IKF FINANCE

"LEGACY THAT INSPIRES, TECHNOLOGY THAT DELIVERS"

Navigating Change, **Steering Growth.**

ANNUAL REPORT 2024-25

ACROSS THE PAGES

Corporate Overview

Statutory Reports

Financial Statements

For more investor-related information, please visit

https://www.ikffinance.com/investors.php#headingOne

Or

simply scan this QR code

Disclaimer

This document contains statements that are 'forward-looking' about expected future events and the financials of IKF Finance Limited ('IKF Finance'). By their nature, 'forward-looking statements' require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other 'forward-looking statements' may not prove to be accurate. Readers are cautioned not to place undue reliance on 'forward-looking statements' as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the 'forward-looking statements'. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this annual report.

Navigating Change, STEERING GROWTH.

In a world marked by constant flux, the ability to adapt swiftly and steer strategically has become the cornerstone of sustainable success. For us, ‘Navigating Change, Steering Growth’. is not merely a theme; it embodies our commitment to evolve with the times while staying anchored to our core values.

As financial ecosystems shift under the influence of digital disruption, regulatory reforms, and changing customer aspirations, we see change not as an obstacle but as an opportunity to innovate, improve, and grow. We have consistently embraced transformation with agility, modernising our processes, deepening customer engagement, and broadening our service offerings to address the growing needs of India’s underserved and emerging sectors.

For us, steering growth goes beyond portfolio expansion; it is about delivering meaningful impact. By aligning our strategies with long-term value creation, we empower individuals, support entrepreneurs, and drive financial inclusion across the country. Our focus remains on building scalable, resilient frameworks that foster trust, transparency, and tangible outcomes.

This theme also underlines our forward-looking mindset, where challenges are addressed with clarity, transitions are managed with confidence, and progress is driven by purpose. As we continue to explore new frontiers and deepen our reach, we at IKF Finance are determined not only to navigate the tides of change but also to chart a course that drives sustainable and inclusive growth in the years ahead.

ABOUT US

EMPOWERING GROWTH THROUGH INCLUSIVE FINANCE

We began with a focus on small road transport operators and have since evolved to provide a diverse range of tailored financial solutions. Today, our portfolio spans loans for commercial vehicles, passenger cars, multi-utility vehicles, three-wheelers, tractors, and construction equipment, alongside secured MSME loans, housing loans, and loans against property. In doing so, we enable customers across sectors to pursue and realise their financial goals.

VISION

To empower millions across India by enabling mobility, shelter, and entrepreneurship through trusted, inclusive, and purpose-driven finance

MISSION

To build a profitable and scalable business by offering reliable, responsible financial solutions that support our customers, value our people, reward stakeholders, and contribute to a sustainable future

CORE VALUES

- **T**ransparency
- **R**esilience
- **I**ntegrity
- **B**usiness Prudence
- **E**xcellency in customer service

With over 35+ Years of experience in asset financing, IKF is a trusted Non-Banking Financial Company (NBFC) in India. Since inception, the Company has been committed to enabling financial inclusion by supporting individuals often underserved by traditional institutions.

OUR OFFERINGS

- Commercial Vehicle (CV) Loans
- 2/3 Wheeler Loans
- Cars and Multi-Utility Vehicles (MUV) Loans
- Secured MSME Loans
- Construction Equipment Loans
- LAP
- Tractor Loans
- Home Loans

OUR EDGE

Personalised, flexible solutions focussed on long-term value creation.

Digital tools for seamless service and operational excellence.

Well-capitalised and driven by experienced leadership.

OUR REACH

Enjoying a strong foothold in Southern India, with strategic expansion across Western and Central India

9
States

230+
Branches

50+
Lending Partners

95,000+
Borrowers

PERFORMANCE SNAPSHOT

TURNING NUMBERS INTO NARRATIVES

At IKF, our numbers tell the story of focussed growth, financial discipline, and customer trust. This snapshot captures the progress we have achieved and the direction in which we continue to move with confidence.

Consolidated Financial Dashboard

₹ 873 Crores
Consolidated Revenue

₹ 143 Crores
Consolidated PAT

2.9%
ROA

13.8%
ROE

2.2%
Gross NPA

1.3%
Net NPA

Consolidated Operational Summary

₹ **6,662** Crores
Assets Under Management

₹ **3,960** Crores
Disbursements

98.5%
Collection Efficiency

1.5%
PAR 90

ESG Highlights

100+
Road safety awareness pragrammes

50+
Financial Literacy and Digital Awareness camps

Multiple Health Camps across branches, including dental camps

50+
Employee Training Programmes Conducted

₹ **2.01** Crores
CSR Spend

30,000+
Beneficiaries

Independent director led board committees

Well-defined Board evaluation process

PAN-INDIA FOOTPRINT

WIDENING OUR REACH

We expanded our branch network into new Tier II and III cities and semi-urban areas, widening access to finance for more communities. By combining our extensive reach with strong local insight, we are able to provide personalised solutions that address real needs and advance financial inclusion where it makes the greatest impact.

Our Branch Networks across India as of March 31, 2025

Rajasthan	14	Andhra Pradesh	19
Gujarat	19	Telangana	33
Maharashtra	39	Odisha	06
Karnataka	14	Madhya Pradesh	16
Tamil Nadu	29	Puducherry	01

Disclaimer : This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representations of political boundaries and the names of geographical features and states do not necessarily reflect the actual position. The Company, any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or designed thereof. IKF Finance does not warrant or represent any kind of connection with its accuracy or completeness.

KEY ASSOCIATIONS

STRONG ALLIANCES WITH LEADING LENDERS ACROSS THE BOARD

Built on a foundation of trust and reliability, our lender relationships span a wide spectrum and have stood the test of time. These enduring partnerships reflect their confidence in IKF Finance's prudent financial practices and ability to honour commitments.

Our enduring lender relationships are built on a foundation of

- Transparent Operations
- Strategic Business Expansion
- Sound Financial Practices
- Strong Risk Controls

Key Lender Snapshot

50+
Lender Network

15+ lenders
Associated for more than 10 years

25+
Lenders having ₹ 100Cr+ Exposure

Our Lenders

Banks

NBFCs

Financial Institutions

MANAGEMENT'S PERSPECTIVE

FROM OUR CHAIRMAN'S DESK

Dear Stakeholders,

In a year marked by rapid transformation and evolving aspirations across India's financial landscape, we at IKF moved forward with clarity, discipline, and a strong sense of purpose. Throughout FY 2024-25, we not only responded to change but navigated it with intent. As we expanded our reach, strengthened our customer relationships, and fortified our business model, our focus remained on delivering sustainable and inclusive growth.

'Navigating Change, Steering Growth.' captures the very essence of our journey this year. It reflects how we have turned complexity into a driver of purposeful progress. Amid shifting economic conditions and regulatory changes, we moved with clarity and conviction, expanding responsibly, engaging deeply with our customers, and building a future-ready institution. This approach has enabled us to convert challenges into opportunities, to deliver growth that is both inclusive and durable, and to remain firmly anchored to our mission of empowering underserved communities across our areas of presence.

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Operating Landscape

The global economy entered 2025 amid heightened volatility and structural shifts. While global GDP grew 3.3% in 2024, momentum remained muted due to persistent inflation, geopolitical tensions and trade disruptions. These culminated in historic tariff hikes led by the US, which further weighed on global trade flows and economic predictability.

India, however, remained a bright spot. With estimated GDP growth of 6.5%, it retained its position as the world's fastest-growing major economy, supported by infrastructure investments, strong sectoral performance, and resilient rural demand. The RBI responded with calibrated rate cuts against the backdrop of moderating inflation, which eased to a six-year low of 3.16% in April 2025. While global uncertainties remain, India's robust macroeconomic fundamentals continue to underpin a positive growth outlook.

A Legacy of Financial Inclusion

At IKF, our journey began in 1991 with a simple yet powerful vision to extend credit access to small road transport operators who were underserved by the formal financial system. Over the past three and half decades, we have grown into a diversified financial services group with a presence across nine states, serving customers across vehicle finance, Secured MSME loans, affordable housing, and property-backed lending. This evolution has been driven by our commitment to financial inclusion, disciplined governance, and a deep understanding of grassroots credit needs. With a consolidated loan book nearing ₹ 6,700 Crores and support from trusted partners like Motilal Oswal Alternates, Norwest Capital LLC and Accion and Accion's LP, we are entering a new phase of growth. Looking ahead, our long-term goal remains unchanged: to build a resilient, technology-driven institution that scales with purpose and makes a meaningful difference in the lives of those we serve.

A Year of Purpose-Driven Progress

FY 2024-25 marked a significant milestone in our journey. With a consolidated loan book of about ₹ 6,663 Crores, robust expansion in vehicle and housing finance, and stronger earnings visibility, IKF demonstrated not only the resilience of its model but also the relevance of its purpose. A 38% growth in profit after tax (PAT) and a stable gross NPA of 2% reflect our operational discipline, customer focus, and responsible lending practices.

Our focus remained strong towards high-potential segments, commercial vehicles, construction equipment, MSMEs, and affordable housing, supported by deepening presence across nine states. Every number we report is underpinned by lives transformed and livelihoods uplifted.

Empowering Aspirations

What sets us apart is our understanding the needs of the people we serve. Our customers are not just loan applicants, but self-starters, first-generation entrepreneurs, drivers, and families building their futures. By providing access to credit where it is needed most, we help turn aspirations into reality whether it is a truck that grows into a fleet or a modest home that becomes the foundation of a legacy. This purpose drives our commitment to grow, even in times that call for caution. For us, steering growth is not about speed alone but also about direction, trust, and lasting impact.

Building with Integrity

As we grow, we are deeply conscious of our responsibility to build with integrity. Our ESG commitments are not peripheral, they are integrated into how we operate, serve, and govern. From enhancing financial inclusion to embedding sustainability across operations and strengthening transparency, we are setting a foundation for long-term impact. Our CSR programmes continue to support communities and catalyse social development where it's needed most.

Moving Forward with Confidence

Looking ahead, we remain guided by a simple yet powerful belief, that change is not a disruption, but an opportunity to grow differently, and grow better. With a strong balance sheet, an experienced leadership team, and a deep sense of purpose, we are ready to navigate the evolving landscape of Indian financial services and steer IKF into its next chapter, stronger, smarter, and more resilient.

To all our customers, employees, investors, and partners, thank you for being part of this journey. Your unwavering support gives us the confidence to keep moving forward with confidence and clarity. Together, we will continue navigating change and steering growth, towards a future where opportunity is within reach for all.

Best Regards,

V. G. K. Prasad

Chairman

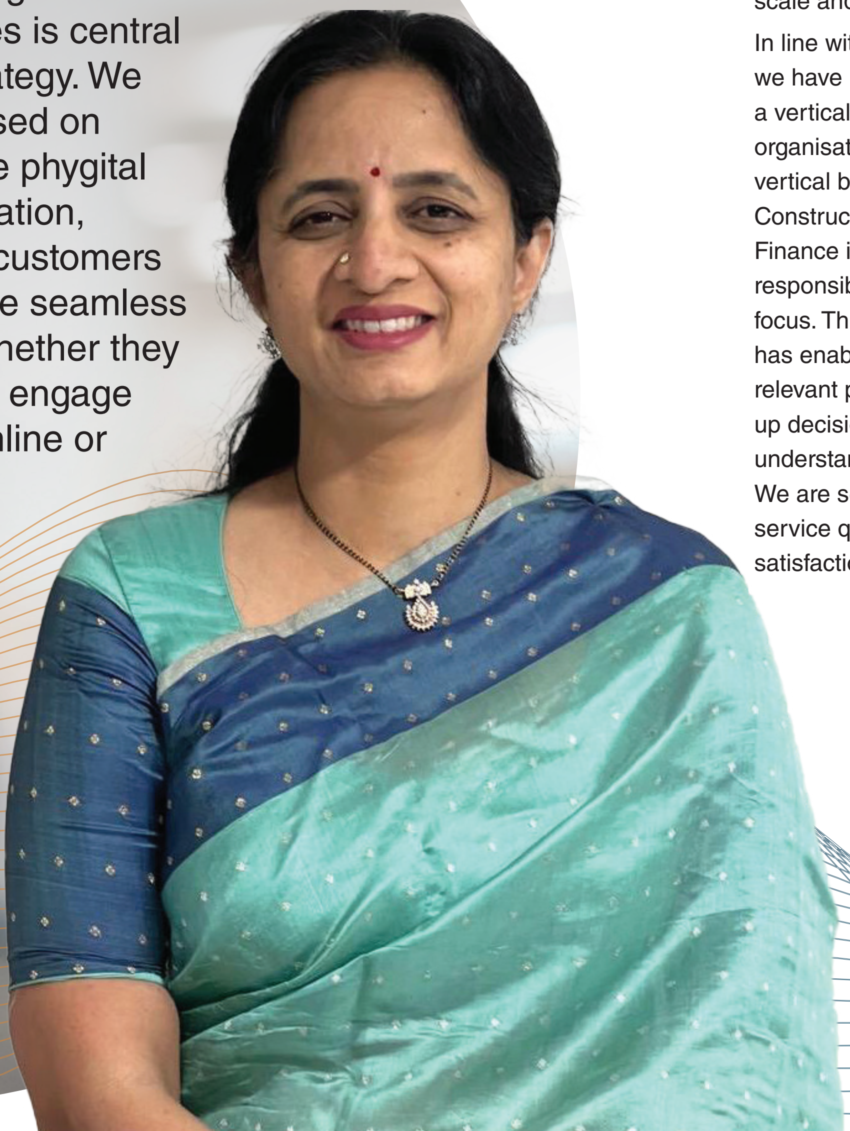
MANAGEMENT'S PERSPECTIVE

FROM OUR MANAGING DIRECTOR'S DESK

Dear Stakeholders,

It gives me great pleasure to share the progress of the Company during FY 2024-25. This period has been marked by purposeful execution, strong financial performance, and a renewed focus on building a future-ready institution. We made significant strides in strengthening internal capabilities, deepening our market reach, and leveraging technology as a force multiplier.

> "The synergy between our physical branch network and our growing digital capabilities is central to our strategy. We are focussed on driving the phygital transformation, ensuring customers experience seamless service whether they choose to engage with us online or offline."



Building Institutional Depth

A critical focus during the year has been the professionalisation of our middle management, the operational backbone of any high-performing organisation. We have invested in hiring skilled professionals, enhancing role clarity, and creating leadership development pathways. This strengthened layer now plays a pivotal role in translating strategy into action, ensuring operational discipline, and nurturing on-ground relationships across our expanding network. These investments will continue to yield dividends as we scale and diversify.

In line with our growth aspirations, we have moved decisively towards a verticalised, product-centric organisational structure. Each vertical be it commercial Vehicle, Construction Equipment or SME Finance is now entrusted with clear responsibility and sharper domain focus. This sharper orientation has enabled us to design more relevant product offerings, speed up decision-making, and better understand customer-specific risks. We are seeing improved efficiency, service quality and overall customer satisfaction as a result.

Investing in Technology as a Strategic Asset

We believe technology is not just an enabler; it is at the core of our business model. Our investments during the year were directed towards creating a scalable, secure, and intelligent operating platform. From automating back-office processes to streamlining credit assessment with data-driven tools, we are building for speed, accuracy, and future-readiness. Initiatives like e-KYC, mobility solutions for field teams, and digital dashboards are now integral to our day-to-day operations.

Leading the Phygital Journey

The synergy between our physical branch network and our growing digital capabilities is central to our strategy. We are focussed on driving the phygital transformation, ensuring customers experience seamless service whether they choose to engage with us online or offline. While our branches continue to play a critical role in relationship building and underwriting in underserved markets, our digital platforms provide convenience, speed, and consistency. Together, they enhance customer trust and enable efficient last-mile delivery.

Strengthening the Foundation: People, Process, and Technology

Every dimension of our growth is anchored in the fundamentals: people, process, and technology. We are standardising processes to drive consistency and compliance, investing in people with the right mix of experience and potential, and embedding technology into every workflow. These foundations are enabling us to deliver growth of quality as well as scale, while remaining agile in a fast-evolving regulatory and competitive environment.

Strategic Imperatives

Expand Deeper into Underserved Markets

A large part of India continues to remain underbanked, particularly in rural and semi-urban regions. Our mission at IKF Finance has always been to serve these segments with respect, responsibility, and relevance. During the year, we extended our footprint into new districts, set up branches in first-time locations, and built local teams with cultural understanding and market insight. This approach has opened new growth opportunities while keeping us anchored to our inclusive financing ethos.

Use Technology to Improve Speed and Scale

Speed is critical in financial services, not just to meet customer expectations, but also to manage risks and capture opportunities swiftly. Our digitisation initiatives are aimed at creating end-to-end digital workflows that enable instant data capture, automated credit scoring, and faster disbursals.

Powering the Shift to Electric Mobility

As the automotive landscape shifts towards sustainable mobility, we are exploring opportunities in the EV financing space. Drawing on our deep expertise in vehicle and asset financing, we aim to design

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We have made it a strategic priority to develop and customise products that reflect these on-ground realities.

tailored solutions that address the unique needs of EV buyers and fleet operators. This includes competitive loan products, flexible repayment structures, and partnerships with OEMs and dealers to make EV ownership more accessible. By stepping into this segment, we not only expand our portfolio but also align with the national vision of promoting cleaner and greener transportation.

Offer the Right Products for Customer Needs

Our customers especially transporters, micro-entrepreneurs, and small businesses, often face unique challenges. We have made it a strategic priority to **develop and customise products that reflect these on-ground realities.** With flexible repayment structures and tailored solutions, our offerings are built to support the full financial lifecycle of our customers. Looking ahead, we aim to expand our cross-sell portfolio, strengthening customer relationships and enhancing lifetime value.

Build Strong Relationships, Not Just Transactions.

We view every loan not as a transaction, but as the beginning of a relationship. Our philosophy is rooted in trust, service, and long-term engagement. Relationship managers, who hail from the same regions as our customers, play a vital role in maintaining this bond.

Strong Financial Performance Reflecting Strategic Momentum

Our performance during FY 2024-25 stands as a testament to our focussed execution and customer-centric strategy. We reported total revenue from operations of ₹ 65,025 Lakhs, a growth of 50% compared to ₹ 43,423 Lakhs during the same period last year.

Our profitability metrics are equally encouraging. Net profit reached ₹ 10,789 Lakhs, up from ₹ 7,694 Lakhs in the previous year, a reflection of improved asset quality,

better collections, and operating leverage.

While total expenses grew by 54% to ₹ 51,537 Lakhs, they remained proportionate to revenue growth, indicating disciplined cost management and operational efficiency. These numbers signal not just strength, but the quality and sustainability of our growth.

Looking Ahead with Confidence

As we enter the next fiscal year, we do so with clarity of purpose and renewed strength, supported by the recent funding of ₹ 700 Crores. This capital enables us to accelerate our growth initiatives while reinforcing our commitment to scale with responsibility. We will continue to deepen our presence, build smarter systems, and nurture enduring customer relationships. Our vision remains to be the preferred financial partner for the underserved, powered by technology, robust governance, and the resources now at our disposal to expand reach, innovate solutions, and deliver greater value to our stakeholders. I extend my sincere gratitude to our employees, customers, board members, investors, and all stakeholders who have been part of our journey. Together, we are not just building a stronger IKF Finance, we are enabling progress for thousands of lives across India.

Best Regards,

Vasumathi Devi Koganti

Managing Director

MILESTONES

MOMENTS THAT DEFINE OUR GROWTH JOURNEY

1991

- Incorporated as a Private Limited Company
- Commenced operations with Medium and Heavy Commercial Vehicle (MCV & HCV) financing

1994-95

- Became a Public company and made first public issue

1998-03

- Commenced Construction Equipment Finance

2004-10

- Established Multiple Business channel Partners

2012-15

- Received maiden PE investment from Motilal Investment Advisors Private Limited
- Extended operations to west
- Commenced SME Financing
- Focus shifted to On book AUM growth

2024

- Formed strategic partnership with Central Bank of India
- Consolidated AUM surpassed ₹ 4,811 Crores
- Received ₹120 Crores equity infusion from Accion LP
- Disbursements exceeded ₹ 2,676 Crores
- Workforce grew to over 1,500 employees
- Expanded operations into Odisha

2016-17

- Launched IKF Home Finance as an independent entity
- Broadened geographical footprint to Rajasthan
- Credit rating upgraded to 'A-'

2021-22

- Consolidated AUM crossed ₹ 2,143 Crores

2023

- AUM surged past ₹ 3,147 Crores
- Secured ₹ 255 Crores in equity infusion led by Accion
- Introduced low-ticket MSME lending product

2025

- Started Product Verticalisation
- Consolidated AUM surpassed ₹ 6,650+ Crores
- Upgraded the credit rating to A+
- Started relationship with Mutual Fund entities

2018-20

- 2nd round of equity infusion
- Consolidated AUM crossed ₹ 1,500 crore
- Diversification of portfolio into Cars and Multi-Utility Vehicles (MUVs), Small Commercial Vehicles (SCVs) and Light Commercial Vehicles (LCVs), Housing and LAP financing
- Credit Rating upgraded to 'A'

PRODUCT PORTFOLIO

EMPOWERING DREAMS THROUGH TAILORED FINANCIAL SOLUTIONS

We offer a wide spectrum of financial products crafted to support the varied aspirations of our customers. From vehicle and construction equipment financing to secured MSME loans, each offering is built around the principles of inclusivity and flexibility. Our goal is straightforward: to provide timely and relevant financial support that aligns with both individual and business needs.

Commercial Vehicle (CV) Loans

We design our vehicle loans to support underserved segments like First-Time Users, Drivers-turned-Owners, and Small Road Transport Operators. With flexible tenures of up to 5 years, easy documentation, and dedicated support, we make financing simple, transparent, and truly personalised.

₹ 1,993 Crores
AUM as of March 2025

38%
of Total AUM as of March 2025

Cars and Multi Utility (MUV) Loans

We offer financing solutions for new, used, and pre-owned vehicles with flexible repayment options ranging from 3 to 5 years. Our offerings cover all vehicle categories and brands, ensuring we meet the unique needs of every customer. By leveraging advanced technology, we streamline the entire process, enabling faster approvals and quicker disbursements.

₹ 753 Crores
AUM as of March 2025

14%
of Total AUM as of March 2025

2/3 Wheeler Loans

We offer convenient 2-3 wheeler loans designed to make vehicle ownership easy and affordable. With simple documentation, quick approvals, and flexible repayment options, customers can access finance without hassle.

₹ 116 Crores
AUM as of March 2025

2%
of Total AUM as of March 2025

Construction Equipment Loans

We provide specialised financing for a broad range of equipment, including backhoe loaders, cranes, and more, designed to support the unique needs of growing businesses. Our loan solutions come with flexible tenures of up to 5 years and are tailored to match specific operational requirements.

₹ 1,358 Crores
AUM as of March 2025

26%
of Total AUM as of March 2025

Tractor Loans

We offer accessible farm equipment loans with flexible repayment terms of up to 4 years, specifically designed to serve customers in Tier II and III regions.

₹ 57 Crores
AUM as of March 2025

1%
of Total AUM as of March 2025

MSME & Other Loans

We offer a wide range of financing solutions tailored for MSMEs, with flexible repayment terms of up to 10 years to support businesses across various sectors. Backed by expert consultation, we guide entrepreneurs through funding, expansion, and growth, empowering them to reach their full potential.

₹ 919 Crores
AUM as of March 2025

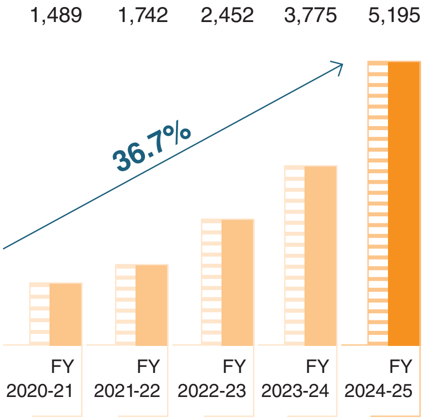
18%
of Total AUM as of March 2025

FINANCIAL HIGHLIGHTS

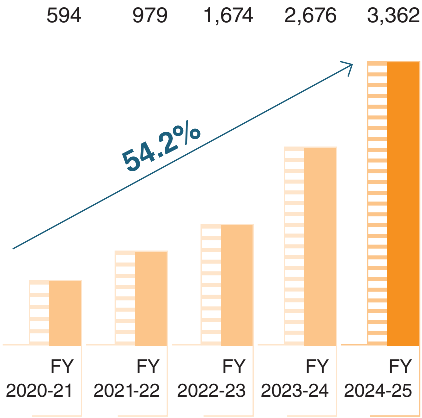
GROWTH BACKED BY PERFORMANCE

We delivered a strong financial performance, driven by steady income generation and solid profitability. By harnessing innovation and technology, we have sustained consistent growth and expansion, with financial results strengthened by focussed lending and disciplined execution across our core segments.

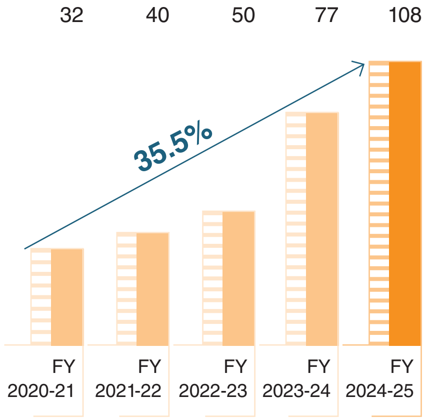
Assets Under Management
(₹ in Crores)



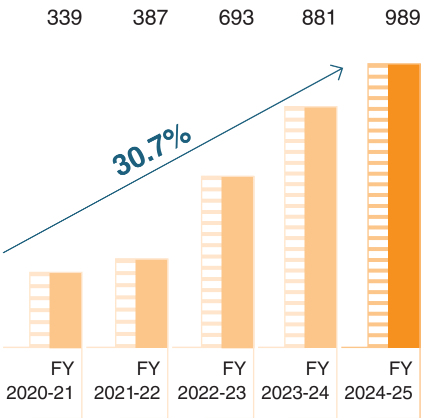
Disbursement
(₹ in Crores)



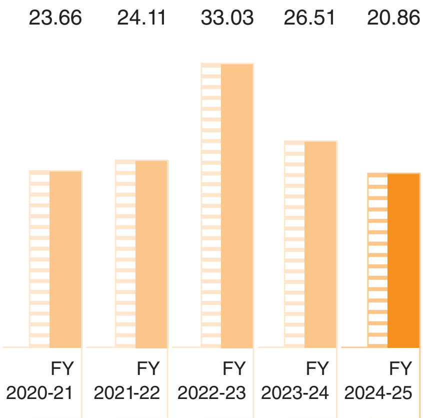
PAT
(₹ in Crores)



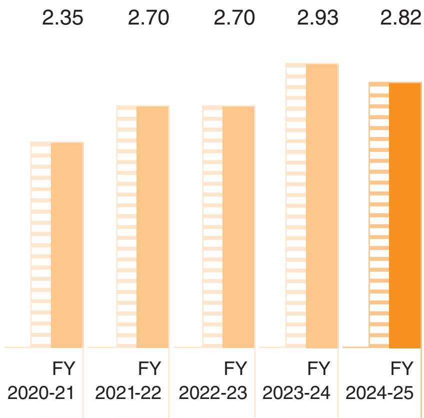
Net Worth
(₹ in Crores)



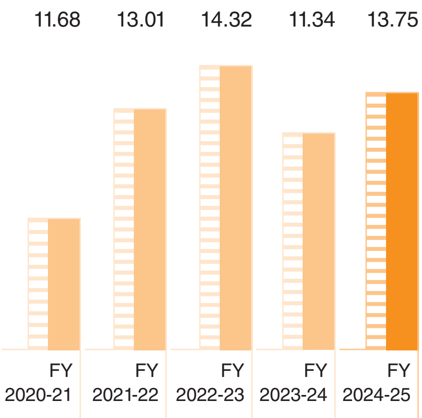
CRAR
(%)



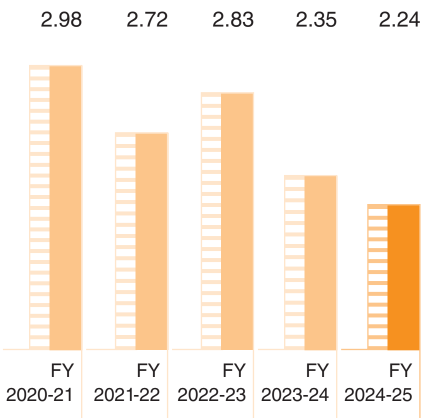
ROA
(%)



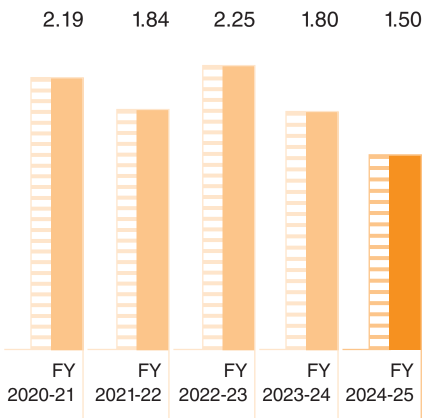
ROE
(%)



Gross NPA
(%)



Net NPA
(%)



CUSTOMER EXPERIENCE

VOICES OF OUR HAPPY CUSTOMERS

Before IKF Finance, expanding my business felt impossible, banks asked for collateral I could not provide, and managing rising costs was a constant struggle. IKF trusted me and gave me the chance to buy vehicles, ensuring timely milk deliveries and transporting farm produce during off-hours. This support has not only strengthened my income but also brought stability to my family. Today, I can save for my children's education, look after my parents, and plan ahead with confidence. What makes IKF special is that they stand beside me, guiding me like true partners in growth.

Narasimharaju G
Milk Transporter

I run a small transport business in Bangalore, delivering food to local grocery stores. The income I earn helps me take care of my children's education, rent, fuel, and truck maintenance. Traffic in the city is my biggest daily challenge, but having my own vehicle has made all the difference. With IKF Finance's support in refinancing my delivery truck, I can manage my family's expenses and keep my business running smoothly.

Rajanna
Small Transport Business Owner

Owning a home always felt like a distant dream for my family. We lived in a small rented house, paying high rent that left little for savings, and banks kept rejecting my loan applications. IKF Home Finance changed everything, they trusted me when others didn't. With their support, I built a spacious home where my daughters can play, study, and grow in comfort. Today, instead of paying rent, my EMI is an investment in our future. I feel proud, secure, and motivated to plan ahead. IKF didn't just finance my home, they gave me confidence and dignity.

Jayshree Nagesh Narote
Convenience Store Owner

MANAGING DIRECTOR’S COMMUNIQUE

The year FY 2024-25 was a defining milestone in our growth trajectory. We closed the year with an Assets Under Management (AUM) of ₹ 1,477 crore, reflecting a robust 41% year-on-year growth, while profit rose to ₹ 33.76 crore from ₹ 23.7 crore in the previous year.

Dear Shareholders,

At IKF Home Finance Limited (IKFHFL), our journey has always been anchored in a clear purpose—to make affordable homeownership and financial access a reality for those often excluded from the mainstream financial system. Guided by trust, transparency, and an unwavering customer focus, we have built a strong foundation that today spans six states and one union territory, offering a comprehensive portfolio that includes home loans, loans against property, and exclusive solutions for women borrowers.

Performance Highlights

The year FY 2024–25 was a defining milestone in our growth trajectory. We closed the year with an Assets Under Management (AUM) of ₹ 1,477 crore, reflecting a robust 41% year-on-year growth, while profit rose to ₹ 33.76 crore from ₹ 23.7 crore in the previous year. These achievements reaffirm not only the financial resilience of our business model but also the trust and confidence that our customers across the EWS, LIG, MIG, and HIG segments continue to place in us.

Technology & Transformation

We have remained steadfast in our belief that technology is a critical enabler of scale and service excellence. Our continued investments in digitisation, risk management, and customer engagement platforms are creating an organisation that is efficient, transparent, and future-ready. Importantly, these initiatives are redefining customer experience—making interactions faster, simpler, and more meaningful while ensuring robust governance and risk discipline.

Looking Ahead

As we step into FY 2025–26, we are entering a new phase of growth. Our priorities are well defined: Deepen presence in our existing geographies Expand strategically into new high-potential regions Broaden our product suite to serve evolving customer needs Sustain our customer-first ethos while delivering long-term stakeholder value

For us, true success goes beyond financial performance. It lies in the stories of families who have moved into their first homes, women who have found empowerment through homeownership, and entrepreneurs who have built businesses with the support of our financing. These are the real milestones that inspire us every day.

Acknowledgment

On behalf of the entire IKF Home Finance family, I express my deep gratitude to our customers for their trust, our employees for their dedication, our lenders and investors for their continued support, and you—our shareholders—for your unwavering belief in us. With your encouragement, I am confident that together we will continue to achieve new milestones, strengthen our impact, and move closer to our vision of helping people build their dream homes with dignity and confidence.

Warm Regards,

Vasantha Lakshmi Vupputuri

Managing Director

> Our continued investments in digitisation, risk management, and customer engagement platforms are creating an organisation that is efficient, transparent, and future-ready.

ABOUT IKF HOME FINANCE

EMPOWERING HOME OWNERSHIP ASPIRATIONS

We are committed to turning the aspiration of homeownership into reality, especially for lower- and middle-income families. In response to evolving credit needs, we expanded our offerings to provide accessible and affordable home loans through our dedicated subsidiary.

Our Story

- Began as an independent entity in FY 2015-16
- Became a part of IKF Finance in FY 2018-19
- Supported 8,000+ customers in achieving their dream of owning a home
- Delivered 38.7% CAGR growth in AUM in last 5 years

Our Stable Growth Journey

2016
Started our journey with operations in Vijayawada, Andhra Pradesh, marking the foundation of our commitment to accessible housing finance.

2017
Expanded our footprint to Telangana, Maharashtra, and Karnataka. During this year, we also recorded an on-books AUM of ₹1.57 Crores.

2018
Ventured into Tamil Nadu, strengthening our southern presence. Our on-books AUM rose significantly to ₹ 59.97 Crores.

2019
Became a subsidiary of IKF Finance, enabling stronger backing and strategic alignment. Loan disbursements crossed ₹100 Crores.

2020
Secured funding from the National Housing Bank (NHB), propelling further expansion. Our AUM crossed ₹ 200 Crores.

2021
Extended operations into Gujarat and gained access to the SARFAESI Act, enhancing our recovery mechanisms. AUM reached ₹ 288 Crores.

2022
Received a capital infusion of ₹ 17.28 Crores from the parent company, supporting accelerated growth. AUM crossed ₹429 Crores.

2023
Another capital infusion of ₹ 49 Crores was made by the parent company and promoters. AUM surged to ₹ 690 Crores.

2024
Crossed a major milestone with AUM exceeding ₹ 1,000 Crores. Annual disbursements hit ₹ 468.82 Crores, and net worth surpassed ₹ 213.15 Crores.

2025
Opened 100th Branch in FY 2024-25, disbursements were ₹ 597.42 Crores, ended the year with ₹ 1,476.87 Crores of AUM.

Our Product Suite

At IKF Home Finance Limited, our products are designed to cater to the diverse aspirations of customers—from first-time homeowners to entrepreneurs—ensuring flexibility, inclusivity, and empowerment.

Regular Home Loan

Flexible loans for construction, purchase of ready/resale or under-construction properties, and balance transfers with top-up options.

Ticket Size	Loan Tenure
₹ 3 Lakhs - ₹ 100 Lakhs	3 - 20 Years

Ashray Home Loan

Tailored for customers with limited documentation, enabling homeownership even for those outside the formal financial system.

Ticket Size	Loan Tenure
₹ 3 Lakhs - ₹ 25 Lakhs	3 - 20 Years

Vandana Home Loan

An exclusive product for women borrowers, covering construction, purchase, or balance transfers with top-up.

Ticket Size	Loan Tenure
₹ 3 Lakhs - ₹ 100 Lakhs	3 - 20 Years

Purchase of Group House

Designed for the growing demand of group housing flats in urban centers.

Ticket Size	Loan Tenure
₹ 3 Lakhs - ₹ 30 Lakhs	3 - 20 Years

Composite Loan

An all-in-one solution that combines land purchase and home construction under a single loan structure.

Ticket Size	Loan Tenure
₹ 5 Lakhs - ₹ 50 Lakhs	3 - 20 Years

Home Improvement Loan

Financing for renovation, expansion, or upgrading of existing home.

Ticket Size	Loan Tenure
₹ 1 Lakhs - ₹ 25 Lakhs	3 - 15 Years

Loan Against Property (LAP)

General LAP

Versatile financing solution for debt consolidation, business expansion, or working capital needs.

Ticket Size	Loan Tenure
₹ 3 Lakhs - ₹ 100 Lakhs	3 - 12 years

Unnati Loan

A special LAP product for Tier-II towns and customers without formal income proof, broadening financial inclusion.

Ticket Size	Loan Tenure
₹ 3 Lakhs - ₹ 20 Lakhs	3 - 15 Years

Entrepreneurship Loans

Vikaas Loan

A LAP solution for entrepreneurs, supporting working capital and business expansion.

Ticket Size	Loan Tenure
₹ 3 Lakhs - ₹ 20 Lakhs	3 - 15 Years

Scaling Our Service Network

We aim to turn homeownership dreams into reality for a diverse range of customers by building on our strong presence of our parent in asset financing and the trust we have earned in key cities, extending tailored home loan solutions where they are needed most.

6 States

100 Branches

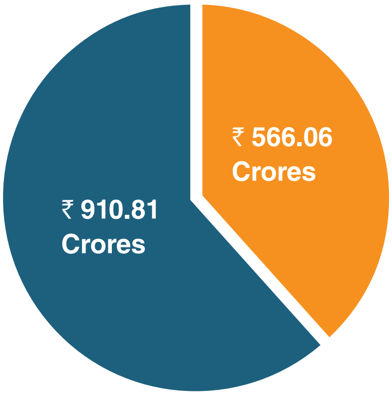
Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. Our Company or any of our Directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof. Our Company does not warrant or represent any kind of connection with its accuracy or completeness.

Last Three-Year Financial Performance

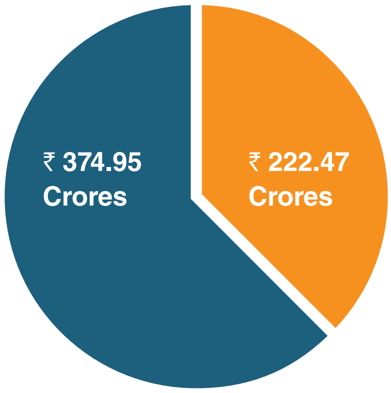
Metric	FY 2022-23	FY 2023-24	FY 2024-25
Disbursement (₹ in Crores)	361.43	468.82	597.42
AUM (₹ in Crores)	696.1	1,049.95	1,476.87
Net Worth (₹ in Crores)	143.21	213.15	246.52
PAT (₹ in Crores)	10.72	23.68	33.76
Debt / Equity Ratio	3.66x	3.36x	4.43x
ROA (on avg. AUM) (%)	1.9%	2.8%	2.8%
ROE (on avg. Net Worth) (%)	10.6%	14.9%	14.8%

Portfolio Revenue Share, FY 2024-25

Asset Under Management



Disbursements



Home Loan

Loan Against Property

TECHNOLOGY

INNOVATING FINANCE, ONE CLICK AT A TIME.

We see technology as a catalyst for transformation, shaping how we serve, scale, and succeed. From digitising customer onboarding to automating back-end processes, we are reimagining lending through innovation. Our investments in robust IT infrastructure, secure digital platforms, and data-driven decision-making have improved operational efficiency while enhancing customer experience, bringing financial access closer to underserved communities. As we grow, we continue to build smart, agile systems that keep us resilient, responsive, and ready for tomorrow.

Technology and Digital Transformation

The year marked a transformational leap in IKF's technology journey, underscored by the creation of a centralised Data Lake, which now serves as the backbone for advanced analytics and real-time decision-making across the organisation. We launched a structured Digital Transformation Programme focussing on automation, modernisation of core systems, and adoption of cloud-native platforms, with the technology function realigned as a strategic enabler of innovation, customer experience, and operational excellence.

Digital Platforms

The Digital Loan Origination System (DLOS) was upgraded with new features to support evolving credit policies and diverse customer needs, enhancing process efficiency and scalability. Our HRMS platform continued to streamline payroll, employee self-service, and performance management. IKF's 'Great Place to Work' certification this year stands as a testament to our robust people-first and digitally enabled culture.

Cloud Migration Benefits

With all applications migrated to cloud-native infrastructure, we achieved greater agility, high availability, and improved performance. A consumption-based model enabled cost optimisation, while automated backup, failover, and disaster recovery strengthened business continuity. The Data Lake now integrates multiple data sources for unified, real-time insights.

Cybersecurity and Risk Management

We strengthened our cyber defense ecosystem with a fully functional Security Operations Center (SOC) and Security Information and Event Management (SIEM) solution for real-time monitoring. Privileged Access Management (PAM) was implemented to protect critical systems, supported by robust IT risk management frameworks. Company-wide cybersecurity awareness programs and phishing simulations further embedded a security-first culture across teams.

ESG COMMITMENT

DRIVING GROWTH THROUGH SUSTAINABLE DEVELOPMENT

At IKF Finance, sustainability is way of ensuring that growth is inclusive, ethical and future-ready. Every decision we make, every product we offer and every customer we empower is guided by our commitment to Environmental, Social, and Governance (ESG) values. We believe that creating financial access should never come at the cost of our planet or our principles. That is why we strive to build solutions that drive inclusive progress while creating long-term value for all stakeholders.

Environmental Commitment

We recognise our responsibility to minimise our environmental footprint even as we expand our outreach. Through digital-first processes, paperless disbursements, and branch optimisation, we strive to reduce resource consumption and energy use across our operations. As we scale financial services to underserved markets, we remain mindful of our impact, promoting sustainable practices both within the Company and in the communities we serve.

Initiatives

- **Conducted environmental awareness programmes and biodiversity education in schools, reaching 8,950 beneficiaries.**
- **Promoted the single-use plastic ban through awareness drives, video presentations, and distribution of jute and cloth bags to 8,400 people in NTR and Krishna Districts.**

Social Commitment

People lie at the heart of everything we do. Our lending solutions are designed to uplift lives, enabling small business owners, self-employed individuals, and first-time borrowers to thrive. Within the Company, we foster a culture of diversity, inclusion, and employee well-being. Outside, we invest in community development initiatives.

Initiatives

- Distribution of food
- Tree plantation
- Road safety awareness programmes for college students, truck drivers, and auto drivers
- Financial literacy and digital awareness for students, farmers and self-help groups.

Governance Commitment

Good governance is the foundation on which IKF Finance is built. We believe that doing business in a fair, transparent, and responsible way is as important as financial performance. Our policies, practices, and controls are designed to protect the interests of all stakeholders and ensure that we stay true to our values.

We follow the regulations of RBI and SEBI in letter and spirit and place strong emphasis on accountability and ethical conduct at every level of the Company.

Initiatives

- **A Board structure with executive, non-executive, and independent directors providing balanced oversight.**
- **Adoption of clear policies and codes of conduct, including whistle-blower mechanism, insider trading regulations, and fair practices code.**
- **Strong risk management and compliance systems to ensure integrity in operations.**
- **Focus on customer-centric practices, ethical lending, and prompt grievance handling.**
- **Transparent disclosures and reporting to maintain stakeholder trust.**

HR Initiatives

During the year under review, the Company was certified as a Great Place to Work. This recognition reflects our commitment to fostering a positive and inclusive workplace. It reaffirms our focus on people as the foundation of sustainable growth.

Great Place To Work®
Certified
APR 2025-APR 2026
INDIA ™

Rewards and Recognition (R&R) in FY 2024-25

During our Annual Business Meet in May 2025, we honoured outstanding performers with trophies and certificates. This initiative not only acknowledged exceptional contributions but also inspired teams to strive for continued excellence.

Festival Celebrations

At IKF, we believe every celebration is an opportunity to strengthen bonds and nurture togetherness. Our workplace comes alive with vibrant decorations, cultural activities, and shared joy as we celebrate festivals such as Sankranti, Ugadi, Holi, Ganesh Chaturthi, and Diwali. Beyond traditional festivals, we also make it a point to celebrate our employees' special moments, including birthdays and personal milestones, making every occasion memorable. These celebrations foster a sense of belonging and reinforce the spirit of unity across our teams.



Dental Health Camp

In line with our focus on preventive healthcare, a Dental Health Camp was organised at the corporate office, benefiting over 100 employees. This initiative reinforced our commitment to supporting the health and well-being of our workforce.


International Women's Day

Celebrated across all IKF Group branches, Women's Day honoured the contributions of our women employees. At the Corporate Office, the Managing Director and CEO led the festivities with a cake-cutting ceremony and the distribution of live plants as tokens of appreciation.



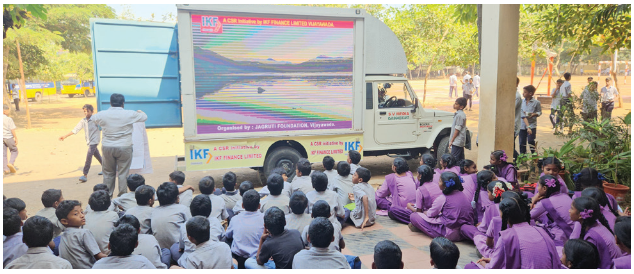
Community Engagement

Healthcare and Nutrition

- Distributed food to over 10,200 flood-affected people in Vijayawada.
- Contributed ₹0.50 Lakhs to the Chief Minister's Relief Fund.
- Installed a mineral water plant at Kondapalli Khilla in NTR District.
- Conducted preventive healthcare programmes through Jagrithi Foundation on Sickle Cell, TB, Cancer, and other diseases, along with health camps for 4,560 beneficiaries.

Education and Skill Development

- Organised 50 financial literacy and digital awareness camps for 6,740 students, farmers, and self-help groups.
- Held 100 road safety programmes for 10,800 students, truck drivers, and auto drivers.
- Contributed ₹10,000 to Auto Karmika Sangam, a local auto workers' union.



Gender Equality and Empowerment

- Distributed tricycles to 350 differently-abled individuals, enhancing mobility, and independence.

Environment Initiatives

- Undertook tree plantation initiatives across various regions, contribution to making the world a better place.

BOARD OF DIRECTORS

MEET THE VISIONARIES THAT SHAPE OUR GROWTH

Mr. Vupputuri Gopala Kishan Prasad
Founder & Chairman

Mr. Vupputuri Gopala Kishan Prasad, a respected figure in the Vehicle Finance segment, founded IKF Finance in 1991. Serving as the past President of the Federation of Indian Hire Purchase Associations (FIHPA), the leading organisation for Asset Financing Companies, he has played a pivotal role in the industry. His past associations include collaboration with major players in the sector, including TELCO, HDFC Bank, and Vysya Bank. He also played a key role in establishing IKF Home Finance and IKF Infratech (P) Limited as subsidiaries of IKF Finance.

Ms. Vasumathi Devi Koganti
Managing Director

Mrs. Vasumathi Devi Koganti has been part of IKF Finance for the past 16 years. She heads the Company's overall business, focussing on Credit & Risk, Systems, and Technology. With 12+ years of previous experience in IT and Telecommunications in the USA, she brings valuable expertise to her role. Her pivotal contributions involve IKF Finance's expansion across Western and Central India, upgrading IT infrastructure, and automating various processes.

Mr. Satyanand Sinha Chunduri
Director

Mr. Satyanand Sinha Chunduri is a specialist in the diagnostic space. He has been engaged in the medical profession in the US for over four decades. He is also associated with several medical institutions in the US as a consultant and director.

Mr. Sunil Rewachand Chandiramani

Independent Director

Mr. Sunil Rewachand Chandiramani is a versatile professional, an accountant by profession, a qualified technologist and an IT security specialist. With a remarkable 25-year tenure at Ernst & Young LLP, India's leading professional services firm, he led India's largest advisory practice, comprising 3,000 professionals and played a pivotal role in developing the Global Innovation Strategy for EY Global. He also served as the Global Relationship Partner for the TATA Group.

He brings over three years of leadership experience in the Financial Services practice, with hands-on involvement across internal audits, risk management, and the implementation of credit, operational, and market risk processes. His work has spanned operational improvement, building risk-based models through analytics, programme management of core banking implementations, digitisation of processes, establishment of shared service centres, and IT security.

Mr. Chandiramani also serves as an Independent Director on the boards of several listed and private equity funded organisations, including Ganesh Grains Limited, Updater Service Private Limited and Sapphire Foods Limited. Additionally, he has held directorial positions on the boards of Jammu and Kashmir Bank, Poonawalla Fincorp Limited, and MORE Retail Limited.

Mr. Kannan

Independent Director

Mr. Kannan is a seasoned banking professional with extensive experience spanning over four decades. Currently serving as Director (Independent) on the board of Maximus Asset Reconstruction Company Limited in Hyderabad since December 2017 and contributing as a Member of the Settlement Advisory Committee at Canara Bank.

His notable leadership roles include

- Chairman and Managing Director of Vijaya Bank (2014)
- Executive Director of Oriental Bank of Commerce (2010-2013)
- Director (Independent) on the board of Canara Robeco Asset Management Company Limited (2016-2021)
- Member of the Debenture Trustee Committee at Catalyst, Trustee Company, Pune, representing debenture holders during the resolution of Dewan Housing Finance Limited (DHFL)
- Director on the boards of SBI Factors and Canara HSBC Oriental Bank of Commerce

Insurance Company Limited

He has also contributed to various banking associations including the Indian Banks Association and the Foreign Exchange Dealers Association of India.

His illustrious banking career began at the Bank of Maharashtra, where he ascended from the position of Probationary Officer to General Manager over a span of 35 years.

Mr. Kannan has enriched his expertise through diverse training programmes and seminars globally, including sessions at Kellogg School of Management, Chicago, and engagements with regulatory bodies like the Financial Services Authority of the United Kingdom. His educational qualifications include a B.Sc. (Hons) from Bangalore University, a P. G. Diploma in Business Administration from St. Josephs Institute Bangalore, and the Certified Associate of the Indian Institute of Bankers (CAIIB) certification.

Mr. Raman Uberoi

Independent Director

Mr. Raman Uberoi is a seasoned professional with a proven track record in building and managing profitable businesses and adept at fostering strong franchises and leading large teams across diversified sectors. He has extensive knowledge of corporate India, industries, and regulatory frameworks. He also has over three decades of experience in analysing and engaging with over 2,000 large and mid-sized corporates, financial institutions, regulators, and policymakers Mr. Uberoi is currently engaged with CRISIL Limited as a Senior Advisor Government and Regulatory Relations as an Independent Director in PG Electroplast Limited, TruBoard Partners Private Limited, Dvara KGFS and as a Member of SEBI Market Data Advisory Committee and Expert Committee for MSMEs for the Tamil Nadu Government. He also consults with various multilateral organisations like ADB and World Bank.

His notable leadership roles include

- Receivable Exchange of India (March 2017-March 2023): Director.
- Principal Trustee Company Private Limited (July 2019-June 2022): Director.
- Magma Housing Finance Limited (March 2020-July 2021): Director.
- Piramal Capital and Housing Finance Limited (March 2017-March 2020): Senior Advisor & Member Advisory Board.
- Aspiring Minds Assessments Private Limited (May 2016-December 2019): Senior Advisor.
- CRISIL Limited (March 1992-April 2016): Various roles including President Ratings and Corporate Affairs, President CRISIL Risk & Infrastructure Solutions, Chief Operating Officer.

Mr. Uberoi is an Associate Chartered Accountant, Institute of Chartered Accountants of India, 1991 and has completed B. Com (Hons) from Hans Raj College, Delhi University, 1988.

Mr. Sethuraman Ganesh

Independent Director

Mr. Sethuraman Ganesh, a former Principal Chief General Manager at RBI, brings 30+ years of pan-India experience, including 10 years in senior management roles at the RBI. He currently serves as an Independent Director on the boards of two significant NBFCs – Sonata Finance Private Limited and Indel Money Limited. Additionally, Mr. Ganesh is a Member of the Advisory Board at the Infimind Institute of Skill Development LLP. Previously, he has been a Non-Executive Director for BSS Microfinance Private Limited. His diverse professional background includes directorship roles in NBFC MFIs, RBI nominee directorship on the boards of UCO Bank and Oriental Bank of Commerce, bank supervision, banking ombudsmanship, and RBI regional directorship. As former Principal of the Reserve Bank Staff College in Chennai and as a Faculty Member at the Bankers Training College in Mumbai, he has played a key role in the Management and Delivery of Training.

Mr. Ganesh holds a Master's Degree in English from Bangalore University and is a Certificated Associate of the Indian Institute of Bankers (CAIIB). He is a certified trainer in Neuro-Linguistic Programming (NLP) with vast interest in Training, Learning, and Development.

Mr. Abhishek Agrawal
Nominee Director

Mr. Abhishek Agrawal is the Managing Partner for Mumbai-based Accion Digital Transformation Fund (ADTx). He assumed the role of Nominee Director of Accion on the board starting on May 30, 2023. At Accion, he played a key role in conducting investment activities and exits in financial inclusion while dealing with entrepreneurs to scale companies. In the past, he has held the positions of Chief Regional Officer (CRO) for Accion (Asia region) and Chief Financial Officer at FINCA International. He has also acted as an advisor to the Institute of Chartered Accountants (ICAI).

A passionate advocate for social change, Mr. Agrawal is an Aspire Fellow. He holds a Ph.D. in Municipal Financial Reforms and is a Chartered Accountant (FCA) from ICAI. He has a profound interest in digital financial and MSME inclusion. His vast expertise spans investment, governance, strategy and business planning and microfinance operations. With a wealth of experience, Mr. Agrawal has actively contributed to various boards and is presently on the boards of Annapurna MFI and IKF Finance.

Mr. Vinit Mukesh Mehta
Nominee Director

Mr. Vinit Mukesh Mehta has over 15 years of extensive experience in various sectors including roles in investment banking with Kotak and KPMG, private equity and corporate banking with HDFC Bank. Prior to joining MOPE, he made significant contributions at Kotak Investment Bank, leading and executing over 40 transactions, successfully raising over USD 25 Bn across M&A, Private Equity, and Capital Markets. He is a Chartered Accountant and has a Bachelor of Commerce degree from Mumbai University.

LEADERSHIP TEAM

SENIOR MANAGEMENT TEAM – IKF FINANCE

Mr. Debnil Chakravarty
Chief Executive Officer

Mr. Debnil Chakravarty is a seasoned professional with extensive experience in the banking and financial services sector. He has over 25 years of experience in the industry, with a focus on asset lending and start ups.

Currently at IKF Finance Limited, he is involved in building the Company for its next phase of growth. Prior to this role, he has worked with NBFCs and Banks like ICICI, CITI, SREI and SOUTH INDIAN BANK. He was also part of a few scale up journeys with start ups.

He has done his Bachelors in Economics followed by a PGDBA and CFA. He also attended a Senior Executive Programme from London Business School.

Mr. Prakash Bhawnani
Chief Financial Officer

Mr. Prakash Bhawnani, a seasoned finance professional with over 15 years of corporate finance and risk management experience, has made significant contributions across esteemed organizations. His impactful journey encompasses key roles at ICICI Bank, Union Bank, Reliance Industries, Home Credit, and India Shelter Finance Corporation Ltd, where he excelled in leading treasury and financial planning functions. In his last role, he managed the CFO responsibilities with Keertana Finserv. With a dynamic academic background, Prakash holds a Chartered Financial Analyst (CFA) designation from CFAI, USA, and is a Company Secretary (CS) and CAIIB. He earned his MBA complemented by an MS in Finance in 2009. Furthermore, Prakash stands as an esteemed alumnus of IIM Calcutta's leadership programme for CFOs.

Mr. Chapalamadugu Sreenivasa Rao
Company Secretary

Mr. Chapalamadugu Sreenivasa Rao has a Bachelor of Sciences degree and has working experience of more than 25 years of experience in Company Secretarial, Finance, Accounting and Taxation. A qualified Company Secretary, Cost and Management Accountant, and Chartered Accountant (Finalist). His career has seen him work with some of the most respected names, Natco Pharma Limited, Krebs Bio Chemicals, Coastal Local Area Bank Limited and Bhubaneshwar Power Private Limited (A Company belongs to Tata Group and later amalgamated into Tata Steel Limited). Previously, he has worked with BBM Bommidala Group

Mr. Chakrapani Gollamudi

Chief Risk Officer

Mr. Chakrapani Gollamudi holds a Bachelor of Science degree and has completed the Risk Management Executive Program at IIM Bangalore. He has recently enhanced his leadership and process excellence capabilities by completing Leadership with AI from the Indian School of Business (ISB) and earning a Six Sigma Black Belt certification from Annexa.

With over 30 years of extensive experience in credit, sales, recovery, and risk management, he has successfully built and led large-scale businesses across multiple geographies and product segments. His professional journey includes leadership positions with Kotak Mahindra Bank, HDFC Bank, Citicorp Finance India Limited, and Ashok Leyland Finance.

At Kotak Mahindra Bank, where he served for 14 years, he held a Zonal Head role for West and South India, managing all commercial vehicle financing New and Used products, and later advanced to become the National Credit Head for Used Vehicle Loans. In these roles, he played a pivotal role in driving business growth, strengthening credit processes, and establishing sustainable profitability.

Beyond business leadership, Mr. Gollamudi has deep expertise in technology-enabled transformation. He spearheaded the customization and pan-India implementation of Siebel CRM, building tailored functionalities for marketing, sales, and service modules. He was instrumental in designing and implementing the Credit Scorecard-based approval system for retail CV loans, significantly improving credit decisioning efficiency.

He is widely recognized for his ability to identify untapped markets and high-potential products, leading to robust business expansion. His professional contributions reflect a unique blend of strategic leadership, risk governance, operational excellence, and digital transformation.

Mr. Sanjay Kumar Singh

Chief Compliance Officer

Sanjay Kumar Singh, a seasoned finance Professional with over 25 years of rich experience in esteemed Financial Organisations. He had the privilege of working across diverse roles ensuring that organisations not only meet Legal and Regulatory requirements but also foster a culture of accountability and ethical leadership. He held key leadership roles with a strong focus on Regulatory Compliance, Corporate Governance, Risk Management, Operations, Customer Engagement and Business Process Re-engineering. He brings unparalleled expertise in ensuring compliance with regulatory authorities such as RBI, SEBI, and IRDAI while spearheading excellence. He was part of UTIITSL (A Central Government Organisation), ICICI Prudential Mutual Fund and Poonawalla Fincorp Ltd (Erstwhile Magma Fincorp Ltd). He earned degree of Engineering (B.E.) with Post Graduate Diploma in Business Administration (PGDBA).

Mr. Raghuram K.
Business Head

Mr. Raghuram K. holds a Master's degree in Business Administration (finance specialisation) and has over 25 years of experience in the Asset Financing business.

His expertise includes formulating and implementing sales enhancement strategies, accomplishing the given targets in budgeted parameters, sales, administration and recovery.

Previously, he has worked with ICICI Bank, GE Capital, HDFC Bank, and SREI Finance. He is highly proficient in tapping new markets and clients and generating business towards enhancing the profitability of the Company.

Mr. H. Srinivas
National Collections Head

Mr. H. Srinivas has over 29 years of experience in collections, credit appraisal and team management in the BFSI industry. He is proficient in handling the collection operations towards minimizing delinquency levels and accomplishing the assigned targets.

With proven abilities in designing plans for augmenting collections and maintaining relations with third party collection agencies, he has demonstrated business acumen in leading and managing operations and achieving higher rates of organic growth.

