of our human resource initiatives, we have implemented several programs to engage with our employees. We conduct training programs periodically for our employees on lending operations, underwriting and due diligence, KYC and anti-money laundering norms, risk management, information technology, and grievance redressal.

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

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## Company Outlook

- IKFHFL will continue to grow in the segment it has chosen which is largely underserved.
- The company has shown resilience and has come back strongly for the challenges posed due to financial crisis and pandemic, which is the testimony of its business model.
- 100 % of the company portfolio is retail with average ticket size around Rs. 15 Lakhs and LTV's Around 50 % this will continue to be a driving factor as part of its Business Model.
- The Company is focusing to address the growing demand of smaller towns, hence majority of the Branch expansions are targeted in Tier 2 & Tier 3 Cities.
- The company will continue to focus on asset quality through robust and technology driven collection and recovery process.
- Digital-First has always been a priority for IKFHFL and going forward it will be moving most of its processes into paper less work flows.

## Regulatory updates by Reserve Bank of India and Other regulators

### Major Regulatory Changes

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

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

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

## REGULATORY INTERVENTIONS

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

- RBI: Asset Classification and Income Recognition following the expiry of COVID-19 regulatory package, dated 7th April, 2021.
- RBI: Guidelines for appointment of Statutory Central Auditors/Statutory Auditors of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs), dated 27th April, 2021.
- RBI: Notification on 'Financial Institution' under Section 2(1)(m)(iv) of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act), dated 17th June, 2021.

- RBI: Declaration of dividends by NBFCs, dated 24th June, 2021.
- RBI: Definition of Micro, Small and Medium Enterprises, dated 25th June, 2021.
- SEBI: Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper, dated 10<sup>th</sup> August, 2021.
- SEBI: (Issue and Listing of Non-Convertible Securities) Regulations, dated 9th August, 2021.
- SEBI: Listing Obligations and Disclosure Requirements (Fourth Amendment) Regulations, dated 13th August, 2021.
- SEBI: Security and Covenant Monitoring' using Distributed Ledger Technology, dated 13th August, 2021.
- MCA: Companies (Appointment and Qualification of Directors) Amendment Rules, dated 19th August, 2021.
- SEBI: (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, dated 7th September, 2021.
- BSE: XBRL based Compliance filings for Debt Listed Issuers, dated 15th September, 2021.
- RBI: Securitisation of Standard Assets Directions, dated 24th September, 2021.
- RBI: Transfer of Loan Exposures, Directions, dated 24th September, 2021.
- RBI: Scale Based Regulation, a Revised Regulatory Framework for NBFCs, dated 22nd October, 2021.
- BSE: (Issue and Listing of Non-Convertible Securities) Regulations, 2021 dated 9th August, 2021 and Operational Circular of SEBI for issue and listing of NCDs, dated 2nd November, 2021.
- SEBI: (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, dated 9th November, 2021.
- RBI: Clarifications on Income Recognition, Asset Classification and Provisioning pertaining to Advances norms (IRACP norms), dated 12th November, 2021.

## **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 organizational structure, proper documentation and requisite authority matrix and it has been put into the place to promote good governance, proper risk management and compliance with the applicable laws/ regulations, policies & procedures. The Company has proper management information system, escalation and review systems for various important aspects of the Company's business.

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

### **Human Resources & Employee Relationship**

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

The Company had a total of 308 full time employees on its rolls, as on March 31, 2022.

### **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/CC of Rs.206.80 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.312.98 Cr, of which borrowings from Banks constituted 86.96%, borrowings from Financial Institutions and Other 13.04%, 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.



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**CAPITAL ADEQUACY:**

The Capital to Risk Assets Ratio of your Company is 48.10 % as on 31.03.2022, well above the minimum of 15% prescribed by the National Housing Bank, of which Tier I Capital constituted 46.85% and Tier II Capital Constituted 1.25%.

**CREDIT RATING:**

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

**DIVIDEND:**

Your Directors have not recommended payment of dividend for the financial year ended 31<sup>st</sup> March 2022 to retain the same in the business.

**REVISION OF FINANCIAL STATEMENTS:**

There was no revision in the Financial Statements of the financial year ended 31st March, 2022.

**DEMATERIALIZATION OF SHARES & NON-CONVERTIBLE DEBENTURES:**

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

**SHARE CAPITAL**

**A. Authorized Share Capital**

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

**B. Paid up Share Capital.**

The paid up share capital of the Company is Rs 46,59,64,251 (Rupees Forty-Six Crores Fifty Nine Lakhs Sixty Four Thousand Two Hundred and Fifty One Only) consisting of 6,44,04,183 (Six Crore Forty Four Lakhs Four Thousand One Hundred and Eighty Three) equity shares divided into 3,76,14,753 (Three Crore Seventy Six Lakhs Fourteen Thousand Seven Hundred and Fifty Three) Fully paid up Equity Shares of Rs. 10/- (Rupees Ten only) each amounting to Rs. 37,61,47,530 (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) and Partly paid up 1,97,89,430 (One Crore Ninety-Seven Lakhs Eighty Nine Thousand Four Hundred and Thirty) Equity Shares of Rs. 10/- (Rupees Ten Only) each, partly paid to the tune of Rs.2.77/-Each amounting to Rs. 5,48,16,721 (Rupees Five Crore Forty-Eight Lakhs Sixteen Thousand Seven Hundred and Twenty one only).

**C. Allotment**

The Company during the period under review has allotted 1,97,89,430 partly Paid up equity shares having face value of Rs.10 Each partly paid to the tune of Rs.2.77/-Each.

**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. 38.98 Cr as on 31.03.2022 as compared to Rs. 17.72 Cr as on 31.03.2021. Further your Directors propose to transfer Rs. 2.5 Cr as against Rs. 3.34 during the Financial Year 2021-22 to Statutory Reserve @ 25% profit after tax as required under Section 29C of The National Housing Bank Act, 1987.

**DETAILS OF HOLDING AND SUBSIDIARY COMPANIES**

Pursuant to 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 with relevant notes thereon is enclosed as Annexure-I to this Report. The Report is self-explanatory and hence do not call for any further comments.

**INTERNAL AUDIT AND AUDITOR:**

As part of the effort to evaluate the effectiveness of the internal control systems, and to maintain its objectivity and independence and on recommendations of the Audit Committee your directors have appointed M/s. Brahmaiah & Co, Chartered Accountant as internal auditor of the Company for the year ended 31<sup>st</sup> March, 2022 who shall report to the Audit Committee / Board. Based on the report of internal auditor, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon were presented to the Audit Committee / Board.

**REPORTING OF FRAUDS BY AUDITORS:**

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

**INTERNAL FINANCIAL CONTROLS SYSTEMS AND THEIR ADEQUACY:**

The Company has a well-established internal & financial control and risk management framework, with appropriate policies and procedures, to ensure the highest standards of integrity and transparency in its operations and a strong corporate governance structure, while maintaining excellence in services to all its stakeholders. Appropriate controls are in place to ensure: (a) the orderly and efficient conduct of business, including adherence to policies, (b) safeguarding of assets, (c) prevention and detection of frauds / errors, (d) accuracy and completeness of the accounting records and (e) timely preparation of reliable financial information.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Board has adopted Whistle Blower Policy. This policy aims for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior.

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

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

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

As per The Provisions of Section 135 of the Companies Act, 2013, your Company has spent Rs 15.26 Lakhs on CSR Activity

The report on CSR activities for FY 2021-22 is enclosed as Annexure II. This Corporate Social Responsibility policy is available on the website of the Company, [www.ikfhomefinance.com](http://www.ikfhomefinance.com)

**EXTRACT OF THE ANNUAL RETURN:**

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

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

There are no material changes and commitments affecting the financial position of your Company, which have occurred between 31<sup>st</sup> March, 2022 and to date of this Board's Report.

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

There are no significant material orders passed by the Regulators/ Courts which would impact the going concern status of the Company and its future operations.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

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

**Changes in Directors and Key Managerial Personnel during the Period under Report**

There are no changes in the Directors & Key Managerial Personnel during the Period under report

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

**INDEPENDENT DIRECTORS:**

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

**FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:**

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

**ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND OF DIRECTORS BOARD EVALUATION:**

The Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Board functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, contribution at the meetings and otherwise, independent judgment, governance issues etc. **Annexure III**

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

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

**NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:**

During the financial year 2021-22 the Board of Directors has met Seven times viz 21.05.2021, 19.07.2021, 27.09.2021, 18.10.2021, 13.11.2021, 14.02.2022, 31.03.2022.

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 Bombay Stock Exchange Limited, P J Towers Dalal Street Mumbai - 400 001, India and the Listing fees for the year 2022-23 has been paid to the Stock Exchange.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

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

There were no materially significant transactions with Related Parties during the financial year 2021-22 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 vide Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9th February 2017, the Company has formulated a Policy on Related Party Transactions and the Policy is annexed as *Annexure – IV (ii)* part of this Board's Report

**STATUTORY AND REGULATORY COMPLIANCE:**

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

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

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**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 31<sup>st</sup> March, 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**COMPANY'S POLICY ON PROHIBITION, PREVENTION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:**

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

The Company has also submitted and registered the Policy with Telangana State Police Department. Pursuant to the requirements of Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013 read with Rules thereunder,

The following is a summary of Sexual Harassment complaints received and disposed off during the financial year 2021-22:

No. of complaints received: Nil

No. of complaints disposed off: Nil



**SHARE TRANSFER AGENCY:**

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

**AWARDS AND RECOGNITION:**

Nil

**CAUTIONARY STATEMENT**

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

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION**

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

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

Total foreign exchange earned	NIL
Total foreign exchange used	NIL

**CODE OF CONDUCT:**

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

**INDUSTRIAL RELATIONS:**

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

**ACKNOWLEDGEMENTS:**

Your Directors wish to place on record their Gratitude to Customers, employees 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**

**Place: Vijayawada**  
**Date: 26.09.2022**

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



**REPORT ON CORPORATE GOVERNANCE**

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

**1. Company's Philosophy on Code of Governance:**

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

**DIRECTORS TERM**

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

**MEMBERSHIP OF OTHER BOARDS**

Details of directorships held by the Directors in other Indian Companies as on 31st March 2022 are given below:

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

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

## BOARD PROCEDURE AND RESPONSIBILITIES

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

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

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

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

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

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

## 2. BOARD MEETINGS:

The Board of Directors meets at regular intervals with a formal schedule of matters specifically reserved for its attention to ensure that it exercises full control over significant strategic, financial, operational and compliance matters. The Board is regularly briefed and updated on the key activities of the business and is provided with briefings on other matters concerning the company on a need basis. The Board of Directors generally meets every quarter to review the business performance. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas.

During the year under review, seven times meetings of the Board of Directors were held on the following dates.

21.05.2021, 19.07.2021, 27.09.2021, 18.10.2021, 13.11.2021, 14.02.2022, 31.03.2022.

## COMMITTEES

### The Board has Constituted the following Committee

The details of attendance at Board Meetings and details of other Directorships, Committee Chairmanships / Memberships held by the Directors during the period from 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022 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	7	100%	Yes	2	2
Sri. V.G.K Prasad	Director	7	100%	Yes	3	3
Smt. K Vasumathi Devi	Director	7	100%	Yes	2	3
Sri. Purna Chandra Rao Vankinei	Director	7	100%	Yes	1	3
Sri. Radhey Shyam Garg	Director	5	71%	Yes	1	3

### 3. AUDIT COMMITTEE:

The Audit Committee provides direction to the Audit function and monitors the quality of internal controls and systems. The responsibilities of the Audit Committee include the overseeing of financial reporting process to ensure fairness, sufficiency and credibility of financial statements, review of the quarterly and annual financial statements before submission to the Board, review of adequacy of internal control systems and the internal audit functions. The Audit Committee comprises Three Non-Executive Directors. The Committee comprises of Sri. Radhey Shyam Garg as Chairman of the Committee and Sri Purna Chandra Rao Vankineni and Smt. K. Vasumathi Devi as Members. The Executive Directors, Statutory Auditors, Internal Auditors and other Functional Heads are invitees to the Committee Meetings.

During the year the committee met 4 times on 21.05.2021, 10.09.2021, 13.11.2021 and 14.02.2022, 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 November 29, 2021 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 1 time on 13.11.2021,

#### **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	Non- Executive	1	1
Sri. V.G.K Prasad	Director	1	1
Sri Purna Chandra Rao Vankineni	Director	1	1

#### **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 2021-2022 are given below:

Name of the Director	Remuneration	Allowances	Incentives
Mrs. V Vasantha Lakshmi	Rs 78,92,997	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 2021-2022**

The details of sitting fees paid/payable to Non-Executive Directors during the financial year 2021-2022

**Rs. 3,90,000/-**

**5. CUSTOMER SERVICE AND GRIEVANCE REDRESSAL COMMITTEE**

The Customer Service and Grievance Redressal Committee comprises of Smt. V. Vasantha Lakshmi as Chairman and Sri Anand Srinivasan, Sri. R Venugopal\* 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 1 complaints received and the same was closed by the Company.

\* Succeeded as member in place of Sunil Kumar Pradhan who is no more associated with the company

**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 Purna Chandra Rao Vankineni. as Chairman, Sri V.G.K Prasad, Smt. V. Vasantha Lakshmi and K. Vasumathi Devi as Members. The Committee was formed to review and monitor liquidity and interest rate risk arising out of maturity mismatch of assets and liabilities and to address the mismatches, if any, from time to time. During the year 2021-2022 the committee met 4 times on 21.05.2021, 10.09.2021, 13.11.2021 and 14.02.2022.