Previously, he has worked with Apple Credit Corporation Limited, CITI Group, SREI and Midwest Leasing & Finance Ltd.

Mr. K. Srinivasa Satya Prasanna Krishna
National Legal Manager

Mr. K. S S Prasanna Krishna brings over 25 years of extensive experience in the legal and recovery sectors, underpinned by a strong academic foundation. He holds a Bachelor's degree in Commerce, a Postgraduate degree in Legal studies and an LLM, demonstrating his deep commitment to legal excellence. His career has seen him work with some of the most respected names in the financial services industry, including IIFL Home Finance Limited, Magma Fincorp Limited, and GE Money Financial Services Ltd. His comprehensive knowledge and leadership in legal matters have made him a valuable asset to these organizations, driving success and ensuring compliance.

Mr. Raman Chidambarasubramanian
Head of Human Resources

Raman serves as the Head of Human Resources at IKF Finance. He holds a Master's degree in Management Studies and a Postgraduate Diploma in Personnel Management and Industrial Relations. With extensive experience in human resources, Raman has previously worked with esteemed organisations such as Equitas Small Finance Bank, Srei-BNP Paribas JV, Randstad India Ltd., and ABC Consultants. Notably, he held the position of Vice President in the Human Resources department at Equitas Small Finance Bank Ltd.

At IKF Finance, Raman plays a key role in strategic HR planning, leadership, and the effective implementation of HR policies and practices across the organisation, contributing to the Company's continued growth and success.

Mr. Shailendra Kumar Lath
National Operations Manager

Mr. Shailendra Kumar Lath is a dynamic operations and finance leader with over two decades of experience across banking, NBFC, fintech, and insurance broking sectors. A qualified Chartered Accountant, Cost Accountant, and Company Secretary (Finalist), he has consistently driven business growth through operational innovation and customer-centric strategies.

Prior to joining IKF Finance as National Operations Manager, Mr. Lath held leadership roles at SREI Equipment Finance and SPURVY Financial Solutions, where he successfully led business transformation initiatives, launched new verticals, and streamlined operations. Known for his hands-on approach and strategic foresight, he has played a pivotal role in implementing co-lending platforms, decentralised lending models, and performance tracking frameworks.

He is also an award-winning leader, having led teams recognised for excellence in support functions. His career reflects a consistent focus on innovation, regulatory compliance, customer-centric process improvement, and operational excellence.

Mr. Srinivas Thuta
National Credit Head

Mr. Srinivas Thuta is a seasoned banking and finance professional with over 20 years of experience, including 17 years in credit underwriting and risk management. At IKF Finance, he leads the credit function of the Vehicle Finance Division and handles retail CV, CE and NBFC portfolio.

Before joining IKF Finance in 2022, he held leadership roles with ICICI Bank, Kotak Mahindra Bank, HDFC Bank and IndusInd Bank, managing diversified portfolios and sanctioning high-value credit proposals. He has a proven track record in portfolio management, policy adherence and maintaining asset quality with minimal delinquencies.

Mr. Srinivas is an Associate of Cost and Management Accountants (ACMA) and holds an MBA in Marketing and Finance from GITAM, Visakhapatnam.

Senior Management Team – IKF Home Finance

Mohammad Moize Pasha
Business Head

A Strategic leader with a demonstrated history in building, mentoring and delivering consistent revenue growth. Mr. Pasha is having overall 25 years of experience and was associated with Cholamandalam Investments and Finance Company Limited, Muthoot Fincorp and Shriram Financial services. He is recognised for navigating competitive markets, executing long term strategies and forging strong client relationship.

Prashant Rawat
Chief Financial Officer

Mr. Prashant Rawat a qualified Chartered Accountant and a seasoned finance professional with over a decade of experience in fundraising, corporate finance, treasury management, strategic financial leadership and M&As. He has a strong track record in raising significant debt to fuel the expansion of the businesses. He has implemented risk management strategies and delivering significant value through effective financial reporting, forecasting and system implementation.

He has consistently driven value through strategic financial planning, investment portfolio optimisation, and liquidity management. His experience in managing complex financial transactions is a testament to his ability to navigate and deliver on key organisational objectives. His experience is complemented by strong technical skills and a proven ability to work in multidisciplinary environments.

Aakanksha Puligilla
Company Secretary & Compliance Officer

Ms. Aakanksha Puligilla having about 4 years of experience in ensuring statutory compliance, corporate governance, regulatory affairs and track record of providing expert guidance on Company law, secretarial practices. She has a comprehensive understanding of corporate laws and regulations and plays a crucial role in ensuring the company's adherence to statutory obligations. She has well-versed in SEBI compliances. She has good liaisoning with regulatory authorities and ensures adherence to best practices in corporate governance.

Her expertise in corporate law, company secretarial practice, and governance and risk management makes her a valuable asset to the organisation. Her commitment to upholding ethical practices and promoting transparency contributes to the Company's strong corporate governance framework.

Komal Ratlani

Chief Compliance Officer

With an experience of 7 years Ms. Komal Ratlani is an experienced and highly skilled Company Secretary with expertise in corporate governance, legal compliance, and regulatory affairs. She has a comprehensive understanding of corporate laws and regulations and plays a crucial role in ensuring the company's adherence to statutory obligations. With excellent communication and organisational skills, she efficiently manages board meetings, maintains Company records, and facilitates effective communication between the board of directors and shareholders. Her commitment to upholding ethical practices and promoting transparency contributes to the Company's strong corporate governance framework.

Sudhir Kumar Seethepalli

National Credit Manager

Sudhir Kumar Seethepalli is the National Credit Manager. He has over 20 years of experience in Mortgage Underwriting. He has extensively worked in Underwriting Secured and Unsecured products. He is been associated with IKF Home Finance for since June 2023 and prior to this he worked in companies like Sundaram Home Finance Ltd., GE Money, ING Vysya Bank, Religare Finvest, Tata Capital Housing Finance, and Yes Bank, handling different geographies in India. He is spearheading the credit function with the use of technology and data for providing a better experience to the customer in their loan journey with IKFHF. He is a Commerce Graduate with PGDBA in Finance from ICFAI Business School.

CORPORATE INFORMATION

Board of Directors

Shri. Gopala Kishan Prasad Vupputuri	Chairman & Executive Director
Smt. Vasumathi Devi Koganti	Managing Director
Dr. Satyanand Sinha Chunduri	Director
Shri. Vinit Mukesh Mehta	Nominee Director
Shri. Abhishek Agrawal	Nominee Director
Shri. Ganesh Sethuraman	Independent Director
Shri. Kannan	Independent Director
Shri. Sunil Rewachand Chandirmani	Independent Director
Shri. Raman Uberoi	Independent Director
Shri. Satyanarayana Prasad Kanaparti	Independent Director
Smt. Vasantha Lakshmi Vupputuri	Alternate Director to Sri Satyanand Sinha Chunduri (up to 05.11.2024)

Key Managerial Personnel

Shri. Prakash Bhawnani	Chief Financial Officer
Shri. Sreenivasa Rao Chapalamadugu	Company Secretary

Board Committees

Audit Committee

Shri. Sunil Rewachand Chandiramani
Shri. Vinit Mukesh Mehta
Shri. Abhishek Agrawal
Shri. Kannan, (w.e.f., 01.07.2024)
Shri. Sethuraman Ganesh
Shri. Raman Uberoi, (w.e.f., 01.07.2024)
Shri. Satyanarayana Prasad Kanaparti, (up to 30.09.2024)

Stakeholders Relationship & Redressal Committee

Shri. Abhishek Agrawal
Shri. Satyanarayana Prasad Kanaparti, (up to 30.09.2024)
Shri. Sunil Rewachand Chandiramani
Shri. Raman Uberoi, (w.e.f., 01.07.2024)

Nomination & Remuneration Committee

Shri. Raman Uberoi, (w.e.f., 01.07.2024)
Shri. Vinit Mukesh Mehta
Shri. Sethuraman Ganesh
Shri. Abhishek Agrawal
Shri. Satyanarayana Prasad Kanaparti (up to 30.09.2024)

Risk Management Committee

Shri. Gopala Kishan Prasad Vupputuri
Smt. Vasumathi Devi Koganti
Shri. Vinit Mukesh Mehta
Shri. Abhishek Agrawal
Shri. Rama Raju Namburi, (up to 31.03.2025)
Shri. Vaibhav Asthekar, (01.07.2024 to 23.05.2025)
Shri. Chakrapani Gollapudi, (w.e.f., 01.07.2024)
Shri. Debnil Chakravarty, (From 23.05.2025)
Shri. Prakash Bhawnani, (From 23.05.2025)
Shri. Srinivas Thuta, (From 23.05.2025)

Corporate Social Responsibility Committee

Shri. Gopala Kishan Prasad Vupputuri
Shri. Vinit Mukesh Mehta
Shri. Abhishek Agrawal
Shri. Satyanarayana Prasad Kanaparti, (up to 01.07.2024)
Shri. Kannan, (w.e.f., 01.07.2024)

IT Strategy Committee

Shri. K Satyanarayana Prasad, (up to 01.07.2024)
Smt. Vasumathi Devi Koganti
Shri. Sunil Rewachand Chandirmani, (w.e.f., 01.07.2024)
Shri. Abhishek Agrawal
Shri. Vinit Mukesh Mehta

Management Committee

Shri. Gopala Kishan Prasad Vupputuri
Smt. Vasumathi Devi Koganti
Shri. Satyanarayana Prasad Kanaparti, (up to 01.07.2024)
Shri Kannan, (w.e.f., 01.07.2024)

Auditors

Statutory Auditors

(Up to 30.09.2024)

M/s. S G C O & Co. LLP
Chartered Accountants
4A, Kaledonia, 2nd Floor, Sahar Road
Near Andheri Station, Andheri (East)
Mumbai- 400 069, Maharashtra, India

(W.e,f., 30.09.2024)

M/s. Mukund M Chitale & Co
Chartered Accountants
2nd Floor, Kapur House Paranjapa B Scheme Road No:1, Vile Parle E, Mumbai - 400057, Maharashtra, India

Internal Auditors

M/s Brahmayya & Co
Chartered Accountants
No 33-25-33/3, Govinda Rajulu Naidu Street, Surya Rao Pet, Vijayawada – 520 010
Andhra Pradesh, India

Secretarial Auditors

B S S & Associates Company Secretaries Office: Parameswara Apartments, # 6-3-626, 5th Floor, 5 – A, Anand Nagar, Khairtabad, Hyderabad-500 004, Telangana, India

Debenture Trustee

Vardhman Trusteeship Private Limited
3rd Floor, Room No - 15 6, Lyons Range, Turner Morrison House Kolkata B 700 001, West Bengal, India

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

Registered Office

40-1-144, 3rd Floor, Corporate Centre, M.G. Road, Vijayawada, Andhra Pradesh – 520 010, India

Corporate Office

Plot Nos: 30/A, Survey No: 83/1, 11th Floor My home Twitza, APIIC Hyderabad Knowledge City Raidurg (Panmaqtha) Village, Serilingampally Mandal, Rangareddy District, Hyderabad, Telangana - 500 081, India

NOTICE

NOTICE is hereby given that the 34th Annual General Meeting ("**AGM**") of **IKF Finance Limited** will be held on Tuesday, September 30, 2025, at the Registered Office of the Company situated at #40-1-144, 3rd Floor, Corporate Center, M.G. Road, Vijayawada – 520010, Andhra Pradesh at 11.30 A.M., to transact the following business**:**

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt:

(a) the Audited Standalone Financial Statements for the financial year ended March 31, 2025, together with the Reports of the Directors' and Auditors' thereon and

(b) the Audited Consolidated Financial Statements for the financial year ended March 31, 2025, together with the Report of Auditors' thereon.

In this regard, to consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the year ended March 31, 2025 together with the Reports of the Directors' and Auditors' thereon and the Audited Consolidated Financial Statements of the Company for the year ended March 31, 2025 together with the Report of Auditors' thereon be and are hereby received, considered, approved and adopted."

2. To appoint a Director in place of Shri. Satyanand Sinha Chunduri (DIN: 03644504), who retires by rotation and, being eligible, offer himself for re-appointment and in this regard, to consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** Shri. Satyanand Sinha Chunduri (DIN: 03644504), who retires by rotation in accordance with Section 152 of the Companies Act, 2013 be and is hereby re-appointed as a director liable to retire by rotation."

SPECIAL BUSINESS:

3. To renew the Borrowing Powers of the Company of ₹ 6000 Crores:

To consider and if thought fit, to pass, the following resolutions as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 180 (1)(c) and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications or re-enactments thereof and in supersession 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 is 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 ₹ 6,000 Crores (Rupees Six Thousand Crores 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 bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company, its free reserves and securities premium that is to say, reserves not set apart for any specified purpose."

"RESOLVED FURTHER THAT the Board including any committee for the time being, be and is hereby authorized to take such steps as may be necessary for obtaining necessary 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."

4. To renew 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, the following resolutions 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, and in supersession of all earlier resolutions passed in this regard, consent of the Company be and is hereby given to 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) 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 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 ₹ 6,000 Crores (Rupees Six Thousand Crores only) over and above the aggregate of the paid up capital of the Company, its free reserves and securities premium which have been or propose to be obtained from or privately placed with the Lending Agencies together with interest thereon 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 including any committee for the time being, 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."

5. **Authorization to issue of Non-Convertible Debentures (NCD)/Tier II Debt(s)/Commercial Papers/Bonds on Private Placement Basis**:

To consider, and if thought fit, to pass, the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 42, 71 and other applicable provisions of the Companies Act, 2013, read with Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions of the Companies Act, 2013, as amended and in force, in accordance with the Memorandum and Articles of Association, the Board of Directors (hereinafter referred to as the "Board", including any committee thereof for the time being) of the Company be and is hereby authorized to issue, offer or invite and allot secured/unsecured, redeemable, non-convertible, listed/unlisted, senior/ subordinated bonds/debentures/Commercial Paper/ Tier II Debt/ Other debt securities of value aggregating upto ₹ 3,000 Crores (Rupees Three Thousand 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 may decide so."

"RESOLVED FURTHER THAT the Board including any committee thereof for the time being, be and is hereby authorized to do all such acts, deeds and things as may be deemed necessary in respect of issue of Bonds/ Debentures 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 as they may, in their absolute discretion be necessary for giving effect to this Resolution."

6. **To approve remuneration of Shri. Gopala Kishan Prasad Vupputuri (DIN: -01817992), Chairman and Executive Director of the Company:**

To consider and if thought fit to pass, the following resolutions as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196 and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and such other consents and permission as may be required, consent of the members be and is hereby accorded to pay managerial remuneration to Shri. Gopala Kishan Prasad Vupputuri (DIN: 01817992), Chairman and Executive Director of the Company for a further period of 2 years commencing from October 1, 2025 till September 30, 2027."

Salary	₹ 12,00,000/- per month (From October 1, 2025 to October 31, 2025) ₹ 14,40,000/- per month (From November 1, 2025 to September 30, 2027)
Commission	1.34% of the Profit Before Tax - In case Profit Before Tax of the Financial Year, is more than corresponding Profit Before Tax of previous year. 0.67% of the Profit Before Tax - In case Profit Before Tax of the Financial Year, is equal or less than corresponding Profit Before Tax of previous year.
Perquisites subject to a maximum of 100% of Annual Salary	Reimbursement of medical, surgical and hospitalization expenses for the Executive Director and family as per the rules of the Company. Personal Accident Insurance as per the rules of the Company Leave Travel Assistance for self and family once in a year in accordance with the rules of the Company. Contribution to Provident Fund / Superannuation Fund / Pension Fund / Gratuity Fund and encashment of leave (at the end of the tenure) as per the rules of the Company. These shall not be considered or included in the computation of remuneration. Provision for Telephone(s) at residence. Provision for Chauffeur driven Company's car(s). The Board may revise the existing or allow any other facilities, from time to time, within the overall ceiling under the Companies Act. 2013 Such other allowances, perquisites, benefits and amenities as may be provided by the Company to other senior executives from time to time. The Executive Director shall be liable to retire by rotation.
Minimum Remuneration	Where in any Financial Year, during the tenure of the Executive Director, the Company has no profits or its profits are inadequate, it may pay his remuneration by way of salary, allowances, commission and perquisites not exceeding the limits specified Schedule V of the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

"**RESOLVED FURTHER THAT** the Board be and is hereby authorized to increase the remuneration from time to time subject to ceiling of limits specified in the Companies Act, 2013 as amended and in force."

"**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take such steps as may be necessary or expedient to give effect to this resolution and is further authorized to settle any doubt, question and difficulty, if any, that may arise with respect to this Resolution."

7. **To approve remuneration of Smt. Vasumathi Devi Koganti (DIN: 03161150), Managing Director of the Company:**

To consider and if thought fit, to pass, the following resolutions as a Special Resolution:

"**RESOLVED THAT** pursuant to Sections 196 and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and such other consents and permission as may be required, consent of the members be and is hereby accorded to pay managerial remuneration to Smt. Vasumathi Devi Koganti (DIN: 03161150), Managing Director of the Company for a further period of 2 years commencing from October 1, 2025 to till September 30, 2027."

Salary	₹ 6,00,000/- per month (From October 1, 2025 to October 31, 2025) ₹ 7,20,000/- per month (From November 1, 2025 to September 30, 2027)
Commission	0.66% of the Profit Before Tax - In case Profit Before Tax of the Financial Year, is more than corresponding Profit Before Tax of previous year. 0.33% of the Profit Before Tax - In case Profit Before Tax of the Financial Year is equal or less than corresponding Profit Before Tax of previous year.

Perquisites subject to a maximum of 100% of Annual Salary	Reimbursement of medical, surgical and hospitalization expenses for the Managing Director and family as per the rules of the Company. Personal Accident Insurance as per the rules of the Company Leave Travel Assistance for self and family once in a year in accordance with the rules of the Company. Contribution to Provident Fund / Superannuation Fund / Pension Fund / Gratuity Fund and encashment of leave (at the end of the tenure) as per the rules of the Company. These shall not be considered or included in the computation of remuneration. Provision for Telephone(s) at residence Provision for Chauffeur driven Company's car(s) The Board may revise the existing or allow any other facilities, from time to time, within the overall ceiling. Such other allowances, perquisites, benefits and amenities as may be provided by the Company to other senior executives from time to time. The Managing Director shall be liable to retire by rotation.
Minimum Remuneration	Where in any Financial Year, during the tenure of the Managing Director, the Company has no profits or its profits are inadequate, it may pay her remuneration by way of salary, allowances, commission and perquisites not exceeding the limits specified Schedule V of the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

"**RESOLVED FURTHER THAT** the Board be and is hereby authorized to increase the remuneration from time to time subject to ceiling of limits specified in the Companies Act, 2013 as amended and in force."

"**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take such steps as may be necessary or expedient to give effect to this resolution and is further authorized to settle any doubt, question and difficulty, if any, that may arise with respect to this resolution."

For and on Behalf of the Board
IKF Finance Limited

Sd/
Ch Sreenivasa Rao
Company Secretary and Compliance Officer
Membership No.: ACS14723

Place: Vijayawada
Date: August 6, 2025

NOTES

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, ('the Act') relating to the Special Business to be transacted at the Annual General Meeting ('AGM') is annexed hereto. The Board of Directors have considered and decided to include the Item Nos. 3 to 7 given above as Special Businesses in the forthcoming AGM, as they are unavoidable in nature.

2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and MCA Circular dated September 19, 2024 and other previous circulars issued in this regard, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The Company is providing remote e-Voting facility to its members in respect of the business to be transacted at the AGM and facility for those Members participating in the AGM to cast vote through e-Voting system during the AGM.

3. Pursuant to the provisions of the Act, normally, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf who may or may not be a Member of the Company.

4. In accordance with, the General Circular No. 20/2020 dated May 5, 2020 issued by MCA, owing to the difficulties involved in dispatching of physical copy of Notice of AGM is being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).

5. The Company has fixed September 22, 2025 as the cut-off date for identifying the Members who shall be eligible to vote through remote e-voting facility or for participation and voting in the AGM. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to vote on the resolutions through the facility of Remote e-Voting or participate and vote in the AGM.

6. The Register of Members and Transfer Book of the Company will be closed from September 22, 2025, to September 30, 2025 (both days inclusive).

7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.ikffinance.com. The Notice can also be accessed from the websites of the Stock Exchange i.e., BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e., www.evotingindia.com.

8. The relevant details required to be given under Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of directors seeking appointment/ re-appointment at this AGM are given in the Annexure.

9. In terms of Section 152 of the Act, Shri. Satyanand Sinha Chunduri is liable to retire by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

10. Pursuant to the provisions of Section 72 of the Companies Act, 2013, the member(s) holding shares in physical form may nominate, in the prescribed manner, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. Member(s) holding shares in demat form may contact their respective Depository Participant for availing this facility.

11. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available for inspection by the members at the registered office from the date of dispatch of this notice up to the date of AGM from 9.30 A.M to 6.30 P.M. All documents referred to in the Notice will also be available for inspection at the registered office during the AGM. Members seeking to inspect such documents can send an email to sreenivas@ikffinance.com.

12. Members whose shareholding is in electronic mode are requested to update the change of address, with a view to using natural resources responsibly, we request the shareholders to update respective email addresses with your Depository Participants, if not already done, to enable the Company to send communications electronically.

13. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

14. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

(i) The voting period begins on Saturday, September 27, 2025 at 9.00 a.m. IST and ends on Monday, September 29, 2025 at 5.00 p.m. IST. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Monday, the September 22, 2025 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com.

Pursuant to SEBI Circular **SEBI/HO/CFD/CMD/CIR/P/2020/242** dated December 9, 2020, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL Depository**	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by Company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with **NSDL Depository**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4) Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility for seamless voting experience.
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants (DP)**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(iv) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

1) The shareholders should log on to the e-voting website www.evotingindia.com.

2) Click on "Shareholders" module.

3) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4) Next enter the Image Verification as displayed and Click on Login.

5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any Company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat
PAN	Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. • If both the details are not recorded with the depository or Company, please enter the member id / folio number in the Dividend Bank details field.

(v) After entering these details appropriately, click on "SUBMIT" tab.

(vi) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(viii) Click on the EVSN **250825017** for the relevant **IKF FINANCE LIMITED** on which you choose to vote.

(ix) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(x) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xi) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xiv) If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xv) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xvi) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e., other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; sreenivas@ikffinance.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to bsshyd@bigshareonline.com.

2. For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to bsshyd@bigshareonline.com

3. The RTA shall co-ordinate with CDSL and provide the login credentials to the above-mentioned shareholders.

   If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

   All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call at toll free no. 1800 22 55 33

GENERAL INSTRUCTIONS AND INFORMATION FOR SHAREHOLDERS

1 Details of Scrutinizer: B S S & Associates, Practicing Company Secretaries (Unique Code of Partnership Firm: P2012AP02600) has been appointed as the Scrutinizers to scrutinize the e-voting process in a fair and transparent manner.

2 The Scrutinizer's decision on the validity of the vote shall be final.

3 The Scrutinizer after scrutinizing the votes cast by remote e-voting and e-voting during the AGM will make a consolidated Scrutinizer's Report and submit

the same forthwith within two working days conclusion of the AGM to the Chairman of the Company/meeting or a person authorised by him in writing, who shall countersign the same.

4 The Results declared along with the consolidated Scrutinizer's Report shall be hosted on the website of the Company i.e., www.ikffinance.com and on the website of BSE Limited at www.bseindia.com immediately after the declaration of results by the Chairman or a person authorized by him. The result shall also be displayed on the Notice Board at the Registered Office of the Company.

5 The Resolutions shall be deemed to be passed at the registered office of the Company on the date of the AGM, subject to receipt of the requisite number of votes in favour of the Resolutions.

By Order of the Board of Directors of
IKF Finance Limited

Sd/-
Ch Sreenivasa Rao
Company Secretary and Compliance Officer
Membership No.: ACS14723

Place: Vijayawada
Date: August 6, 2025

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")

Special Business:

Item No: 3

As per Section 180(1)(c) of the Companies Act, 2013, borrowings together with the monies already borrowed (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, its free reserve and securities premium 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 be required to borrow from time to time by way of loans and/or issue of Bonds, Debentures or other securities and in this regard, the existing approved limit of ₹ 6,000 Crores (Rupees Six Thousand Crores Only) be renewed. Accordingly, the Board 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.3 of the Notice.

Item No. 4

As mentioned in item No. 3, it is proposed to renew the existing borrowing powers ₹ 6,000 Crores (Rupees Six Thousand Crore only). To secure such borrowings, the Company would be required to mortgage and/or charge its movable 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 is required as per Section 180(1)(a) of the Companies Act, 2013. Accordingly, the Board 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

The Companies (Prospectus and Allotment of Securities) Rules, 2014 prescribed under Section 42 and other applicable provisions, if any, of the Companies Act, 2013 deals with private placement of securities by a Company. Sub-rule (1) of the said Rule 14 states that in case of an offer or invitation to subscribe for Non-Convertible Debentures, 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 prescribed under Section 71(3) and other applicable provisions, if any, of the Companies Act, 2013 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 ₹ 3,000 Crores, 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, approval of the members is sought for passing the Special Resolution as set out at Item No. 5 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.

Pursuant to Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 ("Prospectus and Allotment Rules"), the following disclosures are made:

S. No.	Particulars	Disclosure
1	Particulars of the offer including date of passing of Board resolution	Pursuant to the proviso to Rule 14(1) of the Prospectus and Allotment Rules, where the amount to be raised through offer or invitation of Non-Convertible Debentures (NCDs), it shall be sufficient if the Company passes a special resolution only once in a year for all the offers or invitations for such NCDs during the year. Accordingly, pursuant to the special resolution proposed under Section 42 of the Companies Act, 2013, the specific terms and conditions for each offer/issuance of NCDs shall be determined at the time of such issuance. The date of the relevant resolution of the Board and/or its Committee authorizing each issuance shall be disclosed in the private placement offer cum application letter for the respective issuance.

S. No.	Particulars	Disclosure
		The Board of Directors, had at its Meeting held on August 06, 2025, approved the issuance of debt securities, subject to approval of the Members for an amount not exceeding ₹ 3,000 Crores (including NCDs, Bonds, Tier II Debt, Commercial Paper or any other debt securities), on private placement basis in one or more tranches. The proposed borrowings, together with the existing borrowings of the Company, shall not exceed the overall borrowing limits as approved by the Members.
2	Kinds of securities offered and the price at which security is being offered	Secured/unsecured, redeemable, non-convertible, listed / unlisted, senior/subordinated bonds/debentures/Commercial Paper/ Tier II Debt/ Other debt securities as may be determined by the Board. The said securities will be offered/issued either at par or at premium or at a discount to face value, which will be decided by the Board of Directors, or any Committee authorised by the Board of Directors, for each specific offer/issue, on the basis of the interest rate/effective yield determined, based on market conditions prevailing at the time of the respective offer/ issue.
3	Basis or justification for the price (including premium, if any) at which the offer or invitation is being made	Not applicable.
4	Name and address of valuer who performed valuation	Not applicable.
5	Amount which the Company intends to raise by way of such securities	The proposed borrowings, together with the existing borrowings of the Company, shall not exceed ₹ 3,000 Crores (including NCDs, Bonds, Tier II Debt, Commercial Paper or any other debt securities), on a private placement basis in one or more tranches.
6	Material terms of raising such securities	The specific terms of each offer/issue of such securities shall be as approved by the Board or any Committee authorised by the Board, at the time of issuance of the respective securities. These disclosures will be specifically made in each private placement offer cum application letter for each tranche.
7	Proposed time schedule	The aforesaid resolution shall be valid for issuance of Secured/unsecured, redeemable, non-convertible, listed / unlisted, senior/subordinated bonds/debentures/Commercial Paper/ Tier II Debt/ Other debt securities as may be determined by the Board. The allotment shall be done within 60 (Sixty) days from the date of receipt of the application money for such securities.
8	Purposes or objects of offer	The proceeds of the said securities issued shall be utilised for the expansion and growth of business of the Company.
9	Contribution being made by the Promoters or Directors either as part of the offer or separately in furtherance of objects	None of the Promoters or Directors or Key Managerial Personnel of the Company shall be subscribing to the said securities issued.
10	Principle terms of assets charged as securities	The assets charged along with the amount and extent of charge creation for specific offer/ issue of Secured securities shall be as approved by the Board or any Committee authorised by the Board of Directors, at the time of issuance of the respective securities. The terms and class of assets to be charged will be provided in the relevant Deed of Hypothecation and the charge will be created within timelines stipulated under the Companies Act. 2013.

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. 5 of the Notice.

Item No.6

Based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors, the shareholders at the 31st Annual General Meeting held on September 30, 2022 approved the re-appointment of Shri. Gopala Kishan Prasad Vupputuri as Chairman & Executive Director of the Company for a period of five years effective from October 1, 2022 to September 30, 2027 and remuneration for a period of 3 years effective from October 1, 2022 to September 30, 2025.

Now it is proposed to fix the remuneration of Shri. Gopala Kishan Prasad Vupputuri for the remaining tenure of two years from October 1, 2025 to September 30, 2027. Pursuant to the provisions of Section 197 and Schedule V of the Companies Act, 2013, the shareholders should approve the remuneration by passing a special resolution. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on August 6, 2025, approved the resolution to pay the revised remuneration subject to the approval of the shareholders.

Statement as required under Schedule V of the Companies Act, 2013

I. General Information

1	Nature of industry	Non-Banking Financial Services
2	Date or expected date of commencement of commercial production	Not Applicable
3	In case of new companies, expected date of commencement activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
4	Financial performance based on given indicators	(Amount in Crores)
5	Foreign investments or collaborators, if any	Nil

(Amount in Crores)

Description	2024-2025	2023-2024
Total Revenue	660.13	437.48
Total Expenditure	515.37	334.10
Profit/(loss) before Tax	144.76	103.38
Net current tax expense	36.81	26.40
Net Profit/(loss)	107.95	76.97

II. Information about the Director

1	Background details	Shri. Gopala Kishan Prasad Vupputuri has contributed a lot in institutionalizing the Automobile finance business operated by individuals in Andhra Pradesh. He has presided over the Krishna District Auto Financiers Association, considered to be one of the strongest and most organized Financiers Association in India, for quite a considerable period. He has occupied various positions in the Federation of Indian Hire Purchase Associations (FIHPA), the Apex body of Asset Financing Companies, and has acted as the Secretary General till 2010 and as President till 2012. Shri. Gopala Kishan Prasad Vupputuri has always been a strong advocate for Retail lending since times, which caught the fancy of the Banks and favored retail automobile loans later on, which kept IKF Finance ahead of its contemporaries.
2	Past Remuneration	₹ 12,00,000/- Per Month
3	Recognition or awards	Nil
4	Job profile and his suitability	Chairman and Executive Director Rich and varied experience in the industry and has been involved in the operations of the Company since incorporation of the Company
5	Remuneration proposed	₹ 12,00,000/- Per Month (From October 1, 2025 to October 31, 2025) ₹ 14,40,000/- Per Month (From November 1, 2025 to September 30, 2027)

6	Comparative remuneration Profile with respect to Industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t the country of his origin)	The remuneration proposed is reasonable as compared with the industry standards for a Managing/Executive/Whole-time Director of similar profile.
7	Pecuniary relationship directly or indirectly with Company or relationship with the managerial personnel or other director, if any	Promoter and Shareholder of the Company. Father of Smt. Vasumathi Devi Koganti, Managing Director, Brother-in-law of Shri. Satyanand Sinha Chunduri, Director.

III. Other Information

1	Reasons of loss or inadequate profits	The Company is presently not into losses; however, the profits are inadequate as the Company continues to invest in growth, strengthen compliance, and expand its lending portfolio for long-term value creation.
2	Steps taken proposed to be taken for improvement	Continued business development and collaborative activities are the steps taken for the continuous improvement.
3	Expected increase in productivity and profits in measurable terms	We expect an increase of 50% of operations as well as profitability when compare with the previous year

The Board therefore recommends to the members for approval for the special resolution to pay the remuneration for the remaining period of his tenure as Executive Director.

Except Shri. Gopala Kishan Prasad Vupputuri, Smt. Vasumathi Devi Koganti, Managing Director and Shri. Sinha S Chunduri, Director (being relatives of the Shri. Gopala Kishan Prasad Vupputuri) none of the other Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

Item No.7

Based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors, the shareholders at the 31st Annual General Meeting held on September 30, 2022 approved the re-appointment of Smt. Vasumathi Devi Koganti as Managing Director of the Company for a period of five years effective from October 1, 2022 to September 30, 2027 and remuneration for a period of 3 years effective from October 1,2022 to September 30, 2025.

Now it is proposed to fix the remuneration of Smt. Vasumathi Devi Koganti for the remaining tenure of two years from October 1, 2025 to September 30, 2027. Pursuant to the provisions of Section 197 and Schedule V of the Companies Act, 2013, the shareholders should approve the remuneration by passing a special resolution. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on August 6, 2025, approved the resolution to pay the revised remuneration subject to the approval of the shareholders.

Statement as required under Schedule V of the Companies Act, 2013

I. General Information

1	Nature of industry	Non-Banking Financial Services
2	Date or expected date of commencement of commercial production	Not Applicable
3	In case of new companies, expected date of commencement activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
4	Financial performance based on given indicators	(Amount in Crores)

Description	2024-2025	2023-2024
Total Revenue	660.13	437.48
Total Expenditure	515.37	334.10
Profit/(loss) before Tax	144.76	103.38
Net current tax expense	36.81	26.40
Net Profit/(loss)	107.95	76.97

5	Foreign investments or collaborators, if any	Nil

II. Information on about the appointee

1	Background details	Having eleven (11) years of working experience in IT and Telecommunications in several US Companies. Associated with IKF Finance Limited as Executive Director since 2007.
2	Past Remuneration	₹ 6,00,000/- Per Month
3	Recognition or awards	Nil
4	Job profile and his suitability	Managing Director Rich and varied experience in the Industry and has been involved in the operations of the Company for the last 18 (Eighteen) Years
5	Remuneration proposed	₹ 6,00,000/- Per Month (From October 1, 2025 to October 31, 2025) ₹ 7,20,000/- Per Month (From November 1, 2025 to September 30, 2027)
6	Comparative remuneration Profile with respect to Industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t the country of his origin)	The remuneration proposed is reasonable as compared with the industry standards for a Managing/Executive/Whole-time Director of similar profile.
7	Pecuniary relationship directly or indirectly with Company or relationship with the managerial personnel or other director, if any	Managing Director and shareholder. Daughter of Shri. Gopala Kishan Prasad Vupputuri, Chairman and Executive Director.

III. Other Information

1	Reasons of loss or inadequate profits	The Company is presently not into losses; however, the profits are inadequate as the Company continues to invest in growth, strengthen compliance, and expand its lending portfolio for long-term value creation.
2	Steps taken of proposed to be taken for improvement	Continued business development and collaborative activities are the steps taken for the continuous improvement.
3	Expected increase in productivity and profits in measurable terms	We expect an increase of 50%% of operations as well as profitability when compare with the previous year

The Board therefore recommends to the members for approval for the special resolution to pay the remuneration for the remaining period of her tenure as Managing Director.

Except Smt. Vasumathi Devi Koganti, Shri. Gopala Kishan Prasad Vupputuri, Chairman and Executive Director (being relative) and Shri. Sinha S Chunduri, Director, (being otherwise interested), none of the other Directors or key managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

ANNEXURE TO THE NOTICE

ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT / RE-APPOINTMENT / FIXATION OR VARIATION OF TERMS OF REMUNERATION AS REQUIRED UNDER SECRETARIAL STANDARD-2 NOTIFIED UNDER SECTION 118 (10) OF THE COMPANIES ACT, 2013

Name of the Director	**Satyanand Sinha Chunduri**
DIN	03644504
Date of Birth	02.02.1945
Date of first Appointment on the Board	10.02.1993
Age	80 Years
Qualification	M.B.B.S., M.D.
Experience	Management & Administration more than two decades
Terms and conditions of appointment	Retires by rotation and being eligible offers himself for re-appointment
Remuneration sought to be paid	Nil
Remuneration last drawn	Nil
Relationship with other director/ Manager and other KMP	Brother –in-law of Mr.Gopala Kishan Prasad Vupputuri, Chairman and Executive Director
No. of Meetings of the Board Attended during the FY- 2024-2025	3
No. of Shares held in the Company	1,17,700 fully paid equity shares of ₹ 10/- each.
Directorships of other Board	Nil
Membership/Chairmanship of Committees of other Board	Nil

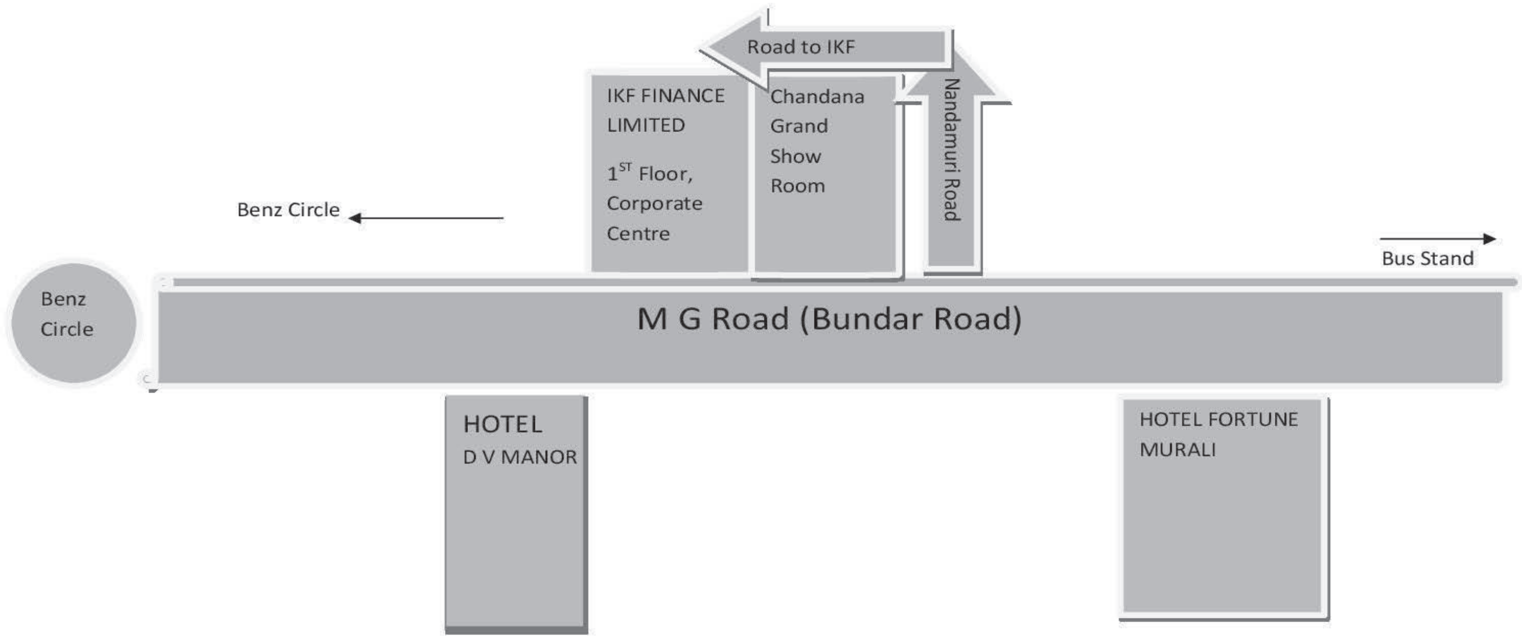
Name of the Director	**Gopala Kishan Prasad Vupputuri**
DIN	01817992
Date of Birth	02.09.1947
Date of first Appointment on the Board	30.05.1991
Age	78 Years
Qualification	B. Sc
Experience	Shri. Gopala Kishan Prasad Vupputuri has contributed a lot in institutionalizing the Automobile finance business operated by individuals in Andhra Pradesh. Shri. Gopala Kishan Prasad Vupputuri, has presided over the Krishna District Auto Financiers Association, considered to be one of the strongest and most organized Financiers Association in India, for quite a considerable period. Shri. Gopala Kishan Prasad Vupputuri has occupied various positions in the Federation of Indian Hire Purchase Associations (FIHPA), the Apex body of Asset Financing Companies, and has acted as the Secretary General till 2010 and as President till 2012. He has always been a strong advocate for Retail lending since times, which caught the fancy of the Banks and favored retail automobile loans later on, which kept IKF Finance ahead of its contemporaries
Terms and conditions of Remuneration	As detailed in the resolution No. 6 and explanatory statement thereof
Remuneration sought to be paid	₹ 12,00,000/- Per Month (From October 1, 2025 to October 31, 2025) ₹ 14,40,000/- Per Month (From November 1, 2025 to September 30, 2027)
Remuneration last drawn	Nil
Relationship with other director/ Manager and other KMP	1. Father of Smt. Vasumathi Devi Koganti, Executive Director 2. Brother-in-law of Shri. Satyanand Sinha Chunduri, Director
No. of Shares held in the Company	21,204,215 fully paid equity shares of ₹ 10/- each. And 32,49,151 partly paid Equity Shares.
No. of Meetings of the Board Attended during the FY- 2024-25	08
Directorships of other Board	1. Director of IKF Home Finance Limited 2. Director of IKF Infratech Private Limited
Membership/Chairmanship of Committees of other Board	03

Name of the Director	Vasumathi Devi Koganti
DIN	03161150
Date of Birth	09.05.1975
Date of first Appointment on the Board	31.10.2006
Age	50 Years
Qualification	BE (Electronics & Communications) MBA (Global Management, USA)
Experience	Having eleven (11) years of working experience in IT and Telecommunications in several US Companies. Associated with IKF Finance Limited as Executive Director since 2007
Terms and conditions of Remuneration	As detailed in the resolution No. 7 and explanatory statement thereof
Remuneration sought to be paid	Nil
Remuneration last drawn	Nil
Relationship with other director/ Manager and other KMP	Daughter of Shri. Gopala Kishan Prasad Vupputuri, Whole time Executive Director
No. of Meetings of the Board Attended during the FY- 2024-2025	09
No. of Shares held in the Company	26,47,266 fully paid equity shares of ₹ 10/- each
Directorships of other Board	Director of IKF Home Finance Limited
Membership/Chairmanship of Committees of other Board	03

IKF Finance Limited

Address :#40-1-144, Corporate Centre, M.G.Road, Vijayawada-520010.

Route Map



IKF FINANCE LIMITED

Regd. Office: 40-1-144,3rd FLOOR, Corporate Centre, M.G.Road, Vijayawada, Andhra Pradesh-520010

Form No. MGT- 11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s): ....

Registered address: ....

E-mail Id: ....

Folio No/ Client Id: ....

DP ID: ....

I/ We, being the member (s) of .... shares of the above named company, hereby appoint

Name:..

E-mail Id: ....

Address:..

Signature: .... or failing him

Signature: .... or failing him as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the Annual General Meeting of the Company, to be held on 30th September 2025 at 11.30 A.M., at the registered office of the Company situated at Office 40-1-144,3rd Floor, Corporate Centre, M.G.Road, Vijayawada, Andhra Pradesh-520010 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl No	Nature of Business	For	Against	Abstain
Ordinary Businesses				
1	To receive, consider, approve and adopt: (a) the Audited Standalone Financial Statements for the financial year ended 31st March, 2025, together with the Reports of the Directors' and Auditors' thereon and (b) the Audited Consolidated Financial Statements for the financial year ended 31st March, 2025, together with the Report of Auditors' thereon.			
2	To appoint a Director in place of Shri. Satyanand Sinha Chunduri (DIN: 03644504), who retires by rotation and, being eligible, offer himself for re-appointment			
	Special Businesses			
3	To renew the Borrowing Powers of the Company of Rs 6000 Crores			
4	To renew the power of Board of Directors of the Company to lease and mortgage of the property(ies) of the Company			
5	Authorization to issue of Non-Convertible Debentures (NCD)/Tier II Debt(s)/ Commercial Papers/Bonds on Private Placement Basis			
6	To approve remuneration of Shri. Gopala Kishan Prasad Vupputuri (DIN: -01817992), Chairman and Executive Director of the Company			
7	To approve remuneration of Smt. Vasumathi Devi Koganti (DIN: 03161150), Managing Director of the Company			

Signed this.................................. day of September 2025

Signature of shareholder...

Signature of Proxy holder(s) ....

Affix Revenue Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at Registered Office of the Company, not less than 48hours before the commencement of the Meeting.

IKF FINANCE LIMITED

Regd. Office: 40-1-144,3rd FLOOR, Corporate Centre, M.G.Road, Vijayawada, Andhra Pradesh-520010
(To be handed over at entrance of the Meeting Venue)

ATTENDANCE SLIP

Folio No. ....

DP. ID No./ Client ID ....

Name of the Member ....

Signature ....

Name of Proxy Holder ....

Signature ....

No. of share held ....

E-mail ID ....

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the Annual General Meeting of the Company, to be held on 30th September 2025 at 11.30 A.M at the registered office of the Company situated at Office 40-1-144,3rd Floor, Corporate Centre, M.G.Road, Vijayawada, Andhra Pradesh-520010

1. Only Member/Proxy holder can attend the Meeting.
2. Member/Proxy holder should bring his/her copy of the Annual Report for reference at the Meeting.

Note: Please fill this Admission Slip and hand it over at the entrance. Shareholders who come to attend the meeting are requested to bring the copies of the Notice of AGM also with them.

DIRECTORS' REPORT

To,

The members of IKF Finance Limited.

Your Directors have pleasure in presenting the 34th Annual Report together with the Audited Financial Statements for the financial year ended March 31, 2025.

FINANCIAL RESULTS:

The summarized financial results of the Company are as given hereunder:

(Amount in Lakhs, unless otherwise stated)

Particulars	Standalone		Consolidated	
	2024-25	2023-24	2024-25	2023-24
Revenue from Operations	65,024.92	43,422.54	85,395.38	57,941.85
Other Income	988.43	325.04	1,899.41	658.34
Profit (loss) before depreciation, interest and tax	48,010.19	32,701.38	61,668.57	42,646.12
Depreciation/amortization	336.80	340.89	516.00	468.88
Finance cost	33,197.34	22,022.85	42,037.67	28,476.10
Impairment expense on loans	2,407.48	599.58	3,352.30	843.03
Portfolio Loans & other balances written off	1,564.95	1,040.93	1,564.95	1,175.29
Profit (loss)before tax	14,476.05	10,337.63	19,114.91	13,701.14
Provision for tax/deferred tax	3,681.32	2,640.19	4,832.97	3,520.61
Profit (loss) after tax before exception item	10,794.73	7,697.44	14,281.94	10,180.53
Less: Other comprehensive income / (loss)	(6.02)	(3.26)	(47.14)	(19.23)
Net profit (loss) after exceptional items	10,788.71	7,694.18	14,234.80	10,161.30
Balance brought forward from previous year	26,152.48	20,382.66	29,844.64	22,518.92
Dividend on Equity Shares	0.00	0.00	0.00	0.00
Transfer to Statutory Reserve as required by Section 45-IC of Reserve Bank of India Act, 1934	2,158.94	1,539.49	2,158.94	1539.49
Transfer to General reserve	539.74	384.87	539.74	384.87
Transferred to Share Based payment reserve	14.21	1.08	14.21	1.08
Surplus carried to Balance sheet	8,090.03	5,769.82	10,424.45	7,407.08

REVIEW OF OPERATIONS:

Standalone:

The performance for the year ended March 31, 2025 has improved and the Revenue from operations has grown by 50% to ₹ 650.25 Crores from ₹ 434.23 Crores for the corresponding previous year and Net Profit increased to ₹ 107.95 Crores as against ₹ 76.97 Crores registering a growth of 40% for the corresponding previous year. During the year, the Loan Book has grown by 39% from ₹ 3,291.04 Crores to 4,573.57 Crores (before Impairment loss allowance). The total assets managed by the Company, including receivables assigned / securitized stood at around ₹ 5,195 Crores as at March 31, 2025 as against ₹ 3,775 Crores in the previous year thereby registering a growth of 38%.

Consolidated:

The Company's performance, along with its subsidiary's performance for the year ended March 31, 2025 on a consolidated basis is satisfactory. The Revenue from operations has increased to ₹ 853.95 Crores from ₹ 579.42 Crores and Net Profit increased to ₹ 142.82 Crores from ₹ 101.81 Crores registering a growth of 40 % for the corresponding previous year.

FUTURE OUTLOOK:

Global Economic Scenario:

The global economy demonstrated stronger-than-expected resilience through 2024, with growth reaching approximately 3.2%, slightly above earlier projections. The anticipated slowdown to 2.9% was less severe than expected, with several economies showing robust performance. Major central banks, including the Federal Reserve and European Central Bank, began implementing gradual rate cuts in the latter half of 2024 as inflation moved closer to target levels.

Inflation has continued its downward trajectory across major economies, with headline inflation in most developed nations falling to within target ranges by late 2024.

However, services inflation has remained somewhat sticky, particularly in labor-intensive sectors. Geopolitical tensions, including ongoing conflicts in Eastern Europe and the Middle East, have continued to create volatility in energy markets, though global supply chains have shown improved adaptability.

The economic outlook for FY 2024-25 appears more optimistic, with projections suggesting global growth could accelerate to 3.3-3.5%, supported by easing monetary policies, improved business confidence, and stabilizing geopolitical conditions. Emerging markets, particularly in Asia, are expected to lead this recovery.

Indian Economic Scenario:

India has maintained its position as the world's fastest-growing major economy, with FY 2024-25 GDP growth estimated at approximately 6.8-7.2%, meeting earlier projections. The economy has benefited from strong domestic consumption, robust investment in infrastructure, and continued digitalization across sectors.

India's fintech ecosystem has further expanded, now ranking as the world's third-largest fintech market by transaction volume. The country has also made significant strides in manufacturing through the Production Linked Incentive (PLI) schemes, attracting substantial foreign investment, particularly in electronics and renewable energy sectors.s

The government's continued focus on infrastructure development through initiatives like the National Infrastructure Pipeline has maintained momentum, with allocation increases in the Union Budget 2024-25. Digital public infrastructure, including the expansion of UPI (Unified Payments Interface) and other digital platforms, has continued to drive financial inclusion and economic efficiency.

Looking ahead to FY 2025-26, India is projected to maintain growth rates of 6.5-7%, supported by improving global conditions, sustained domestic demand, and ongoing structural reforms.

Indian Financial Services Sector:

The financial services sector has experienced significant evolution through 2024, with several key developments:

Banking Sector: Public and private sector banks have reported improved asset quality, with gross NPA ratios declining to multi-year lows. Credit growth has remained robust at approximately 14-16% year-on-year, driven by retail lending and MSME financing.

NBFCs: The sector has shown remarkable resilience and growth, with assets under management growing by approximately 18-20% in FY 2024-25. Regulatory changes, including revised capital adequacy norms and enhanced governance requirements, have strengthened the sector's foundation.

Digital Financial Services: The adoption of digital lending platforms has accelerated, with NBFCs increasingly partnering with fintech companies to enhance reach and efficiency. Alternative credit scoring methods using AI and machine learning have improved risk assessment capabilities.

Insurance and Mutual Funds: The insurance sector has seen growth in both life and general insurance, with increased penetration in tier-2 and tier-3 cities. Mutual fund assets under management have crossed new highs, driven by systematic investment plans and increased retail participation.

SECTORAL PERFORMANCE UPDATES:

Commercial Vehicles:

The Commercial Vehicle sector experienced a recovery in FY 2024-25, with volume growth estimated at 8-12%, significantly better than earlier projections of decline. This turnaround was driven by:

- Accelerated infrastructure spending and increased freight movement
- Recovery in the logistics sector post-pandemic normalization
- Replacement demand and fleet modernization
- Growth in e-commerce and last-mile delivery requirements

Sales volumes are estimated to have reached approximately 10.5-11 Lakhs units in FY 2024-25, setting new records.

Passenger Vehicles:

The Passenger Vehicle market continued its strong momentum, with FY 2024-25 sales estimated at 45-47 Lakhs units, representing continued growth from the previous year's record levels. Key trends include:

- SUV dominance continuing, now accounting for over 50% of total passenger vehicle sales
- Electric vehicle adoption accelerating, with EVs comprising approximately 2-3% of total passenger vehicle sales
- Premium segment growth driven by increasing affluence and aspirational purchases
- Rural market recovery contributing to overall growth

Two-Wheelers and Three-Wheelers:

Two-Wheelers: The segment maintained strong growth momentum with FY 2024-25 sales estimated at 190-195 Lakhs units, representing continued double-digit growth. Electric two-wheelers have seen substantial adoption, with market penetration reaching approximately 5-6% of total two-wheeler sales.

Three-Wheelers: The segment has sustained its growth trajectory, with sales reaching approximately 8-8.5 Lakhs units in FY 2024-25. Electric three-wheelers have gained significant traction, particularly in urban areas and for commercial applications, comprising nearly 15-20% of total three-wheeler sales.

Construction Equipment:

The construction equipment industry has shown robust growth, with the market size expanding significantly in 2024. Key growth drivers include:

- Continued government focus on infrastructure development
- Urban development projects and smart city initiatives
- Private sector investment in industrial and commercial construction
- Replacement demand for aging equipment

The market is now projected to reach USD 12-13 billion by 2029, with an updated CAGR of 9-10%, reflecting stronger-than-expected demand.

MSME Sector Performance:

The MSME sector has shown remarkable resilience and growth through FY 2024-25:

- Improved access to formal credit, with MSME lending growing at 20-25% year-on-year
- Increased adoption of digital tools and e-commerce platforms
- Government initiatives like the Emergency Credit Line Guarantee Scheme (ECLGS) continuing to support liquidity
- Growing integration with larger value chains and export markets

Credit Gap and Opportunities: While the overall credit gap has reduced from ₹ 25 Tn, a significant opportunity of approximately ₹ 20-22 Tn remains. NBFCs, in partnership with fintech companies and supported by improved credit bureau data, are well-positioned to address this gap through innovative lending solutions.

Digital Transformation: The sector has accelerated its digital adoption, with increased use of digital payment systems, online marketplaces, and digital lending platforms. This transformation has improved operational efficiency and access to formal financial services.

KEY OUTLOOK AND TRENDS FOR FY 2024-25:

1. **Continued Economic Growth**: India is expected to maintain its position as the fastest-growing major economy.
2. **Digital Finance Expansion**: Further integration of AI, blockchain, and other emerging technologies in financial services.
3. **Sustainable Finance**: Increased focus on ESG (Environmental, Social, and Governance) lending and green finance initiatives.
4. **Electric Vehicle Ecosystem**: Accelerated adoption across all vehicle segments supported by improved charging infrastructure.
5. **Infrastructure Investment**: Continued government and private sector investment in infrastructure development.
6. **Financial Inclusion**: Enhanced reach of formal financial services to underserved populations through digital platforms.

RISK MANAGEMENT & CREDIT MONITORING:

Overview of Risk Management:

At IKF Finance Limited, a robust and proactive Risk Management Framework is integral to our sustainable growth and financial stability. We recognize that in the dynamic landscape of the Non-Banking Financial Company (NBFC) sector, effective identification, assessment, mitigation, and monitoring of risks are paramount to safeguarding stakeholder interests and achieving strategic objectives. Our framework is designed to align with regulatory guidelines, industry best practices, and the specific nature of our diverse product portfolio, primarily focused on vehicle and SME financing.

IKF Finance views risk management as a cornerstone of its strategic vision, crucial for achieving sustained growth and profitability. We operate on the principle that the systematic identification, assessment, and mitigation of risks are indispensable in the contemporary, and complex financial landscape. Our comprehensive risk management framework is distinguished by robust governance structures, clearly articulated policies, and advanced analytical methodologies. This framework is meticulously applied across all material risk categories, including credit, market, operational, and liquidity risks. We are dedicated to the continuous enhancement of our risk management processes and the strategic deployment of technology, thereby fortifying our resilience, minimizing adverse impacts, and optimizing our capacity for expansion.

Our approach is characterized by:

1. **Board Oversight and Governance:** The Board of Directors, through its committees (e.g., Audit Committee, Risk Management Committee), provides strategic direction and oversight of the overall risk management framework. A dedicated Chief Risk

Officer (CRO) is responsible for the implementation and continuous improvement of risk management policies and procedures across all operational levels.

2. **Integrated Risk Management:** We adopt an integrated approach to risk management, ensuring that various risk categories are not viewed in silos but are understood in their interdependencies. This allows for a holistic assessment of potential impacts on our financial health and operational resilience.

3. **Proactive Identification and Assessment:** Our framework emphasizes continuous identification and assessment of existing and emerging risks. This involves a systematic process of gathering information from internal operations, market intelligence, regulatory changes, and economic trends. Risk assessment includes both qualitative and quantitative analyses to determine the likelihood and potential impact of identified risks, supported by a dynamic **"Risk Triggers Dashboard"** that monitors key metrics against predefined thresholds.

4. **Defined Policies and Procedures:** For each material risk, IKF Finance has established clear policies, limits, and operational procedures. These policies guide our business decisions, from credit underwriting and disbursement to collections and treasury management, ensuring that risk exposures remain within acceptable thresholds.

5. **Internal Controls:** A strong system of internal controls is fundamental to our risk management strategy. These controls are embedded in our processes to prevent errors, detect irregularities, and ensure compliance with policies and regulations. Regular internal audits and reviews further strengthen the control environment. Our operational metrics demonstrate robust control, with zero instances of Operational Loss, Data Breach, or CyberAttack reported in March 2025.

6. **Technology Integration:** We leverage technology to enhance our risk management capabilities, particularly in credit appraisal, portfolio monitoring, and data analytics. Digital tools aid in faster processing, more accurate risk profiling, and improved efficiency in managing our operations. This is reflected in a 99% uptime of our critical IT systems as of March 2025.

7. **Culture of Risk Awareness:** IKF Finance fosters a culture where every employee understands their role in risk management. Regular training and communication programs are conducted to enhance risk awareness and adherence to established protocols. Over the fiscal year, our employee strength grew from an opening count of 1,517 to a closing count of 1,860 by the end of March 2025.

RELEVANT RISKS FOR FY 2024-25

For the financial year 2024-25, IKF Finance continues to focus on managing the following key risks inherent to the NBFC sector and specific to our operational profile:

1. Credit Risk

Credit Risk is the primary and most significant risk faced by financial institutions like IKF Finance, representing the potential for financial loss arising from a borrower's failure to meet their contractual obligations. This occurs when a borrower or counterparty defaults on the repayment of principal, interest, or other financial commitments, as they become due. For IKF Finance, this risk primarily manifests in the context of our vehicle and MSME loan portfolios, where it stems from the possibility that individual or business borrowers may be unable or unwilling to repay their dues, leading to impaired assets and direct financial losses, as well as potential impacts on liquidity and profitability. Effective management of credit risk, therefore, involves rigorous credit assessment, prudent lending practices, robust collateral management, and proactive collection strategies to minimize the likelihood and impact of such defaults.

Underlying Factors and Mitigation:

- **Borrower Profile:** Our exposure to self-employed individuals in the informal segment and MSME financing inherently carries higher credit risk. We mitigate this through:
  - **Rigorous Credit Underwriting:** A well-defined credit policy that includes comprehensive due diligence, assessment of borrower's cash flows, credit history, and financial commitments. Our Loan-to-Value (LTV) on disbursals stood at 75% in March 2025, indicating prudent collateral management.
  - **Collateral-backed Lending:** Our portfolio is secured by collateral (primarily vehicles for commercial vehicle, car, tractor, three-wheeler loans; and property for MSME Loans). We focus on prudent Loan-to-Value (LTV) ratios and robust valuation mechanisms.
  - **Geographical Concentration:** While we are operating in 9 states, a significant portion of our AUM remains concentrated in South India. The top 3 states viz. Telangana, Andhra Pradesh and Maharashtra stood at 58% as on March 2025, reflecting strong penetration in these key markets, also highlights a potential exposure to regional economic fluctuations or localized events.

IKF Finance continuously monitors these geographical concentrations and evaluates strategies for further diversification to mitigate associated risks.

- **Sectoral Concentration:** Our portfolio demonstrates robust diversification across multiple vehicle segments and economic sectors, effectively mitigating concentration risk. Heavy Commercial Vehicles (HCV), our largest segment at ₹ 1,190 Crores, primarily serves the transportation and logistics sector, benefiting from increased freight movement and e-commerce expansion. Construction Equipment (CE) at ₹ 1,347 Crores represents exposure to diverse industries including mining, infrastructure development, and real estate—each operating on independent business cycles

- Our Small Commercial Vehicles (SCV) segment at ₹ 485 Crores caters to last-mile connectivity and rural economy needs, while Light Commercial Vehicles (LCV) at ₹ 295 Crores bridges urban and semi-urban logistics requirements. This multi-tier approach ensures that sector-specific headwinds are naturally hedged—rural consumption slowdowns affecting SCVs are offset by urban logistics growth driving LCVs, while infrastructure delays impacting CE are balanced by steady transportation demand supporting HCVs. The MSME segment at ₹ 474 Crores adds another layer of diversification, spanning multiple small business sectors from manufacturing to services.

- Each vehicle category responds to different economic drivers: HCVs correlate with industrial output and inter-state goods movement, SCVs track rural consumption and agricultural cycles, CE follows infrastructure spending and mining activity, while passenger vehicles (Cars, 2W, 3W) reflect personal mobility trends across urban and rural markets. This sectoral diversification ensures resilience against localized economic disruptions, as no single industry downturn can significantly impact overall portfolio performance.

- **Asset Quality and Delinquencies:** We have seen a healthy asset quality with Gross NPA (GNPA) at 2.24% in March 2025 (down from 2.35% in March 2024). The DPD 90+ (delinquency beyond 90 days) stood at 1.65% in March 2025. While there has been a slight increase of 4 basis points in DPD 90+ compared to March 2024 (1.61%), the overall GNPA showed an 11-basis points improvement. This indicates effectiveness in managing our non-performing assets.

  - **Early Warning Systems:** Implementing systems to detect early signs of potential default.

  - **Proactive Collection Strategies:** IKF Finance maintains proactive and comprehensive collection strategies, built upon dedicated collection teams, active customer engagement, and structured recovery processes.

  - **Expected Credit Loss (ECL) Approach:** Impairment on financial instruments is estimated as per the ECL approach prescribed under Ind AS 109, with provisions held towards expected credit loss. (please see if we can put up the ECL % here)

- **Credit Monitoring:**

  - **Portfolio Monitoring:** Regular tracking of borrower repayment behaviour, and industry trends that could impact creditworthiness. Our Asset Quality metric "Stage-2 assets as % of AUM" stood at 7.31% in March 2025 (down from 11% in March 2024), indicating improved early-stage delinquency management. Further, at the group level, our Stage 2 assets as % of AUM stood at 7.12 % as of March 2025.

  - **Early Detection & Intervention:** Timely identification of at-risk accounts allows for proactive engagement, initiating recovery measures promptly.

  - **Reporting to Credit Bureaus:** Adherence to RBI guidelines for reporting loan defaults, settlements, and overdue accounts to Credit Information Companies (CICs) to maintain credit discipline across the ecosystem.

2. **Liquidity Risk**

Liquidity Risk is the risk that IKF Finance will be unable to meet its financial obligations as they fall due, without incurring unacceptable losses or material damage to its financial position. This risk primarily arises from potential mismatches between the maturity profiles of our assets (loans disbursed) and liabilities (funding sources such as bank borrowings and NCDs). Should there be an unexpected surge in funding outflows (e.g., loan disbursements, debt repayments etc.), or an inability to raise new funds or liquidate assets quickly at fair value, IKF Finance could face difficulties in meeting its commitments. Effective management of liquidity risk involves maintaining a robust Asset-Liability Management (ALM) framework, diversifying funding sources, holding adequate liquidity buffers (cash, equivalents, and undrawn credit lines), and establishing comprehensive contingency funding plans to ensure financial stability even under stress scenarios.

Underlying Factors and Mitigation:

- **Asset-Liability Management (ALM):** We maintain a robust ALM framework, continuously monitoring and managing the maturity profiles of our assets and liabilities to ensure no negative cumulative mismatches in various time buckets. Our product portfolio features maturity profiles ranging from 3 to 10 years, with vehicle loans typically maturing around 3 years. We've designed our financial structure to naturally align assets and liabilities, securing long-term funding from banking partners that matches our product tenures. This strategic alignment ensures our monthly collections and accruals from the asset portfolio consistently meet our fixed obligations, including debt servicing and operational expenses. Supporting this structural balance, our robust Asset-Liability Management (ALM) framework provides continuous monitoring and proactive management of any residual mismatches, further strengthening our liquidity position and financial resilience. As on March 2025, our Liquidity Cumulative Mismatch analysis indicates comfortable surplus visibility across all the buckets indicating a healthy liquidity position.
- **Diversified Funding Sources:** Our resource profile is moderately diversified, with an inclination towards banks, and includes term loans, cash credit facilities, and non-convertible debentures (NCDs). We aim to further diversify our funding base to reduce over-reliance on any single source. Our funding risk from a "Single Lender Concentration" perspective, measured as Funding from Largest Lender / Total Borrowings, stood at 5.76% in March 2025, signifying low concentration risk.
- **Adequate Liquidity Buffers:** Maintaining sufficient cash and cash equivalents, along with un-availed lines of credit, to meet short-term obligations and unforeseen liquidity needs. Our reported liquidity was ₹ 785 Crore in March 2025. The Liquidity Position metric (Liquid Investment / 3 months outflow) was at 229.20% in March 2025, demonstrating robust liquidity.
- **Contingency Funding Plan:** A well-defined contingency funding plan is in place to address potential liquidity stress scenarios.

3. Market Risk

Market Risk is the potential for losses arising from adverse movements in market prices or rates that can impact the value of IKF Finance's on- and off-balance sheet positions. This risk primarily encompasses Interest Rate Risk, where fluctuations in market interest rates can adversely affect our Net Interest Margin (NIM) by increasing the cost of our borrowings more than the yield on our assets, or vice-versa. It also includes Valuation Risk on Collateral, where the market value of the assets we hold as security for our loans (such as vehicles or property) could decline, potentially leading to higher losses in the event of a borrower default and subsequent recovery. Managing market risk involves dynamic pricing strategies, effective asset-liability management (ALM) to minimize sensitivity to interest rate changes, and conservative collateral valuation practices to mitigate potential adverse impacts on our profitability and asset quality.

Underlying Factors and Mitigation:

- **Interest Rate Risk:** As a lending institution, changes in interest rates can impact our Net Interest Margin (NIM).
  - **Dynamic Pricing Strategy:** Our interest rate policy considers the weighted average cost of borrowing and market conditions. We adopt a discrete interest rate model that allows for differentiated pricing based on borrower profile and market dynamics. Our Book Yield was 17.30% in March 2025, reflecting a 10 basis points increase from March 2024 (17.20%), indicating effective pricing strategies. While the Weighted Average Interest Rate on Disbursals (WIRR) saw a slight decrease of 16 basis points to 17.36% in March 2025, our profitability metrics such as Return on Assets (ROA) at 3.20% and Return on Equity (ROE) at 11.72% in March 2025 indicate healthy performance. The Gross Spread (Gross Income%-Finance Cost %) stood at 7.67% in March 2025.
- **Valuation Risk on Collateral**: The value of the collateral securing our loans can fluctuate due to market conditions.
  - **Prudent Valuation**: Thorough valuation of collateral at the time of loan origination and periodic re-evaluation where necessary.

- **Focus on Saleability**: Prioritizing collateral types with good liquidity and saleability in the market.

4. Operational Risk

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems, or from external events. Unlike financial risks, operational risk stems from the day-to-day workings of the organization. For IKF Finance, this can manifest in various forms, including human errors (e.g., mistakes in loan processing, data entry), system failures (e.g., IT outages, cybersecurity breaches), internal fraud, inadequate internal controls, or external factors such as natural disasters, regulatory non-compliance leading to fines, or issues with third-party service providers. Effective management of operational risk requires robust internal controls, well-defined processes, adequate technology infrastructure, ongoing employee training, clear ethical guidelines, and comprehensive business continuity and disaster recovery planning to ensure resilience and minimize disruptions to operations and potential financial and reputational damage.

Underlying Factors and Mitigation:

- **Process Efficiency and Controls:** Continuous review and optimization of internal processes, coupled with strong internal controls to minimize errors and fraud. Our "Operational Loss (Fraud Cases)" was NIL for the year, indicating effective fraud prevention.

- **Technology and System Failures:** Investing in robust IT infrastructure, cybersecurity measures, and data backup/recovery systems to ensure business continuity. "Uptime of Critical (Core) IT systems" was 99.00% in March 2025, reflecting high system availability. Furthermore, there were no reported instances of "IT Systems Breach (unsuccessful/incomplete DR tests)" or "CyberAttack" (severe cybersecurity incident affecting business continuity for >24 hours) in March 2025

- **Human Error and Misconduct:** Comprehensive training programs, clear job roles and responsibilities, and a strong ethical framework including a Whistle Blower Policy and Code of Conduct for employees and recovery teams.

- **Third-Party Risk:** Managing risks associated with outsourced activities (e.g., collection agencies, IT vendors) through due diligence, robust contracts, and ongoing monitoring of their performance and compliance.

- **Data Management and Privacy:** Implementing stringent data management policies and systems to protect customer data and comply with privacy regulations.

5. Regulatory and Compliance Risk

Regulatory and Compliance Risk is the risk of legal or regulatory sanctions, material financial loss, or damage to reputation that IKF Finance may suffer as a result of its failure to comply with laws, regulations, rules, prescribed practices, and ethical standards applicable to the financial industry. As a Non-Banking Financial Company (NBFC), we operate in a highly regulated environment, primarily under the purview of the Reserve Bank of India (RBI), but also encompassing other statutory bodies like SEBI and the Ministry of Corporate Affairs. This risk includes non-adherence to prudential norms (e.g., capital adequacy, asset classification), Know Your Customer (KYC) and Anti-Money Laundering (AML) guidelines, fair practices codes, data privacy laws, and corporate governance requirements. Managing this risk necessitates a dedicated compliance function, continuous monitoring of the evolving regulatory landscape, proactive policy adjustments, and a strong culture of adherence to ensure that all business activities are conducted within the bounds of applicable legal and ethical frameworks, thereby safeguarding our integrity and license to operate.

Underlying Factors and Mitigation:

- **RBI Guidelines:** Adherence to all regulations and guidelines issued by the Reserve Bank of India (RBI) for NBFCs, including prudential norms, capital adequacy, and fair practices. Our Total Capital Adequacy Ratio (CRAR) stood at a healthy 21.5% in March 2025 (compared to 26.5% in March 2024, significantly higher than the 15% threshold.

- **KYC & AML Compliance:** Strict adherence to Know Your Customer (KYC) and Anti-Money Laundering (AML) policies, including risk-based customer categorization and periodic updation of KYC documents.

- **Corporate Governance:** Maintaining high standards of corporate governance, transparency, and timely disclosures as per SEBI (Listing Obligations and Disclosure Requirements) Regulations and Companies Act, 2013.

- **Legal and Statutory Compliance:** Ensuring compliance with all other applicable central, state, and commercial laws governing our operations. There were no reported "Breaches in regulatory compliance (breach in regulatory payments/reporting)" in March 2025, indicating robust compliance.

- **Dedicated Compliance Function:** A robust compliance department led by a Chief Compliance Officer, responsible for monitoring regulatory changes and ensuring adherence across the organization.

6. **Reputation Risk**

Reputation Risk is the potential for damage to IKF Finance's public image and standing, leading to a loss of trust, customer confidence, and potentially adverse financial consequences. This risk can arise from a multitude of sources, including customer dissatisfaction due to poor service or unfair practices, negative media coverage (whether accurate or inaccurate), ethical lapses, operational failures (like data breaches or system outages), non-compliance with regulations leading to public penalties, or even association with problematic third parties. For a financial institution like IKF Finance, a strong reputation is paramount for attracting and retaining customers, securing funding, and maintaining investor confidence. Effective management of reputation risk involves consistent adherence to a Fair Practices Code, transparent communication, prompt and efficient customer grievance redressal, robust operational resilience, and strong corporate governance, all aimed at fostering a positive brand perception and building long-term stakeholder trust.

Underlying Factors and Mitigation:

- **Fair Practices Code:** Strict adherence to our Fair Practices Code, which emphasizes transparency, ethical conduct, and customer-centricity in all dealings, particularly in lending and recovery processes.
- **Customer Grievance Redressal:** A well-defined and accessible grievance redressal mechanism, including a designated nodal officer as per the Integrated Ombudsman Scheme, to promptly address customer complaints. The percentage of "genuine customer complaints to customer base" was 0.10% in March 2025, reflecting high customer satisfaction and effective complaint resolution.
- **Responsible Lending:** Practicing responsible lending by ensuring clear communication of loan terms, fees, and repayment obligations.
- **Media and Public Relations:** Proactive and transparent communication with stakeholders to manage public perception.
- **External Audits:** The number of overdue major audit findings (all external audits) was NIL in March 2025, and there were no monetary fines by Regulators, reinforcing our strong governance and compliance framework.

CONCLUSION

IKF Finance is committed to continually strengthening its risk management capabilities to navigate the complexities of the financial sector effectively. By fostering a strong risk-aware culture, investing in robust systems, and adhering to prudent policies, we aim to ensure the long-term sustainability, profitability, and resilience of our operations for the benefit of all stakeholders. Our proactive approach to risk management and diligent credit monitoring remains a cornerstone of our strategic objectives for FY 2024-25 and beyond.

CORPORATE GOVERNANCE:

The Company's Non-convertible debt securities were listed with Bombay Stock Exchange Limited ("BSE"). A report on the Corporate Governance along with a declaration by the Managing Director with regard to code of conduct to be presented to the members of the Company as such a report on Corporate Governance Report is attached as part of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS:

Strategic Focus and Growth Strategy

At IKF Finance, our strategic focus for FY 2024-25 would shift towards achieving product focussed granular growth, with a heightened emphasis on creating a separate product level verticals on retail lending. We believe that by prioritizing high-yielding retail loans for small & light commercial vehicles and cars we can diversify the portfolio growth and continue to build Heavy Commercial vehicle, Construction Equipment and Loans to MSMEs. This targeted approach allows us to manage business cycles and concentrate on more profitable segments, ensuring sustainable growth in margins.

Our commitment to these products reflects our dedication to reaching niche markets curating underwriting within the underbanked and unbanked segments, which are crucial to the economic fabric of rural India. We aim to optimize our portfolio and harness the high-yield opportunities to deliver stronger returns for our stakeholders. This strategy not only supports our goal of enhancing profitability but also fortifies our market position and financial stability.

Commitment to Digitalization and Customer-Centric Solutions

In line with our strategic priorities, we remain committed to offering curated and intuitive customer journeys and financial solutions, on the back of robust digital investments. This focus on digital transformation enhances the customer experience, streamlining our processes and making it easier for our clients to access financial services. Our transparent communication practices empower customers to make informed decisions, reinforcing our reputation as a trusted and preferred lender in a competitive landscape.

The robust growth in our portfolio and margins are the evidence of trust our customers place in our core loan products over the past year, resulting in a significant 54% increase in AUM compared to FY 2023-24. This growth highlights the success of our strategic focus and our ability to meet the financial needs of underserved markets effectively.

Liquidity Management

While we have observed a slight increase in the cost of debt during last fiscal, largely due to prevailing market rates, we continue to maintain sufficient liquidity buffers to manage our liability repayments effectively.

All the Asset-Liability Management (ALM) buckets remain positive, with a significant cumulative surplus up to one year.

In conclusion, IKF Finance's strategic emphasis on product-focused granular growth, particularly within the high-yield segments of small commercial vehicles, light commercial vehicles position us strongly for sustained profitability. Our unwavering commitment to digitalization and customer-centric solutions continues to enhance our operational efficiency and strengthen our customer relationships. Supported by our robust financial performance and prudent liquidity management, we are well-equipped to navigate the evolving financial landscape. As we move forward, we remain focused on optimizing our portfolio, delivering superior value to our stakeholders, and ensuring long-term growth and stability in a competitive environment.

Resource Mobilization:

The Company has established a diversified funding base, drawing from Public Sector Banks, Private Sector Banks, Foreign Banks, Financial Institutions (including foreign entities), Mutual Funds, and other sources. During the year under review, the Company continued to leverage multiple funding avenues beyond conventional borrowings—such as secured debentures, term loans, working capital facilities, PTCs, and assignment transactions. Throughout the year, the Company maintained a prudent Asset-Liability Management (ALM) position. In line with its Resource Planning Policy, the Company secured long-term funds through debentures and loans from banks and various institutions. The Company's overall borrowing limit stands at ₹ 6,000 Crores.

Total borrowings of the Company for the year under review (at amortized cost) stood at ₹ 3927 Crores, of which borrowings from Banks/FI constituted 58%, borrowings from NBFCs 17%, Non-Convertible Debentures 18% , PTC 3% and Tier II Capital / Sub-Debt 4%. Our Company is continuously exploring all options to access low cost funds, mostly by way of Term Loans and Cash Credit in the current financial year, to further expand the operations.

Deposits*:*

The Company has not accepted any deposits during the year under review and it continues to be a Non-deposit taking Non-Banking Financial Company in conformity the guidelines of the Reserve Bank of India and Companies (Acceptance of Deposits) Rules, 2014.

Working Capital Limits:

During the year, the Company has reduced its reliance on Cash Credit Limits by raising term resources to better manage the Asset-Liability Mismatch (ALM). However, going forward, the Company plans to increase the utilization of Cash Credit Limits proportionately with the growth in term resources, as this facility plays a crucial role in maintaining overall liquidity.

Term Loans:

During the year, the Company mobilized ₹ 1,692 Crores through a diversified mix of term loan sources to enhance liquidity and support business expansion. Private Sector Banks were the leading contributors, providing 60% of the total borrowings. Public Sector Undertakings and Financial Institutions contributed 18%, while Non-Banking Financial Companies (NBFCs) accounted for the remaining 22% of the total term loan funding.

Commercial Paper:

During the year under review, your Company has not issued any Commercial Paper.

SECURITIZATION / ASSIGNMENT OF LOAN RECEIVABLES:

During the year, the Company assigned /securitized its loan portfolio having disbursed value of ₹ 516.55 Crores of which ₹ 137.00 Crores were securitized through issue of Pass-Through Certificates in 1 transaction and ₹ 378.55 Crores was assigned /securitized in Direct Assignment mode in 8 Transactions.

NON-CONVERTIBLE DEBENTURES:

During the year under review, your Company has raised ₹ 663 Crores through Secured and Listed NCD as below

Sl. No	ISIN	Date of Allotment	Secured / unsecured	Listed/ Unlisted	No. of debentures	Maturity Date	Issue Price	Amount (in Cr)
1	INE859C07170	July 25, 2024	Secured	Listed	7000	July 25, 2026	100000	70
2	INE859C07188	August 01, 2024	Secured	Listed	6000	July 30, 2027	100000	60
3	INE859C07196	October 17, 2024	Secured	Listed	6000	October 17, 2027	100000	60
4	INE859C07204	November 13, 2024	Secured	Listed	6000	March 15, 2027	100000	60
5	INE859C07212	December 31, 2024	Secured	Listed	8500	December 30, 2027	100000	85
6	INE859C07220	January 28, 2025	Secured	Listed	17500	January 20, 2027	100000	175
7	INE859C07238	March 26, 2025	Secured	Listed	15300	September 26, 2027	100000	153

The Company has been regular in making payments of principal and interest on all the NCDs issued by the Company on a private placement basis. There are no NCDs which have not been claimed by investors or not paid by the Company after the date on which the NCDs became due for redemption. The assets of the Company which are available by way of security are sufficient to discharge the claims of the debt security holders as and when they become due.

CREDIT RATING OF SECURITIES:

Name of the Credit Rating Agency	Borrowing Instrument	Amount Rated (in Crores)	Date of Rating	Rating Assigned	Rating Valid Till	Whether New/ Renewal/ Reassigned/ Withdrawn
CARE	Long Term Bank Facilities	3400	24-03-2025	CARE A+ (Stable)	23-03-2026	renewal
CARE	Subordinate Debt	165	24-03-2025	CARE A+ (Stable)	23-03-2026	renewal
CARE	NCDs	906.67	24-03-2025	CARE A+ (Stable)	23-03-2026	renewal

All of the above ratings indicate a high degree of safety with regard to timely payment of interest and principal. The Company has placed on its website all credit ratings obtained for all its outstanding instruments and has intimated the revision in the ratings to the stock exchange.

CAPITAL ADEQUACY:

The Capital to Risk Assets Ratio of your Company is 20.86% as on March 31, 2025, well above the minimum of 15% prescribed by the Reserve Bank of India, of which Tier I Capital constituted 18.79% and Tier II constituted 2.07%.

DIVIDEND:

Your Directors' have not recommended payment of dividend for the financial year ended March 31, 2025 since it is proposed to retain the same in the business.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

During the period under review, no such case was raised to credit / to pay any amount to the Investor Education and Protection Fund.

Share Capital:

a. Authorized Share Capital:

The Authorized Share Capital of the Company was increased during the year from ₹ 105,00,00,000/- (Rupees One Hundred and Five Crores only) divided into 8,00,00,000 (Eight Crores only) Equity Shares of ₹ 10/- (Rupees Ten only) each and 25,00,000 (Twenty Five Lakhs only) Preference Shares of ₹ 100/- (Rupees One Hundred only) each to ₹ 125,00,00,000/- (Rupees One Hundred and Twenty Five Crores only) divided into 100,00,00,000 (One Hundred Crores only) Equity Shares of ₹ 10/- (Rupees Ten only) each and 25,00,000 (Twenty Five Lakhs only) Preference Shares of ₹ 100/- (Rupees One Hundred only) each.

b. Paid up Share Capital:

During the year there was no change in the paid-up share capital of the Company and as on March 31, 2025 the total Paid up Share Capital of the Company stood at ₹ 70,15,64,450 consisting of ₹ 7,01,56,445 fully paid equity shares of ₹ 10/- each.

Further, after the closure of the financial year under review, in May & August 2025 the following allotments were made by our Company:

Partly Paid-up Shares

S. No.	Date of Allotment	Name of the Allottees	No. of Equity shares allotted	Issue Price (₹)	Consideration received (₹)
1	May 13, 2025	Gopala Kishan Prasad Vupputuri	28,39,785	366.42	28,39,785
2	August 14, 2025	Gopala Kishan Prasad Vupputuri	4,09,366	366.42	4,09,366
Total			**32,49,151**		**32,49,151**

Fully Paid-up Shares

S. No.	Date of Allotment	Names of the Allottees	No. of Equity Shares allotted	Issue Price (₹)	Consideration received (₹)
1.	May 16, 2025	Norwest Capital, LLC	23,41,860	366.42	85,81,04,341.20
2.	May 16, 2025	India Business Excellence Fund - IV	95,51,880	366.42	3,49,99,99,869.60
3.	May 16, 2025	IBEF Gift SPV 3	39,30,000	366.42	1,44,00,30,600.00
4.	May 16, 2025	Motilal Oswal Wealth Limited	32,80,021	366.42	1,20,18,65,294.82
5.	August 13, 2025	Gopala Kishan Prasad Vupputuri	13,50,634	366.42	49,48,99,310.28
Total			**2,04,54,395**		**7,49,48,99,415.90**

Post allotment the outstanding paid-up share capital of the Company was stood at ₹ 90,93,57,551 consisting of ₹ 9,06,10,840, Fully paid-up equity shares and 32,49,151 Partly paid-up equity shares of ₹ 1/- each

Compulsorily Convertible Preference Shares:

There are no Compulsorily Convertible Preference Shares outstanding as on March 31, 2025

c. **Issue of Shares with differential voting rights:**

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

d. **Buy Back of Securities:**

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

e. **Sweat Equity:**

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

f. **Bonus Shares:**

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

g. **Employees Stock Option:**

ESOP 2019 was provided to create, offer, and grant of up to 7,99,516 (Seven Lakhs Ninety Nine Thousand Five Hundred and Sixteen only) stock options to the eligible employees of the Company. Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors, at its meeting held on February 07, 2025, approved to terminate the existing employee Stock Option Plan 'IKF Finance Limited - Employee Stock option Plan 2019' ("ESOP 2019"), which was subsequently approved by shareholders at its Extraordinary General Meeting held on March 12, 2025. The termination of the ESOP 2019, shall not affect options already offered and granted under this Plan to any grantee and such options shall remain in full force and effect, as if the ESOP 2019 had not been terminated.

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors, at its meeting held on February 07, 2025, approved the new Employee Stock Option Plan 2025 "IKF Finance -Employee Stock Option Plan 2025", which was subsequently approved by shareholders at its Extraordinary General Meeting held on March 12, 2025. IKF Finance -Employee Stock Option Plan 2025 provided to create, offer, and grant of up to 6,52,716 (Six Lakhs Fifty-Two Thousand Seven Hundred and Sixteen only) only), equity options in one or more tranches at any time to or for the benefit of employees of the Company.

Further, the Board extended the benefits of the IKF Finance - Employee Stock Option Plan 2025 to the employees of the subsidiary Company, IKF Home Finance Limited, in addition to the employees of the Company as recommended by the Nomination and remuneration Committee. It was also subsequently approved by shareholders at its Extraordinary General Meeting held on March 12, 2025.

The Board of Directors has granted a total of 3,23,312 stock options to the eligible employees of the Company at a price of ₹ 305/- (Rupees Three Hundred and Five) per share and 42,782 stock options to the eligible employees of the subsidiary Company, IKF Home Finance at a price of ₹ 305/- (Rupees Three Hundred and Five) per share.

DISCLOSURE AS REQUIRED UNDER RULE 12(9) OF COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014 DURING THE FINANCIAL YEAR ARE AS BELOW:

ESOP 2019

(a)	options granted	5,62,860
(b)	options vested	1,46,800
(c)	options exercised	Nil
(d)	the total number of shares arising as a result of exercise of option	Nil

(e)	options lapsed	4,16,060
(f)	the exercise price	₹ 120
(g)	variation of terms of options	NA
(h)	money realized by exercise of options	Nil
(i)	total number of options in force	1,46,800
(j)	employee wise details of options granted to:	
	(i) key managerial personnel	Ch Sreenivasa Rao, Company Secretary- 15,180 Options
	(ii) any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year	Chakrapani Gollamudi Chief Risk Officer - 51,500 Options - 10.93%
	(iii) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	NIL

ESOP 2025

(a)	options granted	3,66,094
(b)	options vested	Nil
(c)	options exercised	Nil
(d)	the total number of shares arising as a result of exercise of option	Nil
(e)	options lapsed	Nil
(f)	the exercise price	₹ 120, ₹ 215 and ₹ 315
(g)	variation of terms of options	NA
(h)	money realized by exercise of options	Nil
(i)	total number of options in force	Nil
(j)	employee wise details of options granted to:	
	(i) key managerial personnel	Prakash Bhawnani, Chief Financial Officer – 51,096 Options Prashant Rawat, Chief Financial Officer (IKF Home Finance Limited, Subsidiary Company) – 30,000 Options
	(ii) any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year	Debnil Chakravarty, CEO – 70000 Options – 19.12% Raghuram Kotamarthi, Business Head - 33,412 Options – 9.13% Hanumakonda Srinivas, National Head Collections – 18,992 options - 5.19%
	(iii) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil

Transfer to Reserves:

The Directors of the Company has transferred 539.74 Lacs to General Reserves out of the current year profits for the Financial Year 2024-25 as against ₹ 384.87 Lacs during the Financial Year 2023-24. Further your Directors has transferred ₹ 2,158.94 Lacs to Statutory Reserve @20% profit after tax as required under Section 45-IC of Reserve Bank of India Act, 1934 during the Financial Year 2024-25 as against ₹ 1,539.49 Lacs during the Financial Year 2023-24. Further ₹ 14.21 Lacs was transferred during the Financial Year 2024-25 to Share Based payment reserve as against ₹ 1.08 Lacs during the Financial Year 2023-24.

Details of Subsidiary, Associate and Joint Venture Companies:

The Company is not having any Associate and Joint Venture Companies as on date by virtue of Section 2 (6) of the Companies Act, 2013. As on March 31, 2025, IKF Home Finance Limited is the Subsidiary Company in which the Company holds 90.55%. Policy for determining 'material' subsidiaries is available on the Company's website and can be accessed through the web-link https://www.ikffinance.com/assets/pdf/policies/Policy%20on%20Material%20Subsidiaries.pdf

No Company has become or ceased to be the Company's Subsidiaries, joint ventures or associate companies during the year.

Further, after the closure of the year under review, during June 2025, the Company acquired 70,00,000 of equity shares of Subsidiary Company, IKF Home Finance Limited, from the promoters at a price of ₹ 92/- (Rupee Ninety Two) per share and now the Subsidiary Company become a Wholly Owned Subsidiary Company.

Salient features of the financials of the above-mentioned Subsidiary have been given in Form AOC-1 as **Annexure-I** to this report

AUDITORS:

Statutory Auditors:

M/s. Mukund M Chitale & Co (Firm Regn No: 106655W) Chartered Accountants, Statutory Auditors of the Company was appointed by the shareholders at the 33rd Annual General Meeting held on September 30, 2024 for a period of 3 (Three) years to hold office from the conclusion of 33rd Annual General Meeting till the conclusion of the 36th Annual General Meeting of the Company to be held in the year 2027 on such remuneration plus applicable taxes and out-of-pocket expenses, as may be mutually agreed upon by the Audit Committee/Board of Directors and the Statutory Auditors.

Qualification by the Statutory Auditor:

The Audit Report does not contain any qualification, reservation or adverse remarks.

Secretarial Auditor:

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed M/s. B S S & Associates, Company Secretaries as Secretarial Auditors of the Company. Secretarial Audit Report is enclosed as **Annexure-II** to this Report.

Qualification by Secretarial Auditor:

The Secretarial Audit Report does not contain any qualification, reservation or adverse remarks.

Maintenance of Cost Records:

Cost Records are not required to be maintained by the Company under Section 148 of the Companies Act, 2013. Accordingly, such accounts and records are not maintained.

Cost Audit:

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 3 & 4 of the Companies (Cost Record and Audit) Rules, 2014 and all other applicable provisions of the Companies Act, 2013, the Cost Audit is not applicable to the Company.

Internal Audit and Auditor:

As part of the effort to evaluate the effectiveness of the internal control systems, and to maintain its objectivity and independence and on recommendations of the Audit Committee your directors have re-appointed M/s. Brahmayya & Co, Chartered Accountant as an internal auditor of the Company for the year ended March 31, 2025 who shall report to the Audit Committee / Board. Based on the report of internal auditor, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon were presented to the Audit Committee / Board.

Internal Financial Controls:

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

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

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

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

During the year under review the Company has spent an amount of ₹ 1,61,73,500/- under the CSR activity. The report on CSR activities for FY 2024-25 is enclosed as **Annexure-III**. The Corporate Social Responsibility policy is available on the website of the Company and can be accessed through the web-link https://www.ikffinance.com/assets/pdf/policies/CSR%20Policy.pdf

COMPLIANCE WITH RBI DIRECTIONS:

Under erstwhile Master Direction - Non-Banking Financial Company - Systemically Important Non -Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, the Company was classified as an Non-Deposit Taking Systemically Important Non-Banking

Financial Company (NBFC-ND- SI). As per the present Master Direction — RBI (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023, the Company is classified under the "Middle Layer" category under the said framework.

DETAILS OF MONEY ACCEPTED FROM DIRECTOR:

During the period under review the Company has not accepted money in the form of unsecured loan from the director or relative of the director of the Company.

ANNUAL RETURN:

As required under Section 92(3) of the Companies Act, 2013, Annual return in Form MGT-7 would be available on the Company's website and can be accessed through the web-link https://www.ikffinance.com/financials.php

MATERIAL CHANGES AND COMMITMENTS, IF ANY:

There are no Material Changes and Commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS, IF ANY:

There are no significant and material orders passed by the regulators/courts/tribunals impacting going concern status and the Company's operations in future.

DIRECTORS & KEY MANAGERIAL PERSONNEL:

Directors:

Smt. Vasumathi Devi Koganti (DIN: 03161150), retired by rotation and was re-elected at the last Annual General Meeting of the Company held on September 30, 2024, in terms of Section 152 of the Companies Act, 2013.

During the year, there were changes in the composition of Board of Directors as given below:

- On February 13, 2024, Shri. Raman Uberoi and Shri. Kannan were appointed as additional directors (Non-Executive & Independent), and w.e.f., June 29, 2024 they were appointed as Independent Director(s) by the shareholders at the Extra Ordinary General Meeting held on June 29, 2024.
- On September 30, 2024, the tenure of Mr. Satyanarayana Prasad Kanaparti, Independent Director has ended.
- On November 05, 2024, Smt.Vasantha Lakshmi Vupputuri resigned from the position of Alternate Director to Dr. Sinha S Chunduri, Director of the Company.

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

Key Managerial personnel:

During the financial year, there was a change in the appointment of Key Managerial Personnel.

Mr. Ch Sreenivasa Rao, resigned from the position of Chief Financial Officer, w.e.f., November 05, 2024 and continuing as Company Secretary of the Company. Mr. Prakash Bhawnani was appointed as new Chief Financial Officer of the Company, w.e.f., November 05, 2024

Declaration by Independent Directors:

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

Familiarization programme for Independent Directors:

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

Independent Directors' Meeting:

The Independent Directors met on February 28, 2025 without the attendance of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR:

During the year, the Company has regularized two additional directors, Shri. Raman Uberoi and Shri. Kannan as Independent Directors of the Company. In the opinion of the Board all the Independent Directors of the Company possess integrity, experience, expertise and requisite proficiency required under all applicable laws and policies of the Company.

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.

CHANGE IN THE NATURE OF BUSINESS:

There was no change in the nature of business of the Company during the financial year 2024-25.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

During the financial year 2024-25, the Board of Directors have met nine times viz May 29, 2024, July 1, 2024, August 13, 2024, November 5, 2024, December 16, 2024, January 23, 2025, February 7, 2025, March 12, 2025 and March 28, 2025 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 POLICY:

The Nomination and Remuneration Policy containing guiding principles for payment of remuneration to Directors, Senior Management, Key Managerial Personnel and other employees including Non-executive Directors along with Board Evaluation criteria are provided in the Corporate Governance Report. The terms of reference are placed on Company's website and can be accessed through the web-link https://www.ikffinance.com/assets/pdf/policies/Nomination%20and%20Remuneration%20Policy.pdf.

The Composition of the Nomination and Remuneration Committee ("NRC") is provided in the Corporate Governance Report forming part of this report. All the recommendations made by the NRC were accepted by the Board.

Criteria of making payments to non-executive directors is also provided in the Corporate Governance Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

The Company, being a Non-Banking Finance Company registered with the Reserve Bank of India and engaged in the business of giving loans, is exempt from complying with the provisions of Section 186(2) to (13) 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 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All transactions entered by the Company with Related Parties were in the Ordinary course of Business and are at Arm's Length 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 2024-25 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** 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.

Related Party Disclosure – As per Point no A of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended the detailed disclosures were covered in the Financial Statements, which forms part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

(a) in the preparation of the annual accounts for the period ended March 31, 2025, 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.

(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; and

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

(a)	Number of complaints of sexual harassment received in the year	Nil
(b)	Number of complaints disposed off during the year	
(c)	Number of cases pending for more than ninety days.	

The Company has complied with provisions relating to the constitution of Internal Complaints Committee. There was no case of sexual harassment reported during the year under review.

MATERNITY BENEFIT ACT 1961:

The Company has duly complied with the applicable provisions of the Maternity Benefit Act, 1961, including the provision of maternity leave and other benefits to eligible women employees, as prescribed under the Act.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143 (12) OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT:

There were no frauds as reported by the Statutory Auditors under Sub-section 12 of Section 143 of the Companies Act, 2013 along with Rules made there-under other than those which are reportable to the Central Government.

NAME OF THE DEBENTURE TRUSTEES WITH FULL CONTACT DETAILS - DISCLOSURE UNDER REGULATION 53(e) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AS AMENDED:

1 IDBI Capital Trusteeship Services Limited
Asian Building, Ground Floor, 17,
R. Kamani Marg, Ballard Estate, Mumbai – 400 001,
Maharashtra, India
Contact No: 022-40807000
E-mail Id: itsl@idbitrustee.com

2 Vardhman Trusteeship Private Limited,
3rd Floor, Room No - 15 6, Lyons Range, Turner
Morrison House, Kolkata – 700 001,
West Bengal, India
Contact No: 022 42648335
E-mail Id: Corporate@vardhamantrustee.com

Details of revision of financial statement – Nil

DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT:

During the year under review, the Company had raised 663 Crore (Rupees Six Hundred and Sixty Three Crores through preferential issue/private placement of Non-Convertible Debentures ('NCDs'). The funds were utilised by the Company for its general corporate purposes. There has been no deviation in the utilisation of issue proceeds of Private Placement of Non-Convertible Debentures ('NCDs'), and Tier II Debt, from the Objects stated in the Private Placement Offer Letter.

SECRETARIAL STANDARDS:

The Company complies with all applicable Secretarial Standards.

OTHER DISCLOSURES:

Code of Conduct:

The Board has laid down Code of Conduct for Board Members, Key managerial personnel's, Senior Management's and Employees of the Company ('Codes'). The Code stands widely communicated across the Company at all times. The Board has also laid down a Code of Conduct for Independent Directors (forms part of the terms & conditions for appointment of independent director) pursuant to Section 149(8) read with Schedule IV of the Act, which is a guide to professional conduct for Independent Directors of the Company. All the Board Members and Senior Management Personnel have affirmed compliance with these Codes. These Codes are also accessible at the Company's website at the www.ikffinance.com

Recommendations of the Committees:

There have been no occasions during the year where the Board has declined any recommendations made by its Committees

Penalties and Strictures:

The Company confirms that there have been no instances of penalties, adverse orders, or strictures imposed by RBI, SEBI, Stock Exchanges, or any statutory authority pertaining to capital market matters in the past three years.

Breach of Covenant:

The Company has adhered to all covenants associated with borrowings and debt instruments during the year. It is further confirmed that there has been no instance of covenant breach in respect of Non-Convertible Debentures issued by the Company..

Fraud Risk Management ;

The Company has in place a comprehensive Fraud Risk Management Policy which lays down the framework for prevention, detection, and reporting of frauds. A dedicated Fraud Risk Management Committee has been constituted to oversee the implementation of the policy and to review fraud risk–related matters. The Committee meets at regular intervals to evaluate the effectiveness of fraud risk controls, monitor incidents, and ensure timely remedial actions. The Company remains committed to strengthening its internal control systems and fostering a culture of transparency and ethical conduct to mitigate fraud risks.

Disclosures by NBFC Systemically Important Non-Deposit Taking Company and Deposit taking Company Auction: Nil

PECUNIARY RELATIONSHIP/TRANSACTION WITH NON-EXECUTIVE DIRECTORS:

During the year under review, there were no pecuniary relationship/transactions of any non–executive directors with the Company, apart from sitting fees for attending meetings as directors.

CUSTOMER COMPLAINTS:

Particulars	As at March 31, 2025	As at March 31, 2024
(a) No. of complaints pending at the beginning of the year	0	0
(b) No. of complaints received during the year	61	55
(c) No. of complaints redressed during the year	61	55
(d) No. of complaints pending at the end of the year	-	-

PERPETUAL DEBT INSTRUMENTS (PDI):

During the financial year, the Company has not issued any Perpetual Debt Instruments (PDI).

REGISTRAR AND 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 Registrar and Share transfer agency for handling both physical and electronic transfers.

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATIONS THEREOF:

The key financial ratios were disclosed in the Financial Statements, which forms part of this Report.

HUMAN RESOURCES:

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

CAUTIONARY STATEMENT:

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company, being a non–banking finance Company (NBFC), 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	₹ 22,32,197

INDUSTRIAL RELATIONS:

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

THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:

During the year under review, Company has not made any application under The Insolvency and Bankruptcy Code, 2016 (31 of 2016).

THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE-TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof is not applicable.

ACKNOWLEDGMENTS:

Your Company will always keep interest of its customers, employees and the stakeholders as a priority and shall reciprocate their confidence reposed in the Company. It has been a mutually beneficial relationship and looks forward to their continued support.

For and on behalf of the Board
IKF Finance Limited

	Sd/-	Sd/-
	Gopala Kishan Prasad Vupputuri	**Vasumathi Devi Koganti**
Place: Vijayawada	Chairman & Executive Director	Managing Director
Date: August 6, 2025	DIN: 01817992	DIN: 03161150

REPORT ON CORPORATE GOVERNANCE

Our Company has voluntarily adopted Corporate Governance Report as per Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. 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, Debenture holders Confidence, Bankers Trust, Investor Steadfastness and Employee Loyalty. The Company has been growing over the past thirty 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

Composition and category:

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 independent Directors to ensure proper governance and management. As on March 31, 2025, the Board comprises Nine 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. During the year there were changes in the composition of Board of Directors as follows - Shri. Raman Uberoi who was appointed as an Additional Director (Non-Executive & Independent), w.e.f. February 13, 2024 was appointed as an Independent Director by the shareholders at the Extra ordinary General Meeting held on June 29, 2024. Shri. Kannan who was appointed as an Additional Director (Non-Executive & Independent), w.e.f. February 13, 2024 was appointed as an Independent Director by the shareholders at the Extra ordinary General Meeting held on June 29, 2024. Shri. Satyanarayana Prasad Kanaparti, Independent Director retired from the office, w.e.f., September 30, 2024. Smt. Vasantha Lakshmi Vupputuri has resigned from the position of alternate director to Shri. Satyanand Sinha Chunduri, w.e.f., November 11, 2024.

As on March 31, 2025, the Executive Directors of the Company were Shri. Gopala Kishan Prasad Vupputuri, Chairman & Executive Director, and Smt. Vasumathi Devi Koganti, Managing Director. Independent Directors of the Company were Shri. Sunil Rewachand Chandiramani, Shri. Sethuraman Ganesh, Shri. Kannan and Shri. Raman Uberoi. Shri. Satyanand Sinha Chunduri was the Non-Executive Non-Independent Director. Shri. Vinit Mukesh Mehta and Shri. Abhishek Agrawal were the Nominee Director(s) of Private Equity Investor(s).

Relationship between Directors:

Shri. Gopala Kishan Prasad Vupputuri is father of Smt. Vasumathi Devi Koganti, Managing Director. Shri. Satyanand Sinha Chunduri is Brother-In-Law of Shri. Gopala Kishan Prasad Vupputuri.

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

May 29, 2024	July 1, 2024	August 13, 2024
November 05, 2024	December 16, 2024	January 23, 2025
February 07, 2025	March 12, 2025	March 28, 2025

The details of attendance at Board Meetings and details of other Directorships, Committee Chairmanships / Memberships held by the Directors during the period from April 1, 2024 to March 31, 2025 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 other Committee in which director is a Chairman or Member	Names of the Listed entity (including Debt Listed Companies)	Category of Directorship
Gopala Kishan Prasad Vupputuri	Chairman & Executive Director	8	88.89%	Yes	2	-	IKF Home Finance Limited	Promoter
Vasumathi Devi Koganti	Managing Director	9	100%	Yes	1	0	IKF Home Finance Limited	Promoter
Satyanarayana Prasad Kanaparti (Upto September 30, 2024)	Independent Director	3	100%	Yes	0	0	-	Independent
Satyanand Sinha Chunduri / Vasantha Lakshmi Vupputuri Alternate Director to Satyanand Sinha Chunduri (Upto November 5, 2024)	Director	3	75%	Yes	1	0	IKF Home Finance Limited	Promoter
Vinit Mukesh Mehta	Nominee Director	9	100%	No	2	2	1. IKF Home Finance Limited (Up to May 14, 2025)	Nominee Director
Sunil Rewachand Chandiramani	Independent Director	9	100%	Yes	9	7	1. Updater Services Limited 2. Sapphire Foods India Limited 3. Rupa & Company Ltd 4. Kaltpataru Limited	Independent Director
Abhishek Agrawal	Nominee Director	8	88.89%	Yes	2	2	Annapurna Finance Private Limited	Nominee Director
Sethuraman Ganesh	Independent Director	8	88.89%	Yes	1	1	Indel Money Limited	Independent Director
Raman Uberoi	Independent Director	9	100%	No	3	3	1. Dvara Kshetriya Gramin Financial Services Private Limited 2. PG Electroplast Limited	Independent Director
Kannan	Independent Director	9	100%	No	1	2	-	Independent Director

Shri. Sunil Rewachand Chandiramani, Shri. Sethuraman Ganesh and Shri. Raman Uberoi holds directorship in other listed entities.

During the financial year, the Board has accepted all the recommendation(s) of all the Committees of the Board.

*Board Committees for this purpose means only Audit Committee and Stakeholders Relationship Committee.

Committees:

(3) AUDIT COMMITTEE:

The terms of reference of the Audit Committee are broadly inter alia as follows:

a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

b. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

c. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

d. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval;

e. Review of compliances and review of systems and controls;

f. approval or any subsequent modification of transactions with related parties.

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 Committee was reconstituted on July 01, 2024 comprises of Shri. Sunil Rewachand Chandiramani, Independent Director as Chairman of the Committee and Shri. Satyanarayana Prasad Kanaparti, Shri. Sethuraman Ganesh, Shri. Kannan, Shri. Raman Uberoi, Independent Directors and Shri. Vinit Mukesh Mehta and Shri. Abhishek Agrawal, Nominee Directors as members of the Committee. Further Shri. Satyanarayana Prasad Kanaparti, retired on September 30, 2024. The Executive Directors, Statutory Auditors, Internal Auditors and other Functional Heads are invitees to the Committee Meetings.

During the year the committee met 9 times on May 28, 2024, July 1, 2024, August 13, 2024, November 05,2024, December 16, 2024, January 23, 2025, February 07, 2025, March 12, 2025 and March 28, 2025. The details of members and their attendance at the committee meetings are given below:

Name of the Director	No of Audit Committee Meetings held	No of Audit Committee Meetings attended	% of total Meetings attended
Shri. Satyanarayana Prasad Kanaparti (Up to September 30, 2024)	3	3	100%
Shri. Sunil Rewachand Chandiramani	9	9	100%
Shri. Kannan (W.e.f., July 1, 2024)	7	7	100%
Shri. Raman Uberoi (W.e.f., July 1, 2024)	7	7	100%
Shri. Sethuraman Ganesh	9	8	88.89%
Shri. Vinit Mukesh Mehta	9	8	88.89%
Shri. Abhishek Agrawal	9	9	100%

The previous Annual General Meeting ("AGM") of the Company was held on September 30, 2024 and was attended by Shri. Satyanarayana Prasad Kanaparti, Chairman of the Audit Committee.

(4) NOMINATION & REMUNERATION COMMITTEE:

The Nomination & Remuneration Committee was constituted in accordance with the provisions of Section 178 of the Companies Act, 2013. The Committee was reconstituted on July 1, 2024 with Shri. Raman Uberoi, Independent Director as Chairman of the Committee and Shri. Satyanarayana Prasad Kanaparti and Shri. Sethuraman Ganesh, Independent Directors and Shri. Vinit Mukesh Mehta and Shri. Abhishek Agrawal, Nominee Directors as members of the Committee. Further Shri. Satyanarayana Prasad Kanaparti, retired on September 30, 2024. During the year, the committee met seven times on May 28, 2024, July 1, 2024, October 28, 2024, December 16, 2024, February 07, 2025, March 12, 2025, and March 28, 2025.

The terms of reference of the Committee, inter alia, includes formulation of criteria for determining qualifications, positive attributes and independence of a director, recommendation of persons to be appointed to the Board and senior management and specifying the manner for effective evaluation of performance of Board, its Committees, Chairperson and individual directors, recommendation of remuneration policy for directors, key managerial personnel and other employees, formulation of criteria for evaluation of performance of independent directors and the Board. The Committee also reviews the remuneration of the senior management team.

Attendance of each Director at Nomination & Remuneration Committee Meeting

Name of the Director	Category	Number of committee meetings	
		Held	Attended
Shri. Raman Uberoi (W.e.f., July 1, 2024)	Independent Director	5	5
Shri. Vinit Mukesh Mehta	Nominee Director	7	5
Shri. Satyanarayana Prasad Kanaparti (Up to September 30, 2024)	Independent Director	2	2
Shri. Abhishek Agrawal	Nominee Director	7	6
Shri. Sethuraman Ganesh	Independent Director	7	6

Criteria for Performance evaluation:

(i) Remuneration Policy:

The Policy inter alia provides for the following:

(a) attract, recruit, and retain good and exceptional talent;

(b) list down the criteria for determining the qualifications, positive attributes, and independence of the directors of the Company;

(c) ensure that the remuneration of the directors, key managerial personnel and other employees is performance driven, motivates them, recognises their merits and achievements and promotes excellence in their performance;

(d) motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;

(e) ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and

(f) fulfill the Company's objectives and goals, including in relation to good corporate governance, transparency, and sustained long-term value creation for its stakeholders.

(ii) Remuneration paid to Directors

Remuneration to Executive Directors:

The Managing Director, and Executive 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 the Executive Directors during the year 2024-25 are given below:

Name of the Director	Remuneration (in ₹)	Allowances	Commission (in ₹)
Gopala Kishan Prasad Vupputuri	₹ 1,44,00,000	NIL	₹ 1,93,85,000
Vasumathi Devi Koganti	₹ 72,00,000	NIL	₹ 95,48,000

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

Remuneration to Non-Executive Directors

a) Details of Sitting Fees paid to Non-Executive Directors during the financial year 2024-25

The details of sitting fees paid/payable to Non-Executive Directors during the financial year 2024-25 was.

Name of the Director	Sitting Fee (in ₹)					Total
	Board Meetings	Audit Committee Meetings	N & R Committee Meetings	Risk Management Committee Meeting	Stakeholders Relationship Committee Meetings	
Shri. Sunil Rewachand Chandiramani	6,75,000	4,50,000	2,50,000	-	1,50,000	15,25,000
Shri. Satyanarayana Prasad Kanaparthi	2,25,000	1,50,000	1,00,000	-	50,000	5,25,000
Shri. Sethuraman Ganesh	6,00,000	4,00,000	3,00,000	-	-	13,00,000
Shri. Kannan	6,75,000	4,50,000	-	-	-	11,25,000
Shri. Raman Uberoi	6,75,000	4,50,000	-	-	1,00,000	12,25,000

The Sitting fees paid is as per Rule 4 of Companies (Appointment and Remuneration of Directors) Rules, 2014.

b) Number of Shares and Convertible Instruments held by Non-executive Directors:

Name of the Non-Executive Director	No. of Equity Shares	No. of Convertible Instruments
Shri. Sethuraman Ganesh	Nil	Nil
Shri. Satyanand Sinha Chunduri	1,17,700	Nil
Smt. Vasantha Lakshmi Vupputuri (Upto November 5, 2024)	24,91,794	Nil
Shri. Sunil Rewachand Chandiramani	69,768	Nil
Shri. Kannan	Nil	Nil
Shri. Raman Uberoi	Nil	Nil

c) Familiarisation Programme:

The Company has Familiarisation Programme for the Independent Directors with respect to the Company, their roles, rights, responsibilities and details of such Familiarisation Programme is available in the Company's website and can be accessed through the web-link https://www.ikffinance.com/assets/pdf/policies/Policy%20on%20Familiarisation%20Programme%20for%20Independent%20Directors.pdf.

d) The list of core skills/ expertise/competencies as identified by the Board of Directors as required in the context of business and sector for it to function effectively and those actually available with the Board of Directors:

Industry, Accounts & Finance, Taxes, Legal, Marketing, Branding, Risks, Administration and Governance.

List of Directors possessing the skills/expertise and competencies:

Name of the Director	Skills/Expertise and Competencies
Shri. Gopala Kishan Prasad Vupputuri	Industry, Marketing, Branding, Risks, Administration
Smt. Vasumathi Devi Koganti	Industry, Marketing, Branding, Risks, Administration
Shri. Satyanarayana Prasad Kanaparti (Upto September 30, 2024)	Risks, Administration and Governance
Shri. Sinha S Chunduri	Accounts & Finance
Shri. Vinit Mukesh Mehta	Accounts & Finance, Taxes, Legal & Governance
Shri. Sunil Rewachand Chandiramani	Accounts & Finance, Taxes, Legal & Governance
Shri. Abhishek Agrawal	Accounts & Finance, Taxes, Legal & Governance
Shri. Sethuraman Ganesh	Risks, Administration and Governance
Shri. Raman Uberoi	Risks, Administration and Governance
Shri. Kannan	Risks, Administration and Governance

e) Confirmation by the Board:

The Board hereby confirms that the Independent Directors fulfil the conditions specified in these regulations and are independent of the management.

f) Resignation of Independent Director:

There were no resignations of Independent Directors during the year. Shri. Satyanarayana Prasad Kanaparti, Independent Director was retired on September 30, 2024 due to completion of his tenure. The Board wishes to place on record its deep appreciation and gratitude for the extraordinary contributions made by Shri. Satyanarayana Prasad Kanaparti, Independent Director during his association with the Company.

(5) STAKEHOLDER RELATIONSHIP AND GRIEVANCE REDRESSAL COMMITTEE:

The Stakeholders Relationship and Grievance Redressal Committee was constituted in accordance with the provisions Section 178 of the Companies Act, 2013 and Rules made thereunder. During the year there was no complaints received by the Company.

The Committee was reconstituted on July 1, 2024 with Shri. Sunil Rewachand Chandiramani, Independent Director as Chairman of the Committee and Shri. Satyanarayana Prasad Kanaparti and Shri. Raman Uberoi, Independent Directors, Shri. Abhishek Agrawal, Nominee Director as members of the Committee. Further Shri. Satyanarayana Prasad Kanaparti, Independent Director was retired on September 30, 2024

During the year, the committee met three times on May 28, 2024, October 28, 2024, and February 4, 2025.

Attendance of each Director at Stakeholder Relationship and Redressal Committee Meeting

Name of the Director	Category	Number of committee meetings	
		Held	Attended
Shri. Sunil Rewachand Chandiramani	Independent Director	3	3
Shri. Raman Uberoi (W.e.f., July 1, 2024)	Independent Director	2	2
Shri. Satyanarayana Prasad Kanaparti (Upto September 30, 2024)	Independent Director	1	1
Shri. Abhishek Agrawal	Nominee Director	3	3

During the period under review, the Company has not received any complaints from the stakeholders.

(6) RISK MANAGEMENT COMMITTEE:

On July 1, 2024, the Risk Management Committee was reconstituted with Shri. Gopala Kishan Prasad Vupputuri, as Chairman of the Committee and Shri. Raman Uberoi, Independent Director, Smt. Vasumathi Devi Koganti, Managing Director, Shri. Vinit Mukesh Mehta and Shri. Abhishek Agrawal, Nominee Directors as members of the Committee. The Risk Management Committee was formed to review and monitor Risk Management policies and systems from time to time.

During the year 2024-25 the committee met 5 times on May 28, 2024, August 9, 2024, October 29, 2024, December 16, 2024 and February 4, 2025. The terms of reference of the Committee include review of operational, reputational and market risks. The other terms inter alia, include, managing the integrated risk, laying down procedures to inform the Board about risk assessment and minimisation procedures in the Company, and framing, implementing, monitoring the risk management plan for the Company.

Attendance of each Director at Risk Management Committee Meetings

Name of the Director	Category	Number of committee meetings	
		Held	Attended
Shri. Gopala Kishan Prasad Vupputuri	Executive Director	5	4
Shri. Raman Uberoi	Independent Director	4	4
Shri. Abhishek Agrawal	Nominee Director	5	4
Smt. Vasumathi Devi Koganti	Managing Director	5	5
Shri. Vinit Mukesh Mehta	Nominee Director	5	4

Other Committees:

(a) Asset Liability Management Committee:

On July 1, 2024, the Asset Liability Management Committee was reconstituted with Shri. Gopala Kishan Prasad Vupputuri as Chairman of the Committee and Smt. Vasumathi Devi Koganti, Managing Director, Shri. Vinit Mukesh Mehta and Shri. Abhishek Agrawal, Nominee Directors, Mr. N Rama Raju, Chief Executive Officer, Mr. Vaibhav Asthekar, National Credit Head and Mr. Chakrapani Gollamudi, Chief Risk Officer as members of the Committee. Further, it was re-constituted on May 22, 2025. The Asset Liability Management 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 financial year 2024-25 the committee met 4 times on May 28, 2024, August 12, 2024, October 29, 2024 and February 4, 2025.

Attendance of each Director at Asset Liability Management Committee Meeting

Name of the Director	Category	Number of committee meetings	
		Held	Attended
Shri. Gopala Kishan Prasad Vupputuri	Executive Director	4	3
Shri. Abhishek Agrawal	Nominee Director	4	4
Smt. Vasumathi Devi Koganti	Managing Director	4	4
Shri. Vinit Mukesh Mehta	Nominee Director	4	3
Shri. N. Rama Raju (up to March 31, 2025)	Chief Executive Officer	3	2
Shri. Vaibhav Asthekar (up to May 23, 2025)	National Credit Head	3	2
Shri. Chakrapani Gollamudi	Chief Risk Officer	3	3

(b) Management Committee:

The Management Committee comprises Shri. Gopala Kishan Prasad Vupputuri as Chairman, Shri. Satyanarayana Prasad Kanaparti, Independent Director and Smt. Vasumathi Devi Koganti, Managing Director as Members of the Committee. Due to retirement of Shri. Satyanarayana Prasad Kanaparti, Independent Director on September 30, 2024, the Committee was further reconstituted on November 5, 2024 Shri. Gopala Kishan Prasad Vupputuri as Chairman, Shri. Kannan, Independent Director and Smt. Vasumathi Devi Koganti as Members The management Committee was formed to review and monitor borrowings, assignment and securitization transactions, day to day management activities, etc, from time to time. During the year 2024-25, the committee met 47 times May 27, 2024, June 15, 2024, June 25, 2024, June 26, 2024, June 29, 2024, July 11, 2024, July 16, 2024, July 19, 2024, July 25, 2024, July 27, 2024, July 31, 2024, August 01, 2024, August 07, 2024, August 27, 2024, August 30, 2024, September 9, 2024, September 17, 2024, September 23, 2024, September 24, 2024, September 25, 2024, September 26, 2024, September 28, 2024, October 1, 2024, October 8, 2024, October 17, 2024, November 6, 2024, November 13, 2024, November 19, 2024, December 10, 2024, December 17, 2024, December 24, 2024, December 31, 2024, January 10, 2025, January 21, 2025, January 28, 2025, January 30, 2025, February 3, 2025, February 22, 2025, February 24, 2025, February 25, 2025, February 28, 2025, March 6, 2025, March 11, 2025, March 20, 2025, March 21, 2025, March 24, 2025 and March 26, 2025.