**Asset Liability Management, Asset Classification and Risk Management Committee Attendance**

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

**KEY MANAGERIAL PERSONNEL**

Details of remuneration paid to the Key Managerial Personnel of the Company for the year 2021-22 are as under:  
( in lakhs)

Particulars	Mrs. V. Vasantha Lakshmi	Mr. Vishal Kumar Joshi
Salary & Allowances	55,00,000.00	8,24,308.00
Commission	23,92,997.00	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
19 <sup>th</sup> Annual General Meeting	Monday	29.11.2021	11.00 AM	Registered Office of the Company. 40-1-144, Corporate Centre, M.G. Road Vijayawada-520010, Andhra Pradesh
18 <sup>th</sup> 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 <sup>th</sup> 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

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:

**19<sup>th</sup> Annual General Meeting held on 29.11.2021 :**

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

**18<sup>th</sup> 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%

**17<sup>th</sup> 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	Authorization to issue of non-convertible debentures (NCD)/Tier ii debt(s)/commercial papers/bonds on private placement basis. Upto Rs. 100 Crore

**08. DISCLOSURES:**

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

**09. MEANS OF COMMUNICATION:**

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

**10. CORPORATE IDENTITY NUMBER**

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

## 11. General Information to Shareholder:

### General Body Meeting Day Date Time Location

20<sup>th</sup> Annual General Meeting, 30.09.2022 02.00 PM at Registered Office, # 40-1-144, Corporate Centre, M.G. Road, Vijayawada - 520 010.

## 12. Financial Calendar

Financial Year - 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022

## 13. Share Transfers

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

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

## 14. Shareholding Pattern as on 31.03.2022:

### Fully Paid up

Category	Total Shareholders	% of Shareholders	Total Shares	%
Corporate Bodies	0	0.00%	0	0.00%
Foreign Company	0	0.00%	0	0.00%
Foreign Promoters	0	0.00%	0	0.00%
Nationalized Banks	0	0.00%	0	0.00%
Non Resident Indians	0	0.00%	0	0.00%
Promoters	07	100%	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	50.00%	19789430	50.00%
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	50.00%	70,00,000	50.00%
Public	0	0.00%	0	0.00%
Trusts	0	0.00%	0	0.00%
Total	5	100%	2,67,89,430	100.00%

Address for correspondence and any assistance/clarification

### Compliance Officer:

Mr. Vishal Kumar Joshi, Company Secretary, IKF Home Finance Limited, Corporate Office: # Plot no's – 30/A, Survey no - 83/1 11th Floor, My Home Twitza, , APIIC Hyderabad Knowledge City, Raidurg, Hyderabad – 500081, Telangana, India



**Annexure –I (i)**

**Form No. AOC-2**

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

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

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

The Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2021-22.

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 2021-22 is enclosed as **Annexure – I (i) (a)**.

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

<b>(V. Vasantha Lakshmi)</b>	<b>(K. Vasumathi Devi)</b>
<b>Managing Director</b>	<b>Director</b>
<b>DIN:03610979</b>	<b>DIN:03161150</b>

**Date: 26.09.2022**  
**Place: Vijayawada**

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Annexure I

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

**For the Financial Year ended on March 31, 2022**

[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, 3<sup>rd</sup> 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, 2022 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, 2022 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

**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:

*for B S S& Associates  
Company Secretaries*

*B. Sathish  
Partner*

*ACS No.: 27885*

*C P No.: 10089*

*UDIN: A027885D000929060*

*Place: Hyderabad*

*Date: 06.09.2022*

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.

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*Annexure-A*

To,  
The Members,  
M/s. IKF Home Finance Limited,  
40-1-144, 3<sup>rd</sup> 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: 06.09.2022*

*B. Sathish  
Partner  
ACS No.: 27885  
C P No.: 10089  
UDIN: A027885D000929060*

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**Annexure II**

**CSR Report**

**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](http://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): 7,61,03,743

7. (a) Two percent of average net profit of the company as per section 135(5): 15,22,075

(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. 15,22,075

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
15,25,680	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(Y es/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	Dist rict						Name	CSR Registr ation Numbe r
Not Applicable												

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

(1) SL no	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes / No)	(5) Location of the project		(6) Amount Spent for the Project in (Rs)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation - Through implementing Agency	
				State	District			Name	CSR Registration Number
01	Disaster Relief, Sanitation and Hygiene	(i)	Yes	Andhra Pradesh	Krishna	15,25,680	Yes	NA	NA
Total									

(b) Amount spent in Administrative Overheads: Nil

(c) Amount spent on Impact Assessment, if applicable: Not Applicable

(d) Total amount spent for the Financial Year (8b+8c+8d+8e) Rs. **15,25,680**

(e) 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)	15,22,075
(ii)	Total amount spent for the Financial Year	15,25,680
(iii)	Excess amount spent for the financial year [(ii)-(i)]	3605
(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)]	3605



8. (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	2020-21	Not Applicable					
02	2019-20	Not Applicable					
03	2018-19	Not Applicable					
<b>Total</b>							

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

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

9. 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

10. 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: 26.09.2022  
Place: Vijayawada

(V. Vasantha Lakshmi)  
Managing Director  
DIN:03610979

(K. Vasumathi Devi)  
Director  
DIN:03161150

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**Annexure-III**

**Criteria for Evaluation**

The Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Board functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, contribution at the meetings and otherwise, independent judgment, governance issues etc.

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

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

2. Commitment to good Corporate Governance Practices.

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

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

1. Adherence to Regulatory Compliance

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

a. Track record of financial performance

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

b. Grievance Redressal mechanism

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

c. Existence of integrated Risk Management System

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

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

e. Commitment to Corporate Social Responsibility (CSR).

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

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

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

**3. Criteria for evaluation of Independent Directors**

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

**4. Criteria for evaluation of the Audit Committee**

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

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

(V. Vasantha Lakshmi) Managing Director DIN:03610979	(K. Vasumathi Devi) Director DIN:03161150
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**Date: 26.09.2022**  
**Place: Vijayawada**

**Annexure – IV (i) (a)**

Related parties

**FORM NO. AOC -2**

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

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 transaction under third proviso thereto.

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

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2022, which were not at arm's length basis.

**2. Details of Material Contracts or arrangement or transactions at arm's length basis**

There were no material contracts or arrangements or transactions entered in to during the year ended March 31, 2022

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

**(V. Vasantha Lakshmi)**  
**Managing Director**  
**DIN:03610979**

**(K. Vasumathi Devi)**  
**Director**  
**DIN:03161150**

**Date: 26.09.2022**  
**Place: Vijayawada**

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Annexure IV (ii)  
**POLICY ON RELATED PARTY TRANSACTIONS**

**PREAMBLE:**

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

**OBJECTIVE:**

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

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

**DEFINITIONS:**

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

- f. Such related party's appointment to any office or place of profit in the Company, its subsidiary Company or associate Company;
  - g. Underwriting the subscription of any securities or derivatives thereof, of the Company;
  - h. Financing (including loans and equity contributions in cash or kind);
  - i. Providing or obtaining guarantees and collaterals; and
  - j. Deputation of employees.
- h. **“Relative”** means a relative as defined under the Companies Act, 2013 and includes anyone who is related in any of the following manner:
- a. Members of a Hindu Undivided Family
  - b. Husband or Wife;
  - c. Father (including Step-Father);
  - d. Mother (including Step-Mother);
  - e. Son (including Step-Son);
  - f. Son's Wife;
  - g. Daughter;
  - h. Daughter's Husband;
  - i. Brother (including Step-Brother); or
  - j. Sister (including Step-Sister).
- i. **“Transaction”** with a related party shall be construed to include a single transaction or a group of transactions.

**POLICY:**

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

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

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

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

**AMENDMENTS:**

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

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

<b>(V. Vasantha Lakshmi)</b>	<b>(K. Vasumathi Devi)</b>
<b>Managing Director</b>	<b>Director</b>
<b>DIN:03610979</b>	<b>DIN:03161150</b>

**Date: 26.09.2022**  
**Place: Vijayawada**

**Independent Auditor’s Report on the Year to Date Audited Standalone Financial Results of IKF Home Finance Limited Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**To the Board of Directors**  
**of IKF Home Finance Limited,**

Report on the audit of the Standalone Financial Results

**Opinion**

We have audited the accompanying statement of Standalone annual financial results of IKF Home Finance Limited (the “Company”) for the year ended March 31, 2022 (“Statement”), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “Listing Regulations”)

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Statement:

- I. Is presented in accordance with the requirements of the Listing Regulations in this regard; and
- II. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the year ended March 31, 2022.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended (“the Act”). Our responsibilities under those Standards are further described in the “Auditor’s Responsibilities for the Audit of the Standalone Financial Results” 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 Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.



**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**

**Emphasis of Matter**

We draw attention to Note 4 to the accompanying statement, which describes the extent to which the COVID-19 pandemic will impact the Company's operations and its financial metrics including the expected credit loss on financial assets which are dependent on uncertain future developments.

Our opinion is not modified in respect of this matter.

**Management's Responsibilities for the Standalone Financial Results**

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also included maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the 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 of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, in preparing the Statement, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

**Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the statement as a whole is 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 the Statement.

**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**

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

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results 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 Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in 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.

**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**

**Other Matter**

The Statement includes the results for the quarter ended and year ended March 31, 2022 and March 31, 2022 which are balancing figure between the audited figures in respect of the full financial year and the unaudited year to date figures up to the second quarter of the respective two financial years.

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

K Anilkumar  
Proprietor  
Membership Number.516209

Place: Vijayawada  
Date: May 30, 2022  
UDIN: **22516209AJYBUI6236**

<b>IKF Home Finance Limited</b>			
<b>Balance Sheet as at March 31, 2022</b>			
<i>(Amount in Rupees unless otherwise stated)</i>			
Particulars	Note No	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>(1) Financial assets</b>			
Cash and cash equivalents	3	62,87,10,124	26,81,13,799
Bank balance other than cash and cash equivalents	4	3,25,00,000	2,00,00,000
Trade Receivables	5	28,35,013	15,87,908
Loans	6	3,28,84,72,189	1,86,46,37,461
Other financial assets	7	15,88,19,247	12,78,80,673
<b>Subtotal - Financial assets</b>		<b>4,11,13,36,573</b>	<b>2,28,22,19,841</b>
<b>(2) Non-financial assets</b>			
Current tax assets (Net)		17,90,691	-
Property, plant and equipment	8	82,88,739	78,90,671
Right of use asset	8	8,91,974	20,93,684
Other intangible assets	9	21,55,205	36,75,634
Other non-financial assets	10	12,79,937	25,61,693
<b>Subtotal - Non Financial assets</b>		<b>1,44,06,545</b>	<b>1,62,21,682</b>
<b>Total assets</b>		<b>4,12,57,43,118</b>	<b>2,29,84,41,523</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(1) Financial liabilities</b>			
Derivative financial instruments	11	58,67,870	-
Payables			
(I) Trade payables			
(I) total outstanding dues of micro enterprises		-	-
(II) total outstanding dues of creditors other than micro	12	8,83,719	23,51,974
Debt securities	13	86,21,44,280	95,22,81,391
Borrowings (other than debt securities)	14	2,26,76,23,472	63,92,80,207
Other financial liabilities	15	10,72,87,377	9,36,40,091
<b>Subtotal - Financial liabilities</b>		<b>3,24,38,06,719</b>	<b>1,68,75,53,663</b>
<b>(2) Non-financial liabilities</b>			
Current tax liabilities (Net)			71,89,857
Provisions	16	38,97,634	27,68,159
Deferred tax liabilities (Net)	17	1,65,34,559	89,57,423
Other non-financial liabilities	18	57,77,258	36,67,675
<b>Subtotal - Non-Financial liabilities</b>		<b>2,62,09,451</b>	<b>2,25,83,114</b>
<b>EQUITY</b>			
Equity share capital	19	46,59,64,251	41,11,47,530
Other equity	20	38,97,62,697	17,71,57,216
<b>Subtotal - Equity</b>		<b>85,57,26,948</b>	<b>58,83,04,746</b>
<b>Total liabilities and equity</b>		<b>4,12,57,43,118</b>	<b>2,29,84,41,523</b>

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 30, 2022

**V Vasantha Lakshmi**  
Managing Director  
DIN: 03610979  
Place: Hyderabad  
Date: May 30, 2022

**V G K Prasad**  
Director  
DIN: 01817992  
Place: Vijayawada  
Date: May 30, 2022

**Sreepal Jain**  
Chief Financial Officer  
Place: Hyderabad  
Date: May 30, 2022

**Vishal Kumar Joshi**  
Company Secretary  
M.No.A43209  
Place: Hyderabad  
Date: May 30, 2022

<b>IKF Home Finance Limited</b>				
<b>Statement of Profit and Loss for the Year ended March 31, 2022</b>				
<i>(Amount in Rupees unless otherwise stated)</i>				
<b>Sr.</b>	<b>Particulars</b>	<b>Note No</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>
	<b>Revenue From operations</b>			
	Interest income	21	39,81,51,928	31,93,77,271
	Fees and commission income	22	5,28,83,000	2,58,20,197
	Net gain on derecognition of financial instruments under amortised cost category	23	6,04,54,324	5,28,40,212
	<b>(I) Total revenue from operations</b>		<b>51,14,89,252</b>	<b>39,80,37,680</b>
	<b>(II) Other income</b>	24	1,44,64,333	41,03,550
	<b>(III) Total income (I + II)</b>		<b>52,59,53,585</b>	<b>40,21,41,230</b>
	<b>Expenses</b>			
	Finance costs	25	20,96,17,622	15,72,39,050
	Net loss on fair value changes	26	3,34,931	-
	Impairment on financial instruments	27	1,22,825	1,14,48,790
	Employee benefits expenses	28	14,02,43,182	8,16,76,009
	Depreciation, amortization and impairment	8-9	61,26,996	49,03,727
	Others expenses	29	3,66,07,515	2,72,23,910
	<b>(IV) Total expenses</b>		<b>39,30,53,071</b>	<b>28,24,91,486</b>
	(V) Profit / (loss) before exceptional items and tax (III - IV)		13,29,00,514	11,96,49,744
	(VI) Exceptional Items		-	-
	<b>(VII) Profit before tax (III - IV)</b>		<b>13,29,00,514</b>	<b>11,96,49,744</b>
	<b>(VIII) Tax Expense:</b>			
	(1) Current Tax		2,53,23,939	2,48,18,497
	(2) Deferred Tax		75,33,493	42,97,248
	(3) Adjustment of tax relating to earlier periods		-	-
	<b>Total Tax Expense (VIII)</b>		<b>3,28,57,431</b>	<b>2,91,15,744</b>
	<b>(IX) Profit for the period (VII-VIII)</b>		<b>10,00,43,083</b>	<b>9,05,33,999</b>
	<b>(X) Other comprehensive income</b>			
	<b>(A) (i) Items that will not be reclassified to profit or loss (specify items and amounts)</b>			
	(a) Remeasurements of the defined benefit plans		1,73,396	2,75,286
	(b) Income tax relating to items that will not be reclassified to profit or loss		(43,644)	(69,289)
	<b>Subtotal (A)</b>		1,29,752	2,05,997
	<b>Other comprehensive income / (loss) (A)</b>		<b>1,29,752</b>	<b>2,05,997</b>
	<b>(XIII) Total comprehensive income for the period (IX +X)</b>		<b>10,01,72,835</b>	<b>9,07,39,996</b>
	<b>(X) Earnings per share (equity share, par value of Rs.10 each)</b>			
	Basic (Rs.)		2.43	2.20
	Diluted (Rs.)		2.43	2.20

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 30, 2022

**V Vasantha Lakshmi** **V G K Prasad**  
Managing Director *Director*  
DIN: 03610979 *DIN: 01817992*  
Place: Hyderabad *Place: Vijayawada*  
Date: May 30, 2022 *Date: May 30, 2022*

**Sreepal Jain** **Vishal Kumar Joshi**  
Chief Financial Officer *Company Secretary*  
Place: Hyderabad *M.No.A43209*  
Date: May 30, 2022 *Place: Hyderabad*  
*Date: May 30, 2022*

**IKF Home Finance Limited**  
**Cash Flow Statement for the year ended March 31, 2022**

*(Amount in Rupees unless otherwise stated)*

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Cash flow from operating activities:</b>		
Net profit before tax as per the statement of profit and loss	13,29,00,514	11,96,49,744
<b>Adjustments for</b>		
Net (gain) / loss on derecognition of financial instruments under amortised cost category	(6,04,54,324)	(5,28,40,212)
Net loss on fair value changes	3,34,931	-
Transfer to Special Reserves	-	-
Depreciation and amortisation	61,26,996	49,03,727
Gratuity and Leave Salary	1,73,396	2,75,286
Impairment allowance on loans	1,22,826	1,14,48,790
<b>Operating profit before working capital changes</b>	<b>7,92,04,339</b>	<b>8,34,37,335</b>
<b>Changes in working capital</b>		
Decrease / (increase) in Loans	(1,42,39,57,553)	(48,25,80,923)
Decrease / (increase) in Trade Receivables	(12,47,105)	(15,87,908)
Decrease / (increase) in other financial assets	1,70,15,748	(49,55,397)
Decrease / (increase) in other non financial assets	12,81,757	19,69,296
Increase / (Decrease) in other payables	(14,68,255)	5,66,775
Increase / (Decrease) in other financial liabilities	1,34,73,891	(1,01,64,567)
Increase / (Decrease) increase in provisions	13,02,871	7,99,017
Increase / (Decrease) Increase in other non financial liabilities	21,09,582	6,00,200
<b>Total Changes in Working Capital</b>	<b>(1,39,14,89,065)</b>	<b>(49,53,53,507)</b>
Income taxes paid (net)	(3,43,04,486)	(2,14,96,924)
<b>Net cash (used in) operating activities (A)</b>	<b>(1,34,65,89,212)</b>	<b>(43,34,13,096)</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(38,02,925)	(43,10,577)
<b>Net cash (used in) / generated from investing activities (B)</b>	<b>(38,02,925)</b>	<b>(43,10,577)</b>
<b>Cash flow from financing activities</b>		
Issue of equity shares (including securities premium)	17,27,82,306	-
Increase/(Decrease) in borrowings	1,53,82,06,155	63,14,35,661
Equity component	-	-
Special reserve	-	-
<b>Net cash (used in) generated from financing activities (C)</b>	<b>1,71,09,88,461</b>	<b>63,14,35,661</b>
<b>Net (decrease) in cash and cash equivalents (A+B+C)</b>	<b>36,05,96,325</b>	<b>19,37,11,988</b>
Cash and cash equivalents at the beginning of the year	26,81,13,799	7,44,01,811
<b>Cash and cash equivalents at the end of the year</b>	<b>62,87,10,124</b>	<b>26,81,13,799</b>

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 30, 2022

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

<b>V Vasantha Lakshmi</b> <i>Managing Director</i> DIN: 03610979 Place: Hyderabad Date: May 30, 2022	<b>V G K Prasad</b> <i>Director</i> DIN: 01817992 Place: Vijayawada Date: May 30, 2022
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<b>Sreepal Jain</b> Chief Financial Officer Place: Hyderabad Date: May 30, 2022	<b>Vishal Kumar Joshi</b> Company Secretary <i>M.No.A43209</i> Place: Hyderabad Date: May 30, 2022
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**IKF Home Finance Limited**  
**Statement of Changes in Equity for the year ended March 31, 2022**

(Amount in Rupees unless otherwise stated)

**A. Equity share capital**

Particulars	For the year ended March 31, 2022			For the year ended March 31, 2021		
	O/s as on April 1, 2021	Issued during the year	O/s as on March 31, 2022	O/s as on April 1, 2020	Issued during the year	O/s as on March 31, 2021
Issued, Subscribed and paid up (Equity shares of Rs.10 each, Fully paid-up)	37,61,47,530	-	37,61,47,530	37,61,47,530	-	37,61,47,530
Equity Shares of Rs. 10 each, partly paid up Rs. 5.00 each	3,50,00,000	-	3,50,00,000	3,50,00,000	-	3,50,00,000
Equity Shares of Rs. 10 each, partly paid up Rs. 2.77 each	-	1,97,89,430	1,97,89,430	-	-	-

**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	
<b>Balance at March 31, 2020</b>	1,40,26,000	-	40,88,455	-	6,83,02,766	8,64,17,221
Profit for the year	-	-	-	-	9,05,33,999	9,05,33,999
Other comprehensive income for the year	-	-	-	-	2,05,997	2,05,997
<b>Total comprehensive income for the year (net of tax)</b>	-	-	-	-	-	-
Transfer / utilisations	-	-	-	-	-	-
Additions during the period	3,33,86,322	-	-	-	-	3,33,86,322
Transferred to special reserve from retained earnings	-	-	-	-	(3,33,86,322)	(3,33,86,322)
Employee stock option expense	-	-	-	-	-	-
<b>Balance at March 31, 2021</b>	<b>4,74,12,322</b>	-	<b>40,88,455</b>	-	<b>12,56,56,439</b>	<b>17,71,57,216</b>
Profit for the year	-	-	-	-	10,00,43,083	10,00,43,083
Other comprehensive income for the year	-	-	-	-	1,29,752	1,29,752
Hedge Reserve	-	-	-	-	-55,32,939	-55,32,939
<b>Total comprehensive income for the year (net of tax)</b>	-	-	-	-	-	-
Transfer / utilisations	-	-	-	-	-	-
Additions during the period	2,50,10,771	11,79,65,585	-	-	-2,50,10,771	11,79,65,585
Transferred to special reserve from retained earnings	-	-	-	-	-	-
<b>Balance at March 31, 2022</b>	<b>7,24,23,093</b>	<b>11,79,65,585</b>	<b>40,88,455</b>	-	<b>19,52,85,564</b>	<b>38,97,62,697</b>

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 30, 2022

**V Vasantha Lakshmi**  
Managing Director  
DIN: 03610979  
Place: Hyderabad  
Date: May 30, 2022

**V G K Prasad**  
Director  
DIN: 01817992  
Place: Vijayawada  
Date: May 30, 2022

**Sreepal Jain**  
Chief Financial Officer  
Place: Hyderabad  
Date: May 30, 2022

**Vishal Kumar Joshi**  
Company Secretary  
M.No.A43209  
Place: Hyderabad  
Date: May 30, 2022

**IKF Home Finance Limited**  
**Notes forming part of Financial Statements for the year ended March 31, 2022**

**1. Corporate Information:**

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

**2. Significant Accounting Policies And Key Accounting Estimates And Judgements**

**a) Basis of Preparation of financial statements:**

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

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

**b) Presentation of financial statements:**

The Company presents its balance sheet in order of liquidity.

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

**i. Basis of measurement and presentation**

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

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

**c) Use of estimates and Critical Estimates and judgements**

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

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

The areas involving critical estimates are:

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

The areas involving critical judgements are:

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



**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, 2022**

**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:**

<b>Class of assets</b>	<b>Useful life in years</b>
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, 2022**

**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, 2022**

**iii. Financial assets measured at FVTPL**

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

**Derecognition:**

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

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

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

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

**Impairment of financial assets:**

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

**i) Loans**

The Company measures loss allowances at an amount equal to lifetime ECL, except for financial instruments whose credit risk has not increased significantly since initial recognition, for which a 12-month ECL is computed. Life-time ECL is based on the result from all possible default events over the expected life of the financial instrument.

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

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

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

<b>Stage</b>	<b>Past Due</b>	<b>ECL</b>
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, 2022**

**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**

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

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

**Hedge Accounting:**

Initial Recognition and subsequent remeasurement:

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

**IKF Home Finance Limited**  
**Notes forming part of Financial Statements for the year ended March 31, 2022**

**i) Offsetting Financial Instruments**

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

**j) Fair Value**

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

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

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

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

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

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

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

**k) Functional Currency**

**i) Functional and presentation currencies:**

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

**ii) Transactions and balances**

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

**l) Securitisation transaction**

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

**m) Assignment transaction**

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

**IKF Home Finance Limited**  
**Notes forming part of Financial Statements for the year ended March 31, 2022**

**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 are performed. There is no significant financing component the consideration.

**iii) Other Income:**

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

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

**o) Taxes on Income**

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

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

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

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

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

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

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

**IKF Home Finance Limited**  
**Notes forming part of Financial Statements for the year ended March 31, 2022**

**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, 2022**

**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, 2022**

*(Amount in Rupees unless otherwise stated)*

**3 Cash and cash equivalents**

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	11,02,607	7,92,717
Balance with bank in current accounts	62,76,07,517	26,73,21,082
<b>Total</b>	<b>62,87,10,124</b>	<b>26,81,13,799</b>

**4 Bank balance other than cash and cash equivalents**

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks to the extent held as margin money*	3,25,00,000	2,00,00,000
<b>Total</b>	<b>3,25,00,000</b>	<b>2,00,00,000</b>

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

**5 Trade Receivables**

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured - considered good	28,35,013	15,87,908
Provision for impairment	-	-
<b>Total</b>	<b>28,35,013</b>	<b>15,87,908</b>

**Trade Receivables aging schedule**

**As at March 31, 2022**

Particulars	Less than 6 months	6 months -1 year	More than 1 years
(i) Undisputed Trade receivables — considered good	28,35,013	-	-
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-
(iv) Disputed Trade Receivables—considered good	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-
<b>Total</b>	<b>28,35,013</b>	<b>-</b>	<b>-</b>

**As at March 31, 2021**

Particulars	Less than 6 months	6 months -1 year	More than 1 years
(i) Undisputed Trade receivables — considered good	15,87,908	-	-
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-
(iv) Disputed Trade Receivables—considered good	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-
<b>Total</b>	<b>15,87,908</b>	<b>-</b>	<b>-</b>

**IKF Home Finance Limited**

**Notes forming part of Financial Statements for the year ended March 31, 2022**

**6 Loans**

<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
At amortised cost		
Loan assets	3,35,13,56,098	1,92,73,98,545
Total Gross	3,35,13,56,098	1,92,73,98,545
Less: Impairment loss allowance	(6,28,83,909)	(6,27,61,084)
Total Net	3,28,84,72,189	1,86,46,37,461
Secured by tangible assets	3,35,13,56,098	1,92,73,98,545
<b>Total Gross</b>	<b>3,35,13,56,098</b>	<b>1,92,73,98,545</b>
Less: Impairment loss allowance	(6,28,83,909)	(6,27,61,084)
<b>Total Net</b>	<b>3,28,84,72,189</b>	<b>1,86,46,37,461</b>
<b>Loans in India</b>		
Public sectors	-	-
Others	3,35,13,56,098	1,92,73,98,545
<b>Total Gross</b>	<b>3,35,13,56,098</b>	<b>1,92,73,98,545</b>
Less: Impairment loss allowance	(6,28,83,909)	(6,27,61,084)
<b>Total Net</b>	<b>3,28,84,72,189</b>	<b>1,86,46,37,461</b>

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:

<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Term loans</b>		
Stage I	3,19,12,37,384	1,79,57,41,123
Stage II	12,82,67,903	11,37,65,683
Stage III	3,18,50,810	1,78,91,739
<b>Total</b>	<b>3,35,13,56,098</b>	<b>1,92,73,98,545</b>

**7 Other financial assets**

Particulars	As at March 31, 2022	As at March 31, 2021
Interest strip Asset on Assignment	14,63,33,707	12,47,04,026
Security Deposits	81,47,639	29,40,649
Other -unsecured, considered good	43,37,901	2,35,998
<b>Total</b>	<b>15,88,19,247</b>	<b>12,78,80,673</b>

**8 Property, plant and equipment & Intangibles**

Particulars	Leasehold Improvements	Vehicles	Computers & Laptops	Furniture and fixtures	Office equipment	Right of Use Assets
<b>Gross Carrying Value</b>						
<b>Balance at March 31, 2020</b>	29,12,714	35,83,236	26,94,781	14,49,718	16,14,564	42,71,936
Additions	-	-	8,16,924	3,22,153	1,13,085	14,63,515
Disposals	-	-	34,220	-	-	-
<b>Balance at March 31, 2021</b>	<b>29,12,714</b>	<b>35,83,236</b>	<b>34,77,484</b>	<b>17,71,871</b>	<b>17,27,649</b>	<b>57,35,451</b>
Additions	-	-	24,10,664	4,03,126	15,735	-
Disposals	-	-	-	-	-	-
<b>Balance at March 31, 2022</b>	<b>29,12,714</b>	<b>35,83,236</b>	<b>58,88,149</b>	<b>21,74,997</b>	<b>17,43,384</b>	<b>57,35,451</b>
<b>Accumulated depreciation</b>						
<b>Balance at March 31, 2020</b>	7,65,638	1,78,439	17,07,473	5,19,140	4,79,684	26,53,262
Depreciation expense	2,95,241	4,25,688	7,62,357	2,85,364	1,97,480	9,88,504
Elimination on disposals of assets	-	-	34,220	-	-	-
<b>Balance at March 31, 2021</b>	<b>10,60,879</b>	<b>6,04,128</b>	<b>24,35,609</b>	<b>8,04,504</b>	<b>6,77,164</b>	<b>36,41,766</b>
Depreciation expense	2,95,240	4,25,688	11,01,462	3,86,866	2,22,201	12,01,710
Elimination on disposals of assets	-	-	-	-	-	-
<b>Balance at March 31, 2022</b>	<b>13,56,119</b>	<b>10,29,816</b>	<b>35,37,072</b>	<b>11,91,370</b>	<b>8,99,365</b>	<b>48,43,476</b>
<b>Net carrying value</b>						
Balance at March 31, 2021	18,51,835	29,79,108	10,41,875	9,67,368	10,50,485	20,93,684
Balance at March 31, 2022	15,56,595	25,53,420	23,51,077	9,83,627	8,44,019	8,91,975