Name of the Director	Category	Number of committee meetings	
		Held	Attended
Gopala Kishan Prasad Vupputuri	Executive Director	47	47
Satyanarayana Prasad Kanaparti (Upto September 30, 2024)	Independent Director	22	22
Vasumathi Devi Koganti	Managing Director	47	47
Kannan (W.e.f., November 5, 2024)	Independent Director	22	22

(6) REMUNERATION OF DIRECTORS

Pecuniary relationship/transaction with non-executive directors

During FY 2024-25, there were no pecuniary relationship/transactions of any non–executive directors with the Company, except payment of sitting fees for attending Board Meetings. During FY 2024-25, the Company did not advance any loans to any of its directors.

Criteria of making payments to non-executive directors

Non-executive directors of the Company play a crucial role in the independent functioning of the Board. They bring in an external perspective to decision-making and provide leadership and strategic guidance while maintaining objective judgment. They also oversee the corporate governance framework of the Company.

Details of Remuneration of directors

Non-Executive Directors (Independent) do not receive any remuneration from the Company and except sitting fee of ₹ 75,000/- per Board Meetings and ₹ 50,000 per committee meeting(s). Details of remuneration, sitting fees and commission paid to the Directors are provided in the Form MGT-7 (annual return) which is hosted on the website of the Company and can be accessed through the web-link https://www.ikffinance.com/investors.php#heading7new.

(7) GENERAL BODY MEETINGS:

a) Time and location of last three Annual General Meetings and Special Resolutions passed by the members in the past 3 AGMs.

AGM	Day	Date	Time	Venue	Special Resolutions passed
33rd AGM	Monday	September 30, 2024	11.00 AM	In Person Meeting	• Revise the Borrowing Powers of the Company of ₹ 6000 Crores. • Renew the power of Board of Directors of the Company to lease and mortgage of the property (ies) of the Company. • Issue of Non-Convertible Debentures (NCD)/ Tier II Debt(s)/ Commercial Papers/Bonds on Private Placement Basis.
32nd AGM	Friday	September 29, 2023	11.00 AM	In Person Meeting	• Authorization to issue of Non-Convertible Debentures (NCD)/Tier II Debt(s)/Commercial Papers/Bonds on Private Placement Basis.

AGM	Day	Date	Time	Venue	Special Resolutions passed
					• To revise the remuneration of Shri. Vupputuri Gopala Kishan Prasad (DIN: 01817992), Chairman and Executive Director of the Company. • Appointment of Shri. Sethuraman Ganesh (DIN: 07152185), Additional Director as an Independent Director of the Company. • Amendment in the Articles of Association of the Company
31st AGM	Friday	September 30, 2022	11.00 AM	Through Video Conference / Audio-visual means	• Renew the Borrowing Powers of the Company of ₹ 5000 Crores. • Renew the power of Board of Directors of the Company to lease and mortgage of the property (ies) of the Company. • Issue of Non-Convertible Debentures (NCD)/ Tier II Debt(s)/ Commercial Papers/Bonds on Private Placement Basis. • Approve re-appointment of Sri. Vupputuri Gopala Kishan Prasad as Chairman and Executive Director of the Company. • Approve re-appointment of Smt. Indira Devi Vupputuri as Whole-Time Director of the Company. • Approve re-appointment of Smt. Vasumathi Devi Koganti as Managing Director of the Company.

b) No special resolution was proposed to be passed through postal ballot.

c) No special resolution is proposed to be passed through postal ballot.

(8) MEANS OF COMMUNICATION:

The half yearly financial results are published in "Business Line" (English) and "Praja Shakthi" (Telugu) and website of the Company and can be accessed through the web-link https://www.ikffinance.com/investors.php#heading7new.

The Company has not made any presentations to institutional investors or to the analysts.

(9) GENERAL INFORMATION TO SHAREHOLDER:

General Body Meeting, Day, Date, Time &Location

34th Annual General Meeting will be held on Tuesday, September 30, 2025 at 11.30 A.M., at the Registered Office of the Company situated at #40-1-144, 3rd Floor, Corporate Center, M.G. Road, Vijayawada – 520010, Andhra Pradesh.

Financial Calendar

Financial Year - 1stApril 2024 to 31st March 2025.

Dividend Payment

Your Directors' have not recommended payment of dividend for the financial year ended 31st March 2025 since it is proposed to retain the same in the business.

Stock Exchange(s) at which the securities are listed

None of the equity shares and convertible securities are listed on any Stock Exchange.

The Non-convertible Debentures are listed on the debt market of BSE.

Annual listing fees, as prescribed, have been paid to the said stock exchange.

Suspension from trading

No securities of the Company were suspended from trading during the FY 2024-25.

Book Closure dates

September 22 2025 to September 30, 2025

Share Transfers

There was no physical transfer of shares.

The Company's shares are being compulsorily traded in dematerialized form with effect from 1st April, 2003. M/s. Bigshare Services Private Limited, who have been appointed as the Registrar and Share Transfer Agents of the Company for both physical and electronic segments have attended to the share transfer formalities regularly. 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, Rajbhavan Road, Somajiguda, Hyderabad – 500 082, Tel. No.: 040-23374967, Fax No.: 040-23374295, Email: bsshyd@bigshareonline.com.

Outstanding GDRs or ADRs or Warrants or any Convertible Instruments, conversion date and likely impact on equity

Not Applicable as the Company doesn't issue any GDRs or ADRs or Warrants or any Convertible Instruments.

Commodity price risk or foreign exchange risk and hedging activities

The Company does not hedge its exposure to commodity price risks. The Company also does not hedge foreign exchange risks.

Plant location

Not Applicable

Distribution of Shareholding as on March 31, 2025:

Shareholdings		Shareholders		Share Amount	
₹	₹	No	% of total	₹	% of total
Up to	5,000	1334	92.84	7115750	1.01
5,001	10,000	18	1.25	1440330	0.21
10,001	20,000	10	0.70	1329450	0.19
20,001	30,000	2	0.14	559160	0.08
30,001	40,000	3	0.21	953950	0.14
40,001	50,000	9	0.63	4188090	0.60
50,001	1,00,000	32	2.22	26720080	3.80
1,00,001	& above	29	2.02	659257640	93.97
Total		**1437**	**100.00**	**701564450**	**100.00**

Shareholding Pattern as on March 31, 2025:

Category	Total Shareholders	% of Shareholders	Total Shares	%
Clearing Member	6	0.41%	94087	0.13%
Corporate Bodies	38	2.62%	1536762	2.19%
Foreign Company	3	0.21%	24214336	34.51%
Foreign Promoters	2	0.14%	1611800	2.30%
Non-Resident Indians	15	1.03%	7521	0.01%
Promoters	5	0.31%	28441453	40.54%
Public	1366	95.10%	6296468	8.98.32%
Trusts (Domestic Companies)	2	0.14%	7954018	11.34%
Total	**1437**	**100.00%**	**70156445**	**100%**

Dematerialization of Shares & Liquidity

Total No of Shares as on March 31, 2025 is 7,01,56,445. Shares in demat form as on 31st March, 2025 was 7,00,58,807 and physical form 97,638.

Address for correspondence and any assistance/clarification

Compliance Officer:

Shri. Ch. Sreenivasa Rao, Company Secretary and Compliance Officer, IKF Finance Limited, D. No.: 40-1-144, Corporate Centre, M.G. Road, Vijayawada – 520010.

List of all credit ratings obtained during the year:

The credit ratings obtained during the year were disclosed in the Directors' Report, which forms part of this Report.

(10) OTHER DISCLOSURES:

Materially significant related party transactions

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 that may have potential conflict with the interests of listed entity at large.

Details of non - compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years – Nil

Details of establishment of vigil mechanism / whistle blower policy – The details of establishment of vigil mechanism / whistle blower policy are disclosed in the Directors' Report, which forms part of this Report.

Details of compliance with mandatory requirements and adoption of the nonmandatory requirements - The Company has complied with all the mandatory requirements and regulations as applicable to the Company.

Web link where policy for determining 'material' subsidiaries is disclosed – https://www.ikffinance.com/assets/pdf/policies/Policy%20on%20Material%20Subsidiaries.pdf.

Web link where policy on dealing with related party transactions – https://www.ikffinance.com/assets/pdf/policies/Related%20Party%20Transaction%20Policy.pdf.

Details of utilization of funds raised through preferential allotment or qualified institutions placement – The details of utilization of funds raised through preferential allotment are disclosed in the Directors' Report, which forms part of this Report.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 – The disclosures in relation to the Sexual Harassment of Women at Workplace are disclosed in the Directors' Report, which forms part of this Report.

Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount' – The disclosures in relation to the Loans and Advances are disclosed in the Financial Statements, which forms part of this Report.

Details of material subsidiaries:

Name of the Material Subsidiary	IKF HOME FINANCE LIMITED
Date of Incorporation	05.08.2002
Address of the Registered Office	40-1-144, 01st Floor, Corporate Centre, M.G. Road, Vijayawada – 520010, Andhra Pradesh, India
Address of the Corporate Office	My Home Twitza, 11th Floor, Plot no's – 30/A, Survey no - 83/1 Diamond Hills, Lumbini Avenue, beside 400/220/132kv GIS Substation, APIIC Hyderabad Knowledge City, Raidurg, Hyderabad – 500081, Telangana, India
Place of Incorporation	Vijayawada
Name of the Statutory Auditors	K.S.RAO & CO
Date of Appointment	30.09.2022

The Company has complied with the requirement of Corporate Governance Report of sub-paras (2) to (10) as mentioned under Clause (C) of Schedule V of Listing Regulations.

Discretionary requirements as specified in Part E of Schedule II of Listing Regulations – Not applicable

The Company is in compliance with the requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations, as applicable, with regard to Corporate Governance – Not applicable

Total fees for all services paid by to the statutory auditor (in Lacs)

Particulars	**Year ended March 31, 2025**	**Year ended March 31, 2024**	**Year ended March 31, 2023**
Auditor's remuneration			
- Audit fees	39.50	31.00	16.00
In other capacity	-	-	-
- Certification services	3.70	2.05	10.20
Other of pocket expenses	-	-	-
Total	**43.20**	**33.05**	**26.20**

DECLARATION BY MANAGING DIRECTOR REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

As required by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, applicable to the Company, I affirm that Board Members and the Senior Management Personnel have confirmed compliance with the Codes of Conduct, as applicable to them, for the year ended March 31, 2025.

Sd/-
Vasumathi Devi Koganti
Managing Director
DIN: 03161150

Place: Vijayawada
Date: August 6, 2025

ANNEXURE-I

STATEMENT CONTAINING THE SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES

[Pursuant to first proviso to Sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014]

AOC-1

Part "A": Subsidiaries

(Amount in Lakhs, unless otherwise stated)

Name of the subsidiary	IKF Home Finance Limited
Financial period ended	March 31, 2025
Exchange rate	Not Applicable
Share capital	6,924.82
Reserves & surplus	17,726.92
Total assets	1,38,403.26
Total liabilities (excluding share capital and reserves & surplus)	1,13,751.51
Investments	436.31
Turnover	20,324.03
Profit/(Loss) before taxation	4,528.06
Provision for taxation	1,151.65
Profit / (Loss) after taxation	3,376.41
% of shareholding	90.55%

1. Names of subsidiaries which are yet to commence operations: Nil
2. Names of subsidiaries which have been liquidated or sold during the year: Nil

Part "B": Associate Company

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Company.

As on March 31, 2025, the Company did not have any associate or joint ventures.

1. Names of associates or joint ventures which are yet to commence operations: Nil
2. Names of associates or joint ventures which have been liquidated or sold during the year: Nil

For and on behalf of the Board
IKF Finance Limited

Sd/-
Gopala Kishan Prasad Vupputuri
Chairman & Executive Director
DIN: 01817992

Sd/-
Vasumathi Devi Koganti
Managing Director
DIN: 03161150

Place: Vijayawada
Date: August 6, 2025

ANNEXURE-II

FORM NO. MR-3

Secretarial Audit Report

For the Financial Year ended on March 31, 2025

[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,
IKF Finance Limited,
40-1-144, 3rd Floor, Corporate Centre,
M.G. Road, Vijayawada – 520010, Krishna,
Andhra Pradesh.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **IKF 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, we hereby report that in our opinion, the Company, during the audit period covering the financial year ended on March 31, 2025, 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, 2025 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, 2021; **(Not applicable to the Company during the audit period)**

  (e). The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

  (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, 2021; **(Not applicable to the Company during the audit period)** and

  (h). The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the audit period)**

(vi) The Employees Provident Fund and Miscellaneous Provisions Act, 1952;

(vii) Employees State Insurance Act, 1948;

(viii) Employers Liability Act, 1938;

(ix) Equal Remuneration Act, 1976;

(x) Maternity Benefits Act, 1961;

(xi) Minimum Wages Act, 1948;

(xii) Negotiable Instruments Act, 1881;

(xiii) Payment of Bonus Act, 1965;

(xiv) Payment of Gratuity Act, 1972;

(xv) Payment of Wages Act, 1936 and other applicable labour laws;

(xvi) Laws specifically applicable to the industry to which the Company belongs, as identified by the Management:

i. 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, to the extent applicable to the Company

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

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

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

We further report that

The Board of Directors of the Company has been duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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.

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 passed 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:

During the year under review:

(a) the Company has altered its object clause and capital clause of the Memorandum of Association;

(b) the Articles of Association of the Company have been amended and adopted restated Articles of Association;

(c) the Company has approved ESOP scheme for its employees and employee of subsidiary Company;

(d) the Company has made private placement of Non-Convertible Debentures as per the applicable provisions of the Companies Act, 2013 and rules made thereunder and applicable SEBI Regulations.

(e) The Company has enhanced the borrowing powers from ₹ 5,000 crores to Rs. 6,000 crores pursuant to Section 180(1)(c) of the Companies Act, 2013.

(f) The Company has considered and approved the issuance of Non-Convertible Debentures (NCDs) / Tier II Debt(s) / Commercial Papers / Bonds up to ₹ 3,000 crores on a private placement basis

for **B S S & Associates**
Company Secretaries

Sd/-
B. Sathish
Partner
ACS No.: 27885
C P No.: 10089
Peer review No: 726/2020
UDIN: A027885G000920986

Place: Hyderabad
Date: August 6, 2025

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

Annexure-A

To,
The Members,
IKF Finance Limited,
40-1-144, 3rd Floor, Corporate Centre,
M.G. Road, Vijayawada – 520010, Krishna, Andhra Pradesh.

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

Sd/-
B. Sathish
Partner
ACS No.: 27885
C P No.: 10089
Peer review No: 726/2020
UDIN: A027885G000920986

Place: Hyderabad
Date: August 6, 2025

ANNEXURE-III

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**:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri. Satyanarayana Prasad Kanaparti (Up to September 30, 2024)	Chairman	1	1
2.	Shri. Kannan (w.e.f July 1, 2024)	Chairman	2	2
3.	Shri. Gopala Kishan Prasad Vupputuri	Member	3	2
4.	Shri. Vinit Mukesh Mehta	Member	3	1
5.	Shri. Abhishek Agrawal	Member	3	3

3. Provide the web-link(s) where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company

   The details are available on our website at: https://www.ikffinance.com/assets/pdf/policies/CSR%20Policy.pdf.

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

   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, impact assessment is not applicable to the Company.

5. (a) **Average net profit of the Company as per sub-section (5) of section 135:** ₹ 75,00,19,733/-

   (b) **Two percent of average net profit of the Company as per sub-section (5) of section 135:** ₹ 1,50,00,395/-

   (c) **Surplus arising out of the CSR projects or programs or activities of the previous financial years:** Nil

   (d) **Amount required to be set off for the financial year, if any:** *0

   (e) **Total CSR obligation for the financial year [(b)+(c)-(d)]:** ₹ 1,51,00,395/-

   **As the Company does not wish to set off the excess amount spent*

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹ 1,61,73,500/-

(b) **Amount spent in Administrative Overheads:** Nil

(c) **Amount spent on Impact Assessment, if applicable:** Nil

(d) **Total amount spent for the Financial Year [(a)+(b)+(c)]:** ₹ 1,61,73,500 /-

(e) **CSR amount spent or unspent for the Financial Year**

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	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 the Fund	Amount	Date of transfer
₹ 1,61,73,500/-	--	--	--	--	--

(f) **Excess amount for set off, if any**

Sl. No.	Particulars	Amount (in ₹)
(1)	**(2)**	**(3)**
(i)	Two percent of average net profit of the Company as per sub section 5 of section 135	1,50,00,395/-
(ii)	Total amount spent for the Financial Year	1,61,73,500/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	11,73,105
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	11,73,105

7. (a) **Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:**

1	2	3	4	5	6		7	8
Sl. No	Preceding Financial Year(s)	Amount transferred to unspent CSR Account under sub section (6) of Section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	2023-24	Nil	Nil	Nil	Nil	-	-	-
2	2022-23	Nil	Nil	Nil	Nil	-	-	-
3	2021-22	Nil	Nil	Nil	Nil	-	-	-
Total				**Nil**				

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable

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

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

Sd/-
Kannan
Chairman of CSR Committee
DIN: 01354529

Sd/-
Vasumathi Devi Koganti
Managing Director
DIN: 03161150

Place: Vijayawada
Date: August 6, 2025

ANNEXURE-IV

AOC-2

Particulars of contracts / arrangements made with related parties

[Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014]

This Form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in Section 188(1) 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**

   There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2025, 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, 2025.

For and on behalf of the Board
IKF Finance Limited

Sd/-
Gopala Kishan Prasad Vupputuri
Chairman & Executive Director
DIN: 01817992

Sd/-
Vasumathi Devi Koganti
Managing Director
DIN: 03161150

Place: Vijayawada
Date: August 6, 2025

INDEPENDENT AUDITOR'S REPORT

To the Members of
IKF FINANCE Limited

Report on the Audit of Standalone Financial Statements

OPINION

We have audited the Standalone Financial Statements of IKF Finance Ltd ("the Company"), which comprises the Standalone Balance Sheet as at March 31, 2025, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income),Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, the relevant circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ('RBI Guidelines') and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements of the current period due to their significance to the Standalone Financial Statements, the risk of material misstatement, and the degree of management judgment involved. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Impairment of loans and advances and expected credit losses

Key audit matter	**How the matter was addressed in our audit**
Refer to the accounting policies in Note 2.6 (f) to the Standalone Financial Statements: ''Impairment of Financial Assets", Note 6 to the Standalone Financial Statements: "Loans" and Note 46.2 to the Standalone Financial Statements: 'Credit Risk"	
As on March 31, 2025, the company has reported gross loan assets of Rs.4,57,356.74 lakhs against which an impairment loss of Rs 5,969.11 Lakhs has been recorded. The Company recognized impairment provision for Loan assets based on the Expected Credit Loss ("ECL") approach laid down under 'IND AS 109- Financial Instruments' Recognition and measurement of ECL involves significant management judgement and estimates and the use of different modelling techniques and assumptions which could have a material impact on reported profits. The Company's impairment allowance is computed based on estimates including the historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors. The most significant areas are:	We have performed the following key audit procedures: • Performed process walkthroughs to identify the key systems, applications and controls used in the impairment loss allowance processes. • Assessed the design and implementation of controls in respect of the Company's impairment allowance process such as the timely recognition of impairment loss, the completeness and accuracy of reports used in the impairment allowance process and management review processes over the calculation of impairment allowance and the related disclosures on credit risk management. • Testing management's controls over authorization and calculation of post model adjustments and management overlays, if any.

Key audit matter	How the matter was addressed in our audit
a. Asset staging criteria b. Calculation of probability of default/ Loss given default/ Credit conversion factor. c. Allocation of weights i.e., expected variability in losses basis different risk factors. d. Consideration of probability of forward looking macro-economic factors. The Company has a Board approved policy on ECL to ensure the compliance with Ind AS 109 requirements and the basis of all assumptions for underlying inputs to the ECL model. The Company has applied a three-stage approach to measure expected credit losses / impairment loss allowance (ECL) on financial instruments accounted for at amortized cost and fair value through other comprehensive income. We have identified measurement of ECL as a key audit matter in view of the significant judgement and assumptions involved. Disclosures: The disclosures regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL results.	• Evaluated whether the methodology applied by the Company is compliant with the requirements of the relevant accounting standards and confirmed that the calculations are performed in accordance with the approved methodology. • Testing the governance framework for validation, implementation and model monitoring in line with the RBI guidance including the Board approved ECL policy. • Assessed whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment loss allowance in the Standalone Financial Statements are appropriate and sufficient. • We have also obtained management representations wherever considered necessary.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information in the Director's Report and Annual Report but does not include the standalone financial statements and our Auditor's report thereon. The Director's Report and Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the Director's Report and Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the state of affairs, profit /loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the Management and 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.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

As part of an audit in accordance with SAs specified under 143(10) of the act, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

2. 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 system with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the Standalone Financial Statements made by the Management and Board of Directors.

4. Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. 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.

7. 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

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

OTHER MATTERS

These Standalone Financial Statements include the figures for the year ended March 31, 2024, which were audited by the predecessor auditors who expressed an unmodified opinion as relevant on those Standalone Financial Statements vide their report dated May 29, 2024. Our opinion on the Standalone Financial Statements is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the accompanying Financials Statements;

   b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c) the Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   d) in our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act read with Companies (Indian Accounting Standard) Rules 2015, as amended.;

   e) on the basis of written representations received from the directors as on March 31, 2025, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025, from being appointed as a director in terms of Section 164(2) of the Act;

   f) with respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

   g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. the Company does not have any pending litigations on its financial position in its Standalone Financial Statements.

      ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2025, for which there were any material foreseeable losses.

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

      iv. In respect of Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014

         a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

         c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. In respect of Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, based on our examination, which included selective sample checks, in respect of software for maintenance of books of accounts, the Company has used such accounting software which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.

   Further, based on representations from the management, we report that there has not been any instance of audit trail feature being tampered with during the period under audit

   Based on our procedure performed, we did not notice any instance of the Audit trail feature being tampered with.

3. Audit trail has been preserved by the Company as per Rule 3(1) of the Companies (Accounts) Rules, 2014 and reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention,

4. As required by Section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act read with Schedule V of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the act which are required to be commented upon by us.

Mukund M. Chitale & Co
Chartered Accountants
FRN: 106655W

(Nilesh Joshi)
Partner
Membership No. 114749
UDIN: 25114749BMILTC3396

Place: Hyderabad
Date: May 23, 2025

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of IKF Finance Limited on the Standalone financial statements as at and for the year ended March 31, 2025)

To the best of our knowledge and according to the information and explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. a. (A) Based on the audit procedures performed by us and according to the information, explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant and Equipment and relevant details of Right-of-Use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

b. The Company has a program of physical verification of property, plant and equipment and right-of-use assets once in every three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the above said Programme Physical Verification of Fixed assets was conducted in the preceding previous year and there were no material discrepancies observed.

c. Based on the examination of the documents provided to us, we report that the title deeds of immovable properties included in investment property are held in the name of the Company.

d. The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year. Accordingly, paragraph 3(i)(d), of the Order is not applicable to the Company.

e. Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2025, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. a. The Company is engaged primarily in lending activities and consequently does not hold any physical inventories. Accordingly, paragraph 3(ii)(a) of the Order is not applicable to the Company.

b. According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of loans (assets). In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account maintained by the company for the respective quarters. No material discrepancy is observed in the same.

iii. As explained in note 1 to the standalone financial statements, The Company is a Non deposit taking Systematically Important Non-Banking Financial Company ("NBFC") registered with the Reserve Bank of India ("RBI") and as a part of its business activities is engaged in the business of providing Loans and Advances.

During the year, in the ordinary course of its business, the Company has granted loan and advances in the nature of loans, secured and unsecured, to companies, firms, limited liability partnerships and other parties. With respect to such loans and advances:

a. The Company is a Non-Banking Financial Company and principal business of the Company is to give loans. Hence reporting under paragraph 3(iii)(a) of the Order is not applicable to the Company.

b. Having regard to the nature of the Company's business, the terms and conditions of the grant of all loans and advances in the nature of loans during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

c. In respect of loans and advances in the nature of loans (together referred to as 'loan assets'), the schedule of repayment of principal and payment of interest has been stipulated. Note 2.6 (f) to the Standalone Financial Statements explains the Company's accounting policy relating to impairment of financial assets which include loans assets. In accordance with that policy, loan assets with balances as at 31st March 2025, aggregating to Rs. 10,256.89 lakhs were categorised as credit impaired ('Stage 3') and Rs. 33,422.74 lakhs were categorised as those where the credit risk has increased significantly since initial recognition ('Stage 2'). Disclosures in respect of such loans have been provided in note 6 to the Standalone Financial Statements. Additionally, out of loans and advances in the nature of loans with balances as at the year-end aggregating Rs. 4,13,677.11 lakhs, where credit risk has not significantly increased since initial recognition (categorised as 'Stage 1'). Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemised list of loan assets where delinquencies in the repayment of principal and interest have been identified.

d. The total amount overdue for more than ninety days, in respect of loans and advances in the nature of loans, as at the year-end is Rs. 10,256.89 lakhs. As explained to us, reasonable steps are being taken by the company for recovery of the principal and interest.

e. The provisions of paragraph 3(iii)(e) of the Order are not applicable to the Company as its principal business is to give loans.

f. According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence reporting under clause 3 (iii)(f) is not applicable.

iv. According to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Act are attracted. Hence reporting under clause 3(IV) is not applicable.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 of the Act or any other relevant provisions of the Act and Rules framed thereunder are applicable. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

vi. The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013, for business activities carried out by the Company. Hence, reporting under paragraph 3 (vi) of the order is not applicable.

vii. In respect of statutory dues:

a. Undisputed statutory dues, including Goods and Service tax, Provident Fund, Income-tax, cess and other material statutory dues applicable to the Company have been generally regularly deposited by it with the appropriate authorities in all cases during the year. As explained to us, company did not have any dues payable on account of sales tax, service tax, duty of customs, duty of excise and value added tax. There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, cess and other material statutory dues in arrears as of March 31, 2025, for a period of more than six months from the date they became payable. As informed, the provisions relating to service tax, wealth tax, sales tax, value added tax, excise duty and customs duty are currently not applicable to the Company

b. According to the information and explanations given to us, there are no dues of income tax, sales tax, goods and service tax, cess and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute.

viii. According to the information and explanations given to us, there were no transactions not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. a. In our opinion, The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

b. According to the information and explanations given to us including representation received from management of the Company and on the basis of our audit procedures, we report that the company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

c. In our opinion and according to the information and explanation given to us, Company has utilized the money raised by way of term loans during the year for the purpose for which they were raised.

d. In our opinion and according to the information and explanation given to us and on an overall examination of the Standalone Financial Statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.

e. According to the information and explanation given to us and on an overall examination of Standalone Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.

f. The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures, or associate companies. Accordingly, the reporting under clause 3(ix)(f) of the Order is not applicable.

x. a. In our opinion and according to the information and explanations given by the management, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable

b. According to the information and explanations given to us and as verified by us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi. a. To the best of our knowledge according to the information and explanations given to us and as verified by us, no fraud by the Company has been noticed or reported during the year.

b. No report filed under sub-section (12) of section 143 of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.

c. As represented to us by the management, no whistle blower complaints were received by the Company during the year.

xii. The Company is not a Nidhi Company and hence, reporting under paragraph 3 (xii) of the Order is not applicable

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Act with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under section 133 of the Act.

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

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

xv. According to the information and explanation given to us and basis of our examination of the records, the Company has not entered into any non-cash transactions with its Directors or persons connected with them and hence provisions of section 192 of the Act are not applicable to the Company. Hence reporting under Clause 3(xv) of the Order is not applicable to the Company.

xvi. a. The Company has registered as required, under Section 45- IA of the Reserve Bank of India Act, 1934 (2 of 1934) and it has obtained the registration.

b. The company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

c. In our opinion, the Company is not a Core Investment Company ("CIC") and there is no other CIC within the Group (as defined in the Core Investment Companies -Reserve Bank of India Directions, 2016) and hence reporting under clause 3(xvi)(c) of the Order is not applicable.

d. The Company is not a CIC and hence reporting under clause 3(xvi) (d) of the Order is not applicable.

xvii. According to the information and explanations given to us and based on our examination of the records, the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. During the year, there has been no resignation of the statutory auditors. Accordingly, Clause 3 (xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us, On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and it should not be construed as a guarantee or assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. a. According to the information and explanations given to us, there are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act 2013 in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

b. According to the information and explanations given to us, there are no unspent amounts under sub-section (5) of section 135 of the Act, pursuant to any ongoing project requiring transfer to special account in compliance with the provision of sub-section (6) of section 135 of the Act. Hence, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

xxi. The reporting under Clause 3(xxi) is not applicable to standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

Mukund M. Chitale & Co
Chartered Accountants
FRN: 106655W

(Nilesh Joshi)
Partner
Membership No. 114749
UDIN: 25114749BMILTC3396

Place: Hyderabad
Date: May 23, 2025

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

on the Standalone Financial Statements of IKF Finance Limited for the year ended March 31, 2025.

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE STANDALONE FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013.

Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date.

We have audited the internal financial controls with reference to Standalone Financial Statements of IKF Finance Limited ("the Company") as of March 31, 2025, in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility for the Audit of Internal Financial Controls with reference to Standalone Financial Statements

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Standalone Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial Statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of such internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Standalone Financial Statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A Company's internal financial controls with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to Standalone Financial Statements include those policies and procedures that –

a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company.

b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial controls with reference to Standalone Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls were operating effectively as at March 31, 2025, based on the internal controls with reference to Standalone Financial Statements criteria established by the Company considering essential components of internal control stated in the Guidance Note.

Mukund M. Chitale & Co
Chartered Accountants
FRN: 106655W

(Nilesh Joshi)
Partner
Membership No. 114749
UDIN: 25114749BMILTC3396

Place: Hyderabad
Date: May 23, 2025

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2025

(Currency : ₹ in lakhs)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	3	19,943.00	4,407.96
(b) Bank Balance other than included in (a) above	4	2,533.86	3,023.41
(c) Receivables			
(I) Trade receivables	5	238.12	145.64
(II) Other receivables		-	-
(d) Loans	6	4,51,387.63	3,25,530.75
(e) Investments	7	16,134.82	27,624.85
(f) Other financial assets	8	5,367.75	2,754.99
		4,95,605.18	**3,63,487.60**
(2) Non-financial assets			
(a) Current Tax Assets (Net)		332.56	43.25
(b) Deferred Tax Assets (Net)	33	-	-
(c) Investment Property	9	129.86	130.03
(d) Property, Plant and Equipment	10	335.88	237.54
(e) Right of use asset	10	70.56	262.17
(f) Capital work in progress	11	2,944.30	47.59
(g) Intangibles assets under development	11A	-	13.20
(h) Other Intangible assets	11B	114.11	123.99
(i) Other non-financial assets	12	1,668.61	3,265.05
		5,595.88	**4,122.82**
Total assets		**5,01,201.06**	**3,67,610.42**
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial liabilities			
(a) Payables	13	-	-
(i) Trade payables		-	-
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(ii) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(b) Debt securities	14	70,978.62	15,989.65
(c) Borrowings (other than debt securities)	15	3,05,350.12	2,40,928.87
(d) Subordinated Liabilities	16	16,402.09	16,372.47
(e) Other financial liabilities	17	8,263.52	5,470.71
		4,00,994.35	**2,78,761.70**
(2) Non-financial liabilities			
(a) Provisions	18	137.39	288.37
(b) Deferred tax liabilities (Net)	33	720.55	218.55
(c) Other non-financial liabilities	19	497.35	275.74
		1,355.29	**782.66**
EQUITY			
(a) Equity share capital	20	7,015.65	7,015.65
(b) Other equity	21	91,835.77	81,050.41
		98,851.42	**88,066.06**
Total liabilities and equity		**5,01,201.06**	**3,67,610.42**

Material Accounting policies and key accounting estimates and judgments 2

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

As per our report of even date

For and on behalf of the Board of Directors of
IKF Finance Limited
CIN: U65992AP1991PLC012736

For **Mukund M Chitale & Co**
Chartered Accountants
ICAI Firm registration number : 106655W

V.G.K Prasad
Chairman
DIN: 01817992

Vasumathi Devi Koganti
Managing Director
DIN: 03161150

Nilesh Joshi
Partner
Membership No.114749
Place: Hyderabad
Date: May 23, 2025

Prakash Bhawnani
Chief Financial Officer

Place: Hyderabad
Date: May 23, 2025

Ch. Sreenivasa Rao
Company Secretary
M.No. ACS14723

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

Particulars	Note No	For the Year ended March 31, 2025	For the Year ended March 31, 2024
REVENUE FROM OPERATIONS			
(i) Interest income	22	61,796.54	42,140.64
(ii) Fees and commission income	23	739.12	523.06
(iii) Net gain (Loss) on de recognition of financial instruments under amortised cost	24	2,314.00	500.93
(iv) Net gain on fair value changes	25	175.21	238.27
(v) Other Operating Income	26	0.05	19.64
(I) Total revenue from operations		**65,024.92**	**43,422.54**
(II) Other income	27	988.43	325.04
(III) Total income (I + II)		**66,013.35**	**43,747.58**
EXPENSES			
(i) Finance costs	28	33,197.34	22,022.85
(ii) Impairment on financial instruments	29	3,972.43	1,640.51
(iii) Employee benefits expenses	30	11,046.99	7,329.16
(iv) Depreciation, amortization and impairment	31	336.80	340.89
(v) Others expenses	32	2,983.74	2,076.54
(IV) Total expenses		**51,537.30**	**33,409.95**
(V) Profit before tax (III - IV)		**14,476.05**	**10,337.63**
(VI) Tax Expense:			
(1) Current Tax	33	3,186.28	2,600.55
(2) Deferred Tax	33	504.03	30.82
(3) Adjustment of tax relating to earlier periods	33	(8.99)	8.82
		3,681.32	**2,640.19**
(VII) Profit for the period (V-VI)		**10,794.73**	**7,697.44**
(VIII) Other comprehensive income			
(A) Items that will not be reclassified to profit or loss (specify items and amounts)			
(a) Remeasurements of the defined benefit plans	34	(8.04)	(4.36)
Income tax relating to items that will not be reclassified to profit or loss		2.02	1.10
Other comprehensive income / (loss)		**(6.02)**	**(3.26)**
(IX) Total comprehensive income for the period (VII + VIII)		**10,788.71**	**7,694.18**
(X) Earnings per share (equity share, par value of ₹ 10 each)			
Basic	35	15.39	11.32
Diluted	35	15.34	11.31

Material accounting policies and key accounting estimates and judgments 2

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

As per our report of even date

For and on behalf of the Board of Directors of
IKF Finance Limited
CIN: U65992AP1991PLC012736

For **Mukund M Chitale & Co**
Chartered Accountants
ICAI Firm registration number : 106655W

V.G.K Prasad
Chairman
DIN: 01817992

Vasumathi Devi Koganti
Managing Director
DIN: 03161150

Nilesh Joshi
Partner
Membership No.114749
Place: Hyderabad
Date: May 23, 2025

Prakash Bhawnani
Chief Financial Officer

Place: Hyderabad
Date: May 23, 2025

Ch. Sreenivasa Rao
Company Secretary
M.No. ACS14723

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**14,476.05**	**10,337.63**
Adjustments for:		
Depreciation, amortisation and impairment	336.80	340.89
Interest Income	(61,796.54)	(42,140.64)
Interest expenses	33,197.34	22,022.85
Net gain(Loss) on de recognition of financial instruments under amortised cost	(2,314.00)	(500.93)
Impairment on financial instrument	3,972.43	1,640.51
Share based payment expense	12.44	1.08
Provision for expenses	14.00	12.75
Employee benefit expenses	85.19	82.35
Rental income on Investment property	(9.15)	(9.15)
(Profit)/ Loss on sale of property, plant and equipment	(0.12)	(0.04)
(Profit)/ Loss on sale of immovable Property	-	-
Cash generated from / (used in) operations before working capital changes and adjustments for interest received and interest paid	**(12,025.56)**	**(8,212.70)**
Adjustments for changes in Working Capital :		
Decrease / (Increase) in trade receivable	(92.48)	(145.64)
Decrease / (Increase) in loans	(1,26,197.51)	(1,14,911.49)
Decrease / (Increase) in bank balances other than cash and cash equivalents	489.55	2,549.76
Decrease / (Increase) in other financial assets	(224.55)	(36.54)
Decrease / (Increase) in other non-financial assets	1,596.44	(355.20)
(Decrease) / Increase in other financial liabilities	2,978.10	2,537.90
(Decrease) / Increase in provisions	(261.75)	(8.83)
(Decrease) / Increase in other non-financial liabilities	221.61	96.67
Interest received	57,846.68	40,621.29
Interest paid	(33,087.66)	(22,397.69)
	(1,08,757.13)	**(1,00,262.47)**
Income tax paid (net of refunds)	(3,466.60)	(2,279.64)
Changes in Accounting Policies / Prior Period Errors	0.44	-
Deferred tax adjustment	(0.01)	0.01
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	**(1,12,223.30)**	**(1,02,542.10)**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and capital work in progress	(3,079.47)	(119.47)
Purchase of intangible assets under development	13.20	(13.20)
Purchase of Investment property	0.00	(58.06)
Rental income on Investment property	9.15	9.15
Proceeds from sale of property, plant and equipment	0.13	0.04
Proceeds from sale of Investment property	-	-
Purchase of intangible assets	(31.93)	(20.00)
Purchase of investments measured at Amortised cost and FVTPL	11,491.79	3,185.70
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	**8,402.87**	**2,984.16**

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
CASH FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares (including securities premium)	-	12,000.00
Share issue expenses	(18.00)	(879.18)
Amount received from debt securities	66,300.00	15,000.00
Repayment of debt securities	(11,372.58)	(17,500.00)
Amount received from borrowings other than debt securities	1,88,799.23	1,40,850.00
Repayment of borrowings other than debt securities	(1,24,109.80)	(68,326.67)
Amount received from subordinated Liabilities	-	-
Repayment of subordinated debt	0.00	0.00
Payment of principal portion of lease liabilities	(222.96)	(180.25)
Payment of interest on lease liabilities	(20.42)	(37.43)
NET CASH GENERATED FROM / (USED IN) FROM FINANCING ACTIVITIES	**1,19,355.47**	**80,926.47**
Net Increase / (Decrease) in Cash and Cash Equivalents	**15,535.04**	**(18,631.47)**
Cash and Cash Equivalents at the beginning of Year	4,407.96	23,039.43
Cash and Cash Equivalents at the end of the Year	19,943.00	4,407.96

The above Cash Flow Statement has been prepared under the 'Indirect method' as set out in Ind AS 7 on 'Statement of Cash Flows'.

As per our report of even date

For **Mukund M Chitale & Co**
Chartered Accountants
ICAI Firm registration number : 106655W

Nilesh Joshi
Partner
Membership No.114749
Place: Hyderabad
Date: May 23, 2025

For and on behalf of the Board of Directors of
IKF Finance Limited
CIN: U65992AP1991PLC012736

V.G.K Prasad
Chairman
DIN: 01817992

Vasumathi Devi Koganti
Managing Director
DIN: 03161150

Prakash Bhawnani
Chief Financial Officer

Ch. Sreenivasa Rao
Company Secretary
M.No. ACS14723

Place: Hyderabad
Date: May 23, 2025

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

A. Equity share capital

Current Reporting Period

Particulars	Balance at the beginning of the current reporting period As at March 31, 2024	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period As at March 31, 2025
Issued, Subscribed and paid up - fully paid (Equity shares of ₹ 10 each, Fully paid-up)	7,015.65	-	7,015.65	-	7,015.65
Issued, Subscribed and paid up - partly paid	0.00	-	0.00	-	0.00

Previous Reporting Period

Particulars	Balance at the beginning of the current reporting period As at March 31, 2023	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period As at March 31, 2024
Issued, Subscribed and paid up - fully paid (Equity shares of ₹ 10 each, Fully paid-up)	6,457.51	-	6,457.51	558.14	7,015.65
Issued, Subscribed and paid up - partly paid	0.00	-	0.00		0.00

B. Other equity

Particulars	Reserves and Surplus						Total
	Statutory Reserve	Capital Reserve	Securities Premium	General Reserve	Share based payment Reserve	Retained Earnings	
Balance at April 01, 2023	**5,993.59**	**32.50**	**34,891.60**	**1,471.48**	**20.63**	**20,382.67**	**62,792.46**
Changes in Accounting Policies / Prior Period Errors	-	-	-	-	-	-	**-**
Restated balance as at April 01, 2023	5,993.59	32.50	34,891.60	1,471.48	20.63	20,382.69	**62,792.48**
Profit for the year	**-**	**-**	**-**	**-**	**-**	7,697.44	**7,697.44**
Other comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	(3.26)	**(3.26)**
Total comprehensive income for the year (net of tax)	**-**	**-**	**-**	**-**	**-**	**7,694.18**	**7,694.18**
Transfer to Statutory Reserve	1,539.49	**-**	**-**	**-**	**-**	(1,539.49)	**-**
Transfer to General Reserve	**-**	-	**-**	384.87	-	(384.87)	**-**
Issue of equity shares	**-**	**-**	11,441.85	-	-	-	**11,441.85**
Share issue expenses	**-**	**-**	(879.18)	**-**	**-**	**-**	**(879.18)**
Share based payment expense	**-**	**-**	**-**	-	1.08	**-**	**1.08**
Balance at March 31, 2024	**7,533.08**	**32.50**	**45,454.27**	**1,856.35**	**21.70**	**26,152.50**	**81,050.41**

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

Particulars	Reserves and Surplus						Total
	Statutory Reserve	Capital Reserve	Securities Premium	General Reserve	Share based payment Reserve	Retained Earnings	
Changes in Accounting Policies / Prior Period Errors	-	-	-	-	-	0.44	**0.44**
Restated balance as at April 01, 2024	7,533.08	32.50	45,454.27	1,856.36	21.71	26,152.94	**81,050.86**
Profit for the year	-	-	-	-	-	10,794.73	**10,794.73**
Other comprehensive income for the year	-	-	-	-	-	(6.03)	**(6.03)**
Total comprehensive income for the year (net of tax)	-	-	-	-	-	10,788.70	**10,788.70**
Transfer to Statutory Reserve	2,158.94	-	-	-	-	(2,158.94)	-
Transfer to General Reserve	-	-	-	539.74	-	(539.74)	-
Issue of equity shares	-	-	-	-	-	-	-
Share issue expenses	-	-	(18.00)				**(18.00)**
Share based payment expense	-	-	-	-	14.21	-	**14.21**
Balance at March 31, 2025	**9,692.02**	**32.50**	**45,436.27**	**2,396.10**	**35.92**	**34,242.96**	**91,835.77**

As per our report of even date

For and on behalf of the Board of Directors of
IKF Finance Limited
CIN: U65992AP1991PLC012736

For **Mukund M Chitale & Co**
Chartered Accountants
ICAI Firm registration number : 106655W

Nilesh Joshi
Partner
Membership No.114749
Place: Hyderabad
Date: May 23, 2025

V.G.K Prasad
Chairman
DIN: 01817992

Vasumathi Devi Koganti
Managing Director
DIN: 03161150

Prakash Bhawnani
Chief Financial Officer

Ch. Sreenivasa Rao
Company Secretary
M.No. ACS14723

Place: Hyderabad
Date: May 23, 2025

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

1 COMPANY OVERVIEW

IKF Finance Limited (CIN : U65992AP1991PLC012736) ('the Company') is a public limited company incorporated under the provisions of the Companies Act, 1956. The Company is registered as Non -Banking Financial Company ('NBFC') as defined under Section 45-IA of the Reserve Bank of India('RBI') Act,1934 .The company is a NBFC classified under 'Middle layer' pursuant to the frame work of Master direction- Reserve Bank of India (Non-Banking Financial company -Scale Based Regulation)Directions,2023. The Company is engaged in the business of asset financing ,lending to small and medium enterprises and allied activities.

The financial statements were subject to review and recommendation of Audit Committee and approval of Board of Directors. On May 23, 2025, Board of Directors of the Company approved and recommended the financial statements for consideration and adoption by the share holders in its Annual General Meeting

2 MATERIAL ACCOUNTING POLICIES INFORMATION

2.1 Basis of preparation The financial statements for the year ended March 31, 2025 have been prepared by the Company in accordance with Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs, Government of India under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016, as amended from time to time, in this regard. Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

2.2 Presentation of Financial Statements

The financial statement of the Company are presented as per Division III of the Schedule III to the Companies Act 2013 as amended from time to time, for Non-Banking Financial Companies ('NBFCs') that are required to comply with Ind-AS. The Statement of Cash Flows has been presented as per the requirements of Ind-AS 7 Statement of Cash Flows. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in Note 38 – Maturity analysis of assets and liabilities.

2.3 Basis of Measurement

The financial statements have been prepared under the historical cost convention on the accrual basis except for certain financial instruments, plan assets of defined benefit plans and share based payment plans, which are measured at fair values at the end of each reporting period as explained in the material accounting policies below. All amounts disclosed in the financial statements and notes have been rounded off to the nearest ₹ Lakhs in compliance with Schedule III of the Act, unless otherwise stated.

2.4 Accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) at the date of the financial statements and the reported amounts of revenues and expenses for the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements. Actual results could differ from these estimates. Any revisions to accounting estimates are recognised prospectively in the current and future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Key sources of estimation of uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amount of assets and liabilities within the next financial year are included in the following notes:

a. Business model assessment

Classification and measurement of financial assets depends on the results of the solely payments of principal and interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

b. Effective Interest Rate (EIR) method

The Company recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken.

This estimation, by nature, requires an element of judgement regarding the expected behaviour and lifecycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

c. Impairment of loans portfolio

The measurement of impairment losses on loan assets requires judgement, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk.

The Company's Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include:

- The Probability of Default is an estimate of the likelihood of default over a given time horizon. PD is computed separately for each stage, incorporating historical trends (roll rate model), and forward-looking macroeconomic factors (MEF). For Stage-1 12m PD, Roll Rate Model (Dynamic Pool Approach) was adopted for all the portfolios, as delinquency trends serve as strong indicators of credit risk.For Stage-2 LT PD, is computed by projecting contractual cash flows and adjusting them for default risk. Cumulative PDs are applied year-wise to determine the probability-weighted defaulted discounted cash flows. This ensures credit risk is incorporated systematically across the loan's remaining tenure.
- Loss Given Default (LGD) refers to the proportion of a loan outstanding amount that is not recovered in the event of default. A model has been developed based on historical data from defaulted loans that have been fully resolved or written off.
- The analysis encompasses the entire recovery cycle, from the initial default event to the final closure, ensuring a comprehensive assessment of loss dynamics. For each defaulted loan, actual recovery cash flows recorded throughout the resolution period have been systematically captured and analyzed. These cash flows are discounted using the respective Effective Interest Rate (EIR) applicable to the loan, maintaining alignment with Expected Credit Loss (ECL) principles.
- The segmentation of financial assets when their ECL is assessed on a collective basis.
- Development of ECL models, including the various formulas and the choice of inputs.

It is the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The impairment loss on loans and advances is disclosed in more detail in Note 6-Loans and Note 46- Risk Management.

d. Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

e. Fair value measurement:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

f. Operating leases

Company as a lessee:

The Company has applied Ind AS 116 using the partial retrospective approach.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right of use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short term lease

The Company has elected not to recognise right of use asset and lease liabilities for short term leases of property that has lease term of 12 months or less. The Company recognises lease payment associated with these leases as an expense on a straight line basis over lease term.

g. Share based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

2.5 Revenue recognition

a. Interest Income on loans

Interest income is recorded using effective interest rate (EIR) method for all financial assets measured at amortised cost.

EIR is the rate that exactly discounts the estimated future cash flows through the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset except for credit impaired asset.

The calculation of the effective interest rate includes transaction costs and fees (loan processing fees, commission paid to direct selling agents and other premiums or discounts) that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

b. Rental Income

Rental income arising from operating leases is recognised on a straight-line basis over the lease term. In cases where the increase is in line with expected general inflation rental income is recognised as per the contractual terms.

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

Operating leases are leases where the Company does not transfer substantially all of the risk and benefits of ownership of the asset.

c. Interest income on fixed deposits

Interest on fixed deposits is recognised on a time proportion basis taking into account the amount outstanding and the applicable rate.

d. Other income

Other charges including application fees (penal interest, cheque bouncing charges, etc.) are recognised on realisation basis.

2.6 Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Recognised financial assets and financial liabilities are initially measured at transaction price, which equates fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

A financial asset and a financial liability are offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

a. Classification and measurement of Financial assets

Based on the business model, the contractual characteristics of the financial assets and specific elections where appropriate, the Company classifies and measures financial assets in the following categories:

- Amortised cost
- Fair value through other comprehensive income ('FVOCI')
- Fair value through profit and loss ('FVTPL')

Financial assets at amortised cost

Financial assets are measured at amortised cost using the effective interest rate (EIR) if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and 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.

After initial measurement and based on the assessment of the business model as asset held to collect contractual cash flows and SPPI, such financial assets are subsequently measured at amortised cost using effective interest rate ('EIR') method. Interest income and impairment expenses are recognised in statement of profit and loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

The EIR method is a method of calculating the amortised cost of a financial instrument and of allocating interest over the relevant period. The EIR is the rate that exactly discounts estimated future cash flows (including all fees paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Company records loans at amortised cost.

Financial assets at fair value through other comprehensive income (FVOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to sole payments of principal and interest on the principal amount outstanding and by selling financial assets.

Movements in the carrying amount of such financial assets are recognised in Other Comprehensive Income ('OCI'), except dividend income and interest income which is recognised in statement of profit and loss.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition.

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TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

b. Financial Liabilities

Financial liabilities are measured at amortised cost. The carrying amounts are determined based on the EIR method. Interest expense is recognised in statement of profit and loss. Any gain or loss on de-recognition of financial liabilities is also recognised in statement of profit and loss.

c. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

d. Reclassification

Financial assets and liabilities are not reclassified subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line or in the period the Company changes its business model for managing financial assets.

e. De-recognition of financial assets and financial liabilities

i. Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

i. The Company has transferred its contractual rights to receive cash flows from the financial asset, or

ii. It retains the rights to the cash flows but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

i. The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.

ii. The Company cannot sell or pledge the original asset other than as security to the eventual recipients.

iii. The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

i. The Company has transferred substantially all the risks and rewards of the asset, or

ii. The Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only

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to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

ii. Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying value of the original financial liability and the new financial liability with modified terms is recognised in statement of profit and loss.

f. Impairment of Financial Assets

The Company recognises impairment allowances for Expected Credit Loss (ECL) on all the financial assets that are not measured at FVTPL:

The ECL provision is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on financial assets that are possible within the 12 months after the reporting date.

The Company performs an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company categorises its loans into three stages as described below:

<u>For non-impaired financial instruments</u>

- Stage 1 is comprised of all non-impaired financial instruments which have not experienced a significant increase in credit risk (SICR) since initial recognition. A 12-month ECL provision is made for stage 1 financial instruments. In assessing whether credit risk has increased significantly, the Company compares the risk of a default occurring on the financial instrument as at the reporting date, with the risk of a default occurring on the financial instrument as at the date of initial recognition.
- Stage 2 is comprised of all non-impaired financial instruments which have experienced a SICR since initial recognition. The Company recognises lifetime ECL for stage 2 financial instruments. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a SICR since initial recognition, then entities shall revert to recognising 12 months of ECL.

<u>For impaired financial instruments:</u>

Financial instruments are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The Company recognises lifetime ECL for impaired financial instruments.

The calculation of ECLs

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) -

The Probability of Default is an estimate of the likelihood of default over a given time horizon. PD is computed separately

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for each stage, incorporating historical trends (roll rate model), and forward-looking macroeconomic factors (MEF). For Stage-1 12m PD, Roll Rate Model (Dynamic Pool Approach) was adopted for all the portfolios, as delinquency trends serve as strong indicators of credit risk.For Stage-2 LT PD, is computed by projecting contractual cash flows and adjusting them for default risk. Cumulative PDs are applied year-wise to determine the probability-weighted defaulted discounted cash flows. This ensures credit risk is incorporated systematically across the loan's remaining tenure. The concept of PD is further explained in Note 46- Risk Management.

Exposure at Default - 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.

Loss Given Default – Loss Given Default (LGD) refers to the proportion of a loan outstanding amount that is not recovered in the event of default. A model has been developed based on historical data from defaulted loans that have been fully resolved or written off.

The analysis encompasses the entire recovery cycle, from the initial default event to the final closure, ensuring a comprehensive assessment of loss dynamics. For each defaulted loan, actual recovery cash flows recorded throughout the resolution period have been systematically captured and analyzed. These cash flows are discounted using the respective Effective Interest Rate (EIR) applicable to the loan, maintaining alignment with Expected Credit Loss (ECL) principles.

Collateral Valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as movable and immovable assets, guarantees, etc. However, the fair value of collateral affects the calculation of ECLs. To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using other methodologies. Non-financial collateral, such as vehicles, is valued based on data provided by third parties or management judgements.

Collateral repossessed

In its normal course of business whenever default occurs, the Company may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

Write-offs

Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when it is determined that the customer does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

g. Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Company measures certain categories of financial instruments (as explained in Note 45- Fair Value Measurement) at fair value on each balance sheet date.

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:

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

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TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments - 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. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments - Those that include one or more unobservable input that is significant to the measurement as whole.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. No such instances of transfers between levels of the fair value hierarchy were recorded during the reporting period.

2.7 Property, plant and equipment

Property, plant and equipment are carried at cost of acquisition less accumulated depreciation and accumulated impairment loss (if any). The total cost of the asset comprises the purchase price, taxes, duties, freight (net of rebates and discounts) and any other directly attributable costs of bringing the assets to their working condition for their intended use. Borrowing costs directly attributable to acquisition of those assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Advances paid towards the acquisition of assets outstanding at each balance sheet date are disclosed as other non-financial assets. The cost of assets not ready for their intended use at each balance sheet date is disclosed as capital work-in-progress.

Depreciation is provided on a straight-line method, over the estimated useful life of each asset as prescribed in Schedule II of the Companies Act, 2013 as follows:

Asset	Useful Life
Building (Investment Property)	60 years
Office Equipment	5 years
Furniture and Fixture	10 years
Computers	3 years
Vehicles (Car, Lorry, Bus)	8 years
Vehicles (Bike, Moped, Cycle)	10 years
Servers	6 years

An item of property, plant and equipment, is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment, is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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2.8 Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Cost comprise the purchase price and any attributable cost of bringing the asset to its working condition for its intended use

Intangible assets are amortised on a straight line basis over their estimated useful life.

The estimated useful life of intangible assets are as follows:

Asset	Useful Life
Software	6 years

2.9 Investment in Subsidiaries

The Company has elected to measure its investment in subsidiary at the Previous GAAP carrying amount as its deemed cost on the transition date.

2.10 Impairment of non-financial assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, the recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit (CGU). An asset or CGU whose carrying value exceeds its recoverable amount is considered impaired and is written down to its recoverable amount. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting years may no longer exist or may have decreased.

2.11 Employee benefits

Defined Contribution Plan:

The Company has a defined contribution plan for post-employment benefits in the form of Provident Fund. Under the Provident Fund Plan, the Company contributes to a Government administered provident fund on behalf of the employees. The Company has no further obligation beyond making the contributions.

The Company's contributions to the above Plan are charged to the Statement of Profit and Loss.

Defined Benefit Plan:

The Company provides for gratuity to all employees. The benefit is in the form of lump sum payments to vested employees on resignation, retirement, or death while in employment or on termination of employment of an amount equivalent to 15 days basic salary payable for each completed year of service as required under 'The Payment of Gratuity Act, 1972'. Vesting occurs upon completion of five years of service.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non- routine settlements; and
- Net interest expense or income

An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Other Employee Benefits:

The employees of the Company are entitled to compensated absence and deferred compensation as per the policy of the Company, the liability in

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respect of which is provided, based on an actuarial valuation carried out by an independent actuary as at the year end. The actuarial valuation method used by the independent actuary for measuring the liability is the Projected Unit Credit Method.

Actuarial gains and losses comprise experience adjustments and the effects of changes in the actuarial assumptions are recognised immediately in the Statement of Profit and Loss in the year in which they arise.

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. Unutilised leave balance that accrues to employees as at the year end is charged to the Statement of Profit and Loss on an undiscounted basis.

2.12 Income Taxes

Income-tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income-tax expense is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in equity or in OCI.

(a) Current tax

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961, enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are reviewed at each reporting date and based on management's judgement, are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if the Company:

- has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

2.13 Provision and contingencies

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.

A contract is considered as onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract.

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TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

2.14 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Indian Accounting Standard 33 – "Earnings Per Share". Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

2.15 Cash and cash equivalent

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

2.16 Statement of cash flows

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of non-cash future, any deferrals or accruals of past or future operating cash receipts or payments and item of expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.17 Share based payments

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting year, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payments Reserve.

2.18 Statutory Reserve

In accordance with section 45-IC of the RBI Act, 1934, the Company creates a reserve fund and transfers therein a sum not less than twenty per cent of its net profit every year as disclosed in the Statement of Profit and loss before any dividend is declared.

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TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

3 CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2025	As at March 31, 2024
Cash on hand	83.02	139.51
Balances with banks in current accounts	4,366.23	4,268.45
Bank deposit with original Maturity upto three months or less	15,493.75	-
Total	**19,943.00**	**4,407.96**

4 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with banks to the extent held as margin money*	2,533.86	3,023.41
Total	**2,533.86**	**3,023.41**

*Represent margin money deposits placed to avail term loans from banks, financial institutions

5 RECEIVABLES

Particulars	As at March 31, 2025	As at March 31, 2024
(I) Trade receivables		
Receivables considered good - Secured		
Receivables considered good - Unsecured	238.12	145.64
Receivables which have significant increase in credit risk; and		
Receivables – credit impaired		
	238.12	**145.64**
Less: Provision for impairment	0.00	-
Total	**238.12**	**145.64**

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person, or from firms or private companies respectively in which any director is a partner, a director or a member.

Trade Receivables ageing schedule

As at March 31, 2025

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	238.12	-	-	-	-	238.12
(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	-	-	-	-	-	-
Total	**238.12**	**-**	**-**	**-**	**-**	**238.12**

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TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

As at March 31, 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	145.64	-	-	-	-	145.64
(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	-	-	-	-	-	-
Total	**145.64**	**-**	**-**	**-**	**-**	**145.64**

6 LOANS (AT AMORTISED COST)

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Term loans	4,51,579.61	3,23,279.13
(ii) term loans - related parties	0.00	-
(iii) Staff loans	90.35	300.92
(iv) others		-
(a) Trade advances	5,686.78	5,523.72
Total	**4,57,356.74**	**3,29,103.77**
Less: Impairment loss allowance	5,969.11	3,573.02
Total - Net of impairment loss allowance	**4,51,387.63**	**3,25,530.75**
(i) Secured by tangible assets*	4,51,579.61	3,23,279.13
(ii) Secured by intangible assets	-	-
(iii) Covered by Bank/ Government Guarantees	-	-
(iv) Unsecured	5,777.13	5,824.64
Total	**4,57,356.74**	**3,29,103.77**
Less: Impairment loss allowance	5,969.11	3,573.02
Total - Net of impairment loss allowance	**4,51,387.63**	**3,25,530.75**
(i) Public sectors	-	-
(ii) Others	4,57,356.74	3,29,103.77
Total	**4,57,356.74**	**3,29,103.77**
Less: Impairment loss allowance	5,969.11	3,573.02
Total - Net of impairment loss allowance	**4,51,387.63**	**3,25,530.75**
(i) Loans in India	4,57,356.74	3,29,103.77
(ii) Loans outside India		
Total	**4,57,356.74**	**3,29,103.77**
Less: Impairment loss allowance	5,969.11	3,573.02
Total - Net of impairment loss allowance	**4,51,387.63**	**3,25,530.75**

*Secured against hypothecation of automobiles, book debts, equitable mortgage of immovable property etc.