\*Note- There is no revaluation done for the PPE and Intangible during the FY2022 (Nil for FY2021)

**IKF Home Finance Limited**

**Notes forming part of Financial Statements for the year ended March 31, 2022**

(Amount in Rupees unless otherwise stated)

**9 Other intangible assets**

Particulars	Computer software
<b>Gross Carrying Value</b>	
Balance at March 31, 2020	80,43,449
Additions during the year	15,94,899
Disposal	-
<b>Balance at March 31, 2021</b>	<b>96,38,348</b>
Additions during the year	9,73,400
Disposal	-
<b>Balance at March 31, 2022</b>	<b>1,06,11,748</b>
<b>Accumulated Amortisation</b>	
Balance at March 31, 2020	40,13,620
Amortisation for the year	19,49,094
Disposal	-
<b>Balance at March 31, 2021</b>	<b>59,62,714</b>
Amortisation for the year	24,93,829
Disposal	-
<b>Balance at March 31, 2022</b>	<b>84,56,543</b>
<b>Net carrying value</b>	
Balance at March 31, 2021	36,75,634
Balance at March 31, 2022	21,55,205

**10 Other non-financial assets**

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	7,29,070	20,11,728
Advances to employees	4,64,263	5,49,965
GST input credit	86,604	-
<b>Total</b>	<b>12,79,937</b>	<b>25,61,693</b>

**11 Derivative financial instruments**

Particulars	As at March 31, 2022	As at March 31, 2021
Forward rate agreements and interest rate swaps	58,67,870	-
<b>Total</b>	<b>58,67,870</b>	<b>-</b>

**12 Trade Payables**

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of :		
(i) total outstanding dues of micro enterprises and small enterprises; (refer note 12.1 below)	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	8,83,719	23,51,974
<b>Total</b>	<b>8,83,719</b>	<b>23,51,974</b>

**12.1 Disclosure relating to Micro, Small and Medium Enterprises Development Act,**

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Principal amount remaining unpaid to any supplier	-	-
(ii) Interest due thereon remaining unpaid to any supplier	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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

**12.3 Trade Payable aging schedule**

**As at March 31, 2022**

Particulars	Less than 1 year	1-2 years	2-3 years	2-3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	8,83,719	-	-	-	8,83,719
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>8,83,719</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,83,719</b>

**As at March 31, 2021**

Particulars	Less than 1 year	1-2 years	2-3 years	2-3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	23,51,974	-	-	-	23,51,974
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>23,51,974</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,51,974</b>

**13 Debt securities**

<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>At Amortised Cost</b>		
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.	20,54,55,886	20,55,77,516
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.	26,96,75,164	27,00,36,563
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.	10,71,34,136	10,68,18,057
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.	17,34,82,993	26,38,55,933
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.	10,63,96,101	10,59,93,320
<b>Total</b>	<b>86,21,44,280</b>	<b>95,22,81,391</b>

**Nature of security**

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

**14 Borrowings (other than debt securities)**

<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>At Amortised Cost</b>		
<b>Secured</b>		
<b>Term Loans</b>		
From National Housing Bank (NHB)	30,88,86,279	21,95,83,776
From Banks	1,47,65,65,818	9,63,64,461
From Financial institutions	40,82,26,208	29,63,25,306
<b>Others</b>		
Cash Credit	7,39,45,167	94,06,253
Unsecured Loans	-	1,76,00,411
<b>Total</b>	<b>2,26,76,23,472</b>	<b>63,92,80,207</b>

**Nature of security**

Term Loans from NHB, banks, financial institutions and non-banking financial companies are secured by an exclusive charge by way of hypothecation of specific loan receivable created out of the loan proceeds and personal guarantees of promoters and is utilised for the purpose which it has been borrowed.

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, 2022

Original maturity loan	Interest rate	Due within 1 year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In Rupees)	No. of Installments	Amount (In Rupees)	No. of Installments	Amount (In Rupees)	
<b>Debt Securities</b>								
<b>Bullet repayment schedule</b>								
1-3 Years	10.01%-11.00%	-	-	3	45,00,00,000	-	-	45,00,00,000
	11.01%-12.00%	-	-	1	20,00,00,000	-	-	20,00,00,000
<b>Yearly repayment schedule</b>								
1-3 Years	10.01%-11.00%	1	8,33,33,333	1	8,33,33,333	-	-	16,66,66,667
<b>Borrowings (Other than Debt Securities)</b>								
<b>Monthly repayment schedule</b>								
1-7 Years	5.00%-6.00%	1	2,45,00,000	-	-	-	-	2,45,00,000
	8.01%-9.00%	45	10,90,09,095	152	35,81,14,840	-	-	46,71,23,934
	9.01%-10.00%	37	8,48,58,524	65	16,60,61,630	-	-	25,09,20,154
	10.01%-11.00%	72	10,00,00,008	156	22,70,83,318	-	-	32,70,83,326
<b>Quarterly repayment schedule</b>								
1-7 Years	6.01%-7.00%	12	2,27,40,000	64	12,08,59,000	17	4,27,80,000	18,63,79,000
	7.01%-8.00%	6	2,16,00,000	25	7,70,95,000	-	-	9,86,95,000
	8.01%-9.00%	4	7,85,71,429	16	31,42,85,714	8	15,71,42,857.14	55,00,00,000
	9.01%-10.00%	7	3,50,05,000	26	11,58,60,000	11	3,66,35,000.00	18,75,00,000
	10.01%-11.00%	14	4,85,26,308	19	7,96,57,895	-	-	12,81,84,203
								-
<b>Total</b>			<b>60,81,43,697</b>		<b>2,19,23,50,729</b>		<b>23,65,57,857</b>	<b>3,03,70,52,283</b>
<b>Impact of EIR</b>								1,87,70,302
<b>Total Amortized Cost</b>			<b>60,81,43,697</b>	<b>-</b>	<b>2,19,23,50,729</b>	<b>-</b>	<b>23,65,57,857.14</b>	<b>3,05,58,22,585</b>

**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)	
<b>Debt Securities</b>								
<b>Bullet repayment schedule</b>								
1-3 Years	10.01%-11.00%	-	-	4	45,00,00,000	-	-	45,00,00,000
	11.01%-12.00%	-	-	1	20,00,00,000	-	-	20,00,00,000
<b>Yearly repayment schedule</b>								
1-3 Years	10.01%-11.00%	1	8,33,33,333	2	16,66,66,667	-	-	25,00,00,000
<b>Borrowings (Other than Debt Securities)</b>								
<b>Monthly repayment schedule</b>								
1-7 Years	7.01%-8.00%	3	1,50,00,000					1,50,00,000
	8.01%-9.00%	12	4,92,285	48	24,57,364	8	4,98,986	34,48,634
	9.01%-10.00%	12	2,00,00,000	21	3,50,00,000			5,50,00,000
	10.01%-11.00%	56	5,14,88,098	151	8,42,26,198			13,57,14,296
<b>Quarterly repayment schedule</b>								
1-5 Years	6.01%-7.00%	6	57,00,000	32	3,04,00,000	16	1,39,00,000	5,00,00,000
	7.01%-8.00%	23	2,69,00,000	84	9,33,00,000	13	79,00,000	12,81,00,000
	10.01%-11.00%	12	1,33,33,336	8	1,00,00,002			2,33,33,338
	12.01%-13.00%	36	3,85,26,316	89	12,41,84,211			16,27,10,526
								-
<b>Bullet repayment schedule</b>								
1-3 Years	5.00%-6.00%	1	4,20,00,000					4,20,00,000
								-
<b>Unsecured Loans</b>								
Payable on Demand	9.10%	1	1,75,00,000					1,75,00,000
<b>Total</b>			<b>31,42,73,368</b>		<b>1,19,62,34,441</b>		<b>2,22,98,986</b>	<b>1,53,28,06,794</b>
<b>Impact of EIR</b>								4,93,48,551
<b>Total Amortized Cost</b>			<b>31,42,73,368</b>	-	<b>1,19,62,34,441</b>	-	<b>2,22,98,985.57</b>	<b>1,58,21,55,345</b>



**IKF Home Finance Limited****Notes forming part of Financial Statements for the year ended March 31, 2022***(Amount in Rupees unless otherwise stated)***15 Other financial liabilities**

<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Employee benefits payable	21,17,162	43,35,154
Payable towards securitisation / assignment transactions	4,15,19,833	3,86,41,226
Lease Liabilities	8,47,576	22,20,763
Other Payable	6,28,02,806	4,84,42,948
<b>Total</b>	<b>10,72,87,377</b>	<b>9,36,40,091</b>

**16 Provisions**

<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Provision for gratuity	28,43,588	17,14,113
Provision for leave benefits	10,54,046	10,54,046
<b>Total</b>	<b>38,97,634</b>	<b>27,68,159</b>

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

<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Opening Balance (Liabilities/(Asset))	89,57,423	45,90,886
Recognised in Statement of Profit and Loss	75,33,493	42,97,248
Recognised in/ reclassified from OCI	43,644	69,289
<b>Closing Balance (Liabilities/(Asset))</b>	<b>1,65,34,559</b>	<b>89,57,423</b>

**18 Other non-financial liabilities**

<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Other payables	-	-
Statutory dues payable	57,77,258	36,67,675
<b>Total</b>	<b>57,77,258</b>	<b>36,67,675</b>

19 Equity share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
<b>Authorised Capital</b>				
Equity shares of Rs. 10 each	6,50,00,000	65,00,00,000	5,00,00,000	50,00,00,000
	<b>6,50,00,000</b>	<b>65,00,00,000</b>	<b>5,00,00,000</b>	<b>50,00,00,000</b>
<b>Issued, subscribed and fully paid-up shares</b>				
Equity Shares of Rs. 10 each fully paid up	3,76,14,753	37,61,47,530	3,76,14,753	37,61,47,530
	<b>3,76,14,753</b>	<b>37,61,47,530</b>	<b>3,76,14,753</b>	<b>37,61,47,530</b>
<b>Issued, subscribed and partly paid-up shares</b>				
Equity Shares of Rs. 10 each, partly paid up Rs. 5.00	70,00,000	3,50,00,000	70,00,000	3,50,00,000
Equity Shares of Rs. 10 each, partly paid up Rs. 2.77	1,97,89,430	5,48,16,721	-	-
	<b>2,67,89,430</b>	<b>8,98,16,721</b>	<b>70,00,000</b>	<b>3,50,00,000</b>
	<b>6,44,04,183</b>	<b>46,59,64,251</b>	<b>4,46,14,753</b>	<b>41,11,47,530</b>

A. Reconciliation of number of shares

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
<b>Fully paid equity share of Rs. 10 each</b>				
At the beginning of the year	3,76,14,753	37,61,47,530	3,76,14,753	37,61,47,530
Shares issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>3,76,14,753</b>	<b>37,61,47,530</b>	<b>3,76,14,753</b>	<b>37,61,47,530</b>
<b>Partly paid up equity share of Rs. 10 each, partly paid up Rs.5.0 per share</b>				
At the beginning of the year	70,00,000	3,50,00,000	70,00,000	1,75,00,000
Amount called/Issued during the year	-	-	-	1,75,00,000
<b>Outstanding at the end of the year</b>	<b>70,00,000</b>	<b>3,50,00,000</b>	<b>70,00,000</b>	<b>3,50,00,000</b>
<b>Partly paid up equity share of Rs. 10 each, partly paid up Rs.2.77 per share</b>				
At the beginning of the year	-	-	-	-
Amount called/Issued during the year	1,97,89,430	5,48,16,721	-	-
<b>Outstanding at the end of the year</b>	<b>1,97,89,430</b>	<b>5,48,16,721</b>	<b>-</b>	<b>-</b>

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, 2022		As at March 31, 2021	
	No. of shares held	% Holding	No. of shares held	% Holding
<b>Fully paid equity share of Rs. 10 each</b>				
IKF Finance Limited	3,76,14,747	100.00%	3,76,14,747	100.00%
<b>Partly paid up equity share of Rs. 10 each, partly paid up Rs.5.0 per share</b>				
VGK Prasad	47,37,880	67.68%	47,37,880	67.68%
K.Vasumathi Devi	6,97,312	9.96%	6,97,312	9.96%
V. Vasantha Lakshmi	6,56,360	9.38%	6,56,360	9.38%
V. Raghuram	4,74,312	6.78%	4,74,312	6.78%
V. Indira Devi	4,34,136	6.20%	4,34,136	6.20%
<b>Partly paid up equity share of Rs. 10 each, partly paid up Rs.2.77 per share</b>				
IKF Finance Limited	1,97,89,430	100.00%	-	-

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

D. Details of shares held by the Promoters:

Name of shareholder	As at March 31, 2022			As at March 31, 2021	
	No. of shares held	% Holding	%change	No. of shares held	% Holding
<b>Fully paid equity share of Rs. 10 each</b>					
IKF Finance Limited	3,76,14,747	100.00%	0.00%	3,76,14,747	100.00%
VGK Prasad	1	0.00%	0.00%	1	0.00%
V. Vasantha Lakshmi	1	0.00%	0.00%	1	0.00%
K.Vasumathi Devi	1	0.00%	0.00%	1	0.00%
V. Indira Devi	1	0.00%	0.00%	1	0.00%
V. Raghuram	1	0.00%	0.00%	1	0.00%
IKF Infratech (P) Limited	1	0.00%	0.00%	1	0.00%
<b>Partly paid up equity share of Rs. 10 each, partly paid up Rs.5.0 per share</b>					
VGK Prasad	47,37,880	67.68%	0.00%	47,37,880	67.68%
K.Vasumathi Devi	6,97,312	9.96%	0.00%	6,97,312	9.96%
V. Vasantha Lakshmi	6,56,360	9.38%	0.00%	6,56,360	9.38%
V. Raghuram	4,74,312	6.78%	0.00%	4,74,312	6.78%
V. Indira Devi	4,34,136	6.20%	0.00%	4,34,136	6.20%
<b>Partly paid up equity share of Rs. 10 each, partly paid up Rs.2.77 per share</b>					
IKF Finance Limited	1,97,89,430	100.00%	100.00%	-	-

**IKF Home Finance Limited****Notes forming part of Financial Statements for the year ended March 31, 2022***(Amount in Rupees unless otherwise stated)***20 Other equity**

<b>Particulars</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>
Special Reserve *	7,24,23,093	4,74,12,322
Special Reserve U/s 36(viia) Income tax Act, 1961**	40,88,455	40,88,455
Securities Premium	11,79,65,585	
General reserve	-	-
Retained earnings	19,52,85,564	12,56,56,439
<b>Total</b>	<b>38,97,62,697</b>	<b>17,71,57,216</b>

**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. 2,50,10,771 for the year ended March 31, 2022 to the Reserve in terms of Section 29C of the National Housing Bank (“NHB”) Act, 1987.