"There is no loan asset measured at FVOCI or FVTPL or designated at FVTPL."

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TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

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

Particulars	As at March 31, 2025	As at March 31, 2024
Term loans		
Stage I	4,13,677.11	2,97,850.79
Stage II	33,422.74	23,524.15
Stage III	10,256.89	7,728.83
Total	**4,57,356.74**	**3,29,103.77**

6.2 Gross movement of loans for the year ended March 31, 2025:-

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount as at April 1, 2024				
Term loans	**2,97,549.87**	**23,524.15**	**7,728.83**	**3,28,802.86**
Staff loans	**300.92**	**-**	**-**	**300.92**
New loans originated during the year				-
Term loans	2,76,834.55	7,719.50	567.62	2,85,121.68
Staff loans	33.72			33.72
Inter-stage movements:				
- Term loans				
Transfers to Stage 1	3,754.69	(3,225.67)	(529.02)	-
Transfers to Stage 2	(21,755.23)	21,784.82	(29.59)	-
Transfers to Stage 3	(3,666.16)	(2,277.51)	5,943.68	-
Interest on stage 3 loans	-	-	383.34	383.34
Amounts written off				
Term loans	(670.87)	(493.49)	(394.43)	(1,558.79)
Staff loans	-	-	-	-
Assets derecognised or repaid (excluding write offs)				
Term loans	(1,38,460.09)	(13,609.06)	(3,413.54)	(1,55,482.69)
Staff loans	(244.29)	-	-	(244.29)
Gross carrying amount as at March 31, 2025				
Term loans	**4,13,588.01**	**33,421.49**	**10,256.89**	**4,57,266.39**
Staff loans	**89.10**	**1.25**	**-**	**90.35**

6.3 Gross movement of loans for the year ended March 31, 2024:-

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount as at April 1, 2023				
Term loans	1,69,177.28	38,155.74	6,058.32	2,13,391.34
Staff loans	336.61	-	-	336.61
New loans originated during the year				-
Term loans	2,08,772.22	6,339.01	432.55	2,15,543.77
Staff loans	172.19			172.19
Inter-stage movements:				
- Term loans				
Transfers to Stage 1	(7,530.54)	7,335.14	195.40	-
Transfers to Stage 2	8,845.49	(9,036.90)	191.42	-
Transfers to Stage 3	2,413.01	2,378.10	(4,791.12)	-
Interest on stage 3 loans	-	-	142.38	142.38

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025
(Currency : ₹ in lakhs)

Particulars	Stage I	Stage II	Stage III	Total
Amounts written off				
Term loans	(383.26)	(288.85)	(352.10)	(1,024.21)
Staff loans	-	-	-	-
Assets derecognised or repaid (excluding write offs)				
Term loans	(83,744.34)	(21,358.09)	5,852.00	(99,250.44)
Staff loans	(207.89)	-	-	(207.89)
Gross carrying amount as at March 31, 2024				
Term loans	**2,97,549.87**	**23,524.15**	**7,728.83**	**3,28,802.85**
Staff loans	**300.92**	**-**	**-**	**300.92**

6.4 ECL movement of term loans during the year ended March 31, 2025:-

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount as at April 1, 2024	**1,377.13**	**370.87**	**1,825.02**	**3,573.02**
New loans originated during the year	839.49	362.02	190.70	1,392.21
Inter-stage movements:				
Transfers to Stage 1	150.73	(69.00)	(81.73)	-
Transfers to Stage 2	(220.14)	223.86	(3.72)	-
Transfers to Stage 3	(29.57)	(59.76)	89.33	-
Amounts written off	(19.86)	(21.86)	(339.69)	(381.41)
Assets derecognised or repaid (excluding write offs)	(164.60)	(103.14)	(531.35)	(799.09)
Net Remeasurement of ECL arising from transfer of stage	(708.20)	594.54	2,298.04	2,184.38
Gross carrying amount as at March 31, 2025	**1,224.98**	**1,297.53**	**3,446.60**	**5,969.11**

6.5 ECL movement of term loans during the year ended March 31, 2024:-

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount as at April 1, 2023	**973.33**	**711.90**	**1,288.21**	**2,973.44**
New loans originated during the year	931.13	104.84	77.16	1,113.12
Inter-stage movements:				
Transfers to Stage 1	245.28	(217.57)	(27.71)	-
Transfers to Stage 2	(86.60)	96.23	(9.62)	-
Transfers to Stage 3	(15.21)	(60.77)	75.98	-
Amounts written off	(14.70)	(17.15)	(294.08)	(325.94)
Assets derecognised or repaid (excluding write offs)	(90.90)	(108.60)	(261.29)	(460.78)
Net Remeasurement of ECL arising from transfer of stage	(565.21)	(138.00)	976.39	273.18
Gross carrying amount as at March 31, 2024	**1,377.13**	**370.87**	**1,825.02**	**3,573.02**

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

7 INVESTMENTS

Particulars	As at March 31, 2025	As at March 31, 2024
Investment in Equity instruments		
- Subsidiary (at cost)		
IKF Home finance limited*	15,219.23	15,219.23
(March 31, 2025:5,74,04,177 Equity shares of ₹ 10 each fully paid &96,88,043 Equity shares of ₹ 5 partly paid ; March 31, 2024: March 31, 2025:5,74,04,177 Equity shares of ₹ 10 each fully paid &96,88,043 Equity shares of ₹ 5 partly paid)		
Esop expenses -Esop to employees of Ikf Home Finance Ltd	1.77	-
Investment in Market Linked Debentures (at Fair Value through Profit or loss)	0.00	-
Investment in Debentures (at Amortised cost)	0.00	12,405.62
Investment in PTC	913.82	-
Total (A)	**16,134.82**	**27,624.85**
(i) Investments in India	16,134.82	27,624.85
(ii) Investments outside India	-	-
Total (B)	**16,134.82**	**27,624.85**

8 OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2025	As at March 31, 2024
Rent and utility deposit	343.41	303.42
Excess Interest Spread (EIS) Receivables	4,801.68	2,429.00
Other -unsecured, considered good	222.66	22.57
Total	**5,367.75**	**2,754.99**

9 INVESTMENT PROPERTY

Particulars	Buildings	Land	Total
Gross carrying amount			
As at March 31, 2023	**6.98**	**66.01**	**72.99**
Additions	-	58.06	58.06
Disposals	-	-	-
As at March 31, 2024	**6.98**	**124.07**	**131.05**
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2025	**6.98**	**124.07**	**131.05**
As at March 31, 2023	**0.85**	-	**0.85**
Depreciation for the year	0.17	-	0.17
Disposals	-	-	-
As at March 31, 2024	**1.02**	-	**1.02**
Depreciation for the year	0.17	-	0.17
Disposals	-	-	-
As at March 31, 2025	**1.19**	-	**1.19**
Net book value			
As at March 31, 2023	6.13	66.01	72.14
As at March 31, 2024	5.96	124.07	130.03
As at March 31, 2025	5.79	124.07	129.86

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

(i) Amounts recognised in Statement of Profit and Loss for Investment Property

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Rental Income (Note 27)	9.15	9.15
Direct operating expense from property that generated rental income		-
Profit from investment properties before depreciation	**9.15**	**9.15**
Depreciation	0.17	0.17
Profit from investment properties	**8.98**	**8.98**

(ii) Contractual obligations

The Company has no contractual obligations to purchase, construct or develop investment property. However, the responsibility for its repairs, maintenance or enhancements is with the Company.

(iii) Fair value

The fair valuation of investment property as at March 31, 2025 is ₹ 465.85 Lakhs(PY: ₹ 448.18 Lakhs)

(iv) Pledged details

Building is pledged in favor of consortium leader central bank of India for cash credit facility.

(v) Estimation of fair value

The fair values of investment property is determined by guidance value given by the local government of the area where the investment properties are located.

(vi) Revaluation

The Company has not revalued any of its investment property during the years ended March 31, 2025 and March 31, 2024. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil.

10 PROPERTY, PLANT AND EQUIPMENT

Particulars	Buildings	Furniture and Fixtures	Computer & Printer	Office equipment	Vehicles	Total	Right to Use Assets (Leases)
Gross carrying amount							
As at March 31, 2023	**-**	**302.93**	**167.86**	**16.46**	**75.51**	**562.76**	**518.79**
Additions	-	2.34	43.23	0.32	26.00	71.89	195.66
Disposals	-	-	(0.08)	-	-	(0.08)	-
As at March 31, 2024	**-**	**305.27**	**211.01**	**16.78**	**101.51**	**634.57**	**714.45**
Additions	-	104.44	58.73	19.60	-	182.77	23.92
Disposals	-	-	(0.14)	-	-	(0.14)	(5.13)
As at March 31, 2025	**-**	**409.71**	**269.60**	**36.38**	**101.51**	**817.20**	**733.24**
Accumulated depreciation and impairment:							
As at March 31, 2023	**-**	**164.58**	**81.91**	**8.96**	**57.08**	**312.53**	**248.53**
Depreciation for the year	-	27.86	43.96	2.35	10.41	84.58	203.75
Disposals	-	-	(0.08)	-	-	(0.08)	-
As at March 31, 2024	**-**	**192.44**	**125.79**	**11.31**	**67.49**	**397.03**	**452.28**
Depreciation for the year	-	25.38	48.97	3.66	6.41	84.42	210.40
Disposals	-	-	(0.13)	-	-	(0.13)	-
As at March 31, 2025	**-**	**217.82**	**174.63**	**14.97**	**73.90**	**481.32**	**662.68**
Net book value							
As at March 31, 2023	-	138.35	85.95	7.50	18.43	250.23	270.26
As at March 31, 2024	-	112.83	85.22	5.48	34.02	237.54	262.17
As at March 31, 2025	-	191.89	94.97	21.41	27.61	335.88	70.56

Note: The Company has not revalued any of its property, plant and equipment during the years ended March 31, 2025 and March 31, 2024. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil.

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

11 CAPITAL WORK IN PROGRESS

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Opening Balance	**47.59**	**-**
Additions	2,944.30	47.59
Deductions	47.59	-
Closing Balance	**2,944.30**	**47.59**

Ageing for Capital work in Progress

Particulars	As at	Amount for a Period of				Total
		less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	March 31, 2025	2944.30	-	-	-	2944.30
Projects in Progress	March 31, 2024	47.59	-	-	-	47.59

11A Intangible assets under development

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Opening Balance	**13.20**	**-**
Additions		13.20
Deductions	13.20	-
Closing Balance	**-**	**13.20**

Ageing for Intangibles assets under development

Particulars	As at	Amount for a Period of				Total
		less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	March 31, 2025		-	-	-	0.00
Projects in Progress	March 31, 2024	13.20	-	-	-	13.20

11B Other Intangible assets

Particulars	Computer software
Gross carrying amount	
As at March 31, 2023	**348.03**
Additions	20.00
Disposal	-
As at March 31, 2024	**368.03**
Additions	31.93
Disposal	-
As at March 31, 2025	**399.96**
Accumulated amortisation and impairment	
As at March 31, 2023	**191.65**
Amortisation for the year	52.39
Disposal	-
As at March 31, 2024	**244.04**
Amortisation for the year	41.81
Disposal	-
As at March 31, 2025	**285.85**
Net book value	
As at March 31, 2023	156.38
As at March 31, 2024	123.99
As at March 31, 2025	114.11

Note: The Company has not revalued any of its intangible assets during the years ended March 31, 2025 and March 31, 2024. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/ reversals is nil.

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

12 OTHER NON-FINANCIAL ASSETS

Particulars	As at March 31, 2025	As at March 31, 2024
Prepaid expenses	773.85	597.40
Advances to employees	0.42	0.28
GST input credit	712.39	629.19
Advance for expenses	31.95	38.18
Other advances	150.00	-
Advance given for purchase of property	0.00	2,000.00
Total	**1,668.61**	**3,265.05**

13 PAYABLES

Particulars	As at March 31, 2025	As at March 31, 2024
(I) Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
(II) Other Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
Total	**-**	**-**

Trade payables and other Payables ageing schedule

As at March 31, 2025

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 Years	2 years to 3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	-	-
(iii) Disputed Dues-MSME	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

As at March 31, 2024

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 Years	2 years to 3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	-	-
(iii) Disputed Dues-MSME	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

14 DEBT SECURITIES

Particulars	As at March 31, 2025	As at March 31, 2024
At amortised cost		
Secured		
Non convertible debentures	70,978.62	12,497.99
Unsecured		
Other non convertible debentures	(0.00)	3,491.66
Total	**70,978.62**	**15,989.65**
Debt Securities:		
Within India	70,978.62	15,989.65
Outside India	-	-
Total	**70,978.62**	**15,989.65**

Nature of security

Non convertible debentures (secured)

Non convertible debentures are secured by an exclusive charge by way of hypothecation of specific loan receivable created out of the loan proceeds

The Company has utilised the funds raised from banks and financial institutions for the specific purpose for which they were borrowed.

The Company has borrowed funds from banks and financial institutions on the basis of security of current assets. It has filed quarterly returns or statements of current assets with banks and financial institutions and the said returns/ statements are in agreement with books of accounts.

Terms of repayment of Debt securities as on March 31, 2025

Original maturity loan	Interest rate	Due within 1 year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In Lakhs)	No. of Installments	Amount (In Lakhs)	No. of Installments	Amount (In Lakhs)	
Monthly repayment schedule								
1-7 Years	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Quarterly repayment schedule								
1-5 Years	9.01%-10.00%	14	8,999.98	24	42,925.03	-	-	51,925.01
	10.01%-11.00%	-	-	-	-	-	-	-
	11.01%-12.00%	-	-	-	-	-	-	-
	12.01%-12.50%	-	-	-	-	-	-	-
Bullet repayment schedule								
1-7 Years	9.01%-10.00%	-	-	3.00	13,000.00	-	-	13,000.00
	10.01%-11.00%	-	-	1.00	5,997.45	-	-	5,997.45
	11.01%-12.00%	-	-	-	-	-	-	-
	12.01%-12.50%	-	-	-	-	-	-	-
Total			**8,999.98**	**-**	**61,922.48**	**-**	**-**	**70,922.46**
Add : Interest accrued but not due								837.66
Less : Unamortized Finance Cost								(781.50)
Total Amortized Cost			**8,999.98**		**61,922.48**		**-**	**70,978.62**

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

Terms of repayment of Debt securities as on March 31, 2024

Original maturity loan	Interest rate	Due within 1 year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In Lakhs)	No. of Installments	Amount (In Lakhs)	No. of Installments	Amount (In Lakhs)	
Monthly repayment schedule								
1-7 Years	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Quarterly repayment schedule								
1-5 Years	9.01%-10.00%	8	6,666.65	10	5,833.35	-	-	12,500.00
	10.01%-11.00%	4	3,500.00	-	-	-	-	3,500.00
	11.01%-12.00%	-	-	-	-	-	-	-
	12.01%-12.50%	-	-	-	-	-	-	-
Bullet repayment schedule								
1-7 Years	9.01%-10.00%	-	-	-	-	-	-	-
	10.01%-11.00%	-	-	-	-	-	-	-
	11.01%-12.00%	-	-	-	-	-	-	-
	12.01%-12.50%	-	-	-	-	-	-	-
Total			**10,166.65**	**-**	**5,833.35**	**-**	**-**	**16,000.00**
Add : Interest accrued but not due								100.62
Less : Unamortized Finance Cost								(110.97)
Total Amortized Cost			**10,166.65**		**5,833.35**		**-**	**15,989.65**

15 BORROWINGS (OTHER THAN DEBT SECURITIES)

Particulars	As at March 31, 2025	As at March 31, 2024
At amortised cost		
Term loans (Secured)		
from banks	1,87,787.89	1,53,795.49
from non banking financial companies	69,018.67	45,148.80
from financial institutions	11,415.58	10,501.29
	2,68,222.14	**2,09,445.58**
Loans repayable on demand (Secured):		
Cash credit from Bank	24,165.51	31,483.29
Associated liabilities in respect of securitisation transactions	12,962.47	-
Total	**3,05,350.12**	**2,40,928.87**
Borrowings:		
Within India	3,05,350.12	2,40,928.87
Outside India		
Total	**3,05,350.12**	**2,40,928.87**

Nature of security

Term loans (secured)

Term Loans from bank, financial institutions and NBFCs are secured by an exclusive charge by way of hypothecation of specific loan receivable created out of the loan proceeds and cash collateral by way of fixed deposits and mortgage of personal properties of directors in addition to their personal guarantees.

Loans repayable on demand (Secured)

These loans are secured against the first pari passu charge on current assets, book debts and receivables including loans & advances of the Company as per the agreement. Further, the loan has been guaranteed by personal guarantee of director/promoter to the extent of ₹ 378.20Cr (March 31, 2024: ₹ 386.20 Cr).

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

The Company has utilised the funds raised from banks and financial institutions for the specific purpose for which they were borrowed.

The Company has borrowed funds from banks and financial institutions on the basis of security of current assets. It has filed quarterly returns or statements of current assets with banks and financial institutions and the said returns/ statements are in agreement with books of accounts.

Terms of repayment of term loans as on March 31, 2025

Original maturity loan	Interest rate	Due within 1 year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In Lakhs)	No. of Installments	Amount (In Lakhs)	No. of Installments	Amount (In Lakhs)	
Monthly repayment schedule								
1-7 Years	6.00%-7.00%	-	-	-	-	-	-	-
	7.01%-8.00%	-	-	-	-	-	-	-
	8.01%-9.00%	41	3,301.31	78	6,230.48	-	-	9,531.79
	9.01%-10.50%	645	62,295.71	802	83,154.15	-	-	1,45,449.86
	10.51%-11.50%	46	5,655.49	3	548.39	-	-	6,203.89
	11.51%-12.50%	-	-	-	-	-	-	-
Quarterly repayment schedule								
1-5 Years	6.00%-7.00%	-	-	-	-	-	-	-
	7.01%-8.00%	3	1,360.00	-	-	-	-	1,360.00
	8.01%-9.00%	-	-	-	-	-	-	-
	9.01%-10.50%	107	28,986.33	172	47,627.14	12	2,624.17	79,237.64
	10.51%-11.50%	16	6,078.46	16	7,857.07	2	1,000.00	14,935.53
	11.51%-12.50%	-	-	-	-	-	-	-
Bullet repayment schedule								
1-14 Years	7.01%-8.00%	-	-	2	12,500	-	-	12,500.00
	8.01%-9.00%	-	-	-	-	-	-	-
	9.01%-10.50%	-	-	-	-	-	-	
	10.51%-11.50%	-	-	-	-	-	-	
Total			**1,07,677.31**		**1,57,917.23**		**3,624.17**	**2,69,218.71**
Add : Interest accrued but not due								458.82
Less : Unamortized Finance Cost								(1,455.39)
Total Amortized Cost			**1,07,677.31**	**-**	**1,57,917.23**	**-**	**3,624.17**	**2,68,222.14**

Terms of repayment of term loans as on March 31, 2024

Original maturity loan	Interest rate	Due within 1 year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In Lakhs)	No. of Installments	Amount (In Lakhs)	No. of Installments	Amount (In Lakhs)	
Monthly repayment schedule								
1-7 Years	6.00%-7.00%	-	-	-	-	-	-	-
	7.01%-8.00%	-	-	-	-	-	-	-
	8.01%-9.00%	42	3,855.56	30	2,094.16	-	-	5,949.72
	9.01%-10.50%	477	38,149.63	707	59,524.06	-	-	97,673.69
	10.51%-11.50%	65	6,938.07	7	1,028.54	-	-	7,966.61
	11.51%-12.50%	-	-	-	-	-	-	-

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

Original maturity loan	Interest rate	Due within 1 year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In Lakhs)	No. of Installments	Amount (In Lakhs)	No. of Installments	Amount (In Lakhs)	
Quarterly repayment schedule								
1-5 Years	6.00%-7.00%	-	-	-	-	-	-	-
	7.01%-8.00%	4	1,820.00	3	1,360.00	-	-	3,180.00
	8.01%-9.00%	11	2,734.81	6	1,363.52	-	-	4,098.33
	9.01%-10.50%	97	26,271.68	183	52,257.31	2	625.00	79,153.99
	10.51%-11.50%	7	2,534.09	8	2,209.42	-	-	4,743.51
	11.51%-12.50%	-	-	-	-	-	-	-
Bullet repayment schedule								
1-14 Years	7.01%-8.00%	-	-	1	7,500	-	-	7,500.00
	8.01%-9.00%	-	-	-	-	-	-	-
	9.01%-10.50%	-	-	-	-	-	-	
	10.51%-11.50%	-	-	-	-	-	-	
Total			**82,303.85**		**1,27,337.01**		**625.00**	**2,10,265.86**
Add : Interest accrued but not due								498.28
Less : Unamortized Finance Cost								(1,318.56)
Total Amortized Cost			**82,303.85**	**-**	**1,27,337.01**	**-**	**625.00**	**2,09,445.58**

Terms of repayment of Associated liabilities in respect of securitisation transactions as on March 31, 2025

Original maturity loan	Interest rate	Due within 1 year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In Lakhs)	No. of Installments	Amount (In Lakhs)	No. of Installments	Amount (In Lakhs)	
Monthly repayment schedule								
1-7 Years	9.40%	12	6,044.72	36	6,923.06	3	86.57	13,054.35
Total			**6,044.72**		**6,923.06**		**86.57**	**13,054.35**
Less : Unamortized Finance Cost								(91.88)
Total Amortized Cost			**6,044.72**	**-**	**6,923.06**	**-**	**86.57**	**12,962.47**

Terms of repayment of Associated liabilities in respect of securitisation transactions as on March 31, 2024

Original maturity loan	Interest rate	Due within 1 year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In Lakhs)	No. of Installments	Amount (In Lakhs)	No. of Installments	Amount (In Lakhs)	
Monthly repayment schedule								
1-7 Years	-	-	-	-	-	-	-	-
Total			**-**	**-**	**-**	**-**	**-**	**-**
Less : Unamortized Finance Cost								-
Total Amortized Cost			**-**	**-**	**-**	**-**	**-**	**-**

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

16 SUBORDINATED LIABILITIES

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured - At amortised cost		
Non convertible debentures (Tier-II)	16,402.09	16,372.47
Indian rupee loan from banks (Tier-II)	-	-
Total	**16,402.09**	**16,372.47**
Subordinated Liabilities:		
Within India	16,402.09	16,372.47
Total	**16,402.09**	**16,372.47**

Terms of repayment of subordinated liabilities as on March 31, 2025

Original maturity loan	Interest rate	Due within 1 year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In Lakhs)	No. of Installments	Amount (In Lakhs)	No. of Installments	Amount (In Lakhs)	
Bullet repayment schedule								
1-7 Years	11.51%-12.50%	-	-	-	-	-	-	-
	>12.51%			2	16,500.00	-	-	16,500.00
Total					**16,500.00**		**-**	**16,500.00**
Add : Interest accrued but not due								10.62
Less : Unamortized Finance Cost								(108.53)
Total Amortized Cost					**16,500.00**		**-**	**16,402.09**

Terms of repayment of subordinated liabilities as on March 31, 2024

Original maturity loan	Interest rate	Due within 1 year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In Lakhs)	No. of Installments	Amount (In Lakhs)	No. of Installments	Amount (In Lakhs)	
Bullet repayment schedule								
1-7 Years	11.51%-12.50%	-	-	-	-	-	-	-
	>12.51%			2	16,500.00	-	-	16,500.00
Total					**16,500.00**		**-**	**16,500.00**
Add : Interest accrued but not due								10.59
Less : Unamortized Finance Cost								(138.12)
Total Amortized Cost					**16,500.00**		**-**	**16,372.47**

17 OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2025	As at March 31, 2024
Lease Liabilities (Refer Note 42)	77.82	277.11
Employee benefits payable	634.04	478.37
Expenses payable	13.12	10.11
Other Payables	1,125.44	419.67
Security deposit from franchisees and Customers	2,810.71	1,979.77
Payable towards securitisation / assignment transactions	3,602.39	2,305.68
Total	**8,263.52**	**5,470.71**

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

18 PROVISIONS

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for gratuity (Refer Note 34b)	35.36	226.21
Provision for leave benefits(Refer Note 34c)	84.48	62.16
Provision for others	6.16	-
Expected credit loss towards undrawn loan commitments	11.39	-
Total	**137.39**	**288.37**

19 OTHER NON-FINANCIAL LIABILITIES

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory dues payable	497.35	275.74
Total	**497.35**	**275.74**

20 EQUITY SHARE CAPITAL

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number	Amount	Number	Amount
Authorised Capital				
Equity shares of ₹ 10 each	10,00,00,000	10,000.00	8,00,00,000	8,000.00
Preference shares of ₹ 100 each	25,00,000	2,500.00	25,00,000	2,500.00
	10,25,00,000	**12,500.00**	**8,25,00,000**	**10,500.00**
Issued, subscribed and fully paid-up shares				
Equity Shares of ₹ 10 each fully paid up	7,01,56,445	7,015.65	7,01,56,445	7,015.65
	7,01,56,445	**7,015.65**	**7,01,56,445**	**7,015.65**
	-	**-**	**-**	**-**
Total	**7,01,56,445**	**7,015.65**	**7,01,56,445**	**7,015.65**

A. Reconciliation of number of shares

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number	Amount	Number	Amount
Fully paid equity share of ₹ 10 each				
At the beginning of the year	7,01,56,445	7,015.65	6,45,75,050	6,457.51
Shares issued during the year		-	55,81,395	558.14
Outstanding at the end of the year	**7,01,56,445**	**7,015.65**	**7,01,56,445**	**7,015.65**

B. Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 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 shareholder.

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

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

Name of shareholder	As at March 31, 2025		As at March 31, 2024	
	No. of shares held	% Holding	No. of shares held	% Holding
Equity shares of ₹ 10 each fully paid up				
Vupputuri Gopala Kishan Prasad	1,98,53,581	28.30%	1,98,53,581	28.30%
India Business Excellence Fund-IIA	1,30,51,546	18.60%	1,30,51,546	18.60%
Vistra ITCL (India) Limited (formerly known as IL and FS Trust Company Limited) (Trustee of Business Excellence Trust-II - India Business Excellence Fund II)	78,04,018	11.12%	78,04,018	11.12%
Accion Digital Transformation Fund , LP	55,81,395	7.96%	55,81,395	7.96%
Teachers Insurance And Annuity Association Of America	55,81,395	7.96%	55,81,395	7.96%

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. Shareholding of Promotors

Shares held by promotors at the end of the year	As at March 31, 2025			As at March 31, 2024	
	No. of Shares	% of Total Shares	% Change during the year	No. of Shares	% of Total Shares
a. Equity shares of ₹ 10 each fully paid up					
Vupputuri Gopala Kishan Prasad	1,98,53,581	28.30%	0.00%	1,98,53,581	28.30%
Vupputuri Indira Devi	16,48,142	2.35%	0.00%	16,48,142	2.35%
Koganti Vasumathi Devi	26,47,266	3.77%	0.00%	26,47,266	3.77%
Devineni Vasantha Lakshmi	24,91,794	3.55%	0.00%	24,91,794	3.55%
Vupputuri Raghu Ram	18,00,670	2.57%	0.00%	18,00,670	2.57%
Durga Rani Chunduri	14,94,100	2.13%	0.00%	14,94,100	2.13%
Sinha Satyanand Chunduri	1,17,700	0.17%	0.00%	1,17,700	0.17%

21 OTHER EQUITY

Particulars	As at March 31, 2025	As at March 31, 2024
Capital reserve	32.50	32.50
Securities premium reserve	45,436.27	45,454.27
Share Based Payment reserve	35.92	21.71
Statutory Reserve under section 45-IC of the Reserve Bank of India Act, 1934	9,692.03	7,533.09
General reserve	2,396.10	1,856.36
Retained earnings	34,242.95	26,152.48
Total	**91,835.77**	**81,050.41**

Nature and purpose of reserve

a. Capital reserve

This reserve was created to record the excess carrying value of optionally convertible debentures provided through securities premium. The excess value is recorded by reversing the capital reserve with corresponding debit to debentures.

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

b. Securities premium reserve

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

c. Statutory reserve

Reserves created under Section 45IC of The Reserve Bank of India Act, 1934

d. Share based payment reserve

The share based payment reserve is used to recognise the grant date fair value of options issued to employees of the Company and its subsidiaries under stock option schemes of the Company.

e. Retained earnings

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

f. General Reserve

It is a free reserve which is created by appropriation from profits of the current year and/or undistributed profits of previous years, before declaration of dividend duly complying with any regulations in this regard.

B. Movement in Other equity

Particulars	As at March 31, 2025	As at March 31, 2024
I. Capital Reserve		
Opening balance	32.50	32.50
Add : Share issued during the year	-	-
	32.50	**32.50**
II. Securities premium reserve		
Opening balance	45,454.27	34,891.60
Add : Premium received on issue of securities		11,441.85
Less : Share issue expenses	(18.00)	(879.18)
	45,436.27	45,454.27
III. Share Based Payment reserve		
Opening balance	21.71	20.63
Add : During the year	14.21	1.08
	35.92	**21.71**
IV. Statutory Reserve under section 45-IC of the Reserve Bank of India Act, 1934		
Opening balance	7,533.09	5,993.60
Add : Transfer from retained earnings	2,158.94	1,539.49
	9,692.03	**7,533.09**
V. General Reserve		
Opening balance	1,856.36	1,471.49
Add : Transfer from retained earnings	539.74	384.87
	2,396.10	**1,856.36**
VI. Retained earnings		
Opening balance	26,152.48	20,382.66
Add : Changes in accounting policy /Prior period errors	0.44	
Restated Opening balance	26,152.92	
Add : Profit for the year	10,794.73	7,697.44
Add : Other comprehensive income	(6.02)	(3.26)
Appropriations:		
Transfer to Statutory Reserve u/s 45-IC of the Reserve Bank of India Act, 1934	(2,158.94)	(1,539.49)
Transfer to General reserve	(539.74)	(384.87)
	34,242.95	**26,152.48**

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

22 INTEREST INCOME

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
On financial assets measured at amortised cost		
Interest on loans	60,588.22	40,336.71
Interest on deposits with banks	158.85	221.35
Interest on investment in debentures	981.92	1,570.25
Income on Investment In PTC	56.88	-
Interest on others	10.67	12.34
Total	**61,796.54**	**42,140.64**

23 FEES AND COMMISSION INCOME

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Other fees and charges	739.12	523.06
Total	**739.12**	**523.06**

24 NET GAIN(LOSS) ON DE RECOGNITION OF FINANCIAL INSTRUMENTS UNDER AMORTISED COST

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Net gain(Loss) on derecognition of financial instruments	2,314.00	500.93
Total	**2,314.00**	**500.93**

25 NET GAIN ON FAIR VALUE CHANGES

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Realised	175.21	238.27
Un Realised	-	-
Total	**175.21**	**238.27**

26 OTHER OPERATING INCOME

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Bad debts recovered	0.05	19.64
Total	**0.05**	**19.64**

27 OTHER INCOME

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Interest on income tax refund	53.30	16.48
Rental income	9.15	9.15
Income from Support Services	925.05	295.62
Miscellaneous Income	0.73	3.80
Interest on gratuity fund	0.20	-
Total	**988.43**	**325.04**

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

28 FINANCE COSTS

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
On financial liabilities measured at amortised cost		
Interest on deposits	82.06	67.09
Interest on borrowings	25,704.52	16,816.32
Interest on commercial paper and bonds	-	-
Interest on debentures	3,011.87	1,554.49
Interest on subordinated liabilities	2,393.57	2,353.96
Interest on ICD	1.21	-
Interest on lease liabilities (Refer Note 42)	20.42	37.43
Interest on securitisation	266.27	-
Bank Charges	32.69	6.74
Other finance cost	1,684.73	1,186.82
Total	**33,197.34**	**22,022.85**

29 IMPAIRMENT ON FINANCIAL INSTRUMENTS

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
On financial instruments measured at amortised cost		
Loans	2,396.09	599.58
Undrawn Loan Commitments	11.39	
Trade receivables	-	-
Bad debts and write offs	1,558.79	1,040.93
Provisions	6.16	-
Total	**3,972.43**	**1,640.51**

30 EMPLOYEE BENEFITS EXPENSES

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Salaries and wages	10,238.68	6,744.35
Contribution to provident and other funds	426.37	324.99
Share based payment to employees	12.44	1.08
Staff welfare expenses	284.31	176.39
Gratuity	66.70	73.57
Leave encashment	18.49	8.78
Total	**11,046.99**	**7,329.16**

31 DEPRECIATION, AMORTIZATION AND IMPAIRMENT

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation on property, plant and equipment (Refer Note 10)	84.42	84.58
Depreciation on right to use assets (Refer Note 10)	210.40	203.75
Depreciation on investment property(Refer Note 9)	0.17	0.17
Amortization of intangible assets (Refer Note 11B)	41.81	52.39
Total	**336.80**	**340.89**

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

32 OTHER EXPENSES

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Rent	411.08	326.31
Communication cost	89.01	86.06
Travelling and conveyance	379.79	315.09
Rates and taxes	758.52	553.54
Insurance	2.90	2.48
Commission and Brokerage	60.45	47.14
Repairs and maintenance	180.55	106.01
Printing and stationary	48.48	29.46
Payment to auditors (Refer Note 31.1)	43.20	33.05
Advertisement, publicity and sales promotion expenses	0.23	11.39
Operation Cost	48.13	44.67
Legal and professional fees	522.23	234.25
Corporate social responsibility (Refer Note 31.2)	161.74	111.10
Director sitting fees	59.80	20.75
Loss on sale of property, plant and equipment	-	-
Loss on sale of Investment Property	-	-
Miscellaneous expenses	217.63	155.24
Total	**2,983.74**	**2,076.54**

32.1 Payment to the auditors:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Auditor's remuneration		
- Audit fees (including Limited review fees)	39.50	31.00
In other capacity		
- Certification services	3.70	2.05
Other of pocket expenses	-	-
Total	**43.20**	**33.05**

32.2 Corporate social responsibility:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
a) Amount required to be spent by the Company during the year	149.97	110.52
b) Amount spent during the year on :		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	161.74	111.10
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	HealthCare , Education & Skill Development , Gender Equality and Empowerment, Environment.	HealthCare, Education & Skill Development, Gender Equality and Empowerment, Environment.

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
h) Details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Indian Accounting Standards	-	-
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.	-	-

Excess Amount spent as per Section 135(5) of the companies act

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Opening Balance	8.60	8.02
Amount spent during the year	161.74	111.10
	170.34	**119.12**
Amount required to be spent during the year	149.97	110.52
Closing Balance	**20.37**	**8.60**

33 INCOME TAX

(a) Income tax expense

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
	₹	₹
Current tax		
Current tax on profits for the year	3,186.28	2,600.55
Adjustment for current tax of the prior periods	(8.99)	8.82
Subtotal (A)	**3,177.29**	**2,609.37**
Deferred tax		
Decrease/(Increase) in deferred tax assets	(506.46)	(237.40)
(Decrease)/Increase in deferred tax liabilities	1,010.49	268.22
Subtotal (B)	**504.03**	**30.82**
Income tax expense for the year (A+B)	**3,681.32**	**2,640.19**

(b) Deferred tax

The major components of deferred tax (liabilities) arising on account of timing differences for the year ended March 31, 2025:

Particulars	Net balance March 31, 2024	Recognised in profit or loss	Recognised in OCI	Net balance March 31, 2025
Deferred tax assets				
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	72.58	(44.44)	2.02	30.16
Impact of provision for expected credit loss on loans	756.38	606.05		1,362.43
Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	14.44	0.47		14.91
Impact of leases under Ind AS 116	69.74	(50.16)		19.58
Share based payment	5.47	(5.47)		-

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

Particulars	Net balance March 31, 2024	Recognised in profit or loss	Recognised in OCI	Net balance March 31, 2025
Others	-	-		-
EIR impact of financial asssets and liabilities		-		
(A)	**918.60**	**506.46**	**2.02**	**1,427.08**
Deferred tax liabilities				
Impact of amortisation of anciallary borrowing cost	394.48	218.94		613.42
EIR impact of financial asssets and liabilities	(73.35)	160.65		87.30
Impact of direct assignment and securitisaton transactions	601.08	582.66		1,183.74
Interest income recognised on stage 3 loans	148.94	96.48		245.42
Impact of leases under Ind AS 116	65.99	(48.24)		17.75
(B)	**1,137.15**	**1,010.49**	**-**	**2,147.63**
Deferred tax liabilities (net) (A-B)	**(218.55)**	**(504.03)**	**2.02**	**(720.55)**

The major components of deferred tax (liabilities) arising on account of timing differences for the year ended March 31, 2024:

Particulars	Net balance March 31, 2023	Recognised in profit or loss	Recognised in OCI	Net balance March 31, 2024
Deferred tax assets				
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	52.98	18.50	1.10	72.58
Impact of provision for expected credit loss on loans	605.48	150.90	-	756.38
Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	8.68	5.77	-	14.44
Impact of leases under Ind AS 116	70.06	(0.32)	-	69.74
Share based payment	5.20	0.27	-	5.47
Others	-		-	-
EIR impact of financial asssets and liabilities	11.06	62.29		73.35
(A)	**753.46**	**237.40**	**1.10**	**991.95**
Deferred tax liabilities				
Impact of amortisation of anciallary borrowing cost	286.13	108.35	-	394.48
EIR impact of financial asssets and liabilities	-	-	-	-
Impact of direct assignment and securitisaton transactions	475.01	126.07	-	601.08
Interest income recognised on stage 3 loans	113.11	35.83	-	148.94
Impact of leases under Ind AS 116	68.03	(2.04)	-	65.99
(B)	**942.28**	**268.22**	**-**	**1,210.50**
Deferred tax liabilities (net) (A-B)	**(188.82)**	**(30.82)**	**1.10**	**(218.55)**

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

(c) Reconciliation of effective tax rate

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
	₹	₹
Profit before tax as per Statement of profit and loss (A)	14,476.05	10,337.63
Applicable income tax rate	25.17%	25.17%
Expected Income Tax Expense (B)	3,643.33	2,601.77
Tax effect of:		
Effect of income exempt from tax	(0.66)	(0.66)
Effect of expenses/provisions not deductible in determining taxable profit	41.16	28.32
Effect of differential tax rate	-	-
Adjustment related to tax of prior years	(8.99)	8.82
Others	6.48	1.93
Income tax expense	**3,681.32**	**2,640.19**

34 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 Company recognised ₹ 426.37 Lakhs (PY: ₹ 324.99 Lakhs) for year ended March 31, 2025, for provident fund and other contributions in the Statement of profit and loss.

b. Defined Benefit Plan - Gratuity

The Company has a defined benefit gratuity plan (unfunded). Every employee who has completed five years or more of service is eligible for gratuity on cessation of employment and it is computed at 15 days salary (last drawn salary) for each completed year of service subject to limit of ₹ 20 Lakhs as per The Payment of Gratuity Act. 1972.

The following tables summarizes the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the Balance Sheet for the gratuity plan.

Particulars	As at March 31, 2025	As at March 31, 2024
Present value of obligation (A)	285.54	226.21
Fair Value of plan assets (B)	250.18	-
Present value of obligation (A- B)	35.36	226.21

Particulars	As at March 31, 2025	As at March 31, 2024
Obligation expected to be settled in the next 12 months	87.50	21.44
Obligation expected to be settled beyond next 12 months	198.04	204.77

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

Movement in net defined benefit (asset) liability

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

Particulars	Defined Benefit Obligation		Fair Value of plan assets		Net defined benefit (asset) liability	
	March 31, 2025.	March 31, 2024.	March 31, 2025.	March 31, 2024.	March 31, 2025.	March 31, 2024.
Opening balance	226.21	154.38	-	-	226.21	154.38
Current service cost	59.61	62.18	-	-	59.61	62.18
Past service cost	-	-	-	-	-	-
Interest cost	15.94	11.39	-	-	15.94	11.39
Interest Income	-	-	9.04	-	(9.04)	-
Defined benefit cost included in P&L	**75.55**	**73.57**	**9.04**	**-**	**66.51**	**73.57**
Other comprehensive income						
Remeasurement loss (gain) due to:						
Demographic assumptions	(41.72)	-	-	-	(41.72)	-
Financial assumption	1.70	4.30	-	-	1.70	4.30
Experience adjustments	35.16	(0.63)	-	-	35.16	(0.63)
(Return) on Plan Assets (Excluding Interest Income)		-	(8.86)	-	8.86	-
Total remeasurements in OCI	**(4.86)**	**3.67**	**(8.86)**	**-**	**4.00**	**3.67**
Others						
Employer contributions			250.00		(250.00)	
Benefits paid	(11.36)	(5.42)	-	-	(11.36)	(5.42)
Closing balance	**285.54**	**226.21**	**250.18**	**-**	**35.36**	**226.21**

Actuarial assumptions:

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

Particulars	As at March 31, 2025	As at March 31, 2024
Discount rate	7.00%	7.23%
Salary escalation rate	6.00%	6.00%
Withdrawal/attrition rate (based on categories)	35.00%	9.00%
Mortality rate (as % of IALM (2012-14) Ult. Mortality Table)	100.00%	100.00%
Disability rate (as % of above mortality rate)	0.00%	0.00%
Expected weighted average remaining working lives of employees	25.59 years	25.18 years

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.

d) Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

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, 2025		As at March 31, 2024	
	Increase	Decrease	Increase	Decrease
Salary escalation Rate (+/- 1%)	294.09	277.31	242.47	211.65
	2.99%	-2.88%	7.19%	-6.44%
Discount Rate (+/- 1%)	278.32	293.22	211.53	242.88
	-2.53%	2.69%	-6.49%	7.37%
Withdrawal Rate (+/- 1%)	284.15	286.96	225.68	226.63
	-0.49%	0.50%	-0.23%	0.18%

The Sensitivity is performed on the defined benefit obligation 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.

Expected future contributions

The Best Estimate Contribution for the Company during the next year would be ₹ 35,55,751

Expected cash flow for following years:

Maturity Profile of Defined Benefit Obligations	
Year 1	88.45
Year 2	52.42
Year 3	51.83
Year 4	41.39
Year 5	32.89
Year 6	24.39
Year 7	18.43
Year 8	13.30
Year 9	9.59
Year 10	6.66
Year 11+	15.46

The weighted average duration of the defined benefit obligation is 3.43

c. **Compensated absences :**

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

Particulars	As at March 31, 2025	As at March 31, 2024
Present value of unfunded obligation	84.48	62.16
Expenses recognised in the Statement of Profit and Loss	18.49	8.78

35 EARNINGS PER SHARE

Particulars	As at March 31, 2025	As at March 31, 2024
Profit for the year	**10,794.73**	**7,697.44**
Weighted average number of equity shares used in calculating basic earnings per share	701.56	680.00
Effect of potential dilutive Equity Shares on account of unexercised employee stock options	2.29	0.65
Weighted average number of equity shares and potential equity shares used in calculating diluted earnings per share	703.85	680.65
Basic earnings per share	**15.39**	**11.32**
Diluted earnings per share	**15.34**	**11.31**

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TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

36 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Promoters of the Company. The Company operates only in one Business Segment i.e. lending, since the nature of the loans are exposed to similar risks and return profiles, hence they are collectively operating under a single segment. Accordingly the Company does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments".

37 TRANSFER OF FINANCIAL ASSETS

Transfer of financial assets that are not derecognised in their entirety

(i) Securitisations:

"The Company has transferred certain pools of fixed rate loan receivables backed by underlying assets in the form of PTCs by entering in to securitisation transactions with the Special Purpose Vehicle Trusts ("SPV Trust") sponsored by Catalyst Trusteeship Limited for consideration received in cash at the inception of the transaction. The Company, being Originator of these loan receivables, also acts as Servicer with a responsibility of collection of receivables from its borrowers and depositing the same in Collection and Payout Account maintained by the SPV Trust for making scheduled payouts to the investors in Pass Through Certificates (PTCs) issued by the SPV Trust. These securitisation transactions also requires the Company to provide for first loss credit enhancement in various forms, such as cash collateral, subordinated series A2 PTCs, subordinated over collateral and subordinated excess interest spread as credit support in the event of shortfall in collections from underlying loan contracts. By virtue of existence of credit enhancement, the Company is exposed to credit risk, being the expected losses that will be incurred on the transferred loan receivables to the extent of the credit enhancement provided. In view of the above, the Company has retained substantially all the risks and rewards of ownership of the financial asset and thereby does not meet the derecognition criteria as set out in Ind AS 109. Consideration received in this transaction is presented as "Associated liabilities in respect of securitisation transactions" under Note no 15 The following table provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities"

The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

Particulars	As at March 31, 2025	As at March 31, 2024
Carrying amount of transferred assets measured at amortised cost	13,539.75	-
Carrying amount of associated liabilities (Term Loan)	13,054.35	-
Fair value of assets (A)	13,417.09	-
Fair value of associated liabilities (B)	12,962.47	-
Net position at FV (A-B)	454.62	-

The carrying amount of above assets and liabilities is a reasonable approximation of their fair values.

Transfer of financial assets which qualify for derecognition in their entirety

(i) Assignment transaction

The Company has sold loans and advances measured at amortised cost under assignment deals, as a source of finance. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been derecognised from the Company's balance sheet.

The gain arising on said transactions are recorded upfront by discounting the future cash flows accruing in the form of differential interest on such assigned loan to their present values.

Particulars	As at March 31, 2025	As at March 31, 2024
Carrying amount of transferred assets measured at amortised cost	37,854.23	27,458.08
Carrying amount of exposures retained by the Company at amortised cost	4,206.03	3,050.90
Gain on sale of the derecognised financial assets	4,099.01	1,879.23

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

38 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, 2025			As at March 31, 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	19,943.00		19,943.00	4,407.96	-	4,407.96
Bank Balance other than cash and cash equivalents	8.74	2,525.12	2,533.86	2678.96	344.45	3,023.41
Receivables						
(I) Trade receivables	238.12		238.12	145.64		145.64
(II) Other receivables			-			-
Loans	172035.73	279351.90	4,51,387.63	114359.15	211171.59	3,25,530.74
Investments		16,134.82	16,134.82	12,405.62	15,219.23	27,624.85
Other Financial assets	2,612.45	2,755.30	5,367.75	1,700.08	1,054.91	2,754.99
Sub total	**1,94,838.04**	**3,00,767.14**	**4,95,605.18**	**1,35,697.42**	**2,27,790.18**	**3,63,487.60**
Non-financial assets						
Current Tax assets (Net)	332.56		332.56	43.25	-	43.25
Deferred Tax assets (Net)		-	-	-	-	-
Investment Property		129.86	129.86	-	130.03	130.03
Property, plant and equipment		335.88	335.88	-	237.54	237.54
Right to Use Assets		70.56	70.56	-	262.17	262.17
Capital work in progress		2,944.30	2,944.30		47.59	47.59
Intangibles assets under development		-	-		13.20	13.20
Intangible assets		114.11	114.11	-	123.99	123.99
Other non-financial assets	956.22	712.39	1,668.61	0.28	3,264.77	3,265.05
Sub total	**1,288.78**	**4,307.10**	**5,595.88**	**43.53**	**4,079.29**	**4,122.81**
Total assets	**1,96,126.82**	**3,05,074.24**	**5,01,201.06**	**1,35,740.95**	**2,31,869.47**	**3,67,610.42**
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
Debt Securities	9,835.09	61,143.53	70,978.62	10,267.27	5,722.38	15,989.65
Borrowings (Other than Debt Securities)	1,39,821.42	1,65,528.70	3,05,350.12	1,14,285.41	1,26,643.45	2,40,928.86
Subordinated Liabilities	10.62	16,391.47	16,402.09	10.59	16,361.88	16,372.47
Other Financial liabilities	5,839.85	2,423.67	8,263.52	3,615.27	1,855.45	5,470.72
Sub total	**1,55,506.98**	**2,45,487.37**	**4,00,994.35**	**1,28,178.54**	**1,50,583.16**	**2,78,761.69**
Non-Financial liabilities						
Provisions	-	137.39	137.39		288.37	288.37
Deferred tax liabilities (Net)	-	720.55	720.55		218.55	218.55
Other non-financial liabilities	497.35		497.35	188.72	87.02	275.74
Sub total	**497.35**	**857.94**	**1,355.29**	**188.72**	**593.94**	**782.66**
Total liabilities	**1,56,004.33**	**2,46,345.31**	**4,02,349.64**	**1,28,367.26**	**1,51,177.10**	**2,79,544.35**

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

39 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Particulars	As at March 31, 2024	Cash Flows (net)	Others (net)*	As at March 31, 2025
Subordinated liabilities	16,372.46	0.00	29.64	16,402.10
Debt securities	15,989.66	54,927.42	61.54	70,978.62
Borrowing other than debt securities	2,40,928.86	64,689.43	(268.17)	3,05,350.12
	2,73,290.98	**1,19,616.85**	**(176.99)**	**3,92,730.84**

Particulars	As at March 31, 2023	Cash Flows (net)	Others (net)*	As at March 31, 2024
Subordinated liabilities	16,345.05	0.00	27.41	16,372.46
Debt securities	18,838.55	(2,500.00)	(348.89)	15,989.66
Borrowing other than debt securities	1,68,496.31	72,523.33	(90.78)	2,40,928.86
	2,03,679.91	**70,023.33**	**(412.26)**	**2,73,290.98**

* Others column includes the effect of accrued but not paid interest on borrowing, amortisation of processing fees and cash flows from securitisation etc amounting to ₹ 176.99 Lakhs and 412.26 Lakhs respectively for the year ended March 31, 2025 and March 31, 2024.

40 EMPLOYEE STOCK OPTION PLAN (ESOP)

The Company had granted 5,62,860 share options (face value of ₹ 10/- each) under Employee Stock Option Plan 2019 on June 11, 2019 to the employees of IKF Finance Limited and 4,16,060 share options been lapsed over the period and in the current financial year company granted 3,66,094 share options (face value of ₹ 10/-each) under Employee Stock Option plan 2025 on March 12, 2025 to the employees of IKF Finance Limited and IKF Home Finance Limited. The shares will vest gradually and vesting of these share options is dependent on continued employment with the Company.

A. Expenses arising from share-based payment transactions

Total expenses arising from equity - settled share-based payment transaction recognised in profit or loss as part of employee benefit expense for the year ended March 31, 2025 is ₹ 12.44 Lakhs (March 31, 2024 - ₹ 1.08 Lakhs).

B. Movement of share options

The following table illustrates the number and exercise prices and movements in share options for the year ended March 31, 2025

Scheme Reference	Grant date	Exercise Price	Balance as At April 1, 2024	Granted during the year	Forfeited during the year	Exercised during the year	Expired during the year	Balance as at March 31, 2025
ESOP - 2019	11-Jun-19	120	1,46,800	-	-	-	-	1,46,800
ESOP - 2025	12-Mar-25	120	-	30,220	-	-	-	30,220
	12-Mar-25	215	-	1,20,876	-	-	-	1,20,876
	12-Mar-25	305	-	2,14,998	-	-	-	2,14,998
			1,46,800	3,66,094	-	-	-	5,12,894

The total options exercisable as at March 31, 2025 is 1,46,800

The weighted average remaining contractual life for the share options outstanding as at March 31, 2025 is 2.45 to 2.95 years (March 31, 2024: 0 years).

The following table illustrates the number and exercise prices and movements in share options for the year ended March 31, 2024

Scheme Reference	Grant date	Weighted Average Exercise Price	Balance as At April 1, 2023	Granted during the year	Forfeited during the year	Exercised during the year	Expired during the year	Balance as at March 31, 2024
ESOP - 2019	11-Jun-19	120	1,46,800	-	-	-	-	1,46,800

The total options exercisable as at 31 March 2024 is 1,46,800

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TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

C. Fair value of options granted

The fair value of options was determined using the Black Scholes Model using the following inputs as follows :

Particulars	ESOP-2019	ESOP-2025
Fair values at the measurement date	14.79	139.14 to 271.14
Expected volatility	0.36	0.30
Risk–free interest rate (%)	4.50%	6.54% to 6.60%
Expected life of share options/SARs (years)	1.30 years to 4.30 years	1 years to 4 years
Exercise price (₹)	120.00	120 to 315

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

41 CONTINGENT LIABILITIES AND COMMITMENTS

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 financial position and results of operations.

41.1 Contingent Liability

There are no Contingent Liabilities as on March 31, 2025 (March 31, 2024: NIL)

41.2 Commitment

There is a capital commitment of ₹ 6,835.29 Lakhs as on March 31, 2025 (March 31, 2024: ₹ 4,478.10 Lakhs)

42 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 recognises 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 recognises 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 recognised 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.

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(Currency : ₹ in lakhs)

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 (Refer Note 10)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening	262.17	270.29
Additions	23.92	195.63
Deletion	(5.13)	-
Depreciation	(210.40)	(203.75)
Closing Balance	**70.56**	**262.17**

The following is the movement in lease liabilities :

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning	277.11	278.39
Additions	23.22	178.98
Finance cost accrued during the period	20.42	37.43
Payment of lease liabilities	(242.93)	(217.69)
Balance at the end	**77.82**	**277.11**

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

Particulars	As at March 31, 2025	As at March 31, 2024
Less than 3 months	18.19	59.08
Over 3 months & upto 6 months	8.22	59.75
Over 6 months & upto 1 year	15.46	119.55
Over 1 year & upto 3 years	24.99	51.22
Over 3 years	21.56	2.10

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

Particulars	As at March 31, 2025	As at March 31, 2024
Depreciation expense of right-of-use assets	210.40	203.75
Interest expense on lease liabilities	20.42	37.43
Expense relating to short-term leases	411.08	326.31
Total amount recognised in profit or loss	**641.90**	**567.49**

Future Commitments:

Particulars	As at March 31, 2025
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, 2025.

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

43 CAPITAL MANAGEMENT

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

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board."

Particulars	As at March 31, 2025			As at March 31, 2024
	Numerator	Denominator	Ratio	Ratio
Capital to Risk Weighted Assets Ratio (CRAR)	94,727.34	4,54,081.56	20.86%	26.50%
Tier I CRAR	85,319.59	4,54,081.56	18.79%	22.66%
Tier II CRAR	9,407.75	4,54,081.56	2.07%	3.84%

44 ANALYTICAL RATIOS

Particulars	As at March 31, 2025			As at March 31, 2024	% Variance	Reasons for Variance (if above 25%)
	Numerator	Denominator	Ratio	Ratio		
Capital to Risk Weighted Assets Ratio (CRAR)	94,727.34	4,54,081.56	20.86%	26.50%	(21.28%)	NA
Tier I CRAR	85,319.59	4,54,081.56	18.79%	22.66%	(17.08%)	NA
Tier II CRAR	9,407.75	4,54,081.56	2.07%	3.84%	(46.05%)	No new Tier II capital raised during current financial year 2024-25
Liquidity Coverage Ratio	-	-	NA	NA	NA	NA

45 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. 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.

NOTES
TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025
(Currency : ₹ in lakhs)

Particulars	Level	Carrying value		Fair value	
		As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Financial Assets					
Cash and cash equivalents	1	19,943.00	4,407.96	19,943.00	4,407.96
Bank Balance other than cash and cash equivalents	1	2,533.86	3,023.41	2,533.86	3,023.41
Trade receivables	2	238.12	145.64	238.12	145.64
Loans	2	4,51,387.63	3,25,530.75	4,49,282.10	3,27,908.23
Rent and utility deposits	2	343.41	303.42	343.41	303.42
EIS receivable	2	4,801.68	2,429.00	4,801.68	2,429.00
Other financial assets	2	222.66	22.57	222.66	22.57
Investment in debentures	2	-	12,405.62	-	12,405.62
Investment in PTC		913.82	-	913.82	
		4,80,384.18	**3,48,268.38**	**4,78,278.65**	**3,50,645.86**
Financial Liabilities					
Debt securities	2	70,978.62	15,989.65	72,150.60	16,107.29
Borrowings (other than debt securities)	2	3,05,350.12	2,40,928.87	3,07,201.38	2,40,821.61
Subordinated Liabilities	2	16,402.09	16,372.47	16,610.19	16,509.34
Other financial liabilities	2	8,263.52	5,470.71	8,263.52	5,470.71
Total Financial liabilities		**4,00,994.35**	**2,78,761.70**	**4,04,225.69**	**2,78,908.95**

Investment in subsidiary is measured at cost in accordance with Ind AS 27.

Valuation Methodologies of Financial Instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions explained in notes.

Short Term Financial Assets and Liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalents, bank balance other than cash and cash equivalents, trade receivables, rent and utility deposits and other financial liabilities.

Loans and advances to customers

The fair values of loans are estimated by discounted cash flow models based on contractual cash flows using actual or estimated yields.

Borrowings other than debt securities, Debt securities and Subordinated liabilities

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Company's own credit risk.

EIS receivable

EIS receivable is calculated by discounting the contractual future cash flows. The carrying value closely approximates its fair value.

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TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

C. Categories of Financial Instruments :

Particulars	As at March 31, 2025			
	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total
Cash and cash equivalents	19,943.00	-	-	19,943.00
Bank Balance other than included in (a) above	2,533.86	-	-	2,533.86
Receivables		-	-	-
(I) Trade receivables	238.12	-	-	238.12
(II) Other receivables		-	-	-
Loans	4,51,387.63	-	-	4,51,387.63
Investments	913.82	-	15,221.00	16,134.82
Other financial assets	5,367.75	-	-	5,367.75
Total	**4,80,384.18**	**-**	**15,221.00**	**4,95,605.18**
Debt securities	70,978.62	-	-	70,978.62
Borrowings (other than debt securities)	3,05,350.12	-	-	3,05,350.12
Subordinated Liabilities	16,402.09	-	-	16,402.09
Other financial liabilities	8,263.52	-	-	8,263.52
Total	**4,00,994.35**	**-**	**-**	**4,00,994.35**

Particulars	As at March 31, 2024			
	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total
Cash and cash equivalents	4,407.96	-	-	4,407.96
Bank Balance other than included in (a) above	3,023.41	-	-	3,023.41
Receivables	-	-	-	-
(I) Trade receivables	145.64	-	-	145.64
(II) Other receivables	-	-	-	-
Loans	3,25,530.75	-	-	3,25,530.75
Investments	12,405.62	-	15,219.23	27,624.85
Other financial assets	2,754.99	-	-	2,754.99
Total	**3,48,268.37**	**-**	**15,219.23**	**3,63,487.60**
Debt securities	15,989.65	-	-	15,989.65
Borrowings (other than debt securities)	2,40,928.87	-	-	2,40,928.87
Deposits		-	-	-
Subordinated Liabilities	16,372.47	-	-	16,372.47
Other financial liabilities	5,470.71	-	-	5,470.71
Total	**2,78,761.70**	-	-	**2,78,761.70**

46 RISK MANAGEMENT

Risk is an integral part of the Company's business and sound risk management is critical to the success. As a financial intermediary, the Company is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes credit, liquidity and market risks. The Board of Directors of the Company are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Company has a risk management policy which covers all the risk associated with its assets and liabilities.

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

46.1 Introduction and Risk Profile

Risk management and mitigation

The Company's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment, as necessary.

The Company's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to that they decide to take on. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits.

The Company is generally exposed to credit risk, liquidity risk, market risk, prepayment risk and operational risk.

46.2 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 material 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.

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

Probability of default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. PD is computed separately for each stage, incorporating historical trends (roll rate model), and forward-looking macroeconomic factors (MEF).For Stage-1 12m PD, Roll Rate Model (Dynamic Pool Approach) was adopted for all the portfolios, as delinquency trends serve as strong indicators of credit risk. For Stage-2 LT PD, is computed by projecting contractual cash flows and adjusting them for default risk. Cumulative PDs are applied year-wise to determine the probability-weighted defaulted discounted cash flows. This ensures credit risk is incorporated systematically across the loan's remaining tenure.