**b. Special reserve**

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

**c. Securities Premium**

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

**d. Retained earnings**

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

**21 Interest income**

<b>Particulars</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>
<b>On financial assets measured at amortised cost</b>		
-On Term Loans	36,58,49,146	29,25,27,299
-On Intercompany Deposits	3,09,49,696	2,61,36,988
-On Deposits with Banks	13,53,086	7,12,984
<b>Total</b>	<b>39,81,51,928</b>	<b>31,93,77,271</b>

**22 Fees and commission income**

<b>Particulars</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>
Other fees and charges	5,28,83,000	2,58,20,197
<b>Total</b>	<b>5,28,83,000</b>	<b>2,58,20,197</b>

**23 Net gain on derecognition of financial instruments under amortised cost category**

<b>Particulars</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>
Gain on derecognition of loans	6,04,54,324	5,28,40,212
<b>Total</b>	<b>6,04,54,324</b>	<b>5,28,40,212</b>

**IKF Home Finance Limited****Notes forming part of Financial Statements for the year ended March 31, 2022***(Amount in Rupees unless otherwise stated)***24 Other income**

<b>Particulars</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>
Profit on Sale of Investment	31,00,444	-
Miscellaneous Income	1,13,63,889	41,03,550
<b>Total</b>	<b>1,44,64,333</b>	<b>41,03,550</b>

**25 Finance costs**

<b>Particulars</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>
	<b>On financial</b>	<b>On financial</b>
Interest on borrowings	20,39,53,202	15,20,74,211
Bank Charges	3,39,578	2,12,776
Other finance cost	53,24,842	49,52,063
<b>Total</b>	<b>20,96,17,622</b>	<b>15,72,39,050</b>

**26 Net loss on fair value changes**

<b>Particulars</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>
(A) Net loss on financial instruments at fair value through profit or loss	3,34,931	-
(i) On trading portfolio	-	-
- investments	-	-
- Derivatives	3,34,931	-
- Others	-	-
(ii) On financial instruments designated at fair value through profit or loss	-	-
(B) Others (to be specified)	-	-
Total Net Loss on fair value changes (C)	3,34,931	-
Fair Value changes:		
- Realised	-	-
- Unrealised	3,34,931	-
Total Net Loss on fair value changes (D) to tally with (C)	3,34,931	-
<b>Total</b>	<b>3,34,931</b>	<b>-</b>

**27 Impairment on financial instruments**

<b>Particulars</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>
Loans (Measured at Amortised cost)	1,22,825	1,14,48,790
<b>Total</b>	<b>1,22,825</b>	<b>1,14,48,790</b>

**28 Employee benefits expenses**

<b>Particulars</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>
Salaries and wages	12,69,61,808	7,45,98,114
Contribution to provident and other funds	66,00,285	38,23,145
Staff welfare expenses	53,78,218	24,55,735
Gratuity	13,02,871	7,99,014
<b>Total</b>	<b>14,02,43,182</b>	<b>8,16,76,009</b>

**IKF Home Finance Limited****Notes forming part of Financial Statements for the year ended March 31, 2022***(Amount in Rupees unless otherwise stated)***29 Other expenses**

<b>Particulars</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>
Rent	40,98,457	18,73,702
Communication cost	21,73,565	12,96,648
Travelling and conveyance	28,65,341	8,67,892
Rates and taxes	79,34,148	1,01,15,393
Insurance	10,74,183	6,83,698
Commission and Brokerage	22,43,558	11,89,788
Repairs and maintenance	6,72,190	3,65,090
Printing and stationary	4,14,408	2,22,739
Directors' sitting fees	3,90,000	3,10,000
Payment to the auditors:	2,00,000	2,25,100
Maintenance Charges	6,56,815	2,38,097
AMC Charges	15,10,500	15,49,690
Office Expense	14,29,469	8,15,498
Legal and professional fees	94,19,202	66,90,024
CSR Expense	15,25,680	7,45,400
Preliminary Expenses Written off	-	35,152
<b>Total</b>	<b>3,66,07,515</b>	<b>2,72,23,910</b>

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

**Payment to the auditors:**

<b>Particulars</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>
Auditor's remuneration		
- Audit fees	2,00,000	1,50,000
In other capacity		
- Taxation	-	50,000
Other of pocket expenses	-	25,100
<b>Total</b>	<b>2,00,000</b>	<b>2,25,100</b>

**30 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, 2022 (March 31, 2021 Rs. Nil)

**31 Earnings per share**

<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Profit attributable to equity holders of the Company used in calculating	<b>10,00,43,083</b>	<b>9,05,33,999</b>
Weighted average number of equity shares used as the denominator in	4,11,29,771	4,11,14,753
<b>Basic earnings per share (Rs.)</b>	<b>2.43</b>	<b>2.20</b>
Weighted average number of equity shares and potential equity shares used	4,11,29,771	4,11,14,753
<b>Diluted earnings per share (Rs.)</b>	<b>2.43</b>	<b>2.20</b>

**IKF Home Finance Limited**

**Notes forming part of Financial Statements for the year ended March 31, 2022**

*(Amount in Rupees unless otherwise stated)*

**32 Related Party Disclosure**

**a. Name of related party and nature of relationship:**

<b>Holding Compnay</b>	IKF Finance Limited
<b>Enterprises significantly influenced by the company - Subsidiary</b>	-
<b>Enterprises in which directors are interested</b>	-
<b>Enterprises significantly influenced by Key Management Personnel and</b>	IKF Infratech Private Limited
<b>Relative of Key Management Personnel</b>	Mr. V G K Prasad
<b>Key Management Personnel (KMP)</b>	Mrs V Vasatha Lakshmi - Managing Director Mr. Sreepal Jain - Chief Financial Officer Mr. Vishal Kumar Joshi- Company Secretary

**IKF Home Finance Limited**  
Notes forming part of Financial Statements for the year ended March 31, 2022

(Amount in Rupees unless otherwise stated)

**b. Transaction with related parties:**

Name of related party	Nature of transaction	As at April 1, 2020	Transaction value for the year ended March 31, 2021	Received During the year	Paid During the Year	As at March 31, 2021	Transaction value for the year ended March 31, 2022	Received During the year	Paid During the Year	As at March 31, 2022
<b>Key management personnel</b>										
Mrs. D Vasantha Lakshmi	Director's remuneration	-	70,07,004	-	-	-	78,92,997	-	-	-
	Share Capital (INR 10/- Paid up)	10	-	-	-	10	-	-	-	10
	Partly paid up shares (Rs 5.00 Paid Up)	32,81,800	-	-	-	32,81,800	-	-	-	32,81,800
	Unsecured Loan	-	9,000	16,40,900	-	16,49,900	-	-	-	-
Mr. Vishal Kumar Joshi	Salary Paid	-	6,91,880	-	-	-	8,24,308	-	-	-
<b>Relatives of key management personnel</b>										
Mr. V G K Prasad	Share Capital (INR 10/- Paid up)	10	-	-	-	10	-	-	-	10
	Partly paid up shares (Rs 5.00 Paid Up)	2,36,89,400	-	-	-	2,36,89,400	-	-	-	2,36,89,400
	Interest Paid	-	-	-	-	-	-	-	-	-
	Unsecured Loan	-	73,827	1,18,44,700	-	1,19,18,527	-	-	-	-
Mr. V Raghu Ram	Share Capital (INR 10/- Paid up)	10	-	-	-	10	-	-	-	10
	Partly paid up shares (Rs 5.00 Paid Up)	23,71,560	-	-	-	23,71,560	-	-	-	23,71,560
	Unsecured Loan	-	7,391	11,85,780	-	11,93,171	-	-	-	-
Mrs. V Indira Devi	Share Capital (INR 10/- Paid up)	10	-	-	-	10	-	-	-	10
	Partly paid up shares (Rs 5.00 Paid Up)	21,70,680	-	-	-	21,70,680	-	-	-	21,70,680
	Unsecured Loan	-	7,035	10,85,340	-	10,92,375	-	-	-	-
Mrs.K.Vasumathi Devi	Share Capital (INR 10/- Paid up)	10	-	-	-	0	-	-	-	0
	Partly paid up shares (Rs 5.00 Paid Up)	34,86,560	-	-	-	34,86,560	-	-	-	34,86,560
	Unsecured Loan	-	11,300	17,43,280	-	17,54,580	-	-	-	-
<b>Enterprises significantly influenced by key management personnel or their relatives</b>										
IKF Finance Limited	Loan Received**	19,17,82,980	-	4,50,00,000	23,67,82,980	-	-	-	-	-
	Share Capital (INR 10/- Paid up)	37,61,47,470	-	-	-	37,61,47,470	-	-	-	37,61,47,470
	Share Capital (INR 2.77/- Paid up)	-	-	-	-	-	-	5,48,16,721	-	5,48,16,721
	Securities Premium Received	-	-	-	-	-	-	11,79,65,585	-	11,79,65,585
	Interest Paid	-	54,19,906	-	-	-	-	-	-	-
	Interest Received	-	2,61,36,990	-	-	-	2,65,89,990	-	-	-
	Direct Assignment Receipt	23,16,22,288	-	15,23,88,089	3,52,88,307	34,87,22,070	-	-	7,04,24,075	27,82,97,995
	Interest Payable on Direct Assignment	26,55,724	2,47,11,612	-	2,50,82,222	22,85,114	4,41,76,051	-	4,30,14,789	34,46,376
Service Fee Paid (Shared Services & Service fee)	-	40,05,417	-	-	-	-	28,88,799	-	-	
IKF Infratech Private Limited	Share Capital (INR 10/- Paid up)	10	-	-	-	10	-	-	-	10
	Interest Paid	-	-	-	-	-	-	-	-	-

**c. Key management personnel compensation**

Particulars	As at March 31, 2022	As at March 31, 2021
Short-term employee benefits	87,17,305	76,98,884
Post-employment benefits#	-	-
Long-term employee benefits	-	-
Termination benefits	-	-
Employee-share based payment	-	-
<b>Total compensation</b>	<b>87,17,305</b>	<b>76,98,884</b>

#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.
- The company has not been provided any loans to its Promoters, Directors, KMPs and Related Parties.

**IKF Home Finance Limited**

Notes forming part of Financial Statements for the year ended March 31, 2022

**33 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.47,80,318 (March 31, 2021 : Rs 33,92,627) for provident fund and other contributions in the Statement of profit and loss.

The Supreme Court has recently, delivered its ruling on the composition of basic wages for the purposes of deduction and contribution to the Employees Provident and 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, 2022	March 31, 2021
Present value of obligation (A)	30,16,984	17,14,113
Fair Value of plan assets (B)	-	-
<b>Present value of obligation (A - B)</b>	<b>30,16,984</b>	<b>17,14,113</b>
<b>Net deficit / (assets) are analysed as:</b>	<b>30,16,984</b>	<b>17,14,113</b>

**Movement in net defined benefit (asset) liability**

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

Particulars	Defined Benefit Obligation		Fair Value of plan assets		Net defined benefit (asset) liability	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
<b>Opening balance</b>	17,14,113	11,90,385			17,14,113	11,90,385
Current service cost	13,57,821	7,17,830			13,57,821	7,17,830
Past service cost						
Interest cost (income)	1,18,445	81,184			1,18,445	81,184
	31,90,379	19,89,399			31,90,379	19,89,399
<b>Other comprehensive income</b>						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Experience	-1,73,396	-2,75,286			-1,73,396	-2,75,286
Financial assumption						
	-1,73,396	-2,75,286			-1,73,396	-2,75,286
<b>Others</b>						
Transfer in/(out)						
Contributions by employer						
Benefits paid						
<b>Closing balance</b>	<b>30,16,983</b>	<b>17,14,113</b>			<b>30,16,983</b>	<b>17,14,113</b>
<b>Represented by</b>						
Net defined assets					30,16,983	17,14,113
Net defined liability						
					30,16,983	17,14,113



**IKF Home Finance Limited**  
**Notes forming part of Financial Statements for the year ended March 31, 2022**

**Components of defined benefit plan cost:**

<b>Particulars</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
<b>Recognised in statement of profit or loss</b>		
Current service cost	13,57,821	7,17,830
Interest cost/ (income) (net)	1,18,445	81,184
<b>Past service cost</b>		
Unrecognised past service cost- non vested benefits		
<b>Total</b>	<b>14,76,266</b>	<b>7,99,014</b>
<b>Recognised in other comprehensive income</b>		
Remeasurement loss (gain):		
Actuarial loss (gain) arising from:		
Experience	-	-
Financial assumption	-	-
<b>Total</b>	<b>-1,73,396</b>	<b>-2,75,286</b>

**Percentage break-down of total plan assets**

<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Investment funds with insurance company	-	-
Cash and cash equivalents	-	-
	-	-

Note :

**Actuarial assumptions:**

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

<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Discount rate	7.47%	6.91%
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%
<b>Expected weighted average remaining working lives of employees</b>	<b>25.08 years</b>	<b>24.64 years</b>
Interest rate on net DBO/ (asset) (% p.a.)		

**Notes:**

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

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

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

**IKF Home Finance Limited****Notes forming part of Financial Statements for the year ended March 31, 2022****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, 2022		As at March 31, 2021	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (+/- 1%)	11.10%	-9.70%	12.00%	-10.40%
Discount Rate (+/- 1%)	-9.00%	10.40%	-9.80%	11.40%
Withdrawal Rate (+/- 1%)	0.20%	-0.50%	0.20%	-0.40%

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	1,02,654
Year 2	1,47,393
Year 3	1,74,485
Year 4	3,38,699
Year 5	2,41,963
Year 6	2,50,984
Year 7	4,04,589
Year 8	2,22,541
Year 9	2,25,052
Year 10	2,18,283

**c. Compensated absences :**

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

**34 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.

**35 Corporate Social Responsibility expenditure**

(Amount in Rupees unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
a) Amount required to be spent by the company during the year	15,22,075	7,45,346
b) Amount of expenditure incurred		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	15,25,680	7,45,400
c) Shortfall at the end of the year	-	-
d) Total of previous years shortfall	-	-
e) Net Shortfall	-	-
f) Reason for shortfall	NA	NA
g) Nature of CSR activities	Disaster relief, Sanitation and Hygiene.	Disaster relief, Sanitation and Hygiene.
h) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	-	-
i) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	-	-

## **IKF Home Finance Limited**

### **Notes forming part of Financial Statements for the year ended March 31, 2022**

#### **36 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.
- 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 48.10%, 48.08% at March 31, 2022 and March 31, 2021 respectively. The Company has complied in full, with the guidelines on capital adequacy issued by NHB.

#### **37 Fair Value Measurement:**

##### **A. Valuation Principles**

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

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

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

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

##### **B. Valuation governance framework**

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

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

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

**IKF Home Finance Limited**

**Notes forming part of Financial Statements for the year ended March 31, 2022**

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, 2022**

<b>Particulars</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets measured at fair value on recurring basis</b>				
Assets measured at fair value through profit or loss	-	-	-	-
<b>Investments</b>				
Debt securities	-	-	-	-
Certificate of deposits	-	-	-	-
<b>Total assets measured at fair value on a recurring basis (a)</b>	-	-	-	-
<b>Assets measured at fair value on a non recurring basis</b>				
Assets held for sale	-	-	-	-
<b>Total assets measured at fair value on a non recurring basis (b)</b>	-	-	-	-
<b>Total assets measured at fair value (a)+(b)</b>	-	-	-	-
<b>Liabilities measured at fair value through profit or loss</b>				
Derivative financial instruments	-	-	-	-
Forward contracts and currency swaps	3,34,931	-	-	3,34,931
Interest rate swaps	-	-	-	-
<b>Total liabilities measured at fair value through profit or loss</b>	<b>3,34,931</b>	-	-	<b>3,34,931</b>

**As at March 31, 2021**

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

**IKF Home Finance Limited**

Notes forming part of Financial Statements for the year ended March 31, 2022

(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, 2022**

Particular	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
<b>Financial Assets</b>				
Cash and cash equivalents	62,87,10,124	62,87,10,124	-	-
Bank balance other than cash and cash	3,25,00,000	3,25,00,000	-	-
Trade Receivable	28,35,013	-	-	28,35,013
Loans	3,28,84,72,189	-	-	3,28,84,72,189
Other financial assets	15,88,19,247	-	-	15,88,19,247
<b>Total Financial Assets</b>	<b>4,11,13,36,573</b>	<b>66,12,10,124</b>	<b>-</b>	<b>3,45,01,26,449</b>
<b>Financial Liabilities</b>				
Derivative financial instruments	58,67,870	-	-	58,67,870
Trade Payables	8,83,719	-	-	8,83,719
Debt Securities	86,21,44,280	-	-	86,21,44,280
Borrowings	2,26,76,23,472	-	-	2,26,76,23,472
Other Financial Liabilities	10,72,87,377	-	-	10,72,87,377
<b>Total Financial liabilities</b>	<b>3,23,79,38,847</b>	<b>-</b>	<b>-</b>	<b>3,24,38,06,718</b>

**As at March 31, 2021**

Particular	Carrying Value	Fair Value		
		Level 1	Level 2	Level 3
<b>Financial Assets</b>				
Cash and cash equivalents	26,81,13,799	26,81,13,799	-	-
Bank balance other than cash and cash	2,00,00,000	2,00,00,000	-	-
Trade Receivable	15,87,908	-	-	15,87,908
Loans	1,86,46,37,461	-	-	1,86,46,37,461
Other financial assets	12,78,80,673	-	-	12,78,80,673
<b>Total Financial Assets</b>	<b>2,28,22,19,841</b>	<b>28,81,13,799.44</b>	<b>-</b>	<b>1,99,41,06,042</b>
<b>Financial Liabilities</b>				
Trade Payables	23,51,974	-	-	23,51,974
Borrowings	63,92,80,207	-	-	63,92,80,207
Other Financial Liabilities	9,36,40,091	-	-	9,36,40,091
<b>Total Financial liabilities</b>	<b>1,68,75,53,662</b>	<b>-</b>	<b>-</b>	<b>1,68,75,53,662</b>

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.

**38 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, 2022	As at March 31, 2021
<b>Liquidity cushion</b>		
Government Debt Securities	-	-
Mutual Fund Investments	-	-
<b>Total Liquidity cushion</b>	-	-

**Financing Arrangement**

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

Particulars	As at March 31, 2022	As at March 31, 2021
Committed Lines from Banks	30,00,00,000	-
Committed Lines from Other Parties	-	-
<b>Total</b>	<b>30,00,00,000</b>	<b>-</b>

**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, 2022**

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
<b>Financial assets</b>						
Cash and cash equivalents	62,87,10,124	-	-	-	-	62,87,10,124
Bank Balance other than cash and cash	-	-	-	-	3,25,00,000	3,25,00,000
Trade Receivables	28,35,013	-	-	-	-	28,35,013
Loans	-	2,53,93,746	8,39,03,997	63,52,66,410	2,54,39,08,036	3,28,84,72,189
Other Financial assets	43,37,901	11,29,996	37,33,644	2,82,68,717	12,13,48,990	15,88,19,247
<b>Total undiscounted financial assets</b>	<b>63,58,83,038</b>	<b>2,65,23,742</b>	<b>8,76,37,641</b>	<b>66,35,35,127</b>	<b>2,69,77,57,026</b>	<b>4,11,13,36,573</b>
<b>Financial liabilities</b>						
Derivative financial instruments	58,67,870	-	-	-	-	58,67,870
Trade Payables	-	8,83,719	-	-	-	8,83,719
Debt securities	-	-	8,33,33,333	77,88,10,947	-	86,21,44,280
Borrowings (Other than Debt Securities)	-	16,62,46,321	45,12,79,511	1,41,35,39,783	23,65,57,857	2,26,76,23,472
Other Financial liabilities	4,15,19,833	6,49,19,968	-	-	8,47,576	10,72,87,377
<b>Total undiscounted financial liabilities</b>	<b>4,15,19,833</b>	<b>23,20,50,008</b>	<b>53,46,12,844</b>	<b>2,19,23,50,729</b>	<b>23,74,05,433</b>	<b>3,24,38,06,718</b>
<b>Total net financial assets / (liabilities)</b>	<b>59,43,63,204.97</b>	<b>(20,55,26,266)</b>	<b>(44,69,75,203)</b>	<b>(1,52,88,15,603)</b>	<b>2,46,03,51,592</b>	<b>86,75,29,855</b>

**IKF Home Finance Limited**  
**Notes forming part of Financial Statements for the year ended March 31, 2022**

**As at March 31, 2021**

<b>Particulars</b>	<b>On Demand</b>	<b>Less than 3 months</b>	<b>3 to 12 months</b>	<b>1 to 5 years</b>	<b>Over 5 Years</b>	<b>Total</b>
<b>Financial assets</b>						
Cash and cash equivalents	26,81,13,799	-	-	-	-	<b>26,81,13,799</b>
Bank Balance other than cash and cash	-	-	-	-	2,00,00,000.00	<b>2,00,00,000</b>
Trade Receivables	15,87,908	-	-	-	-	<b>15,87,908</b>
Loans	-	1,41,07,934	4,74,84,648	37,95,98,355	1,42,34,46,524	<b>1,86,46,37,461</b>
Investments	-	-	-	-	-	-
Other Financial assets	-	60,74,475	2,27,77,458	7,14,20,512	2,76,08,227	<b>12,78,80,673</b>
<b>Total undiscounted financial assets</b>	<b>26,97,01,707</b>	<b>2,01,82,409</b>	<b>7,02,62,106</b>	<b>45,10,18,867</b>	<b>1,47,10,54,751</b>	<b>2,28,22,19,841</b>
<b>Financial liabilities</b>						
Trade Payables	-	23,51,974	-	-	-	<b>23,51,974</b>
Debt securities	-	-	-	95,22,81,391	-	<b>95,22,81,391</b>
Borrowings (Other than Debt Securities)	-	9,05,90,746	13,11,65,280	39,43,56,388	2,31,67,792	<b>63,92,80,207</b>
Other Financial liabilities	3,86,41,226	5,30,76,196	9,52,161	9,70,508	-	<b>9,36,40,091</b>
<b>Total undiscounted financial liabilities</b>	<b>3,86,41,226</b>	<b>14,60,18,915</b>	<b>13,21,17,442</b>	<b>1,34,76,08,286</b>	<b>2,31,67,792</b>	<b>1,68,75,53,662</b>
<b>Total net financial assets / (liabilities)</b>	<b>23,10,60,481</b>	<b>(12,58,36,506)</b>	<b>(6,18,55,335)</b>	<b>(89,65,89,419)</b>	<b>1,44,78,86,959</b>	<b>59,46,66,179</b>

**Contractual expiry of commitments**

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

**As at March 31, 2022**

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

**As at March 31, 2021**

<b>Particulars</b>	<b>On Demand</b>	<b>Less than 3 months</b>	<b>3 to 12 months</b>	<b>1 to 5 years</b>	<b>Over 5 Years</b>	<b>Total</b>
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, 2022**

**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, 2022	As at March 31, 2021	Primary risk sensitivity
	Carrying amount	Carrying amount	
<b>Financial assets</b>			
Cash and cash equivalents	62,87,10,124	26,81,13,799	-
Bank Balance other than cash and cash	3,25,00,000	2,00,00,000	-
Trade Receivables	28,35,013	15,87,908	-
Loans	3,28,84,72,189	1,86,46,37,461	Interest rate risk
Investments	-	-	Interest rate risk
Other Financial assets	15,88,19,247	12,78,80,673	Interest rate risk
<b>Total financial assets</b>	<b>4,11,13,36,573</b>	<b>2,28,22,19,841</b>	
<b>Financial liabilities</b>			
Derivative financial instruments	58,67,870	-	Interest rate risk
Trade Payables	8,83,719	23,51,974	-
Debt securities	86,21,44,280	95,22,81,391	Interest rate risk
Borrowings (Other than Debt Securities)	2,26,76,23,472	63,92,80,207	Interest rate risk
Other Financial liabilities	10,72,87,377	9,36,40,091	Interest rate risk
<b>Total financial liabilities</b>	<b>3,24,38,06,718</b>	<b>1,68,75,53,662</b>	

**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 2022 and at 31 March 2021

**Interest rate sensitivity**

**AS at March 31, 2022**

Particulars	Increase in basis points	Sensitivity of Profit	Decrease in basis points	Sensitivity of Profit
Bank Borrowings	1.00%	26,68,145	1.00%	26,47,330
Government securities	-	-	-	-

**AS at March 31, 2021**

Particulars	Increase in basis points	Sensitivity of Profit	Decrease in basis points	Sensitivity of Profit
Bank Borrowings	1.00%	25,54,673	1.00%	25,51,259
Government securities	-	-	-	-

**D.Currency Risk**

The Company is exposed to currency risk on account of its borrowings in foreign currency. The fluctuation currency of the Company is Indian Rupee. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

The Company does not use derivative financial instruments for trading or speculative purposes.

Following are the forward contracts to hedge the foreign exchange rate as March 31, 2022 and March 31, 2021

Particulars	purpose	Currency	Cross Currency	March 31,2022	March 31,2021
Forward Contracts	Term Loan	USD	INR	3,34,931	NA



**IKF Home Finance Limited****Notes forming part of Financial Statements for the year ended March 31, 2022****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, 2022		As at March 31, 2021	
	Stage 1	Stage 2	Stage 1	Stage 2
Home Loans	2.96%	34.76%	2.96%	36.04%
Loans Against Property	3.43%	23.09%	3.43%	26.00%

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, 2022	As at March 31, 2021
Home Loans	25.00%	25.00%
Loans Against Property	25.00%	25.00%

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.

**IKF Home Finance Limited****Notes forming part of Financial Statements for the year ended March 31, 2022****Significant increase in credit risk**

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

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

**Concentration of Credit Risk**

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

Rs.In Lakhs

<b>Geography</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
West	7,770.33	4,049.95
Central	-	-
South	25,743.23	15,224.03
	<b>33,513.56</b>	<b>19,273.99</b>

**Quantitative Information of Collateral**

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

Rs.In Lakhs

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

<b>As at March 31, 2021</b>	<b>Loan to value</b>			
	<b>Upto 50%</b>	<b>51%-70%</b>	<b>More than 70%</b>	<b>Total</b>
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
<b>Total</b>	<b>10,846.87</b>	<b>6,755.81</b>	<b>1,671.30</b>	<b>19,273.99</b>

**39 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, 2022	Year ended March 31, 2021
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)	-	-
<b>Net position at Fair value</b>	<b>-</b>	<b>-</b>

**Transfer of financial assets which qualify for derecognition in their entirety**

**(ii) Details of Assignment transactions undertaken**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
No. Accounts	198	250
Aggregate value of accounts sold	24,01,47,142	27,91,03,512
Aggregate consideration	19,11,83,931	27,91,03,512
Additional Consideration realized in respect of accounts transferred in earlier years	-	-
Aggregate gain/(loss) over net book value		

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

**(a) Details of transfer through assignment in respect of loans not in default during the year ended 31 March 2022**

Entity/Assignee	Housing Finance Companies
Count of Loan accounts Assigned	198
Amount of Loan accounts Assigned	24,55,87,499
Retention of beneficial economic interest (MRR)	2,45,58,750
Weighted Average Maturity (Residual Maturity) (Months)	97.96061732
Weighted Average Holding Period (Months)	18.47375854
Coverage of tangible security coverage	100%
Rating wise distribution of rated loans	Unrated

**(b) Details of acquired through assignment in respect of loans not in default during the year ended 31 March 2022**

Entity/Assignee	Housing Finance Company
Count of Loan accounts Assigned	105
Amount of Loan accounts Assigned	7,47,67,263
Retention of beneficial economic interest (MRR)	74,76,726
Weighted Average Maturity (Residual Maturity) (Months)	149.49
Weighted Average Holding Period (Months)	15.86
Coverage of tangible security coverage	100%
Rating wise distribution of rated loans	Unrated

(c) The Company has not transferred or acquired any stressed loans during year ended March 31, 2022.