Loss given Default (LGD)

Loss Given Default (LGD) refers to the proportion of a loan outstanding amount that is not recovered in the event of default. A model has been developed based on historical data from defaulted loans that have been fully resolved or written off.

The analysis encompasses the entire recovery cycle, from the initial default event to the final closure, ensuring a comprehensive assessment of loss dynamics. For each defaulted loan, actual recovery cash flows recorded throughout the resolution period have been systematically captured and analyzed. These cash flows are discounted using the respective Effective Interest Rate (EIR) applicable to the loan, maintaining alignment with Expected Credit Loss (ECL) principles.

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.

Gross movement of loans for the year ended March 31, 2025:-

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount as at April 1, 2024				
Term loans	**2,97,549.87**	**23,524.15**	**7,728.83**	**3,28,802.86**
Staff loans	**300.92**	**-**	**-**	**300.92**
New loans originated during the year				-
Term loans	2,76,834.55	7,719.50	567.62	2,85,121.68
Staff loans	33.72	-	-	33.72
Inter-stage movements:				
-Term loans				
Transfers to Stage 1	3,754.69	(3,225.67)	(529.02)	-
Transfers to Stage 2	(21,755.23)	21,784.82	(29.59)	-
Transfers to Stage 3	(3,666.16)	(2,277.51)	5,943.68	-
Interest on stage 3 loans			383.34	383.34
Amounts written off				
Term loans	(670.87)	(493.49)	(394.43)	(1,558.79)
Staff loans				-
Assets derecognised or repaid (excluding write offs)				
Term loans	(1,38,460.09)	(13,609.06)	(3,413.54)	(1,55,482.69)
Staff loans	(244.29)	-	-	(244.29)
Gross carrying amount as at March 31, 2025				
Term loans	**4,13,588.01**	**33,421.49**	**10,256.89**	**4,57,266.39**
Staff loans	**89.10**	**1.25**	**-**	**90.35**

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

Gross movement of loans for the year ended March 31, 2024:-

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount as at April 1, 2023				
Term loans	1,69,177.28	38,155.74	6,058.32	2,13,391.34
Staff loans	336.61	-	-	336.61
New loans originated during the year				-
Term loans	2,08,772.22	6,339.01	432.55	2,15,543.77
Staff loans	172.19	-	-	172.19
Inter-stage movements:				
- Term loans				
Transfers to Stage 1	(7,530.54)	7,335.14	195.40	-
Transfers to Stage 2	8,845.49	(9,036.90)	191.42	-
Transfers to Stage 3	2,413.01	2,378.10	(4,791.12)	-
Interest on stage 3 loans	-	-	142.38	142.38
Amounts written off				
Term loans	(383.26)	(288.85)	(352.10)	(1,024.21)
Staff loans	-	-	-	-
Assets derecognised or repaid (excluding write offs)				
Term loans	(83,744.34)	(21,358.09)	5,852.00	(99,250.44)
Staff loans	(207.89)	-	-	(207.89)
Gross carrying amount as at March 31, 2024				
Term loans	**2,97,549.87**	**23,524.15**	**7,728.83**	**3,28,802.85**
Staff loans	**300.92**	**-**	**-**	**300.92**

ECL movement of term loans during the year ended March 31, 2025:-

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount as at April 1, 2024	**1,377.13**	**370.87**	**1,825.02**	**3,573.02**
New loans originated during the year	839.49	362.02	190.70	1,392.21
Inter-stage movements:				
Transfers to Stage 1	150.73	(69.00)	(81.73)	-
Transfers to Stage 2	(220.14)	223.86	(3.72)	-
Transfers to Stage 3	(29.57)	(59.76)	89.33	-
Amounts written off	(19.86)	(21.86)	(339.69)	(381.41)
Assets derecognised or repaid (excluding write offs)	(164.60)	(103.14)	(531.35)	(799.09)
Net Remeasurement of ECL arising from transfer of stage	(708.20)	594.54	2,298.04	2,184.38
Gross carrying amount as at March 31, 2025	**1,224.98**	**1,297.53**	**3,446.60**	**5,969.11**

ECL movement of term loans during the year ended March 31, 2024:-

Particulars	Stage I	Stage II	Stage III	Total
Gross carrying amount as at April 1, 2023	**973.33**	**711.90**	**1,288.21**	**2,973.44**
New loans originated during the year	931.13	104.84	77.16	1,113.12
Inter-stage movements:				
Transfers to Stage 1	245.28	(217.57)	(27.71)	-
Transfers to Stage 2	(86.60)	96.23	(9.62)	-
Transfers to Stage 3	(15.21)	(60.77)	75.98	-
Amounts written off	(14.70)	(17.15)	(294.08)	(325.94)
Assets derecognised or repaid (excluding write offs)	(90.90)	(108.60)	(261.29)	(460.78)
Net Remeasurement of ECL arising from transfer of stage	(565.21)	(138.00)	976.39	273.18
Gross carrying amount as at March 31, 2024	**1,377.13**	**370.87**	**1,825.02**	**3,573.02**

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TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

Concentration of Credit Risk

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

Geography	March 31, 2025	March 31, 2024
West	1,37,811.08	1,01,475.53
Central	18,953.29	15,489.37
South	2,97,439.93	2,11,838.65
East	3,152.44	300.21
	4,57,356.74	**3,29,103.76**

Quantitative Information of Collateral

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

As at March 31, 2025	Loan to value			
	Upto 50%	51%-70%	More than 70%	Total
Cars & Muvs	2,301.51	31,912.01	33,431.30	67,644.82
Commercial Vehicles	6,234.21	49,007.06	1,16,487.27	1,71,728.54
Construction Equipment	9,335.71	30,819.11	79,842.25	1,19,997.07
Three Wheeler	284.08	5,071.70	1,326.15	6,681.93
Tractor	266.30	3,973.07	1,399.59	5,638.96
Two Wheeler	1,378.40	2,347.57	607.43	4,333.40
SME	19,950.15	12,572.09	48,809.78	81,332.02
Total	**39,750.36**	**1,35,702.61**	**2,81,903.77**	**4,57,356.74**

As at March 31, 2024	Loan to value			
	Upto 50%	51%-70%	More than 70%	Total
Cars & Muvs	2,193.04	26,167.79	18,645.01	47,005.84
Commercial Vehicles	3,573.86	37,450.85	59,464.10	1,00,488.81
Construction Equipment	8,945.17	24,092.29	47,157.09	80,194.55
Three Wheeler	32.93	8,624.86	1,499.99	10,157.78
Tractor	207.46	3,210.61	725.6	4,143.67
Two Wheeler	961.67	2,460.66	208.71	3,631.04
SME	10,142.47	10,253.85	63,085.75	83,482.07
Total	**26,056.60**	**1,12,260.91**	**1,90,786.25**	**3,29,103.76**

46.3 Liquidity Risk

In assessing the Company's liquidity position, consideration shall be given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds. The Company maintains a portfolio of marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. The Company also enters into securitization deals (direct assignment as well as pass through certificates) of their loan portfolio, the funding from which can be accessed to meet liquidity needs. Net liquid assets consist of cash and short–term bank deposits. Borrowings from banks and financial institutions and issue of Non convertible debentures are considered as important sources of funds to finance lending to customers.

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TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025
(Currency : ₹ in lakhs)

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 March 31, 2025.

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years	Total
Financial assets						
Cash and cash equivalents	19,943.00	-	-	-	-	19,943.00
Bank Balance other than included in above	6.16	-	2.58	2,525.12	-	2,533.86
Trade receivables	-	238.12	-	-	-	238.12
Loans	60,367.65	37,618.72	74,049.36	2,12,748.24	72,225.92	4,57,009.89
Investments	-	-	-	-	16,134.82	16,134.82
Other financial assets	928.32	754.11	1,053.68	2,273.24	1,344.46	6,353.81
Total undiscounted financial assets	**81,245.13**	**38,610.95**	**75,105.62**	**2,17,546.60**	**89,705.20**	**5,02,213.50**
Financial liabilities						
Trade payables	-	-	-	-	-	-
Other payables	-	-	-	-	-	-
Subordinated Liabilities	10.62	-	-	2,500.00	14,000.00	16,510.62
Debt securities	3,710.09	2,874.98	3,250.02	61,925.03	-	71,760.12
Borrowings (other than debt securities)	30,589.44	29,773.88	79,458.10	1,51,898.93	15,177.05	3,06,897.40
Other financial liabilities	5,611.87	37.93	195.90	1,422.08	1,006.34	8,274.13
Total undiscounted financial liabilities	**39,922.02**	**32,686.79**	**82,904.02**	**2,17,746.04**	**30,183.39**	**4,03,442.27**
Net undiscounted financial assets / (liabilities)	**41,323.11**	**5,924.16**	**(7,798.40)**	**(199.45)**	**59,521.81**	**98,771.23**

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31, 2024.

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years	Total
Financial assets						
Cash and cash equivalents	4,407.96	-	-	-	-	4,407.96
Bank Balance other than included in (a) above	1,347.34	454.81	876.81	344.45	-	3,023.41
Trade receivables	-	145.64	-	-	-	145.64
Loans	42,718.09	39,537.96	73,890.91	2,02,785.65	65,194.94	4,24,127.56
Investments	12,404.02	1.61	-	-	15,219.23	27,624.85
Other financial assets	600.54	469.45	715.44	1,184.73	10.42	2,980.60
Total undiscounted financial assets	**61,477.95**	**40,609.48**	**75,483.16**	**2,04,314.84**	**80,424.59**	**4,62,310.01**
Financial liabilities						
Trade payables	-	-	-	-	-	-
Other payables	-	-	-	-	-	-
Subordinated Liabilities	582.39	587.88	1,162.30	6,953.27	16,166.55	25,452.39
Debt securities	2,940.38	2,879.91	5,562.28	6,297.42	-	17,679.99
Borrowings (other than debt securities)	27,411.39	27,248.89	78,790.47	1,22,178.03	21,003.06	2,76,631.84
Other financial liabilities	3,049.04	384.63	213.59	1,531.40	429.04	5,607.72
Total undiscounted financial liabilities	**33,983.20**	**31,101.31**	**85,728.64**	**1,36,960.13**	**37,598.65**	**3,25,371.93**
Net undiscounted financial assets / (liabilities)	**27,494.75**	**9,508.17**	**(10,245.48)**	**67,354.71**	**42,825.94**	**1,36,938.08**

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(Currency : ₹ in lakhs)

The table below shows the contractual expiry by maturity of the Company's contingent liabilities and commitments. Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

Particulars	On demand	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years
As at March 31, 2025						
Guarantees and counter guarantees	-	-	-	-	-	-
Estimated amount of contracts remaining to be executed on capital account, net of advances	-	-	-	-	-	-
Other Commitments	4,456.50	2,378.79				
Total commitments	4,456.50	2,378.79	-	-	-	-

Particulars	On demand	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years
As at March 31, 2024						
Guarantees and counter guarantees	-	-	-	-	-	-
Estimated amount of contracts remaining to be executed on capital account, net of advances	-	21.60	-	-	-	-
Other Commitments	4,456.50					
Total commitments	4,456.50	21.60	-	-	-	-

46.4 Market Risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The objective of market risk management is to avoid excessive exposure of our earnings and equity to loss and reduce our exposure to the volatility inherent in financial instruments. There are broadly two types of market risks: (1) Interest rate risk, and (2) Price risk. The Company has not made investments in quoted equity instruments or other quoted investments and hence is not exposed to Equity price risk. Interest rate risk is discussed below:

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is subject to interest rate risk, primarily since it lends to customers at fixed rates and for maturity periods shorter than the funding sources.

The Company has taken borrowings at floating rates gives rise to interest rate risk. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the Company seek to optimize borrowing profile between short-term and long-term loans. The Company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities. The Interest Rate Risk is mitigated by availing funds at very competitive rates through diversified borrowings and for different tenors.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before taxes affected through the impact on floating rate borrowings are as follows:

Impact on Profit before taxes	March 31, 2025	March 31, 2024
On Floating Rate Borrowings:		
1% increase in interest rates	(1,804.03)	(1,475.56)
1% decrease in interest rates	1,804.03	1,475.56

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(Currency : ₹ in lakhs)

46.5 Prepayment risk

Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected, such as fixed rate loans like ours when interest rates fall.

46.6 Operational and business risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

47 RELATED PARTY DISCLOSURE

a. Name of related party and nature of relationship:

Enterprises having a significant influence	India Business Excellence Fund -IIA
	Vistra ITCL (india) Limied (formerly known as IL and FS trust Company Limited) (Trustee of Business Excellence Trust -II - India Business Excellence Fund - II)
Subsidiary	IKF Home Finance Limited (formerly known as IKF Housing Finance Private Limited)
Enterprises significantly influenced by Key Management Personnel and their relatives	IKF Infratech Private Limited
Key Management Personnel (KMP)	Mr V.G.K.Prasad - Chariman
	Mrs. K Vasumathi Devi - Managing Director
	Mr. Prakash Bhawnani - Chief Financial Officer (From November 5, 2024)
	Mr. Ch. Sreenivasa Rao - Company Secretary (Chief Financial officer till November 4, 2024)
Relative of Key Management Personnel	Mrs. D. Vasantha Lakshmi
	Mrs. V. Indira Devi
	Mr. V. Raghu Ram
	Mr. Sinha Satyanand Chunduri
	Mrs. Durga Rani Chunduri
	Mrs. Mayuri Bhawnani
	Mrs. Ch Rani

NOTES

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(Currency : ₹ in lakhs)

b. Transaction with related parties:

Name of related party	Nature of transaction	For the FY 2024					For the FY 2025			
		As at March 31, 2023	Transaction value for the year ended March 31, 2024	Received During the year	Paid During The year	As at March 31, 2024	Transaction value for the year ended March 31, 2025	Received During the year	Paid During the Year	As at March 31, 2025
Key management personnel										
Mr. V G K Prasad	Rent paid	-	24.84	-	-	-	24.95	-	-	-
	Director's remuneration	-	119.60	-	-	-	144.00	-	-	-
	Director Commission Payable	63.27	135.52	-	63.27	135.52	193.98	-	135.52	193.98
	Rent deposit given	50.00	-	-	-	50.00	-	-	-	50.00
	Advance Received	-	-	-	-	-	-	-	-	-
	Interest paid on advance	-	-	-	-	-	-	-	-	-
	Share Capital (₹ 10/- Paid up)	1,985.36	-	-	-	1,985.36	-	-	-	1,985.36
Mrs.K.Vasumathi Devi	Director's remuneration	-	65.00	-	-	-	72.00	-	-	-
	Director Commission Payable	44.43	68.23	-	44.43	68.23	95.54	-	68.23	95.54
	Share Capital (₹ 10/- Paid up)	264.73	-	-	-	264.73	-	-	-	264.73
Mr. Prakash Bhawnani	Salary Paid	-	-	-	-	-	51.03	-	-	-
	Number of ESOP granted during the year (in Lakhs)	-	-	-	-	-	0.51	-	-	0.51
Mr. Ch.Sreenivasa Rao	Salary Paid	-	30.49	-	-	-	36.08	-	-	-
Relatives of key management personnel										
Mrs. V Indira Devi	Rent paid	-	55.20	-	-	-	55.44	-	-	-
	Director's remuneration	-	10.40	-	-	-	-	-	-	-
	Salary Paid	-	3.00	-		-	12.00	-	-	-
	Director Commission Payable	26.92	-	-	26.92	-	-	-	-	-
	Rent deposit given	38.50	-	-	-	38.50	-	-	-	38.50
	Share Capital (₹ 10/- Paid up)	164.81	-	-	-	164.81	-	-	-	164.81
Mrs. D Vasantha Lakshmi	Share Capital (₹ 10/- Paid up)	249.18	-	-	-	249.18	-	-	-	249.18
Mr. V Raghu Ram	Share Capital (₹ 10/- Paid up)	180.07	-	-	-	180.07	-	-	-	180.07
Mr. Sinha Satyanand Chunduri	Share Capital (₹ 10/- Paid up)	11.77	-	-	-	11.77	-	-	-	11.77
Mrs. Durga Rani Chunduri	Share Capital (₹ 10/- Paid up)	149.41	-	-	-	149.41	-	-	-	149.41

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TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

Name of related party	Nature of transaction	For the FY 2024					For the FY 2025			
		As at March 31, 2023	Transaction value for the year ended March 31, 2024	Received During the year	Paid During The year	As at March 31, 2024	Transaction value for the year ended March 31, 2025	Received During the year	Paid During the Year	As at March 31, 2025
IKF Home Finance Limited	Loan given	-	-	(4,470.00)	4,470.00	-	-	-	-	-
	Interest Received	-	0.62		-	-	-		-	-
	Inter Corporate deposits taken	-	-	-	-	-	-	-	-	-
	Interest Paid	-	-	-	-	-	-	-	-	-
	Direct Assignment	1,979.88	-	(595.90)	-	1,383.99	-	(409.97)	-	974.02
	Interest Receivable on Direct Assignment	28.98	217.79	(225.96)	-	20.81	166.87	(171.73)	-	15.96
	Investments in equity shares by IKF Finance Ltd.,	10,762.73	-	-	4,456.50	15,219.23	-	-	-	15,219.23
	Service Fee Collected	-	38.11	-	-	-	91.03	-	-	
	Service Fee Paid	-	3.06	-	-	-	5.08	-	-	
	ESOP Compensation for employees of IKF Home Finance Ltd	-	-	-	-	-	1.77	-	-	1.77
	Number of ESOP Granted to the employees of IKF Home Finance Ltd (in Lakhs)	-	-	-	-	-	0.43	-	-	0.43
Enterprises significantly influenced by key management personnel or their relatives										
IKF Infratech Private Limited	Inter Corporate deposits taken	-	-	-	-	-	-	490.00	(490.00)	-
	Interest Paid	-	-	-	-	-	1.21	-		-
Enterprises having a significant influence										
India Business Excellence Fund-IIA	Share Capital (₹ 10/- Paid up)	1,305.16	-	-	-	1,305.16	-	-	-	1,305.16
Vistra ITCL (India) Limited (formerly known as IL and FS Trust Company Limited) (Trustee of Business Excellence Trust-II - India Business Excellence Fund II)	Share Capital (₹ 10/- Paid up)	780.40	-	-	-	780.40	-	-	-	780.40

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TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025
(Currency : ₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Short-term employee benefits	592.63	429.24
Post-employment benefits#	-	-
Long-term employee benefits	-	-
Termination benefits	-	-
Employee-share based payment	-	-
Total compensation	**592.63**	**429.24**

#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.

Notes:

(i) Transaction values are excluding taxes and duties.

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

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

(iv) The Company has not granted loans or advances to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that is repayable on demand or without specifying any terms or period of repayment for the financial years ended March 31, 2025 and March 31, 2024.

48 DISCLOSURE PURSUANT TO MASTER DIRECTION - RBI/DOR/2023-24/106 DOR.FIN.REC.NO.45/03.10.119/2023-24 ON DISCLOSURE REQUIREMENTS UNDER SCALE BASED REGULATION FOR THE NBFCS DATED OCTOBER 19, 2023 AS AMENDED

A comparison between provision required under IRACP and impairment allowances under Ind AS 109:

As at March 31, 2025

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	Provision 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)
Performing Assets						
Standard	Stage 1	4,13,677.11	1,224.96	4,12,452.15	1,660.72	(435.76)
	Stage 2	33,422.75	1,297.55	32,125.20	132.51	1,165.04
Subtotal for Performing Assets		**4,47,099.86**	**2,522.51**	**4,44,577.35**	**1,793.23**	**729.28**
Non-Performing Assets (NPA)						
Substandard	Stage 3	6,875.67	2,309.95	4,565.72	642.24	1,667.71
Doubtful - upto 1 year	Stage 3	3,326.34	1,117.51	2,208.82	846.69	270.82
Doubtful - 1 to 3 years	Stage 3	54.88	19.14	35.75	13.39	5.75
Doubtful - more than 3 years	Stage 3	-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**10,256.89**	**3,446.60**	**6,810.29**	**1,502.32**	**1,944.28**

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ 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	Provision 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)
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal for other items		**-**	**-**	**-**	**-**	**-**
Total	**Stage 1**	**4,13,677.11**	**1,224.96**	**4,12,452.15**	**1,660.72**	**(435.76)**
	Stage 2	**33,422.75**	**1,297.55**	**32,125.20**	**132.51**	**1,165.04**
	Stage 3	**10,256.89**	**3,446.60**	**6,810.29**	**1,502.31**	**1,944.28**
	Total	**4,57,356.74**	**5,969.11**	**4,51,387.64**	**3,295.54**	**2,673.56**

As at March 31, 2024

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	Provision 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)
Performing Assets						
Standard	Stage 1	2,97,850.78	1,377.12	2,96,473.66	1,204.37	172.75
	Stage 2	23,524.14	370.87	23,153.27	93.17	277.70
Subtotal for Performing Assets		**3,21,374.92**	**1,748.00**	**3,19,626.92**	**1,297.54**	**450.46**
Non-Performing Assets (NPA)						
Substandard	Stage 3	5,408.61	1,029.20	4,379.40	512.75	516.45
Doubtful - upto 1 year	Stage 3	2,293.16	768.74	1,524.42	598.12	170.62
Doubtful - 1 to 3 years	Stage 3	27.08	27.08	-	4.88	22.20
Doubtful - more than 3 years	Stage 3	-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**7,728.84**	**1,825.02**	**5,903.82**	**1,115.75**	**709.27**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal for other items		**-**	**-**	**-**	**-**	**-**
Total	**Stage 1**	**2,97,850.78**	**1,377.12**	**2,96,473.66**	**1,204.37**	**172.75**
	Stage 2	**23,524.14**	**370.87**	**23,153.27**	**93.17**	**277.70**
	Stage 3	**7,728.84**	**1,825.02**	**5,903.82**	**1,115.75**	**709.27**
	Total	**3,29,103.76**	**3,573.02**	**3,25,530.74**	**2,413.29**	**1,159.73**

* Provision required as per IRACP norms is excluding provision on interest income from Stage 3 loans.

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TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

In terms of requirement of Master Direction -Reserve Bank of India (Non -Banking Financial Company -Scale Based Regulation) Directions, 2023, non banking financial companies are required to create impairment reserve for any short fall in impairment allowance under Ind As 109 and IRACP norms (including provision on standard assets).The impairment allowance under Ind As 109 made by the Company exceeds the total provision required under IRACP(including standard assets provisioning), as at March 31, 2025 and March 31, 2024 and accordingly, no amount is required to be transferred to impairment reserve

49 RBI DISCLOSURES

The following additional information is disclosed in the terms of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023

RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 October 19, 2023

49.1 Capital to Risk Asset Ratio (CRAR)

Particulars	As at March 31, 2025	As at March 31, 2024
Tier I Capital	85,319.59	80,105.70
Tier II Capital	9,407.75	13,577.12
Total Capital	94,727.35	93,682.82
Total Risk Weighted Assets	4,54,081.56	3,53,527.42
CRAR (%)	20.86%	26.50%
CRAR - Tier I Capital (%)	18.79%	22.66%
CRAR - Tier II Capital (%)	2.07%	3.84%
Amount of subordinated debt raised as Tier - II Capital	16,500.00	16,500.00
Amount raised by issue of perpetual debt Instruments	-	-

"Tier I capital", "Tier II capital", "Owned fund" and Capital adequacy ratio are calculated as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and notification RBI/2019-20/170 DO R (NBFC).CC .PD.No.109/22.10.106/2019-20 "Implementation of Indian Accounting Standards" issued by RBI on March 13, 2020 as amended.

49.2 Investments

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Value of Investments		
(I) Gross value of investments		
(a) In India	16,134.82	27,624.85
(b) Outside India	-	-
(II) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
(III) Net value of investments		
(a) In India	16,134.82	27,624.85
(b) Outside India	-	-
(b) Movements of provisions held towards impairment on investments		
(I) Opening balance	-	-
(II) Add : Provisions made during the year	-	-
(III) Less : Write-off/ Written- back of excess provisions during the year	-	-
(IV) Closing balance	-	-

49.3 Derivatives

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

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

49.4 Disclosure Relating to Securitisation for STC Transactions as per Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 dated September 24, 2021 as amended

Particulars	As at March 31, 2025	As at March 31, 2024
(I) No of SPEs holding assets for securitisation transactions originated by the originator	1.00	-
(II) Total amount of securitised assets as per books of the SPEs	13,442.32	-
(III) Total amount of exposure retained by the originator to comply with MRR as on date of balance sheet		
(a) Off-balance sheet exposure towards credit enhancements		
(i) First Loss	-	-
(ii) Others	-	-
(a) On-balance sheet exposure towards credit enhancements		
(i) First Loss	2,036.56	-
(ii) Others	-	-
(IV) Amount of exposures to securitisation transactions other than MRR		
(a) Off-balance sheet exposure		
(i) Exposure to own securitisations		
(1) First Loss	-	-
(2) Others	-	-
(i) Exposure to third party securitisations		
(1) First Loss	-	-
(2) Others	-	-
(b) On balance sheet exposure		
(i) Exposure to own securitisations		
(1) First Loss	-	-
(2) Others	-	-
(i) Exposure to third party securitisations		
(1) First Loss	-	-
(2) Others	-	-
(V) Sale consideration received for the securitised assets	14,599.23	-
Gain/loss on sale on account of securitisation	-	-
(VI) Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	Credit Enhancement, Servicing Agent	Credit Enhancement, Servicing Agent
(VII) Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided. **(Credit Enhancement)**		
(a) Amount paid	2,036.56	-
(b) Repayment received	-	-
(c) Outstanding amount	2,036.56	-
(VIII) Average default rate of portfolios observed in the past.		
(a) Vehicle Loans	0.41%	-
(b) Others	-	-
(IX) Amount and number of additional/top up loan given on same underlying asset.		
(a) Vehicle Loans	-	-
(b) Others	-	-
(X) Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	-	-
(XI) Credit Rating	Series A1(a) and A1(b)AAA(SO) Series A2 A+(Stable)	-

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

49.5 Details of financial assets sold to securitisation / reconstruction company for asset reconstruction.

The Company has not sold financial assets to Securitisation / Reconstruction companies for asset reconstruction in the current and previous year

49.6 Details of loans transferred / acquired during the year ended March 31, 2025 under RBI Master Direction on (Transfer of Loan Exposures) Directions dated September 24, 2021 as amended

(i) Details of loans not in default transferred / acquired through assignment during the Year ended March 31, 2025

Particulars	Transferred	Acquired
Aggregate amount of loans transferred / acquired (₹ in Lakhs)	37,854.23	3,260.56
Weighted average maturity (in months)	42.67	16.82
Weighted average holding period (in months)	10.92	6.55
Retention of beneficial economic interest by the originator	10%	11%
Tangible security Coverage	100%	100%
Rating-wise distribution of rated loans	Not Applicable	Not Applicable

(ii) The Company has not transferred any non-performing assets (NPAs) during the year ended March 31, 2025

(iii) The Company has not transferred any Special Mention Account (SMA) and loan in default during the year ended March 31, 2025

(iv) The Company has not acquired any stressed loan during the year ended March 31, 2025

49.7 Value of Imports calculated on CIF basis

The Company has not imported any goods therefore value of import on CIF basis is Nil

49.8 Expenditure in Foreign Currency

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Legal and professional fees	22.32	5.52
Total	**22.32**	**5.52**

49.9 Earnings in Foreign Currency

The Company does has not have any earnings in foreign currency

49.10 Details of credit impaired assets purchased / sold

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

49.11 Exposure to Real estate sector

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Residential Mortgages - Lending - Fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	1,010.01	1,404.80
Commercial Real Estate - Lending - Secured by mortgages on commercial real estates (office buildings, retail space, multi purpose 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 limits	4,659.09	4,665.72
Investments in - Funded and Non-funded Exposures NHB and Housing Finance Companies (HFCs)	15,221.00	15,219.23
Total	**20,890.10**	**21,289.75**

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

49.12 Exposure to Capital Market

The Company has no exposure to the capital market directly or indirectly in the current and previous year.

49.13 Financing of Parent Company Product

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

49.14 Single Borrower Limit / Group Borrower Limit

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

49.15 Unsecured Advances

The Company has no unsecured advances given against rights, licenses, authorizations etc. during the year and for previous year.

49.16 Registration from Other Financial Sector Regulators

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

i. R.B.I. - B-09.00172

ii. Ministry of Corporate Affairs - U65992AP1991PLC012736

iii. Ministry of Finance (Financial Intelligence Unit) - FINBF13220

49.17 Penalty

No penalties were imposed by RBI and other regulators during the current year

49.18 Credit Rating

Particulars	As at March 31, 2025	As at March 31, 2024
Nature of borrowing	**Rating / Outlook**	**Rating / Outlook**
	CARE	**CARE**
Long term bank facilities	A+ (Stable)	A (Stable)
Commercial Paper	-	-
Non - Convertible Debentures	A+ (Stable)	A (Stable)
PTC	Series A1(a) and A1(b)AAA(SO) Series A2 A+(Stable)	-

49.19 Provisions

Particulars	As at March 31, 2025	As at March 31, 2024
1. Provisions towards income tax	3,186.28	2,600.55
2. Provisions towards loans	2,396.09	599.58
3. Provisions towards undrawn commitments	11.39	
4. Provisions for others	6.16	
5. Provisions towards trade receivables	-	-

49.20 Draw down from Reserves:

There has been no draw down from reserves during the year ended March 31, 2025 (previous year: Nil)

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

49.21 Concentration of Loans

Particulars	As at March 31, 2025	As at March 31, 2024
Total Loans to twenty largest borrowers	29,909.22	36,290.60
Percentage of Loans to twenty largest borrowers to total advances of the NBFC	6.54%	11.02%

49.22 Concentration of All Exposure (including off - balance sheet exposures)

Particulars	As at March 31, 2025	As at March 31, 2024
Total Exposure to twenty largest borrowers / customers	30,007.61	36,390.41
Percentage of exposure to twenty largest borrowers / customers to total exposure of the NBFC on borrowers / customers.	5.78%	9.64%

49.23 Concentration of credit impaired loans

Particulars	As at March 31, 2025	As at March 31, 2024
Total Exposure to top four credit impaired accounts	1,378.31	1,862.64

49.24 Sector Wise Credit-Impaired Assets under Ind AS

Particulars	As at March 31, 2025	As at March 31, 2024
1. Agriculture & allied activities	13.76%	1.32%
2. MSME	-	-
3. Corporate Borrowers	-	-
4. Services	1.83%	2.18%
5. Unsecured Personal Loans	-	-
6. Auto Loans	2.75%	3.55%
7. Others	3.34%	3.79%

49.25 Movement of Credit-Impaired Loans under Ind AS

Particulars	As at March 31, 2025	As at March 31, 2024
(I) Net impaired loss allowance to Net loans (%)	1.51%	1.81%
(II) Movement of Credit impaired loans under Ind-AS (Gross)		
(a) Opening Balance	7,728.83	6,058.32
(b) (Deletion)/Addition during the year	2,528.06	1,670.53
(c) Closing balance	10,256.89	7,728.84
(III) Movement of Net Impaired loss		
(a) Opening Balance	5,903.81	4,770.09
(b) (Deletion)/Addition during the year	906.48	1,133.72
(c) Closing balance	6,810.29	5,903.81
(III) Movement of impairment loss allowance on credit impaired loans		
(a) Opening Balance	1,825.02	1,288.21
(b) (Deletion)/Addition during the year	1,621.58	536.81
(c) Closing balance	3,446.60	1,825.02

49.26 Overseas Assets

The Company does not have any joint venture or subsidiary abroad; hence this disclosure is not applicable.

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

49.27 Off Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

The Company has not sponsored any off-Balance Sheet SPV

49.28 Customer Complaints

Sr. No.	Particulars	As at March 31, 2025	As at March 31, 2024
	Complaints received by the Company from its customers		
1	Number of complaints pending at beginning of the year	-	0
2	Number of complaints received during the year	61	55
3	Number of complaints disposed during the year	61	55
	3.1 *Of which, number of complaints rejected by the Company - -*		
4	Number of complaints pending at the end of the year	-	-
	Maintainable complaints received by the Company from Office of ombudsman		
5	Number of maintainable complaints received by the Company from Office of Ombudsman	9	18
	5.1 Of 5, number of complaints resolved in favour of the Company by office of Ombudsman	9	17
	5.2 Of 5,number of complaints resolved through conciliation/ mediation/ advisories issued by Office of Ombudsman		
	5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the Company	-	-
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
	Year ended March 31, 2025				
Credit reports related		13	-13%	-	-
Document related		19	-24%	-	-
Loan related		19	138%	-	-
Payment related		11	-27%	-	-
Others		8	-20%	-	-
Total		70	-4%	-	-
	Year ended March 31, 2024				
Credit reports related		15	36%	-	-
Document related		25	14%	-	-
Loan related		8	-11%	-	-
Payment related		15	150%	-	-
Others		10	-	-	-
Total		73	52%	-	-

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

49.29 Details of frauds noticed / reported are as below:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Amount Involved	-	-
Amount Recovered	-	-
Amount Written off/provided	-	-
Balance	-	-

49.30 Transactions with Non-Executive Directors

Name of Non-Executive Director	Transaction Type	Year ended March 31, 2025	Year ended March 31, 2024
Nageswara Rao Yalamanchili	Payment of Sitting Fees	-	1.50
Sunil Rewachand Chandiramani	Payment of Sitting Fees	14.25	6.25
Gopalakrishna Gurrappa	Payment of Sitting Fees	-	1.00
Kannan V	Payment of Sitting Fees	12.05	0.75
Raman Uberoi	Payment of Sitting Fees	15.75	0.75
Sethuraman Ganesh	Payment of Sitting Fees	13.00	5.75
Satyanarayana Prasad Kanaparthi	Payment of Sitting Fees	4.75	4.75

49.31 Postponement of Revenue Recognition

Refer note 2.5 Revenue from operations for the circumstances in which revenue recognition has been postponed pending uncertainty of realisation.

49.32 Dues to micro, small and medium enterprises

For the year ended March 31, 2025, no vendor / supplier has intimated the Company about its status as micro or small enterprises or its registration with the appropriate authority under MSMED.There are no amounts that need to be disclosed in accordance with the Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED') pertaining to micro or small enterprises.

49.33 Disclosure on Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses in terms of RBI circular RBI / 2021-22 / 31 DOR. STR. REC.11 /21.04.048 / 2021-22 dated May 5, 2021:

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year **
Personal Loans	-	-	-	-	-
Corporate Persons*	-	-	-	-	-
of which MSMEs	-	-	-	-	-
Others	60.09	-	-	13.10	46.99
Total	60.09	-	-	13.10	46.99

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

Disclosures for Reserve Bank of India circular on Resolution Framework for Covid-19 related stress dated August 6, 2020 are not applicable to the Company as none of the borrowers opted for the resolution plan.

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

49.34 Restructuring of Loans

The Company has not restructured any loans during the year ended March 31, 2025

49.35 Asset liability management

Maturity pattern of certain items of asset and liabilities - As at March 31, 2025

Pattern	1 day to 7 days	8 day to 14 days	15 day to 30-31 days	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years	Total
Liabilities*											
Borrowings from banks	2,642.24	800.41	3,601.27	4,347.30	10,967.72	21,409.56	63,990.83	1,03,038.24	13,539.27	250.00	**2,24,586.84**
Other Borrowings	1,273.20	471.73	1,300.34	2,483.80	2,701.43	8,364.32	15,467.27	48,860.69	1,347.15	40.63	**82,310.56**
Market Borrowings	-	-	999.47	1,578.23	1,143.01	2,874.98	3,250.02	64,425.03	14,000.00	-	**88,270.74**
Assets											
Advances*	3,501.03	2,303.01	29,814.31	12,194.97	12,554.33	37,618.72	74,049.36	2,12,748.24	60,456.80	11,769.12	**4,57,009.89**
Investments	-	-	-	-	-	-	-	913.82	-	15,221.00	**16,134.82**

Maturity pattern of certain items of asset and liabilities - As at March 31, 2024

Pattern	1 day to 7 days	8 day to 14 days	15 day to 30-31 days	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years	Total
Liabilities*											
Borrowings from banks	1,420.14	449.45	2,104.44	3,355.78	8,201.22	17,787.98	64,217.85	81,675.60	17,064.75	625.00	**1,96,902.21**
Other Borrowings	772.14	484.37	454.72	1,053.57	1,382.58	4,237.87	8,363.32	26,760.78	1,835.88	-	**45,345.23**
Market Borrowings	-	-	10.59	1,339.91	1,302.36	2,541.65	5,083.35	8,333.35	14,000.00	-	**32,611.20**
Assets											
Advances*	3,176.87	1,339.74	10,889.59	9,926.76	9,596.43	29,115.36	56,017.30	1,63,356.48	37,392.08	8,293.16	**3,29,103.76**
Investments	8,258.45	100.05	1,103.45	2,942.07	-	1.61	-	-	-	15,219.23	**27,624.85**

*The amount appearing above for gross loans and borrowings excludes the impact of EIR.

49.36 Disclosure on liquidity risk under RBI circular no. RBI/DoR/2023-24/106DoR.FIN.REC.No.45/03.10.119/2023-24 on Disclosure requirements under scale Based Regulation for NBFCs dated october, 2023 as amended

i) Funding Concentration based on significant counterparty (both deposits and borrowings)

Sr. No	No of Significant Counterparties	As at March 31, 2025			As at March 31, 2024		
		Amount #	% of total Deposits	% of Total Liabilities*	Amount #	% of total Deposits	% of Total Liabilities*
1	35	3,44,169.20	NA	85.54%	2,48,352.59	NA	88.84%

ii) Top 20 large deposits – Not Applicable

iii) Top 10 Borrowings

As at March 31, 2025		As at March 31, 2024	
Amount #	% of Total Borrowings*	Amount #	% of Total Borrowings*
1,63,242.58	42.87%	1,31,006.22	47.77%

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

iv) Funding Concentration based on significant instrument/product

Sr. No.	Name of the instrument	As at March 31, 2025		As at March 31, 2024	
		Amount #	% of Total Liabilities*	Amount #	% of Total Liabilities*
1	Term Loan	2,69,218.71	66.91%	2,10,265.86	75.22%
2	Non Convertible Debentures	70,922.46	17.63%	16,000.00	5.72%
3	Cash Credit/WCDL	24,165.51	6.01%	31,483.29	11.26%
4	Subordinate Debt	16,500.00	4.10%	16,500.00	5.90%
	Total	**3,80,806.68**	**94.65%**	**2,74,249.15**	**98.11%**

v) Stock Ratios

Sr. No.	Particulars	March 31, 2025	March 31, 2024
1	Commercial Papers to Total Liabilities	0.00%	0.00%
2	Commercial Papers to Total Assets	0.00%	0.00%
3	NCDs (Original Maturity < 1 year) to Total Liabilities	0.00%	0.00%
4	NCDs (original Maturity < 1 year) to Total Assets	0.00%	0.00%
5	Other Short Term Liabilities # to Total Liabilities*	1.58%	1.36%
6	Other Short Term Liabilities # to Total Assets	1.26%	1.03%

vi) Institutional set-up for liquidity risk management:

The Company has an Asset Liability Management Committee (ALCO), a management level committee to handle liquidity risk management. The ALCO meetings are held at periodic intervals. At the apex level, the Risk Management Committee (RMC), a sub-committee of the Board of Directors of the Company, oversees the liquidity risk management. The RMC subsequently updates the Board of Directors on the same.

Amount does not include accrued but not paid interest on borrowing and amortisation of processing fees.

* Total Liabilities does not include Net Worth.

49.37 Sectoral Exposure

Sr. No.	Particulars	Current Year			Previous Year		
		Total Exposure	GNPA (In Lakhs)	GNPA (%)	Total Exposure	GNPA (In Lakhs)	GNPA (%)
1	**Agriculture & Allied Activities**	8,505.11	1,170.47	13.76%	4,143.67	54.77	1.32%
	Total	**8,505.11**	**1,170.47**	**13.76%**	**4,143.67**	**54.77**	**1.32%**
2	**Industry**						
	Others	2,318.25	294.20	12.69%	2,428.06	0.00	0.00%
	Total	**2,318.25**	**294.20**	**12.69%**	**2,428.06**	**0.00**	**0.00%**
3	**Services**						
	Transport Operators	1,87,006.57	4,420.74	2.36%	1,17,595.82	2,729.48	2.32%
	NBFC	39,185.08	-	0.00%	39,832.33	0.00	0.00%
	Construction Equipment	1,19,997.06	793.44	0.66%	80,194.54	1,103.26	1.38%
	Others	34,943.79	1,774.32	5.08%	38,803.92	2,198.55	5.67%
	Total	**3,81,132.50**	**6,988.50**	**1.83%**	**2,76,426.62**	**6,031.29**	**2.18%**
4	**Personal loans**						
	Vehicle/Auto Loans	64,300.52	1,766.94	2.75%	44,399.70	1,578.12	3.55%
	Others	1,100.36	36.78	3.34%	1,705.72	64.67	3.79%
	Total	**65,400.88**	**1,803.72**	**2.76%**	**46,105.41**	**1,642.79**	**3.56%**
	Grand Total	**4,57,356.74**	**10,256.89**	**2.24%**	**3,29,103.76**	**7,728.84**	**2.35%**

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

49.38 Intra Group Exposure

The Company has no exposure to the Intra Group Exposures for the financial years ended March 31, 2025 and March 31, 2024

49.39 Unhedged Foreign Currency Exposure

The Company does not have any unhedged foreign currency exposures for the financial years ended March 31, 2025 and March 31, 2024

Particulars	Unhedged	
	Current Year	Previous Year
Foreign Currency Receivables		
Exports	-	-
Loans to joint venture /wholly owned subsidiary	-	-
Others	-	-
Foreign Currency Payables		
Imports	-	-
Trade credits	-	-
External commercial Borrowings (ECB)	-	-
Others	-	-

49.40 Breach of Covenant

There were no instances of default or breaches of covenant in respect of loan availed or debt securities issued during the financial years ended March 31, 2025 and March 31, 2024.

49.41 Divergence in Asset Classification and Provisioning

The RBI has neither assessed any additional provisioning requirements in excess of 5 percent of the reported profits before tax and impairment loss on financial instruments for the financial year ended March 31, 2025, nor identified any additional Gross NPAs in excess of 5% of the reported Gross NPAs for the said period.

49.42 Corporate Governance

As per RBI Guidelines, Specific Disclosures relating to Corporate Governance should be disclosed under the Corporate Governance section of the Annual Report

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

49.43 Disclosure on related Party Transactions as per the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023

RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 October 19, 2023

(₹ in Lakhs)

Related Party/Items	Parent(as per ownership/Control)		Subsidiaries		Associates/Joint venture		Key Management Personnel		Relatives of Key Management Personnel		Others		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Maximum Outstanding during the Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	15,219.23	15,219.23	-	-	-	-	-	-	-	-	15,219.23	15,219.23
Share Capital	-	-	-	-	-	-	2,250.09	2,250.09	755.24	755.24	2,085.56	2,085.56	5,090.89	5,090.89
Transactions and Balance Outstanding at the Year End	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent Deposits	-	-	-	-	-	-	50.00	50.00	38.50	38.50	-	-	88.50	88.50
Placement of Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	15,219.23	15,219.23	-	-	-	-	-	-	-	-	15,219.23	15,219.23
Esop to employees of subsidiary			1.77	-									1.77	-
Purchase of Fixed / Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Fixed / Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Received	-	-	-	0.62	-	-	-	-	-	-	-	-	-	0.62
Inter corporate deposits	-	-	-	-	-	-	-	-	-	-	490.00	-	490.00	-
Interest paid on Inter corporate deposits	-	-	-	-	-	-	-	-	-	-	1.21	-	1.21	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent paid	-	-	-	-	-	-	24.95	24.84	55.44	55.20	-	-	80.39	80.04
Director's Remuneration	-	-	-	-	-	-	216.00	184.60	-	10.40	-	-	216.00	195.00
Director's Commission Payable	-	-	-	-	-	-	289.52	203.75	-	-	-	-	289.52	203.75
Share Capital	-	-	-	-	-	-	2,250.09	2,250.09	755.24	755.24	2,085.56	2,085.56	5,090.89	5,090.89
Salary Paid	-	-	-	-	-	-	87.11	30.49	12.00	3.00	-	-	99.11	33.49
Number of ESOP granted during the year (in Lakhs)	-	-	0.43	-	-	-	0.51	-	-	-	-	-	0.94	-
Service Fee Collected	-	-	91.03	38.11	-	-	-	-	-	-	-	-	91.03	38.11
Service Fee Paid	-	-	5.08	3.06	-	-	-	-	-	-	-	-	5.08	3.06
Direct Assignment	-	-	974.02	1,384.00	-	-	-	-	-	-	-	-	974.02	1,384.00
Interest Receivable on Direct Assignment	-	-	15.96	20.81	-	-	-	-	-	-	-	-	15.96	20.81

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

49.44 Loans to Directors, Senior officers and Relatives of Directors

	Current Year	Previous Year
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior officers and their relatives	5.00	-

50 REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES (ROC)

All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2025 . No charges or satisfactions are yet to be registered with ROC beyond the statutory period.

51 COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES

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, 2025 and March 31, 2024.

52 COMPLIANCE WITH APPROVED SCHEME(S) OF ARRANGEMENTS

The Board of Directors of the Company did not approve any scheme of Arrangements during the financial year ended March 31, 2025 and March 31, 2024.

53 UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM

The Company, as part of its normal business, grants loans and advances, makes investment. These transactions are part of Company's normal non-banking 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 UNDISCLOSED INCOME

There are no transactions not recorded in the books of accounts.

55 TITLE DEEDS OF IMMOVABLE PROPERTIES NOT HELD IN NAME OF THE COMPANY

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, 2025 and March 31, 2024.

56 DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

The Company has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2025 and March 31, 2024.

57 DETAILS OF BENAMI PROPERTY HELD

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, 2025 and March 31, 2024.

58 WILFUL DEFAULTER

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, 2025 and March 31, 2024.

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

59 RELATIONSHIP WITH STRUCK OFF COMPANIES

The company does not have any transactions with companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 in the financial years ended March 31, 2025 and March 31, 2024.

60 INVESTMENT IN ASSOCIATES AND STRUCTURED ENTITIES

The Company does not have any Associates and Structured Entities

61 Previous year's information have been regrouped/reclassified wherever necessary to correspond with current year's classification/disclosure.

Signature to Notes to Standalone Financial Statements

For and on behalf of the Board of Directors of
IKF Finance Limited
CIN: U65992AP1991PLC012736

For **Mukund M Chitale & Co**
Chartered Accountants
ICAI Firm registration number : 106655W

Nilesh Joshi
Partner
Membership No.114749
Place: Hyderabad
Date: May 23, 2025

V.G.K Prasad
Chairman
DIN: 01817992

Vasumathi Devi Koganti
Managing Director
DIN: 03161150

Prakash Bhawnani
Chief Financial Officer

Ch. Sreenivasa Rao
Company Secretary
M.No. ACS14723

Place: Hyderabad
Date: May 23, 2025

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

SCHEDULE TO BALANCE SHEET IN TERMS OF MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023

Particulars				As at March 31, 2025	
Liabilities side				**Amount outstanding**	**Amount overdue**
(1)	**Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid :**				
	(a)	Debentures : Secured		70,978.62	-
		: Unsecured		(0.00)	-
		(other than falling within the meaning of public deposits*)			
	(b)	Deferred Credits		-	-
	(c)	Term Loans		2,68,222.14	-
	(d)	Inter-corporate loans and borrowing		-	-
	(e)	Commercial Paper		-	-
	(f)	Public Deposits*		-	-
	(g)	Other Loans - Subordinate Debts		16,402.09	-
		- Cash Credit		24,165.51	-
		- Securitization Transaction		12,962.47	-
	* Please see Note 1 below				
(2)	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :**				
	(a)	In the form of Unsecured debentures		-	-
	(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security		-	-
	(c)	Other public deposits		-	-
	* Please see Note 1 below				

Assets side				**Amount outstanding**
(3)	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :**			
	(a)	Secured		4,51,579.61
	(b)	Unsecured		5,777.13
(4)	**Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities**			
	(i)	Lease assets including lease rentals under sundry debtors :		
		(a)	Financial lease	-
		(b)	Operating lease	-
	(ii)	Stock on hire including hire charges under sundry debtors :		
		(a)	Assets on hire	-
		(b)	Repossessed Assets	-
	(iii)	Other loans counting towards asset financing activities		
		(a)	Loans where assets have been repossessed	-
		(b)	Loans other than (a) above	-
(5)	**Break-up of Investments**			
	Current Investments			
	1.	Quoted		
		(i)	Shares	
			(a) Equity	-
			(b) Preference	-

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

Particulars				As at March 31, 2025 Amount outstanding
		(ii)	Debentures and Bonds	-
		(iii)	Units of mutual funds	-
		(iv)	Government Securities	-
		(v)	Others (please specify)	-
	2.	Unquoted		
		(i)	Shares	
			(a) Equity	-
			(b) Preference	-
		(ii)	Debentures and Bonds	-
		(iii)	Units of mutual funds	-
		(iv)	Government Securities	-
		(v)	Others (please specify)	-
	Long Term investments			
	1.	Quoted		
		(i)	Share	
			(a) Equity	-
			(b) Preference	-
		(ii)	Debentures and Bonds	-
		(iii)	Units of mutual funds	-
		(iv)	Government Securities	-
		(v)	Others (please specify)	-
	2.	Unquoted		
		(i)	Shares	
			(a) Equity	15,219.23
			(b) Preference	-
		(ii)	Debentures and Bonds	-
		(iii)	Units of mutual funds	-
		(iv)	Government Securities	-
		(v)	Others (please specify)	915.59

(6) Borrower group-wise classification of assets financed as in (3) and (4) above :

Please see Note 2 below

Category			Amount net of provisions	
			Secured	Unsecured
1.	**Related Parties ****			
	(a)	Subsidiaries	-	-
	(b)	Companies in the same group	-	-
	(c)	Other related parties	-	-
2.	Other than related parties		4,45,610.50	5,777.13
Total			4,45,610.50	5,777.13

NOTES

TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Please see note 3 below

Category			Market Value / Break up or fair value or NAV
1.	Related Parties **		
	(a)	Subsidiaries	15,221.00
	(b)	Companies in the same group	-
	(c)	Other related parties	-
2.	Other than related parties		913.82
Total			16,134.82

** As per Indian Accounting Standards of ICAI (Please see Note 3)

(8) Other information

Particulars			Amount
(i)	Gross Non-Performing Assets		
	(a)	Related parties	-
	(b)	Other than related parties	10,256.89
(ii)	Net Non-Performing Assets		
	(a)	Related parties	-
	(b)	Other than related parties	6,810.29
(iii)	Assets acquired in satisfaction of debt		124.07

Notes :

1. As defined in point xxvii of paragraph 3 of Chapter II of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank)Directions, 2016.
2. Provisioning norms shall be applicable as prescribed in Indian Accounting Standards by MCA.
3. All Indian Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.

INDEPENDENT AUDITOR'S REPORT

To the Members of
IKF FINANCE Limited

Report on the Audit of Consolidated Financial Statements

OPINION

We have audited the accompanying Consolidated Financial Statements of IKF Finance Limited (hereinafter referred to as "the Holding Company"),and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2025, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income) , the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow statement for the year then ended, and notes to the Consolidated Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate Financial Statements and the other information of the subsidiary Company, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and gives a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of their Consolidated state of affairs of the Holding Company and its subsidiary Company as at March 31, 2025, of their Consolidated profit(including other comprehensive income), Consolidated changes in equity and their Consolidated cash flows for the year then ended.

BASIS FOR OPINION

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

We believe that the audit evidence obtained by us, along with consideration of audit reports of the Other Auditor referred to of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement and based on the consideration of reports of other auditors on separate Financial Statements of the subsidiary audited by them, were of most significance in our audit of the Consolidated Financial Statements for the year ended March 31, 2025. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to to be communicated in our report.

KEY AUDIT MATTERS FOR THE GROUP

Impairment of loans and advances and expected credit losses

Key audit matter	How the matter was addressed in our audit
Refer to the accounting policies in Note 2.6(f) to the Financial Statements: Impairment of Financial Assets", Note 6 to the Consolidated Financial Statements: "Loans" and Note 47.2 to the Consolidated Financial Statements: "Credit Risk"	
As on March 31, 2025, the company has reported gross loan assets of Rs.5,77,187.66 lakhs against which an impairment loss of Rs 7,737.12 Lakhs has been recorded. The Company recognized impairment provision for Loan assets based on the Expected Credit Loss ("ECL") approach laid down under 'IND AS 109- Financial Instruments'	We have performed the following key audit procedures: • Performed process walkthroughs to identify the key systems, applications and controls used in the impairment loss allowance processes. • Assessed the design and implementation of controls in respect of the Company's impairment allowance process such as the timely recognition of impairment loss, the

Key audit matter	How the matter was addressed in our audit
Recognition and measurement of ECL involves significant management judgement and estimates and the use of different modelling techniques and assumptions which could have a material impact on reported profits. The Company's impairment allowance is computed based on estimates including the historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors. The most significant areas are: a. Asset staging criteria b. Calculation of probability of default/ Loss given default/ Credit conversion factor. c. Allocation of weights i.e., expected variability in losses basis different risk factors. d. Consideration of probability of forward looking macro-economic factors. The Company has a Board approved policy on ECL to ensure the compliance with Ind AS 109 requirements and the basis of all assumptions for underlying inputs to the ECL model. The Company has applied a three-stage approach to measure expected credit losses / impairment loss allowance (ECL) on financial instruments accounted for at amortized cost and fair value through other comprehensive income. We have identified measurement of ECL as a key audit matter in view of the significant judgement and assumptions involved. Disclosures: The disclosures regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL results.	completeness and accuracy of reports used in the impairment allowance process and management review processes over the calculation of impairment allowance and the related disclosures on credit risk management. • Testing management's controls over authorization and calculation of post model adjustments and management overlays, if any. • Evaluated whether the methodology applied by the Company is compliant with the requirements of the relevant accounting standards and confirmed that the calculations are performed in accordance with the approved methodology. • Testing the governance framework for validation, implementation and model monitoring in line with the RBI guidance including the Board approved ECL policy. • Assessed whether the disclosures on key judgements, assumptions and quantitative data with respect to impairment loss allowance in the Standalone Financial Statements are appropriate and sufficient. • We have also obtained management representations wherever considered necessary.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Holding Company's Annual Report but does not include the Consolidated Financial Statements and our auditor's report thereon. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon. Such Report is not made available to us till the date of this report.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's management and Board of Directors are responsible for the matters stated in sub-section (5) of Section 134 of the Act with respect to the preparation and presentation of these Consolidated Financial Statements that give a true and fair view of the Consolidated financial position, Consolidated total comprehensive income, Consolidated changes in equity and Consolidated cash flows of the Holding Company and its subsidiary in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, RBI Guidelines and other Accounting Principles generally accepted in India. The respective Board of Directors of the companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective management and Board of Directors of the group are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the group are responsible for overseeing the financial reporting process of the Group.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

2. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls based on our audit.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statements of the Holding Company included in the Consolidated Financial Statements of which we are the independent auditors. For the Subsidiary Company included in the Consolidated Financial Statements, which have been audited by other auditor, such other auditor remains responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the financial year ended March 31, 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

1. We did not audit the financial statements and other financial information in respect of its subsidiary, whose financial statements, before consolidation adjustments, reflect total assets of 1,38,403.26 lakhs as at March 31, 2025, total revenues of 21,256.57 lakhs and net cash flows amounting to 7,996.18 lakhs for the year then ended, respectively as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of total net profit after tax of 3,376.41 lakhs for year ended March 31, 2025, as considered in the Consolidated Financial Statements.

2. Our opinion on the Consolidated Financial Statements, and our report on "Other Legal and Regulatory Requirements" below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Management.

3. These Consolidated Financial Statements include the figures for the year ended March 31, 2024 which were audited by the predecessor auditors who expressed an Unmodified opinion as relevant on those Consolidated Financial Statements vide their report dated May 29, 2024. Our opinion on the Consolidated Financial Statements is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we report the following in respect of clause 3(xxi) of the Order –

   In our opinion and according to the information and explanations given to us, the Holding Company and its subsidiary incorporated in India and included in the Consolidated Financial Statements, has no unfavourable remarks, qualifications or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO).

2. As required by Section 143(3) of the Act and on the consideration of the report of other auditors on the separate Financial Statements of the Associate Company referred to in the 'Other Matters section' above we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;

   b) In our opinion proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matters stated in paragraph 2 (h) (vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules 2014;

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

   d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules,2015, as amended.

   e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2025 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary Company, none of the directors is disqualified as on March 31, 2025, from being appointed as a director in terms of Section 164(2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the group and the operating effectiveness of such controls, refer to our separate report in Annexure A which is based on the auditors reports of the Holding company and its subsidiary company;

g) As required by Section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding to its directors during the year is in accordance with the provisions of Section 197 of the Act. Based on Auditor's Report of Subsidiary Company, the Company has paid remuneration to it's directors during the year is in accordance with the provision of Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Consolidated Financial Statements disclose the impact of pending litigations on the Consolidated financial position of the Holding Company and its Subsidiary – Refer Note 43.1 to the Consolidated Financial Statements

   ii. The Holding Company and its Subsidiary did not have any long-term contracts. With regard to the derivative contracts, the group has provided for material foreseeable losses as at March 31,2025.

   iii. There were no amounts required to be transferred to the Investor, Education and Protection Fund by the Holding Company and its Subsidiary Company.

   iv. In respect of Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014

      a) The Management of the Holding company and its subsidiary whose financial statements have been audited under the Act has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or the subsidiary to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or the subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

      c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

   v. The group has not declared or paid any dividend during the year and has not proposed final dividend for the year.

   vi. In respect of Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, based on our examination on test check basis, and as communicated by the auditor of the subsidiary in respect of software for maintenance of general ledgers, the Holding Company and the subsidiary has used such accounting software which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software at application level. However, in subsidiary, for the database level, the statutory auditor is unable to comment as the necessary information required for reporting under this section was not available.

Further, based on representations from the management, we report that there has not been any instance of audit trail feature being tampered with during the period under audit.

Based on our procedure performed, we did not notice any instance of the Audit Trail feature being tampered with.

Audit Trail has been preserved by the group Company as per Rule 3(1) of the Companies (Accounts) Rules, 2014 and reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention.

Mukund M. Chitale & Co
Chartered Accountants
FRN: 106655W

(Nilesh Joshi)
Partner
Membership No. 114749
UDIN: 25114749BMILTD6014

Place: Hyderabad
Date: May 23, 2025

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of IKF Finance Limited of even date)

Report on the internal financial controls with reference to the Consolidated Financial Statements under Section 143(3)(i) of the Companies Act, 2013 (the 'Act')

In conjunction with our audit of the Consolidated Financial Statements of IKF Finance Limited (hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2025, we have audited the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiary (Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of March 31, 2025.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Holding and its subsidiary Company's internal financial controls with reference to Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under sub-section (10) of Section 143 of the Act, to the extent applicable to the audit of internal financial controls with reference to Consolidated Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to these Consolidated Financial Statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS.

Because of the inherent limitations of internal financial controls with reference to these Consolidated Financial

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

OPINION

In our opinion, and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors as referred in Other Matters below, the group has in all material respects, an adequate internal financial controls with reference to these Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2025, based on the internal control with reference to Consolidated Financial Statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

OTHER MATTER

Our report under clause (i) of sub-section 3 of Section 143 of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial reporting, these Consolidated Financial Statements, in so far as it relates to separate financial statements of the subsidiary company, which is a company incorporated in India, is based on the corresponding reports of the auditor of such subsidiary Company.