(iii) No financial assets are sold to securitisation/reconstruction company for asset reconstruction as on March 31, 2022 and March 31, 2021.

**(iv) Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement**

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

The Company has assigned loans (earlier measured at amortised cost) by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 90%/80%/87% of the assets transferred to the buyer, the assets have been derecognised from the Company's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets :

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Direct assignment</b>		
Carrying amount of transferred assets measured at amortised cost	1,11,40,88,958	1,14,79,22,897
Carrying amount of exposures retained by the Company at amortised cost	19,00,21,239	20,95,75,151

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
1 No of transactions assigned by the Company	8	6
2 Total amount of outstanding	1,11,40,88,958	1,14,79,22,897
3 Total amount of exposures retained by the company to comply with MRR		
a) Off-balance sheet exposures		
First loss	-	-
Others	-	-
b) On-balance sheet exposures		
First loss	-	-
Others	19,00,21,239	20,95,75,151
4 Amount of exposures to assigned transaction other than MRR		
a) Off-balance sheet exposures		
i) Exposure to own securitisations		
First loss	-	-
Others	-	-
ii) Exposure to third party securitisations		
First loss	-	-
Others	-	-
b) On-balance sheet exposures		
i) Exposure to own securitisations		
First loss	-	-
Others	-	-
ii) Exposure to third party securitisations		
First loss	-	-
Others	-	-

**40 Changes in liabilities arising from financing activities**

<b>Particulars</b>	<b>As at April 1, 2021</b>	<b>Cash Flows (net)</b>	<b>CCPS converted</b>	<b>Others (net)*</b>	<b>As at March 31, 2022</b>
Subordinated liabilities	-	-	-	-	-
Debt securities	95,22,81,391	-	-	-9,01,37,111	86,21,44,280
Borrowing other than debt securities	63,92,80,207	2,03,80,00,000	-	-40,96,56,735	2,26,76,23,472
	<b>1,59,15,61,598</b>	<b>2,03,80,00,000</b>	<b>-</b>	<b>-49,97,93,846</b>	<b>3,12,97,67,752</b>

<b>Particulars</b>	<b>As at April 1, 2020</b>	<b>Cash Flows (net)</b>	<b>CCPS converted</b>	<b>Others (net)*</b>	<b>As at March 31, 2021</b>
Subordinated liabilities	-	-	-	-	-
Debt securities	-	90,00,00,000	-	5,22,81,391	95,22,81,391
Borrowing other than debt securities	96,01,25,936	(27,33,31,394)	-	(4,75,14,335)	63,92,80,207
	<b>96,01,25,936</b>	<b>62,66,68,606</b>	<b>-</b>	<b>47,67,055</b>	<b>1,59,15,61,598</b>

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

**IKF Home Finance Limited****Notes forming part of Financial Statements for the year ended March 31, 2022****41 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)*

<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Opening</b>	20.94	16.19
Additions	-	14.64
Deletion	-	-
Depreciation	-12.02	-9.89
<b>Closing Balance</b>	<b>8.92</b>	<b>20.94</b>

**The following is the movement in lease liabilities :***(Rs. In Lakhs)*

<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Balance at the beginning</b>	22.21	18.07
Additions	-	14.64
Finance cost accrued during the period	1.67	1.58
Payment of lease liabilities	-14.39	-12.07
<b>Balance at the end</b>	<b>9.48</b>	<b>22.21</b>

**IKF Home Finance Limited****Notes forming part of Financial Statements for the year ended March 31, 2022**

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

<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Less than 3 months	1.14	2.98
Over 3 months & upto 6 months	1.17	3.07
Over 6 months & upto 1 year	2.50	6.46
Over 1 year & upto 3 years	4.90	9.71
Over 3 years	-	-

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

*(Rs. In Lakhs)*

<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Depreciation expense of right-of-use assets	12.02	9.89
Interest expense on lease liabilities	1.67	1.58
Expense relating to short-term leases	-	-
<b>Total amount recognised in profit or loss</b>	<b>13.68</b>	<b>25.22</b>

**Future Commitments:**

<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
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, 2022.

**42 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, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>ASSETS</b>						
<b>Financial assets</b>						
Cash and cash equivalents	62,87,10,124	-	62,87,10,124	26,81,13,799	-	26,81,13,799
Bank Balance other than cash and cash equivalents	-	3,25,00,000	3,25,00,000	-	2,00,00,000	2,00,00,000
Receivables						
(I) Trade receivables	28,35,013	-	28,35,013	15,87,908	-	15,87,908
(II) Other receivables	-	-	-	-	-	-
Loans	10,92,97,743	3,17,91,74,446	3,28,84,72,189	6,15,92,582	1,80,30,44,879	1,86,46,37,461
Investments	-	-	-	-	-	-
Other Financial assets	48,63,640	15,39,55,607	15,88,19,247	2,88,51,934	9,90,28,739	12,78,80,673
<b>Sub total</b>	<b>74,57,06,520</b>	<b>3,36,56,30,053</b>	<b>4,11,13,36,573</b>	<b>36,01,46,223</b>	<b>1,92,20,73,618</b>	<b>2,28,22,19,841</b>
<b>Non-financial assets</b>						
Current Tax assets (Net)	-	17,90,691	17,90,691	-	-	-
Property, plant and equipment	-	82,88,739	82,88,739	-	78,90,671	78,90,671
Right to Use Assets	-	8,91,974	8,91,974	-	20,93,684	20,93,684
Other intangible assets	-	21,55,205	21,55,205	-	36,75,634	36,75,634
Other non-financial assets	8,15,710	4,64,227	12,79,937	6,70,576	18,91,117	25,61,693
<b>Sub total</b>	<b>8,15,710</b>	<b>1,35,90,835</b>	<b>1,44,06,545</b>	<b>6,70,576</b>	<b>1,55,51,106</b>	<b>1,62,21,682</b>
<b>Total assets</b>	<b>74,65,22,230</b>	<b>3,37,92,20,888</b>	<b>4,12,57,43,118</b>	<b>36,08,16,799</b>	<b>1,93,76,24,724</b>	<b>2,29,84,41,523</b>
<b>LIABILITIES AND EQUITY</b>						
<b>LIABILITIES</b>						
<b>Financial liabilities</b>						
Derivative financial instruments	58,67,870	-	58,67,870	-	-	-
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	8,83,719	-	8,83,719	23,51,974	-	23,51,974
Debt Securities	8,33,33,333	77,88,10,947	86,21,44,280	-	95,22,81,391	95,22,81,391
Borrowings (Other than Debt Securities)	61,75,25,832	1,65,00,97,640	2,26,76,23,472	22,17,56,026	41,75,24,181	63,92,80,207
Deposits	-	-	-	-	-	-
Subordinated Liabilities	-	-	-	-	-	-
Other Financial liabilities	10,64,39,801	8,47,576	10,72,87,377	9,26,69,583	9,70,508	9,36,40,091
<b>Sub total</b>	<b>81,40,50,555</b>	<b>2,42,97,56,163</b>	<b>3,24,38,06,718</b>	<b>31,67,77,583</b>	<b>1,37,07,76,079</b>	<b>1,68,75,53,662</b>
<b>Non-Financial liabilities</b>						
Current tax liabilities (Net)	-	-	-	71,89,857	-	71,89,857
Provisions	9,474	38,88,160	38,97,634	9,474	27,58,685	27,68,159
Deferred tax liabilities (Net)	-	1,65,34,559	1,65,34,559	-	89,57,423	89,57,423
Other non-financial liabilities	57,77,258	-	57,77,258	36,67,675	-	36,67,675
<b>Sub total</b>	<b>57,86,732</b>	<b>2,04,22,719</b>	<b>2,62,09,451</b>	<b>1,08,67,006</b>	<b>1,17,16,108</b>	<b>2,25,83,114</b>
<b>Total liabilities</b>	<b>81,98,37,287</b>	<b>2,45,01,78,882</b>	<b>3,27,00,16,169</b>	<b>32,76,44,589</b>	<b>1,38,24,92,187</b>	<b>1,71,01,36,776</b>



**IKF Home Finance Limited**

**Notes forming part of Financial Statements for the year ended March 31, 2022**

(Amount in Rupees unless otherwise stated)

43 Disclosure on Principal business criteria

Particulars	As at 31-Mar-22
Total Housing Loans (%)	61.85%
Individual Housing Loans (%)	61.85%

\*% of Total assets netted of intangible assets.

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

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

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.

45 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

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

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Housing Loans	20	4,11,28,545	-	-	-
Loan against Property	28	5,33,23,125	-	-	-

47 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

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

49 No Funds raised through Preferential allotment of shares (March 31, 2021 -NIL).

50 Value of Imports on CIF basis- NIL (March 31, 2021-NIL).

51 Foreign exchange earnings - NIL (March 31, 2021 -NIL) and out go - NIL (March 31, 2021 -NIL).

52 All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2022 and March 31, 2021. No charges or satisfactions are yet to be registered with ROC beyond the statutory period.

The Company, as part of its normal business, grants loans and advances, makes investment, provides guarantees to and accept from its customers, other entities and persons. These transactions are part of Company's normal housing finance business, which is conducted ensuring adherence to all regulatory requirements. Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate beneficiaries). The Company has also not received any fund from any parties (Funding party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the funding party ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

54 The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2022 and March 31, 2021.

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

56 The Company does not possess any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the company during the financial year ended March 31, 2022 and March 31, 2021.

57 The Company has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2022 and March 31, 2021

58 No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2022 and March 31, 2021.

59 The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in the financial years ended March 31, 2022 and March 31, 2021.

60 The Company has not been undertaken any transactions with any company whose name is struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 in the financial years ended March 31, 2022 and March 31, 2021.

61 The company obtained registrations from other financial sector regulators.

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

62 There have been no events after the reporting date that require disclosure in these financial statements (March 31, 2021 Rs. Nil)

63 During the FY2022, the company has not entered into any Arrangements U/s 230-237 of The Companies Act, 2013 (Nil for FY2021)

**IKF Home Finance Limited****Notes forming part of Financial Statements for the year ended March 31, 2022***(Amount in Rupees unless otherwise stated)*

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

65 Dthere were no instances of any Frauds reported During the FY2022.(Nil for FY2021)

66 Transactions with Non-Executive Directors

Name of Non-Executive Director	Transaction Type	As at March 31, 2022	As at March 31, 2021
Radhe Shyam Garg	Payment of Sitting Fees	3,90,000	3,10,000

67 The Company has 38 branches as at March 31, 2022 (23 branches as at March 31,2021). The list of branches is given below

State	Branch
ANDHRA PRADESH	VIJAYAWADA
ANDHRA PRADESH	SOMAJIGUDA
ANDHRA PRADESH	VISHAKAPTANAM
ANDHRA PRADESH	GUNTUR
ANDHRA PRADESH	RAJAMUNDRY
ANDHRA PRADESH	ELURU
ANDHRA PRADESH	KURNOOL
GUJARAT	NADIAD
GUJARAT	CENTRAL BARODA
KARNATAKA	BANGALORE
KARNATAKA	CHANDAPURA
KARNATAKA	K. R. PURAM
KARNATAKA	HUBLI
KARNATAKA	BELGAUM
KARNATAKA	DAVANGERE
MAHARASHTRA	PUNE
MAHARASHTRA	PIMPRI
MAHARASHTRA	KHARADI
MAHARASHTRA	AURANGABAD
MAHARASHTRA	NASIK
MAHARASHTRA	AHMEDNAGAR
MAHARASHTRA	SATARA ROAD
TAMIL NADU	SALEM
TAMIL NADU	COIMBATORE
TAMIL NADU	TIRUPPUR
TAMIL NADU	POLLACHI
TAMIL NADU	ERODE
TAMIL NADU	NAMAKKAL
TAMIL NADU	VELLORE
TELANGANA	CHANDA NAGAR
TELANGANA	L B NAGAR
TELANGANA	ECIL
TELANGANA	PEENYA
TELANGANA	SANGAREDDY
TELANGANA	WARANGAL
TELANGANA	KHAMMAM
TELANGANA	NIZAMABAD
TELANGANA	KARIMNAGAR

**For KONDEPATI & CO**

**Firm Reg No : 012912S**

Chartered Accountants

**(K Anil Kumar)**

Proprietor

Membership No: 516209

Place: Vijayawada

Date: May 30, 2022

**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 30, 2022

**V G K Prasad**

Director

DIN: 01817992

Place: Vijayawada

Date: May 30, 2022

**Sreepal Jain**

Chief Financial Officer

Place: Hyderabad

Date: May 30, 2022

**Vishal Kumar Joshi**

Company Secretary

M.No.A43209

Place: Hyderabad

Date: May 30, 2022

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

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

Particulars	31 March, 2022	31 March, 2021
CRAR (%)	48.10%	48.08%
CRAR – Tier I Capital (%)	46.85%	46.83%
CRAR – Tier II Capital (%)	1.25%	1.25%
Amount of subordinated debt raised as Tier-II capital	-	-
Amount raised by issue of Perpetual Debt Instruments	-	-