Our opinion is not modified in respect of this matter.

Mukund M. Chitale & Co
Chartered Accountants
FRN: 106655W

(Nilesh Joshi)
Partner
Membership No. 114749
UDIN: 25114749BMILTD6014

Place: Hyderabad
Date: May 23, 2025

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2025

(Currency : ₹ in lakhs)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	3	28,252.25	4,721.03
(b) Bank Balance other than included in (a) above	4	3,758.30	3,549.17
(c) Receivables		-	-
(I) Trade receivables	5	238.12	145.64
(II) Other receivables		-	-
(d) Loans	6	5,69,450.54	4,14,297.53
(e) Investments	8	1,350.15	12,406.62
(f) Derivative financial instruments	10	-	62.79
(g) Other financial assets	7	11,844.83	6,655.13
		6,14,894.19	**4,41,837.93**
(2) Non-financial assets			
(a) Current Tax Assets (Net)		346.66	43.25
(b) Deferred Tax Assets (Net)	33	-	-
(c) Investment Property	13	162.06	130.03
(d) Property, Plant and Equipment	12	477.86	350.47
(e) Right of use asset	12	542.07	361.85
(f) Capital work in progress	14	5,540.39	47.59
(g) Intangibles assets under development	14A	-	13.20
(h) Intangible assets	14B	159.13	198.09
(i) Goodwill		774.47	774.47
(j) Other non-financial assets	9	2,091.71	4,329.92
		10,094.35	**6,248.87**
Total assets		**6,24,988.54**	**4,48,086.80**
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial liabilities			
(a) Derivative financial instruments	11	43.06	-
(b) Payables			
(i) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	15	82.26	90.23
(ii) Other payables		-	-
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(c) Debt securities	16	77,924.10	20,999.05
(d) Borrowings (other than debt securities)	17	4,07,681.16	3,07,465.24
(e) Subordinated Liabilities	18	16,402.09	16,372.47
(f) Other financial liabilities	19	11,725.54	7,031.51
		5,13,858.21	**3,51,958.49**
(2) Non-financial liabilities			
(a) Current tax liabilities (Net)		-	114.33
(b) Provisions	20	204.82	342.98
(c) Deferred tax liabilities (Net)	33	1,302.94	639.43
(d) Other non-financial liabilities	21	735.18	375.65
		2,242.94	**1,472.39**
EQUITY			
(a) Equity share capital	22	7,015.65	7,015.65
(b) Other equity	23	1,00,285.87	86,391.55
(c) Non- Controlling Interest		1,585.87	1,248.72
		1,08,887.39	**94,655.92**
Total liabilities and equity		**6,24,988.54**	**4,48,086.80**
Material accounting policies	2		

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

As per our report of even date

For and on behalf of the Board of Directors of
IKF Finance Limited
CIN: U65992AP1991PLC012736

For **Mukund M Chitale & Co**
Chartered Accountants
ICAI Firm registration number : 106655W

V.G.K Prasad
Chairman
DIN: 01817992

Vasumathi Devi Koganti
Managing Director
DIN: 03161150

Nilesh Joshi
Partner
Membership No.114749
Place: Hyderabad
Date: May 23, 2025

Prakash Bhawnani
Chief Financial Officer

Place: Hyderabad
Date: May 23, 2025

Ch. Sreenivasa Rao
Company Secretary
M.No. ACS14723

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

Particulars	Note No	For the Year ended March 31, 2025	For the Year ended March 31, 2024
REVENUE FROM OPERATIONS			
(i) Interest income	24	77,453.83	53,720.59
(ii) Fees and commission income	25	2,393.76	1,636.38
(iii) Net gain(Loss) on de recognition of financial instruments under amortised cost	26	5,372.53	2,326.97
(iv) Net gain on fair value changes	27	175.21	238.27
(v) Other Operating Income	28	0.05	19.64
(I) Total revenue from operations		**85,395.38**	**57,941.85**
(II) Other income	29	1,899.41	658.34
(III) Total income (I + II)		**87,294.79**	**58,600.19**
EXPENSES			
(i) Finance costs	28.1	42,037.67	28,476.10
(ii) Net loss on fair value changes	28.2	-	-
(iii) Impairment on financial instruments	29	4,917.25	2,018.32
(iv) Employee benefits expenses	30	15,737.91	10,638.24
(v) Depreciation, amortization and impairment	31	516.00	468.88
(vi) Others expenses	32	4,971.05	3,297.51
(IV) Total expenses		**68,179.88**	**44,899.05**
(V) Profit before tax (III - IV)		**19,114.91**	**13,701.14**
(VI) Tax Expense:			
(1) Current Tax	33	4,159.46	3,327.22
(2) Deferred Tax	33	679.67	181.51
(3) Adjustment of tax relating to earlier periods	33	(6.16)	11.88
		4,832.97	**3,520.61**
(VII) Profit for the period (V-VI)		**14,281.94**	**10,180.53**
(VIII) Other comprehensive income			
(A) Items that will not be reclassified to profit or loss (specify items and amounts)			
(a) Remeasurements of the defined benefit plans	34	(8.04)	(4.36)
(b) Impact of changes in fair value of Financial Instruments		-	-
(c) Income tax relating to items that will not be reclassified to profit or loss		(0.42)	(1.63)
(d) Items that will not be reclassified to profit or loss		9.72	10.82
Subtotal (A)		**1.25**	**4.83**
(B) Items that will be reclassified to profit or loss			
(i) Items that will be reclassified to profit or loss		(64.97)	(32.15)
(ii) Income tax relating to items that will be reclassified to profit or loss		16.57	8.09
Subtotal (B)		**(48.40)**	**(24.06)**
Other comprehensive income / (loss)		**47.14**	**(19.23)**
(IX) Total comprehensive income for the period (VII + VIII)		**14,234.80**	**10,161.30**
Attributable to:			
Owners of the Company		**13,897.65**	**9,923.52**
Non-controlling interest		**337.15**	**237.78**
(X) Earnings per share (equity share, par value of ₹ 10 each)			
Basic	35	20.36	14.97
Diluted	35	20.29	14.97

Material accounting policies 2

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

As per our report of even date

For and on behalf of the Board of Directors of
IKF Finance Limited
CIN: U65992AP1991PLC012736

For **Mukund M Chitale & Co**
Chartered Accountants
ICAI Firm registration number : 106655W

V.G.K Prasad
Chairman
DIN: 01817992

Vasumathi Devi Koganti
Managing Director
DIN: 03161150

Nilesh Joshi
Partner
Membership No.114749
Place: Hyderabad
Date: May 23, 2025

Prakash Bhawnani
Chief Financial Officer

Place: Hyderabad
Date: May 23, 2025

Ch. Sreenivasa Rao
Company Secretary
M.No. ACS14723

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**19,114.91**	**13,701.14**
Adjustments for:		
Depreciation, amortisation and impairment	516.00	468.88
Interest Income	(77,453.83)	(53,720.59)
Interest expenses	42,037.67	28,476.10
Impairment on financial instrument	4,899.70	2,018.32
Share based payment expense	14.21	1.08
Net gain/(loss) on financial instrument at amortised categiry	(5,372.53)	(2,326.97)
Provision for expenses	14.00	12.75
Employee benefit expenses	113.15	109.83
Rental income on Investment property	(9.15)	(9.15)
(Profit)/ Loss on sale of property, plant and equipment	(0.12)	(344.17)
(Profit)/ Loss on sale of immovable Property	-	288.33
Cash generated from / (used in) operations before working capital changes and adjustments for interest received and interest paid	**(16,125.99)**	**(11,324.45)**
Adjustments for changes in Working Capital :		
Decrease / (Increase) in trade receivable	(92.48)	(145.64)
Decrease / (Increase) in loans	(1,55,409.51)	(1,44,910.39)
Decrease / (Increase) in bank balances other than cash and cash equivalents	(209.13)	2,549.61
Decrease / (Increase) in other financial assets	(729.67)	2,024.62
Decrease / (Increase) in other non-financial assets	2,238.21	(942.43)
(Decrease) / Increase in trade payables	(7.96)	5.96
(Decrease) / Increase in other financial liabilities	4,507.09	2,907.10
(Decrease) / Increase in provisions	(251.31)	(93.21)
(Decrease) / Increase in other non-financial liabilities	359.54	112.15
Interest received	72,521.58	49,729.46
Interest paid	(41,678.89)	(29,144.64)
	(1,34,878.52)	**(1,29,231.86)**
Income tax paid (net of refunds)	(3,719.40)	(2,867.46)
Changes in Accounting Policies / Prior Period Errors	0.44	-
Derivative financial instruments	105.85	(11.77)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	**(1,38,491.63)**	**(1,32,111.09)**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and capital work in progress	(5,863.46)	(120.88)
Purchase of Investment property	(32.20)	(58.05)
Rental income on Investment property	9.15	9.15
Proceeds from sale of property, plant and equipment	52.32	344.35
Proceeds from sale of Investment property	-	(288.33)
Purchase of intangible assets	(18.72)	(43.40)
Purchase of investments in market instruments	11,056.48	8,841.20
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	**5,203.57**	**8,684.04**

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
CASH FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares (including securities premium)	(0.00)	12,000.01
Share issue expenses	(18.00)	(879.18)
Amount received from debt securities	70,300.00	15,000.00
Repayment of debt securities	(13,478.86)	(19,889.84)
Amount received from borrowings other than debt securities	2,36,799.23	1,62,694.34
Repayment of borrowings other than debt securities	(1,36,521.88)	(68,329.30)
Payment of principal portion of lease liabilities	(214.74)	(219.12)
Payment of interest on lease liabilities	(46.48)	(46.08)
NET CASH GENERATED FROM / (USED IN) FROM FINANCING ACTIVITIES	**1,56,819.27**	**1,00,330.83**
Net Increase / (Decrease) in Cash and Cash Equivalents	**23,531.21**	**(23,096.22)**
Cash and Cash Equivalents at the beginning of Year	4,721.04	27,817.26
Cash and Cash Equivalents at the end of the Year	28,252.25	4,721.04

The above Cash Flow Statement has been prepared under the 'Indirect method' as set out in Ind AS 7 on 'Statement of Cash Flows'.

As per our report of even date

For **Mukund M Chitale & Co**
Chartered Accountants
ICAI Firm registration number : 106655W

Nilesh Joshi
Partner
Membership No.114749
Place: Hyderabad
Date: May 23, 2025

For and on behalf of the Board of Directors of
IKF Finance Limited
CIN: U65992AP1991PLC012736

V.G.K Prasad
Chairman
DIN: 01817992

Vasumathi Devi Koganti
Managing Director
DIN: 03161150

Prakash Bhawnani
Chief Financial Officer

Ch. Sreenivasa Rao
Company Secretary
M.No. ACS14723

Place: Hyderabad
Date: May 23, 2025

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

A. Equity share capital

Current Reporting Period

Particulars	Balance at the beginning of the current reporting period As at March 31, 2024	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period As at March 31, 2025
Issued, Subscribed and paid up - fully paid (Equity shares of ₹ 10 each, Fully paid-up)	7,015.65	-	7,015.65	-	7,015.65

Previous Reporting Period

Particulars	Balance at the beginning of the current reporting period As at March 31, 2023	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period As at March 31, 2024
Issued, Subscribed and paid up - fully paid (Equity shares of ₹ 10 each, Fully paid-up)	6,457.51	-	6,457.51	558.14	7,015.65

B. Other equity

Particulars	Reserves and Surplus								Total
	Statutory Reserve	Capital Reserve	Securities Premium	Provision U/s 36(viia) Income tax Act, 1961	General Reserve	Share based payment Reserve	Cash flow hedge reseve	Retained Earnings	
Balance at March 31, 2023	**6,972.07**	**32.50**	**34,891.60**	**37.98**	**1,471.49**	**20.63**	**-**	**22,518.93**	**65,945.20**
Prior Period items	-	-	-	-	-	-	-	-	-
Restated Balance at the beginning of the reporting period	6,972.07	32.50	34,891.60	37.98	1,471.49	20.63	-	22,518.93	**65,945.20**
Profit for the year	-	-	-	-	-	-	-	9,942.70	**9,942.70**
Other comprehensive income for the year	-	-	-	-	-	-	-	(19.23)	**(19.23)**
Total comprehensive income for the year (net of tax)	-	-	-	-	-	-	-	**9,923.47**	**9,923.47**
Transfer to Statutory Reserve	2,131.55	-	-	-	-	-	-	(2,131.55)	-
Transfer to General Reserve	-	-	-	-	384.87	-	-	(384.87)	-
Transfer to Hedge Reserve	-	-	-	(40.88)	-	-	-	-	**(40.88)**
Issue of equity shares	-	-	11,441.86	-	-	-	-	-	**11,441.86**
Share issue expenses	-	-	(879.18)	-	-	-	-	-	**(879.18)**
Share based payment expense	-	-	-	-	-	1.08	-	-	**1.08**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

Particulars	Reserves and Surplus								Total
	Statutory Reserve	Capital Reserve	Securities Premium	Provision U/s 36(viia) Income tax Act, 1961	General Reserve	Share based payment Reserve	Cash flow hedge reseve	Retained Earnings	
Balance at March 31, 2024	**9,103.62**	**32.50**	**45,454.28**	**(2.90)**	**1,856.36**	**21.71**	**-**	**29,925.98**	**86,391.55**
Prior Period items	-	-	-	-	-	-	-	0.44	**0.44**
Restated Balance at the beginning of the reporting period	9,103.62	32.50	45,454.28	(2.90)	1,856.36	21.71	-	29,926.42	**86,391.99**
Profit for the year	-	-	-	-	-	-	-	13,944.81	**13,944.81**
Other comprehensive income for the year	-	-	-	-	-	-	(48.40)	1.26	**(47.14)**
Total comprehensive income for the year (net of tax)	-	-	-	-	-	-	**(48.40)**	**13,946.07**	**13,897.67**
Transfer to Statutory Reserve	3,003.04	-	-	-	-	-	-	(3,003.04)	-
Transfer to General Reserve	-	-	-	-	539.74	-	-	(539.74)	-
Transfer to Retained Earnings	-	-	-	2.90	-	-	-	(2.90)	-
Transfer to Cash flow Hedge Reserve	-	-	-	-	-	-	(24.06)	24.06	-
Issue of equity shares	-	-	-	-	-	-	-	-	-
Share issue expenses	-	-	(18.00)	-	-	-	-	-	**(18.00)**
Share based payment expense	-	-	-	-	-	14.21	-	-	**14.21**
ESOP Reserve	-	-	-	-	-	-	-	-	-
Balance at March 31, 2025	**12,106.66**	**32.50**	**45,436.28**	**-**	**2,396.10**	**35.92**	**(72.46)**	**40,350.87**	**1,00,285.87**

As per our report of even date

For **Mukund M Chitale & Co**
Chartered Accountants
ICAI Firm registration number : 106655W

Nilesh Joshi
Partner
Membership No.114749
Place: Hyderabad
Date: May 23, 2025

For and on behalf of the Board of Directors of
IKF Finance Limited
CIN: U65992AP1991PLC012736

V.G.K Prasad
Chairman
DIN: 01817992

Vasumathi Devi Koganti
Managing Director
DIN: 03161150

Prakash Bhawnani
Chief Financial Officer

Ch. Sreenivasa Rao
Company Secretary
M.No. ACS14723

Place: Hyderabad
Date: May 23, 2025

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

1 GROUP INFORMATION

IKF Finance Limited (CIN : U65992AP1991PLC012736) ('the Company' or 'the Holding Company') is a public limited company incorporated under the provisions of the Companies Act, 1956. The Company is registered as Non -Banking Financial Company ('NBFC') as defined under Section 45-IA of the Reserve Bank of India('RBI') Act,1934. The company is a NBFC classified under 'Middle layer' pursuant to the framework of Master direction- Reserve Bank of India (Non-Banking Financial company -Scale Based Regulation) Directions, 2023. The Company is engaged in the business of asset financing, lending to small and medium enterprises and allied activities.

The financial statements were subject to review and recommendation of Audit Committee and approval of Board of Directors. On May 23, 2025, Board of Directors of the company approved and recommended the financial statements for consideration and adoption by the shareholders in its Annual General Meeting

The consolidated financial statements relates to the Company and its subsidiary company IKF Home Finance Limited (IIKFHF) ("together hereinafter referred to as "Group").

1.1 Basis of Consolidation

i. The financial statements of the subsidiary company used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended March 31, 2025 and are prepared based on the accounting policies consistent with those used by the Company.

ii. Notes to these consolidated financial statements are intended to serve as a means of informative disclosure and a guide to better understanding of the consolidated position of the companies. Recognising this purpose, the Company has disclosed only such notes from the individual financial statements, which fairly present the needed disclosures. The accounting policies, notes and disclosures made by the parent are best viewed in its standalone financial statements.

The consolidated financial statements have been prepared on the following basis:

a. The financial statements of the Company and its subsidiary company has been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions have been fully eliminated except where losses are realized.

b. The excess of cost to the Company of its investments in the subsidiary company over its share of equity of the subsidiary company, at the dates on which the investments in the subsidiary company is made, is recognized as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary company as on the date of investment is in excess of cost of investment of the Company, it is recognized as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.

c. Minority interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group to arrive at the income attributable to shareholders of the Company.

d. Goodwill arising on consolidation is not amortized but tested for impairment.

Subsidiary Considered in preparation of these consolidated financial statements are as under:

Name of the subsidiary	Country of in corporation	Proportion of ownership
IKF Home Finance Limited	India	89.89%

2 MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements for the year ended March 31, 2025 have been prepared by the Group in accordance with Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs, Government of India under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016, as amended from time to time, in this regard. Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

2.2 Presentation of Financial Statements

The financial statements are presented as per Division III of the Schedule III to the Companies Act 2013 as amended from time to time, for Non-Banking Financial Companies ('NBFCs') that are required to comply with Ind-AS. The Statement of Cash Flows has been presented as per the requirements of Ind-AS 7 Statement of Cash Flows. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in Note 40 – Maturity analysis of assets and liabilities.

2.3 Basis of Measurement

The financial statements have been prepared under the historical cost convention on the accrual basis except for certain financial instruments, plan assets of defined benefit plans and share based payment plans, which are measured at fair values at the end of each reporting period as explained in the material accounting policies below. All amounts disclosed in the financial statements and notes have been rounded off to the nearest INR Lakhs in compliance with Schedule III of the Act, unless otherwise stated.

2.4 Accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) at the date of the financial statements and the reported amounts of revenues and expenses for the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements. Actual results could differ from these estimates. Any revisions to accounting estimates are recognized prospectively in the current and future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Key sources of estimation of uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amount of assets and liabilities within the next financial year are included in the following notes:

a. Business model assessment

Classification and measurement of financial assets depends on the results of the solely payments of principal and interest (SPPI) and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

b. Effective Interest Rate (EIR) method

The Group recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken.

This estimation, by nature, requires an element of judgement regarding the expected behaviour and lifecycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

c. Impairment of loans portfolio

The measurement of impairment losses on loan assets requires judgement, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk.

The Group's Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include:

- The Probability of Default is an estimate of the likelihood of default over a given time horizon. PD is computed separately for each stage, incorporating historical trends (roll rate model), and forward-looking macroeconomic factors (MEF). For Stage-1 12m PD, Roll Rate Model (Dynamic Pool Approach) was adopted

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

for all the portfolios, as delinquency trends serve as strong indicators of credit risk. For Stage-2 LT PD, is computed by projecting contractual cash flows and adjusting them for default risk. Cumulative PDs are applied year-wise to determine the probability-weighted defaulted discounted cash flows. This ensures credit risk is incorporated systematically across the loan's remaining tenure.

- Loss Given Default (LGD) refers to the proportion of a loan outstanding amount that is not recovered in the event of default. A model has been developed based on historical data from defaulted loans that have been fully resolved or written off.
- The analysis encompasses the entire recovery cycle, from the initial default event to the final closure, ensuring a comprehensive assessment of loss dynamics. For each defaulted loan, actual recovery cash flows recorded throughout the resolution period have been systematically captured and analysed. These cash flows are discounted using the respective Effective Interest Rate (EIR) applicable to the loan, maintaining alignment with Expected Credit Loss (ECL) principles.
- The segmentation of financial assets when their ECL is assessed on a collective basis.
- Development of ECL models, including the various formulas and the choice of inputs.

It is the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The impairment loss on loans and advances is disclosed in more detail in Note 6-Loans and Note 47- Risk Management.

d. Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

e. Fair value measurement:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

f. Operating Leases

Group as a lessee:

The Group has applied Ind AS 116 using the partial retrospective approach.

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right to use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short term lease

The Group has elected not to recognise right of use asset and lease liabilities for short term leases of property that has lease term of 12 months or less. The Group recognises lease payment associated with these leases as an expense on a straight line basis over lease term.

g. Share based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

2.5 Revenue recognition

a. Interest Income on loans

Interest income is recorded using effective interest rate (EIR) method for all financial assets measured at amortised cost and at fair value through other comprehensive (FVOCI) income.

EIR is the rate that exactly discounts the estimated future cash flows through the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset except for credit impaired asset.

The calculation of the effective interest rate includes transaction costs and fees (loan processing fees, commission paid to direct selling agents and other premiums or discounts) that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

When a financial asset becomes credit-impaired, the Group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

b. Rental Income

Rental income arising from operating leases is recognised on a straight-line basis over the lease term. In cases where the increase is in line with expected general inflation rental income is recognised as per the contractual terms.

Operating leases are leases where the Group does not transfer substantially all of the risk and benefits of ownership of the asset.

c. Interest income on fixed deposits

Interest on fixed deposits is recognised on a time proportion basis taking into account the amount outstanding and the applicable rate.

d. Other income

Other charges including application fees (penal interest, cheque bouncing charges, etc.) are recognised on realization basis.

2.6 Financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Recognised financial assets and financial liabilities are initially measured at transaction price, which equates fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

A financial asset and a financial liability are offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

a. Classification and measurement of Financial assets

Based on the business model, the contractual characteristics of the financial assets and specific elections where appropriate, the Group classifies and measures financial assets in the following categories:

- Amortised cost
- Fair value through other comprehensive income ('FVOCI')
- Fair value through profit and loss ('FVTPL')

Financial assets at amortised cost

Financial assets are measured at amortised cost using the effective interest rate (EIR) if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and 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.

After initial measurement and based on the assessment of the business model as asset held to collect contractual cash flows and SPPI, such financial assets are subsequently measured at amortised cost using effective interest rate ('EIR') method. Interest income and impairment expenses are recognised in statement of profit and loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

The EIR method is a method of calculating the amortised cost of a financial instrument and of allocating interest over the relevant period. The EIR is the rate that exactly discounts estimated future cash flows (including all fees paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Group records loans at amortised cost.

Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to sole payments of principal and interest on the principal amount outstanding and by selling financial assets.

Movements in the carrying amount of such financial assets are recognised in Other Comprehensive Income ('OCI'), except dividend income and interest income which is recognised in statement of profit and loss.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

b. Financial Liabilities

Financial liabilities are measured at amortised cost. The carrying amounts are determined based on the EIR method. Interest expense is recognised in statement of profit and loss. Any gain or loss on de-recognition of financial liabilities is also recognised in statement of profit and loss.

c. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group is recognised at the proceeds received, net of directly attributable transaction costs.

d. Reclassification

Financial assets are not reclassified subsequent to their initial recognition, apart from the exceptional circumstances in which the Group

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acquires, disposes of, or terminates a business line or in the period the Group changes its business model for managing financial assets. Financial liabilities are not reclassified.

e. De-recognition of financial assets and financial liabilities

i. Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Group has transferred the financial asset if, and only if, either:

i. The Group has transferred its contractual rights to receive cash flows from the financial asset, or

ii. It retains the rights to the cash flows but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement.

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

i. The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.

ii. The Group cannot sell or pledge the original asset other than as security to the eventual recipients.

iii. The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

i. The Group has transferred substantially all the risks and rewards of the asset, or

ii. The Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

ii. Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying value of the original financial liability and the new financial liability with modified terms is recognised in statement of profit and loss.

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f. Impairment of Financial Assets

The Group recognises impairment allowances for Expected Credit Loss (ECL) on all the financial assets that are not measured at FVTPL:

The ECL provision is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on financial assets that are possible within the 12 months after the reporting date.

The Group performs an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Group categorises its loans into three stages as described below:

For non-impaired financial instruments

- Stage 1 is comprised of all non-impaired financial instruments which have not experienced a significant increase in credit risk (SICR) since initial recognition. A 12-month ECL provision is made for stage 1 financial instruments. In assessing whether credit risk has increased significantly, the Group compares the risk of a default occurring on the financial instrument as at the reporting date, with the risk of a default occurring on the financial instrument as at the date of initial recognition.
- Stage 2 is comprised of all non-impaired financial instruments which have experienced a SICR since initial recognition. The Group recognises lifetime ECL for stage 2 financial instruments. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a SICR since initial recognition, then entities shall revert to recognizing 12 months of ECL.

For impaired financial instruments:

Financial instruments are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The Group recognises lifetime ECL for impaired financial instruments.

The calculation of ECLs

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) -

The Probability of Default is an estimate of the likelihood of default over a given time horizon. PD is computed separately for each stage, incorporating historical trends (roll rate model), and forward-looking macroeconomic factors (MEF).For Stage-1 12m PD, Roll Rate Model (Dynamic Pool Approach) was adopted for all the portfolios, as delinquency trends serve as strong indicators of credit risk.For Stage-2 LT PD, is computed by projecting contractual cash flows and adjusting them for default risk. Cumulative PDs are applied year-wise to determine the probability-weighted defaulted discounted cash flows. This ensures credit risk is incorporated systematically across the loan's remaining tenure. The concept of PD is further explained in Note 47- Risk Management.

Exposure at Default - 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.

Loss Given Default - Loss Given Default (LGD) refers to the proportion of a loan outstanding amount that is not recovered in the event of default. A model has been developed based on historical data from defaulted loans that have been fully resolved or written off.

The analysis encompasses the entire recovery cycle, from the initial default event to the final closure, ensuring a comprehensive assessment of loss dynamics. For each defaulted loan, actual recovery cash flows recorded throughout the resolution period have been systematically captured and analysed. These cash flows are discounted using the respective Effective Interest Rate (EIR) applicable to the loan, maintaining alignment with Expected Credit Loss (ECL) principles.

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Collateral Valuation

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as movable and immovable assets, guarantees, etc. However, the fair value of collateral affects the calculation of ECLs. To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using other methodologies. Non-financial collateral, such as vehicles, is valued based on data provided by third parties or management judgements.

Collateral repossessed

In its normal course of business whenever default occurs, the Group may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

Write-offs

Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when it is determined that the customer does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

g. 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 Group 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 group 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.

h. Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Group measures certain categories of financial instruments (as explained in Note 47- Fair Value Measurement) at fair value on each balance sheet date.

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:

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

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The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments - 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. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.

Level 3 financial instruments - Those that include one or more unobservable input that is significant to the measurement as whole.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. No such instances of transfers between levels of the fair value hierarchy were recorded during the reporting period.

2.7 Property, plant and equipment

Property, plant and equipment are carried at cost of acquisition less accumulated depreciation and accumulated impairment loss (if any). The total cost of the asset comprises the purchase price, taxes, duties, freight (net of rebates and discounts) and any other directly attributable costs of bringing the assets to their working condition for their intended use. Borrowing costs directly attributable to acquisition of those assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Advances paid towards the acquisition of assets outstanding at each balance sheet date are disclosed as other non-financial assets. The cost of assets not ready for their intended use at each balance sheet date is disclosed as capital work-in-progress.

Depreciation is provided on a straight-line method, over the estimated useful life of each asset as prescribed in Schedule II of the Companies Act, 2013 as follows:

Asset	Useful Life
Building	60 years
Office Equipment	5 years
Furniture and Fixture*	10 years
Computers	3 years
Vehicles (Car, Lorry, Bus)	8 years
Vehicles (Bike, Moped, Cycle)	10 years
Servers	6 years

*Useful life for Furniture and Fixture for IKF Home Finance Limited is 5 Years. 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.

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An item of property, plant and equipment, is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment, is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.8 Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use

Intangible assets are amortised on a straight line basis over their estimated useful life.

The estimated useful life of intangible assets are as follows:

Asset	Useful Life
Software	6 years

2.9 Impairment of non-financial assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, the recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit (CGU). An asset or CGU whose carrying value exceeds its recoverable amount is considered impaired and is written down to its recoverable amount. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting years may no longer exist or may have decreased.

2.10 Employee benefits

Defined Contribution Plan:

The Group has a defined contribution plan for post-employment benefits in the form of Provident Fund. Under the Provident Fund Plan, the Group contributes to a Government administered provident fund / recognized provident fund on behalf of the employees. The Group has no further obligation beyond making the contributions.

The Group's contributions to the above Plan are charged to the Statement of Profit and Loss.

Defined Benefit Plan:

The Group provides for gratuity to all employees. The benefit is in the form of lump sum payments to vested employees on resignation, retirement, or death while in employment or on termination of employment of an amount equivalent to 15 days basic salary payable for each completed year of service as required under 'The Payment of Gratuity Act, 1972'. Vesting occurs upon completion of five years of service.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non- routine settlements; and
- Net interest expense or income

An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality

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rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Other Employee Benefits:

The employees of the Group are entitled to compensated absence and deferred compensation as per the policy of the Group, the liability in respect of which is provided, based on an actuarial valuation carried out by an independent actuary as at the year end. The actuarial valuation method used by the independent actuary for measuring the liability is the Projected Unit Credit Method.

Actuarial gains and losses comprise experience adjustments and the effects of changes in the actuarial assumptions are recognized immediately in the Statement of Profit and Loss in the year in which they arise.

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. Unutilised leave balance that accrues to employees as at the year end is charged to the Statement of Profit and Loss on an undiscounted basis.

2.11 Income Taxes

Income-tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income-tax expense is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in equity or in OCI.

(a) Current tax

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961, enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax assets and liabilities are offset only if, the Group:

- has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are reviewed at each reporting date and based on management's judgement, are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if the Group:

- has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

2.12 Provision and contingencies

A provision is recognised when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.

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A contract is considered as onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

2.13 Earnings per share

The Group reports basic and diluted earnings per share in accordance with Indian Accounting Standard 33 – "Earnings Per Share". Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

2.14 Cash and cash equivalent

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

2.15 Statement of cash flows

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of non-cash future, any deferrals or accruals of past or future operating cash receipts or payments and item of expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

2.16 Share based payments

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting year, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payments Reserve.

2.17 Statutory Reserve

In accordance with section 45-IC of the RBI Act, 1934, the Group creates a reserve fund and transfers therein a sum not less than twenty per cent of its net profit every year as disclosed in the Statement of Profit and loss before any dividend is declared.

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(Currency : ₹ in lakhs)

3 CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2025	As at March 31, 2024
Cash on hand	110.10	164.16
Balances with banks in current accounts	8,668.30	4,556.87
Bank deposit with original Maturity upto three months or less	19,473.85	-
Total	**28,252.25**	**4,721.03**

4 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with banks to the extent held as margin money*	3,758.30	3,549.17
Total	**3,758.30**	**3,549.17**

*Represent margin money deposits placed to avail term loans from banks, financial institutions and as cash collateral in connection with securitisation transactions.

5 RECEIVABLES

Particulars	As at March 31, 2025	As at March 31, 2024
(I) Trade receivables		
Receivables considered good - Secured	-	-
Receivables considered good - Unsecured	238.12	145.64
Receivables which have significant increase in credit risk; and	-	-
Receivables – credit impaired	-	-
	238.12	**145.64**
Less: Provision for impairment	-	-
Total	**238.12**	**145.64**

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person, or from firms or private companies respectively in which any director is a partner, a director or a member.

Trade Receivables aging schedule

As at March 31, 2025

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	238.12	-	-	-	-	238.12
(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	-	-	-	-	-	-
Total	**238.12**	**-**	**-**	**-**	**-**	**238.12**

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(Currency : ₹ in lakhs)

As at March 31, 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	145.64	-	-	-	-	145.64
(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	-	-	-	-	-	-
Total	**145.64**	**-**	**-**	**-**	**-**	**145.64**

6 LOANS

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Term loans	5,71,392.05	4,13,030.33
(ii) Others (ICD)	-	200.00
(iii) Staff loans	108.83	77.14
(iv) Others		
(a) Trade advances	5,686.78	5,523.72
Total	**5,77,187.66**	**4,18,831.19**
Less: Impairment loss allowance	7,737.12	2,612.36
Total - Net of impairment loss allowance	**5,69,450.54**	**4,14,297.53**
(i) Secured by tangible assets*	5,71,392.05	4,13,030.33
(ii) Secured by intangible assets	-	-
(iii) Covered by Bank/ Government Guarantees	-	-
(iv) Unsecured	5,795.61	5,800.86
Total	**5,77,187.66**	**4,18,831.19**
Less: Impairment loss allowance	7,737.12	2,612.36
Total - Net of impairment loss allowance	**5,69,450.54**	**4,14,297.53**
(i) Public sectors	-	-
(ii) Others	5,77,187.66	4,18,831.19
Total	**5,77,187.66**	**4,18,831.19**
Less: Impairment loss allowance	7,737.12	2,612.36
Total - Net of impairment loss allowance	**5,69,450.54**	**4,14,297.53**
(i) Loans in India	5,77,187.66	4,18,831.19
(ii) Loans outside India	-	-
Total	**5,77,187.66**	**4,18,831.19**
Less: Impairment loss allowance	7,737.12	2,612.36
Total - Net of impairment loss allowance	**5,69,450.54**	**4,14,297.53**

*Secured against hypothecation of automobiles, book debts, equitable mortgage of immovable property etc.

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(Currency : ₹ in lakhs)

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

Particulars	As at March 31, 2025	As at March 31, 2024
Term loans		
Stage I	5,28,552.95	3,85,628.30
Stage II	36,909.26	24,814.49
Stage III	11,725.45	8,388.40
Total	**5,77,187.66**	**4,18,831.19**

7 OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2025	As at March 31, 2024
Rent and utility deposit	482.70	425.71
Excess Interest Spread (EIS) Receivables	9,817.46	5,570.52
Other -unsecured, considered good	1,544.67	658.92
Total	**11,844.83**	**6,655.15**

8 INVESTMENTS

Particulars	As at March 31, 2025	As at March 31, 2024
Investment in Debt instruments		
- Market Linked Debentures (at Fair Value through Profit or loss)	(0.00)	-
- Mutual Funds	-	1.00
- Debentures (at Amortised Cost)	-	12,405.62
- PTC	1,350.15	
Total (A)	**1,350.15**	**12,406.62**
(i) Investments in India	1,350.15	12,406.62
(ii) Investments outside India	-	-
Total (B)	**1,350.15**	**12,406.62**

9 OTHER NON-FINANCIAL ASSETS

Particulars	As at March 31, 2025	As at March 31, 2024
Prepaid expenses	897.82	660.21
Advances to employees	0.42	0.28
GST input credit	712.39	629.19
Other -unsecured, considered good	299.13	1,002.06
Advance for expenses	31.95	38.18
Advance given for purchase of property	-	2,000.00
Other advances	150.00	
Total	**2,091.71**	**4,329.92**

10 DERIVATIVE FINANCIAL INSTRUMENTS (ASSET)

Particulars	As at March 31, 2025	As at March 31, 2024
Forward rate agreements and interest rate swaps (net)	-	62.79
Total	**-**	**62.79**

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

11 DERIVATIVE FINANCIAL INSTRUMENTS (LIABILITIES)

Particulars	As at March 31, 2025	As at March 31, 2024
Forward rate agreements and interest rate swaps (net)	43.06	-
Total	**43.06**	**-**

12 PROPERTY, PLANT AND EQUIPMENT

Particulars	Leasehold Improvements	Furniture and Fixtures	Computer & Printer	Office equipment	Vehicles	Total	Right to Use Assets (Leases)
Gross carrying amount							
As at March 31, 2023	**29.13**	**341.00**	**268.24**	**39.55**	**111.34**	**789.26**	**625.18**
Additions	-	6.32	60.49	0.46	53.60	120.87	302.58
Disposals	-	-	(0.75)	-	-	(0.75)	-
As at March 31, 2024	**29.13**	**347.32**	**327.98**	**40.01**	**164.94**	**909.38**	**927.76**
Additions	32.57	112.91	104.66	20.51	-	270.65	506.43
Disposals	-	(13.54)	(4.30)	(3.16)	(35.83)	(56.83)	(5.13)
As at March 31, 2025	**61.70**	**446.69**	**428.34**	**57.36**	**129.11**	**1,123.20**	**1,429.06**
Accumulated depreciation and impairment:							
As at March 31, 2023	**16.49**	**181.03**	**136.06**	**21.02**	**71.63**	**426.23**	**311.96**
Depreciation for the year	2.91	37.23	70.67	6.56	15.88	133.25	253.95
Disposals	-	-	(0.57)	-	-	(0.57)	-
As at March 31, 2024	**19.40**	**218.26**	**206.16**	**27.58**	**87.51**	**558.91**	**565.91**
Depreciation for the year	3.43	27.22	74.51	6.64	12.07	123.87	321.08
Disposals	-	(9.65)	(4.56)	(2.00)	(21.23)	(37.44)	-
As at March 31, 2025	**22.83**	**235.83**	**276.11**	**32.22**	**78.35**	**645.34**	**886.99**
Net book value							
As at March 31, 2023	12.64	159.97	132.18	18.53	39.71	363.03	313.20
As at March 31, 2024	9.73	129.06	121.82	12.43	77.43	350.47	361.85
As at March 31, 2025	38.87	210.86	152.23	25.14	50.76	477.86	542.07

Note: The Group has not revalued any of its property, plant and equipment during the years ended March 31, 2025 and March 31, 2024. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil.

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

13 INVESTMENT PROPERTY

Particulars	Buildings	Land	Total
Gross carrying amount			
As at March 31, 2023	**6.98**	**66.01**	**72.99**
Additions	-	58.06	58.06
Disposals	-	-	-
As at March 31, 2024	**6.98**	**124.07**	**131.05**
Additions	-	32.20	32.20
Disposals	-	-	-
As at March 31, 2025	**6.98**	**156.27**	**163.25**
As at March 31, 2023	**0.85**	-	**0.85**
Depreciation for the year	0.17	-	0.17
Disposals	-	-	-
As at March 31, 2024	**1.02**	-	**1.02**
Depreciation for the year	0.17	(0.00)	0.17
Disposals	-	-	-
As at March 31, 2025	**1.19**	-	**1.19**
Net book value			
As at March 31, 2023	6.13	66.01	72.14
As at March 31, 2024	5.96	124.07	130.03
As at March 31, 2025	5.79	156.27	162.06

(i) Amounts recognised in Statement of Profit and Loss for Investment Property

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Rental Income	9.15	9.15
Direct operating expense from property that generated rental income		-
Profit from investment properties before depreciation	**9.15**	**9.15**
Depreciation	0.17	0.17
Profit from investment properties	**8.98**	**8.98**

(ii) Contractual obligations

The Group has no contractual obligations to purchase, construct or develop investment property. However, the responsibility for its repairs, maintenance or enhancements is with the Company.

(iii) Fair value

The fair valuation of investment property as at March 31, 2025 is ₹ 498.05 lakhs (PY: ₹ 448.18 lakhs).

(iv) Pledged details

Investment property pledged in favor of consortium leader central bank for cash credit facility.

(v) Estimation of fair value

The fair values of investment property is determined by guidance value given by the local government of the area where the investment properties are located.

(vi) Revaluation

The Group has not revalued any of its investment property during the years ended March 31, 2025 and March 31, 2024. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/ reversals is nil.

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

14 CAPITAL WORK IN PROGRESS

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Opening Balance	**47.59**	**-**
Additions	5,540.39	47.59
Deductions	47.59	-
Closing Balance	**5,540.39**	**47.59**

Ageing for Capital work in Progress

Particulars	As at	Amount for a Period of				Total
		less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	March 31, 2025	5,540.39	-	-	-	5,540.39
Projects in Progress	March 31, 2024	47.59	-	-	-	47.59

14A Intangible assets under development

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Opening Balance	**13.20**	**-**
Additions	-	13.20
Deductions	13.20	-
Closing Balance	**-**	**13.20**

Ageing for Intangibles assets under development

Particulars	As at	Amount for a Period of				Total
		less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	March 31, 2025	-	-	-	-	-
Projects in Progress	March 31, 2024	13.20	-	-	-	13.20

14B Other Intangible assests (Software)

Particulars	Computer software
Gross carrying amount	
As at March 31, 2023	**541.29**
Additions	43.41
Disposal	-
As at March 31, 2024	**584.70**
Additions	31.92
Disposal	(0.04)
As at March 31, 2025	**616.58**
Accumulated amortisation and impairment	
As at March 31, 2023	**305.07**
Amortisation for the year	81.54
Disposal	-
As at March 31, 2024	**386.61**
Amortisation for the year	70.84
Disposal	-
As at March 31, 2025	**457.45**
Net book value	
As at March 31, 2023	236.22
As at March 31, 2024	198.09
As at March 31, 2025	159.13

Note: The Group has not revalued any of its intangible assets during the years ended March 31, 2025 and March 31, 2024. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/ reversals is nil.

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

15 TRADE PAYABLES

Particulars	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of :		
(i) total outstanding dues of micro enterprises and small enterprises; (refer note 14.1 below)	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	82.26	90.23
Total	**82.26**	**90.23**

15.1 Disclosure relating to Micro, Small and Medium Enterprises Development Act, 2006 is as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Principal amount remaining unpaid to any supplier	-	-
(ii) Interest due thereon remaining unpaid to any supplier	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
Total	-	-

15.2 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

15.3 Trade Payable aging schedule

As at March 31, 2025

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More Than 3 Years	
(i) MSME	-	-	-	-	-	-
(ii) Others	-	82.26	-	-	-	82.26
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**-**	**82.26**	**-**	**-**	**-**	**82.26**

As at March 31, 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More Than 3 Years	
(i) MSME	-	-	-	-	-	**-**
(ii) Others	-	90.23	-	-	-	**90.23**
(iii) Disputed dues – MSME	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	-	-	**-**
Total	**-**	**90.23**	**-**	**-**	**-**	**90.23**

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

16 DEBT SECURITIES

Particulars	As at March 31, 2025	As at March 31, 2024
At amortised cost		
Secured		
Non convertible debentures	74,910.41	17,507.39
Unsecured		
Other non convertible debentures	3,013.69	3,491.66
Total	**77,924.10**	**20,999.05**
Debt Securities:		
Within India	77,924.10	20,999.05
Outside India	-	-
Total	**77,924.10**	**20,999.05**

Nature of security

Non convertible debentures (secured)

Non convertible debentures are secured by an exclusive charge by way of hypothecation of specific loan receivable created out of the loan proceeds and mortgage of personal properties of directors in addition to their personal guarantees.

The Group has utilised the funds raised from banks and financial institutions for the specific purpose for which they were borrowed.

The Group has borrowed funds from banks and financial institutions on the basis of security of current assets. It has filed quarterly returns orstatements of current assets with banks and financial institutions and the said returns/statements are in agreement with books of accounts.

Terms of repayment of Debt securities as on March 31, 2025

Original maturity loan	Interest rate	Due within 1 year		Due between 1 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	
Monthly repayment schedule								
1-7 Years		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Quarterly repayment schedule								
1-5 Years	9.01%-10.00%	15	9,007.50	28	46,849.29	-	-	55,856.79
	10.01%-11.00%	4	2,018.35	2	995.35	-	-	3,013.70
	11.01%-12.00%	-	-	-	-	-	-	-
	12.01%-12.50%	-	-	-	-	-	-	-
Yearly repayment schedule								
1-5 Years	8.51%-9.50%	-	-	-	-	-	-	-
	9.51%-10.50%	-	-	-	-	-	-	-
	10.51%-11.50%	-	-	-	-	-	-	-
	11.51%-12.50%	-	-	-	-	-	-	-
Bullet repayment schedule								
1-7 Years	9.01%-10.00%	-	-	3	13,000.00	-	-	13,000.00
	10.01%-11.00%	-	-	1	5,997.45	-	-	5,997.45
	11.01%-12.00%	-	-	-	-	-	-	-
	12.01%-12.50%	-	-	-	-	-	-	-
Total			**11,025.85**	**-**	**66,842.09**	**-**	**-**	**77,867.94**
Add : Interest accrued but not due								837.66
Less : Unamortized Finance Cost								(781.50)
Total Amortized Cost			**11,025.85**		**66,842.09**		**-**	**77,924.10**

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

Terms of repayment of Debt securities as on March 31, 2024

Original maturity loan	Interest rate	Due within 1 year		Due between 1 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	
Monthly repayment schedule								
1-7 Years		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Quarterly repayment schedule								
1-5 Years	9.01%-10.00%	8	6,666.65	10.00	5,833.35	-	-	12,500.00
	10.01%-11.00%	4	3,500.00	-	-	-	-	3,500.00
	11.01%-12.00%	-	-	-	-	-	-	-
	12.01%-12.50%	-	-	-	-	-	-	-
Yearly repayment schedule								
1-5 Years	8.51%-9.50%	-	-	-	-	-	-	-
	9.51%-10.50%	4	2,031.33	6	2,978.07	-	-	5,009.40
	10.51%-11.50%	-	-	-	-	-	-	-
	11.51%-12.50%	-	-	-	-	-	-	-
Bullet repayment schedule								
1-7 Years	9.01%-10.00%	-	-	-	-	-	-	-
	10.01%-11.00%	-	-	-	-	-	-	-
	11.01%-12.00%	-	-	-	-	-	-	-
	12.01%-12.50%	-	-	-	-	-	-	-
Total			**12,197.98**	**-**	**8,811.42**	**-**	**-**	**21,009.40**
Add : Interest accrued but not due								100.62
Less : Unamortized Finance Cost								(110.97)
Total Amortized Cost			**12,197.98**		**8,811.42**		**-**	**20,999.05**

17 BORROWINGS (OTHER THAN DEBT SECURITIES)

Particulars	As at March 31, 2025	As at March 31, 2024
At amortised cost		
Term loans (Secured)		
from banks	2,57,482.22	1,98,914.97
from non banking financial companies	69,018.67	45,148.80
from financial institutions	27,225.26	24,791.04
From National Housing Bank (NHB)	8,121.47	4,748.20
Loans repayable on demand (Secured):		
Cash credit from Bank	24,165.50	33,862.23
Associated liabilities in respect of securitisation transactions	21,668.04	-
Total	**4,07,681.16**	**3,07,465.24**
Borrowings:		
Within India	4,07,681.16	3,07,465.24
Outside India	-	-
Total	**4,07,681.16**	**3,07,465.24**

Nature of security

Term loans (secured)

Term Loans from bank, financial institutions and NBFCs are secured by an exclusive charge by way of hypothecation of specific loan receivable created out of the loan proceeds and cash collateral by way of fixed deposits and mortgage of personal properties of directors in addition to their personal guarantees.

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

Loans repayable on demand (Secured)

These loans are secured against the first pari passu charge on current assets, book debts and receivables including loans & advances of the Company as per the agreement. Further, the loan has been guaranteed by personal guarantee of director/promoter to the extent of ₹ 378.20Cr (March 31, 2024: ₹ 386.20 Cr).

The Group has utilised the funds raised from banks and financial institutions for the specific purpose for which they were borrowed.

The Group has borrowed funds from banks and financial institutions on the basis of security of current assets. It has filed quarterly returns or statements of current assets with banks and financial institutions and the said returns/ statements are in agreement with books of accounts.

Terms of repayment of borrowings (other than debt) as on March 31, 2025

Original maturity loan	Interest rate	Due within 1 year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	
Monthly repayment schedule								
1-7 Years	6.00%-7.00%	-	-	-	-	-	-	-
	7.01%-8.00%	-	-	-	-	-	-	-
	8.01%-9.00%	88	4,603.40	190	11,890.34	119	6,515.46	23,009.20
	9.01%-10.50%	1,035	78,266.62	1,870	1,20,081.46	157	4,484.00	2,02,832.08
	10.51%-11.50%	73	6,468.85	35	1,565.02	-	-	8,033.87
	11.51%-13.50%	4	167.44	-	-	-	-	167.44
Quarterly repayment schedule								
1-5 Years	6.00%-7.00%	-	-	-	-	-	-	-
	7.01%-8.00%	3	1,360.00	-	-	-	-	1,360.00
	8.01%-9.00%	21	920.74	57	2,096.30	18	815.53	3,832.57
	9.01%-10.50%	172	36,037.52	407	73,199.18	47	6,988.41	1,16,225.11
	10.51%-11.50%	42	6,676.30	72	8,967.53	2	1,000.00	16,643.83
	11.51%-13.50%	-	-	-	-	-	-	-
Bullet repayment schedule								
1-14 Years	7.01%-8.00%	-	-	2	12,500.00	-	-	12,500.00
	8.01%-9.00%	-	-	-	-	-	-	-
	9.01%-10.50%	-	-	-	-	-	-	-
	10.51%-11.50%	-	-	-	-	-	-	-
	11.51%-13.50%	-	-	-	-	-	-	-
Total			**1,34,500.87**		**2,30,299.83**		**19,803.40**	**3,84,604.11**
Add : Interest accrued but not due								458.82
Less : Unamortized Finance Cost								(1,547.27)
Total Amortized Cost			**1,34,500.87**		**2,30299.83**		**19,803.40**	**3,83,515.65**

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

Terms of repayment of borrowings (other than debt) as on March 31, 2024

Original maturity loan	Interest rate	Due within 1 year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	
Monthly repayment schedule								
1-7 Years	7.01%-8.00%	-	-	-	-	-	-	-
	8.01%-9.00%	90	4,355.92	104	2,717.93	-	-	7,073.85
	9.01%-10.50%	774	45,330.91	1,577	81,790.67	79	2,449.85	1,29,571.43
	10.51%-11.50%	161	8,449.75	128	4,103.91	-	-	12,553.66
	11.51%-12.50%	12	385.00	3	93.55	-	-	478.55
	12.51%-13.50%	24	781.08	12	288.82	-	-	1,069.90
Quarterly repayment schedule								
1-5 Years	6.00%-7.00%	-	-	-	-	-	-	-
	7.01%-8.00%	4	1,820.00	3	1,360.00	-	-	3,180.00
	8.01%-9.00%	51	3,718.47	116	4,002.94	51	1,125.12	8,846.53
	9.01%-10.00%	117	27,597.37	265	58,012.94	29	2,592.00	88,202.31
	10.51%-11.50%	41	5,364.71	93	10,082.42	10	499.91	15,947.04
	11.51%-12.50%	-	-	-	-	-	-	-
Bullet repayment schedule								
1-14 Years	5.00%-6.00%	-	-	1	7,500.00	-	-	7,500.00
	7.01%-8.00%	-	-	-	-	-	-	-
	8.01%-9.00%	-	-	-	-	-	-	-
	9.01%-10.00%	-	-	-	-	-	-	-
	10.51%-11.50%	-	-	-	-	-	-	-
Total			**97,803.21**		**1,69,953.18**		**6,666.88**	**2,74,423.27**
Add : Interest accrued but not due								498.28
Less : Unamortized Finance Cost								(1,318.56)
Total Amortized Cost			**97,803.21**		**1,69,953.18**		**6,666.88**	**2,73,602.99**

18 SUBORDINATED LIABILITIES

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured - At amortised cost		
Non convertible debentures (Tier-II)	16,402.09	16,372.47
Indian rupee loan from banks (Tier-II)	-	-
Total	**16,402.09**	**16,372.47**
Subordinated Liabilities:		
Within India	16,402.09	16,372.47
Outside India	-	-
Total	**16,402.09**	**16,372.47**

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

Terms of repayment of subordinated liabilities as on March 31, 2025

Original maturity loan	Interest rate	Due within 1 year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	
Bullet repayment schedule								
1-7 Years	11.51%-12.50%	-	-	-	-	-	-	-
	More than 12.50%	-	-	2	16,500.00	-	-	16,500.00
Total					**16,500.00**		**-**	**16,500.00**
Add : Interest accrued but not due								10.62
Less : Unamortized Finance Cost								(108.53)
Total Amortized Cost					**16,500.00**		**-**	**16,402.09**

Terms of repayment of subordinated liabilities as on March 31, 2024

Original maturity loan	Interest rate	Due within 1 year		Due between 2 to 5 Years		Due more than 5 Years		Total
		No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	No. of Installments	Amount (In lakhs)	
Bullet repayment schedule								
1-7 Years	11.51%-12.50%	-	-	-	-	-	-	-
	More than 12.50%	-	-	2	16,500.00	-	-	16,500.00
Total					**16,500.00**		**-**	**16,500.00**
Add : Interest accrued but not due								10.59
Less : Unamortized Finance Cost								(138.12)
Total Amortized Cost					**16,500.00**		**-**	**16,372.47**

19 OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2025	As at March 31, 2024
Lease Liabilities	551.19	378.25
Employee benefits payable	1,025.75	657.90
Expenses payable	13.12	10.11
Other Payables	3,197.21	1,417.00
Security deposit from franchisees and Customers	2,810.71	1,979.77
Payable towards securitisation / assignment transactions	4,127.56	2,588.47
Total	**11,725.54**	**7,031.51**

20 PROVISIONS

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for gratuity	102.79	280.82
Provision for leave benefits	84.48	62.16
Provision for others	6.16	-
Expected credit loss towards undrawn loan commitments	11.39	-
Total	**204.82**	**342.98**

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

21 OTHER NON-FINANCIAL LIABILITIES

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory dues payable	735.18	375.65
Total	**735.18**	**375.65**

22 EQUITY SHARE CAPITAL

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number	Amount	Number	Amount
Authorised Capital				
Equity shares of ₹ 10 each	10,00,00,000	10,000.00	8,00,00,000	8,000.00
Preference shares of ₹ 100 each	25,00,000	2,500.00	25,00,000	2,500.00
	10,25,00,000	**12,500.00**	**8,25,00,000**	**10,500.00**
Issued, subscribed and fully paid-up shares				
Equity Shares of ₹ 10 each fully paid up	7,01,56,445	7,015.65	7,01,56,445	7,015.65
Coverted from Partly Paid to Fully Paid Equity Shares	-	-	-	-
	7,01,56,445	**7,015.65**	**7,01,56,445**	**7,015.65**
Total	**7,01,56,445**	**7,015.65**	**7,01,56,445**	**7,015.65**

A. Reconciliation of number of shares

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number	Amount	Number	Amount
Fully paid equity share of ₹ 10 each				
At the beginning of the year	7,01,56,445	7,015.65	6,45,75,050	6,457.51
Shares issued during the year	-	-	55,81,395	558.14
Coverted from Partly Paid to Fully Paid Equity Shares	-	-	-	-
Outstanding at the end of the year	**7,01,56,445**	**7,015.65**	**7,01,56,445**	**7,015.65**

B. Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 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 shareholder.

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

Name of shareholder	As at March 31, 2025		As at March 31, 2024	
	No. of shares held	% Holding	No. of shares held	% Holding
Equity shares of ₹ 10 each fully paid up				
Vupputuri Gopala Kishan Prasad	1,98,53,581	28.30%	1,98,53,581	28.30%
India Business Excellence Fund-IIA	1,30,51,546	18.60%	1,30,51,546	18.60%
Vistra ITCL (India) Limited (formerly known as IL and FS Trust Company Limited) (Trustee of Business Excellence Trust-II - India Business Excellence Fund II)	78,04,018	11.12%	78,04,018	11.12%

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

Name of shareholder	As at March 31, 2025		As at March 31, 2024	
	No. of shares held	% Holding	No. of shares held	% Holding
Accion Digital Transformation Fund, LP	55,81,395	7.96%	55,81,395	7.96%
Teachers Insurance And Annuity Association Of America	55,81,395	7.96%	55,81,395	7.96%

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. Shareholding of Promotors

Shares held by promotors at the end of the year	As at March 31, 2025			As at March 31, 2024		
	No. of Shares	% of Total Shares	% Change during the year	No. of Shares	% of Total Shares	% Change during the year
a. Equity shares of ₹ 10 each fully paid up						
Vupputuri Gopala Kishan Prasad	1,98,53,581	28.30%	0.00%	1,98,53,581	28.30%	0.00%
Vupputuri Indira Devi	16,48,142	2.35%	0.00%	16,48,142	2.35%	0.00%
Koganti Vasumathi Devi	26,47,266	3.77%	0.00%	26,47,266	3.77%	0.00%
Devineni Vasantha Lakshmi	24,91,794	3.55%	0.00%	24,91,794	3.55%	0.00%
Vupputuri Raghu Ram	18,00,670	2.57%	0.00%	18,00,670	2.57%	0.00%
Durga Rani Chunduri	14,94,100	2.13%	0.00%	14,94,100	2.13%	0.00%
Sinha Satyanand Chunduri	1,17,700	0.17%	0.00%	1,17,700	0.17%	0.00%

23 OTHER EQUITY

Particulars	As at March 31, 2025	As at March 31, 2024
Capital reserve	32.50	32.50
Securities premium reserve	45,436.28	45,454.28
Share Based Payment reserve	35.92	21.71
Statutory Reserve under section 45-IC of the Reserve Bank of India Act, 1934	9,692.03	7,533.09
Statutory Reserve U/s 29C of NHB Act	2,414.63	1,570.53
Provision U/s 36(viia) Income tax Act, 1961	-	(2.90)
General reserve	2,396.10	1,856.36
Retained earnings	40,353.87	29,925.98
Cash flow hedge reseve	(72.46)	-
Total	**1,00,285.87**	**86,391.55**

Nature and purpose of reserve

a. Capital reserve

This reserve was created to record the excess carrying value of optionally convertible debentures provided through securities premium. The excess value is recorded by reversing the capital reserve with corresponding debit to debentures.

b. Securities premium reserve

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.

c. Statutory reserve

Reserves created under Section 45IC of The Reserve Bank of India Act, 1934.

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

d. Share based payment reserve

The share based payment reserve is used to recognise the grant date fair value of options issued to employees of the Company and its subsidiaries under stock option schemes of the Company.

e. Retained earnings

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

f. General Reserve

It is a free reserve which is created by appropriation from profits of the current year and/or undistributed profits of previous years, before declaration of dividend duly complying with any regulations in this regard.

g. Statutory Reserve U/s 29C of NHB Act

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 Subsidiary Company has transferred ₹ 833.04 Lakhs for the year ended March 31 2025 to the Reserve in terms of Section 29C of the National Housing Bank ("NHB") Act, 1987 (March 31 2024 : ₹1,641.95 Lakhs).

h. Provision U/s 36(viia) Income tax Act, 1961

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

B. Movement in Other equity

Particulars	As at March 31, 2025	As at March 31, 2024
I. Capital Reserve		
Opening balance	32.50	32.50
Add : Share issued during the year	-	-
	32.50	**32.50**
II. Securities premium reserve		
Opening balance	45,454.28	34,891.60
Add : Premium received on issue of securities	-	11,441.86
Less : Share issue expenses	(18.00)	(879.18)
	45,436.28	45,454.28
Impact of first time adoption of Ind AS	-	-
	45,436.28	**45,454.28**
III. Share Based Payment reserve		
Opening balance	21.71	20.63
Add : During the year	14.21	1.08
	35.92	**21.71**
IV. Statutory Reserve under section 45-IC of the Reserve Bank of India Act, 1934		
Opening balance	7,533.09	5,993.60
Add : Transfer from retained earnings	2,158.94	1,539.49
	9,692.03	**7,533.09**
V. Statutory Reserve U/s 29C of NHB Act		
Opening balance	1,570.53	978.47
Add : Transfer from retained earnings	844.10	592.06
	2,414.63	**1,570.53**
VI. Provision U/s 36(viia) Income tax Act, 1961		
Opening balance	(2.90)	37.98
Add : Transfer from retained earnings	-	(40.88)
	(2.90)	**(2.90)**

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
VII. General Reserve		
Opening balance	1,856.36	1,471.49
Add : Transfer from retained earnings	539.74	384.87
	2,396.10	**1,856.36**
VIII. Retained earnings		
Opening balance	29,925.98	22,518.93
Add : Changes in accounting policy /Prior period errors	0.44	-
Restated Opening balance	29,926.42	22,518.93
Add : Profit for the year	13,944.81	9,942.70
Add : Other comprehensive income	1.26	(19.23)
Appropriations:		
Transfer to Statutory Reserve u/s 45-IC of the Reserve Bank of India Act, 1934	(2,158.94)	(1,539.49)
Transfer to Statutory NHB Reserve	(844.10)	(592.06)
Transfer to Cash Flow Hedge Reserve	24.06	-
Transfer to General reserve	(539.74)	(384.87)
	40,350.87	**29,925.98**
IX. Cash flow hedge reseve		
Opening balance	-	-
Add : Transfer from retained earnings	(24.06)	-
Add : Other comprehensive income for the year	(48.40)	-
	(72.46)	**-**
Total	**1,00,285.87**	**86,391.55**

24 INTEREST INCOME

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
On financial assets measured at amortised cost		
Interest on loans	75,859.57	51,178.32
Interest on deposits with banks	206.95	265.25
Interest on Intercorporate Deposits	12.11	24.50
Interest on investment in debentures	1,286.10	2,249.42
Income from investment from Mutual Funds	21.55	3.10
Interest on investment in PTC	56.88	-
Interest on others	10.67	-
Total	**77,453.83**	**53,720.59**

25 FEES AND COMMISSION INCOME

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Other fees and charges	2,393.76	1,636.38
Total	**2,393.76**	**1,636.38**

26 NET GAIN(LOSS) ON DE RECOGNITION OF FINANCIAL INSTRUMENTS UNDER AMORTISED COST

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Net gain (Loss) on derecognition of financial instruments	5,372.53	2,326.97
Total	**5,372.53**	**2,326.97**

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

27 NET GAIN ON FAIR VALUE CHANGES

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Realised	175.21	238.27
Un Realised	-	
Total	**175.21**	**238.27**

28 OTHER OPERATING INCOME

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Bad debts recovered	0.05	19.64
Total	**0.05**	**19.64**

29 OTHER INCOME

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Interest on income tax refund	53.30	16.48
Rental income	9.15	9.15
Net gain/loss on foreign currency transactions	-	3.66
Reversal of provisions	-	40.88
Income from Support Services	1,808.15	562.14
Miscellaneous Income	28.61	26.03
Interest on gratuity fund	0.20	-
Total	**1,899.41**	**658.34**

30.1 Finance costs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
On financial liabilities measured at amortised cost		
Interest on deposits	82.06	67.09
Interest on borrowings	34,145.66	22,989.67
Interest on debentures	3,011.87	1,554.49
Interest on subordinated liabilities	2,393.57	2,353.96
Interest on ICD	1.21	-
Interest on lease liabilities	46.44	37.43
Interest on securitisation	266.27	-
Bank Charges	32.69	6.74
Other finance cost	2,057.90	1,466.73
Total	**42,037.67**	**28,476.10**

30.2 Net loss on fair value changes

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Net loss on fair value changes	-	-
Total	**-**	**-**

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

31 IMPAIRMENT ON FINANCIAL INSTRUMENTS

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
On financial instruments measured at amortised cost		
Loans	3,340.91	843.03
Undrawn Loan Commitments	11.39	
Trade receivables	-	-
Bad debts and write offs	1,558.79	1,175.29
Provisions	6.16	-
Total	**4,917.25**	**2,018.32**

32 EMPLOYEE BENEFITS EXPENSES

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Salaries and wages	14,694.64	9,847.53
Contribution to provident and other funds	599.03	466.55
Share based payment to employees	12.44	1.08
Staff welfare expenses	318.65	213.25
Gratuity	94.66	101.05
Leave encashment	18.49	8.78
Total	**15,737.91**	**10,638.24**

33 DEPRECIATION, AMORTIZATION AND IMPAIRMENT

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation on property, plant and equipment	123.87	133.24
Depreciation on right to use assets	321.08	253.95
Depreciation on investment property	0.17	0.17
Amortization of intangible assets	70.84	81.52
Total	**516.00**	**468.88**

34 OTHER EXPENSES

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Rent	589.45	515.58
Communication cost	134.44	123.07
Travelling and conveyance	496.01	398.24
Rates and taxes	900.30	791.12
Insurance	73.90	46.36
Commission and Brokerage	356.11	162.89
Repairs and maintenance	263.42	153.93
Printing and stationary	70.55	44.75
Payment to auditors	53.07	39.96
Advertisement, publicity and sales promotion expenses	3.28	12.93
Operation Cost	444.54	65.21
Legal and professional fees	1,030.34	620.72
Corporate social responsibility	201.85	137.53
Director sitting fees	77.45	29.45
Loss on sale of property, plant and equipment	-	-
Loss on sale of Investment Property	-	-
Net gain/loss on foreign currency transactions	7.06	-
Miscellaneous expenses	269.28	155.77
Total	**4,971.05**	**3,297.51**

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

34.1 Payment to the auditors:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Auditor's remuneration		
- Audit fees	46.50	37.91
In other capacity	-	-
- Certification services	3.70	2.05
- Taxation	-	-
Other of pocket expenses	2.87	-
Total	**53.07**	**39.96**

34.2 Corporate social responsibility:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
a) Amount required to be spent by the Company during the year	190.07	134.05
b) Amount of expenditure incurred		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	201.85	135.38
c) Shortfall at the end of the year	-	-
d) Total of previous years shortfall	-	-
e) Net Shortfall	-	-
f) Reason for shortfall	NA	NA
g) Natuure of CSR activities	Ensuring environmental sustainability, promoting education & livelihood enhancement, promoting healthcare and poverty eradication, promoting education.	HealthCare, Education & Skill Development, Gender Equality and Empowerment, Environment.
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.	-	-

Excess Amount spent as per Section 135(5) of the companies act

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Opening Balance	8.60	7.27
Amount spent during the year	201.85	135.38
	210.45	**142.65**
Amount required to be spent during the year	190.08	134.05
Closing Balance	**20.37**	**8.60**

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

35 INCOME TAX

(a) Income tax expense

Particulars	Year ended March 31, 2025 ₹	Year ended March 31, 2024 ₹
Current tax		
Current tax on profits for the year	4,159.46	3,327.22
Adjustment for current tax of the prior periods	(6.16)	11.88
Subtotal (A)	**4,153.30**	**3,339.10**
Deferred tax		
Decrease/(Increase) in deferred tax assets	(786.31)	(416.03)
(Decrease)/Increase in deferred tax liabilities	1,465.98	597.53
Subtotal (B)	**679.67**	**181.51**
Income tax expense for the year (A+B)	**4,832.97**	**3,520.61**
Deferred tax asset/ (liability) relating to items recognised in other Comprehensive Income	**16.16**	**6.47**

(b) Deferred tax

The major components of deferred tax (liabilities) arising on account of timing differences for the year ended March 31, 2025:

Particulars	Net balance March 31, 2024	Recognised in profit or loss	Recognised in OCI	Net balance March 31, 2025
Deferred tax assets				
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	73.39	(38.80)	(0.42)	34.17
Impact of provision for expected credit loss on loans	998.15	809.25	-	1,807.40
Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	23.46	0.08	-	23.54
Impact of leases under Ind AS 116	69.74	(50.16)	-	19.58
EIR impact of financial asssets and liabilities	280.33	68.76	-	349.09
Share based payment	5.47	(5.47)	-	-
Others	0.84	2.65	-	3.49
(A)	**1,451.38**	**786.31**	**(0.42)**	**2,237.27**
Deferred tax liabilities				
Impact of amortisation of anciallary borrowing cost	394.48	218.94	-	613.42
EIR impact of financial asssets and liabilities	826.35	599.56	(16.57)	1,409.33
Impact of direct assignment and securitisaton transactions	601.08	582.66	-	1,183.74
Interest income recognised on stage 3 loans	148.94	96.48	-	245.42
Others	119.96	(31.66)	-	88.30
(B)	**2,090.81**	**1,465.98**	**(16.57)**	**3,540.21**
Deferred tax assets (net) (A-B)	**(639.43)**	**(679.67)**	**16.16**	**(1,302.94)**

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

The major components of deferred tax (liabilities) arising on account of timing differences for the year ended March 31, 2024:

Particulars	Net balance March 31, 2023	Recognised in profit or loss	Recognised in OCI	Net balance March 31, 2024
Deferred tax assets				
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	58.32	16.69	(1.62)	73.39
Impact of provision for expected credit loss on loans	785.98	212.17	-	998.15
Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	14.80	8.66	-	23.46
Impact of leases under Ind AS 116	70.06	(0.32)	-	69.74
EIR impact of financial asssets and liabilities	175.97	177.72	-	353.69
Share based payment	5.20	0.27	-	5.47
Others	-	0.84	-	0.84
(A)	**1,110.32**	**416.03**	**(1.62)**	**1,524.74**
Deferred tax liabilities				
Impact of amortisation of ancillary borrowing cost	286.13	108.35	-	394.48
Remeasurement of defined benefit plan	-	-	-	-
EIR impact of financial asssets and liabilities	632.69	275.13	(8.09)	899.73
Impact of direct assignment and securitisaton transactions	475.01	126.07	-	601.08
Interest income recognised on stage 3 loans	113.11	35.83	-	148.94
Others	67.79	52.15	-	119.94
(B)	**1,574.72**	**597.53**	**(8.09)**	**2,164.17**
Deferred tax assets (net) (A-B)	**(464.41)**	**(181.50)**	**6.47**	**(639.43)**

(c) Reconciliation of effective tax rate

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
	₹	₹
Profit before tax as per Statement of profit and loss (A)	19,114.91	13,701.14
Applicable income tax rate	25.17%	25.17%
Expected Income Tax Expense (B)	4,810.84	3,448.30
Tax effect of:		
Effect of income exempt from tax	(0.66)	(11.05)
Effect of expenses/provisions not deductible in determining taxable profit	89.19	71.84
Effect of differential tax rate	-	-
Adjustment related to tax of prior years	(6.16)	11.88
Others	(60.25)	(0.37)
Income tax expense	**4,832.97**	**3,520.61**

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

36 EMPLOYEE BENEFITS

a. Defined contribution plan - provident funds

In accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952, employees of the Group are entitled to receive benefits under the provident fund, a defined contribution plan, in which, both the employee and the Group 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 Group contributes an equal amount with maximum of 15000 Basic wage.

The Group recognised ₹ 599.02 lakhs (PY: ₹ 466.55 lakhs) for year ended March 31, 2025, for provident fund and other contributions in the Statement of profit and loss.

b. Defined Benefit Plan - Gratuity

The Group has a defined benefit gratuity plan (unfunded). Every employee who has completed five years or more of service is eligible for gratuity on cessation of employment and it is computed at 15 days salary (last drawn salary) for each completed year of service subject to limit of ₹ 20 lakhs as per The Payment of Gratuity Act. 1972.

The following tables summarizes the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the Balance Sheet for the gratuity plan.

Particulars	As at March 31, 2025	As at March 31, 2024
Present value of obligation (A)	352.97	280.83
Fair Value of plan assets (B)	250.18	-
Present value of obligation (A- B)	102.79	280.83

Particulars	As at March 31, 2025	As at March 31, 2024
Obligation expected to be settled in the next 12 months	100.00	23.08
Obligation expected to be settled beyond next 12 months	252.97	257.74

Movement in net defined benefit (asset) liability

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

Particulars	Defined Benefit Obligation		Fair Value of plan assets		Net defined benefit (asset) liability	
	March 31, 2025.	March 31, 2024.	March 31, 2025.	March 31, 2024.	March 31, 2025.	March 31, 2024.
Opening balance	280.83	205.78	-	-	280.83	205.78
Current service cost	83.81	86.31	-	-	83.81	86.31
Past service cost	-	-	-	-	-	-
Interest cost	19.70	14.75	-	-	19.70	14.75
Interest Income	-	-	9.04	-	(9.04)	-
Defined benefit cost included in P&L	**103.51**	**101.05**	**9.04**	**-**	**94.47**	**101.06**
Other comprehensive income						
Remeasurement loss (gain) due to:						
Demographic assumptions	(81.21)	-	-	-	(81.21)	-
Financial assumption	23.67	5.72	-	-	23.67	5.72
Experience adjustments	42.96	(12.87)	-	-	42.96	(12.87)
(Return) on Plan Assets (Excluding Interest Income)	-	-	(8.86)	-	8.86	-
Total remeasurements in OCI	**(14.58)**	**(7.15)**	**(8.86)**	**-**	**(5.72)**	**(7.15)**
Others						
Employer contributions	-	-	250.00	-	(250.00)	-
Benefits paid	(16.79)	(18.85)	-	-	(16.79)	(18.85)
Closing balance	**352.97**	**280.84**	**250.18**	**-**	**102.79**	**280.83**

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

Actuarial assumptions:

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

Particulars	As at March 31, 2025	As at March 31, 2024
IKF FINANCE LIMITED		
Discount rate	7.00%	7.23%
Salary escalation rate	6.00%	6.00%
Withdrawal/attrition rate (based on categories)	35.00%	9.00%
Mortality rate (as % of IALM (2012-14) Ult. Mortality Table)	100.00%	100.00%
Disability rate	0.00%	0.00%
Expected weighted average remaining working lives of employees	25.59 years	25.18 years

Particulars	As at March 31, 2025	As at March 31, 2024
IKF HOME FINANCE LIMITED		
Discount rate	7.00%	7.23%
Salary escalation rate	8.00%	5.00%
Withdrawal/attrition rate (based on categories)	35.00%	5.95%
Mortality rate (as % of IALM (2012-14) Ult. Mortality Table)	100.00%	100.00%
Disability rate	0.00%	0.00%
Expected weighted average remaining working lives of employees	25.48 years	25.38 years

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 Group'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 Group'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.

d) Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities

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, 2025		As at March 31, 2024	
	Increase	Decrease	Increase	Decrease
Salary escalation Rate (+/- 1%)	364.16	342.20	303.28	260.87
IKF Finance	2.99%	-2.88%	7.19%	-6.44%
IKF Home Finance	3.93%	-3.77%	11.34%	-9.88%
Discount Rate (+/- 1%)	343.47	363.09	261.14	303.32
IKF Finance	-2.53%	2.69%	-6.49%	7.37%
IKF Home Finance	-3.38%	3.62%	-9.17%	10.66%
Withdrawal Rate (+/- 1%)	350.80	355.19	280.22	281.22
IKF Finance	-0.49%	0.50%	-0.23%	0.18%
IKF Home Finance	-1.15%	1.19%	-0.14%	-0.04%

The Sensitivity is performed on the defined benefit obligation 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 analysis.

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(Currency : ₹ in lakhs)

Expected future contributions

The Best Estimate Contribution for the Company during the next year would be ₹ 63.86 lakhs.

Expected cash flow for following years:

Maturity Profile of Defined Benefit Obligations	
Year 1	101.03
Year 2	63.08
Year 3	63.25
Year 4	53.43
Year 5	43.60
Year 6	32.47
Year 7	24.52
Year 8	18.03
Year 9	12.94
Year 10	9.83
Year 11+	22.08

The weighted average duration of the defined benefit obligation for IKF Finance is 3.43 (for IKF Home Finance is 4.00)

c. **Compensated absences :**

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

Particulars	As at March 31, 2025	As at March 31, 2024
Present value of unfunded obligation	84.48	62.16
Expenses recognised in the Statement of Profit and Loss	18.49	8.78

37 EARNINGS PER SHARE

Particulars	As at March 31, 2025	As at March 31, 2024
Profit for the year	**14,281.94**	**10,180.53**
Weighted average number of equity shares used in calculating basic earnings per share	701.56	680.00
Effect of potential dilutive Equity Shares on account of unexercised employee stock options	2.29	0.23
Weighted average number of equity shares and potential equity shares used in calculating diluted earnings per share	**703.85**	**680.23**
Basic earnings per share	**20.36**	**14.97**
Diluted earnings per share	**20.29**	**14.97**

38 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Group. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Promoters of the Company. The Group operates only in one Business Segment i.e. lending, since the nature of the loans are exposed to similar risks and return profiles, hence they are collectively operating under a single segment. Accordingly the Group does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments".

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

39 TRANSFER OF FINANCIAL ASSETS

Transfer of financial assets that are not derecognised in their entirety

(i) Securitisations:

"The Group has transferred certain pools of fixed rate loan receivables backed by underlying assets in the form of PTCs by entering in to securitisation transactions with the Special Purpose Vehicle Trusts ("SPV Trust") sponsored by Catalyst Trusteeship Limited for consideration received in cash at the inception of the transaction. The Group, being Originator of these loan receivables, also acts as Servicer with a responsibility of collection of receivables from its borrowers and depositing the same in Collection and Payout Account maintained by the SPV Trust for making scheduled payouts to the investors in Pass Through Certificates (PTCs) issued by the SPV Trust. These securitisation transactions also requires the Group to provide for first loss credit enhancement in various forms, such as cash collateral, subordinated series A2 PTCs, subordinated over collateral and subordinated excess interest spread as credit support in the event of shortfall in collections from underlying loan contracts. By virtue of existence of credit enhancement, the Group is exposed to credit risk, being the expected losses that will be incurred on the transferred loan receivables to the extent of the credit enhancement provided. In view of the above, the Group has retained substantially all the risks and rewards of ownership of the financial asset and thereby does not meet the derecognition criteria as set out in Ind AS 109. Consideration received in this transaction is presented as "Associated liabilities in respect of securitisation transactions" under Note no 17. The following table provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities"

The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

Particulars	As at March 31, 2025	As at March 31, 2024
Carrying amount of transferred assets measured at amortised cost	22,064.05	-
Carrying amount of associated liabilities (Term Loan)	21,759.92	-
Fair value of assets (A)	21,371.91	-
Fair value of associated liabilities (B)	21,668.04	-
Net position at Fair Value (A-B)	(296.13)	-

The carrying amount of above assets and liabilities is a reasonable approximation of their fair values.

Transfer of financial assets which qualify for derecognition in their entirety

(i) Assignment transaction

The Group has sold loans and advances measured at amortised cost under assignment deals, as a source of finance. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been derecognised from the Group's balance sheet.

The gain arising on said transactions are recorded upfront by discounting the future cash flows accruing in the form of differential interest on such assigned loan to their present values.

Particulars	As at March 31, 2025	As at March 31, 2024
Carrying amount of transferred assets measured at amortised cost	62,254.93	42,316.80
Carrying amount of exposures retained by the Group at amortised cost	6,981.57	4,960.60
Gain on sale of the derecognised financial assets	9,817.46	5,570.52

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

40 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

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

Particulars	As at March 31, 2025			As at March 31, 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	28,252.25	-	28,252.25	4,721.03	-	4,721.03
Bank Balance other than cash and cash equivalents	8.74	3,749.56	3,758.30	2,678.96	870.21	3,549.17
Receivables	-	-	-	-	-	-
(I) Trade receivables	238.12	-	238.12	145.64	-	145.64
(II) Other receivables	-	-	-	-	-	-
Loans	1,77,228.82	3,92,221.72	5,69,450.54	1,17,254.30	2,97,043.23	4,14,297.53
Investments	-	1,350.15	1,350.15	12,406.62	0.00	12,406.62
Derivative financial instruments	-	-	-	62.79	-	62.79
Other Financial assets	4,533.90	7,310.93	11,844.83	2,230.68	4,424.46	6,655.14
Sub total	**2,10,261.83**	**4,04,632.36**	**6,14,894.19**	**1,39,500.02**	**3,02,337.90**	**4,41,837.92**
Non-financial assets						
Current Tax assets (Net)	346.66	-	346.66	43.25	-	43.25
Deferred Tax assets (Net)	-	-	-	-	-	-
Investment Property	-	162.06	162.06	-	130.03	130.03
Property, plant and equipment	-	477.86	477.86	-	350.47	350.47
Right to Use Assets	-	542.07	542.07	-	361.85	361.85
Capital work in progress	-	5,540.39	5,540.39	-	47.59	47.59
Intangibles assets under development	-	-	-	-	13.20	13.20
Other intangible assets	-	159.13	159.13	-	198.09	198.09
Other non-financial assets	1,407.46	684.26	2,091.72	65.15	4,264.77	4,329.92
Sub total	**1,754.12**	**7,565.77**	**9,319.89**	**108.40**	**5,366.00**	**5,474.40**
Total assets	**2,12,015.95**	**4,12,198.13**	**6,24,214.08**	**1,39,608.42**	**3,07,703.90**	**4,47,312.32**
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
Derivative Financial Instruments	43.06	-	43.06	-	-	-
Payables						
(I) Trade payables and Other 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	82.26	-	82.26	90.23	-	90.23
Debt Securities	11,860.95	66,063.15	77,924.10	12,267.27	8,731.78	20,999.05
Borrowings (Other than Debt Securities)	1,60,583.83	2,47,097.33	4,07,681.16	1,30,323.75	1,77,141.49	3,07,465.24
Subordinated Liabilities	10.62	16,391.47	16,402.09	10.59	16,361.88	16,372.47
Other Financial liabilities	8,962.06	2,763.48	11,725.54	5,176.06	1,855.45	7,031.51
Sub total	**1,81,542.78**	**3,32,315.43**	**5,13,858.21**	**1,47,867.89**	**2,04,090.60**	**3,51,958.49**
Non-Financial liabilities						
Current tax liabilities (Net)	-	-	-	114.33	-	114.33
Provisions	-	204.82	204.82	-	342.98	342.98
Deferred tax liabilities (Net)	-	1,302.94	1,302.94	-	639.43	639.43
Other non-financial liabilities	735.18	-	735.18	288.63	87.02	375.65
Sub total	**735.18**	**1,507.76**	**2,242.94**	**402.96**	**1,069.43**	**1,472.39**
Total liabilities	**1,82,277.96**	**3,33,823.19**	**5,16,101.15**	**1,48,270.85**	**2,05,160.03**	**3,53,430.88**

Goodwill of ₹ 774.47 Lakhs is not included since the same will not be settled.

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

41 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Particulars	As at March 31, 2024	Cash Flows (net)	Others (net)*	As at March 31, 2025
Subordinated liabilities	16,372.47	0.00	29.62	16,402.09
Debt securities	20,999.05	56,918.01	7.04	77,924.10
Borrowing other than debt securities	3,07,465.24	1,01,086.89	(870.97)	4,07,681.16
	3,44,836.76	**1,58,004.90**	**(834.31)**	**5,02,007.35**

Particulars	As at March 31, 2023	Cash Flows (net)	Others (net)*	As at March 31, 2024
Subordinated liabilities	16,345.06	0.00	27.41	16,372.47
Debt securities	26,640.67	(5,302.13)	(339.49)	20,999.05
Borrowing other than debt securities	2,13,081.80	94,899.49	(516.05)	3,07,465.24
	2,56,067.52	**89,597.36**	**(828.12)**	**3,44,836.76**

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

42 EMPLOYEE STOCK OPTION PLAN (ESOP)

The Company had granted 5,62,860 share options (face value of ₹ 10/- each) under Employee Stock Option Plan 2019 on June 11, 2019 to the employees of IKF Finance Limited and 4,16,060 share options been lapsed over the period and in the current financial year company granted 3,66,094 share options (face value of ₹ 10/-each) under Employee Stock Option plan 2025 on March 12, 2025 to the employees of IKF Finance Limited and IKF Home Finance Limited. The shares will vest gradually and vesting of these share options is dependent on continued employment with the Company.

A. Expenses arising from share-based payment transactions

Total expenses arising from equity - settled share-based payment transaction recognised in profit or loss as part of employee benefit expense for the year ended March 31, 2025 is ₹ 12.44 lakhs (March 31, 2024 - ₹ 1.08 lakhs).

B. Movement during the year

The following table illustrates the number and exercise prices and movements in share options for the year ended March 31, 2025.

Scheme Reference	Grant date	Exercise Price	Balance as At April 01, 2024	Granted during the year	Forfeited during the year	Exercised during the year	Expired during the year	Balance as at March 31, 2025
ESOP - 2019	June 11, 2019	120	1,46,800	-	-	-	-	1,46,800
ESOP - 2025	March 12, 2025	120	-	30,220	-	-	-	30,220
	March 12, 2025	215	-	1,20,876	-	-	-	1,20,876
	March 12, 2025	305	-	2,14,998	-	-	-	2,14,998
			1,46,800	3,66,094	-	-	-	5,12,894

The total options exercisable as at March 31, 2025 is 1,46,800.

The weighted average remaining contractual life for the share options outstanding as at March 31, 2025 is 2.45 to 2.95 years (March 31, 2024: 0 years).

The following table illustrates the number and exercise prices and movements in share options for the year ended March 31, 2024.

Scheme Reference	Grant date	Weighted Average Exercise Price	Balance as At April 01, 2023	Granted during the year	Forfeited during the year	Exercised during the year	Expired during the year	Balance as at March 31, 2024
ESOP - 2019	June 11, 2019	120	1,46,800	-	-	-	-	1,46,800

The total options exercisable as at March 31, 2024 is 1,46,800.

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

C. Fair value of options granted

The fair value of options was determined using the Black Scholes Model using the following inputs as follows :

Particulars	ESOP -2019	ESOP -2025
Weighted average fair values at the measurement date	14.79	139.14 to 271.14
Expected volatility	0.36	0.30
Risk–free interest rate (%)	4.50%	6.54% to 6.60%
Expected life of share options/SARs (years)	1.30 years to 4.30 years	1 years to 4 years
Weighted average share price (₹)	120	120 to 315

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

43 CONTINGENT LIABILITIES AND COMMITMENTS

In the ordinary course of business, the Group faces claims and assertions by various parties. The Group assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Group 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 Group provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The Group believes that the outcome of these proceedings will not have a materially adverse effect on the Group's financial position and results of operations.

43.1 Contingent Liability

There are no Contingent Liabilities as on March 31, 2025 (March 31, 2024: Nil.)

43.2 Commitment

There is a capital commitment of ₹ 6,835.29 lakhs as on March 31, 2025 (March 31, 2024: ₹ 4,478.10 lakhs)

44 LEASES

Group as a Lessee

The Group's lease asset classes primarily consist of leases for office spaces. The Group 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 Group assesses whether:(i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group 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 Group 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.

NOTES

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(Currency : ₹ in lakhs)

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 Group 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

Particulars	As at March 31, 2025	As at March 31, 2024
Opening	361.85	313.23
Additions	506.43	302.58
Deletion	(5.13)	-
Depreciation	(321.08)	(253.95)
Closing Balance	**542.07**	**361.85**

The following is the movement in lease liabilities :

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning	378.25	322.30
Additions	492.31	281.66
Finance cost accrued during the period	46.44	46.08
Payment of lease liabilities	(365.81)	(271.79)
Balance at the end	**551.19**	**378.25**

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

Particulars	As at March 31, 2025	As at March 31, 2024
Less than 3 months	18.39	59.29
Over 3 months & upto 6 months	10.00	60.63
Over 6 months & upto 1 year	16.06	126.63
Over 1 year & upto 3 years	145.28	131.46
Over 3 years	372.06	14.84

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

Particulars	As at March 31, 2025	As at March 31, 2024
Depreciation expense of right-of-use assets	321.08	253.95
Interest expense on lease liabilities	46.44	46.08
Expense relating to short-term leases	589.45	515.58
Total amount recognised in profit or loss	**956.97**	**815.62**

Future Commitments:

Particulars	As at March 31, 2025
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, 2025.

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

45 CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group.

The primary objective of the Group's capital management policy are to ensure that the Group complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise the shareholder value. The Group monitors capital in accordance with the capital adequacy ratio prescribed by the Reserve Bank of India ("RBI")/ National Housing Bank ("NHB") as applicable.

The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and therisk characteristics of its activities.

No changes have been made to the objectives, policies and processes from the previous years except those incorporated on account of regulatory amendments. However, they are under constant review by the Board.

46 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 Group 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.

Particulars	Fair Value			Fair Value Hierarchy	Valuation Technique	Key Inputs for Level 2 & Level 3	Significant unobservable input(s) for Level 3
Financial Assets	Category	As at March 31, 2025	As at March 31, 2024				
Investment in Mutual Funds	FVTPL	-	1.00	Level 1	Mark-to-Market of the unit	NAV of the unit	NA
Investment in Market Linked Debentures	FVTPL	-	-	Level 2	Mark-to-Market of the debt insrument	Valuation received from the rating agency	NA

B. 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 Group'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.

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(Currency : ₹ in lakhs)

Particulars	Level	Carrying value		Fair value	
		As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Financial Assets					
Cash and cash equivalents	1	28,252.25	4,721.03	28,252.25	4,721.03
Bank Balance other than cash and cash equivalents	1	3,758.30	3,549.17	3,758.30	3,549.17
Trade receivables	2	238.12	145.64	238.12	145.64
Loans	2	5,69,450.54	4,14,297.53	5,68,035.28	4,21,677.76
Derivative financial instruments	2	-	62.79	-	62.79
Rent and utility deposits	2	482.70	425.71	482.70	425.71
EIS receivable	2	9,817.46	5,570.52	9,817.46	5,570.52
Other financial assets	2	1,544.66	658.92	1,544.66	658.92
Investments	1	1,350.15	1.00	1,350.15	1.05
Investment in debentures	2	-	12,405.62	-	12,405.62
		6,14,894.18	**4,41,837.93**	**6,13,478.92**	**4,49,218.21**
Financial Liabilities					
Derivative financial instruments	2	43.06	-	43.06	-
Trade Payables	2	82.26	90.23	82.26	90.23
Debt securities	2	77,924.10	20,999.05	79,230.43	21,155.56
Borrowings (other than debt securities)	2	4,07,681.16	3,07,465.24	4,09,211.24	3,07,263.24
Subordinated Liabilities	2	16,402.09	16,372.47	16,610.19	16,509.34
Other financial liabilities	2	11,725.54	7,031.51	11,131.61	6,141.31
Total Financial liabilities		**5,13,858.21**	**3,51,958.50**	**5,16,308.79**	**3,51,159.68**

Valuation Methodologies of Financial Instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions explained in notes.

Short Term Financial Assets and Liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalents, bank balance other than cash and cash equivalents, trade receivables, rent and utility deposits and other financial liabilities.

Loans and advances to customers

The fair values of loans are estimated by discounted cash flow models based on contractual cash flows using actual or estimated yields.

Borrowings other than debt securities, Debt securities and Subordinated liabilities

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Group's own credit risk.

EIS receivable

EIS receivable is calculated by discounting the contractual future cash flows. The carrying value closely approximates its fair value.

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

C. Categories of Financial Instruments :

Particulars	As at March 31, 2025			
	Amortised cost	At Fair Value Through profit or loss	At Fair Value Through Other Comprehensive Income	Total
Cash and cash equivalents	28,252.25	-	-	28,252.25
Bank Balance other than included in (a) above	3,758.30	-	-	3,758.30
Receivables	238.12	-	-	238.12
Loans	5,69,450.54	-	-	5,69,450.54
Derivative financial instruments	0.00			-
Investments	1,350.15	-	-	1,350.15
Other financial assets	11,844.82	-	-	11,844.82
Total	**6,14,894.18**	**-**	**-**	**6,14,894.18**
Derivative financial instruments	-	-	43.06	43.06
Trade Payables	82.26	-	-	82.26
Debt securities	77,924.10	-	-	77,924.10
Borrowings (other than debt securities)	4,07,681.16	-	-	4,07,681.16
Subordinated Liabilities	16,402.09	-	-	16,402.09
Other financial liabilities	11,725.55	-	-	11,725.55
Total	**5,13,815.16**	**-**	**43.06**	**5,13,858.22**

Particulars	As at March 31, 2024			
	Amortised cost	At Fair Value Through profit or loss	At Fair Value Through Other Comprehensive Income	Total
Cash and cash equivalents	4,721.03	-	-	4,721.03
Bank Balance other than included in (a) above	3,549.17	-	-	3,549.17
Receivables	145.64	-	-	145.64
Loans	4,14,297.53	-	-	4,14,297.53
Derivative financial instruments	0.00	-	62.79	62.79
Investments	12,405.62	1.00	-	12,406.62
Other financial assets	6,655.15	-	-	6,655.15
Total	**4,41,774.14**	**1.00**	**62.79**	**4,41,837.93**
Derivative financial instruments	-	-	-	-
Trade Payables	90.23	-	-	90.23
Debt securities	20,999.05	-	-	20,999.05
Borrowings (other than debt securities)	3,07,465.24	-	-	3,07,465.24
Subordinated Liabilities	16,372.47	-	-	16,372.47
Other financial liabilities	7,031.51	-	-	7,031.51
Total	**3,51,958.50**	-	-	**3,51,958.50**

47 RISK MANAGEMENT

Risk is an integral part of the Group's business and sound risk management is critical to the success. As a financial intermediary, the Group is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes credit, liquidity and market risks. The Board of Directors of the Company are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Group has a risk management policy which covers all the risk associated with its assets and liabilities.

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TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

47.1 Introduction and Risk Profile

Risk management and mitigation

The Group's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment, as necessary.

The Group's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

It is the Group's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Group is exposed to that they decide to take on. The Group's continuous training and development emphasises that employees are made aware of the Group's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Group's risk appetite limits.

The Group is generally exposed to credit risk, liquidity risk, market risk, prepayment risk and operational risk.

47.2 Credit Risk

Credit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Group 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 Group. 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 Group 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 Group'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 Group 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.

<u>The staging criteria used by the Group is as below:</u>

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 Group 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 Group'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.

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Probability of default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. PD is computed separately for each stage, incorporating historical trends (roll rate model), and forward-looking macroeconomic factors (MEF).For Stage-1 12m PD, Roll Rate Model (Dynamic Pool Approach) was adopted for all the portfolios, as delinquency trends serve as strong indicators of credit risk.For Stage-2 LT PD, is computed by projecting contractual cash flows and adjusting them for default risk. Cumulative PDs are applied year-wise to determine the probability-weighted defaulted discounted cash flows. This ensures credit risk is incorporated systematically across the loan's remaining tenure.

Loss given Default (LGD)

Loss Given Default (LGD) refers to the proportion of a loan outstanding amount that is not recovered in the event of default. A model has been developed based on historical data from defaulted loans that have been fully resolved or written off.

The analysis encompasses the entire recovery cycle, from the initial default event to the final closure, ensuring a comprehensive assessment of loss dynamics. For each defaulted loan, actual recovery cash flows recorded throughout the resolution period have been systematically captured and analyzed. These cash flows are discounted using the respective Effective Interest Rate (EIR) applicable to the loan, maintaining alignment with Expected Credit Loss (ECL) principles.

Significant increase in credit risk

The Group 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 Group 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

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

Geography	March 31, 2025	March 31, 2024
West	1,62,378.66	1,20,284.62
Central	18,953.29	15,489.37
South	3,92,703.28	2,82,756.99
East	3,152.44	300.21
	5,77,187.66	**4,18,831.19**

Quantitative Information of Collateral

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

As at March 31, 2025	Loan to value			
	Upto 50%	51%-70%	More than 70%	Total
Cars & Muvs	2,301.51	31,912.01	33,431.30	67,644.82
Commercial Vehicles	6,234.21	49,007.06	1,16,487.27	1,71,728.55
Construction Equipment	9,335.71	30,819.11	79,842.25	1,19,997.06
Three Wheeler	284.08	5,071.70	1,326.15	6,681.93
Tractor	266.30	3,973.07	1,399.59	5,638.96
Two Wheeler	1,378.40	2,347.57	607.43	4,333.40
SME	19,950.15	12,572.09	48,809.78	81,332.02
Home Loans	45,706.28	22,010.53	19,249.57	86,966.39
Loans Against Property	24,679.36	8,050.94	134.24	32,864.54
Total	**1,10,136.01**	**1,65,764.08**	**3,01,287.57**	**5,77,187.66**

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As at March 31, 2024	**Loan to value**			
	Upto 50%	**51%-70%**	**More than 70%**	**Total**
Cars & Muvs	2,193.04	26,167.79	18,645.02	47,005.85
Commercial Vehicles	3,573.86	37,450.85	59,464.10	1,00,488.81
Construction Equipment	8,945.17	24,092.29	47,157.09	80,194.55
Three Wheeler	32.93	8,624.86	1,499.99	10,157.78
Tractor	207.46	3,210.61	725.60	4,143.67
Two Wheeler	961.67	2,460.66	208.71	3,631.04
SME	10,142.47	10,253.85	63,085.75	83,482.07
Home Loans	30,769.40	15,595.51	13,072.45	59,437.36
Loans Against Property	22,932.98	7,211.28	145.80	30,290.06
Total	**79,758.97**	**1,35,067.70**	**2,04,004.51**	**4,18,831.19**

47.3 Liquidity Risk

In assessing the Group's liquidity position, consideration shall be given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds. The Group maintains a portfolio of marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. The Group also enters into securitization deals (direct assignment as well as pass through certificates) of their loan portfolio, the funding from which can be accessed to meet liquidity needs. Net liquid assets consist of cash and short–term bank deposits. Borrowings from banks and financial institutions and issue of Non convertible debentures are considered as important sources of funds to finance lending to customers.

Analysis of financial assets and liabilities by remaining contractual maturities:

The table below summarises the maturity profile of the undiscounted cash flows of the Group's financial assets and liabilities as at March 31, 2025.

Particulars	**Less than 3 months**	**Over 3 months & upto 6 months**	**Over 6 months & upto 1 year**	**Over 1 year & upto 3 years**	**Over 3 years**	**Total**
Financial assets						
Cash and cash equivalents	28,252.25	-	-	-	-	28,252.25
Bank Balance other than included in (a) above	6.16	-	2.58	2,525.12	1,224.44	3,758.30
Trade receivables	-	238.12	-	-	-	238.12
Loans	62,762.69	38,518.24	75,947.90	2,21,749.10	1,76,094.88	5,75,072.81
Investments	-	-	-	-	1,350.14	1,350.14
Derivative Financial Instruments	-	-	-	-	-	-
Other financial assets	1,490.26	1,548.87	1,825.19	4,403.79	3,562.80	12,830.91
Total undiscounted financial assets	**92,511.36**	**40,305.23**	**77,775.67**	**2,28,678.01**	**1,82,232.26**	**6,21,502.53**
Financial liabilities						
Derivative Financial Instruments	-	43.06	-	-	-	43.06
Trade payables	60.99	-	21.27	-	-	82.26
Other payables	-	-	-	-	-	-
Subordinated Liabilities	10.62	-	-	2,500.00	14,000.00	16,510.62
Debt securities	4,242.93	3,372.65	4,245.37	66,844.65	-	78,705.60
Borrowings (other than debt securities)	35,745.17	35,014.45	89,824.21	1,91,074.03	57,570.48	4,09,228.34
Deposits	-	-	-	-	-	-
Other financial liabilities	8,139.31	564.25	264.34	1,652.15	1,116.08	11,736.13
Total undiscounted financial liabilities	**48,199.02**	**38,994.41**	**94,355.19**	**2,62,070.83**	**72,686.56**	**5,16,306.00**
Net undiscounted financial assets / (liabilities)	**44,312.34**	**1,310.82**	**(16,579.52)**	**(33,392.82)**	**1,09,545.70**	**1,05,196.53**

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(Currency : ₹ in lakhs)

The table below summarises the maturity profile of the undiscounted cash flows of the Group's financial assets and liabilities as at March 31, 2024.

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years	Total
Financial assets						
Cash and cash equivalents	4,721.03	-	-	-	-	4,721.03
Bank Balance other than included in (a) above	1,347.34	454.81	876.81	344.45	525.77	3,549.18
Trade receivables	-	145.64	-	-	-	145.64
Loans	43,460.54	40,318.56	75,263.03	2,10,048.89	1,43,803.33	5,12,894.35
Investments	12,405.02	1.61	-	-	15,219.23	27,625.86
Derivative Financial Instruments	-	62.79	-	-	-	62.79
Other financial assets	843.67	921.34	768.31	1,464.58	3,046.61	7,044.51
Total undiscounted financial assets	**62,777.60**	**41,904.75**	**76,908.15**	**2,11,857.92**	**1,62,594.94**	**5,56,043.36**
Financial liabilities						
Derivative Financial Instruments	-	-	-	-	-	-
Trade payables	90.22	-	-	-	-	90.22
Other payables	-	-	-	-	-	-
Subordinated Liabilities	582.39	587.88	1,162.30	6,953.27	16,166.55	25,452.39
Debt securities	3,440.38	3,379.91	6,562.28	9,306.82	-	22,689.39
Borrowings (other than debt securities)	31,427.71	31,208.63	86,852.74	1,49,253.42	44,425.70	3,43,168.20
Deposits	75.05	27.97	94.05	1,478.18	426.94	2,102.19
Other financial liabilities	3,153.54	847.71	119.55	53.22	2.10	4,176.12
Total undiscounted financial liabilities	**38,769.29**	**36,052.10**	**94,790.92**	**1,67,044.91**	**61,021.29**	**3,97,678.51**
Net undiscounted financial assets / (liabilities)	**24,008.31**	**5,852.65**	**(17,882.77)**	**44,813.01**	**1,01,573.65**	**1,58,364.85**

The table below shows the contractual expiry by maturity of the Group's contingent liabilities and commitments. Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

Particulars	On demand	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years
As at March 31, 2025						
Guarantees and counter guarantees	-	-	-	-	-	-
Estimated amount of contracts remaining to be executed on capital account, net of advances	-	-	-	-	-	-
Other Commitments	4,456.50	2,378.79	-	-	-	-
Total commitments	4,456.50	2,378.79	-	-	-	-

Particulars	On demand	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years
As at March 31, 2024						
Guarantees and counter guarantees	-	-	-	-	-	-
Estimated amount of contracts remaining to be executed on capital account, net of advances	-	21.60	-	-	-	-
Other Commitments	4,456.50					
Total commitments	4,456.50	21.60	-	-	-	-

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47.4 Market Risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The objective of market risk management is to avoid excessive exposure of our earnings and equity to loss and reduce our exposure to the volatility inherent in financial instruments. There are broadly two types of market risks: (1) Interest rate risk, and (2) Price risk. The Group has not made investments in quoted equity instruments or other quoted investments and hence is not exposed to Equity price risk. Interest rate risk is discussed below:

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is subject to interest rate risk, primarily since it lends to customers at fixed rates and for maturity periods shorter than the funding sources.

The Group has taken borrowings at floating rates gives rise to interest rate risk. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the Group seek to optimize borrowing profile between short-term and long-term loans. The Group adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities. The Interest Rate Risk is mitigated by availing funds at very competitive rates through diversified borrowings and for different tenors.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before taxes affected through the impact on floating rate borrowings are as follows:

Impact on Profit before taxes	As at March 31, 2025	As at March 31, 2024
On Floating Rate Borrowings:		
1% increase in interest rates	(1,875.37)	(1,535.84)
1% decrease in interest rates	1,875.37	1,535.84

47.5 Prepayment risk

Prepayment risk is the risk that the Group will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected, such as fixed rate loans like ours when interest rates fall.

47.6 Operational and business risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Group cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

47.7 Currency Risk

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

The Subsidiary 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, 2025 and March 31, 2024.

Particulars	Purpose	Currency	Cross Currency	As at March 31, 2025	As at March 31, 2024
Forward Conracts	Term Loan	USD	₹	(43.06)	62.79

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48 RELATED PARTY DISCLOSURE

a. Name of related party and nature of relationship:

Enterprises having a significant influence	India Business Excellence Fund -IIA
	Vistra ITCL (india) Limied (formerly known as IL and FS trust Company Limited) (Trustee of Business Excellence Trust -II - India Business Excellence Fund - II)
Subsidiary	IKF Home Finance Limited (formerly known as IKF Housing Finance Private Limited)
Enterprises in which directors are interested	SVR Finance & Leasing Private Limited
Enterprises significantly influenced by Key Management Personnel and their relatives	IKF Infratech Private Limited
Key Management Personnel (KMP)	Mr V.G.K.Prasad - Chairman Mrs. K Vasumathi Devi - Managing Director Mrs. V Vasatha Lakshmi - Managing Director (IKF Home Finance Limited) Mr.Prakash Bhawnani - Chief Financial Officer (w.e.f November 05, 2024) Mr. Ch.Sreenivasa Rao - Company Secretary (Chief Financial officer till November 04, 2024) Mr Prashant Rawat - Chief Financial officer (IKF Home Finance Limited w.e.f April 14, 2025) Mr. Abhishek Jain - Company Secretary (IKF Home Finance Limited till November 04, 2024) Ms Komal Ratlani- Company Secretary (IKF Home Finance Limited w.e.f November 05, 2024 and ceases to be w.e.f January 21, 2025) Ms Aakanksha P - Company Secretary (IKF Home Finance Limited w.e.f April 14, 2025)
Relative of Key Management Personnel	Mrs. V. Indira Devi Mr. V. Raghu Ram Mr. Sinha Satyanand Chunduri Mrs. Durga Rani Chunduri Mrs. Mayuri Bhawnani Mrs. Ch Rani

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b. **Transaction with related parties:**

Name of related party	Nature of transaction	For the FY 2024					For the FY 2025			
		As at March 31, 2023	Transaction value for the year ended March 31, 2024	Received During the year	Paid During The year	As at March 31, 2024	Transaction value for the year ended March 31, 2025	Received During the year	Paid During the Year	As at March 31, 2025
Key management personnel										
Mr. V G K Prasad	Rent paid	-	24.84	-	-	-	24.95	-	-	-
	Director's remuneration	-	119.60	-	-	-	144.00	-	-	-
	Director Commission Payable	63.27	135.52	-	63.27	135.52	193.98	-	135.52	193.98
	Rent deposit given	50.00	-	-	-	50.00	-	-	-	50.00
	Advance Received	-	-	-	-	-	-	-	-	-
	Interest paid on advance	-	-	-	-	-	-	-	-	-
	Share Capital (₹ 10/- Paid up)	1985.36*	-	-	-	1985.36*	-	-	-	1985.36*
	Share Capital (₹ 10/- Paid up) in IKF Home Finance***	0.00	-	153.03	320.75	473.79	-	-	-	473.79
	Partly paid up shares (Rs 5.00 Paid Up) in IKF Home Finance	-	-	-	-	-	-	-	-	-
	Partly paid up shares (Rs 6.77 Paid Up) in IKF Home Finance	320.75	-	-	320.75	-	-	-	-	-
	Unsecured Loan in IKF Home Finance	-	-	-	-	-	-	-	-	-
Mrs.K.Vasumathi Devi	Director's remuneration	-	65.00	-	-	-	72.00	-	-	-
	Director Commission Payable	44.43	68.23	-	44.43	68.23	95.54	-	68.23	95.54
	Share Capital (₹ 10/- Paid up)	264.73	-	-	-	264.73	-	-	-	264.73
	Share Capital (₹ 10/- Paid up) in IKF Home Finance***	0.00	-	22.52	47.21	69.73	-	-	-	69.73
	Partly paid up shares (Rs 5.00 Paid Up) in IKF Home Finance	-	-	-	-	-	-	-	-	-
	Partly paid up shares (Rs 6.77 Paid Up) in IKF Home Finance	47.21	-	-	47.21	-	-	-	-	-
	Unsecured Loan in IKF Home Finance	-	-	-	-	-	-	-	-	-

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Name of related party	Nature of transaction	For the FY 2024					For the FY 2025			
		As at March 31, 2023	Transaction value for the year ended March 31, 2024	Received During the year	Paid During The year	As at March 31, 2024	Transaction value for the year ended March 31, 2025	Received During the year	Paid During the Year	As at March 31, 2025
Mrs. V Vasantha Lakshmi	Share Capital (₹ 10/- Paid up)	249.18	-	-	-	249.18	-	-	-	249.18
	Share Capital (₹ 10/- Paid up) in IKF Home Finance***	0.00	-	21.20	44.44	65.64	-	-	-	65.64
	Partly paid up shares (Rs 5.00 Paid Up) in IKF Home Finance	-	-	-	-	-	-	-	-	-
	Partly paid up shares (Rs 6.77 Paid Up) in IKF Home Finance	44.44	-	-	44.44	-	-	-	-	-
	Director's remuneration in IKF Home Finance	-	93.76	-	-	-	139.63	-	-	-
	Unsecured Loan in IKF Home Finance	-	-	-	-	-	-	-	-	-
Mr. Prakash Bhawnani	Salary Paid	-	-	-	-	-	51.03	-	-	-
	Number of ESOP granted during the year (in lakhs)	-	-	-	-	-	0.51	-	-	0.51
Mr. Ch.Sreenivasa Rao	Salary Paid	-	30.49	-	-	-	36.08	-	-	-
Mr. Vishal Kumar Joshi	Salary Paid	-	8.88	-	-	-	-	-	-	-
Mr. Abhishek jain	Salary Paid	-	6.79	-	-	-	11.40	-	-	-
Ms. Komal Ratlani	Salary Paid	-	-	-	-	-	5.55	-	-	-
Mr. Aravind J	Salary Paid	-	41.14	-	-	-	3.32	-	-	-
Relatives of key management personnel										
Mrs. V Indira Devi	Rent paid	-	55.20	-	-	-	55.44	-	-	-
	Director's remuneration	-	10.40	-	-	-	-	-	-	-
	Salary Paid	-	3.00	-	-	-	12.00	-	-	-
	Director Commission Payable	26.92	-	-	26.92	-	-	-	-	-
	Rent deposit given	38.50	-	-	-	38.50	-	-	-	38.50
	Share Capital (₹ 10/- Paid up)	164.81	-	-	-	164.81	-	-	-	164.81
	Share Capital (₹ 10/- Paid up) in IKF Home Finance***	0.00	-	14.02	29.39	43.41	-	-	-	43.41
	Partly paid up shares (Rs 5.00 Paid Up) in IKF Home Finance	-	-	-	-	-	-	-	-	-

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

Name of related party	Nature of transaction	For the FY 2024					For the FY 2025			
		As at March 31, 2023	Transaction value for the year ended March 31, 2024	Received During the year	Paid During The year	As at March 31, 2024	Transaction value for the year ended March 31, 2025	Received During the year	Paid During the Year	As at March 31, 2025
	Partly paid up shares (Rs 6.77 Paid Up) in IKF Home Finance	29.39	-	-	29.39	-	-	-	-	-
	Unsecured Loan in IKF Home Finance	-	-	-	-	-	-	-	-	-
Mr. V Raghu Ram	Share Capital (₹ 10/- Paid up)	180.07	-	-	-	180.07	-	-	-	180.07
	Share Capital (₹ 10/- Paid up) in IKF Home Finance***	0.00	-	15.32	32.11	47.43	-	-	-	47.43
	Partly paid up shares (Rs 5.00 Paid Up) in IKF Home Finance	-	-	-	-	-	-	-	-	-
	Partly paid up shares (Rs 6.77 Paid Up) in IKF Home Finance	32.11	-	-	32.11	-	-	-	-	-
	Unsecured Loan in IKF Home Finance	-	-	-	-	-	-	-	-	-
Mr. Sinha Satyanand Chunduri	Share Capital (₹ 10/- Paid up)	11.77	-	-	-	11.77	-	-	-	11.77
Mrs. Durga Rani Chunduri	Share Capital (₹ 10/- Paid up)	149.41	-	-	-	149.41	-	-	-	149.41
Subsidiary										
Enterprises significantly influenced by key management personnel or their relatives										
IKF Infratech Private Limited	Inter Corporate deposits taken	-	-	-	-	-	-	490.00	(490.00)	-
	Interest Paid	-	-	-	-	-	1.21	-		-
Enterprises in which Directors are interested										
SVR Finance & Leasing Private Limited	Trade Advance	-	-	-	-	-	-	-	-	-
	Interest Paid	-	-	-	-	-	-	-	-	-
Enterprises having a significant influence										
India Business Excellence Fund-IIA	Share Capital (₹ 10/- Paid up)	1,305.16	-	-	-	1,305.16	-	-	-	1,305.16
Vistra ITCL (India) Limited (formerly known as IL and FS Trust Company Limited) (Trustee of Business Excellence Trust-II - India Business Excellence Fund II)	Share Capital (₹ 10/- Paid up)	780.40	-	-	-	780.40	-	-	-	780.40

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Short-term employee benefits	782.07	617.80
Post-employment benefits#	2.04	1.68
Long-term employee benefits	-	-
contributions to Defined contribution plan- Provident fund	2.19	0.36
Termination benefits	-	-
Employee-share based payment	-	1.32
Total compensation	**786.30**	**621.16**

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

* The Increased/Decreased value is relating to purchase of shares/debentures from the public.

*** Since the amounts are in lakhs, ₹ 10 subscribed by promoters is shown as zero

Notes:

(i) Transaction values are excluding taxes and duties.

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

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

(iv) The Group has not granted loans or advances to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that is repayable on demand or without specifying any terms or period of repayment for the financial years ended March 31, 2025 and March 31, 2024.

49 VALUE OF IMPORTS CALCULATED ON CIF BASIS

The Group has not imported any goods therefore value of import on CIF basis is Nil

50 EXPENDITURE IN FOREIGN CURRENCY

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Legal and professional fees	22.32	5.52
Total	**22.32**	**5.52**

51 EARNINGS IN FOREIGN CURRENCY

The Group does has not have any earnings in foreign currency

52 PENALTY

No penalties were imposed by RBI and other regulators during the current year

53 DRAW DOWN FROM RESERVES:

There has been no draw down from reserves during the year ended March 31, 2025 (previous year: Nil)

54 POSTPONEMENT OF REVENUE RECOGNITION

Refer note 2.5 Revenue from operations for the circumstances in which revenue recognition has been postponed pending uncertainty of realisation.

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

55 DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES

For the year ended March 31, 2025, no vendor / supplier has intimated the Group about its status as micro or small enterprises or its registration with the appropriate authority under MSMED.There are no amounts that need to be disclosed in accordance with the Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED') pertaining to micro or small enterprises.

56 DISCLOSURE ON RESOLUTION FRAMEWORK – 2.0: RESOLUTION OF COVID-19 RELATED STRESS OF INDIVIDUALS AND SMALL BUSINESSES IN TERMS OF RBI CIRCULAR RBI / 2021-22 / 31 DOR. STR. REC.11 /21.04.048 / 2021-22 DATED MAY 5, 2021

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year **
Personal Loans #	115.89	9.74	-	3.80	102.35
Corporate Persons*	-	-	-	-	-
of which MSMEs	-	-	-	-	-
Others	60.09	-	-	13.10	46.99
Total	**175.98**	**9.74**	**-**	**16.91**	**149.33**

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

** In case of loan in "others" category, Customer has paid scheduled installment and interest amount of ₹ 1.5 lakhs was added to outstanding amount

pertains to Home loans and Loan Against Property of IKF Home Finance Limited

Disclosures for Reserve Bank of India circular on Resolution Framework for Covid-19 related stress dated August 06, 2020 are not applicable to the Group as none of the borrowers opted for the resolution plan.

57 REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES (ROC)

All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2025. No charges or satisfactions are yet to be registered with ROC beyond the statutory period.

58 COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES

The Group 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, 2025 and March 31, 2024.

59 COMPLIANCE WITH APPROVED SCHEME(S) OF ARRANGEMENTS

The Board of Directors of the Company did not approve any scheme of Arrangements during the financial year ended March 31, 2025 and March 31, 2024.

60 UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM

The Company, as part of its normal business, grants loans and advances, makes investment. These transactions are part of Group's normal non-banking 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 Group to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries). The Group has also not received any fund from any parties (Funding Party) with the understanding that the Group 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.

61 UNDISCLOSED INCOME

There are no transactions not recorded in the books of accounts.

62 TITLE DEEDS OF IMMOVABLE PROPERTIES NOT HELD IN NAME OF THE GROUP

The Company does not possess any immovable property (other than properties where the Group 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 Group during the financial year ended March 31, 2025 and March 31, 2024.

63 DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

The Group has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31,2025 and March 31, 2024.

64 DETAILS OF BENAMI PROPERTY HELD

No proceedings have been initiated or pending against the Group 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, 2025 and March 31, 2024.

65 WILFUL DEFAULTER

The Group has not been declared as a wilful defaulter by any bank or financial institution or other lender in the financial years ended March 31,2025 and March 31,2024.

66 RELATIONSHIP WITH STRUCK OFF COMPANIES

The Group does not have any transactions with companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 in the financial years ended March 31, 2025 and March 31, 2024.

67 INVESTMENT IN ASSOCIATES AND STRUCTURED ENTITIES

The Group does not have any Associates and Structured Entities

68 NOTE ON CODE ON SOCIAL SECURITY, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules thereunder. The Ministry of Labour and Employment has also released draft rules thereunder on November 13, 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will evaluate the rules, assess the impact, if any and account for the same once the rules are notified and become effective.

69 Previous year's information have been regrouped/reclassified wherever necessary to correspond with current year's classification/disclosure.

Signature to Notes on Accounts

For **Mukund M Chitale & Co**
Chartered Accountants
ICAI Firm registration number : 106655W

Nilesh Joshi
Partner
Membership No.114749

Place: Hyderabad
Date: May 23, 2025

For and on behalf of the Board of Directors of
IKF Finance Limited
CIN: U65992AP1991PLC012736

V.G.K Prasad
Chairman
DIN: 01817992

Vasumathi Devi Koganti
Managing Director
DIN: 03161150

Prakash Bhawnani
Chief Financial Officer

Ch. Sreenivasa Rao
Company Secretary
M.No. ACS14723

Place: Hyderabad
Date: May 23, 2025

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Currency : ₹ in lakhs)

ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013

Name of the entity in the Group	Net Asset, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount (₹ in lakhs)	As % of Consolidated profit or loss	Amount (₹ in lakhs)	As % of consolidated other comprehensive income	Amount (₹ in lakhs)	As % of total comprehensive income	Amount (₹ in lakhs)
1	2	3	4	5	6	7	8	9
Parent								
IKF Finance Limited	90.78%	98,851.42	75.58%	10,794.73	12.78%	(6.02)	75.79%	10,788.71
Subsidiaries								
Indian								
IKF Home Finance Limited	7.76%	8,450.09	21.25%	3,035.10	87.22%	(41.11)	21.06%	2,998.11
Foreign	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Minority Interest in all subsidiaries	1.46%	1,585.87	2.39%	341.31	-	-	2.37%	337.15
Inter-company eliminations and consolidation adjustments	-	-	0.78%	110.83	-	-	0.78%	110.83
Associates (Investment as per the equity method)								
Indian	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Foreign	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Joint Ventures (as per proportionate consolidation / investment as per the equity method)								
Indian	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Foreign	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Total	100.00%	1,08,887.38	100.00%	14,281.97	100.00%	(47.14)	100.00%	14,234.80

For and on behalf of the Board of Directors of
IKF Finance Limited
CIN: U65992AP1991PLC012736

For **Mukund M Chitale & Co**
Chartered Accountants
ICAI Firm registration number : 106655W

Nilesh Joshi
Partner
Membership No.114749
Place: Hyderabad
Date: May 23, 2025

V.G.K Prasad
Chairman
DIN: 01817992

Vasumathi Devi Koganti
Managing Director
DIN: 03161150

Prakash Bhawnani
Chief Financial Officer

Ch. Sreenivasa Rao
Company Secretary
M.No. ACS14723

Place: Hyderabad
Date: May 23, 2025

IKF FINANCE

"LEGACY THAT INSPIRES, TECHNOLOGY THAT DELIVERS"

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