**(ii) Liquidity Coverage Ratio**

Particulars	31 March, 2022	31 March, 2021
High Quality Liquid Assets		
1 Cash and Bank Balance	62,87,10,124	26,81,13,799
2 Investment in Government securities	-	-
<b>3 Total High Quality Liquid Assets (HQLA)</b>	<b>62,87,10,124</b>	<b>26,81,13,799</b>
Liquidity Coverage Ratio	10.25x	3.77x

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

Particulars	31 March, 2022	31 March, 2021
<b>Balance at the beginning of the year</b>		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	4,74,12,322	1,40,26,000
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	4,74,12,322	1,40,26,000
<b>Addition/ Appropriation/ Withdrawal during the year</b>		
Add:		
a) Amount transferred u/s 29C of the NHB Act, 1987	2,50,10,771	3,33,86,322
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	-	-
Less:		
a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from the special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
<b>Balance at the end of the year</b>		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	7,24,23,093	4,74,12,322
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	-	-
<b>c) Total</b>	<b>7,24,23,093</b>	<b>4,74,12,322</b>

**c. Investments:**

Particulars	31 March, 2022	31 March, 2021
<b>Value of Investments</b>		
(i) Gross value of investments		
(a) In India	-	-
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	-	-
(b) Outside India	-	-
<b>Movement of provisions held towards depreciation on investments</b>		
(i) Opening balance	-	-
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write-off/ Written-bank of excess provisions during the year	-	-
(iv) Closing balance	-	-

**d. Derivatives:**

**Forward Rate Agreement (FRA)/ Interest Rate Swap**

Particulars	31 March, 2022	31 March, 2021
(i) The notional principal of Forward Rate Contracts and Swap agreements	75,00,00,000	-
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
(iii) Collateral required by the HFC upon entering into swaps	Nil	-
(iv) Concentration of credit risk arising from the swaps	The Company has entered into derivatives contract with the Schedule Commercial Banks	-
(v) The fair value of the swap book	58,67,870	-

**Exchange Traded Interest Rate (IR) Derivative**

Particulars	31 March, 2022	31 March, 2021
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument wise)	-	-
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2022 (instrument wise)	-	-
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument wise)	-	-
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument wise)	-	-

**IKF Home Finance Limited**

**Annexure I to Note No. 46 to the Financial Statements**

**Disclosures on Risk Exposure in Derivatives**

**A. Qualitative Disclosure**

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

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

**B. Quantitative Disclosure**

Particulars	Currency Derivatives	Interest Rate Derivatives
(i) Derivatives (Notional Principal Amount)	75,00,00,000	-
(ii) Marked to Market Positions	-	-
(a) Assets (+)	-	-
(b) Liability (-)	58,67,870	-
(iii) Credit Exposure	-	-
(iv) Unhedged Exposures	-	-

**e. Disclosures relating to Securitization:**

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

**f. Details of assignment transactions undertaken:**

Particulars	31 March, 2022	31 March, 2021
(i) No. of accounts	198	250
(ii) Aggregate value (net of provision) of accounts sold to SC/RC	24,01,47,142	27,91,03,512
(iii) Aggregate consideration	19,11,83,931	27,91,03,512
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value	-	-

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

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

**h. Asset Liability Management:**

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

(Rs. In Lakhs)

Particulars	1 day to 7 days	8 to 14 days	15 days to 1 Month	Over 1 month & upto 2 Months	Over 2 month & 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
<b>Liabilities</b>											
Deposits											-
Borrowings from banks	91.00	-	424.94	271.22	506.67	1,905.42	1,973.25	14,895.00	4,072.76	2,365.58	<b>26,505.84</b>
Market Borrowings*	20.83	31.94	44.64	148.73	122.49	332.15	1,135.36	2,755.74	200.01	-	<b>4,791.89</b>
Foreign Currency Liabilities											-
<b>Assets</b>											
Advances	30.84	49.32	-	86.68	87.10	269.05	569.99	2,747.19	3,605.48	25,439.08	<b>32,884.72</b>
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, 2021:

(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 Months	Over 6 month &	Over 1 Year & upto 3 Year	Over 3 Year & upto 5 Year	Over 5 Years	Total
<b>Liabilities</b>											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from banks	53.00		16.67	520.40	120.07	174.33	442.67	10,700.00	509.00	226.49	<b>12,762.63</b>
Market Borrowings		-	23.81	95.96	76.01	246.46	448.19	1,621.88	635.50	5.18	<b>3,152.99</b>
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
<b>Assets</b>											
Advances	-	43.92	-	48.95	48.21	147.82	327.03	1,597.33	2,198.65	14,234.47	<b>18,646.37</b>
Investments	-	-	-	-	-	-	-	-	-	-	-
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-

**i. Exposures**

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

(Rs. In Lakhs)

Category	31 March, 2022	31 March, 2021
<b>Direct Exposure</b>		
<b>i) Residential Mortgages :</b>		
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	10,434	5,992
- Others	23,080	13,282
<b>Total</b>	<b>33,514</b>	<b>19,274</b>
<b>ii) Commercial Real Estate :</b>		
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;	-	-
<b>iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures;</b>		
<b>a) Residential</b>	-	-
<b>b) Commercial Real Estate</b>	-	-
<b>Indirect Exposure</b>		
Fund bases and Non-Fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFC's)		
<b>Total Exposure to Real Estate Sector</b>	-	-

**b) Exposure to Capital Market:**

Particulars	31 March, 2022	31 March, 2021
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	-
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds Advances for any other purposes where shares or convertible	-	-
(iii) Bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully Covered the advances	-	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
(vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for	-	-
(vii) Bridge loans to companies against expected equity flows / issues	-	-
(viii) All exposures to Venture Capital Funds/Alternate Investment Funds (both registered and unregistered)	-	-
<b>Total Exposure to Capital Market</b>	-	-

**IKF Home Finance Limited****Annexure I to Note No. 46 to the Financial Statements****c) Details of financing of parent company products**

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

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

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

**e) Unsecured Advances** – The company has not financed any unsecured advances against intangible securities such as rights, licenses, authority etc as collateral security.**f) Exposure to group companies engaged in real estate business**

S.No.	Description	Amount (₹ in Lakhs)	% of Net owned fund
(i)	Exposure to any single entity in a group engaged in real estate business	-	-
(ii)	Exposure to all entities in a group engaged in real estate business	-	-

**j. Registration obtained from other financial sector regulators:**

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

- NHB – 04.0133.16
- Ministry of Corporate Affairs – U65922AP2002PLC039417

**k. Disclosure of Penalties imposed by NHB and other Regulators**

On 21 October 2020, the Company has received a notice for penalty of Rs 10,000 from NHB for non-compliance with the provisions of paragraph 29C of the Housing Finance Companies (NHB) Directions, 2010.

**l. Related Party Transactions.**

Details of the related parties, nature of the relationship with whom Company has entered transactions, remuneration of directors and balances in related party account at the year end, are given in Note no. 30. There were no material transaction with related parties and all these transactions with related parties were carried out in ordinary course of business at arm's length price.

**m. Group Structure****n. Ratings assigned by credit rating agencies and migration of ratings during the year: -**

Instrument	31 March, 2022	31 March, 2021
Non-Convertible Debentures	[CARE]A- (Stable) [BWR]A (Stable)	[CARE]A- (Stable) [BWR]A (Stable)
Term loans	[CARE]A- (Stable)	[CARE]A- (Stable)
Subordinate Debt	[CARE]A- (Stable)	[CARE]A- (Stable)
Cash Credit	[CARE]A- (Stable)	[CARE]A- (Stable)

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

During the year,

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

**p. Revenue Recognition**

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

**q. Consolidated Financial Statements (CFS)**

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

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

Particulars	31 March, 2022	31 March, 2021
Provisions for depreciation on Investment	-	-
Provision towards NPA	1,33,46,360	55,91,168
Provision made towards Income tax	2,53,23,939	2,48,18,497
Other Provision and Contingencies (with details)	-	-
Provision for Standard Assets (with details like teaser loan, CRE, CRE-RH etc.)	4,95,37,549	5,71,69,916

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

**s. Breakup of Loans and Advances and Provision thereon 31-03-2022**

(Rs. In Lakhs)

Particulars	Housing		Non-Housing	
	31 March, 2022	1 March, 2021	31 March, 2022	31 March, 2021
<b>Standard Assets</b>				
a) Total Outstanding amount	26,449	14,320	6,746	4,775
b) Provision made *	374	403	121	169
<b>Sub-Standard Assets</b>				
a) Total Outstanding amount	75	83	105	5
b) Provision made *	28	26	39	2
<b>Doubtful Assets</b>				
a) Total Outstanding amount	37	-	102	91
b) Provision made *	14	-	52	28
<b>Loss Assets</b>				
a) Total Outstanding amount		-		-
b) Provision made		-		-
<b>Total</b>				
a) Total Outstanding amount	26,560	14,403	6,953	4,871
b) Provision made	416	429	213	199

\*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 :

**t. Draw down from Reserves:**

There has been no draw down from reserves during the year ended March 31, 2022.

**u. Concentration of Advances, Exposures and NPAs:**

(Amount Rupees)

Particulars	31 March, 2022	31 March, 2021
<b>Concentration of Public Deposits</b>		
Total deposits to twenty largest depositors	-	-
(%) of deposits to twenty largest depositors to total deposits	-	-
<b>Concentration of Advances</b>		
Total advances to twenty largest borrowers	9,93,52,494	10,46,58,266
(%) of advances to twenty largest borrowers to total advances	2.96%	5.43%
<b>Concentration of Exposures</b>		
Total exposure to twenty largest borrowers/customers	9,93,52,494	10,46,58,266
(%) of exposure to twenty largest borrowers/customers to total exposure	2.96%	5.43%
<b>Concentration of NPAs</b>		
Total exposure to top ten NPA accounts	2,65,80,277	1,78,91,739

**v. Sector-wise NPAs**

Particulars	31 March, 2022		31 March, 2021	
	Rs.	%	Rs.	%
<b>Housing Loans</b>				
Individuals	1,11,76,411	35.09%	82,69,214	46.22%
Builders/Project loans	-	-	-	-
Corporates	-	-	-	-
Others (specify)	-	-	-	-
<b>Non-Housing Loans</b>				
Individuals	2,06,74,399	64.91%	96,22,525	53.78%
Builders/Project loans	-	-	-	-
Corporates	-	-	-	-
Others (specify)	-	-	-	-

**w. Movement of NPAs**

Particulars	31 March, 2022	31 March, 2021
(i) Net NPAs to Net Advances (%)	0.55%	0.64%
(ii) <b>Movement of NPAs (Gross)</b>		
(a) Opening balance	1,78,91,739	1,41,91,614
(b) Additions during the year	1,90,47,140	48,10,626
(c) Reductions during the year (incl. loans written off)	50,88,069	11,10,501
(d) Closing balance	3,18,50,810	1,78,91,739
(iii) <b>Movement of Net NPAs</b>		
(a) Opening balance	1,23,00,570	85,14,968
(b) Additions during the year	1,12,91,948	48,10,626
(c) Reductions during the year	50,88,069	10,25,024
(d) Closing balance	1,85,04,450	1,23,00,570
(iv) <b>Movement of provisions for NPAs</b>		
(a) Opening balance	55,91,169	56,76,646
(b) Provisions made during the year	77,55,192	-
(c) Write-off / write-back of excess provisions	-	85,477
(d) Closing balance	1,33,46,360	55,91,169

**IKF Home Finance Limited**

**Annexure I to Note No. 46 to the Financial Statements**

- x. Oversea Assets-Nil  
y. Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms) - Nil  
z. Customer Complaints

Particulars		For the year ended 31 March, 2022	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	-	-

- za. A comparison between provisions required under Income recognition, asset classification and provision norms (IRACP) and impairment allowances made under IND AS 109

(Rs. In Lakhs)

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5=(3)-(4)	6	7=(4)-(6)
<b>Standard</b>	Stage 1	31912.37	354.86	31,557.51	128.17	226.69
	Stage 2	1,282.68	140.51	1,142.17	5.12	135.39
<b>Subtotal</b>		<b>33,195.05</b>	<b>495.37</b>	<b>32,699.68</b>	<b>133.29</b>	<b>362.08</b>
<b>Non-Performing Assets (NPA)</b>						0.00
<b>Substandard</b>	Stage 3	180.03	67.51	112.52	27.34	40.17
<b>Doubtful - up to 1 year</b>	Stage 3	46.41	17.41	29.00	11.73	5.68
<b>1 to 3 years</b>	Stage 3	92.07	48.54	43.53	37.26	11.28
<b>More than 3 years</b>	Stage 3	0.00	0.00	0.00	0.00	0.00
<b>Subtotal for doubtful</b>		<b>138.48</b>	<b>65.95</b>	<b>72.53</b>	<b>48.99</b>	<b>16.96</b>
<b>Loss</b>	Stage 3	0	0	0	0	0.00
<b>Subtotal for NPA</b>		<b>318.51</b>	<b>133.46</b>	<b>185.05</b>	<b>76.33</b>	<b>57.13</b>
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income recognition, asset classification and provisioning (IRACP) norms	Stage 1	0.00	0.00	0.00	0.00	0.00
	Stage 2	0.00	0.00	0.00	0.00	0.00
	Stage 3	0.00	0.00	0.00	0.00	0.00
<b>Subtotal</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total</b>	Stage 1	31,912.37	354.86	31,557.51	128.17	226.69
	Stage 2	1,282.68	140.51	1,142.17	5.12	135.39
	Stage 3	318.51	133.46	185.05	76.33	57.13
	<b>Total</b>	<b>33,513.56</b>	<b>628.83</b>	<b>32,884.73</b>	<b>209.62</b>	<b>419.21</b>

- zb. The Company does not have any outstanding loan against gold jewellery as at March 31, 2022.

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

**K Anil Kumar**  
Proprietor  
Membership No: 516209

Place: Vijayawada  
Date: May 30, 2022

**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 30, 2022

**V G K Prasad**  
*Director*  
DIN: 01817992  
Place: Vijayawada  
Date: May 30, 2022

**Sreepal Jain**  
Chief Financial Officer  
Place: Hyderabad  
Date: May 30, 2022

**Vishal Kumar Joshi**  
Company Secretary  
M.No.A43209  
Place: Hyderabad  
Date: May 30, 2022